



Philadelphia Authority for  
Industrial Development

# AGENDA

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**TO:** THE MEMBERS OF THE BOARD OF DIRECTORS OF THE PHILADELPHIA  
AUTHORITY FOR INDUSTRIAL DEVELOPMENT

**FROM:** ILENE BURAK, ESQ., SECRETARY

The following is the Agenda for the Meeting of the Board of Directors of the Philadelphia Authority for Industrial Development to be held on Tuesday, November 29, 2022, at 5:00 p.m. via Zoom:

<https://zoom.us/j/96979692980?pwd=YUJZOTBBeGdBeTBJZDJxSXdiQU5LZz09>

Meeting ID: 969 7969 2980

Passcode: 183876.

- I. Approval of the Minutes of the Authority for the meetings held on November 15, 2022.
- II. Public Comments.
- III. Consider and approve Resolutions authorizing PAID to:
  - A. Contract for the procurement of natural gas supply to fuel energy assets at the Navy Yard.
  - B. Amend Section V of PAID's Articles of Incorporation to increase PAID's term of existence.

*THOSE WHO WISH TO PROVIDE COMMENTS OR QUESTIONS ARE ASKED TO DO SO VIA  
Email: [paidmeeting@gmail.com](mailto:paidmeeting@gmail.com), PRIOR TO 3 pm Monday, November 28, 2022*

## **RESOLUTION**

Philadelphia Authority for Industrial Development

*Natural Gas Procurement – Navy Yard Electric Utility*

A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to contract for the procurement of natural gas supply to fuel energy assets at the Navy Yard for a three-year period in an amount not to exceed \$375,000. The final amount will be determined by actual natural gas consumption at contract and spot market prices. The source of funds is revenue generated through the sale of electricity to Navy Yard customers.

All officers of PAID are hereby authorized and empowered to execute all necessary documents and agreements in advance, and to do such other acts necessary to contract for the procurement of natural gas supply for the Navy Yard upon such terms and conditions as they deem to be in the best interests of the Authority.

## **BACKGROUND**

The Navy Yard Electric Utility utilizes an 8MW natural gas-powered Peaker Generation Plant to manage demand on the Navy Yard electric grid and minimize customer exposure to periodic pricing spikes in the regional electricity market. These assets also provide resilience to portions of the grid in the event of electric service outages.

Natural gas supply for the Peaker Generation Plant is secured through a commodity purchase contract to provide pricing predictability, hedge against volatility in the spot market, and optimize cost-effective operation of the Peaker Generation Plant. The current contract expires in December of 2022.

The Navy Yard Electric Utility's energy markets consultant, SourceOne (a Veolia Company), has identified two providers with the capacity to supply natural gas to the Navy Yard at competitive rates over the next three years. Based on historic usage, market analysis, and preliminary pricing, Source One projects that total natural gas procurement costs for the Peaker Generation Plant will not exceed \$375,000 over the three-year period. The final contract amount will be determined by actual natural gas consumption, along with spot market and contract prices, competitively bid. The source of funds for this work will come from revenue generated through the sale of electricity to Navy Yard customers.

**A RESOLUTION  
OF THE BOARD OF DIRECTORS OF  
THE PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT**

The Board of Directors (the “Board”) of the Philadelphia Authority for Industrial Development (“PAID”), hereby takes the following actions and adopts the following resolutions.

WHEREAS, The Council of the City of Philadelphia enacted Bill No. 2782, signed by the Mayor on October 25, 1967, signifying its intention to organize the Philadelphia Authority for Industrial Development (“PAID”) under the Pennsylvania Economic Development Financing Law, P.L. 251, August 23, 1967, 73 Pa.C.S.A. § 371 *et seq.*, as amended (Economic Development Financing Law), and to authorize the City Solicitor to file Articles of Incorporation with the Secretary of the Commonwealth: and

WHEREAS, PAID’s Articles of Incorporation were executed by the Council of the City of Philadelphia on November 9, 1967 and approved by the Department of State of the Commonwealth of Pennsylvania, pursuant to the Economic Development Financing Law; and

WHEREAS, At the time of the creation of PAID, the Economic Development Financing Law provided that the term of existence of an authority could not exceed fifty years, so that PAID’s original term was to have expired in 2017; and

WHEREAS, The Economic Development Financing Law provides that an authority can issue bonds with a maturity date that is no longer than the life of the authority; and

WHEREAS, The Council of the City of Philadelphia Enacted Bill No. 1499 signed by the Mayor on July 16, 1991, adopting an amendment to Section V of the Articles of Incorporation of PAID by increasing PAID’s term of existence to a date fifty years from the date of approval of the articles of amendment by the Secretary of the Commonwealth October 28, 1991.

WHEREAS, The Council of the City of Philadelphia enacted Bill No. 110370, signed by the Mayor on June 22, 2011, again adopting an amendment to Section V of the Articles of Incorporation of PAID by further increasing PAID’s term of existence to a date fifty years from the date of approval of the articles of amendment by the Secretary of the Commonwealth in 2011; and

WHEREAS, The remaining life of PAID expires on September 20, 2061, making it impossible to enter into contracts and issue bonds that mature later than September 20, 2061 at this time; and

WHEREAS, The Economic Development Financing Law provides that the governmental body of the municipality which created PAID may increase the term of its existence to fifty years from the date of approval of Articles of Amendment.

NOW, THEREFORE, BE IT RESOLVED that the Philadelphia Authority for Industrial Development proposes an Amendment to Section V of the Articles of Incorporation of the Philadelphia Authority for Industrial Development so that such Section is amended and restated to read in its entirety as follows:

The Authority shall exist for a term of fifty years from the date of approval of the Articles of Amendment by the Secretary of the Commonwealth, in accordance with the Pennsylvania Economic Development Financing Law, P.L. 251, August 23, 1967, 73 Pa.C.S.A. § 371 *et seq.*, as amended. These Articles of Incorporation have been executed by the governmental body of the City of Philadelphia, by its proper officers and under its municipal seal.

FURTHER RESOLVED that this Resolution shall be submitted to the Council of the City of Philadelphia for its adoption by ordinance of the proposed amendment.

FURTHER RESOLVED that the appropriate officers of PAID are hereby authorized and empowered to execute all necessary documents and agreements, and to do such other acts necessary to assist the City to effectuate the proposed amendment to the Articles of Incorporation upon such terms and conditions as they deem to be in the best interest of PAID.