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Co-op Power
A profile in cooperative ownership
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ENERGY DEMOCRACY PROFILE:

CO-OP POWER

Introduction

Takeaway 1

Low-income communities and communities of color can be both contributing participants and beneficiaries in the efforts to expand access to sustainable energy resources and to create opportunities for local ownership of clean energy.

Takeaway 2

A consumer-owned cooperative approach can support multiple strategies to build Energy Democracy.

Takeaway 3

Local leaders can help community-led efforts get to scale with the support of a regional network.

Takeaway 4

We need policies that will support local communities' ability to plan, create, own, and benefit from clean energy investments in order to create a just and sustainable energy system.

Resources
This is the second installment in a series of profiles that seek to elevate the strategies that communities use to achieve Energy Democracy. In particular, we focus on strategies in which communities, particularly communities of color, are innovators, planners, and decision makers on how to use and create energy that is both local and renewable. Our first profile featuring Namasté Solar elevated the economic, social, and environmental impacts of an employee-owned cooperative based in Boulder, Colorado that has installed more than 3,100 solar electric systems in the United States.

In this profile, we feature Co-op Power, founded in 2004 as a multi-race, multi-class, consumer-owned energy cooperative that promotes access to sustainable energy for communities in Massachusetts and Southern Vermont. Co-op Power secures resources for local leaders working to create community-owned clean energy projects and businesses, energy efficiency teams, and green jobs training programs that serve the needs of the region’s low-income communities and communities of color.

Co-op Power boasts more than 500 members, 33% of whom self-identify as low-income earners. Each of these members supports local efforts that are part of a growing, regional network that works to shift the region’s energy economy toward inclusion, self-determination, sustainability, and community ownership.

In profiling Co-op Power, we highlight the following takeaways:

1. Low-income communities and communities of color can be both contributing participants and beneficiaries in the efforts to expand access to sustainable energy resources and to create opportunities for local ownership of clean energy;

2. A consumer-owned cooperative approach can support multiple strategies to build Energy Democracy;

3. Local leaders can help community-led efforts get to scale with the support of a regional network;

4. We need policies that will support local communities’ ability to plan, create, own, and benefit from clean energy investments in order to create a just and sustainable energy system.
**Low-Income Communities and Communities of Color Can Be Both Contributing Participants and Beneficiaries in the Efforts to Expand Access to Sustainable Energy Resources and to Create Opportunities for Local Ownership of Clean Energy.**

Co-op Power’s strategy for regional transformation is to create as many quality jobs in green businesses as possible in as many communities as possible. To do so, the cooperative focuses its efforts on building a membership base interested in innovative local economic development as well as the financial and environmental benefits associated with clean energy ownership and energy efficiency. In this way, Co-op Power is able to leverage resources from a diverse group of stakeholders, including grassroots organizations serving low-income communities and communities of color across the region. In particular, Co-op Power offers its members:

- Financial and technical support to help establish community-owned energy projects and green jobs in the member’s communities;
- Residential energy assessment, retrofit, and weatherization services from Co-op Power’s energy efficiency teams¹;
- Discounts on energy efficiency and solar energy products from businesses within Co-op Power’s vendor network²;
- Discounts on biodiesel through Co-op Power’s fuel buying groups³; and
- Participation in Co-op Power’s annual Sustainability Summit.

Co-op Power uses these benefits and services to create opportunities for economic savings and wealth-building in communities that have been historically left at the margins of public and private green economy investments. In fact, founders of the cooperative believe that a just and sustainable energy future is attainable only when these marginalized communities are leaders, active participants, and decision-makers in the planning conversations that shape such investments in their communities.

Hence, Co-op Power’s efforts are driven by the interests of local, grassroots community organizers who lead the Co-op Power’s respective Community Energy Cooperatives (“CEC” or “CECs”). CECs are where the work of Co-op Power is done. They educate their communities about Co-op Power products and services; they are the venue where members can develop and advocate for local sustainable energy projects; and they help facilitate the growth of energy efficiency teams in their respective communities.

When a CEC joins Co-op Power, it agrees to be as committed to the success of the other CECs as it is to its own success, thus establishing a culture of deep cooperation in the organization.

