Nonprofit Energy Savers Thrive in Washington State

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As part of the 2009 federal stimulus bill, the American Recovery and Reinvestment Act (ARRA) Community Energy Efficiency Program grants have done much to galvanize the growth of energy-saving nonprofits and related organizations in Washington State. Of the four nonprofits and four public agencies that were recipients of these grants, the one that received the most ($4 million) was the Seattle-based nonprofit SustainableWorks.

SustainableWorks

Kellie Stickney, manager of marketing and outreach for the organization, says SustainableWorks grew out of the Spokane Alliance, a group made up of community organizations, labor unions, and churches. "Our goal was to reduce the carbon footprint and create jobs, and just as we were about to start on small commercial pilots, the economy went down, so we changed our game plan," she says. "The silver lining was the stimulus money. We decided not to focus just on the carbon footprint or solar energy, but to go deep into communities, to become very neighborhood involved, and to target the average homeowner with a moderate income."

Washington State has a history of programs that target weatherization for the poor and energy conservation for larger businesses, but SustainableWorks' targeting of homes and small businesses in moderate-income neighborhoods offered a new direction. Its focus has been in Spokane, Pierce, King, and Snohomish counties. In the two years since its inception, Stickney says, SustainableWorks has done over 1,000 energy audits and around 365 retrofits in seven communities.

SustainableWorks has a staff of about 15, but it depends on volunteers (some from unions, but most from the neighborhoods) to spread the word. There are 50-60 grassroots volunteers in each of the targeted neighborhoods for projects that each take around six months to complete. To date, there have been approximately 250 volunteers total.

The process starts when someone with SustainableWorks encourages a homeowner to have a preaudit to determine eligibility, which may be followed by a professional energy audit. Participants are shown how they can save on furnaces, air sealing, insulation, and water heaters—and reduce their energy costs by 20-40%.

SustainableWorks partners with entities such as the city of Spokane and Avista Utilities in eastern Washington, and Seattle City Light and Puget Sound Energy in western Washington, which provide homeowners with some financial aid and also help to get the word out and provide incentives. For instance, although the professional energy audit is worth about $600, with the help of the utility companies, the cost of the audit to the homeowner is $95.

Stickney says her group also works to partner with manufacturers such as Gensco that produce American standard furnaces. "We buy American, and have, for instance, good relations with furnace makers so that we can get good prices. We also work to bundle projects—if we get ten furnaces in a neighborhood, it reduces those costs."

Stickney emphasizes that one of the original intentions of the program was to create jobs, and that this is still one of its major goals. "We subcontract to a lot of contractors; all are paid the prevailing wages and benefits," she says. "The contractors work with the volunteers and get well known in the neighborhoods. If we bundle projects, this reduces the cost to the contractor for drive time or marketing. It's a win-win situation."

Stickney adds that her group works closely with credit unions and other financial institutions so that zero- or low-interest financing is available to help homeowners afford their projects.

Has it all been smooth sailing? Hardly, says Stickney. "We were very optimistic in the beginning, but we underestimated the impact of the economic downturn. We thought everybody would want to improve their homes, but a lot of people are reluctant to take on any more debt. People have been losing their jobs and houses, or fear that they might." Another problem was that the organization was trying to create a demand for something that wasn't in demand, she says. "Something on this scale has not been done before. In the beginning, we wanted to sign everybody up in the neighborhood first, then do the audits, then the retrofits. But we found some people were waiting a very long time. So instead of going step by step, we now start moving as soon as we reach an acceptable critical mass." SustainableWorks is also working with legislators to receive funds when the ARRA money is gone, which is an ongoing and slow process. "We hope we can get more funding when this runs out," Stickney says. On the other hand, she says, the group knew from the start that it couldn't "just throw money at the problem until it ran out." Instead, it had to use the grant money as seed money. She explains that this was done by investing a substantial amount of the grant money in a revolving fund. The group also invested grant money in some of the many cooperative and grassroots structures that are in place for the long term, such as recruiting volunteers to contact the homeowners, bundling projects, and working closely with financial institutions to provide zero- to low-interest financing.

Stickney reports that in the coming years, SustainableWorks will continue to work toward its goal of retrofitting 2,000 homes, which should produce approximately 120 full-time jobs and $12 million in retrofit work, as well as reduce carbon emissions by 3,000 tons.

Opportunity Council

The Opportunity Council in Whatcom County received the second-highest stimulus grant at $2.79 million. The money went into a hybrid organization that is made up of the Opportunity

Council and another Bellingham-based nonprofit called Sustainable Connections. This new entity is called the Community Energy Challenge.

