

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120**

Public Meeting held March 27, 2025

Commissioners Present:

Stephen M. DeFrank, Chairman
Kimberly Barrow, Vice Chair
Ralph V. Yanora
Kathryn L. Zerfuss
John F. Coleman, Jr.

Pennsylvania Sustainable Energy Board

Docket No. M-00031715

ORDER

BY THE COMMISSION:

In 1999, the Commission established the Pennsylvania Sustainable Energy Board (PASEB) to provide “oversight, guidance and technical assistance” to the regional sustainable energy funds (SEF). *Electric Distribution Companies’ Sustainable Energy Funds*, Docket Nos. R-00973953, R-00973954, R-00973981, R-00974008, R-00974009 (Order entered July 1, 1999). The Commission determined that a statewide board could assist the regional SEFs in coordinating their activities in furtherance of the public interest. In 2003, the Commission defined the role and obligations of the PASEB in more detail. *Statewide Sustainable Energy Board*, Docket No. M-00031715 (Order entered August 12, 2003) (*Statewide Order*). Among other things, the *Statewide Order* directed the PASEB to establish Bylaws. The PASEB established its initial Bylaws, which were approved by the Commission in 2011. Pursuant to the PASEB Bylaws, amendments will not be approved unless they are also approved by the Commission. On March 28, 2024,

the PASEB voted to revise its Bylaws by a unanimous vote. The revisions to the PASEB Bylaws are now before the Commission for review and approval.

BACKGROUND

Section 2806(d) of the Electricity Generation Customer Choice and Competition Act, 66 Pa. C.S. § 2806(d), required that all electric distribution companies submit a restructuring plan to the Commission to implement direct access to competitive markets. Each of these plans was the subject of litigation before the Commission. The Commission approved settlement agreements for five electric distribution companies that included provisions establishing four regional sustainable energy funds (SEFs).¹ These funds were the Sustainable Development Fund, the Sustainable Energy Fund of Central Eastern Pennsylvania, Inc., the West Penn Power Sustainable Energy Fund, and the Metropolitan Edison Company and Pennsylvania Electric Company Sustainable Energy Fund. The Commission later approved bylaws governing the operations of each SEF.

In the *Statewide Order*, the Commission directed that the PASEB undertake certain specific actions as part of its mission. These actions included submitting an annual report to the Commission, holding an annual meeting, developing “best practices” to guide the operations of the SEFs, and establishing bylaws.

¹ *Application of PECO Energy Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code, et al.*, Docket No. R-000973953 and P-00971265 (Order entered May 14, 1998); *Application of Pennsylvania Power & Light Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code, et al.*, Docket No. R-000973954 (Order entered August 27, 1998); *Application of West Penn Power Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code, et al.*, Docket No. R-000973981 (Order entered November 19, 1998); *Application of Metropolitan Edison Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code, et al.*, Docket No. R-000974008 (Order entered October 20, 1998); *Application of Pennsylvania Electric Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code, et al.*, Docket No. R-000974009 (Order entered October 20, 1998).

The PASEB issued its first annual report on May 7, 2004, and held its first Annual Meeting on June 29, 2004. The PASEB also met periodically throughout 2004 to develop its Best Practices. Best Practices documents were developed by the PASEB and Commission staff by October 2004. The PASEB voted at its annual meeting on December 11, 2006, to submit the Best Practices to the Commission for approval and, on March 6, 2007, the Commission approved the PASEB's Best Practices at the above-captioned docket number, Docket No. M-00031715. The PASEB approved draft Bylaws on April 15, 2004. Thereafter, the Bylaws were voted on by the PASEB at its annual meeting on December 7, 2010. The Commission subsequently approved the PASEB Bylaws by Order entered January 28, 2011, at the above-referenced docket number.

The PASEB has periodically reviewed its Bylaws to determine whether amendments are necessary. During the PASEB Annual Meeting on January 15, 2015, the PASEB voted to amend the Bylaws to address some housekeeping details involving, deleting the Project Matrix requirement, removing the Joint Petitioner notice, and revising the process for amendments. These amendments to the PASEB Bylaws were approved by the Commission by Order entered May 19, 2016, at the above-referenced docket number.

