

ANNUAL REPORT 2013

**“GROUNDSWELL
IS A WAY TO TURN
AN INDIVIDUAL,
EVERYDAY
DECISION INTO
COLLECTIVE
COMMUNITY
POWER.”**

*—Dominique Hazzard
switched her home
to clean power with
Groundswell*

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TOGETHER, WE HAVE POWER

Grassroots communities that led the great social movements of the 20th century are searching for new pathways to effect change in today's world. Strategies for social and environmental impact are struggling to keep up with intensifying challenges across a range of issues, from climate change to income inequality.

At the same time, political gridlock is deepening, and people feel more and more estranged from the civic process. Corporate influence is running unchecked, and globalization is fundamentally transforming how we engage with local and global communities, as well as within the marketplace.

We could see these changes in the economy as entirely problematic, but they also offer hope.

Today's economy also provides a new source of power that we are only just beginning to harness toward impact. Together, consumers account for 70 percent of economic activity in the United States, and over 50 percent of young Americans think that the actual purpose of business is social good. Everyday people's buying power is anchoring our economy like never before, and communities are looking for ways to use their purchasing power to make change.

Civic Consumption – Groundswell's core model – allows communities to tap their buying power to drive the change they need. Groundswell is proving the power of this unique approach in the clean energy sector, disrupting an industry that is notorious for its resistance to change. And as Groundswell expands these projects across the mid-Atlantic to help more communities access affordable clean energy, it is also exploring ways that Civic Consumption can make impact across the whole economy to address a range of our most pressing issues.

In this moment, we all have the unique opportunity to shift our status quo from being alone and passive in the marketplace to becoming active shapers of an economy that aligns with our values. The task is large, and we're going to need new tools and new tactics if we're going to realize this untapped potential.

But most importantly, we're going to need strong partners like you – and on behalf of our whole team, we thank all of you for thinking and working alongside us as we build this movement together.

All the best,

Will Byrne
CEO and Co-Founder

Derek Ellerman
Chairperson of the Board



ABOUT GROUNDSWELL

Groundswell's mission is to unlock communities' shared economic power to grow sustainability and prosperity on the local level. We're committed to helping people and communities use their every day purchasing decisions to make a positive impact on the world.

At Groundswell, we:

- » increase access to the goods and services that people need to survive and thrive, with a particular emphasis on low-income communities;
- » reward businesses that prioritize environmental sustainability and social impact;
- » build power and resilience amongst families, organizations, and communities; and
- » drive a more socially responsible economy.

For the last five years, we've been applying our theory of change, Civic Consumption, to help people and organization switch to clean energy. Traditionally, renewable energy has been too expensive for communities to afford. Groundswell provides an easy path for communities to come together and use their buying power to access affordable clean energy. In many cases, we're making clean energy accessible to people for the first time.

OUR THEORY OF CHANGE: CIVIC CONSUMPTION



BENEFITS OF CIVIC CONSUMPTION

- » increasing access to necessary goods and services
- » rewarding businesses with deep social and environmental benefit
- » putting power back in the hands of families and organizations
- » providing people with new pathways to civic action
- » growing social outcomes across market sectors
- » building community resilience, often on the local level



D.C.'s Hospitality High School teachers Darius Jutzi and Amina Pleasant-Bey educate their high school students in a building now powered by clean energy through Groundswell.



Groundswell's mission is to unlock communities' shared economic power to grow sustainability and expand prosperity on the local level.

**photos courtesy of Jeffery Martin*

SUMMARY of 2013 HIGHLIGHTS

2013 was a game changing year for Groundswell and the communities we brought together.