Axel Ramel, energy and policy manager of Sustainable Connections, explains how this combination came about. "The Opportunity Council is a community action agency that has been around about 25 years," he says. "It helps low-income people in a variety of ways—the most relevant being weatherization and insulation work, which it's done on thousands of houses." Sustainable Connections, however, in operation for about 10 years, is a business organization. "We have 600 locally owned businesses in Whatcom County. Our job has been to help them implement sustainable practices, and to develop markets for sustainable business," says Ramel. These 600 businesses include retailers, manufacturers, farmers, and fisheries.

Why have these two disparate organizations, each with its own history, decided to join forces? "About three years ago, everybody in the field started getting this notion that the next big thing was weatherizing an entire community," Ramel says. "If you can weatherize thousands of homes in the same neighborhood, you get the economies of scale. You can bring down costs, including the per-unit cost of materials and the cost of marketing materials. If you bring enough projects together, you can make financing affordable." By bringing together the work that Sustainable Connections does with the work the Opportunity Council has done with low-income families, they're combining skills to make these services available and affordable to middle-income families.

Not all of the various groups that start off with similar idealistic motives are successful. Ramel refers to one high-profile group in Seattle that got off to a rough start and was criticized in the local papers. "There are myriad reasons why these ventures can fail," Ramel says. "First of all, it's important to do the work right. We hire private contractors to do all of the improvements. And when they weatherize a house, we make sure the project passes a test to determine whether the house is sealed up properly, so you don't have cold air going around the insulation, or have it sealed up so tight you have mold problems. There can be a learning curve involved, and you have to inspect the contractor's work."

The partnership of the Community Energy Challenge was formed about two years ago, and, since its inception, the group has done energy assessments on more than 600 houses. Of those, more than 240 have completed energy retrofit projects, ranging from insulation to furnace replacement to installing solar panels. There are some 140 more projects now under way.

Ramel adds that the stimulus money helps to give homeowners a discount on the energy analysis, but homeowners pay most of the cost of the retrofit work themselves. "The average home that completes the project is saving 23% of its energy costs," Ramel says. "The average cost is a little over $5,000, and the homeowner pays about $3,500.

Depending on the range of improvements, payment is within 2 years or up to 15 years." Ramel adds that other benefits include not only pollution reduction, but also increased comfort and durability. The Community Energy Challenge also works with about 100 small businesses. These businesses save an average of $500 in energy costs per year by doing things as small as getting

employees to turn off lights and heaters; or by upgrading heating systems, or replacing their wiring. "About 20 of these businesses have done major retrofits," Ramel says.

The stimulus money is used not only to finance home improvements, but also to train contractors and put people to work. Training of contractors is done in the Opportunity Council's state-of-the-art training center. The initial training is in a combination classroom and hands-on setting, done with the Council's experts. The standards applied are those of the Building Performance Institute (BPI), which combine energy savings with other home performance factors, including combustion safety, proper airflow, and air quality. Once the contractor completes this initial training, he starts work on real houses, overseen by the organization's quality assurance staff to make sure the work meets the BPI standards. "We work with 22 different contractor businesses—electricians, plumbers, general contractors, and solar installers—as well as financial institutions," Ramel says. "We've created work for 60 different people on these projects, and most of them get training in home performance contracting, which is different from the conventional approach to insulating a house."

The stimulus grants are administered and monitored by William Ranes, program manager, Community Energy Efficiency Pilot, at the Washington State University Energy program, in Olympia. "We always knew it would be hard to sustain an energy efficiency program for middle-income homes," Ranes says. "But SustainableWorks and the Community Energy Challenge have done a great job in motivating homeowners to install these retrofits, in spite of the economic downturn. They've spent a significant amount of time in organizing and reaching out to connect with homeowners. And to maximize measures, they've installed improvements in a coordinated way, looking at the house as a whole."

Other Organizations Funded Through ARRA

The third-highest stimulus grant went to the Thurston County Economic Development Council, which received $1 million. Of the eight organizations funded with the stimulus money, "this is the only one that has not utilized utility incentives already in place as part of its strategy," Ranes says. "Yet it still has significantly high conversion rates. Nearly 45% of the homes they've worked on have gone through the energy-auditing process, with many moving toward complete implementation." The fourth-highest grant went to the Sustainable Living Center, in Walla Walla County, which received $700,000. "This group has focused on installing insulation and significantly lowering heating bills, which, before retrofit, ranged from $600 to $800 a month." says Ranes.

In addition to these four nonprofits, Ranes monitors four public agencies that received ARRA grants. In order of grant size, they are the Snohomish County Public Utility District ($2.16 million); Puget Sound Energy ($1.5 million); the Clark Public Utility District ($1 million); and the city of Ellensburg ($334,000).

When asked how she thinks her state is doing compared to other states when it comes to promoting energy efficiency, Stickney says, "I think they've all had varying degrees of success. Some are pretty good. But Washington, in my opinion, seems to be ahead of the curve in terms

of renewable energy and residential energy efficiency. And I think this has a lot to do with good and creative community support."