

Directing Energy Savings Back to Vital Community Organizations

Dara Reiff 19 May 2018

There are close to 30,000 active 501(c)(3) public charities in the Chicago metropolitan area¹. These nonprofit organizations include social service agencies that provide critical healthcare, rehabilitation, food, and shelter for their communities' most at-risk populations such as youth, elderly, and individuals with disabilities. This sector also includes more than 1,600 licensed childcare centers with the capacity to serve more than 135,000 children annually. When you think of social safety nets, these community resources are on the front lines.

In Chicago and elsewhere, nonprofits face unique challenges when managing their facilities. Nonprofit organizations are often housed in aging buildings and have deferred maintenance due to tight budgets. Since these organizations typically operate long hours to serve their communities, their facilities consume a large amount of energy to heat and cool their spaces and keep the lights on. As a result, they often have more "low-hanging fruit" opportunities for energy savings as compared to other commercial spaces. High energy costs can be an unseen burden for nonprofits, and they are often left out

of traditional energy efficiency incentive programs offered by utilities or other entities. These programs require a significant amount of time and technical expertise, making them difficult for nonprofits to access. As nonprofits in Illinois and across the country face budgetary uncertainty due to volatile political climates and diminishing support for the crucial social services they deliver, the need to reduce operating costs becomes even more urgent.

Energy costs are usually seen by nonprofits as fixed operating expenses, with remaining funds going to programming. But it doesn't have to be that way. There is a real opportunity to help nonprofits allocate more of their budget to their services.

Energy Efficiency Provides Stability for Nonprofits

Enter Chicago nonprofit Elevate Energy. Elevate Energy's mission is to deliver smarter energy use for all. By developing and implementing programs for hard-to-reach markets, Elevate Energy and its partners can reduce costs, protect the environment, and ensure the benefits of clean and efficient energy use reach those who need it most. Elevate Energy's Nonprofit Program works with nonprofit organizations to reduce their operating costs through cost-effective energy and water efficiency improvements that not only save an average of 15 percent on electric, natural gas, and water usage, but also allow organizations to redirect resources from overhead costs

back to their important missions.

Since the Program's inception in 2012, the Elevate Energy team has assisted hundreds of nonprofit organizations in the Chicago area. The Program is designed to make it easy and affordable for nonprofits to undertake significant efficiency improvements, with the long-term goal of ensuring that they are able to sustainably serve their communities regardless of budgetary volatility.

The longstanding presence of nonprofits and their services has ripple-effects on the resilience of their communities. Elevate Energy is committed to helping organizations provide affordable childcare, stable housing, accessible healthcare, quality education, and other services long into the future.

A Service Model that Fits the Needs and Constraints of Each Organization

Improving the efficiency of nonprofit facilities represents a significant opportunity for deep energy and water savings, and subsequent reductions in greenhouse gas emissions. The average nonprofit facility in Chicago is 80 to 100 years old, often with years of deferred maintenance.

Nonprofit staff often lack the capacity and expertise necessary to identify and address their efficiency needs. Organizations typically do not have an energy manager role, and sometimes do not have a dedicated facility

director. Daily operations are often led by organization executives, volunteers, or staff members who do not have the background, technical knowledge, or time to pursue efficiency initiatives.

Further, traditional energy efficiency incentive programs require a significant amount of time and technical expertise, making them difficult for nonprofits to access. Streamlining the efficiency retrofit process for these buildings can help nonprofits with limited resources and staff time undertake significant improvements.

Elevate Energy's Nonprofit Program addresses these issues by collaborating closely with nonprofit leaders, stakeholders, board members, staff, and volunteers at every step of the retrofit process. The program includes a comprehensive facility assessment, detailed recommendations, savings and payback calculations, incentive assistance and financial planning, construction management, and quality control.



Process Flow – Nonprofit Program Process, Elevate Energy

Photo credit: Elevate Energy

Elevate Energy works to develop longstanding

relationships with the organizations they partner with on efficiency projects. Through one-on-one engagement, energy analysts and project managers establish a constant dialogue with decision makers at nonprofits to understand and meet their needs. Traditionally, underserved markets such as this are hard to reach precisely because they have unique needs that often fall through the cracks of typical energy programs. In order to fill these gaps, Elevate Energy focuses on understanding the challenges nonprofits face and constantly adjusting programs to meet them.

Efficiency in Action

Walking nonprofits through every step of the retrofit process helps ensure that completed improvements are high quality and cost-effective. Family service provider Chicago Commons took advantage of Elevate Energy's assistance to do just that. For more than 120 years, Chicago Commons has been firmly rooted in traditionally-underserved communities, delivering programs designed to help children, families, and seniors live richer, more fulfilling lives. They maintain a portfolio of buildings in south- and west-side neighborhoods of Chicago that house childcare and adult service centers.

