

# BetterBricks Healthcare Initiative

*FastTrack*

to

**Strategic Energy Management**

**April 2, 2010**

# TODAY'S PRESENTATION



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*Bottom line thinking on energy.*

- About BetterBricks
- Successes
- Services
- Benefits

# WHO WE ARE



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- BetterBricks is the commercial initiative of the non-profit Northwest Energy Efficiency Alliance, NEEA.
- Funded by electric utilities, including PGE in 4 states.
- Help you reduce consumption and lower costs → more \$ to your mission & margin.
- Focused on changing how you manage energy.



Bottom Line Thinking on Energy in Commercial Buildings

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## Healthcare

- Benefits Story
- How to Get There
- Essential Reading
- Tools & Resources



### The Healthcare Opportunity

Hospitals are community pillars; caring, cutting edge, cost-conscious, complex, growing, and... energy intensive. High performance facility design and operation – including managing energy use – are key to meeting your hospital's mission and challenges. There's an approach that can help you - Strategic Energy Management Planning. The SEMP is a long-term, organization-wide approach to high performance. It focuses on energy but can also be applied to other areas – toxics, water and more. Who's doing it? Providence, PeaceHealth, Swedish, Legacy, Willamette Falls, and more...



### Willamette Falls Hospital

Willamette Falls Hospital mapped out a strategic energy management plan that will cut energy use 25% and save the hospital over \$95,000.  
[Read More >](#)



### Oregon Health Sciences University

The LEED Platinum OHSU's Center for Health & Healing maintains a significant position in Portland's portfolio of green buildings. In late 2008, the facility underwent a post occupancy evaluation, revealing impressive energy savings.  
[Read More >](#)

### More Resources

**Your HVAC Could Save You Millions**  
For the full story, visit [HealthLeadersMedia.com](http://HealthLeadersMedia.com)

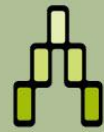
**Expert Shares Tips to Cut Hospital Energy Costs**  
In this interview, Mike Hatten shares advice on cutting hospital energy costs by 10-40 percent.

**Business Imperative for Sustainability**  
Seven critical success factors for maximizing sustainable resource management

**Video Interview with Leading Sustainability Coordinator**  
Watch this three part video interview with Boulder Community Hospital's Sustainability Coordinator

**Education & Training**  
Check out the latest workshops, certificate programs and other educational opportunities

# BETTERBRICKS AND YOUR UTILITY HELPING LEADING HEALTH SYSTEMS

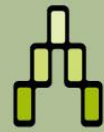


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Four years experience working with large hospitals and health systems to implement strategic resource management plans.



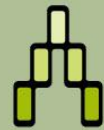
# HOSPITAL SEMP SUCCESSES



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- Legacy Health (OR) pursuing \$1.3 million in annual energy cost savings from no cost/low cost operational changes
- PeaceHealth (WA) working towards a 3-year 10% reduction to total a sustained \$800,000 savings per year.
- Saint Alphonsus (ID) is projected to save \$500,000 annually.
- Kalispell Regional Medical Center (MT) identified savings of 1,590,000 kWh or 13.7% of current consumption.
- Numerous systems now hiring Strategic Energy Managers.

# BENEFITS FOR HOSPITALS



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**“Every dollar saved on energy costs is a dollar that is devoted to improving medical care for our patients.”**

Dr. Herbert Pardes, President and CEO of  
New York Presbyterian Hospital.

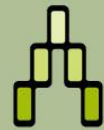
**“The procedural/behavioral change in plant operations alone has resulted in 5-6 percent energy savings.”**

M.T. Chitwood, Facility Director,  
Kalispell Regional Medical, Ctr.

**“It's so much more valuable to have a system approach vs. approaching energy efficiency with this or that project. The BetterBricks process includes things we didn't think of, like purchasing and training. We didn't know what we didn't know!”**