Most recently, during the PASEB Annual Meeting on March 28, 2024, the PASEB voted to revise its Bylaws to address an intended change in the name of one of the SEFs, the West Penn Power Sustainable Energy Fund (WPPSEF).

DISCUSSION

The PASEB Bylaws articulate the internal rules of governance under which the PASEB operates. Article XI of the Bylaws addresses adoption and amendments. At the March 28, 2024 Annual Meeting, pursuant to Article XI, the PASEB voted to amend its Bylaws. A copy of the Bylaws with the proposed revisions identified in redline is

attached as Appendix A and a copy of the Bylaws with all proposed revisions incorporated is attached as Appendix B.

As noted above, the proposed revisions to the PASEB Bylaws relate to the name change of the WPPSEF. On March 19, 2024, the WPPSEF filed a Petition for Commission approval for amendments to the WPPSEF Bylaws at Docket No. M-2023-3041569. The WPPSEF Board of Directors approved resolutions adopting Articles of Amendment for a change in the name of the WPPSEF and amendments to the WPPSEF Bylaws to reflect the name change. The WPPSEF's Petition sought Commission approval of the Articles of Amendment and the amended WPPSEF Bylaws. The WPPSEF's resolutions provided that the WPPSEF intended to change its name to the "West Penn Energy Fund (WPEF)." On July 11, 2024, the Commission approved the WPPSEF's Petition regarding its name change and amendments to the WPPSEF's Bylaws to reflect its name change.² *Letter Petition of the West Penn Power Sustainable Energy Fund for Approval of Revisions to the By-Laws that Govern its Operation*, Docket No. M-2023-3041569 (Order entered July 11, 2024).

At the PASEB Annual Meeting held on March 28, 2024, the matter of WPPSEF's name change was put before the PASEB. The PASEB discussed that its Bylaws would need to be updated in all relevant areas to reflect the name change proposed by WPPSEF. The PASEB voted unanimously to accept the WPPSEF's name change and amend the PASEB Bylaws, contingent upon approval of the name change by the Commission.

² In the July 11, 2024 Order, we noted that, while the Commission may approve of the WPPSEF's intention to file Articles of Amendment, the Commission is not authorized to approve the Articles of Amendment themselves, which must be filed with the Pennsylvania Department of State, and that the WPPSEF's resolution and the amendments to the Preamble of the WPPSEF Bylaws acknowledged that Articles of Amendment would be filed with the Pennsylvania Department of State. A review of the Pennsylvania Department of State's website reflects that the WPPSEF's name was formally changed to the "West Penn Energy Fund" on July 12, 2024.

The proposed revisions to the PASEB Bylaws include changing references to “West Penn Power Sustainable Energy Fund” and “WPPSEF” to “West Penn Energy Fund” and “WPEF,” respectively, as well as updating the website information for this SEF. These proposed revisions appear in Articles I, IV, and X of the PASEB Bylaws.

Based on a review of all relevant information, the Commission finds the PASEB’s modifications to the PASEB Bylaws to refer to the WPPSEF as the West Penn Energy Fund (WPEF) and to update the website information for this SEF, to be reasonable and appropriate. The PASEB Bylaws, as amended, are hereby approved consistent with this Order; **THEREFORE,**

IT IS ORDERED:

1. That the amended Bylaws submitted by the Pennsylvania Sustainable Energy Board are approved consistent with this Order.

2. That a copy of this Order be served on each member of the Pennsylvania Sustainable Energy Board, the Bureau of Investigation and Enforcement, the Office of Consumer Advocate, and the Office of Small Business Advocate.

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

BY THE COMMISSION,



Rosemary Chiavetta
Secretary

(SEAL)

ORDER ADOPTED: March 27, 2025

ORDER ENTERED: March 27, 2025

APPENDIX A

**Bylaws of the
Pennsylvania Sustainable Energy Board**

I. DEFINITIONS

Board. The Pennsylvania Sustainable Energy Board (“PASEB”) created and described in Orders of the Pennsylvania Public Utility Commission entered on July 1, 1999 and August 12, 2003.

