

Case Study: PowerOptions®

Challenge – Enabling Solar Power for Public Sector and Non-profit Entities

PowerOptions® is the leading energy buying consortium in Massachusetts. It consolidates the gas and electricity energy buying power of nearly 500 Massachusetts nonprofits, state and municipal facilities, and is one of the largest consortiums of its kind. In 2011, PowerOptions members recognized the value of on-site solar power in reducing their utility bills and thereby freeing up scarce operating capital needed for their primary missions. Yet, the members were not able to install their own systems due to their inability to use federal tax incentives, and lacked the time and resources to evaluate proposals from third party developers. The members asked PowerOptions for help.

PowerOptions is a national expert in group buys of natural gas and electricity. They wanted an aggregated program to enable members to adopt solar solutions. They needed help in reviewing potential vendor partners, and in assessing their ability to finance the projects. PowerOptions asked Birch Tree Capital.

Approach

Birch Tree Capital applied its knowledge of renewable power project financing structures, federal and state incentives, and experience in closing financing to help PowerOptions design the competitive vendor selection process and to review vendor proposals. Birch Tree Capital helped to interview leading candidates, vet their financing capabilities, and establish the terms and conditions and pricing for the program.

Solution

With help from Birch Tree Capital, PowerOptions has chosen leading solar vendors as solar partners. Most recently, PowerOptions has partnered with SunPower to bring solar + storage solutions to the PowerOptions membership www.prnewswire.com/news-releases/poweroptions-sunpower-offer-cutting-edge-solar-plus-storage-program-bringing-savings-and-opportunity-to-nonprofits-public-entities-300657014.html. The vendors are building solar PV systems benefiting PowerOptions members at no upfront cost, thereby saving PowerOptions members the cost and ensuring best-in-class solar installations. PowerOptions established an innovative way for towns, universities, and other non-profits to acquire high-quality solar power systems. Birch Tree Capital helped PowerOptions leverage the buying power of its membership base to negotiate best in class services and pricing for solar energy services for its members. To date, 65MW of solar projects have been developed with PowerOptions members.