

I. Organization Background Information

Name of Organization:

Cooperativa de Ahorro y Credito Jesus Obrero

Mission Statement:

Please limit to 1000 characters. Please be aware that your content may be truncated if you are pasting from another source.

The mission of Cooperativa de Ahorro y Crédito Jesús Obrero is to improve the economic well-being of its' members and the community by offering products and services within a cooperativist philosophy. We offer deposit products and services such as saving accounts, checking accounts, Christmas or Summer savings accounts (for specific purposes), shares accounts, certificates of deposit, among others. We also offer personal loans with and without guarantees, mortgage loans, financing for new and used cars, credit cards, loans for small and medium businesses, and loans to purchase solar panels for residences and businesses. These products and services are offered at the lowest cost, promoting education and financial planning, the wise use of credit and the value of saving. Our motto is "always at the forefront!", reflecting our commitment to provide the best services and to keep ahead in meeting our communities' financial needs.

Overview of Organization:

Please limit to 2500 characters. Please be aware that your content may be truncated if you are pasting from another source.

Jesus Obrero Cooperativa (JOC) of Guaynabo Puerto Rico was created in 1959 by a rural community group in their search for alternatives to address their economic needs. With the support of the Catholic parish, the first loans enabled construction workers to build their own homes, and to set up small agricultural businesses to generate income for families in need. Since its beginnings, JOC has experienced a steady growth, demonstrated by a current Assets totaling \$80 million, and a loan portfolio of \$57 million. Our solid financial health is greatly due to the excellent vision and dedication to cooperativist values and principles held by our Board of Directors, Executive Directors, and employees. We value our communities and members, not only for business purposes but because of our commitment to human and social development. Currently 35 employees work at JOC and have a Board of Directors composed of 7 democratically elected members of the community. 10,500 Members and Non-Members receive financial products and services (in a proportion on 8:2) in JOC.

This commitment has led JOC to consistently set aside resources to sponsor projects and activities that strengthen ties with the community and promote trust and care. One example of these efforts is the Grain of Sand Fair (Granito de Arena) that we carry out the first Saturdays of each month during the past two years, where local farmers and artisans sell their goods, and we offer environmental education. As part of our social and environmental conservation commitment, we seek to be pioneers in the use of solar energy, and in 2015 we installed a photovoltaic system in our building that provides 100% of the energy required for our operations, while producing 86% of savings in energy bills. To date, our system has generated over 573 MWH of renewable energy. In 2012, we created the JOC's Solar Financing Program that, to date, has enabled approximately 400 residences and small businesses to install their PV (Photovoltaic) systems, and produce its own clean and renewable energy, disbursing over \$5.2 Millions. The JOC's Solar Financing Program methods and guidelines are the most used among Puerto Rico's Cooperativas. In 2016, JOC financed the first ever PV System to a Puerto Rico's Cooperative Gas Station, that totalled \$550,000.

Website:

www.jesusobrero.coop; www.doyou.coop

II. Proposal Contacts - Please enter information for the Primary and Secondary Proposal Contacts

Primary Contact

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Arroyo

Title

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Secondary Contact

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III. Proposal Information

Proposal Title:

Guaynabo's Rural Solar Energy Resilience Project (GRSERP)

Support Request (check all that apply):

Loan, Investment/Grant

Requested Dollar Amount:

\$360,000

Please list other Significant Partners in the Proposal:

1. Edison Energy Engineering, Inc.
2. Inclusiv

Proposal Description:

Please limit to 2500 characters. Please be aware that your content may be truncated if you are pasting from another source.

JOC will create a model to finance a solar energy pilot project in four rural communities within our service area in the municipality of Guaynabo, Puerto Rico. The model will facilitate access to financial resources to purchase and install solar energy systems in the houses of 40 families. This project will empower the people to build a network of solar energy microgrids in future to generate reliable and renewable energy and hence promote their self-sufficiency, as well as promote environmentally friendly energy sources and cost-efficiency in energy consumption. The current energy system on the Island of Puerto Rico is highly centralized and runs on oil. It is very outdated and frail, particularly after the disaster caused by hurricane Maria in September of 2017, when most of the people living in rural areas went without electricity for several months. Still in 2019, most of the Island experiences power periodic outages, and the people live in fear of atmospheric conditions that can bring down the power system. This situation affects the quality of life of Puerto Ricans, including their health and security. The cost of the current electric power system, which is already costly, will increase by more than 40% over the next decade and does not present a sustainable source for the future. To finance this project, we propose three funding sources. One of these sources will be the CJO, which will develop a special product that is accessible to most of the residents of the targeted areas. A second source will be a guaranteed loan fund that seeks social investment and community impact. This fund will allow to cover part of the risks associated with this type of loan and will provide liquidity for the program while minimizing the costs for clients. The third funding source is a grant for the projects costs which will bring down the cost of the project for clients, to be awarded according to need based on family composition and age of members, vulnerability, income, and health conditions. Through a purchasing program to buy in bulk, costs of equipment will be reduced. Criteria selection for recruiting the families will be established including income, number and age of family members and their health conditions. Leaders in each of the four communities will be recruited as facilitators to reach out to families that qualify as candidates. CJO will design an educational program for participants and provide individualized assistance in the application for the loans.

Issues Addressed (check all that apply):

Asset Building / Financial Access, Capability and Empowerment, Community Development Finance, Disaster Relief, Stabilization and Sustainability, Workforce Development / Economic Development

If your project affects multiple states or counties, please use the CTRL key to multi-select.

Geographic Impact

Neighborhood(s)

U.S. States & Territories:

Puerto Rico

Population Served:

Please limit to 500 characters. Please be aware that your content may be truncated if you are pasting from another source.