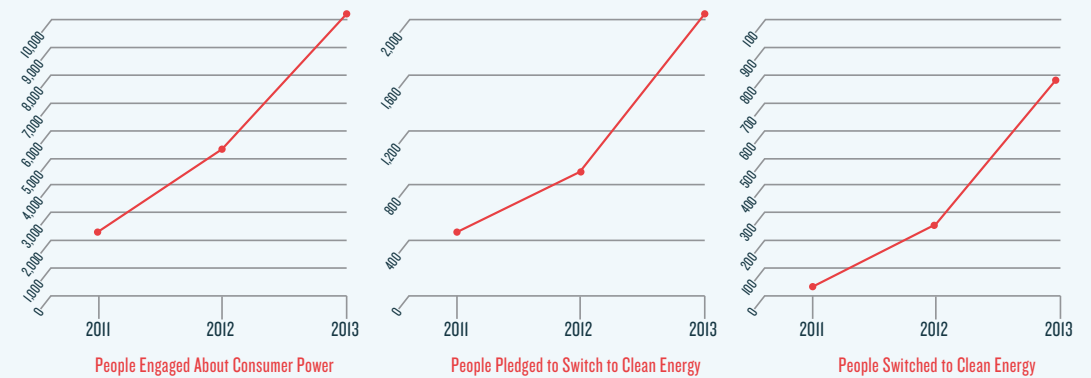
For the last five years, we've been helping people across the mid-Atlantic leverage their consumer power to switch to clean energy. As of 2013, we've helped communities complete \$10 million in people-powered clean energy projects, in turn saving participants over \$1 million on their electric bills and reinvesting \$1.5 million total in communities. These milestones are proof that Civic Consumption is driving real impact. By bringing people and organizations together, we are helping them harness their own power. Power to demand inclusion. Power to reward businesses doing the greatest good. Power to build community resilience. But the power unlocked by Civic Consumption shouldn't stop with clean energy.

In 2013, we kick started a movement uniting people across the country who are leveraging that same power to address a wide range of issues. We launched the Civic Consumption Network to connect the like-minded social enterprises already using Civic Consumption. Together, they are driving impressive and much needed social outcomes across all sectors of our economy.

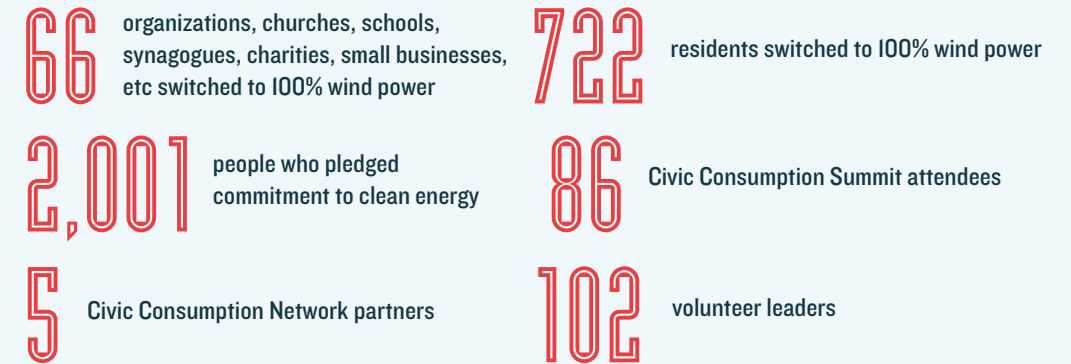
In December, we convened the Network and over 80 innovators, entrepreneurs and community leaders at a national conference in Washington, D.C. Together, we mapped out a plan to drive social change in the 21st century economy and build a shared understanding of how everyday people can use their consumer power for good.

In 2014, we will bring this movement to life.