¹ [http://www.cooppower.coop/energy-efficiency-for-home/]
² [http://www.cooppower.coop/energy-efficiency-for-home/]
³ [http://www.cooppower.coop/heating-fuel-buying-groups-for-home/]
Currently, six CECs comprise Co-op Power’s regional network including:

- Blackstone Valley Community Energy Co-op
- Franklin County Community Energy Co-op
- Boston Metro East Community Energy Co-op
- Hampden County Community Energy Co-op
- Hampshire County Community Energy Co-op
- Southern Vermont Community Energy Co-op

Though projects vary across CECs, each CEC receives the benefits of Co-op Power’s broader organizational infrastructure and member-driven finance strategy. Further, pathways for membership at Co-op Power accommodate the varying capacity needs of the cooperative’s current and prospective membership, which can include families, farms, small businesses, and colleges. Standard membership across all CECs ensures that all members, including those with limited resources, can be both contributors to Co-op Power’s clean energy projects as well as beneficiaries of Co-op Power’s services. Specifically, when members join Co-op Power, half of their payment is a refundable equity payment reflecting their interest in the cooperative. The other half is Co-op Power’s joining fee.

Co-op Power membership types:

- **Standard membership** costs $975.00.

- **$750 Discount memberships** were offered when Co-op Power first opened. Other cooperatives in the region helped to build Co-op Power’s membership base by offering discounted membership rates to join Co-op Power to their own members.

- **$500 Limited Resource memberships** are reserved for low-income members with an income of less than $30,000 and assets worth less than $25,000—not including their homes. Limited Resource members can pay as little as $10 per month toward the membership fee.
• **$750 Farmer memberships** are for individuals who earn more than $2,000 per year from farming, horticulture, forestry, or fishing.

• **$50 Workers memberships** are for individuals with limited resources who have worked for Co-op Power in any capacity for six months and serve to honor the labor value of the cooperative’s employees.

• **$250 Fuel Buying Group memberships** are for individuals seeking to avail themselves of the discounts associated with one of Coop Power’s propane or oil fuel buying groups.

Low-income communities and communities of color can use the cooperative model to take a leadership role in building a green economy. Member equity and member loans support the cooperative to secure the financing needed to bring CEC projects to life. While a majority of this equity is raised from Co-op Power’s standard memberships, Co-op Power benefits significantly from the 33% of limited resource members who are both contributors to the growth of the cooperative’s capital and also beneficiaries of the cooperative’s programs and services.
A CONSUMER-OWNED COOPERATIVE APPROACH CAN SUPPORT MULTIPLE STRATEGIES TO BUILD ENERGY DEMOCRACY.

To date, Co-op Power has raised more than $320,000 in member equity from memberships. The cooperative’s members have also contributed nearly $1.3 million in nonrecourse member loans, which are loans repaid to members if the cooperative’s business ventures are unsuccessful. To date, the Co-op has paid back $200,000 of those loans. Additionally, local investments from CEC communities have contributed more than $850,000 toward the Co-op Power’s effort to develop community-owned clean energy projects as well as to business entities that serve Co-op Power member communities.⁴

These efforts include:

• Energy efficiency and weatherization crews which conduct energy assessments, deep energy retrofits, and offer residential insulation services.⁵
  – Affiliated CECs: Boston Metro East Community Energy Co-op; Hampden County Community Energy Co-op; Hampshire County Community Energy Co-op; Franklin County Community Energy Co-op⁶

Region-wide, Co-op Power energy efficiency teams have worked with homeowners, landlords, and renters in low-income communities and communities of color to demonstrate the benefits of energy efficiency.⁷ Altogether, the Co-op Power’s crews have performed more than 2,500 energy efficiency audits and completed over 1,500 efficiency upgrades, saving nearly 5,583 metric tons of carbon dioxide in communities serviced by Co-op Power.⁸

Between 2014 and 2015, Co-op Power energy efficiency crews have averaged work in nearly 35-50 homes per week.⁹ The crews completed 173 audits, 98 weatherization jobs, installed 20 programmable thermostats, saved residents $89,103 in estimated total energy costs, and reduced an estimated 308 metric tons of CO2 emissions per year.¹⁰

