

CleanMed Energy Management Workshop Strategic Perspective

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Why Energy Efficiency?



Core Value of Stewardship

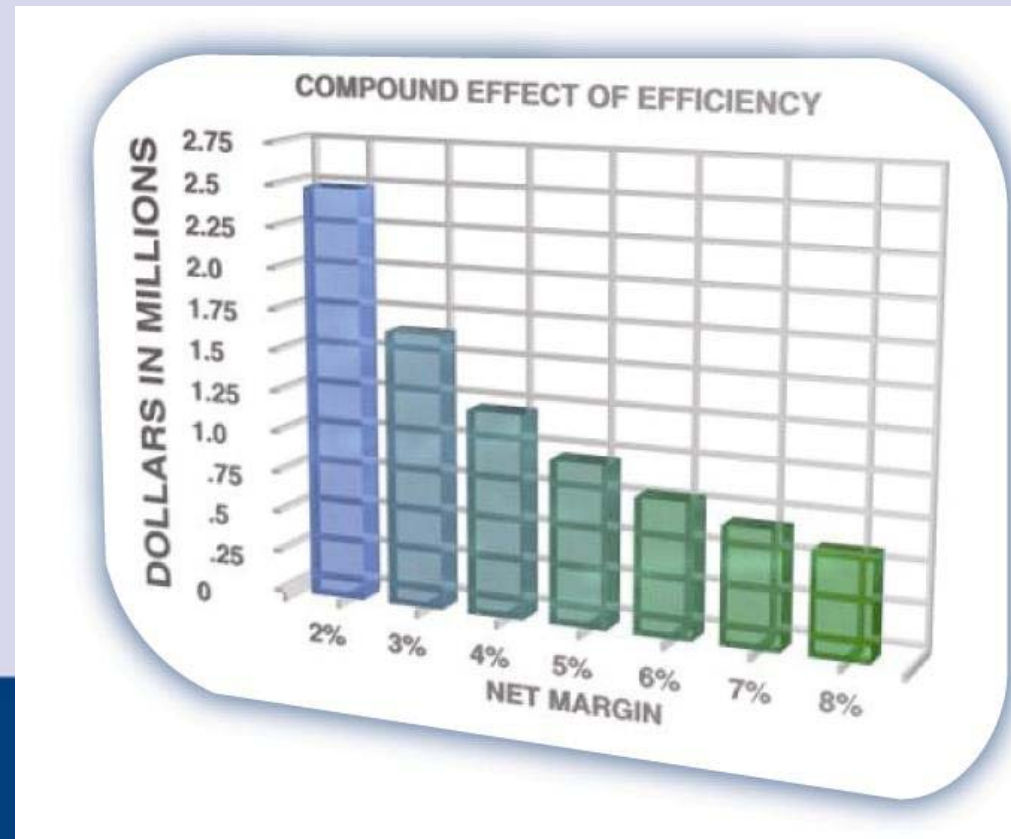
- “The Earth Is The Lord’s And All That Is In It.” (Psalm 24:1)
- The Triple Bottom Line
 - Financial
 - Social
 - Environmental