Commission. The Pennsylvania Public Utility Commission.

Regional Sustainable Energy Funds (“RSEF”): the following funds created pursuant to the Orders of the Public Utility Commission in the electric utility restructuring decisions:

- A. Metropolitan Edison/Penelec Sustainable Energy Fund (consisting of the Metropolitan Edison Fund of Berks County Community Foundation and the Penelec Sustainable Energy Fund of the Community Foundation for the Alleghenies (<http://www.metedpenelecsef.org>), authorized in the settlement agreement and order in the GPU restructuring proceeding (PUC Docket No. R-00974008, Order of October 20, 1998);
- B. Sustainable Development Fund (<http://www.reinvestment.com>), authorized in the settlement agreement and order in the PECO Energy restructuring proceeding (PUC Docket No. R-00973953, Order of May 14, 1998);
- C. Sustainable Energy Fund of Central Eastern Pennsylvania (<http://www.theseef.org>), authorized in the settlement agreement and order in the PP&L restructuring proceeding (PUC Docket No. R-00973954, Order of August 27, 1998);
- D. West Penn Energy Fund (<https://www.westpennenergyfund.org>), authorized in the settlement agreement and order in the West Penn restructuring proceeding (PUC Docket No. R-00973981 (Order of November 19, 1998).

II. NAME

The name of the organization is the Pennsylvania Sustainable Energy Board (“PASEB”).

III. PURPOSE

The purpose of the Board is:

- A.** To provide guidance and technical assistance to the Regional Sustainable Energy Funds in order to maximize their impact and effectiveness in their work to:
 - 1) support the start-up, attraction, expansion and retention of sustainable energy businesses in Pennsylvania;
 - 2) promote the use and development of renewable energy and clean energy technologies; and,
 - 3) encourage energy conservation and energy efficiency throughout Pennsylvania.
- B.** To provide oversight to the Regional Sustainable Energy Funds in the development of a best practices business model.
- C.** To be a forum where the Board, the RSEF staffs, Commonwealth agencies, public officials and the public can educate each other and learn about sustainable energy technologies, markets and opportunities and where together they can discuss and fashion effective market actions and public policies that better promote a sustainable energy future for Pennsylvania.

IV. BOARD OF DIRECTORS

- A. Board Members.** There will be nine members of the Board and they will be:
 - 1) A member of the Board of Directors of the Metropolitan Edison / Penelec Sustainable Energy Fund.
 - 2) A member of the Board of Directors of the Sustainable Development Fund.
 - 3) A member of the Board of Directors of the Sustainable Energy Fund of Central Eastern Pennsylvania.
 - 4) A member of the Board of Directors of the West Penn Energy Fund.

- 5) The Executive Director of the Pennsylvania Public Utility Commission or her/his designee.
- 6) The Secretary of the Pennsylvania Department of Environmental Protection or her/his designee.
- 7) The Secretary of the Pennsylvania Department of Community and Economic Development or her/his designee.
- 8) The Pennsylvania Consumer Advocate or her/his designee.
- 9) The President of the Pennsylvania Environmental Council or her/his designee.

B. Term for Members. All Board members will serve at the pleasure of their appointing body for whatever term the appointing body selects.

V. BOARD COMMITTEES

A. Committees.

- 1) The Board may create such standing or special committees as it believes reasonable or necessary. The Board will set the duties, responsibilities, deliverables and work deadlines for each committee.
- 2) Board members and their designees, as well as staff of the Board members, may serve on any committee.
- 3) All committees will provide all Board members with regular written reports of all committee activities.

B. Task Forces.

- 1) The Board may create and appoint Board members and non-Board members to task forces for the purpose of securing advice and recommendations to the Board. The Board will determine the duties, responsibilities, deliverables and work deadlines of each task force.

- 2) Board members and their designees, as well as staff of the Board members, may serve on any task force.
- 3) All task forces will provide all Board members with regular written reports of all task force activities.

