

CASE STUDY

Clean Energy For Everyone Else:

BlocPower's Mission to Create
Solutions for Vulnerable Communities



THE CLEAN ENERGY REVOLUTION is one that calls for participation from the vital industries that make up our ecosystem's cornerstone for the future of human life.

The demand for clean energy only grows by the year. According to the Center for Climate and Energy Solutions, renewable energy is the fastest growing energy source in the United States, increasing by 42 percent since 2010.

At the intersection of sustainability and tech, there exists a dire need for representation of this niche in communities that tend to be neglected by the gatekeepers of Big Tech. In New York City alone, a startling history of wealth disparities and racist housing policies have been at the center of a cultural war that directly affects the livelihood of the underrepresented. These issues are often overlooked by mainstream Silicon Valley.

“Our work at BlocPower is really about bringing clean energy to vulnerable communities all while creating jobs and community wealth,” Donnel Baird, founder of Brooklyn-based climate technology company BlocPower, told The Plug. “As a Black person, I am very concerned about the lack of access to citizenship and economic resources that Black people historically have dealt with everywhere— but also in America. We simply know that poorer White, Black and Mexican-American communities must have access to clean energy.”

Baird is on a mission to provide the means by which clean energy becomes the norm for everyone around the world. There is a slight resistance to this ideology as most investors who advocate for clean energy express the notion that this is something that is still far off into the future's reach for regular people—only to be immediately accessible by those

who have the economic means to acquire it. Baird disagrees.

“We're not going to be able to pass any clean energy legislation in America until it makes sense to everybody. Clean energy has to be for everybody, or we won't be able to address climate change. So, that's what I'm about,” he said.

The Story of The Work

Baird founded BlocPower in 2012 and has since brought clean energy to more than 1,100 low-income buildings across the state of New York. His roots for the formation of BlocPower can be traced back to a childhood in Brooklyn's Bedford-Stuyvesant neighborhood where he witnessed firsthand the desolate inequalities of housing infrastructure.

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Today, the company replaces heating and cooling systems in buildings that run on fossil fuels with greener, more efficient alternatives such as electric heat pumps and solar panels. In turn, these efforts ultimately reduce pollution-oriented climate change while also making indoor air healthier.

BlocPower uses a cloud-based machine learning platform that also connects to thermostats and building control systems to help analyze performance in real-time. The efficiency gained

from this process is what opens up a gateway for property owners to save and lower costs, which then makes it possible for BlocPower investors to earn a profit. The work then comes full circle when the renovations begin to create jobs and build wealth in neighborhoods that have long been marginalized.

VCs & Growing Upstream

One of the most difficult challenges Baird faced early on in his journey was securing adequate funding for BlocPower's future.

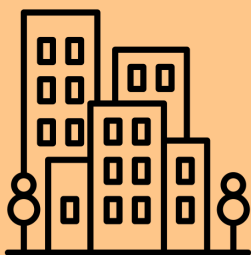
"Back in 2013, we just couldn't raise capital. We were really struggling," Baird said. It took him some 200 rejections from venture capitalists before landing his first yes.

"The truth is I am a first-time founder. And, not only that, I don't live in Silicon Valley. Then, on top of that, I'm Black. So that's three strikes against me, right? Being Black makes it that much harder for a lot of investors because they just don't know a lot of Black people, and they don't understand the problem we are addressing. We continue to deal with that to this day. I think the only difference is now we've had \$50 million of revenue over the last seven or eight years. Now, they're like: Hey, we like what BlocPower's up to. And we have contracts that are worth hundreds of millions of dollars," he said.

Today, Baird still sees the disconnect as they continue to grow. "To be honest, we still face a lot of skepticism. In terms of venture capitalists, I don't fit the traditional mold of the archetype that any venture capitalist wants to invest in. I believe it was pure luck to finally meet investors who had made long-term commitments to the issues we were

What BlocPower Has Brought to The Industry Thus Far

Clean energy to more than
1,100
low income buildings in New York state



"[We also] have a project with Jeff Bezos where he's invested the money to help us build out a national software platform to analyze
125 million buildings across America."

800 to deliver community scale free internet signal to the Bronx
JOBS



tackling and who were ready to be involved in day-to-day investing with early stage entrepreneurs of color.”

He put his persistent methods to work while staying focused on the end goal. After years of overcoming countless obstacles, in February 2021, Baird announced a \$63 million Series A round led by the American Family Insurance Institute for Corporate and Social Impact, the AccelR8 and the Goldman Sachs Urban Investment Group. The round catapulted BlocPower into the next realm of the tech atmosphere.

“Our early investors believed in our social mission enough. We found the right kind of investors that gave up time and space and the money to experiment and work our way around all the challenges we eventually faced. We really needed patient capital and patient investors, and we needed to be patient with ourselves. And, without that, we never would’ve survived long enough to figure out any of these solutions,” Baird said.

Innovating to Solve Economic Disparities

BlocPower had to rely on plenty of self-sufficient efforts to get the engine running. In the very neighborhoods where Baird was set to begin the restructuring process, most did not have the least of basic resources needed to carry out the plans for the project.

“None of the buildings we were working on had internet,” Baird said. “There’s not enough banks that are willing to provide capital to these communities. And, then, there’s not enough data to perform analyses on these communities. That’s not it. There’s also not enough workers or construction firms to do this work. So if you’re doing



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infrastructure in a low-income community, you need money, workers, material, and equipment. But you also need data to figure out the details.”

To solve this challenge, Baird has brought in 800 workers of his own, and has built everything that was missing from scratch. They are delivering community scale internet. In the Bronx, they have a couple hundred thousand people covered by a free internet signal that BlocPower provides. They can use it to do things like stream movies, log into school learning and telemedicine platforms. BlocPower uses the connection to stream data from their solar panels and electric heating and cooling systems.

This experience sheds light on the reality of the economic disparities that exist between the parallel worlds of the less fortunate and those who have access to basic amenities. Traditionally, investors are also prone to turn their heads away from this kind of initial work that must be done upfront before

any of the real progress begins. If Baird was to continue carrying out his plans for BlocPower, he was virtually left with no choice but to employ his own strategies.

How BlocPower Impacts the Future

The future for clean energy might seem like a slow build and Baird knows there's still a lot to be done that will require significantly more capital. By 2030, he can foresee a present-day where his methods for sustainable power are spread out all over the world. He's already got projects in place that are making a significant difference in neighborhoods in Oakland, Los Angeles, Milwaukee, Southwest Georgia and more.

The beginning may have been bleak, but the future shows bold and bright for BlocPower. "We just signed a new contract to decarbonize the first city in the world to publicly commit and pass a law that

every building in the city will be 100% fossil fuel free in nine years," Baird said. "[We also] have a project with Jeff Bezos where he's invested the money to help us build out a national software platform to analyze 125 million buildings across America."

The main quest that Baird seems to commit to on a daily basis is the act of staying true to his mission of creating solutions that empower all, creating jobs and wealth for vulnerable communities. By this theory, with a new base of customers and workers who are advocates and participants in the economy, he believes that it only increases the speed by which more clean energy resources become readily available for everyone.

"Donnel [Baird] is the right person to lead this charge and to lead this company because of his background," said Marlon Nichols, Co-Founder and Managing General Partner of the majority Black-led venture capital firm MaC Venture Capital and one of BlocPower's early investors. "This is a real passion for him. And he's done a terrific job of shepherding the sheep along the way and building forward."