Facilities Director Eric Woods began to work with Elevate Energy to analyze how Chicago Commons' portfolio uses energy and how they could save money by improving efficiency. Since utility bills take up a significant amount of

their budget, Woods is always focused on running their facilities as efficiently as possible; Chicago Commons also utilizes state childcare subsidies to help families in need and looks to cut costs wherever possible to stabilize their budgets and remain resilient during uncertain budgetary climates.

After Elevate Energy performed comprehensive energy and water assessments for two of their facilities, Chicago Commons decided to move forward with lighting retrofits at the Nia Family Center, a childcare center in Humboldt Park, and their Adult Day Service Center on the south side.

Elevate Energy helped them leverage multiple utility incentives and funding sources to cover more than 50 percent of the project costs. The lighting upgrades are expected to save the organization roughly 11 percent, or more than \$9,350, on electricity annually. Chicago Commons is now assessing other energy- and water-saving projects with Elevate Energy to divert more resources to the important programs they operate in their communities.

"We are so grateful to be able to save on energy and costs at our facilities," said Edgar Ramirez, President and CEO of Chicago Commons. "We can now pursue projects that we otherwise would not have been able to during these uncertain budgetary times. The improvements will help us continue to provide quality services to our communities

and families long into the future."

Financing Retrofits for Organizations with Limited Budgets

In addition to finding staff capacity to navigate the retrofit process, funding efficiency measures is often the largest barrier to implementation. Nonprofits must compete for the same pots of utility incentives alongside commercial facilities. Elevate Energy assists nonprofits with the required incentive applications and supporting documentation to ensure organizations can access these resources. Additionally, Elevate Energy works with utilities and other partners to develop innovative financing sources and mechanisms that are accessible to nonprofit organizations.

Funding for Energy Improvements Helps Continue Critical Services

Elevate Energy worked with Chicago Children's Advocacy Center (ChicagoCAC) to improve their facility.

ChicagoCAC and its partners are the front-line responders in Chicago to reports of child sexual abuse, as well as reports of physical abuse of children under age three.

Since opening their doors in 2001, they have served more than 30,000 children.



ChicagoCAC: Children playing at Chicago Children's Advocacy Center

Photo Credit: Chicago Children's Advocacy Center

Elevate Energy began working with ChicagoCAC in 2015 to identify opportunities for energy efficiency that qualified for incentives from ComEd's Small Business Energy Savings (SBES) program. Elevate Energy assisted ChicagoCAC in soliciting a contractor proposal for a lighting project which included SBES incentives to cover almost 40 percent of the project cost. Unfortunately, when the State of Illinois budget was frozen in 2016, many of ChicagoCAC's funding streams halted. Nonetheless, the staff and partners at ChicagoCAC continued to offer their services to children in need. While ChicagoCAC leadership was very interested in the lighting project, the organization could not afford the remainder of the project

costs that year.

Elevate Energy continued to work with ChicagoCAC and in 2017 was able to help them obtain grant funding in addition to SBES incentives to cover all project costs and complete the work. The project is estimated to save the nonprofit about \$8,450 annually. Without access to this additional funding, the project would not have been possible.

"We could have never completed this project without the funding Elevate Energy helped us get," said Susan Hogan, ChicagoCAC Chief Operating Officer. "The savings resulting from the work will help us continue to provide crucial programming for the children we serve, now and in the future."

Strong Service Organizations Build Strong Communities

Since the Program began in 2012, the Elevate Energy team has helped nonprofit organizations install more than 500 energy efficiency upgrades. Elevate Energy has assisted these organizations in leveraging more than \$3 million in utility incentives and close to \$1 million in additional grant funds to contribute toward these improvements. These retrofits are projected to save more than \$2 million in total energy costs annually.

Reducing operating costs for nonprofits helps ensure their

long-term viability, allowing them to offer critical services that contribute to the stability of their neighborhoods, and ultimately create more vibrant, economically-sound, and thriving communities.

End Notes

1. GuideStar "Search Page," Accessed April 17, 2018.
<http://www.guidestar.org/search>

Author Bio

Dara Reiff, PMP, serves as Nonprofit Program Manager at Elevate Energy, a nonprofit organization dedicated to designing and implementing efficiency programs that lower costs, protect the environment, and ensure the benefits of energy efficiency and renewable energy reach those who need them most. In this role, she assists nonprofit leaders in cutting utility costs through cost-effective energy and water efficiency upgrades. She manages relationships with program funders, utilities, industry organizations, financial institutions and community leaders to grow opportunities for energy efficiency in nonprofit facilities and leads business development to ensure long-term program sustainability. She is a certified Project Management Professional and holds a B.A. in Urban and Regional Planning from University of Illinois at Urbana-Champaign.