VI. BOARD STAFF SUPPORT

A. Commission Staff Support. The Commission's Executive Director or her/his designee will designate Commission staff to assist the Board in its operations, meetings and activities, including:

- 1) issuing notices of Board meetings;
- 2) arranging the location of Board meetings;
- 3) with input from all Board members, preparing the agenda for Board meetings;
- 4) preparing the minutes of Board meetings;
- 5) posting reports and other information on the web; and,
- 6) performing other administrative duties for the Board.

B. Regional Sustainable Energy Fund Staff Participation. The board of each Regional Sustainable Energy Fund may establish rules for participation of their individual RSEF staff in the meetings, committees, tasks forces, operations and activities of the PASEB.

VII. BOARD MEETINGS

A. Annual Meeting. The Board will conduct an annual meeting to update the relevant Commonwealth agencies and other interested groups on the status of the four Regional Sustainable Energy Funds and to discuss and learn about sustainable energy technologies, policies and issues. The annual meeting will be held in the Harrisburg area, unless changed by the Board. The place, date and

time of the annual meeting will be advertised through an annual meeting notice on the Commission website and the websites of the Regional Sustainable Energy Funds.

B. Other Board Meetings. The Board may hold other meetings from time to time when requested in writing by three (3) Board members. The meeting notice will be in writing to all Board members, will state the intended purpose of the meeting and will be issued not less than fourteen (14) calendar days before the scheduled meeting. The meeting notice will state the place, date and time for the meeting. The meeting notice will be sent to all Board members and RSEF staff and will be posted on the Commission website.

C. Meeting Requirements.

- 1) **Participation.** Board members will participate in the annual meeting in person. Board members may participate in other board meetings in person or by conference call or internet conferencing. A designated representative of a Board member may attend on behalf of a Board member and will be recognized for the purpose of a quorum and for voting. No proxies will be recognized either for purpose of a quorum or for voting.
- 2) **Quorum.** The Board may only transact official business at a meeting where a quorum is present. A quorum for a meeting of the Board will be at least five (5) members, of which at least three (3) must be representatives from the Regional Sustainable Energy Funds.
- 3) **Voting.** The business of the Board will be approved by a majority of the members present at a meeting which enjoyed a quorum. The Commission's representative will be a non-voting member, except to the extent its vote is necessary to break a tie, except as noted in these bylaws at section XI. Adoption and Amendments to Bylaws, Part B.
- 4) **Open Meetings.** All Board meetings are open to the public, except for Executive Session, which may be called by the Board to address:

- (a) pending or potential litigation or investigations;
 - (b) discussion about RSEF financial business that must include information that is confidential and/or proprietary; and,
 - (c) other matters permitted by law.
- 5) **Staff Participation.** Staff of the Board members will be entitled to be present for and to participate in all Board meetings, including Executive Sessions of the Board.

VIII. REPORTING

A. **Regional Sustainable Energy Fund Annual Reports.**

Design. The Board will prepare a standard format and required content for an annual report that will be used by each Regional Sustainable Energy Fund in making an annual report to the Board. The standard format will include the information to be presented in the narrative portion of the reports (including performance benchmarks) and the format for reporting the relevant financial information. The financial information in the RSEF annual reports can be a combination of audited and unaudited information and the RSEFs may continue to use a different fiscal year for purposes of financial auditing. The annual reports will be filed with the Commission on February 15th or as otherwise directed by Order of the Commission.

- 1) **Submission of Annual Reports.** Each Regional Sustainable Energy Fund will prepare and submit an annual report summarizing their activities and their financial transactions during the period January 1st to December 31st.
- 2) **Publication.** The Regional Sustainable Energy Funds will distribute written copies of their annual reports to all Board members and to the other Regional Sustainable Energy Funds and will post their annual reports on their websites. In addition, the Commission will post all Regional Sustainable Energy Fund annual reports on the Commission website. The other Board members are encouraged to post the annual reports on their web sites as well.

