



115607

DATE: May 26, 2023
TO: Finance and Government Operations Committee
FROM: Jeffrey D Draper, Director, Facilities and Fleet
SUBJECT: Update on Energy Efficiency Opportunities at County Hospitals

RECOMMENDED ACTION

Receive report from Facilities and Fleet Department relating to energy audit efforts at O'Connor Hospital, St. Louise Regional Hospital, and Santa Clara Valley Medical Center.

FISCAL IMPLICATIONS

There is no fiscal implication related to receiving this report.

REASONS FOR RECOMMENDATION

At the December 20, 2021, Finance and Government Operations Committee (FGOC) meeting, Item No. 12, the Facilities and Fleet Department (FAF) presented a report relating to exploring energy efficiency opportunities at County Hospitals. The report recommended a two-phased approach:

- Phase 1 – execute a project agreement with a third-party consultant to perform energy audit reports, which will identify energy efficiency opportunities at County hospitals.
- Phase 2 – engage with an Energy Services Companies (ESCO) to validate the energy audit reports and implement recommended efficiency measures.

Phase 1: Perform Energy Audit Reports

FAF has completed Phase 1, and the energy audit reports for O'Connor Hospital, St. Louise Regional Hospital, and the Santa Clara Valley Medical Center are attached to this report. The DePaul Health Center was not included in the energy audits since a significant portion of the campus was under renovation when the study was conducted. The audits identified \$41.2 million in energy efficiency measures across the three campuses that would provide yearly cost savings of \$3.3 million with a payback period of 12.5 years, while also reducing total annual County electricity and natural gas usage by 16.2 million kilowatt-hours, or 11%, and 401,633 therms, or 5.2%, respectively. These savings would be achieved through a variety of measures such as LED lighting and HVAC, chiller, boiler, controls, and pump upgrades; tables listing the specific measures for each hospital campus are also attached to this report.

Phase 2: Implement Energy Efficiency Measures

County staff will work with an ESCO in Phase 2 to implement the reports energy efficiency measures at the hospitals. Specific steps in this process include:

- County staff working with an ESCO to conduct investment grade audits (IGAs) at the County hospitals to examine the feasibility of the energy audit report recommendations and create a project scope for implementation.
- Negotiating of an energy service contract for the implementation of the energy measures recommended in the IGAs.
- Identifying a project funding source using either County funds or third-party financing.
- Executing a Project Contract execution and implementing the project.

The completion of an IGA assessment and report for the County's hospitals will take approximately 12-15 months based on previous ESCO experience. However, other Phase 2 tasks such as contract negotiation and funding discussions can happen concurrently with the assessment although a finalized project scope will be needed to conclude such activities and package a contract for Board of Supervisors approval.

CHILD IMPACT

The recommended action would have a positive impact on children and youth through the **Youth Feel Valued by the Community** indicator as the implementation of renewable energy sources helps to create a healthier environment and sustainable future for children and youth in the community.

SENIOR IMPACT

The County's practice of conserving energy through reduced demand and the use of renewable energy sources would have a positive impact on seniors by creating a healthier environment for seniors in the community.

SUSTAINABILITY IMPLICATIONS

The County's investment in energy efficiency and reduced pollution emissions from government operations has positive sustainability implications by conserving non-renewable resources and creating a healthy environment that supports social equity and a vibrant economy.

BACKGROUND

FAF's report relating to exploring energy efficiency opportunities at County hospitals was received at the December 20, 2021, FGOC Meeting (Item No. 12). An update on the project was received at the August 18, 2022, FGOC Meeting (Item No. 12).

LINKS:

- **Linked To:** 107772 : Receive report from the Facilities and Fleet Department relating to proposed actions and timeline associated with exploring energy and water efficiency opportunities at O'Connor Hospital, De Paul Health Center, St. Louise Regional

Hospital, and Santa Clara Valley Medical Center. (Referral from August 31, 2021, Board of Supervisors meeting, Item No. 17)

- Linked To: 107388 : Consider recommendations relating to exploring energy and water efficiency opportunities at O'Connor, De Paul, Saint Louise Hospitals, and Valley Health Center Bascom. (Lee)
- Linked To: 109977 : Approve Request for Appropriation Modification No. 198 - \$600,000 transferring funds within the Facilities and Fleet Department budget, relating to the Energy Audits at County Hospitals Project No. 263-EN22001.
- Linked To: 111148 : Receive report from the Facilities and Fleet Department relating to energy and water audit efforts at O'Connor Hospital, De Paul Health Center, St. Louise Regional Hospital, and Santa Clara Valley Medical Center.

ATTACHMENTS:

- O'Connor Hospital ASHRAE Level II Energy Audit Report - Final (PDF)
- St Louise Hospital ASHRAE Level II Energy Audit Reports - Final (PDF)
- Valley Medical Center ASHRAE Level II Energy Audit Report - Final (PDF)
- VMC - List of Energy Efficiency Measures (PDF)
- O'Connor - List of Energy Efficiency Measures (PDF)
- St. Louise - List of Energy Efficiency Measures (PDF)
- Item 7 - ESCO PPT (PDF)