

# Renewables & Resilience Incentive Program for Human Service Providers

## Program Profile

### Supporting Energy Equity and Resilience for Nonprofits

In 2022, the City of Denver's [Office of Climate Action, Sustainability, and Resiliency \(CASR\)](#) established the [Renewables & Resilience Incentive Program for Human Service Providers](#), which provides financial incentives that help reduce, or even eliminate, energy burdens for Human Service Providers (HSPs). The program offers full or partial funding to HSPs for renewable energy projects including solar panels, electric vehicle (EV) charging stations, and battery installations.

The program defines a Human Service Provider as a nonprofit organization that offers critical services (e.g., childcare centers, community health centers, affordable housing providers). To qualify for the program, HSPs must be Xcel Energy customers located within the City and County of Denver, have a demonstrable connection to the local community, and both own and occupy the building they operate in.

To apply, HSPs must provide three quotes for proposed projects to ensure that the costs per kilowatt of renewable generation capacity installed are appropriate. Project proposals are scored based on greenhouse gas (GHG) reduction potential, cost-effectiveness, resilience benefits, community impact, teaming plan, and workforce standards.

To date, the program has completed four projects, with 17 more in progress. Ultimately, this work supports Denver's goal of a 100 percent carbon-free electric grid by 2030.<sup>1</sup> Co-benefits of the program, beyond reducing GHG emissions and energy costs, include expanding the city's capacity to serve residents in need, building energy resilience, and protecting public health through improved indoor and outdoor air quality.

<sup>1</sup> City of Denver, 2020. [Denver's 100% Renewable Electricity Action Plan](#).

#### Fast Facts

**Program scope:** Provides full or partial funding and end-to-end support to nonprofits for the installation of solar panels, battery storage, EV charging.

**Communities served:** Nonprofit human service providers operating within the City and County of Denver.

**Funding:** Denver's Office of Climate Action, Sustainability, and Resiliency (CASR) via the Climate Protection Fund.

**Key partners:** City of Denver Office of Nonprofit Engagement, Xcel Energy, Certifiably Green Denver, GRID Alternatives, Buck Foundation, Colorado Clean Energy Fund.

**Promising practices:** Reduce nonprofit energy burden; accelerate renewable electricity targets; build community resilience, energy equity, and environmental justice.



## Community History

Denver is the 19th largest city in the United States, with a population of more than 715,000 people, and ranks as the city with the 5th-largest homeless population in the nation.<sup>2</sup> The median household income from 2018 to 2022 was \$85,853, with a per capita income of \$56,381 and a poverty rate of 11.7 percent.<sup>3</sup> The city hosts 12,430 nonprofit organizations,<sup>4</sup> most of which are instrumental in providing food, shelter, healthcare, and education to those in need.

In 2020, the City of Denver published its [100% Renewable Electricity Action Plan](#), which lays out strategies to achieve its goal of 100 percent renewable electricity community-wide by 2030. The city created the Renewables & Resilience Incentive Program for Human Service Providers to both support nonprofits with their energy expenses and achieve progress on this energy goal. Additionally, since nonprofits save on their energy costs by participating in the program, they have more funds to dedicate to the services they provide to disadvantaged communities and populations such as those experiencing homelessness.

## Community Engagement

During the first year, program staff relied on traditional outreach channels, such as emails and phone calls, to engage potential applicants and generate interest. They also connected with other city staff that directly engage with community-based organizations (CBOs) to get a sense of whether those CBOs would be interested in pursuing renewable energy projects. Currently, program staff present at relevant events, such as the annual conference hosted by Denver's [Office of Nonprofit Engagement](#), to spread the word and provide information on how to apply.