- B. Board Annual Report.** The annual reports of the Regional Sustainable Energy Funds will be consolidated and summarized in a Board annual report that will be assembled by Commission staff, with input from the Board members. This annual report will be posted on the Commission website and the websites of the other PASEB agencies.

IX. BEST PRACTICES

- A. Purpose.** Consistent with the Commission’s Orders, the Board will develop, document and maintain best practices for various activities of the Regional Sustainable Energy Funds.
- B. Topics.** The Board will determine the topics to be addressed and the order in which the topics are to be developed. The first draft of each topic will be prepared by the staff of the Regional Sustainable Energy Funds and then reviewed and approved by the Board.

X. GUIDELINES ON THE ALLOCATION AND USE OF ALTERNATIVE COMPLIANCE PAYMENTS UNDER THE ALTERNATIVE ENERGY PORTFOLIO STANDARDS ACT OF 2004.

- A.** As required by §3(g)(1) of the Alternative Energy Portfolio Standards Act of 2004 (“AEPS Act”) (73 P.S. § 1648.3(g)(1)), all Alternative Compliance Payments (“ACPs”) paid by electric distribution companies and by electricity generation suppliers for failure to meet the requirements of the AEPS Act are to be paid to the Pennsylvania Sustainable Energy Board (“PASEB”). These guidelines will control how PASEB will distribute those ACPs to the regional Pennsylvania sustainable energy funds (“PA SEFs”).
- B.** All funds received by PASEB shall be kept in a separate account maintained by the West Penn Energy Fund (WPEF). WPEF shall manage the account and report all receipts and disbursements of ACP funds to the PASEB. WPEF has agreed to do this without cost to PASEB.

- C.** As required by §3(g)(2) of the AEPS Act (73 P.S. § 1648.3(g)(2)), ACPs shall be utilized solely for projects that will increase the amount of electric energy generated from alternative energy resources. ACPs paid because of the failure to satisfy the solar share requirements shall be used only for solar projects. ACPs paid because of failure to satisfy the Tier 1 requirements shall be used only for Tier 1 eligible projects. ACPs paid because of failure to satisfy the Tier 2 requirements may be used either for Tier 2 or Tier 1 eligible projects.
- D.** On an annual basis, following the receipt of the ACPs, PASEB shall allocate the ACPs received as follows:
- 1) If the ACPs arose from the service territory of Metropolitan Edison and Penelec, PECO, PPL or West Penn Power, then 50% of the ACP shall go to the regional sustainable energy fund for that service territory and 50% of the ACP shall be divided equally between the four regional sustainable energy funds. For purposes of these Guidelines, the First Energy funds (Metropolitan Edison and Penelec) are considered a single SEF.
 - 2) If the ACPs arose from a service territory other than those listed in (a), then 100% of the ACP shall be divided equally between the four regional sustainable energy funds.
 - 3) The PA SEFs are free to pool some or all of their ACPs and support a common eligible project.
- E.** All SEFs will have two years to commit and spend their ACPs. The PASEB may approve a one year extension for good cause.
- F.** All SEFs shall report how they used their share of the ACPs in a separate section of their annual reports to the Pennsylvania Public Utility Commission.

XI. ADOPTION AND AMENDMENTS TO BYLAWS

- A. Effective Date.** These Bylaws will be in full force and effect immediately upon adoption by the Commission.
- B. Amendment.** These Bylaws may be changed by amendment or repeal through the following steps:
- 1) A written copy of the proposed amendment will be given to the Board members and discussed at a meeting of the Board.
 - 2) A Board vote on the proposed amendment will not take place at the initial Board meeting at which the proposed amendment was first presented and discussed, but at the subsequent Board meeting. The subsequent Board meeting may be accomplished by notational voting which may be by telephone conference call or by electronic mail.
 - 3) A proposed amendment will not be approved unless it receives the vote of at least six (6) Board members.
 - 4) A proposed amendment will not be approved unless it is also approved by the Commission.