Medrice Coluccio, PeaceHealth, former CEO Lower Columbia Region

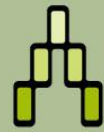
# KEYS TO MUTUAL SUCCESS



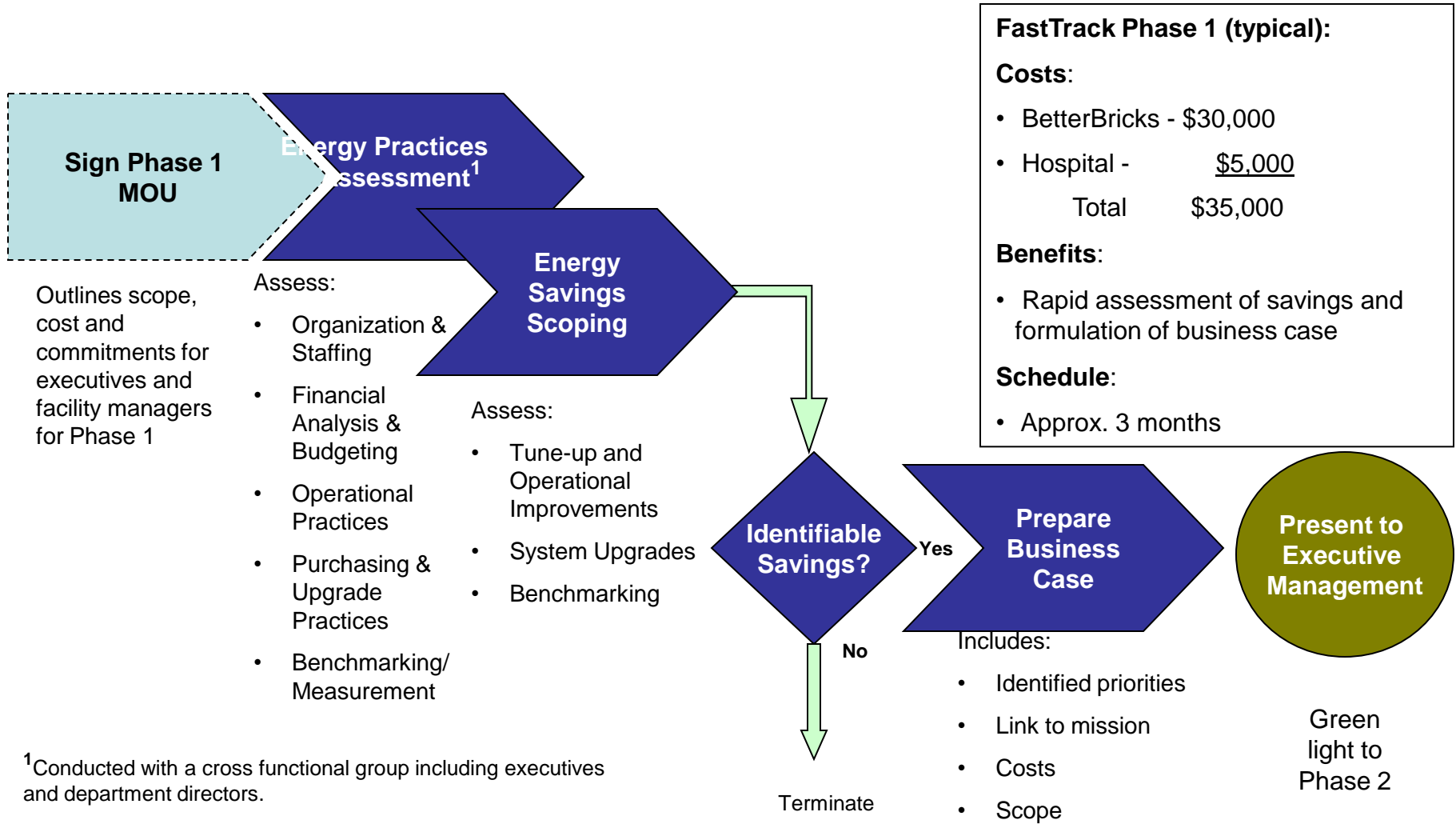
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- A business case must support the mission and show benefits
- Energy management must be an ongoing process, not a one-time project
- Executive management must champion the effort
- This is not just facilities job – requires cross-functional support
- An Energy Manager must be formally assigned and be accountable to executives for meeting goals
- Energy savings must be documented with measurement system
- This cuts across numerous business process areas and requires organizational and behavior change

# FAST TRACK – PHASE 1

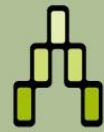


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<sup>1</sup>Conducted with a cross functional group including executives and department directors.

# FAST TRACK – PHASE 2



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Sign Ph 2  
Engagement  
Letter

Prepare  
Strategic Energy  
Management Plan

Implementation of Strategic Energy Management Plan

Specific scope of BetterBricks services TBD – BB advises, Hospital owns process

## Phase 2 (typical):

### Costs:

- BetterBricks - TBD
- Hospital – Long term commitment to energy mng't – hire Energy Mgr.

### Benefits:

- 10-20% energy cost savings
- Lower O&M
- Healthy planet/healthy people

### Schedule:

- Approx. 6-9 months and beyond for new projects – dependent on organizational commitment

Establish Staff, Reporting Structure,  
& Measurement Plan

Implement No Cost / Low Cost  
Tune-Up and O&M

Implement Improved  
Purchasing

Implement Capital Upgrades

(For New Facilities and Major Renovations)  
Implement Integrated Design

Executive Support / Measurement & Reporting

# STRATEGIC ENERGY MANAGEMENT BENEFITS



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## Typical Bottom Line Savings:

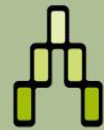
- 10-20% reduction for existing hospital = \$150,000 to \$300,000/year <sup>1</sup>
- 25-40% reduction over code for D&C = \$300,000 to \$475,000/year <sup>1</sup>
- At a 3% margin, \$150,000 savings per year = \$4.5 million in revenue

<sup>1</sup>Assume 500,000 SF facility and \$0.07/kWh and \$0.70/therm

## Indirect Benefits:

- Facility design and operations for best-in-class care, comfort & safety
- Savings create new capacity to support critical functions
- Savings with very attractive NPV or IRR
- Savings sustained because of executive commitment to culture change
- More recognition for facility management
- Integrated design reduces risk of change orders and start up issues

**THANK YOU!**



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