

Health System Reduces Carbon Footprint

St. Luke's Hospital & Health Network in Pennsylvania purchases renewable energy and avoids more than \$1 million in electricity costs

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St. Luke's Hospital & Health Network has taken a major step towards reducing its carbon footprint, a recent release on Business Wire reported. By purchasing 10 percent of its electricity from renewable energy sources, the health system will realize an annual 2,900 ton reduction of carbon dioxide, a significant component of greenhouse gas.

St. Luke's also avoided more than \$1 million in their annual electricity purchase costs through a competitive electronic procurement process run on the World Energy Exchange®.

Bethlehem Pennsylvania based-St. Luke's achieved these savings as part of the reverse auction component of the Premier healthcare alliance's SPHERE™ collaborative. The large-scale, Web-based electronic reverse auction for energy is led by Practice Greenhealth's Healthcare Clean Energy Exchange (PGH/HCEE) and conducted by its partner, World Energy Solutions Inc. (NASDAQ: XWES). The goal of the auction process is to help hospitals purchase energy more effectively and efficiently.

"The reverse auction process enabled us to buy our electricity from renewable sources for the same price as the traditional electricity generated from fossil fuels," says Larry Jennings, director of Purchasing and Contracting at St. Luke's. "This is an important objective around our overall strategy for reducing our carbon footprint and making a positive contribution to public health."

Premier's SPHERE (Securing Proven Healthcare Energy Reduction (for the) Ecosystem) focuses on reducing the healthcare industry's energy use and greenhouse gas emissions through sharing of best practices, educational programs, and tools and resources for efficient energy management.

According to a November 2009 study released by the University of Chicago, the U.S. Healthcare sector's total carbon footprint is 546 million metric tons of CO₂, with 80 percent of global warming due to CO₂ emissions. St. Luke's has taken steps to contribute to its reduction.

Pollutants from traditional fossil-fuel energy generation are associated with a wide range of environmental and health issues, including chronic health problems such as asthma, bronchitis and other lung conditions. Reducing the consumption of energy and increasing the use of energy from renewable sources would go a long way toward reducing medical costs associated with preventable illness associated with fossil fuel emissions.

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“Including renewable energy as part of healthcare’s energy mix, as St Luke’s has done, not only reduces healthcare’s impact on the environment, but it can also be considered an extension of efforts to improve the quality of and efficiency of healthcare,” says Gina Pugliese, RN, vice president of the Premier Safety Institute®.

St. Luke’s purchase of energy from renewable sources exceeds the current Alternative Energy Portfolio Standards Act of 2004 in Pennsylvania, which requires organizations to generate 6.7 percent of their electricity supply from renewable energy sources by May 31, 2010, escalating to 18 percent by May 31, 2021. Nearly half of U.S. states have mandated renewable portfolio standards with minimum percentages of power required from renewable sources by a certain date.

Reverse auctions benefit customers by enhancing competition among energy suppliers. In these events, suppliers bid against each other in real time, driving down the price. This fair and transparent process helps hospitals lock in stable pricing and use the savings to accomplish other goals, including greening their energy mix.

“An HCEE reverse auction for energy helps to cost-effectively lock in stable pricing and provide the opportunity to increase the percentage of green/renewable energy purchases, thereby reducing greenhouse gases and the negative public health impacts of burning fossil fuels,” says Nick DeDominicis, director of HCEE.

For more information visit: www.premierinc.com/sphere [1] and www.worldenergy.com [2]

Source: Business Wire

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