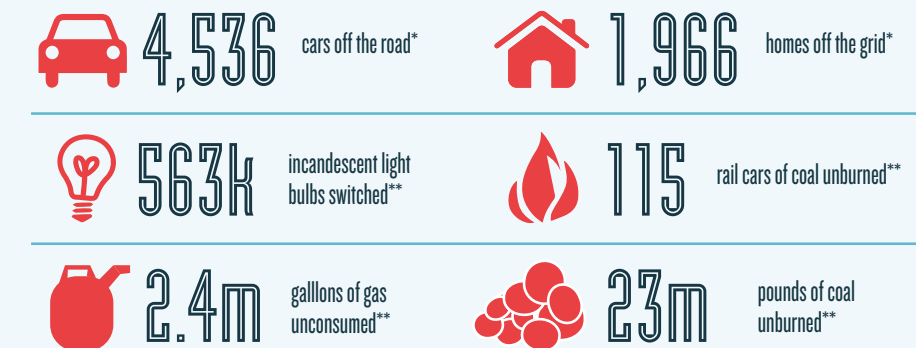
GROWING GROUND SWELL ENERGY



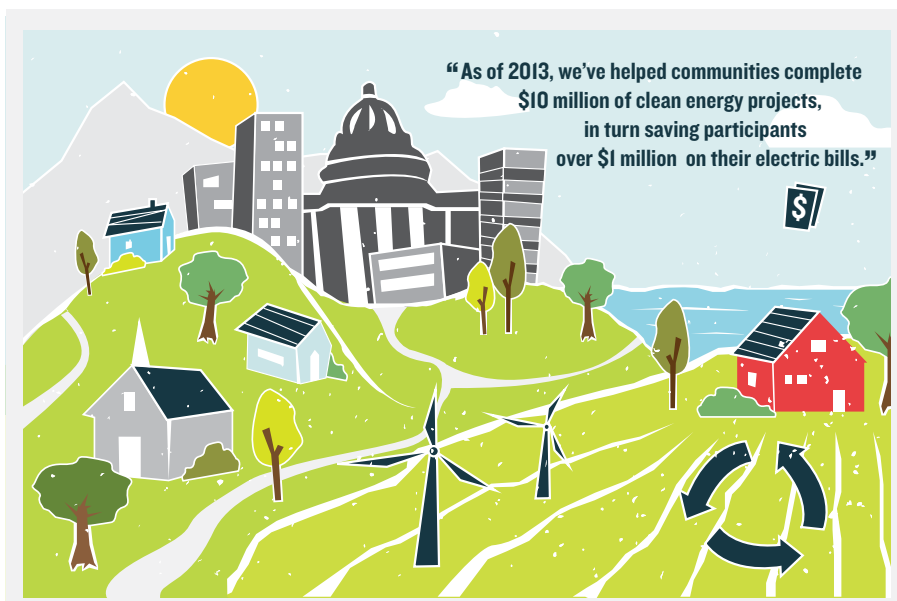
2013 BY THE NUMBERS



GROUND SWELL'S 2013 ENVIRONMENTAL IMPACT IS EQUAL TO:



* Annual greenhouse gas emissions | ** CO2 emissions



HIGHLIGHT 1: \$10 million in Clean Energy Projects

In 2013, Groundswell reached a major milestone in growing a vibrant clean energy economy. Our work to help residents and the organizations that serve them switch to clean energy has crossed the \$10 million mark in completed projects. That is millions of dollars that might have otherwise been invested in dirty energy. That is millions of dollars mobilized by communities and for communities. That is millions of dollars moved by people who were not previously engaged in the renewable movement.

Through Civic Consumption, Groundswell brings people and organizations together to purchase renewable energy. We pool communities together to create projects that leverage their shared buying power. We manage a competitive bid that rewards the electricity supplier with the lowest price, fairest contract, best business practices, and strongest commitment to environmental sustainability. We guide families and organizations through the whole process, creating an easy way for people to make the switch to clean power.

In 2013, we helped 66 organizations—churches, synagogues, charities, schools, small businesses and municipalities—make the switch to wind power and save up to 16% on their electric bills. Together, their transition converted 28 million kWh to clean energy. In 2013, we also helped 722 people switch their homes and apartments to wind power. Together, their transition converted 2.5 million kWh to clean energy.

We're committed to driving a cleaner economy and creating a more sustainable world. As we expand into Pennsylvania, we're also laying the groundwork to move into Delaware and New Jersey.



