

Together, we can create an equitable
energy future where no one gets left behind.



2021
IMPACT REPORT

A Note From Our Founder

The COVID-19 Pandemic has been a time of devastating loss, uncertainty, and growing inequity, but it has also forced us to face the many breaking points of our society and call our norms into question, encouraging some much-needed changes to the status quo. Since we began this journey in November 2016 as a [Public Benefit Corporation](#) and soon after as a [Certified B Corporation](#) (B Corp), our sole mission has been to make clean, affordable solar energy accessible to all, not just the select few. Neighborhood Sun is breaking all the barriers to traditional solar with the community solar model, allowing anyone with an electricity bill to access clean energy savings and help displace fossil fuels from their local electric grid. By connecting any and all community members (including residents, businesses, nonprofits, schools, airports, affordable housing projects, etc.) with community solar farms in their local vicinity, we empower individuals to reclaim their energy independence by accelerating the transition to renewables within their very own community, all while benefitting from guaranteed savings on each electricity bill.

Unfortunately, despite the reduction in domestic carbon dioxide (CO₂) emissions we saw in 2020 when the pandemic slowed economic activity, global energy-related CO₂ emissions rose by 6% in 2021 to their [highest-ever level of 36.3 billion tonnes](#) due to increased use of coal. Fortunately, our impact business model means that our growth correlates with the prevention of pollution and CO₂ emissions, not the creation of them. With so much at stake in the face of climate change, we're happy to report that 2021 was a year of massive growth for Neighborhood Sun and community solar as a whole. We grew our kilowatts of clean energy under management by 550% in 2021, and we were also recognized as Best for the World™ in the Environment category by the nonprofit B Lab. By the end of the year, we had officially merged with Astral Power, nearly doubling our team and giving us a strong foothold in New York, community solar's largest and fastest-growing market. After closing out our first Wefunder round, which raised over \$1 Million, we were able to launch [SunEngine](#), our fully customizable advanced community solar management platform, which we white label to help other providers increase access to community solar with ease.

Community solar is growing faster than any other part of the solar market. The [Department of Energy set a goal](#) in 2021 to power 5 Million households and create \$1 Billion in energy savings through community solar by 2025. This goal is a major win, but we need to make sure the communities that have historically suffered the most as a result of fossil fuel racism and other environmental injustices are also being included in this movement. Neighborhood Sun has learned a lot about the additional obstacles Low- and Moderate-Income residents face in signing up and the challenges we face in reaching them, so we made sure to put that knowledge to good use. In 2021, we increased our Low- and Moderate-Income (LMI) customer base by 195% and announced the nation's largest community solar project dedicated 100% to LMI subscribers.

As we grow, we will continue to do what we do best: adapt quickly to the ever-changing needs of our solar community and lead the charge to bring affordable clean energy to all. This impact report is a way for us to reflect on all that we accomplished for the greater good in 2021 and provide an opportunity for you to learn, ask questions, and hold us accountable to our mission. We hope you'll join our solar community as we keep working toward an equitable carbon-free future.



Gary Skulnik



Our Solar Family

We were incredibly fortunate to host our first-ever company retreat in November of 2021. This was also the first time our Neighborhood Sun team was able to meet the new Astral Power team members in person, so it was an extra special moment for all of us. We go out of our way to keep things local, reducing emissions and supporting our solar community whenever possible, so we chose one of our amazing community partners as the venue for our retreat. The beautiful [Pearlstone Outdoor Education and Retreat Center](#) is located outside of Baltimore, Maryland. There, we focused on team-building, learning about ecological stewardship, and collaborating to evaluate our current business practices and identify areas that we wanted to prioritize in the upcoming year.

Another Year Around the Sun

As a tech-enabled community solar company, Neighborhood Sun empowers individuals to not only help accelerate but also directly benefit from the clean energy transition, regardless of their location, homeownership status, or income level. We have grown so much since we first started as a small business founded in Silver Spring, Maryland, but there is one thing that will never change. We're here to create more community, not more consumers.