Forty families from the CJO service area in rural Guayanabo, Puerto Rico, classified as highly vulnerable according the Puerto Rico Hurricane Social Vulnerability Index, published in 2019 after Hurricane Maria by the University of Puerto Rico in Cayey. Among the indicators used to determine the index is with the lack of access to stable electric power supply due to the status of the infrastructure. Around ten families each of four communities-Rio, Guaraguao, Camarones and Mamey, will be selected.

Population Income by Area Median Income (AMI) and other identifiers (percentage of Free and Reduced Lunch for youth or designated "Disaster Area" or designated "Distressed or Underserved" served by proposal:

- The median household income on the projected area of impact (Río, Mamey, Camarones and Guaraguao wards) is \$34,060 (U.S. Census Bureau as 2017 estimates); it represents 46% less than United States' average (\$63,179).
- The poverty rate for the selected area in Guaynabo, Puerto Rico is 26.9% of the population (U.S. Census Bureau as 2017 estimates), representing 56% more than U.S. average (11.8%).
- The whole island of Puerto Rico was designated a Disaster Area due the impact of Hurricanes Irma and Maria in 2017.
- 91 percent of the population tha JOC served, is considered underserved by traditional Financial Institutions.

Anticipated Outcomes/Impact:

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- The loan payments will be (at least) 20% less than that of the current electrical bills paid by participating households as reflected in their PREPA bills.
- It will be possible due to the three sources of program funds: \$200,000 in Grants (\$160,000 from foundations or private funds and \$40,000 from JOC), \$200,000 as a Capital Obligation Note issued by JOC to create a Loan Reserve for the Program and \$200,000 from JOC funds.
- The GRSERP is consistent with the Public Policy of U.S. Federal Department of Energy that recommends for PR the establishment of decentralized energy distribution systems, with storage (battery backups) ability under the main "grid-tie" model, in rural mountainous areas to provide resilience enhancement.
- Implement an alternative model of community financing evaluation, based on the history of payments to the electricity bill, instead of financial traditional practices.
- PV Systems installed will have storage batteries for back up and resiliency in an event of a future natural disaster or a power outage. All equipments will serve as collateral for each loan.
- The PV systems will provide an infrastructure of interconnections ready to develop community-wide micro grids in each of the four communities.
- A Community Owned Electrical Cooperative will be developed for education in renewable energy and energy efficiency and the future organization of community support groups. The main purpose of the Energy Coop is to create an economic development activity for the community, and organizing and operate the future microgrid.
- Inclusion of 10% of micro or small businesses PV Systems, as part of the projects in every community.
- The GRSERP seeks to create the basis for developing a model for financing solar projects for the establishment of solar community-owned microgrids, beginning to provide benefits to individual participants.

Describe evaluation methods used to measure success:

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- In collaboration with the Center for Statistics of the University of Puerto Rico, indicators used for the vulnerability index by the PR HuSVI will be applied as pre/post measures to evaluate the impact of the project in reducing the index in these communities, in comparison to other communities that will serve as controls.
- Case studies of each community will be carried out to document and assess the installation and use of the grids, as well as measure and compare their consumption and energy bills.
- Every PV System will report electronically the production and consumption to a centralized monitoring system.
- We will use the information received on the consumption and production of the system to develop energy efficiency education program and to begin designing, in advance, the future energy microgrid for every community.
- Indicators of environmental impact of energy produced will be measured, presented and communicated to the families and community.
- Every participant will be required to participate in the CJO's Financial Counseling Program.

Project time frame - Is your request for an existing or new program?

New Program

IV. Submit Supporting Documentation - Please attach your most recent audited or reviewed financials in PDF format to this proposal application. Your proposal application will be considered incomplete until the appropriate financial documentation is provided. By submitting a proposal application you agree to share with the Federal Reserve information regarding connections that were made with funders regarding the proposal or other work your organization conducts that was identified by a funder that used the Investment Connection platform. After you submit a proposal application, we will follow up with you to see if Investment Connection was helpful with your informational and business needs.

Upload your most recent audited or reviewed financials

(for internal uses only)

Audited Financial Statements - 2018 Coop Jesús Obrero (1).pdf

V. Other Supporting Documentation - You may submit a photo (jpeg) and/or a video (mp3 or mp4) that helps describe your proposal. (information available to funders)

Upload a picture or video that helps describe your proposal or organization

(information available to funders)

Paneles con Sonido.mp4

Upload additional picture or video

(information available to funders)

Índice de Vulnerabilidad Social ante Huracanes.Dorian_1567009871292_39244397_ver1.0 (1).pdf

Add any additional links to supporting documentation

(information available to funders)

1. Video (in Spanish) showing a PV residential system financed by JOC: <https://youtu.be/qgzCX-JiKyw>
2. Video (in Spanish) with the story of Yuderka Ortega, an immigrant from Dominican Republic that obtained the opportunity to financed her first home through JOC's Rent-To-Own Forclosed Houses Program: <https://youtu.be/ijgAltCQ-7g>.
3. Video (in Spanish) with the story of Paradisus Academy, a Pre-Scholar Private College in rural area of Cayey, Puerto Rico, that was financed by JOC through a 504 Small Business Administration (SBA) Commercial Loan.
4. Link of the "Puerto Rico Social Vulnerability Index", University of Puerto Rico, Cayey Campus: <http://www.upr.edu/iii-cayey/project/pr-husvi-puerto-rico-hurricane-social-vulnerability-index>.
5. Link of (2018) U.S. Department of Energy: "Energy Resilience Solutions for the Puerto Rico Grid" Report: https://www.energy.gov/sites/prod/files/2018/06/f53/DOE%20Report_Energy%20Resilience%20Solutions%20for%20the%20PR%20Grid%20Final%20June%202018.pdf

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