Much of Co-op Power’s energy efficiency and weatherization work has been supported by ReNew Boston and Mass Save, programs run by the state’s major investor-owned utilities that cover the cost of the efficiency audits and weatherization upgrades free for customers.¹¹

⁴ http://www.cooppower.coop/community-solar-for-community/
⁵ http://www.cooppower.coop/energy-efficiency-for-home/
⁶ http://www.cooppower.coop/hampshire-county/
⁷ Interview, 2015
⁹ Interview, 2015
¹¹ http://www.cooppower.coop/energy-efficiency-for-home/
• Energía, a jointly owned, energy services company which provides energy efficiency and weatherization services to residential, multi-family and commercial properties.

  — Affiliated CEC: Hampden County Community Energy Co-op¹²

Owned by Co-op Power (15%), the company’s workers (24%), and two local nonprofits organizations, Nuestras Raíces (51%), and Nueva Esperanza (10%), Energía was created to reduce utility costs and energy use for commercial and residential buildings in western Massachusetts’ low-income communities. Energía was also created to provide jobs for young people served by Nuestras Raíces and Nueva Esperanza and to provide the Hampden County Community Energy Co-op with an ongoing income stream to support their local sustainability efforts.

The company launched in 2009 after Co-op Power members and staff at Nuestras Raíces received a grant of $540,000 from the Office of Community Services at the Department of Health and Human Services.¹³

Energía aims to achieve a triple-bottom line, balancing social entrepreneurship and environmental commitment with financial profit. The company invests heavily in technical, leadership, and professional training opportunities that build the capacity of women, people of color, and veterans to pursue green careers.¹⁴ Energía sources its products locally, aims to operate a fleet of vehicles running on alternative fuel, and works to ensure its waste streams have limited impact on the environment. The company is also committed to livable wages for its employees.

The average wage at Energía is $17.91 per hour, the lowest entry level worker starts at $11/hour, and the pay between the company’s CEO and the entry level worker is capped at 4:1 ratio.

**IN THE LAST SIX YEARS, ENERGÍA HAS SEEN A NUMBER OF ACCOMPLISHMENTS:**

- Number of properties insulated/weatherized
  - 2,247 homes, 1,682 apartments, 42 commercial,
  - 3,109 market units and 866 affordable housing/low-income units

- Energía’s crews have helped to install **four solar energy projects**

  *Distributed $100,000 worth of profits to the company’s owners based on ownership stake*

- **Number of full-time employees retained**
  - 27 workers in place, 25 minorities (93%), 3 women (11%)

- **Awards**
  - CEO received runner-up for Green Giant Award for Western Mass AIA & US Green Building Coalition
  - $5,000 State of Massachusetts Business Plan competition

¹² http://www.cooppower.coop/hampden-county/

¹³ https://www.highbeam.com/doc/1G1-216057721.html

• **Northeast Biodiesel**, a $3.5 million biodiesel fuel processing plant that will process up to 5,000 gallons of biodiesel per day primarily sourced from used cooking oil supplied from local restaurants.¹⁵
  – Affiliated CEC: Franklin County Community Energy Co-op¹⁶

Set to open in January 15th, 2016, Northeast Biodiesel is an effort ten years in the making. Biodiesel from the plant will power farm and construction equipment, oil heat systems, and vehicles.

Northeast Biodiesel has been funded by more than $850,000 member loans and a $540,000 grant from the Massachusetts Department of Energy Resources.¹⁷

• **Northeast Biodiesel Community Shared Solar**, a system that will provide 200-kilowatts of solar energy to the biodiesel plant.¹⁸
  – Affiliated CEC: Franklin County Community Energy Co-op

The remaining, 400 kilowatts energy produced by the array will be available for virtual net-metering to Co-op Power members at a rate of $2,000 per kilowatt.¹⁹ The two-million dollar system at Northeast Biodiesel is the first megawatt of five megawatts of community solar projects that Co-op Power intends to develop.

