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PEACEHEALTH COMMITS TO ENERGY EFFICIENCY THROUGH SEMP

A STRATEGIC ENERGY MANAGEMENT PLAN (SEMP) HELPS HOSPITALS SAVE ENERGY AND MONEY

PeaceHealth's system casts a wide net, serving communities in Oregon, Washington and Alaska through seven hospitals totaling about 1,000 beds. Although joined through their PeaceHealth affiliation, the hospitals have been largely regionally operated, with each individual hospital managing its own facilities. This independence also extended to energy management.

"If a project came up, we'd price it out, gather information on utility rebates and present it for funding, all at the local hospital level," explains Gary Hall, vice president of facility services for PeaceHealth's Lower Columbia Region, headquartered at St. John Medical Center, Longview, Washington. "There was no system-wide strategic plan behind it. Even with utility incentives, funding by the individual hospitals was usually hit-or-miss," says Hall. "There were limited capital resources for these projects and hospital clinical equipment always had first priority."

A few years ago, PeaceHealth decided that its hospitals could operate more efficiently if procurement and other facilities policies were standardized and it organized a system-wide

Facilities Counterpart Group (FCG) to ensure consistency. The FCG, which includes facility managers from each of the PeaceHealth hospitals as well as PeaceHealth's regional vice presidents of facilities, quickly shouldered a number of projects, ranging from standardization of nurse-call systems to development of a master list of pre-approved building services contractors.

But energy management was not yet on the team's agenda until Medrice Coluccio, FCG sponsor and Lower Columbia Region PeaceHealth CEO, heard about BetterBricks' Strategic Energy Management Plan (SEMP) and recognized that it was a perfect fit for PeaceHealth.

"An energy management strategy is an opportunity for terrific hospital savings and a system-wide plan provides a strong focus, synergy and a way to parlay the knowledge of our facilities people across our entire hospital system," said Coluccio.

PeaceHealth Medical Group in Eugene, Oregon

She asked the FCG to consider the benefits of BetterBricks' strategic approach and the value was seen immediately. The team signed a letter of intent to develop a SEMP and spent the next year carefully crafting its plan. As part of the process, all PeaceHealth hospitals were benchmarked and two representative facilities – a hospital and a medical office building – were surveyed for energy-saving opportunities.





St. Joseph's Hospital in Bellingham, Washington

Based on the results, the FCG determined that a cumulative 10 percent reduction in energy use could be attained by incremental efforts over three years. After three years this could lead to a savings for PeaceHealth of up to \$800,000 a year system-wide.

"These are dollars saved directly to the bottom line," says Hall, adding, "It's like we're generating brand new revenue."

PeaceHealth is now in the second year of implementing their system-wide SEMP and in the first year, they achieved a three percent reduction in energy consumption, representing \$240,000 in energy savings.

The individual hospitals are now plotting precisely how they'll implement the plan at their facilities, assisted by detailed building engineering analyses, as well as technical support from their regional utility providers:

the Bonneville Power Administration, Cowlitz Public Utility District, Eugene Water & Electric Board, and Puget Sound Energy.

As part of SEMP implementation of new construction projects, PeaceHealth created a master template for Request for Proposals (RFP) that includes energy and resource efficiency selection criteria. The RFP's are required in all regions for projects above \$1 million. The anticipated outcome of this addition to the PeaceHealth RFP process is competitive bids from design and construction teams with energy efficiency expertise.

This new RFP process helped identify an architecture firm for the new PeaceHealth medical office building, Lakefront Medical Office Park, located in Longview, Washington, which will be constructed in 2009 and will achieve a LEED silver certification.

"The SEMP adds the dimension of being able to see savings over the life of the building," said Scott Tang, system project manager for PeaceHealth. "In the past, we would have designed and constructed a building based on cost alone, but now with SEMP it allows us to design an energy efficient building from the ground up that will be easier to benchmark and monitor over the years."

SEMP strategies have also been implemented in existing buildings' operations and maintenance practices.

"Mostly, facilities maintenance staff just run equipment, they don't fine tune it," explains Hall, "but our analyses show that hospital recommissioning will give us the biggest bang for the buck. We anticipate annual savings of \$450,000 – over half our goal – just from tuning up the equipment we already have."

At St. Joseph's Hospital in Bellingham, Washington, building diagnostics and tune up work has already been completed on the North Tower of the facility. R. Scott Dorough, resource conservation manager for St. Joseph, has already noticed a dramatic improvement in operations..

"We started out with the most cost-effective changes first; things like replacing outdated light fixtures, changing filters, cleaning coils, replacing gaskets," said Dorough. "The small changes really add up, especially if you do them system-wide."

Hall notes that PeaceHealth's SEMP calls for review of O&M practices, sharing of best practices and retraining staff to adopt new behaviors. As for new capital investments, lifecycle costing and financial hurdle rates will be used to vet all energy-related projects.

The hospital facility managers have their work cut out for them, but Hall is confident that with the new strategic plan, they'll reach their goal.

"A written, agreed-upon strategic plan is something you can follow, month after month, year after year. Every hospital faces the fires of the day, but you always come back to the plan. It's the relentless 'how are we doing, how are we coming along?' discussion that helps us all stay on track."

CEO Coluccio agrees: "A strategic plan like this can't be shelved. It has to be executed." And PeaceHealth is already seeing benefits from a cohesive, focused SEMP.

BetterBricks is the commercial building initiative of the Northwest Energy Efficiency Alliance, which is supported by local electric utilities. BetterBricks advocates for changes to energy-related business practices in the Northwest. In this era of heightened appreciation for the impact climate change is having on our environment and our economy, energy efficiency is a crucial component in addressing global warming. On www.BetterBricks.com, find information, tools, training and resources to help buildings make a difference to the bottom line and the environment.