Since 2016, Neighborhood Sun has worked to serve people and the planet by making clean, affordable energy accessible to all— not just the select few. Thanks to our impact business model, the creation of positive social and environmental impact is inherently embedded in every aspect of our business, but we don't think it stops there. To hold ourselves accountable for our impact on the communities we serve, as well as ourselves, we are legally registered as a Public Benefit Corporation in our home state of Maryland. We are also proud to have joined many of the great impact-driven businesses like Patagonia and Ben & Jerry's, earning our status as a Certified B Corporation (B Corp) in 2017. Now, we hold the the highest B Corp score in the industry at 130.5 and continue to raise the bar for responsible business practices in the energy sector. Click on our score to see it broken down by category. In 2021, we were awarded the title Best for the World™ in the Environment category for ranking in the top 5% of B Corps in our size range globally. This report serves to share an overview of the public benefit we have created between January and December of 2021.



Merging with Astral Power



In 2021, we nearly doubled the size of our team when we merged with Astral Power, the leading provider in community solar's largest and fastest-growing market, New York.

Astral's experienced leadership team is helping us bring affordable clean energy to new communities using Neighborhood Sun's leading software management platform, known as SunEngine. By the end of 2021, we were managing over 70.4 MWs of community solar and virtual net metered renewable energy projects together, which is enough to power more than 13,300 homes across the country.

“Community solar is one of the most powerful tools we have to provide affordable solar energy to all American households, regardless of whether they own a home or have a roof suitable for solar panels,”

- Secretary of Energy, Jennifer M. Granholm.

Our Manifesto

When it comes down to it, Neighborhood Sun is as grassroots as it gets. We're in the business of helping people and saving the planet, and we wouldn't want it any other way. As locals in many of the Maryland and New York regions we serve, we are able to actively participate in and understand the communities we bring solar access to, also leveraging our trusted community partners to help incorporate a wider variety of perspectives. Fighting climate change and environmental injustice is serious business, so we do what we can to keep things light. Fortunately for us, it helps that our employees are more than just coworkers. We hang out together. We volunteer together. We laugh and sometimes even cry together... but then we plan a group camping trip or some other kind of fun outing to cheer ourselves up. Thanks to our friendly and fun energy, both as individuals and an entire company, we have fostered meaningful connections throughout our community with our customers, teammates, partners, and other community members. That's what Neighborhood Sun is all about. These statements in Our Manifesto guide the way as we continue to do what's in everyone's best interest: prevent pollution and forge stronger communities by empowering people through access to clean, affordable energy.

**Clean energy is for
EVERYONE.**



**Climate change
is the biggest
challenge of our
generation.**



Business can be a force for good.



**Buying
local is
vital.**



**We love our
community.**

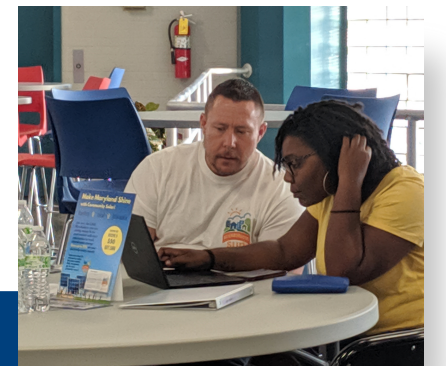


**We aren't
afraid to fail
forward.**



**Through our
projects, we call on
everyone to be an
active part of society.**

**The answer
isn't more
consumers,
it's more
community.**



Community Solar

ANOTHER COMMUNITY
MEMBER'S SOLAR SHARE

YOUR
SOLAR SHARE

Together, we're building an entire solar community-- not just a business. Picture our community solar farms like community gardens. But, instead of owning a share of the produce grown, local residents and businesses can own their dedicated share of the clean energy generated by a solar farm located within their community. That means NO installations or home eligibility requirements, so anyone can participate and access clean energy savings while displacing dirty fossil fuels from their local electric grid.

The community solar model is essential to ensuring an equitable clean energy transition, connecting solar developers who need to fill projects with local residents and businesses who want access to solar energy savings. Rooftop solar is currently accessible to only 20% of Americans, so we're here to make sure the other 80% don't get left out of this clean energy transition, especially those who have suffered the most from fossil fuel pollution. We manage 70.4 Megawatts of clean, affordable energy across 7 states, and we're just getting started...

In 2021, the U.S. Department of Energy (DOE) announced a new target for community solar systems to power the equivalent of five million households by 2025 and create \$1 billion in energy bill savings. Reaching these milestones will help achieve the Biden-Harris Administration's goals of 100% clean electricity by 2035 and ensure that all Americans can reap the benefits of renewable energy while building community wealth and resiliency.



