

Energy Star Partner of the Year

What It Takes to Win

What hospital would think to send their CEO to the nation's capital for the express purpose of celebrating success with the presidents of General Motors, Eastman Kodak Company, and Panasonic? What hospital could look upon a Fortune 500 company as a peer? Those partnering with ENERGY STAR® can do both at the ENERGY STAR Awards.

Every year, the U.S. Environmental Protection Agency recognizes top partners in its voluntary ENERGY STAR program that have made outstanding contributions to energy efficiency and environmental protection. Last year, ASHE was named 2003 Partner of the Year and honored in Washington, D.C. for promoting ENERGY STAR and communicating the benefits of energy savings to its membership. In 2004, EPA selected Seattle-based (and ASHE member) Providence Health System from over 8,000 other ENERGY STAR partners for their efforts to profitably reduce greenhouse gas emissions through energy efficiency.

Providence Health System, sponsored by the Sisters of Providence religious community and the Little Company of Mary Sisters, provides a comprehensive array of non-profit healthcare services across Alaska, Washington, Oregon, and Southern California. Why did EPA choose Providence as the 2004 ENERGY STAR Partner of the Year for Leadership in Energy Management? Knowing what it takes to win can help you plan a successful strategy for your hospital, your patients, and the environment. And it can improve your profitability and competitiveness, too.

Organizational Commitment

No matter the size or type of organization, the common element of successful energy management is commitment. Organizations institute an energy policy and make a commitment to allocate staff and funding to achieve continuous improvement.

At Providence, energy management is embodied in the mission of the organization, under the core value of



Money Isn't All You're Saving

environmental stewardship. Providence engineers institutionalized their commitment in 1995 by creating an energy policy for "increasing energy efficiency and reducing waste of natural resources (electricity, fuels, water, and waste) at all facilities." Its purpose is to provide "energy security for the organization for both immediate and long-range situations by utilizing

energy efficiently, incorporating energy efficiency into new and existing equipment and facilities where it is proven cost-effective, complying with government regulations – federal, state, local, and putting in place an ongoing Energy Management Program to accomplish the above objectives." Upon joining the partnership in 1998, the President and CEO challenged energy managers to uphold Providence's core value of environmental stewardship by using ENERGY STAR to save energy and reduce air emissions.

To establish an energy program, leading organizations form a dedicated energy team to drive energy management activities across different parts of the organization and ensure integration of best practices. At Providence, Richard Beam is the utilities program director and helps set goals, track progress, and promote the energy management program with each local facility manager. Annual energy reduction goals fall into the 3%-10% range, depending upon how much energy efficiency has already been employed. The system-level energy performance goals are measured in an annual cost-benefit statement Beam submits to the Office of the Chief Financial Officers, which must demonstrate that more energy dollars are being saved than expended with the program. Historically, the cost-benefit ratio has been a very positive 1:4.

Providence's organizational commitment to energy efficiency extends to outside consultants and vendors as well. All organizations that are under contract must make energy efficiency and conservation a high priority in their work for Providence.

Energy Tracking and Benchmarking

Understanding current and past energy use is how many organizations identify opportunities to improve energy performance and gain financial benefits.

Assessing performance is the periodic process of evaluating energy use for all major facilities and functions in the organization and establishing a baseline for measuring future results of efficiency efforts.

While Providence owns over 190 facilities located in four states (and served by more than 60 utility companies), energy use information is compiled centrally using an internet-based accounting system. It allows all Providence facilities and accounting managers access to timely, accurate data from anywhere in the system, no matter if they are in Matanuska, Alaska; Hood River, Oregon; or Burbank, California.

The database can be queried to develop reports for just one meter, a building, a campus, region-level, or system-wide results. Indexing by building category allows Providence Health System to rank each facility with weather-adjusted data, from the most to the least energy per square foot.

Providence also uses EPA's national energy performance rating system (www.energystar.gov/ benchmark) to compare the energy performance of their acute care hospitals to each other, to peers, and over time to both identify top performers and to prioritize

investments in least-efficient facilities. Three facilities – Providence Seaside Hospital (Seaside, OR), Providence St. Peter Hospital (Olympia, WA), and Providence Portland Medical Center (Portland, OR) – were awarded the ENERGY STAR label for superior energy performance in 2003. Providence's Seaside and Portland Medical Center facilities became the first hospitals in the State of Oregon to receive the ENERGY STAR.

