

Colorado's Nonprofit Energy Efficiency Program A Case Study in Helping Nonprofits Pay Energy Bills

By Shelly Wallace
Energy Outreach Colorado

Energy Outreach Colorado (EOC) is one of many organizations that help limited income people pay their home energy bills, but it's one of only a handful that help nonprofit human service facilities afford theirs.

Nonprofits, like many of the low-income households they serve, can be adversely impacted by rising energy costs. As a result, they may face the difficult decision of whether to cut services or to charge a fee for services in order to offset their skyrocketing energy bills.

Discussions between EOC, which serves limited-income Coloradans through energy assistance, efficiency and education, and Xcel Energy, the state's largest energy provider, about the energy problems facing nonprofits, led to the launching of the Nonprofit Energy Efficiency Program (NEEP) in March 2006. The program offers a free energy audit and energy efficiency upgrades to nonprofit facilities that provide shelter or other 24-hour services.

Both organizations recognized the nonprofits' problems and wanted to help, but each faced challenges. EOC's programs serve individuals, not organizations such as nonprofits, and it did not have funding to develop a new program. Xcel Energy had similar constraints — nonprofits are considered small commercial customers, and regulations prevent the utility from offering them a reduced rate. Furthermore, state weatherization and energy assistance programs cannot address these nonprofit facilities' needs because of programmatic requirements for income verification of recipients.

Enter the Denver Foundation, which joined the discussion and offered to help. The Foundation decided to contribute funding and resources toward the cause and reached out to other members of the Colorado Association of Funders. This collaboration helped secure funding to begin NEEP as a pilot in the spring of 2006.

The Denver Foundation, along with the Xcel Energy Foundation, Daniels Fund, Mile High United Way and the Colorado Governor's Energy Office, raised \$160,000 for the pilot. The Colorado Governor's Energy Office — the state weatherization grantee — conducted energy audits for each nonprofit facility served under NEEP.

Five Denver nonprofit organizations were selected for the NEEP pilot: Gateway Battered Women's Shelter, SafeHouse Denver, Urban Peak, Volunteers of America and Family Tree. These organizations serve men, women and children on the brink of homelessness, victims of domestic violence and the mentally ill. Like most organizations that shelter people during the day or provide 24-hour services, they have "high load factor," which means they use energy every day, around the clock. Therefore, they cannot easily change their energy-use patterns. Additionally, their facilities are often in need of energy upgrades such as insulation and higher efficiency appliances and lighting.

The Urban Peak facility, for example, received wall and ceiling insulation, programmable thermostats and lighting upgrades. Since the improvements, Urban Peak, which shelters homeless youth, has reported a 25 percent average reduction in its energy consumption.

Likewise, Family Tree manages three shelters for women and children in crisis, along with two transitional housing apartment units for the homeless. NEEP provided all five of its properties with energy efficiency measures

According to Scott Shields, chief executive officer of Family Tree, “The energy efficiency measures that have been installed in our facilities will allow us to re-invest the savings generated from such measures back into our programs for the people who rely on us.”

Shields also notes that efficiency upgrades for the facilities generate a benefit beyond savings. “By giving our residents a place to live that keeps them warm with new appliances that work well, we’re saying to them that they deserve a better life,” he said. “They start respecting the property and they start respecting themselves. You can’t put a price on that, and we wouldn’t have been able to do it without this program.”

Due to the success of the NEEP pilot, Energy Outreach Colorado has partnered with the City and County of Denver to expand the program. Denver voters provided a funding source when, in August 2006, they approved a franchise agreement between the City and County of Denver and Xcel which designated funds for low-income energy assistance. The agreement provides \$600,000 annually for NEEP operations within the City and County of Denver. Additionally, passage of the agreement sets a precedent for other franchise negotiations and enables EOC to raise additional funds to serve nonprofit organizations outside of Denver.

To date, EOC has secured a grant from the Daniels Fund to assist nonprofit organizations outside of the City and County of Denver. EOC is also partnering with EnCana, a leading North American oil and gas producer, to provide NEEP services in Weld County, Colorado.

These partnerships give Energy Outreach Colorado the opportunity to provide permanent energy savings to the nonprofit organizations that act as a safety net for the thousands of Colorado residents who otherwise would spend most days cold and hungry with nowhere to go. We hope this project can continue to grow and reach as many organizations as possible.

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