BUILT TO SERVE EVERYONE, NOT JUST THE SELECT FEW

When we started out as a community solar company in 2016, we couldn't find a technology platform that met all of our needs as a provider. Instead of settling, we decided to build our own customer-focused community solar management platform with funds we raised in our first round. Now in 2021, our platform is the best in breed. As a fully customizable software solution, SunEngine allows providers to streamline their process while putting customers first by integrating directly with solar providers' CRM, marketing, and payment processing software. By white labeling our software for other providers, we can rapidly scale access to clean, affordable energy through community solar.

Total Impact to Date

Environment

KWH CLEAN ENERGY

139 Million

POUNDS CO2 PREVENTED

218 Million

or

CARS OFF ROAD FOR 1 YEAR

21,281

Customers

CLEAN ENERGY SAVINGS

\$383,912+

SUBSCRIBERS

4,613

LMI CUSTOMER BASE

18% LMI

**LMI Customer Base is the percentage of our customers who qualify as Low- or Moderate-Income (LMI)*

Community

EMPLOYEES

24

MW OF PROJECTS

70.4

PARTNERS

70+

DONATED TO PARTNERS

\$87,781

STATES

7

**Figures on this page represent our comprehensive impact from our conception in 2016 through the end of December 2021*

Clean energy is for **EVERYONE**

44% of American households qualify as Low-Income

Solar energy has been cheaper than fossil fuels for years now, so why are the 44% of American households that qualify as Low-Income the last to access these clean energy savings? Unfortunately, a clean energy transition isn't necessarily an equitable one. That part is up to us, and we don't take it lightly.

Thanks to community solar, anyone with an electric bill can access clean energy savings and prevent pollution from fossil fuels. Unfortunately, not everyone is poised to benefit from this opportunity equally. Residential solar adoption by Moderate-Income households has increased a lot since 2010, representing 48% of adoptions. Low-Income households, however, represent just 15% of solar system adoptions, according to a 2018 Lawrence Berkeley National Laboratory report. Community solar can help bridge this gap, but only if we pass policies that account for the various additional challenges faced by underserved communities in accessing clean energy savings.

Through our Solar Helps Advance Resident Equality (S.H.A.R.E.™) Program, we work to get clean energy and cost savings to those who currently suffer the highest energy burdens, such as Low- and Moderate-Income (LMI) households. American Council for an Energy-Efficient Economy's 2020 research study found that Black, Hispanic, and Native American households all face dramatically higher energy burdens than the average household as well, compounding the issue for many families. In addition to spending a greater portion of income on energy bills, higher energy burdens are also correlated with greater risk for respiratory diseases, increased stress and economic hardship, and difficulty in moving out of poverty. These underserved communities also suffer from acute systemic inequalities, barriers, and limited access to public and private resources, resulting in them being most affected by the pandemic through job loss and negative health impacts. Despite the additional savings offered to LMI households, our experience in the market during the past four years has taught us that the current framework doesn't serve them equally due to the many intersectional challenges they face.

By limiting the percentage of their monthly utility bill which can be discounted through community solar and imposing additional income-verification requirements for LMI subscribers, certain state policies are hindering our efforts to serve the LMI community. For LMI households to benefit from the clean energy transition in an equitable manner, we need the support of policies and government leaders to help eliminate these barriers to access and incentivize the development of more projects that intentionally cater to underserved communities.

Sources: Energy.gov & American Council for an Energy Efficient Economy

1% For The People

In response to the growing challenges people face with the global pandemic, rising costs, and worsening climate change impacts, we established our Neighbor Benefit Fund™ (NBF) to help households cover unpaid bills in times of crisis. In 2021, we dedicated 1% of our annual gross revenue (\$15,000) to support our customers when they need it most.

8.6%



Low-Income Household

3%



Non Low-Income Household

ENERGY BURDEN

is the percentage of a household's income spent on meeting basic energy needs.

The median energy burden of Low-Income households is **3x higher!**

Energy Equity Spotlight

Neighborhood Sun served 195% more Low- and Moderate-Income households in 2021 than the year before.

