

## **Energy Management Strategy (EMS)**

According to the American Society of Healthcare Engineers, 67 percent of healthcare CEOs list financial challenges as their top concern, and 75 percent of senior decision-makers believe energy costs are the least controllable business cost. U.S. hospitals are the second most energy-intensive commercial space type, making the impact of unstable energy prices and the savings from energy efficiency investments particularly significant. The Military Health System (MHS), working through the Innovative Investment Process (IIP), developed the EMS to complement the enterprise-wide focus on marketing, risk mitigation, demand-side and supply-side management, and regulatory changes. The strategy also contributes to existing Department-wide goals, including compliance to Executive Order 13423 and the 2008 Energy Independence and Security Act, both of which mandate improved energy efficiency of 30 percent from 2003 to 2015.

During fiscal year 2009, energy audits were conducted at four pilot sites: Jacksonville, San Diego, and Portsmouth Naval Medical Centers and at Wright-Patterson Air Force Medical Center. The audit results were compiled and submitted in formal reports to TMA and IIP leadership, as well as to the sites themselves. Many of the improvements identified by these audits have been adopted by the pertinent installations and executed through a number of acquisition methods, such as the Energy Conservation Investment Program (ECIP), the American Recovery and Reinvestment Act of 2009 (ARRA), facility operations and maintenance (O&M) projects, and Military Construction (MILCON). The remaining work identified by these audits is being programmed and will be executed as soon as funds become available.

An Energy Management Subcommittee has been established under the TRICARE Management Activity (TMA) Health Facility Steering Committee (HFSC). Additionally, in 2009, TMA became an active member of the Department of Energy (DOE) Hospital Energy Alliance Steering Committee, an industry-led partnership between the national healthcare leaders and DOE, to promote the integration of advanced energy efficiency and renewable technologies in hospital design, construction, retrofit, operations, and maintenance.

Phase II of the IIP Energy Management Strategy is to baseline covered medical treatment facilities, identify and improve underperforming facilities, establish energy usage goals to meet or better federal legislative requirements, attain Energy Star ratings for a minimum of five military treatment facilities (MTFs) per year, recommend renewable energy projects for fiscal year 2010 program, and incorporate the necessary policies to reach these goals. Completion of this next step continues the MHS commitment to cost savings/cost avoidance and risk management and ensures a cleaner and more comfortable healing and work environment for MTF staff and patients—the ultimate goal.