Additionally, the program leverages its connections with other city programs that work on similar climate and resiliency initiatives to expand its reach. For example, program staff partnered with the [Certifiably Green Denver](#) (CGD) program, which certifies both small businesses and nonprofits based on environmental criteria, including energy efficiency. CGD staff assist by flagging interest in solar, for example, in the applications they review and by advertising the Renewables & Resilience Incentive Program in the CGD newsletter. Housing-focused organizations like the [Denver Housing Authority](#) and the [Denver Urban Renewal Authority](#) have also been instrumental in directing affordable housing providers to the program.

---

<sup>2</sup> U.S. Department of Housing and Urban Development, 2023. [The 2023 Annual Homelessness Assessment Report \(AHAR\) to Congress](#).

<sup>3</sup> U.S. Census Bureau. [Quick Facts: Denver city, Colorado](#).

<sup>4</sup> City of Denver. [Denver Nonprofit Task Force Q&A](#).



Now that the program has gained traction, program staff are conducting more targeted outreach to specific nonprofits that have yet to apply. Also, with some projects already completed, program staff are generating media content, like interviews, videos, and press releases, to build awareness and reach nonprofits that have not yet heard about the program.

## Key Partners

Partners and stakeholders of this program include the following:

- [Xcel Energy](#) – A public utility company that provides electricity and natural gas services to customers in Colorado.
- [GRID Alternatives](#) – A nonprofit organization that helps economic and environmental justice communities get clean, affordable renewable energy, transportation, and jobs; based in Oakland, California, with affiliate offices serving Colorado and five other states.
- City and County of Denver
  - [Office of Nonprofit Engagement](#) – A liaison between the City and County of Denver and its nonprofit sector that enhances nonprofit capacity through training, workshops, programming, improved processes, and funding support.
  - [Certifiably Green Denver](#) – A voluntary and non-regulatory program that provides free educational outreach and technical assistance on a variety of environmental issues to businesses in the City and County of Denver.

The program has established several strategic partnerships that expand the program’s benefits and range of services provided to participating HSPs. Xcel Energy provides complimentary funding for EV charging stations and battery storage that can be paired with funding from the program to allow for larger installations at a lower cost to the City and to the nonprofit. The program also benefits from data supplied by Xcel Energy to estimate GHG emissions reductions and cost savings of the projects either proposed or completed by participating HSPs. Additionally, the longstanding relationship enables program staff to connect the nonprofits they work with to new Xcel Energy programs related to electrification or energy savings.

As a nonprofit that specializes in solar, GRID provides other nonprofits with valuable advice and turnkey solar installations as well as workforce training opportunities integrated into the project drawing from the local community workforce. GRID is one of the main contractors for the projects and helps spread the word about the program. To support CASR, which administers the program, other offices or programs that work within both the City and County of Denver governments also help with engagement efforts for the program.





## Funding Mechanism

The [Climate Protection Fund](#), which generates \$40 million annually through a local sales and use tax increase, is the main source of funding for the Renewables & Resilience Incentive program. Funding is limited to renewable energy installation, as well as direct energy efficiency and electrification measures. Using the Climate Protection Fund, CASR covers up to 100 percent of the costs of installing solar panels, battery storage, and EV charging. The nonprofit can invoice the city at various milestones throughout the project, with different percentages of the total award amount.

The program has allocated \$9 million for funding from 2022 through 2024, with \$3 million allocated per year, enabling the program to fully cover the costs for 70 percent of participating HSPs' projects, while the other 30 percent are funded at lower amounts.<sup>5</sup> Following a grant distribution model, nonprofits enter a contract agreement with the City of Denver and lead the allocation of project funding to associated parties (i.e., project contractors). This model allows the participating HSPs to hold sole ownership of the installation, allowing them to capture 100 percent of the power generation revenue, which is typically delivered to the participating HSP through bill credits.

Beginning in 2024, a secondary source of funding for the program will come from the newly established [Inflation Reduction Act](#) (IRA) tax credits (i.e., direct pay) for qualifying renewable energy projects installed by nonprofit organizations. The City has established a process that requires all qualifying HSPs participating in the program to apply for the IRA tax credit, which can reimburse an organization for up to 40 percent of their total project cost. If CASR funded 100 percent of the project, then the nonprofit will return the full tax credit amount to CASR so it can be used to fund future installations.