• **Brattleboro Food Co-op Community Solar**, a 30.4 kW member-loan funded rooftop solar array system that powers the building that houses a food cooperative serving Co-op Power members.²⁰
  – Affiliated CEC: Southern Vermont Community Energy Co-op²¹

The solar array has helped to offset nearly 24 metric tons of carbon dioxide each year.²²

• **Green jobs training programs**, which aim to place out-of-work young adults living in low-income communities in renewable energy and energy efficiency installation careers.²³
  – Affiliated CECs: Franklin County Community Energy Co-op; Hampshire County Community Energy Co-op; and Boston Metro East Community Energy Co-op

Co-op Power trains out-of-work youth and adults in green job and life skills.²⁴ To date, Co-op Power Programs have trained more than 200 people.²⁵ Past programs have been supported by state grants—including a 2011 “Pathways out of Poverty” grant that trained more than 50 people and placed 43 in on-the-job training or internships opportunities.²⁶

• **The incubation of six solar installation businesses**, including two worker-owned cooperatives and four sole proprietorships

  **Worker-owned cooperatives**
  o PV Squared
  o Great Sky Solar

  **Sole Proprietorships**
  o Green In Green – sold to Northeast Solar
  o Kosmo Solar – sold to Alteris Solar
  o Renewed by the Son
  o Clark Solar Energy, which ultimately merged with Renewed by the Son

¹⁷ Id.
¹⁹ Id.
²¹ [http://www.cooppower.coop/svt/?rq=southern%20vermont](http://www.cooppower.coop/svt/?rq=southern%20vermont)
²⁵ Id.
Co-op Power’s strategy demonstrates the ability of the consumer-cooperative approach to support a variety of projects and programs driven by Energy Democracy. Whether supporting the creation of community-owned clean energy projects, clean energy, and energy efficiency businesses, or by providing the resources and infrastructure needed to build a skilled workforce in communities of color and low-income communities, the consumer-owned cooperative offers a vehicle equipped to drive local efforts to scale.
LOCAL LEADERS CAN HELP COMMUNITY-LED EFFORTS GET TO SCALE WITH THE SUPPORT OF A REGIONAL NETWORK.

The gradual development of Northeast Biodiesel, conceived as Co-op Power’s flagship project ten years ago, demonstrates that the transition to a more clean energy economy takes time. Yet, the recent emergence of Boston Metro East Community Energy Co-op indicates that the consumer-owned cooperative strategy continues to make a compelling case to local communities interested in a sustainable energy economy. As Co-op Power continues its growth, the cooperative’s efforts to cultivate a local to regional CEC strategy can offer leaders working to build Energy Democracy in their communities a model upon which to base their efforts.

CEC FORMATION

CECs can be formed by any group of 20 members who commit to Co-op Power’s mission and agree to carry out the CEC responsibilities, which include:

- Outreach and membership development
- Education
- Participatory clean energy community planning
- Public policy advocacy
- Local clean energy project development
- Creation of buying groups for the growth and distribution of Co-op Power products
- Establishment of a centrally-located office space for Co-op Power

Members seeking to establish a new CEC submit an application and Project Letter of Interest to the Co-op Power Staff and Board.²⁷ Then, Co-op Power’s Board decides whether to accept the prospective CEC’s application based on a set of member-adopted criteria that evaluates the prospective CEC’s mission, pre-planning processes, community engagement strategy, business ideas, and efforts to further existing CEC responsibilities.²⁸ When accepted, a representative from the new CEC attends the next Co-op Power board election, where the new CEC is granted a voting position with veto power on the Co-op Power board for decisions that relate to their geographic region, their member equity, or member fees. With support from Co-op Power, the CEC then begins its clean energy business planning processes. The process includes a feasibility study, site selection, fundraising, and permitting.

CECs set their own priorities and raise capital from their members to invest in the CEC’s local energy projects. CECs also organize their own buying groups and create contracts with local vendors that provide the services their members need. Because Co-op Power functions as a consumer-owned cooperative, CECs efforts are protected by laws that prevent the decisions of the cooperative’s consumers and workers from being usurped by external influence.

To maintain a culture of peer learning, CEC leaders organize an annual Sustainability Summit and quarterly retreats that offer members the opportunity to gain insight about the challenges and successes of other efforts in the network.