Energy Achievements



In 2003, energy savings at Providence Health System contributed over \$700,000 to the bottom line, equivalent to generating over \$28 million in new business. From an environmental perspective, these energy savings prevented 3.1 million pounds of carbon dioxide emissions, equivalent to the emissions from nearly 300 cars.

Many of the energy projects undertaken to achieve this level of savings began prior to 2003. Most fluorescent lights, for instance, were upgraded with T-8 lamps and electronic ballasts over the past five years, replacing over 100,000 fixtures throughout the system. Three hundred exit signs were upgraded with ENERGY STAR-qualified ones that consume less than half a watt of power, costing on average 31 cents per year to operate. Providence's procurement policy was also



Providence Health System engineers receive ENERGY STAR from EPA and DOE officials in Washington, D.C.

Past ENERGY STAR Healthcare Winners

Providence Health System (2004)
American Society for Healthcare Engineering of the
American Hospital Association (2003)
Virtua Health (2001)
North Memorial Healthcare (2000)
New York State Office of Mental Health (1999)
St. Joseph's Hospital (1998)
Columbia/HCA (1997)
University of Texas MD Anderson Cancer Center
(1996)
University of Michigan Hospitals (1995)
Lima Memorial Hospital (1995)

modified to ensure that only ENERGY STAR-qualified computers are purchased and that the energy saving "sleep" feature is automatically made the default unless this creates conflict with network operations.

In 2003, Providence Health System continued to expand its DDC control strategy within their medical centers by optimizing start/stop times, temperatures, or other variables such as humidity. One facility hired an engineer to focus exclusively on DDC control and upgrade strategies, which Providence anticipates will yield significant future benefits.

Providence invests in staff training to share successful practices and build organizational capacity. They have found that informed employees are more likely to contribute ideas, operate equipment properly, and follow procedures, helping to guarantee that capital investments in energy improvements will realize their potential. In 2003, the entire facilities-engineering staff at Providence St. Peter Hospital completed the Northwest Energy Efficiency Alliance's "Building Operator Certificate" program. All are now certified BOC operators.

Communications

EPA encourages ENERGY STAR partners to inform their staff and stakeholders about the value of energy-efficiency efforts. Doing so validates the importance of the energy management program and helps to sustain support and momentum for your program.

Providence Health System uses a variety of media to communicate to staff about their energy management program, including employee newsletters, intranet articles, and presentations at manager's forums and staff

meetings, as well as energy fairs and facility open houses. Their energy conservation campaign, named "More Smolts – Less Volts," creatively ties individual efforts at saving energy to saving the Pacific salmon, a revered Northwest heritage symbol. (Incidentally, smolts are juvenile salmon.)

Each of the energy fairs has included local electricity, natural gas, and water utility representatives, who set up booths to assist Providence employees with their energy efficiency or conservation efforts. Free compact fluorescent lights, energy-saving tips, buttons, stickers, and posters are given to employees to enhance their experience. The energy fairs cover at work and home solutions.

Good work deserves to be acknowledged. Recognition from a third party can provide validation for an organization's energy management program. Not only does it provide satisfaction to those involved in earning the recognition, but it can also enhance an organization's public image. A solid reputation contributes to your competitive advantage by making your organization more attractive to patients, doctors, current and potential employees, lenders, business partners and other stakeholders.

The good work of Providence Health System is acknowledged by multiple organizations. At the local level, the Northwest Energy Efficiency Alliance (NEEA), a group dedicated to market transformation throughout the region, showcases Providence's energy initiatives. Because of their recognized expertise, Providence sits on NEEA's Board of Directors, and many of their healthcare engineers are active in the ASHE state chapters of the Washington State Society of Healthcare Engineers (WSSHE) and the Oregon Society of Healthcare Engineers (OSHE).

The U.S. Environmental Protection Agency (USEPA) congratulates the healthcare engineers of Providence Health System for their dedication to energy management and environmental stewardship, and recognizes their leadership by proclaiming Providence Health System as a 2004 ENERGY STAR Partner of the Year.

Clark Reed is the national healthcare manager for ENERGY STAR at the USEPA. Last year, ENERGY STAR helped Americans save enough energy to power 20 million homes, reducing greenhouse gas emissions equivalent to that of 18 million cars—all while saving consumers \$9 billion. Additionally, more than 15,000 office buildings, hospitals, schools and hotels have benchmarked their energy performance as a basis for future progress. To join, visit ENERGY STAR's website or contact the author at the U.S. Environmental Protection Agency—MC 6202J, 1200 Pennsylvania Avenue NW, Washington, D.C. 20460. Email: reed.clark@epa.gov Phone: 202-343-9146. 