

Energy4Health

SUMMARY : 1st Draft Demand-Side Policy Roadmap for Stakeholder Consultations

Introducing the project

The Energy4Health project is one of six¹ that are being carried out in support of the EU Demand-Side Action Plan².

The project commenced in January 2014 and will conclude in March 2015.

Its aim is to develop a policy roadmap to improve the main factors (framework conditions) that influence the demand for innovative energy solutions in the healthcare sector.

This is being implemented through four main activities:

1. Generate baseline scenarios to 2020
2. Create policy action roadmaps for more favourable scenarios
- 3. Engage with influential stakeholders**
4. Develop implementation strategy

The project is at the stage of seeking views of influential stakeholders. To support these discussions this document has been provided to summarise our understanding of the current issues limiting the adoption of energy efficiency and renewable energy measures by hospitals and wider healthcare systems. It also contains a draft vision for the European healthcare sector by 2025 and outlines key actions required to move towards this vision.

Brief background

The efficiency and source of energy used by the healthcare sector has significant implications for the health of local and global populations. Energy inefficient healthcare systems based on fossil fuel sources is widespread in Europe and, typically, few links are made with the associated negative health consequences. Infrastructure, such as hospitals, could contribute to better health outcomes by improving their energy efficiency and moving away from fossil fuel generation and, in the process, become leading examples for other sectors to follow. In so doing they could also reduce financial risks associated with changing healthcare demand and increasing energy prices. Furthermore where such action is taken there are two additional benefits. Firstly, there may be significant savings made which can then be available for investment in direct patient care. Secondly, security of energy supply should form part of the sustainability strategy for hospitals to ensure long-term reliability of services – a hospital cannot function without energy.

There are limited funds in Europe to build new hospitals and those that exist have significant potential to become more energy efficient and less reliant on fossil fuels. The main improvements, as a sector, will therefore arise from energy efficiency and renewable energy actions as part of refurbishment and retrofit activities. However, the drivers for action in this area require strengthening. Barriers need to be overcome to support the healthcare sector adopt existing solutions and actions are also required to support the healthcare system demonstrate leadership in energy efficiency and renewables use due to the associated health impacts of fossil fuel use.

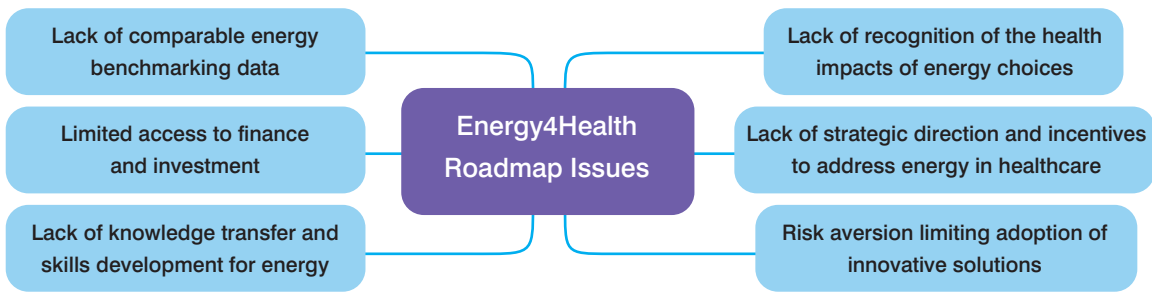
Instead of being an exemplar of how to minimise the risk to human health from climate change and poor air quality, the healthcare sector is behaving in a way that would be unacceptable for industrial companies.

¹ The other five are concerned with electric vehicles, energy efficient renovation of residential property, energy producing buildings, ICT in transport and PV products.

² http://ec.europa.eu/enterprise/policies/innovation/policy/lead-market-initiative/news/index_en.htm

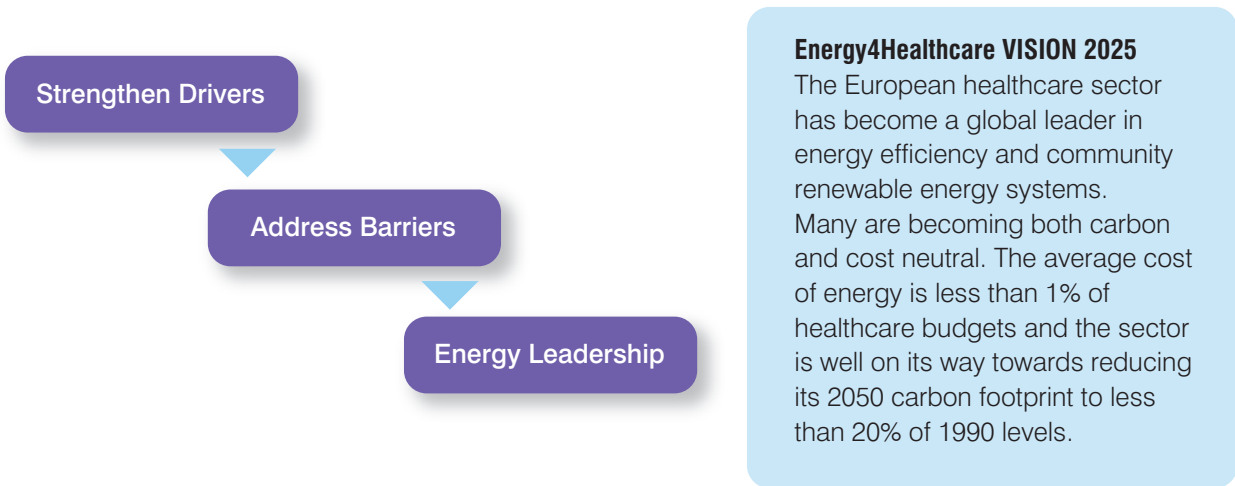
Key issues

The key issues for healthcare systems and the demand for energy efficiency and renewable energy have been identified as:



Vision and main actions

In response to these issues, the following framework for a demand-side roadmap is proposed. This could transform the sector from its current unsustainable energy position to become a global leader.



Strengthen Drivers

The current low level of adoption of energy efficiency and renewable energy by hospitals can be attributed to a general lack of drivers for action. The link between a hospital's energy choice and health impacts is not typically being made.

The potential operational cost savings and positive contribution to ongoing sustainability performance related to energy efficiency and renewable energy systems is also an important driver that could be strengthened.

Changing healthcare demands have also created uncertainty about future infrastructure requirements,

resulting in increased investment risk. This requires strategic clarity about the future requirement to reduce investment risk. There are limited incentives for healthcare stakeholders to address energy use and supply. Without additional incentives (e.g. regulatory push and/or demand pull based incentives) then stakeholder behaviour is unlikely to change.

The proposed actions to strengthen drivers are summarised below:



1. Linking Health with Energy Choices

- 1.1 Identify, develop and promote evidence about the health impacts of climate change and link to healthcare energy choices
- 1.2 Identify, develop and promote evidence about the health impacts of local air quality and link to healthcare energy choices
- 1.3 Identify, develop and promote evidence about the health impacts of fuel poverty and the role of the healthcare sector in preventative action

2. Demonstrating Cost and Sustainability Benefits

- 2.1 Identify, develop and promote evidence demonstrating the operational cost savings potential of energy efficiency and renewable energy systems
- 2.2 Identify, develop and promote evidence demonstrating the contribution of energy efficiency and renewable energy systems to lifecycle sustainability strategies

3. Providing Strategic Clarity and Aligning Incentives

- 3.1 Strategic infrastructure review of healthcare facility provision to reduce investment uncertainty
- 3.2 Clarify link from EU energy policy to EU Structural Funds for healthcare investments
- 3.3 Energy policy alignment at a national level to identify the contribution of the healthcare sector to National Energy Efficiency Action Plans and National Renewable Energy Action Plans
- 3.4 Procurement of health as an outcome to incentivise action to reduce health impacts of fossil fuel use and reduce fuel poverty
- 3.5 Develop market driven reputational incentives to reward action
- 3.6 Establish healthcare specific targets related to energy efficiency, carbon reduction and air quality pollution reduction

Address Barriers

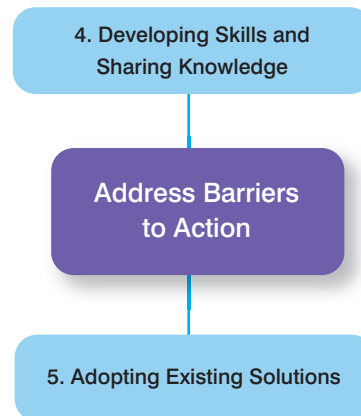
Even with strengthened drivers in place interventions are still required to address barriers to action. Skills development and knowledge sharing about energy efficiency and renewable energy in healthcare needs further development. Low cost dissemination of this knowledge across Europe requires a new approach using web-based platforms such as the Global Green and Healthy Hospitals Network. Such a platform could provide access to best practice approaches to energy efficiency and renewables by the healthcare sector. It would also have the potential to facilitate low cost training through webinars, etc.

Overcoming financial barriers through innovative approaches, partnerships and guidance to accessing EU funds is a key area to enable the healthcare sector to adopt existing solutions already used in other sectors. The removal of legislative and policy barriers is an important step in some countries.

The proposed actions to address barriers to action are summarised below.

4.1 European knowledge sharing platform

4.2 Identify and disseminate best practice



5.1 Financial Innovation

5.2 Guidance to access EU funds

5.3 Partnership Innovation

4.4 Reducing barriers to access finance

4. Developing Skills and Sharing Knowledge

- 4.1 Improve knowledge sharing networks across the European healthcare sector (with reference to existing platforms such as the Global Green and Healthy Hospitals Network)
- 4.2 Identify and disseminate best practice approaches to energy efficiency and renewable energy systems adoption