²⁷ http://www.cooppower.coop/community-solar-for-community/
²⁸ http://www.cooppower.coop/form-cec/
WE NEED POLICIES THAT WILL SUPPORT LOCAL COMMUNITIES’ ABILITY TO PLAN, CREATE, OWN, AND BENEFIT FROM CLEAN ENERGY INVESTMENTS IN ORDER TO CREATE A JUST AND SUSTAINABLE ENERGY SYSTEM.

In this profile, we have reviewed some of the policies and programs that helped Co-op Power members turn their community-driven ideas into real projects on the ground—including public investments supporting green jobs training resources, residential and commercial energy efficiency programs, and renewable energy adoption. What follows is a brief introduction to some of the policies that can help individuals and communities generate and establish sustainable energy projects and programs that position people as the primary benefactors. In doing so, we acknowledge that these policies are neither prescriptive nor permanent, and in many cases, might best serve as context and blueprints for new strategies that can help advance an Energy Democracy.

FEDERAL

The Federal Solar Energy Investment Tax Credit, adopted in 2008, allows commercial and residential consumers to write off 30% of the cost of installing a solar system. The credit has been vital in making solar adoption a reality for the communities but is set to expire in 2016. Whether the credit will be extended is uncertain—a major cause of concern for all communities looking for support as they shift toward clean energy adoption.

STATE AND LOCAL

A Renewable Portfolio Standards, adopted by state legislatures, require utilities to obtain a portion of their electricity from renewable sources.

a. Originally created in 2003, Massachusetts’ Renewable Energy Portfolio Standard was updated by regulation in 2014 to require utilities to generate a minimum of 9% generation from renewable sources with a one percent increase each subsequent year.²⁹ The standard also includes a solar carve-out—designed to support new solar photovoltaic installations until 1,600 MW of capacity is installed across the state. Earlier this year, the state announced The Massachusetts Solar Loan Program, a $30 million program operated by the state’s Department of Energy Resources (DOER)—designed to allow homeowners to access low-interest loans to purchase and install solar electric projects on their homes.³⁰ The program is also available for residents looking to share in a community-shared solar project.³¹ DOER will encourage lenders to provide loans to customers with moderate incomes and lower credits scores, with the goal of facilitating 6,000 loans over the next three years.³² The program is funded by Alternative Compliance Payments—paid by electric retail suppliers that fail to meet renewable and alternative portfolio standard programs.

b. In Vermont, legislators recently passed a bill establishing a 75% standard by 2032, with an interim goal of 55% by 2017.³³ While many states have created


³¹ http://www.masscec.com/programs/mass-solar-loan

³² http://www.masscec.com/programs/mass-solar-loan

³³ http://www.eia.gov/today-inenergy/detail.cfm?id=21852
renewable portfolio standards, some of these standards have recently been weakened into nonbinding goals or have been removed altogether, undermining the efforts of communities to transition from dirty energy.³⁴

B Financing Mechanisms may be created or mandated by state or local governments to make solar more affordable for homeowners and businesses. These include:

1. Property-Assessed Clean Energy (PACE) programs, which make loans to homeowners or businesses to install renewable energy systems. The loans are repaid by a 15- to 20-year assessment on the improved property. If the owner sells the business or home, the assessment stays with the property, with responsibility passing to the next owner until the debt is paid. In 2010, Massachusetts enabled municipalities to establish PACE programs across the state.³⁵ Still only a few cities have adopted the program.³⁶

2. Net metering enables renewable energy producers to receive credit from their utility company on their energy bills for the clean energy they produce and supply to energy grids that is in excess of their actual energy need.³⁷ Net metering has been available in Massachusetts since the 1980s.³⁸ Today, the law allows individuals or groups who own renewable energy generating facilities smaller than 2 megawatts to receive credits for the excess electricity generated by their clean energy systems.

