

Wellington Hospital Energy Centre

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ALARM



HOSPITAL SAVES MILLIONS IN JOINT ENERGY EFFICIENCY PROJECTS

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Wellington Hospital has saved millions of dollars in reduced energy costs following its decision five years ago to outsource the management and operation of its energy plant and utilities.

“Our energy management outsourcing contract has been a highly satisfactory solution that has enabled us to progress energy efficiency projects worth millions of dollars in energy savings,” says Capital and Coast District Health Board Manager, Technical Services, Andrew Paterson.

“In addition, it has relieved us of the complexities of operating and maintaining the hospital’s energy centre.

“Our core business is running a hospital, not managing a resource-intensive energy centre.”

Wellington Hospital now leases parts of its 10MW energy centre to energy management provider, Energy for Industry, a business unit of Meridian Energy.

Energy for Industry is responsible for the energy management contract which supplies the hospital’s steam, hot and chilled water and its natural gas.

A major aspect of this outsourcing contract is that it incentivises both parties to explore energy efficiency opportunities and to share any resulting financial savings.

“This is a win-win solution which has generated significant savings and allowed us to channel funds into other areas of our business,” says Paterson.

Compared to benchmark consumption in the late 1990s, Wellington Hospital has cut energy costs by 30 percent, despite some significant new building projects during that time, and the fact that the use of some hospital facilities has intensified greatly.

“In this regard, Energy for Industry is an excellent partner. They have been quick to work with us on this concept, they actively support and facilitate the energy efficiency work, and they provide useful technical expertise.



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Capital Coast Health was facing severe financial constraints when it first considered the energy management outsourcing concept in the late 1990s.

The hospital had an ageing energy plant and no access to additional funds. Paterson says it needed to divest its energy centre to mitigate future capital expenditure and maintenance risk, and to provide necessary capital for use in other areas of the hospital.

Paterson says Energy for Industry is ‘engineering in’ the technical energy efficiency improvements it is making to the hospital’s plant. These ‘permanent’ improvements will outlast the current outsourcing contract, providing the hospital with long-term financial benefits.