

**PHILADELPHIA ENERGY AUTHORITY  
FISCAL YEAR 2027 BUDGET TESTIMONY  
APRIL 15, 2026**

**INTRODUCTION**

Good afternoon, Council President Johnson and Members of Council. I am Emily Schapira, President and CEO of the Philadelphia Energy Authority (PEA). I appreciate the opportunity to be back here in Council Chambers to provide testimony on PEA's Fiscal Year 2027 Budget.

**PEA is an independent municipal authority advancing projects that deliver on the city's most urgent priorities—lower bills, stronger infrastructure, safer neighborhoods, and quality jobs. *In Philadelphia, clean energy is not one thing, it's everything.***

Since 2016, under the banner of the 10-year Philadelphia Energy Campaign, **PEA has driven \$1.3 billion in investment—creating nearly 11,000 jobs**, exceeding the ambitious goal we initially set out to reach.

We recently partnered with Econsult to analyze the full economic impact of our work over the last decade and the return on the City's investment in PEA. The numbers are incredible, and I am so excited to share them.

First, the benefit in municipal tax dollars. The City has invested \$14.7 million in PEA's annual budgets since 2016. In that same period, our work generated over \$25.3 million in city taxes. I'll repeat that. **The \$14.7 million invested in PEA over the last 10 years produced \$25.3 million in combined personal income, sales, and business taxes to fund City government.** And that's not even the big news.

For every \$1 of City investment, we have spurred **\$90 dollars** of local investment in clean energy projects and programs. **That's a 90x return.** The \$1.3 billion driven by PEA has also **generated over \$2.0 billion in total economic output for Philadelphia and \$2.4 billion across Pennsylvania.**

These numbers are big, and more than we ever thought possible back in 2016. This proves that small, strategic investments within the City's budget can have huge ripple effects, particularly in this sector.

What has this investment meant to actual Philadelphians? A few examples. Ten years, \$1.3 billion of investment, and 11,000 jobs represent:

- The 427 households who have had their generational wealth preserved, utility bills slashed, and health improved through whole-home repairs provided by Built to Last so far.
- The nearly 4,400 households over half of whom are low- and moderate-income, who are generating clean, affordable electricity on their roofs through Solarize Greater Philadelphia.
- The 130,000 brand new, long-lasting, and highly efficient LED streetlights that save money and make every corner of the City safer at night.
- The 118 Philadelphians that graduated from our Green Retrofit Immersive Training or GRIT program and the 224 individuals we connected to clean energy jobs with employers like PECO, PGW, and Solar States through our Good Jobs Challenge grant with PhilaWorks and others.
- The 14,503 students that attend the 23 public schools that have been retrofitted using the Guaranteed Energy Savings Act to be more comfortable, healthier learning environments.
- The 9 small- and medium-sized local plumbing companies hired by the Water and Sewer Line Protection Program who have grown their businesses to service critical residential infrastructure

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for the nearly 90,000 Philadelphians enrolled in the program citywide. That program has saved consumers \$89 million in repairs and over 70% of all claims were served by minority-owned firms.

We are incredibly proud of these achievements, and also of our stewardship of the dollars and trust placed in us by City leadership. PEA's work in 2026 and 2027 supports the priorities of the Parker administration to make Philadelphia the safest, cleanest, greenest city with access to economic opportunity for all, and also meets the priorities of City Council to use the tax dollars of hard working Philadelphians in the most thoughtful, impactful ways, to the benefit of all. We learned that we don't need "energy" to be at the top of the priority list. We fit easily into the day to day and strategic priorities of both branches of government.

As we focus on the next decade of work for PEA, we plan to scale up, grow this work to be bigger, better and more. To serve more families, to keep more people in their homes, to create more jobs, to ensure Philadelphia becomes a destination for energy innovation and leadership, to strengthen communities, and so much more.

This body has a million hard decisions to make when it comes to the budget and this should not be one of them. We have done what we said we would do, and there is more work to be done. We have taken the investment made in us and grown the pie exponentially. We have been frugal, grown responsibly, established our own program funding, and have aggressively sought philanthropic and other dollars to ensure that we can deliver for the people of Philadelphia.

For FY27, **PEA is requesting a total budget allocation of \$4 million.** Mayor Parker's budget proposes \$1.3 million for PEA. We've demonstrated our ability to turn investment in PEA into economic benefit for the City and all Philadelphians and ask for your support to scale and accelerate the work beyond what our current proposed budget would allow.

