



All photos: Anne-Marie Caruso

SOLAR FOR COMMUNITY ACTION AGENCIES

Reducing electricity costs means more lives transformed

Greater Bergen Community Action installed solar arrays on its Midland Avenue campus – and negotiated a power purchase agreement that cut its electricity costs in half.

For more than 50 years, Greater Bergen Community Action (GBCA) has transformed lives and communities in northern New Jersey – serving 50,000 low-income residents each year with early childhood education, healthcare, housing, and more. But as GBCA’s services have grown, so have its energy costs. “When you look at your general operating expenses and what goes out the door every month, energy is a big part of it,” says Robert Halsch, GBCA’s president and CEO.

In 2011, GBCA staff looked for ways to reduce those costs. They considered alternative energy vendors and bulk purchasing, but the savings were not sufficient. “The only thing that made sense was to use solar energy to produce our own electricity,” Halsch says.

At the same time, GBCA wanted to secure a sustainable energy future for its facilities. Its Midland Avenue campus seemed like a good place to start: the three-building complex housed a DOE-funded weatherization training center, along with a Head Start program, ESL classes, immigrant services, and a federally qualified health center.

Funding for a solar installation proved elusive, however. As a nonprofit, GBCA was ineligible for renewable

energy tax credits. And local banks were unwilling to lend for a relatively small project. So GBCA teamed up with Cap Solar, a developer aligned with the Community Action Network. Cap Solar aggregates solar installations at community-serving nonprofits, creating a pipeline of investment-worthy projects.

Streamlining the process

Cap Solar took on the challenging parts of the solar installation, streamlining the process for GBCA. “They did all the planning, the engineering, and the financing,” says Halsch. Across the three buildings’ rooftops,

New financing opportunities for solar installations are available through the Biden Administration’s Inflation Reduction Act and Greenhouse Gas Reduction Fund.

Cap Solar installed photovoltaic panels that produce a total of 118 kilowatts of energy – more than enough to meet the buildings’ electric needs. Extra energy is sold back to the grid and credited on GBCA’s power bill.

By negotiating a power purchase agreement (PPA), GBCA avoided paying for the system upfront. Instead,



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Robert Halsch, President and CEO of GBCA



for the 15-year duration of the PPA, Cap Solar owns the solar installation, and GBCA pays a fixed price per kilowatt hour of electricity the system generates. When the PPA expires, GBCA takes ownership of its system. “At that point, electricity is basically free,” says Halsch.

Cutting costs in half

Before the solar installation, GBCA paid 15 cents per kilowatt hour to power the Midland Avenue campus. Now, through the PPA, GBCA pays 7.5 cents per kilowatt hour – cutting its electrical costs in half. The savings produced by rooftop solar freed up funds for the important work going on under the roof: training neighborhood residents to weatherize buildings, purchasing supplies for the Head Start program, helping new Americans navigate the immigration system.

There are broader benefits, as well. Cap Solar aggregated projects by bringing solar to dozens of nonprofit organizations in northern New Jersey. That means lower costs for all, and higher visibility for the economic and environmental benefits of green energy.

Lessons learned, new opportunities

Halsch notes that much has changed since that project launched. Importantly, there are new financing opportunities through the Biden administration’s Inflation Reduction Act and Greenhouse Gas Reduction Fund. These funds, which may be accessed through a local community development financial institution, can be combined with grants and private investment to build the capital stack for a solar installation. The best place to start, says Halsch, is by exploring the potential for grant funding from foundations or local government.

The plummeting price of photovoltaics has also brought many new players into the market. In this

newly crowded field, nonprofits may be deluged with proposals from solar developers. “It’s important to find a partner who aligns with your mission and objectives,” Halsch says.

While much has changed since 2011, one lesson remains as relevant as ever. “Nonprofits can get more leverage in the marketplace by collaborating with partners to create a pipeline at scale,” says Halsch. “It’s about scale and organizing capacity.” He adds: “If there’s one thing nonprofits are good at, it’s organizing.”

AT A GLANCE

System overview

- Rooftop mounted
- All 3 sites: 118 kW solar

Key roles

- Facility programming: Head Start, ESL classes, workforce training, immigrant services, federally qualified health center
- Developer: Cap Solar

Financing structure

- Power purchase agreement (PPA)
- Price per kWh of electricity paid: \$.075 fixed for the lifetime of the project.
- Monthly fixed charges paid: \$0

Average monthly savings: \$900



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