

# Helping Meet the Needs of Retirement Communities

## Supporting and Streamlining Brookdale Senior Living's Energy Portfolio

Brookdale Senior Living operates assisted and independent living centers and retirement communities for middle- and upper-income elderly clients. With more than 650 facilities across 36 states, the organization's complicated energy spend represented a significant management challenge.

In October 2008, Brookdale Senior Living partnered with ENGIE Insight to support Brookdale's energy management team, particularly in sourcing its deregulated energy needs. Brookdale also wished to streamline operations by working with a single sourcing vendor to manage its portfolio. Given its deep understanding of deregulation, ENGIE Insight was able to help Brookdale capitalize on savings, balance its risk management efforts and secure its budget.

Prior to ENGIE Insight's support, Brookdale had numerous contracts spread across multiple territories. Many sites were left unmanaged and there was little transparency into the overall portfolio. Brookdale's team sought to gain a better understanding of existing contracts the status of contracts currently under negotiation.

### How ENGIE Insight Helped

To ensure that the procurement strategy aligned with Brookdale's risk objectives, ENGIE Insight's senior sourcing advisor worked with Jeff Patton, Vice President of Procurement, the executive team and key decision makers to evaluate the risk profile. ENGIE Insight leveraged the combination of low risk tolerance and historically low energy prices to develop a hedging strategy. That strategy, together with ENGIE Insight's knowledge of market timing, has allowed Brookdale to enter into multiple fixed-price agreements that have optimized cost while reducing budget risk.

With a solid procurement strategy in place, ENGIE Insight continued to drive savings of the entire portfolio through a comprehensive analysis of the remainder of Brookdale's energy contracts.

This process enabled ENGIE Insight to identify and resolve additional opportunities, including:

- Multiple marketers were managing various contracts, adding unnecessary costs.
- Deregulated states were not fully managed, leaving some sites unable to capitalize on avoiding costs with the local utility.



### Why ENGIE Insight?

ENGIE Insight continues to proactively bring opportunities to Brookdale, thanks to unique advantages that include:

- Detailed knowledge of the communities within Brookdale's portfolio
- Insight into the energy market
- Knowledge about regulations, rules of engagement, and each utility's available opportunities



## CASE STUDY

Because market conditions, operational behaviors and locations can change at any time for Brookdale, ENGIE Insight continues to perform these audits on an ongoing basis in order to ensure active portfolio management.

Additionally, ENGIE Insight provides Brookdale with the necessary benchmark reporting to evaluate the performance of their energy procurement program and make adjustments to their strategy as conditions dictate.

### Program Results

The collective efforts allowed ENGIE Insight to provide an estimated year-over-year savings of \$1,077,760 within deregulated territories in the first year alone. Utilizing proprietary analytic and market intelligence tools, ENGIE Insight has timed the market well to optimize costs for Brookdale Senior Living.

By 2011, Brookdale had more than 40 energy supply agreements in place and had eliminated an additional \$784,924 year-over-year. "We feel confident knowing that ENGIE Insight's team of sourcing experts will bring opportunities to us," Jeff Patton says. "The recommendations they are making are helping us to reduce costs and minimize risk."

### What's Next: Building on Success

Looking ahead, ENGIE Insight will continue to work with Brookdale to strategically align the structure and term of their energy contracts with their overall procurement portfolio strategy. Brookdale's active role in fulfilling the current strategy has been indispensable to the program's success—and will remain instrumental in ensuring the proper response to market conditions.

Brookdale Senior Living has also had success working with ENGIE Insight to improve energy efficiencies across their portfolio. Utilizing a dedicated energy manager, Brookdale has accomplished significant energy reductions based on the data captured by ENGIE Insight through energy performance reports and outlier analysis. "We have successfully reduced energy demand by 10 percent over the past two years," comments Jeff Patton. "Building on these results, we are focused on additional conservation efforts and will use ENGIE Insight's tools and analytics to identify, measure and report on these energy saving opportunities."



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