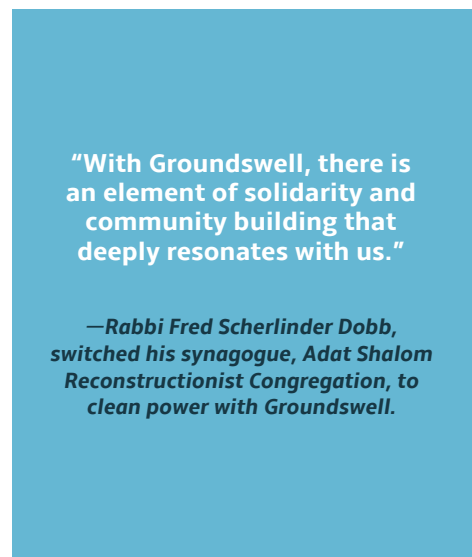
"The best thing about Groundswell is that it brings greener energy to city residents. Sometimes, clean power seems so distant — or like something that wouldn't be available in a city. Groundswell makes it accessible."

— Amarillys Rodriguez, switched her home to clean power with Groundswell.



"Groundswell uses group power to make complicated things, like clean power, simpler and more affordable."

— Anne Stauffer switched her home to clean power with Groundswell.



"With Groundswell, there is an element of solidarity and community building that deeply resonates with us."

— Rabbi Fred Scherlinder Dobb, switched his synagogue, Adat Shalom Reconstructionist Congregation, to clean power with Groundswell.



"Climate change is real and we all have the power to do something about it. I'm proud to belong to a church that's committed to saving our planet."

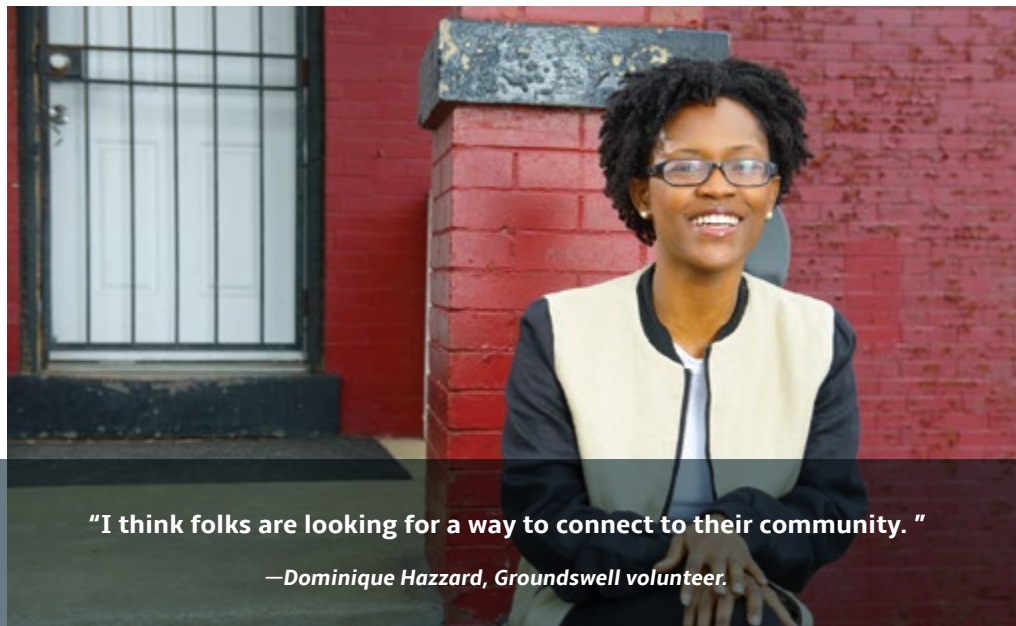
— Reba Elliott switched her church, the New Community Church, to clean power with Groundswell.

HIGHLIGHT 2: \$1.5 million in Community Reinvestment

Increasing prosperity on the local level is a critical part of our mission: We are proud to have achieved \$1.5 million in community reinvestment, including energy bill savings for participants and local business investment. In 2013, we helped Baltimore's Patterson Park Public Charter School switch to a contract that will save them an estimated \$17,000 on their electricity bill over the next three years. That is \$17,000 that they can now put towards ensuring their students get a great education. In 2013, we also helped Washington, D.C.'s Christ House save an estimated \$3,525 on its utility bill. That's \$3,525 it can now put toward quality healthcare for Washington, D.C.'s homeless population.