Barriers to Low- and Moderate-Income (LMI) Access

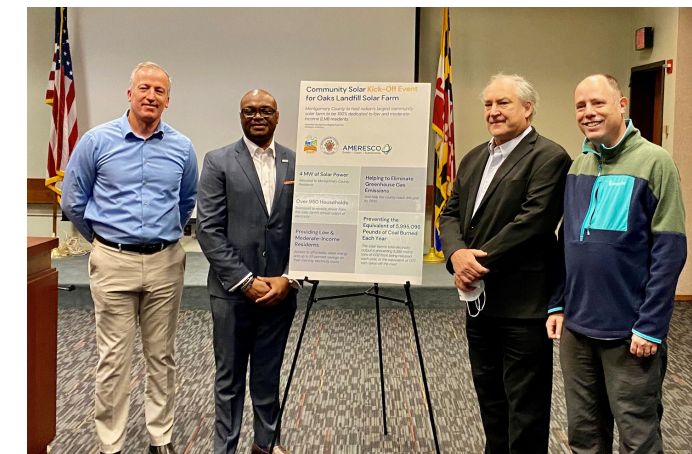
- General mistrust due to historically predatory practices in the energy industry
- Requiring additional documentation and sign-up steps to verify income level
- Requiring certain forms of payment for LMI residents who often don't have access to credit cards or bank accounts
- Differences in terms and requirements across states and utility territories
- Limited share size in areas without consolidated billing

Financial bureaucracy should never be the reason that LMI residents aren't getting access to clean, affordable energy. Neighborhood Sun advocates for legislation to implement solutions that make it easier for LMI residents to access the increased clean energy savings they deserve. Policy support is essential to help streamline the verification process by allowing for self-attestation, relaxed verification rules, and alternative ways to verify income level. Switching to consolidated billing like Maryland's House Bill 818 proposes would simplify the billing process for everyone and allow us to maximize the clean energy shares of LMI subscribers.

The Oaks Landfill Project

The Oaks Landfill community solar project is a groundbreaking project for Montgomery County and Maryland as a whole. In 2021, we partnered with Ameresco, Inc. and Montgomery County to take a small step towards addressing energy equity by building the nation's largest community solar project dedicated 100% to Low- and Moderate-Income (LMI) residents. This project sits on 16-acres of repurposed capped landfill in the same community where Neighborhood Sun is based, turning underutilized land into an environmental asset that brings jobs, savings, and clean energy to the local community.

Thanks to the support of local LMI residents who sign up for 25% savings on their electric bill through Neighborhood Sun, this solar farm will be generating around 5 Megawatts of renewable energy for the local grid, directly displacing the equivalent amount of dirty fossil fuels. This project will also help Montgomery County meet its Climate Action Plan goal to eliminate 100% of carbon emissions by 2035 while bringing guaranteed energy savings to the households who need them the most.



\$ 25% Savings on Electricity Costs

⚡ PEPCO Utility Territory

📍 Gaithersburg, Maryland

! Available to residents earning less than \$69K/year



Our 2021 Impact

Environment

Our solar community generated 123 Million kWh of clean, local energy.

In contrast to most utilities, our business model strives to create more community, not more consumers. In 2021, our incredible solar community generated 123 Million kWh of clean, local energy, displacing the same amount of harmful fossil fuels from the electric grid, thus preventing 192 Million pounds of carbon dioxide (CO₂) emissions. According to the EPA Emissions Calculator, that's equivalent to the amount of carbon sequestered by 1.5 Million tree seedlings over 10 years, and our community did it in just one! Seen through a different lens, the greenhouse gas emissions we prevented in 2021 are also equivalent to taking 18,789 gasoline-powered passenger vehicles off the road for a year.

In 2021, the number of kilowatts we manage grew by 550%, meaning more savings for subscribers and more demand for local renewable energy projects. We were also named by the nonprofit [B Lab](#) as [Best for the World™](#) in the Environment category, meaning our score on the B Impact Assessment for that category ranked us in the top 5% of Certified B Corps in our size range globally.



Our 2021 Impact Community

Local Partners

We are honored to collaborate with and help uplift so many amazing impact-driven organizations, businesses, faith groups, and kick-ass individuals who are trying to make our little corner of the world a better place. In 2021, we donated over \$20,700 to our community partners, including organizations like Adat Shalom, Blue Water Baltimore, Flemington Area Food Pantry, Center for Conscious Living, and many more as they helped spread the word about the benefits community solar provides to local residents.