NOTE: *These Bylaws were approved by the Pennsylvania Sustainable Energy Board on March 28, 2024.*

APPENDIX B

**Bylaws of the
Pennsylvania Sustainable Energy Board**

X. DEFINITIONS

Board. The Pennsylvania Sustainable Energy Board (“PASEB”) created and described in Orders of the Pennsylvania Public Utility Commission entered on July 1, 1999 and August 12, 2003.

Commission. The Pennsylvania Public Utility Commission.

Regional Sustainable Energy Funds (“RSEF”): the following funds created pursuant to the Orders of the Public Utility Commission in the electric utility restructuring decisions:

- A. Metropolitan Edison/Penelec Sustainable Energy Fund (consisting of the Metropolitan Edison Fund of Berks County Community Foundation and the Penelec Sustainable Energy Fund of the Community Foundation for the Alleghenies (<http://www.metedpenelecsef.org>), authorized in the settlement agreement and order in the GPU restructuring proceeding (PUC Docket No. R-00974008, Order of October 20, 1998);
- B. Sustainable Development Fund (<http://www.reinvestment.com>), authorized in the settlement agreement and order in the PECO Energy restructuring proceeding (PUC Docket No. R-00973953, Order of May 14, 1998);
- C. Sustainable Energy Fund of Central Eastern Pennsylvania (<http://www.theseef.org>), authorized in the settlement agreement and order in the PP&L restructuring proceeding (PUC Docket No. R-00973954, Order of August 27, 1998);
- D. West Penn Energy Fund (<https://www.westpennenergyfund.org>), authorized in the settlement agreement and order in the West Penn restructuring proceeding (PUC Docket No. R-00973981, Order of November 19, 1998).

XI. NAME

The name of the organization is the Pennsylvania Sustainable Energy Board (“PASEB”).

XII. PURPOSE

The purpose of the Board is:

- A.** To provide guidance and technical assistance to the Regional Sustainable Energy Funds in order to maximize their impact and effectiveness in their work to:
 - 4) support the start-up, attraction, expansion and retention of sustainable energy businesses in Pennsylvania;
 - 5) promote the use and development of renewable energy and clean energy technologies; and,
 - 6) encourage energy conservation and energy efficiency throughout Pennsylvania.
- D.** To provide oversight to the Regional Sustainable Energy Funds in the development of a best practices business model.
- E.** To be a forum where the Board, the RSEF staffs, Commonwealth agencies, public officials and the public can educate each other and learn about sustainable energy technologies, markets and opportunities and where together they can discuss and fashion effective market actions and public policies that better promote a sustainable energy future for Pennsylvania.

XIII. BOARD OF DIRECTORS

- A. Board Members.** There will be nine members of the Board and they will be:
 - 1) A member of the Board of Directors of the Metropolitan Edison / Penelec Sustainable Energy Fund.
 - 2) A member of the Board of Directors of the Sustainable Development Fund.
 - 3) A member of the Board of Directors of the Sustainable Energy Fund of Central Eastern Pennsylvania.
 - 4) A member of the Board of Directors of the West Penn Energy Fund.

- 5) The Executive Director of the Pennsylvania Public Utility Commission or her/his designee.
- 6) The Secretary of the Pennsylvania Department of Environmental Protection or her/his designee.
- 7) The Secretary of the Pennsylvania Department of Community and Economic Development or her/his designee.
- 8) The Pennsylvania Consumer Advocate or her/his designee.
- 9) The President of the Pennsylvania Environmental Council or her/his designee.

B. Term for Members. All Board members will serve at the pleasure of their appointing body for whatever term the appointing body selects.

XIV. BOARD COMMITTEES

A. Committees.

- 1) The Board may create such standing or special committees as it believes reasonable or necessary. The Board will set the duties, responsibilities, deliverables and work deadlines for each committee.
- 2) Board members and their designees, as well as staff of the Board members, may serve on any committee.
- 3) All committees will provide all Board members with regular written reports of all committee activities.

B. Task Forces.

- 1) The Board may create and appoint Board members and non-Board members to task forces for the purpose of securing advice and recommendations to the Board. The Board will determine the duties, responsibilities, deliverables and work deadlines of each task force.

