

Montgomery nonprofits form energy alliances to save on utility costs

By Danielle Douglas

Monday, October 11, 2010

Sharan London, executive director of the Montgomery County Coalition for the Homeless, got used to the nonprofit's energy bills topping a few hundred dollars a month. Paying the utilities for the 50 units of housing where it provides shelter had long come at a premium. But recent state and county budget cuts made handling those expenses much more difficult. So London was thrilled to learn about the Nonprofit Energy Alliance, which uses collective purchasing power to negotiate competitive rates on electricity.

"Once we looked at the projected savings of \$30,000 a year, there was nothing to lose," London said.

A few weeks back, the Coalition for the Homeless sampled 10 of its condo units to compare year-over-year costs and found a savings of at least 15 percent across the board. "You start looking at that across an agency like ours, it's really exciting."

Led by Nonprofit Montgomery, the Arts and Humanities Council of Montgomery County and Greater Washington Interfaith Power & Light, the initiative, launched in May, joined together 14 nonprofits and congregations, which expect to collectively save an estimated \$180,000 a year. A second alliance, comprising another 12 groups, kicked off last week, with plans for additional collectives next spring and fall.

The groups are employing the help of Clean Currents to broker agreements with local energy suppliers. The Rockville-based company solicits bids from multiple suppliers, vets the best offer and presents it to the group. "The more usage we are able to bring to the supplier, the better rates we receive because we are using economies of scale," said Ron Rodriguez, director of business development at Clean Currents. As a part of the program, the group also purchases wind power renewable energy credits to offset its energy consumption.

Three years ago, Clean Currents helped a few D.C. businesses, including Ben's Chili Bowl and Busboys and Poets, form an energy collective. Since then, Rodriguez said, more merchants have warmed to group buys. The concept, he said, has particularly taken root in the local nonprofit sector, which has struggled to make ends meet in the wake of the downturn.

Interest in forming an alliance in Montgomery stirred about a year ago, when a few nonprofits lobbied the Montgomery County Council for assistance with their exorbitant utility costs. "We began to investigate what we might be able to do to alleviate the burden of escalating utilities, which keeps organizations from meeting their mission," said Suzan Jenkins, chief executive of Montgomery's Arts and Humanities Council, an agency that gets operating support from the local government.

Jenkins and her colleagues turned to the Montgomery County Department of Environmental Protection for guidance. The agency provided a list of registered vendors with the Maryland Public Service Commission from which the group selected Clean Currents. Within months, the founders of the alliance signed on several eager members.

One such member, Manna Food Center in Gaithersburg, has recorded an average 10 percent savings on its energy expenses since the summer, according to the nonprofit's executive director, Kim Damion. The organization said it serves more than 150,000 people per year. Manna witnessed a 45 percent spike in food requests when the recession hit in 2008, and the number has yet to ameliorate.

"Everything we can do to control costs means that more people will be fed," Damion said.