PEA exemplifies the wide-reaching impact of energy on the lives of Philadelphians. Just today, you'll find our team:

- Meeting with Built to Last construction managers in Kensington and Sharswood to review the details of whole-home repair scopes that ensure each program participant has a safe, healthy, affordable home that they can pass on to the next generation.
- Pairing homeowners in South Philly and small businesses and churches in West Oak Lane with Solarize Greater Philadelphia installers to produce energy from the sun on their own roofs, locking in affordable, clean electricity for decades to come, as our other utility bills continue to skyrocket.
- Connecting building developers in Center City with low-cost lenders through C-PACE (Commercial Property Assessed Clean Energy financing) to drive new energy-efficient investments in commercial and multifamily projects throughout the city. Philadelphia has become one of the fastest growing C-PACE markets in the nation!
- Partnering with the Office of Sustainability, the Water Department, the Health Department, Homeless Services, Public Property, Aviation and other city departments to identify and execute on energy savings projects that discount the capital cost of improving critical municipal infrastructure.
- Providing hands-on training to Philadelphians in Bridesburg and Hunting Park to join the clean energy workforce and connecting them with good jobs upon graduation.

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City funding is a critical piece of the puzzle for PEA. PEA has shown proof of concept through nationally recognized programs like Built to Last and Solarize and uses the successes of those programs to attract new funding to Philadelphia. City funding is what allows us to *develop* the next iteration of big projects and effective programs, not just execute on what's already proven. City funding helps us stabilize our staffing infrastructure to scale up programs that work. City funding helps us provide technical support to elected officials, regulators and others to navigate the complex and systemic energy issues we're facing, especially in an environment where data center growth and geopolitics are causing unsustainable increases to energy costs for every Philadelphian and for city government. PEA needs the stability to do what it's designed to do as an authority - work across departments and capital cycles to improve energy infrastructure and stabilize costs. We will continue to return every dollar invested and more.

Being fully funded for FY27 at \$4 million would allow PEA to further scale programs like Built to Last to leverage funding from the Mayor's H.O.M.E. initiative and philanthropy; to speed up our pipeline of City energy and capital projects; and to leverage PEA's unique position as a government implementer in the policy and regulatory space, bringing real-world experience and participant stories to advance solutions on issues like energy affordability, the growth of data centers, and grid resilience. If we are funded at the proposed \$1.3 million amount, we will be challenged to maintain our staff, much less to strategically expand our capacity to meet the moment.

I want to end my testimony today with a quick story. You might remember Bernadette Reese-Hobson, a Mt. Airy homeowner who was kind enough to let the Washington Post into her home while she was on our Built to Last waitlist. I've shared the story attached to my testimony. Ms. Bernadette is a retired social worker and daycare attendant living off of Social Security. She purchased her three-bedroom rowhome in 2001. The house had some issues over the years, and when her furnace stopped working, she used space heaters. Her water heater still worked but leaked all over the basement. In 2020, a bathroom pipe burst, and the next year another pipe leaked in the kitchen. Unable to pay for repairs, water dripped into the living room and seeped throughout the foundation. The kitchen floor started to buckle and the countertop around the sink deteriorated. Rust and mold covered the kitchen. The water damage degraded the gas stove and PGW finally cut off service for safety concerns.

We just completed repairs in Ms. Bernadette's home this month. She received over \$70,000 in repairs from 5 different programs. Her construction was managed by the Energy Coordinating Agency (ECA). They used HUD funding and Built to Last funding to replace the kitchen entirely, including the floor, ceiling and broken windows. Habitat for Humanity replaced her heater and water heater. Basic Systems Repair via PHDC replaced the electrical panel and renovated the entire bathroom. Built to Last also covered the costs of intake, project scoping, data sharing, construction management, contracting and communication. We left some aesthetic repairs undone, and she reports that she'll save up some money to do the rest herself.

Ms. Bernadette will be staying in her home. I can rattle off the health, safety and peace of mind benefits along with the energy efficiency and comfort benefits, but you can guess how impactful that is for her.

We have worked hard over the last 10 years since I joined PEA's staff to build a reputation of being an effective, strategic organization that does what we say we are going to do. I hope our strong track record of success and the overwhelming support of partners, stakeholders and community members like Ms. Bernadette lends credibility to our request, and I hope we can count on your support this year.

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Thank you for your time today.

### **DEPARTMENT MISSION & PLANS**

**Mission:** PEA aims to be a catalyst for the growth of a robust, equitable, diverse clean energy economy in Philadelphia through the development of long-term energy projects, policy, education and market-building activities.

#### **Plans for Fiscal Year 2027:**

In FY 2027, PEA expects to drive over **\$300MM** in equitable economic development through programs like our low-income housing restoration and electrification program, **Built to Last**, **Solarize Philly**, and **Commercial Property Assessed Clean Energy (C-PACE) financing**; **School District** energy project support; and **energy projects on behalf of the City** like the quadplex and health centers, additional off-site renewable energy procurement, and additional on-site renewables procurement, and for wastewater treatment facilities.

