

THE CITY OF PHILADELPHIA
— OFFICE OF —
SUSTAINABILITY

April 22, 2019

The Honorable Darrell Clarke
City Council President
City Hall, Room 490
Philadelphia, PA 19107

Dear Council President Clarke,

This letter is in response to questions raised at the Tuesday April 9, 2019 hearing before the Committee of the Whole on the Fiscal Year 2020 proposed budget for the Department of Public Property. The Energy Office, housed in the City's Office of Sustainability, manages the City's utility bills, implements energy efficiency projects, purchases energy, and works to conserve energy in municipal buildings. At this hearing, the following questions were asked:

Council President Clarke: Why is there an increase in utilities consumption?

The FY20 budget for utilities is higher because it includes \$3 million in spending that will be returned to the City in the form of a refund. The City plans to provide to the City's new electricity supplier a \$3 million deposit at the start of a new contract and will receive a refund of at least \$3 million from the current supplier following final settlement of bills. This \$3 million is essentially budget-neutral. The City provides a deposit to avoid financing charges associated with maintaining a negative balance with our electricity supplier.

Excluding the \$3 million, the General Fund utilities budget has a slight decrease from the FY19 budget.

If you have any additional questions, please feel free to contact my office.

Thank you,



Adam Agalloco
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