However, if the HSP contributed match funding to a project that was supported by the program, the IRA tax credit will first reimburse the funding it provided, with any remaining amount being returned to CASR. For example, a \$10,000 project—with \$2,000 contributed by the HSP and \$8,000 contributed by CASR through the program—would receive \$4,000 via the IRA tax credit. In that case, \$2,000 of the tax credit reimburses the HSP's contribution and the other \$2,000 will be returned to CASR.

---

<sup>5</sup> Lee Valenzuela, City of Denver Office of Climate Action, Sustainability, and Resiliency, 2023. Personal communication.



## Program Impact

As of late 2023, the program had completed four projects, with 17 more underway, and had invested \$4.1 million in local clean electricity production.<sup>6</sup> For one participating HSP, [Colorado Coalition for the Homeless](#), a solar panel installation on its new affordable housing and healthcare facility (*see text box*) has offset 5 percent of the building's energy use, which translates to \$7,000 of annual energy savings.<sup>6</sup> 50% of current program participants are installing solar panels that will offset 100% of their current building electricity usage.<sup>6</sup> The program's 21 active projects are expected to achieve 21,863 metric tons of GHG emissions<sup>7</sup> reductions over 20 years.

Colorado Coalition for the Homeless, a 2023 Renewables & Incentive Program awardee, installed 30 kW of solar at their new [Recuperative Care Center](#), which meets the immediate healthcare needs for 500 people experiencing homelessness annually through medical respite and recuperative care. The Center also provides 98 units of affordable and supportive housing.

To assess cost effectiveness, the program measures cost per metric ton of avoided GHG emissions. On average, the program spends \$200 per metric ton of avoided GHG emissions. The program aims to achieve a minimum 20 percent reduction in electricity associated GHG emissions for each participating human service provider. Beyond increasing energy savings and emissions reductions, the program is working on building more collaborative partnerships to establish workforce and resiliency hubs that benefit underserved communities in Denver.<sup>6</sup> These partnerships, which prioritize community resilience, help to expand the realized public health benefits and environmental justice outcomes of the projects associated with the program.

## Barriers and Challenges

The program has faced certain challenges during the project implementation phase but has generally taken a proactive approach to addressing them. For example, the program must occasionally address roof quality issues which pose a barrier to solar installations. To overcome this challenge, it has built relationships with local organizations, such as the [Buck Foundation](#) and the [Colorado Clean Energy Fund](#), to ensure participating HSPs have access to low-interest financing for necessary roof repairs.

<sup>6</sup> Lee Valenzuela, 2023. Personal Communication.

<sup>7</sup> Emissions savings are calculated using the kilowatt hour production of all solar systems and Xcel Energy's emissions factors.



The program is also exploring ways to reduce administrative burdens. So far, it has leveraged feedback from participating HSPs and input from other city programs to streamline the application process so that it involves simplified forms and allows for immediate invoice payments. Program staff also provide technical assistance to participating HSPs that need help understanding quotes they receive from contractors or that seek outside funding to supplement the support they receive from the program.

### Recommendations from the Field

- **Encourage nonprofit installation contractors to get involved.** Contractors that are also nonprofits can anticipate difficulties that are specific to those types of organizations and generally understand how best to work with nonprofits.
- **Incorporate site visits into the application process.** This allows program staff to collect more detailed technical information about the building, explain technical information and/or answer technical questions about the process, and ask questions to understand participating HSP needs.
- **Build a strong contracting team.** This can help ease the administrative burden of the contract process, which can be relatively complicated for participating HSPs to navigate.

### For More Information

- [Renewables & Resilience Incentive Program for Human Service Providers website](#)
- [Program details packet](#)
- [EPA Resources on Energy Efficiency and Renewable Energy in Low-Income Communities](#)