In FY27, we expect to:

- Restore a minimum of 267 additional low-income homes through the Built to Last program with Year 1 H.O.M.E. funding
- Support at least 300 homes adding rooftop solar through Solarize Philly
- Advance construction on major City projects
  - Renovations to City Hall, Health Centers and Homeless Services Facilities
  - Grid-Scale Solar Project in Clearfield County
  - On-Site Solar Project at the PNE Airport
  - Capital projects at wastewater treatment facility
- Support 250 total job placements through the Good Jobs Challenge
- Support the School District on upcoming energy efficiency projects and solar schools
- Finalize procurement for Water Sewer Line Protection Program renewal
- Enable \$100MM of commercial and industrial energy efficiency and renewables projects through CPACE
- Engage with policy and regulatory processes at the local and state levels to promote energy affordability and clean energy access for residents, businesses, and government

#### **Proposed Funding Request:**

In FY26, the City provided \$1,300,000 of PEA's overall budget of \$13.4 million. PEA has developed external funding resources to support its growth, and has helped develop over \$1.3 billion in climate- and equity-focused projects in Philadelphia to date. The Philadelphia Energy Authority is requesting an increase from the Mayor's budgeted contractual allocation of \$1,300,000 to \$4,000,000 in FY27 (a total increase of \$2.7 million from proposed).

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If our \$4MM FY27 funding request is met we will specifically be able to:

- Expand support staff for the Built to Last program to ensure the same quality of customer service, speed and construction quality as the volume of construction increases under the H.O.M.E. Initiative; better leverage services and funding from partner programs with the goal to decrease the per unit cost to the program; and ramp up fundraising efforts, attracting healthcare and philanthropic dollars to support scaling the program sustainably over the long term.
- Scope the next round of energy-saving municipal infrastructure improvement projects including additional on-site renewable energy projects.
- Execute major City cross-departmental projects and support the Philadelphia Water Department and others to maintain, prepare and leverage their facilities appropriately to meet the City’s needs.
- Leverage PEA’s unique perspective as a government implementer in the policy and regulatory space, bringing real-world experience, technical expertise and participant stories to advance solutions on issues like energy affordability, the growth of data centers, and grid resilience with an emphasis on renewable energy.

Without our FY27 funding request:

- Built to Last will not be able to scale program management adequately, leveraging partner resources, or accessing new funding sources.
- The municipal energy project pipeline will slow down, leading to energy waste and delays on infrastructure improvements.
- Engagements on policy and regulatory matters will be limited, removing one of the only implementation-focused energy experts for statewide and regional conversations on energy affordability and access.
- PEA could not solidify our compliance and operations infrastructure to be able to receive larger grants and partner with federal, state and healthcare programs. This is necessary to scale from pilot to small to community-sized impact.

**PROPOSED BUDGET OVERVIEW & OTHER BUDGET DRIVERS**

<b>Philadelphia Energy Authority</b>				
<b>FY2027 Budget Request</b>				
<b>Classes</b>	<b>FY2026</b>		<b>FY2027</b>	
Class 100 - Wages, Salaries, Benefits	\$ 3,099,396		\$ 3,285,179	
Class 200 - Professional Services	\$ 9,760,115		\$ 10,369,353	
Class 300 - Supplies & Materials	\$ 344,385		\$ 359,245	
Class 400 - Equipment	\$ 48,079		\$ 43,439	
Class 500 - Taxes	\$ 210,307		\$ 222,813	
<b>TOTAL BUDGET</b>	<b>\$ 13,462,282</b>		<b>\$ 14,307,030</b>	
<i>Grants and Revenue</i>	<i>\$ 12,162,282</i>	<i>90%</i>	<i>\$ 10,307,030</i>	<i>72%</i>
<b>TOTAL CITY REQUEST</b>	<b>\$ 1,300,000</b>	<b>10%</b>	<b>\$ 4,000,000</b>	<b>28%</b>

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### **Proposed Funding Request:**

The proposed Fiscal Year 2027 General Fund budget totals \$4,000,000, an increase of \$2,700,000 over the Mayor's proposed budget in FY2027 - the same amount PEA was allocated in the FY2026 budget. PEA had to fundraise and tap into reserves to cover its operations shortfall in FY2026. This increase is to bring the City's budget share of PEA's overall budget more in line with the volume and impact of work performed.

### **STAFFING LEVELS**

PEA currently has 23 full-time staff and is supplemented with a number of consultants and interns. For information purposes, new hires in FY26 include:

- Program Manager, Workforce Initiatives (funded through non-City grants)

### *Current Staff and Board Demographics*

- Total staff: 23
- 61% women, 43% BIPOC
- Total Board of Directors: 7
- 57% women, 57% BIPOC