



Institute for
Community Prosperity

COMMUNITY INVESTMENT PROFILE

Sponsor Energy

Empowering the community

Background

Industry: Energy

Company Founded: 2012

Headquarters: Calgary

Customer: Business to consumer and
business to business

Legal Type: Private Company

Owned: Canadian Owned

Years Dedicated to Community Investment (C.I.): 3

Region of Focus: Alberta and British Columbia

Investees/ Partnerships include:

- Accelerator YYC
- Calgary Drop-In Centre
- Calgary Food Bank
- KidSport
- Little Warriors

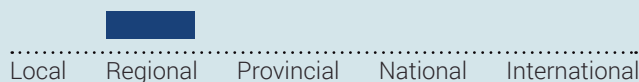
Community Investment Strategy:

Sponsor Energy is a socially conscious energy broker, providing competitively priced electricity and natural gas with built-in social purpose. Founder Carolyn Martin recognizes that many non-profit organizations and charities operate on a cycle of feast and famine. To provide a reliable source of support, Sponsor Energy shares 50% of profits with local charitable organizations with no extra cost to customers or charities. When customers sign up for service they get to choose from over 50 different charities across Alberta. Community investment (C.I.) isn't just a part of Sponsor Energy's business, it's the core of the business.

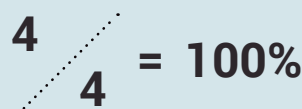
Some people are wary of the company, deeming it too good to be true. However, by cutting overhead costs, the company is able to provide many benefits to consumers and the community. Community Development Manager, Dan Brown-berger explained, "We don't have to make millions, it's better to do something important."¹ Cutting costs begins with its employees. Sponsor Energy only has four full-time employees, contracting out other work. The company also lowers overhead by forgoing fancy offices for more modest accommodations, using second-hand furniture, computers etc. The choice to make all billing paperless was informed by a desire to be environmentally friendly and to lower operational costs. Sponsor Energy believes that there is more to a business than making profit.

CI Dashboard: This dashboard is one way to illustrate how companies invest in community, providing a tool to compare across different company CI profiles. It is important to note that no category is privileged over another.

Geographic scope



CI staff ratio (Presented as percentage of total staff)



Granting or sponsorship approach

Responsive

CI responds to existing or emerging needs and opportunities articulated by the community

Strategic

CI approach is intentional, driven by the company's interests and/or theory of change

Flexible

CI is not tied to the company's core business

Aligned

CI approach is integrated or in line with the company's core business

FOCUS Investment: Lowering energy costs and usage

Issue:

Founder Carolyn Martin created Sponsor Energy in 2012 to give consumers an alternative to traditional energy providers.² Because Alberta's energy market was recently deregulated, there are few companies competing in the sector. Without much competition, energy prices go uncontested and consumers have little choice of what they pay for energy. The cost of heat and electricity can be unaffordable for low-income people and is regarded as the second leading economic cause of homelessness.³

Although Alberta is a province rich with energy resources, many of its residents face energy poverty. Energy poverty is having limited access to electricity and heating. For many Albertans, this means having to make the difficult decision of either paying for utilities or other basic necessities such as food and rent. The poorest 20% of households spend 9% of their income on heat and electricity, compared to the average household which spends around 3%.⁴

Solution:

To alleviate the problem of energy poverty in Alberta, Sponsor Energy created the Home Energy Low Income Plan (HELP). This program gives subsidized energy rates to low-income households referred by social agencies such as CUPS and Calgary Homeless Foundation. The rate is stable over three years so that customers on a fixed income can rely on a constant price. One of the greatest costs of heating and electricity is the initial security payment. To ensure that energy is accessible to all customers, Sponsor Energy also does not require a security payment or credit check for its HELP customers. A stable, lower energy bill helps to ensure customers won't have to choose between groceries and energy again.

Another highlight of the company is its unique approach to encourage customers to use less energy. Between 15-30% of the power used in any building can be controlled by actions such as turning off lights.⁵ To increase awareness about energy consumption and to encourage energy saving behaviour, Sponsor Energy created the Lobby BOB (Building Operation Board). The Lobby BOB is a publicly facing visual display showing real-time energy consumption, consumption over time, and even consumption differences between floors. Sponsor Energy will sell the Lobby BOB and charge a monthly operating fee for the display, half of the profits will go towards a charitable organization.

Impact and Evaluation:

Both commercial and residential buildings can sign up with Sponsor Energy. Charities who sign up can even donate their energy profits to their own cause. Ronald McDonald House Southern Alberta is an example of a self-supporting charity; all houses are signed up with Sponsor Energy with half the profits going back into their cause. By the end of their three and a half year contract, Sponsor Energy will have invested over \$6,500 into Ronald McDonald House Southern Alberta.⁶

To increase its impact, Sponsor Energy expanded its operations to British Columbia. B.C. was an obvious choice because many of the community partners in Alberta also have locations in BC. In the future, Sponsor Energy hopes to continue expanding to other deregulated energy markets such as California and Texas.

The company's initial goal was to invest \$5 million to 50 organizations in the first five years of business. However, due to their success so far, Carolyn Martin believes it will surpass this target.⁷

Endnotes

1. Ibid.
2. Ibid.
3. All One Sky Foundation, "Energy Poverty" Par. 2, All One Sky Foundation, 2014, <http://allonesky.ca/energy-poverty/>
4. All One Sky Foundation, "Energy Poverty" Par. 2.
5. Browsberger, Interview.
6. Ibid.
7. Alberta Venture, "Net-For-Profit: Sponsor Energy" Par. 5, Alberta Venture, June 15 2015, <http://albertaventure.com/2015/06/guide-to-starting-a-business-sponsor-energy/>.