At Groundswell, community building is about more than financial savings. In 2013, we educated thousands of people about how they can use consumer power to improve their lives and drive real change. One example is our work educating people, many of whom live in low-income communities, about retail electric choice. Almost everyone pays an electric bill, but most people don't know that they have a choice about who provides their energy. We help people understand they have the power to choose whether their bill is supporting clean or dirty energy. As their consumer advocate, we make sure they not only understand their options, but also have a trusted source navigating the complexities of the market on their behalf.

By training 100 volunteers, we went across the mid-Atlantic to help people understand that their regular purchases and monthly bills—like their utility bill—can be a powerful driver for social impact. Our volunteers, like Dominique Hazzard of Washington, D.C., are building community power across the country through education, organization, and mobilization.



"I think folks are looking for a way to connect to their community."

—Dominique Hazzard, Groundswell volunteer.

"After seeing Groundswell's program, I looked more closely at my bill from another wind power supplier that had been running 25-30% higher than normal. I had assumed the utility rates had risen, but Groundswell's negotiated offer was much lower and they explained why."



—Sharon Villines, Groundswell participant.

"Groundswell made the switch to renewable energy easy on our busy staff and better for our tight budget."



—David Inoue switched Christ House, a health care facility for the homeless, to clean power with Groundswell.



"We love being a partner with Groundswell because it gives our folks a concrete way to "walk the walk" on going green and because Groundswell values collaboration and cooperation."

—Karen Leu, from Interfaith Power and Light, a core partner of Groundswell.

HIGHLIGHT 3: Launching a Civic Consumption Field

Together, we have power. By leveraging shared buying power, we are giving communities newfound access to the goods and services they need and shaping today's economy for the better.

The model we have spent the last five years applying to clean energy can also drive dynamic social change in a variety of industries. It can help low-income communities access local, healthy foods. It can help freelance workers access affordable, quality healthcare. It can help the millions of Americans on the other side of the digital divide access affordable broadband internet.

In 2013, both Fast Company and Forbes printed articles highlighting Groundswell's unique model and its explosive potential. In 2013, we created The Civic Consumption Network to bring five innovative organizations that are already using Civic Consumption to increase access to healthy food, books, insurance, Internet and clean energy together as thought leaders and partners. As a group, we are sharing best practices and resources to grow the field of social enterprises and everyday consumers using shared power to drive 21st century change. We are also piloting collaborative projects to help one another scale.

In 2013, Groundswell began the process of building a movement around this exciting new framework by hosting Civic Consumption 2013: Social Change in a Changing Economy in Washington, D.C. At this national summit, more than 80 entrepreneurs, social innovators, and community leaders convened to learn more about empowering people in today's economy and help Groundswell build a blueprint for expanding the field in 2014.

CIVIC CONSUMPTION NETWORK MEMBERS



Sara Horowitz
Freelancers Union



Haile Johnston
Common Market Philadelphia



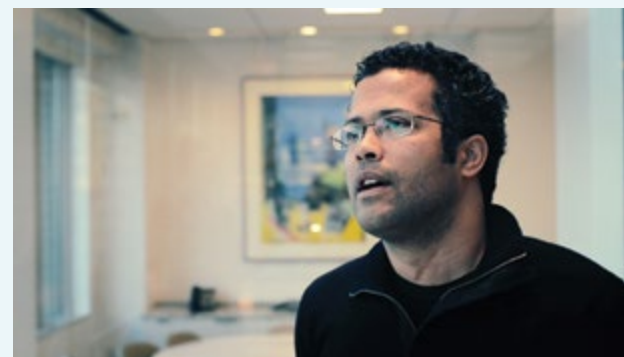
Zach Leverenz
EveryoneOn



Kyle Zimmer
First Book



Will Byrne
Groundswell



**photos courtesy of Mike Synder*

BOARD of DIRECTORS

Will Byrne, Groundswell, Co-Founder and Chief Executive Officer

Derek Ellerman, Polaris Project, Co-Founder and Chairperson

Bracken Hendricks, Center for American Progress, Senior Fellow

Christopher Murray, Dow Lohnes, LLC, Attorney and Vice President for Education Policy

