

Case Study - New York State Office of Mental Health

“Because of our previous efforts to uncover all possible savings, we weren’t expecting Cost Control Associates’ review to be very productive. When they uncovered an additional \$638,000 in refunds, we were amazed!”

Background

The Office of Mental Health (OMH) is a New York State Agency charged with the responsibility for operating psychiatric centers across New York State and regulating, certifying, and overseeing more than 2,500 programs that are operated by local governments and nonprofit agencies. These programs include emergency, community support, residential, and family care programs.

To carry out these responsibilities, OMH operates approximately 1,100 buildings spread among 20 large campus sites and numerous other sites. Energy costs for these facilities are in excess of \$35 million per year.

Beginning in 1990, OMH retained an energy management firm to reduce energy consumption and costs. A database of critical energy data was created and OMH retained

additional partners in both the private and public sectors. Over the following ten years, a number of high-impact energy conservation projects were initiated and rate analyses were performed to determine optimal rates for each major utility account.

The energy conservation projects were quite successful resulting in awards from:

- ✓ Energy User News
- ✓ Association of Energy Engineers
- ✓ USA Environmental Protection Agency
- ✓ Renew America
- ✓ New York State

Goals

OMH was searching for new programs to further reduce energy costs by building on its previously successful efforts. While it was thought that all necessary rate and tariff changes had already been achieved, OMH sought to insure that this was correct.

Constraints

OMH had no internal resources available for this effort. In addition, due to budgetary constraints, there was no money available to hire additional internal staff or outside consultants for this effort. Although a database of energy consumption and cost data

existed, it did not contain much of the bill data necessary to perform a comprehensive review for rate and other cost savings.

Solutions

Cost Control Associates’ **Cost Recovery and Reduction™** program was the perfect solution. The program included a review of all energy accounts for billing errors resulting in refunds and for rate and service changes resulting in on-going cost savings. Cost Control Associates created the database needed to perform their services based on bills provided by OMH. Fees for their services were paid out of the refunds and savings Cost Control Associates produced.

Results

The results produced were enormous especially considering the efforts already undertaken by OMH. Cost Control Associates’ program produced **\$638,000** in refunds and over **\$86,000** per year in energy cost reductions.

Contact: Mr. Neill Anderson
Deputy Director, Capital Operations
New York State Office of Mental Health
Phone: 518-473-5544
Email: COCANEA@omh.state.ny.us