- 2) Board members and their designees, as well as staff of the Board members, may serve on any task force.
- 3) All task forces will provide all Board members with regular written reports of all task force activities.

XV. BOARD STAFF SUPPORT

A. Commission Staff Support. The Commission's Executive Director or her/his designee will designate Commission staff to assist the Board in its operations, meetings and activities, including:

- 1) issuing notices of Board meetings;
- 2) arranging the location of Board meetings;
- 3) with input from all Board members, preparing the agenda for Board meetings;
- 4) preparing the minutes of Board meetings;
- 5) posting reports and other information on the web; and,
- 6) performing other administrative duties for the Board.

B. Regional Sustainable Energy Fund Staff Participation. The board of each Regional Sustainable Energy Fund may establish rules for participation of their individual RSEF staff in the meetings, committees, tasks forces, operations and activities of the PASEB.

XVI. BOARD MEETINGS

A. Annual Meeting. The Board will conduct an annual meeting to update the relevant Commonwealth agencies and other interested groups on the status of the four Regional Sustainable Energy Funds and to discuss and learn about sustainable energy technologies, policies and issues. The annual meeting will be held in the Harrisburg area, unless changed by the Board. The place, date and

time of the annual meeting will be advertised through an annual meeting notice on the Commission website and the websites of the Regional Sustainable Energy Funds.

B. Other Board Meetings. The Board may hold other meetings from time to time when requested in writing by three (3) Board members. The meeting notice will be in writing to all Board members, will state the intended purpose of the meeting and will be issued not less than fourteen (14) calendar days before the scheduled meeting. The meeting notice will state the place, date and time for the meeting. The meeting notice will be sent to all Board members and RSEF staff and will be posted on the Commission website.

C. Meeting Requirements.

- 1) **Participation.** Board members will participate in the annual meeting in person. Board members may participate in other board meetings in person or by conference call or internet conferencing. A designated representative of a Board member may attend on behalf of a Board member and will be recognized for the purpose of a quorum and for voting. No proxies will be recognized either for purpose of a quorum or for voting.
- 2) **Quorum.** The Board may only transact official business at a meeting where a quorum is present. A quorum for a meeting of the Board will be at least five (5) members, of which at least three (3) must be representatives from the Regional Sustainable Energy Funds.
- 3) **Voting.** The business of the Board will be approved by a majority of the members present at a meeting which enjoyed a quorum. The Commission's representative will be a non-voting member, except to the extent its vote is necessary to break a tie, except as noted in these bylaws at section XI. Adoption and Amendments to Bylaws, Part B.
- 4) **Open Meetings.** All Board meetings are open to the public, except for Executive Session, which may be called by the Board to address:

- (a) pending or potential litigation or investigations;
 - (b) discussion about RSEF financial business that must include information that is confidential and/or proprietary; and,
 - (c) other matters permitted by law.
- 5) **Staff Participation.** Staff of the Board members will be entitled to be present for and to participate in all Board meetings, including Executive Sessions of the Board.

XVII. REPORTING

A. Regional Sustainable Energy Fund Annual Reports.

Design. The Board will prepare a standard format and required content for an annual report that will be used by each Regional Sustainable Energy Fund in making an annual report to the Board. The standard format will include the information to be presented in the narrative portion of the reports (including performance benchmarks) and the format for reporting the relevant financial information. The financial information in the RSEF annual reports can be a combination of audited and unaudited information and the RSEFs may continue to use a different fiscal year for purposes of financial auditing. The annual reports will be filed with the Commission on February 15th or as otherwise directed by Order of the Commission.

- 1) **Submission of Annual Reports.** Each Regional Sustainable Energy Fund will prepare and submit an annual report summarizing their activities and their financial transactions during the period January 1st to December 31st.
- 2) **Publication.** The Regional Sustainable Energy Funds will distribute written copies of their annual reports to all Board members and to the other Regional Sustainable Energy Funds and will post their annual reports on their websites. In addition, the Commission will post all Regional Sustainable Energy Fund annual reports on the Commission website. The other Board members are encouraged to post the annual reports on their web sites as well.