3. Feed-in tariffs are long-term contracts between a utility and its customers who install renewable energy systems. FITs set payments for the excess energy produced, providing customers a guaranteed rate of return on their investment in generating capacity.³⁹

4. Renewable Energy Credits (RECs) allow producers of renewable energy to receive a guaranteed rate of payment from another party who takes credit for the clean energy generated by the producer’s system.⁴⁰ Massachusetts ties RECs to their RPS standard, allowing retail electric suppliers to purchase renewable energy certificates from qualified generators to comply with the RPS standard.⁴¹

C Community Choice Aggregation (CCA) allows local governments to aggregate or group their respective localities for the purpose of procuring electricity. When adopted, individual or groups of communities can shop for specific Electricity Service Providers that best meet their needs and goals—both environmental and financial.⁴² In Massachusetts, several municipalities have adopted a municipal electric aggregation program that allows communities to collectively select their energy providers.⁴³

D Streamlined permitting and inspection processes can make it much easier for residents and businesses to install solar.

a. The Green Communities Designation and Grant Program helps Massachusetts cities and towns find clean energy solutions that reduce long-term energy costs and strengthen local economies.⁴⁴ The state’s Green Communities Division provides technical assistance and financial support for municipalities to improve energy efficiency and increase the use of renewable energy in public buildings, facilities, and schools.⁴⁵ In Massachusetts, 123 communities have received more than $30 million in Green Community Grants for support with green energy projects.⁴⁶
Climate change presents unprecedented challenges that impact all of us. Rising sea levels, more violent storms, and increasing droughts are already devastating communities, disrupting our food systems, and destabilizing local economies. As states start to shape the strategies they will use to meet carbon emissions goals established by recent Clean Power Plan regulations, we are reminded that while we are all affected by climate change, communities of color and low-income communities are often at the frontlines of climate-related natural disaster and exploitative dirty energy practices that compromise health and desecrate environments.

We need solutions now. The good news is we have them—in the growth of an Energy Democracy fueled by investments in clean energy. Communities across the country from Boulder, Colorado, to Buffalo, New York, and from Oakland, California, to Berea, Kentucky, are showing us that a democratic, equitable, and participatory economic and energy future is a viable and critical path towards sustainability.

Models like Co-op Power help us understand what it means to be owners in the new energy economy, where we can all benefit from a cleaner planet and a stronger local economy.

Co-op Power also shows us a model that builds up and empowers communities of color and low-income communities to participate in a clean economy. By elevating models of Energy Democracy and by highlighting the policies that support them, we aim to provide community leaders and policymakers with real strategies for building a racially equitable clean energy economy.
Co-op Law.org
www.co-oplaw.org

Co-op Law.org is a collaborative legal resource library created by the Sustainable Economies Law Center (SELC) and the Green-Collar Communities Clinic (GC3). It offers a wide range of materials, including general legal resources, state-by-state information on co-op law, worker co-op handbooks and sample documents.

The Democracy Collaborative
www.democracycollaborative.org
www.community-wealth.org

The Democracy Collaborative is a national leader in equitable, inclusive and sustainable development through its Community Wealth Building Initiative. This initiative sustains a wide range of Advisory, Research and Field Building activities designed to transform the practice of community/economic development in the United States. Community-Wealth.org is a project of The Democracy Collaborative committed to advancing a new understanding of democracy for the 21st century.

The Democracy at Work Institute
www.institute.usworker.coop/tools

The Democracy at Work Institute expands the promise of cooperative business ownership to reach those communities most directly affected by social and economic inequality. It seeks to ensure that further growth in the worker cooperative movement is “both rooted in worker cooperatives themselves and reaches out to new communities of worker-owners."

The International Cooperative Alliance
www.ica.coop/en/international-co-operative-alliance

The International Co-operative Alliance is a non-profit international association established in 1895 to advance the co-operative social enterprise model. The Alliance is the apex organization for co-operatives worldwide, representing 284 co-operative federations and organizations across 95 countries (as of January 2015). The members of the Alliance are national level co-operative federations, individual co-operative organizations and government offices concerned with co-operatives.

The US Federation of Worker-Cooperatives
www.usworker.coop/usfwc-resources

USFWC, along with its affiliated organization the Democracy at Work Institute, is the hub for worker cooperatives, professionals who serve them and the organizations that support them. They maintain a large library of models and working documents from worker cooperatives, as well as academic and practitioner research.
Center for Social Inclusion catalyzes grassroots communities, government, and other institutions to dismantle structural racial inequity. We craft strategies and tools to transform our nation’s policies and practices that harm communities of color, in order to create better outcomes for all.

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