



A long term health care provider reduces its overall annual energy costs

Golden Living partners with Energy Advantage to develop a total energy management plan

Golden Living Profile

Golden Living is a family of companies that operate nursing homes and provide rehabilitation therapy services, hospice and home health services, as well as temporary staffing services in the United States.

With more than 300 locations across 21 states, Golden Living has nearly 40,000 employees who provide health care to more than 30,000 patients every day.

Golden Living companies include Aegis Therapies, AseraCare Hospice and Home Health, 360 Healthcare Staffing, Ceres Purchasing Solutions and Vizia Healthcare Design Group.

A New Business Challenge

Golden Living, as part of a comprehensive operating cost assessment of its business, determined that its corporate energy costs were rising. As an initial approach to manage these costs, Golden Living engaged in energy efficiency measures across sample facilities, which realized limited savings.

Considering this result and its broader goal of achieving cost reductions across its entire portfolio, Golden Living recognized it needed to implement a corporate-wide strategic approach to energy management. With annual energy spending of approximately \$32 million that continued to rise, Golden Living sought to develop a total energy management plan in order to reach its energy reduction targets and reduce its overall annual energy costs.

Case Study: Golden Living

A Collaborative Solution

Energy Advantage approached Golden Living with a comprehensive approach to manage energy. Using its total energy and environmental management methodology, Energy Advantage developed a three-phased enterprise-wide energy management strategy that covered all aspects of Golden Living's energy use.

Phase 1 included the implementation of a utility bill payment system that would track, store, and monitor Golden Living's energy costs and consumption for all locations. With a complex quality assurance process, Energy Advantage entered, analyzed, and managed the ongoing financial accounting of Golden Living's utility invoices. This energy data was further utilized to provide online energy reporting in order to track the success of Golden Living's three-phased energy management approach.

For Phase 2 Energy Advantage evaluated Golden Living's commodity procurement process and developed a strategy that was consistent with Golden Living's risk tolerance, purchasing objectives and consumption profile. Energy Advantage now provides ongoing commodity management including purchasing, transportation and hedging strategies for Golden Living.

Phase 3 will include applying energy efficiency measures to uncover capital and non-capital improvement opportunities. These measures will involve conducting site assessments to identify and quantify energy-savings opportunities, reviewing existing policies and practices, and the development of a detailed action plan of recommended energy management measures.

Measurable & Tangible Results

Since the program began in September 2006, Golden Living has successfully implemented Phases 1 and 2 of its energy management program. By developing a comprehensive approach to energy management, Golden Living has, as of November 2011, saved \$4,481,657 in energy costs.

Specifically, for Phase 1 Energy Advantage uncovered \$424,919 in utility billing errors and saved Golden Living a total of \$807,824 for both bill management administrative costs and utility errors. Golden Living has also accumulated savings of over \$3,843,791 since implementing the Phase 2 commodity procurement and risk management strategy into its portfolio.

Golden Living continues to lead in energy management and is now implementing Phase 3's energy efficiency measures across its facilities.

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