- B. Board Annual Report.** The annual reports of the Regional Sustainable Energy Funds will be consolidated and summarized in a Board annual report that will be assembled by Commission staff, with input from the Board members. This annual report will be posted on the Commission website and the websites of the other PASEB agencies.

XVIII. BEST PRACTICES

- A. Purpose.** Consistent with the Commission’s Orders, the Board will develop, document and maintain best practices for various activities of the Regional Sustainable Energy Funds.
- B. Topics.** The Board will determine the topics to be addressed and the order in which the topics are to be developed. The first draft of each topic will be prepared by the staff of the Regional Sustainable Energy Funds and then reviewed and approved by the Board.

X. GUIDELINES ON THE ALLOCATION AND USE OF ALTERNATIVE COMPLIANCE PAYMENTS UNDER THE ALTERNATIVE ENERGY PORTFOLIO STANDARDS ACT OF 2004.

- A.** As required by §3(g)(1) of the Alternative Energy Portfolio Standards Act of 2004 (“AEPS Act”) (73 P.S. § 1648.3(g)(1)), all Alternative Compliance Payments (“ACPs”) paid by electric distribution companies and by electricity generation suppliers for failure to meet the requirements of the AEPS Act are to be paid to the Pennsylvania Sustainable Energy Board (“PASEB”). These guidelines will control how PASEB will distribute those ACPs to the regional Pennsylvania sustainable energy funds (“PA SEFs”).
- B.** All funds received by PASEB shall be kept in a separate account maintained by the West Penn Energy Fund (WPEF). WPEF shall manage the account and report all receipts and disbursements of ACP funds to the PASEB. WPEF has agreed to do this without cost to PASEB.

- C.** As required by §3(g)(2) of the AEPS Act (73 P.S. § 1648.3(g)(2)), ACPs shall be utilized solely for projects that will increase the amount of electric energy generated from alternative energy resources. ACPs paid because of the failure to satisfy the solar share requirements shall be used only for solar projects. ACPs paid because of failure to satisfy the Tier 1 requirements shall be used only for Tier 1 eligible projects. ACPs paid because of failure to satisfy the Tier 2 requirements may be used either for Tier 2 or Tier 1 eligible projects.
- D.** On an annual basis, following the receipt of the ACPs, PASEB shall allocate the ACPs received as follows:
- 1) If the ACPs arose from the service territory of Metropolitan Edison and Penelec, PECO, PPL or West Penn Power, then 50% of the ACP shall go to the regional sustainable energy fund for that service territory and 50% of the ACP shall be divided equally between the four regional sustainable energy funds. For purposes of these Guidelines, the First Energy funds (Metropolitan Edison and Penelec) are considered a single SEF.
 - 2) If the ACPs arose from a service territory other than those listed in (a), then 100% of the ACP shall be divided equally between the four regional sustainable energy funds.
 - 3) The PA SEFs are free to pool some or all of their ACPs and support a common eligible project.
- E.** All SEFs will have two years to commit and spend their ACPs. The PASEB may approve a one year extension for good cause.
- F.** All SEFs shall report how they used their share of the ACPs in a separate section of their annual reports to the Pennsylvania Public Utility Commission.

XI. ADOPTION AND AMENDMENTS TO BYLAWS

- A. Effective Date.** These Bylaws will be in full force and effect immediately upon adoption by the Commission.
- B. Amendment.** These Bylaws may be changed by amendment or repeal through the following steps:
- 1) A written copy of the proposed amendment will be given to the Board members and discussed at a meeting of the Board.
 - 2) A Board vote on the proposed amendment will not take place at the initial Board meeting at which the proposed amendment was first presented and discussed, but at the subsequent Board meeting. The subsequent Board meeting may be accomplished by notational voting which may be by telephone conference call or by electronic mail.
 - 3) A proposed amendment will not be approved unless it receives the vote of at least six (6) Board members.
 - 4) A proposed amendment will not be approved unless it is also approved by the Commission.

NOTE: *These Bylaws were approved by the Pennsylvania Sustainable Energy Board on March 28, 2024.*