Value of an Energy Dollar Saved

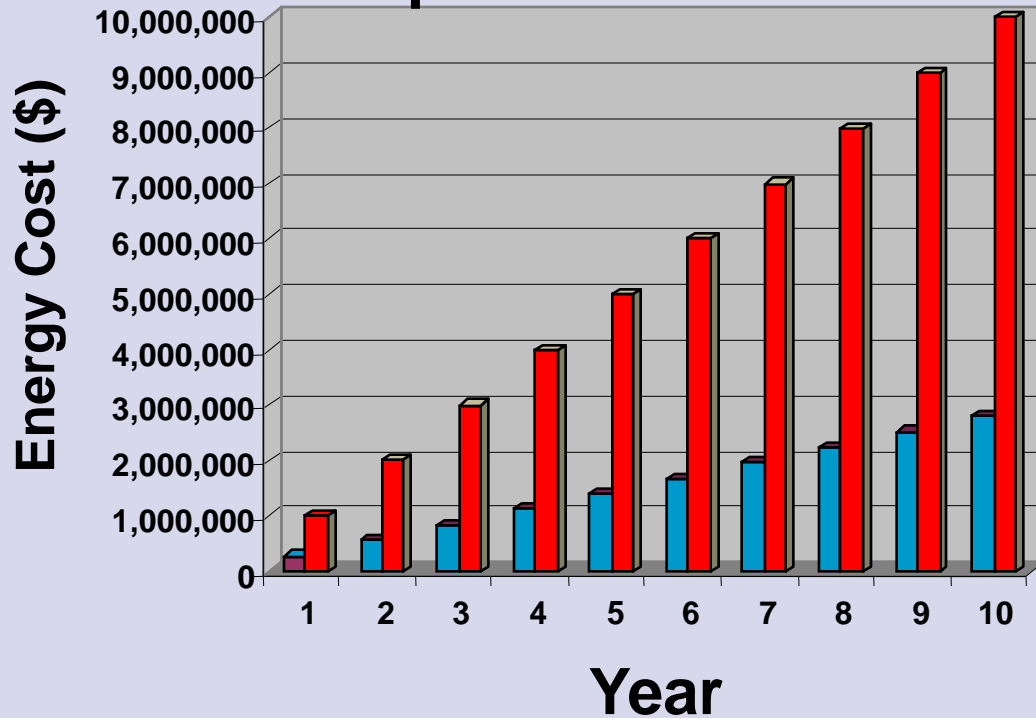
\$1 saved on **energy costs** has the equivalent impact on the bottom line as:

- Increasing revenues by \$20 in hospitals
- Increasing revenues by \$10 in MOBs



The Energy Management Edge

Energy Costs Compounded Over 10 Years



 **Hospital A**
Hospital B



*Missed Opportunity
\$7.2 Million*

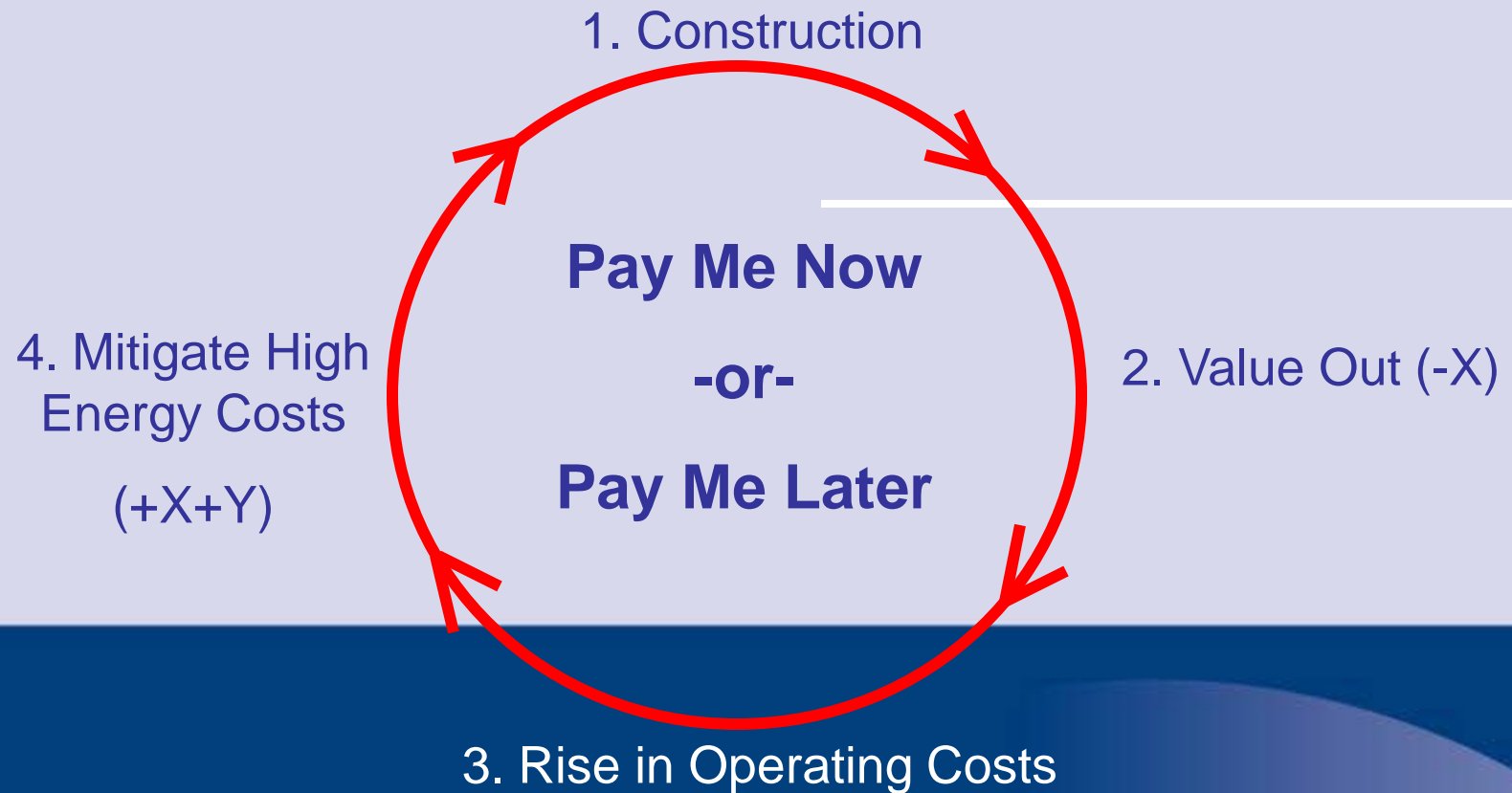
Facilities Bottom Line Contributions 1995 - 2009



