

Healthcare Provider Cuts Energy Spend By Over \$2Million

A leading healthcare provider with over 1,800 locations nationwide needed to control its annual energy budget. Limited visibility into actual costs and consumption at the site level meant the customer didn't have a clear picture of what was being spent. Unfortunately, a decentralized management structure made it difficult to design, implement, and oversee an effective energy management plan. Individuals with limited energy expertise frequently made sourcing decisions without knowing whether rates being offered were competitive or not. As a result, management believed they were overpaying for energy, but had no way to correct the problem.

The Solution

Prenova began by analyzing the customer's prior billing history, combing through 16 months of bill data for over 3,500 utility accounts. Invoices were data-entered and made available to authorized users via Energy Analytics, Prenova's web-based reporting solution, giving both organizations greater insight into how money was being spent. This not only helped Prenova develop more accurate projections of the customer's future energy needs – a key requirement for effective procurement – but also helped identify billing errors and increased the transparency of energy-related costs throughout the customer's organization.

Next, a team of experienced energy buyers began looking for opportunities to secure lower utility rates. Analysts performed Rate & Tariff Assessments for each regulated market to uncover any accounts that were on suboptimal rates, and then worked with utilities to have rates changed when appropriate. In deregulated markets, the team assessed the cost benefit of moving sites onto third party supply and identified the best available rate that met the customer's risk management requirements.

Another critical activity for this customer was the implementation and management of a centralized

utility bill payment process. Changing the way a large organization operates can be challenging. To mitigate risk, Prenova assigned a dedicated onboarding team to ensure the transition went smoothly and to head off even the smallest issues before they could become real problems.



The Results

The healthcare provider began seeing results almost immediately as Prenova worked to have billing errors corrected, attempted to get late fees waived, and recovered deposits held by various utilities. These efforts delivered savings of over \$330,000 in just a few months – more than paying for the program. Prenova also identified opportunities in deregulated markets that enabled the customer to move from standard utility pricing to third party supply, reducing costs in excess of \$1.7 million. In addition, by outsourcing payment of approximately 48,000 utility bills per year, the company was able to reallocate four full time employees to perform other business-critical functions.

The ability to monitor energy spend on an ongoing basis has enabled this customer to pinpoint areas of improvement with laser-like focus. They now have a clear foundation on which to develop future energy conservation and sustainability initiatives and the ability to monitor their ongoing progress.

For more information on Energy Procurement, Utility Management, and other Prenova solutions visit: www.prenova.com.