Jennifer Pryce, Calvert Foundation, President and CEO

Bryce Schonberger, University of Southern California Candidate for PhD in Accounting, Certified Public Accountant

Stockton Williams, HR&A Advisors, Principal

Jessica Bailey, Clean Energy Finance and Investment Authority, Director of Commercial and Industrial Property Assessed Clean Energy

Elisha Smith Arrillaga, The William and Flora Hewlett Foundation, Program Fellow in the Effective Philanthropy Group

BOARD SPOTLIGHT

Meet Groundswell's newest two board members.



Jessica Bailey

Clean Energy Finance and Investment Authority



Elisha Smith Arrillaga

The William Hewlett Foundation

ADVISORY COUNCIL

Groundswell is grateful for the support of the following advisors:

Sonal Shah, Case Foundation, *Senior Fellow*; White House Office of Social Innovation, *Former Director*

Ron Cordes, AssetMark, *Founder*; Global Impact 50 Index, *Founder*; The Cordes Foundation, *Co-Founder*

Kelly Fitzsimmons, The Edna McConnell Clark Foundation, *Vice President, Chief Program and Strategy Officer*

Robert Friedman, Corporation for Enterprise Development, *Founder and Chair*

Ted Howard, The Democracy Collaborative/Evergreen Cooperatives, *Executive Director*

Van Jones, Green for All, *Founder*

Sarah Looney Oldmixon, The Community Foundation for the National Capital Region, *Director, Workforce Initiatives*

Mario Lugay, Kapor Center for Social Impact, *Program Officer*

Michelle Moore, White House Office of Management and Budget, *Former Senior Advisor*; U.S. Green Building Council, *SVP*

Cynthia Muller, Arabella Advisors, *Senior Director, Impact Investing*

Peter Murray, Accelerate Change, *President*

Jason Scott, EKO Asset Management Partners, *Partner*

Simran Sethi, Award-winning *Eco-Journalist* and *Professor of Journalism*

Joel Solomon, Renewal, *President of Renewal Partners* and *Chair of Renewal Funds*

Anne Stauffer, Groundswell, *Community Team Member*, Takoma D.C.

Sandy Wiggins, BALLE (Business Alliance for Local Living Economies), *Chairman*

Kyle Zimmer, First Book, *President and CEO, International Board Member*, Ashoka

STAFF

Laura Bartolomei-Hill	Coordinator, Community Power Program (Philadelphia)
Will Byrne	Co-Founder & CEO
Katy Gathright	Executive & Communications Assistant
Kat Klausing	Senior Coordinator, Community Power Program
Ann Li	Coordinator, Community Power Program
Elizabeth Lindsey	Chief Operating Officer
Alexandria McBride	Operations & Finance Director
Meredith Moise	Coordinator, Community Power Program for Homes (Baltimore)
Michael Reed	Manager, Community Power Program for Homes
Eric Rubin	Director of Commercial Programs
Anna Schumacher	Manager, Operations & Talent Development
Adrienne Schweer	Marketing & Communications Director
Eric Shih	Director of Strategic Initiatives
Rob Sieg	Technology & Data Manager
Brett Wiley	Director of Residential Programs

STAFF SPOTLIGHT

Reverend Meredith Moise joined Groundswell as our first Baltimore Coordinator. She's been engaging communities in Baltimore for the last 16 years on issues ranging from marriage equality to offshore wind.



