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Kaiser Permanente: Linking Renewable Energy and Healthcare

“Climate change isn’t a distant threat. The health impacts of a changing climate can be felt today in the form of increasing rates of asthma and other respiratory ailments, spread of infectious diseases, heat stress, and injuries from severe weather events.”

— Kathy Gerwig, Kaiser Permanente environmental stewardship officer¹

Ramé Hemstreet, vice president for operations and chief sustainable resource officer at Kaiser Permanente, knew the ins and outs of the healthcare organization’s resource use better than anyone. He was happy to spearhead the use of renewable energy in the healthcare system and was proud to be part of Kaiser Permanente’s efforts to green its operations, an exercise lauded by many in the healthcare and business communities. Over the past few years, the idea of renewable energy had been gaining traction as it aligned with Kaiser Permanente’s goal of being a responsible healthcare leader. The fact that fighting climate change could also lead to better community health made the prospect of an investment in renewables even more appealing. However, exactly how Kaiser Permanente was going to achieve success in mitigating climate change was still uncertain.

The drive toward renewables for Kaiser Permanente started serendipitously in 2006 when Jeff Keyak, senior energy consultant, attended a High Performance Building Committee meeting. Toward the end of the meeting, someone asked if a power purchasing agreement (PPA) for solar energy was an option to offload from the capital cost of building operations. Though the committee had not at the time seriously considered the option, Keyak had experience with PPAs, so the suggestion went to the right person.

Hemstreet and Keyak noted several necessary considerations: With Kaiser Permanente’s large operation, where would renewables be launched or used? Given that projecting the escalating costs of commercial electricity is more art than science, what was the true cost-benefit that renewables offered and how could this be projected? What sort of PPA or leasing agreement should Kaiser Permanente commit to? How would stakeholders receive the adoption of a new technology at such a scale at all levels?

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