5. Adopting Existing Solutions

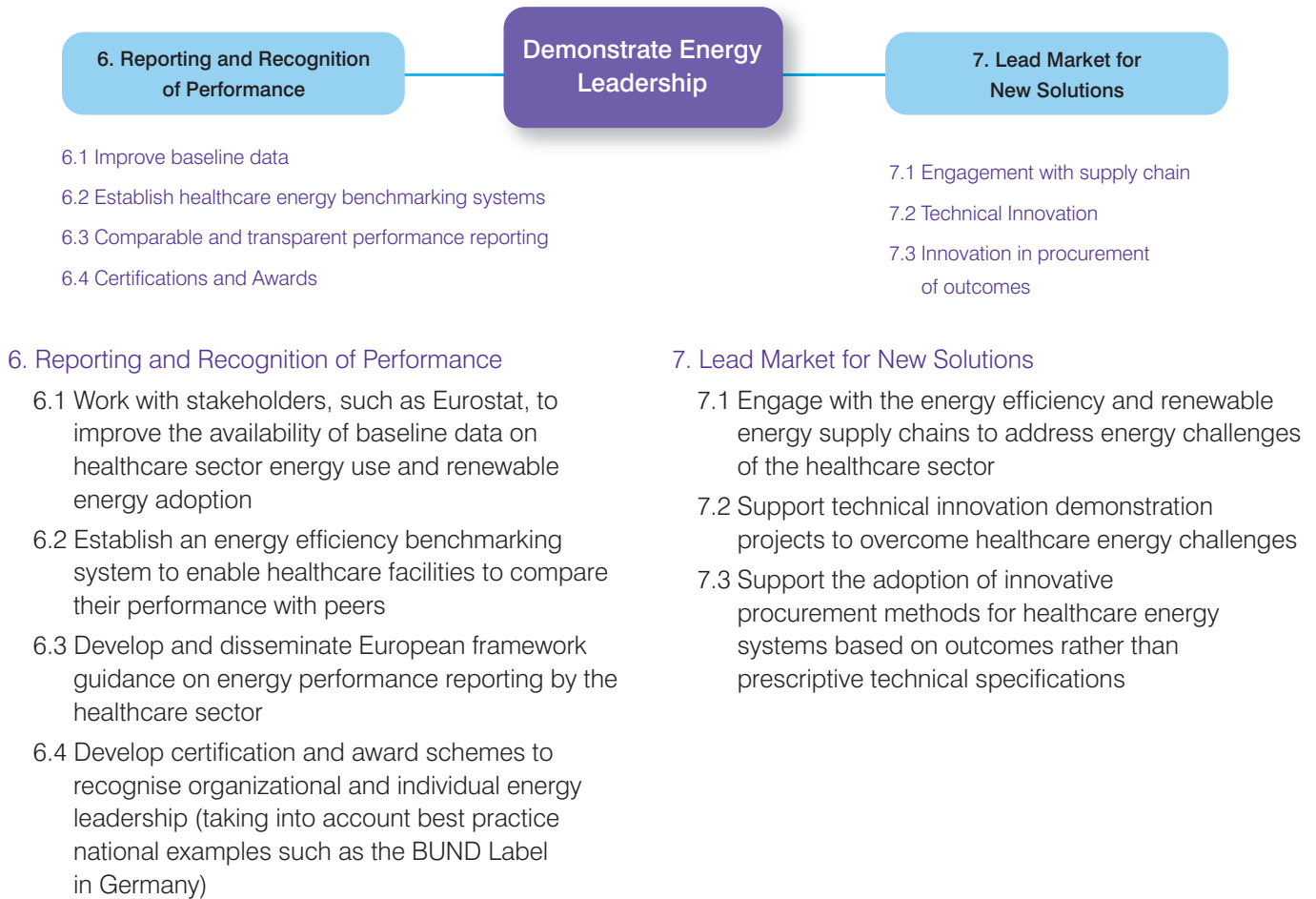
- 5.1 Identify and develop best practice in offering innovative financial solutions to supporting the European healthcare sector
- 5.2 Develop and disseminate guidance to access EU funds for energy efficiency and renewable energy systems in healthcare
- 5.3 Support partnership approaches between healthcare facilities and others to develop community based action
- 5.4 Reduce barriers to finance for healthcare sector investment, where relevant (e.g. removal of restrictions on access to private finance)

Energy Leadership

The healthcare sector could be a strong advocate for the development and collaborative demonstration of future energy solutions that will reduce the harmful health impacts of climate change. A first step would be that the transparent and comparable reporting of energy performance data by the healthcare sector should be encouraged. This will require actions to address data quality and comparability to enable benchmarking. Recognition of best practice through certification and awards should add to incentives for action and provide a credible source of information which the market can use as part of its selection criteria.

Innovation in the energy for healthcare market is low and should be increased, given the importance of publicly funded services playing a lead role in driving innovation. This will require engagement with the energy efficiency and renewables supply chains and access to funding to support technical innovation. Changes to short term energy infrastructure procurement will also be required. Introducing innovative procurement methods, based on desired outcomes rather than prescriptive technical specification, is a key action.

The proposed actions to address barriers are summarised below.



Questions for stakeholders

1. Validation/development of the issues limiting the adoption of energy efficiency and renewable energy systems by hospitals and the wider healthcare system
2. Views on the 2025 Vision statement
3. Validation/development of the proposed actions to address the issues
4. Views on which stakeholders should be involved in the actions to address the issues

Find out more: www.ecoquip.eu or email us: John.Taylor@optimat.co.uk

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