SUPPORTERS

Groundswell is grateful for the support of the following organizations:

- » Abell Foundation
- » Ashoka Innovators for the Public
- » Bellwether
- » David Rockefeller Fund
- » Ford Foundation
- » Kendeda Fund
- » Kresge Foundation
- » Local Sustainability Matching Fund of the Funders' Network for Smart Growth and Livable Communities
- » Overbrook Foundation
- » The JPB Foundation
- » The Rita Allen Foundation
- » Rockefeller Brothers Fund
- » Salesforce Foundation (in-kind)
- » Surdna Foundation
- » V. Kann Rasmussen Fund

SUPPORTER SPOTLIGHT: DEEPENING OUR IMPACT IN BALTIMORE

With new support from the Abell Foundation in 2013, we were able to focus on reaching low-income families in Baltimore to help them switch to clean power and save money on their monthly utility bills. The Funders' Network for Smart Growth and Livable Communities matched Abell's grant through the Local Sustainability Matching Fund. By merging this local and national support, we were able to sharpen our focus on addressing economic inequality and to promote sustainability in Baltimore communities.

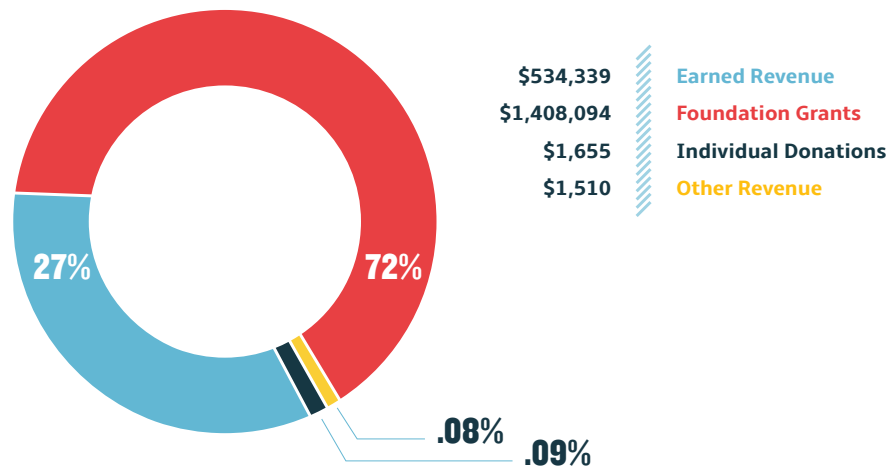


—Ed Rutkowski switched Baltimore's Patterson Public Park School to clean power with Groundswell.

FINANCIAL SUMMARY

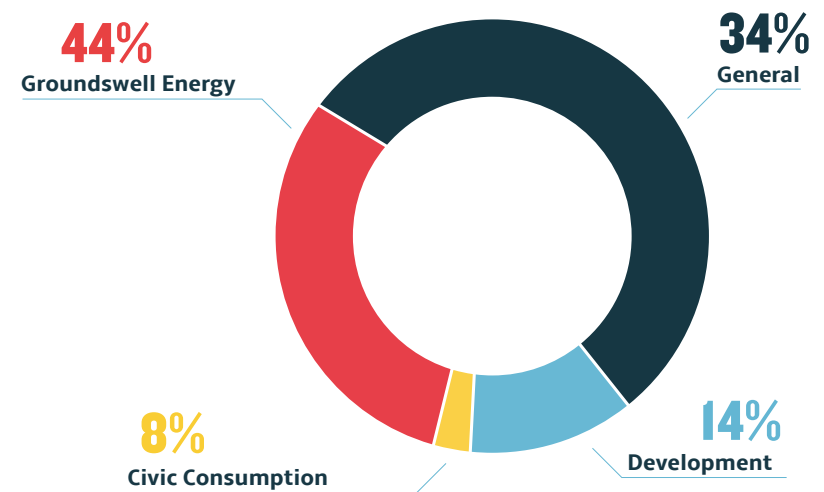
REVENUE

Groundswell is a social enterprise. Today, our energy program generates nearly 30% of the revenue needed to sustain our operating costs. By 2018, we aim to generate 50% of the needed revenue.



EXPENSES

100% of Groundswell's resources support the mission. We invest in our infrastructure, competitive staff salaries and benefits, technology, and professional fees that enhance our community engagement and our overall impact.



Please note: The results of our annual audit and 990 were not complete at the time of printing.



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www.groundswell.org