\$27,000,000 Energy Savings
\$540,000,000 in
Revenue Equivalent



The Construction Cost Syndrome



BUDGET ESTIMATE

DATE:



Construction Costs	\$
General Contractor Contingency/Escalation	\$
Permits	\$
State/AHJ Plan Review Fees	\$
A/E Fees and other consultants under A/E	\$
Other Owner Consulting Fees	\$
System Development/TIF Fees	\$
Commissioning and Other Testing Costs	\$
Information Technology Costs	\$
Low Voltage Costs (NC, etc)	\$
Signage Costs (internal and external)	\$
Equipment/Furniture included in the Budget	\$
Other (i.e. energy modeling)	\$
Other (i.e. LEED Consultant)	\$
Life Cycle contingency @ 1 1/2 % Direct Construction Cost*	\$
Estimated Budget	\$
Owner Project Contingency @ %	\$
TOTAL Project Budget Estimate	\$

- Financing Efficiency
- Life Cycle Contingency
 - 1 1/2 % Construction Cost
 - 5 Year Simple Payback Qualifies

BUDGET ESTIMATE		DATE:
Construction Costs	\$	
General Contractor Contingency/Escalation	\$	
Permits	\$	
State/AHJ Plan Review Fees	\$	
A/E Fees and other consultants under A/E	\$	
Other Owner Consulting Fees	\$	
System Development/TIF Fees	\$	
Commissioning and Other Testing Costs	\$	
Information Technology Costs	\$	
Low Voltage Costs (NC, etc)	\$	
Signage Costs (internal and external)	\$	
Equipment/Furniture included in the Budget	\$	
Other (i.e. energy modeling)	\$	
Other (i.e. LEED Consultant)	\$	
Life Cycle contingency @ XX % Direct Construction Cost*	\$??	
Estimated Budget	\$	
Owner Contingency @ %	\$	
TOTAL Project Budget Estimate	\$	

- Systemic Changes in Finance
 - Longer Life Cycle – 80 Years
 - 15 + Years Simple Payback
 - Construction Cost Secondary
 - New Funding Sources
 - PPA – Ground Source HP
 - Off Balance Sheet
 - Government Loans