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|  | **PENNSYLVANIA**  **PUBLIC UTILITY COMMISSION**  **Harrisburg, PA 17120** |  |
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|  | Public Meeting held January 26, 2017 |
| Commissioners Present: |  |

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| Gladys M. Brown, Chairman | |
| Andrew G. Place, Vice Chairman | |
| John F. Coleman, Jr.  Robert F. Powelson  David W. Sweet | |
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| Letter Petition of the West Penn Power Sustainable Energy Fund for Approval of Revisions to the By-Laws that Govern its Operation | Docket Number:  M-00031715F0005 |

# ORDER

**BY THE COMMISSION:**

On November 19, 1998, at Docket Number R-00973981, the Commission approved the Joint Petition for Full Settlement of the restructuring proceeding filed by West Penn Power Company (West Penn Power) so as to comply with the requirements of the Electricity Generation Customer Choice and Competition Act, 66 Pa. C.S. §§2801-2812. Among the provisions of the approved settlement was one establishing a Sustainable Energy Fund to promote (1) the development and use of renewable energy and clean energy technologies, (2) energy conservation and efficiency and (3) renewable business initiatives and projects in the West Penn Power service territory.

On May 21, 1999, the Commission approved the Advisory Board and on June 2, 2000, approved the by-laws for the West Penn Sustainable Energy Fund (Fund). The approval of the by-laws allowed the fund to begin operations to promote the development of and use of renewable and clean energy technologies in Pennsylvania.

On May 10, 2016, The West Penn Power Sustainable Energy Fund submitted a request to modify its existing by-laws. Previously, the Fund Administrator met with Commission staff on April 7, 2015 to discuss changes modification of the by-laws. Additionally, changes to the by-laws were discussed at meetings of the West Penn Power Sustainable Energy Fund Board of Directors (Board), resulting in the Board of Directors voting unanimously to approve changes to the by-laws on August 15, 2015.

The West Penn Power Sustainable Energy Fund Board of Directors requests approval to modify its by-laws to reflect current operations, correct grammatical errors, remove language regarding initial formation of the Board of Directors, and modify the mission statement to remove restrictive language allowing wider latitude for program implementation that can benefit West Penn Power ratepayers without a change to the focus of the mission. The requested modifications, except for grammatical corrections, are summarized below:

First, the Preamble was altered to reflect the name of the Fund by removing reference to the service territory and it was shortened by removing language that is stated in Section 1.2, Mission.

Second, the three elements of the Fund’s Mission at Section 1.2, A. B. and C., were modified by replacing descriptive wording with concise statements of purpose that provide a wider range for program implementation that can benefit West Penn Power ratepayers.

Third, Section 4.3, A., was altered by removing language specific to establishment of the initial Board, modifying the interests that Board members represent and adjusting the term of a Board member from two years to three years.

Fourth, Section 4.3, C., was revised to expand the circumstances which would require the Board to replace a member.

Fifth, Section 4.12 was modified to require that the Fund adopt a Conflict of Interest Policy, extend the Conflict of Interest Standard to the Fund Administrator and modify the conditions for exception to the Conflict of Interest Policy at Sections 4.12, A. and B.

Sixth, Section 5.7 was amended with the addition to two subsections which further define duties of the Chairperson and the Vice Chairperson. Section 5.7 B. was added to specify duties of the Vice Chairperson when the Chairperson is absent and as requested by the Board of Directors. Section 5.7 C., was added to define the authority and duties of the Chairperson in the absence of a person serving as President.

Seventh, the Office of President at Section 5.8 was revised to be optional at the discretion of the Board and the authority of the President was expanded.

Eighth, at Section 6.2 A. – G, changes were made to reflect duties currently performed by the Administrator. Language regarding development of the initial business plan in Section 6.2 A. was replaced with development of an annual operating plan and annual budget subject to Board approval. Section 6.2 B. was revised to add development of a multi-year strategic plan and a multi-year leadership succession plan. Section 6.2 C. was adjusted for consistency with Section 6.2 A. Section 6.2 D amended to include reporting information on the suitability of grant and loan requests. Section 6.2 E added a duty for the Administrator to provide recommendations to the Board on requests for assistance and stipulated that disbursement of funds for loans, investments and grants have approval of the Board. Section 6.2 G. changed the reporting requirements from biannual to annual, requiring the report to be a public document shared with the Commission and removed language requiring the Administrator to work with West Penn and others to inform all ratepayers of the Fund’s activities.

Ninth, Section 7.2 Fund Disbursements is revised to remove language restricting fund disbursements to the annual program plan and the annual operating budget, removal of the sentence requiring the Administrator to comply with the annual program plan and the annual budget and removal of the sentence requiring recommendations to the Board so that expenditures can be made. The revised language requires that disbursements be consistent with the Mission of the Fund and/or the annual operating plan and budget.

Based on a review of all relevant information, the Commission finds the modifications to the West Penn Power Sustainable Energy Fund’s by-laws to be reasonable and appropriate. The by-laws, as amended are thereby approved; **THEREFORE,**

**IT IS ORDERED:**

1. That the proposed changes of the West Penn Power Sustainable Energy Fund By-laws are approved.

2. That a copy of this Order be served on the West Penn Power Sustainable Energy Fund, the Office of Consumer Advocate and the Office of Small Business Advocate.

3. That this proceeding at Docket No. M-00031715F0005 be closed.



**BY THE COMMISSION,**

Rosemary Chiavetta

Secretary

(SEAL)

ORDER ADOPTED: January 26, 2017

ORDER ENTERED: January 26, 2017