Team Members

In 2021, we grew our team by 200% after merging with Astral Power and hiring new customer care specialists, partner coordinators, technology experts, and a sustainability director to maintain the quality and integrity of our service as we expand to new territories. We remain a united team both in and out of the office, joining forces for weekly trivia and climate fundraising opportunities like when we raised \$5,000 for the Chesapeake Climate Action Network's 2021 Polar Bear Plunge. Neighborhood Sun also switched to a hybrid work model to provide more flexibility to our employees, reduce emissions, and account for health risks related to COVID-19.

Low- & Moderate-Income Subscribers

In 2021, we brought clean electricity to 581 new Low- and Moderate-Income (LMI) subscribers through community solar, saving them a total of \$83,617 in energy costs. We began subscribing members of our local Maryland community to Oaks Landfill, the largest community solar project dedicated 100% to LMI residents in the entire nation and advocated for policies to make signing up and managing bills easier for LMI residents.

Community Members Served

In 2021, we welcomed a total of 2,159 new subscribers to our solar community, providing local households, businesses, and organizations with access to clean energy and savings. Each year, we have a stakeholder meeting to hear directly from our solar community about how we can better serve them. Once a year just didn't feel like enough, so we decided to launch our stakeholdersmatter@neighborhoodsun.solar inbox to serve as a hub for feedback or requests from any and all stakeholders all year long.



Our 2021 Impact

Prosperity

Our current energy system doesn't distribute benefits and costs equally, passing profits up the ladder to utility executives while subjecting disadvantaged minority communities to increased health, financial, and environmental costs. In contrast to this broken system, the community solar model redistributes savings to all stakeholders involved, from solar developers to residential and commercial subscribers, as well as our local community partners.

Saving money and is great and all, but when it comes down to it, our health is always most important. While we may not see the effectiveness of many of our efforts to reduce climate change until the distant future, there are many benefits to our health and prosperity that can be felt in the short term as a result of those same efforts to reduce emissions today. [New research](#) from scientists at NASA, Duke University, and Colombia University shows that there are many near-term U.S. benefits to switching to lower-carbon energy sources. Improvements in human health, labor productivity, and agriculture go hand-in-hand with the improved air quality that results from burning less fossil fuels.



\$1 Million

RAISED BY NEIGHBORHOOD SUN TO CONTINUE
EXPANDING ACCESS TO CLEAN ENERGY

\$256,000

IN TOTAL ENERGY SAVINGS FOR
OUR SUBSCRIBERS

\$20,700

DONATED TO OUR
COMMUNITY PARTNERS

\$15,000

IN OUR NEIGHBOR
BENEFIT FUND

\$144

AVG ANNUAL SAVINGS
FOR AN LMI SUBSCRIBER

Moving Forward

Goals for 2022

Environment

Because we have so many key players in our business model, it can be hard to track their impacts in addition to our own. In 2022, we will explore ways to support our developers in considering the full life cycle of their solar panels and other social and environmental best practices. We will also use this next year to further embed environmental impact into our own corporate practices, making impact metrics a key part of evaluating the success of our employees, teams, campaigns, and overall business efforts. Another goal is to be more granular in the evaluation of our own carbon emissions, both as individuals and as a company, so we can offset them entirely.

Community

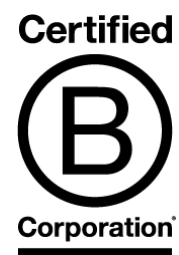
This next year will be focused on getting systems in place to better evaluate the true impact of our community efforts. That means appointing an internal team to oversee our Customer Advocacy Board, which is comprised of real customers who will advocate for the needs and challenges of specific communities.

As we leverage the new stakeholder inbox to invite feedback from all our stakeholders, we must develop procedures to continuously incorporate this feedback into our business goals.

In 2022, we will continue to increase the percentage of our customers who qualify as LMI and advocate for policies that support the LMI community any time we can, even when it goes against our bottom line.

Prosperity

Each year, we pledge 1% of our gross revenue to the Neighbor Benefit Fund™. With limited staff and rapid growth, our focus since launching the fund has been more on making sure the money gets to those who need it and less on tracking the details. This year, we aim to change that by creating formal procedures to monitor the fund's impact so we can share more of those details with you in next year's report. We will also be increasing internal and external communications surrounding the fund to make sure anyone who might need it is well-aware of the additional resources and support at their disposal.



Together, we'll build a solar community.

Join us!

☎ 888-606-0054

✉ hello@neighborhoodsun.solar

🌐 www.NeighborhoodSun.solar

Find
us on

