ENERGY INITIATIVES TASK FORCE

Securing Army installations with energy that is clean, reliable and affordable

Tribal Leader Forum

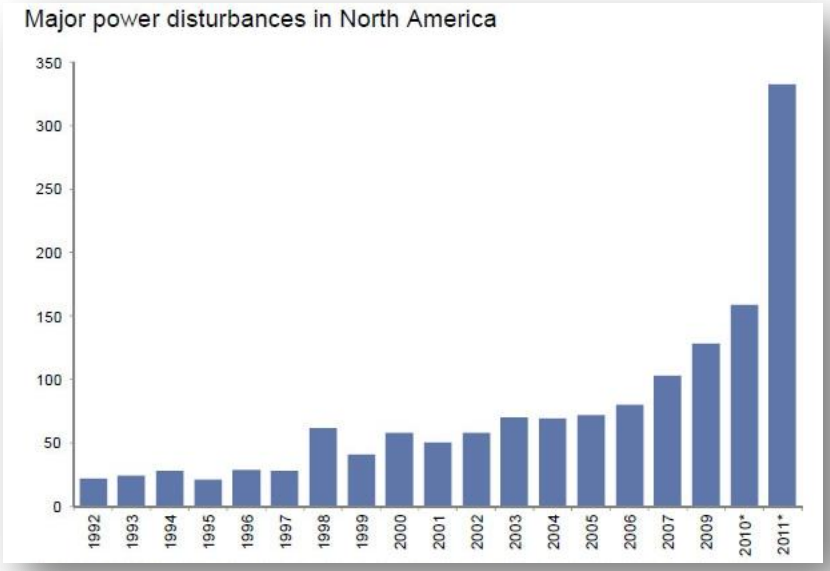
Kathy Ahsing

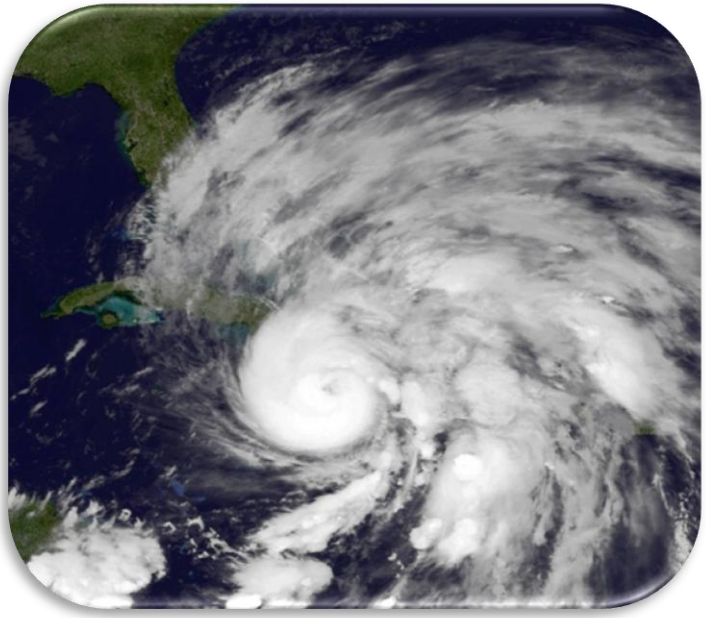
Director, Planning and Development

31 May 2013

Army Installations' Changing Roles

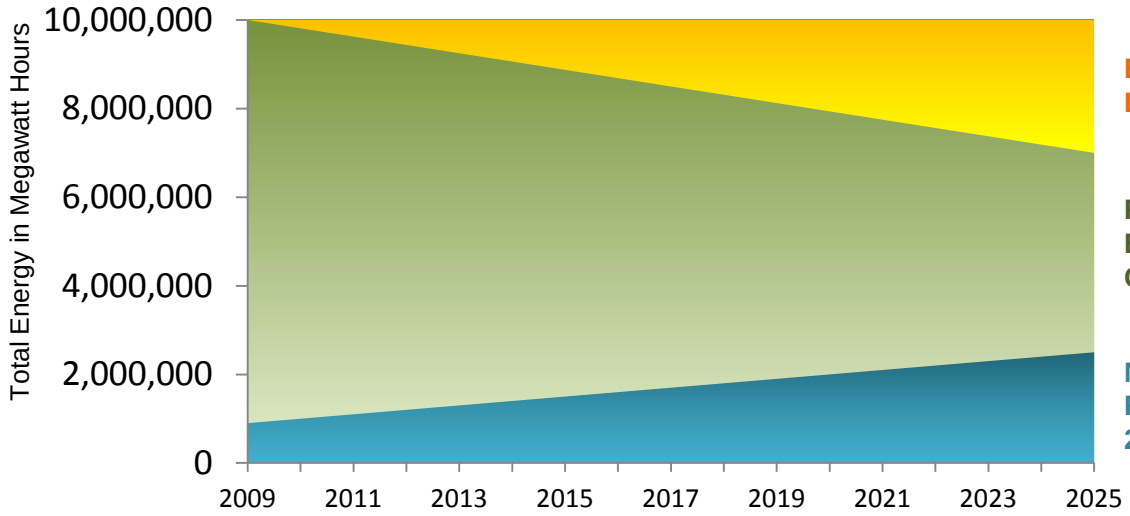
- Today's military installations are playing an ever increasing role in energy security.
  - Installations are also playing an increased role in disaster and other community relief efforts





- Installations are increasingly susceptible to a fragile electrical grid.
  - Many Army installations are at the end of the distribution line, further increasing their exposure

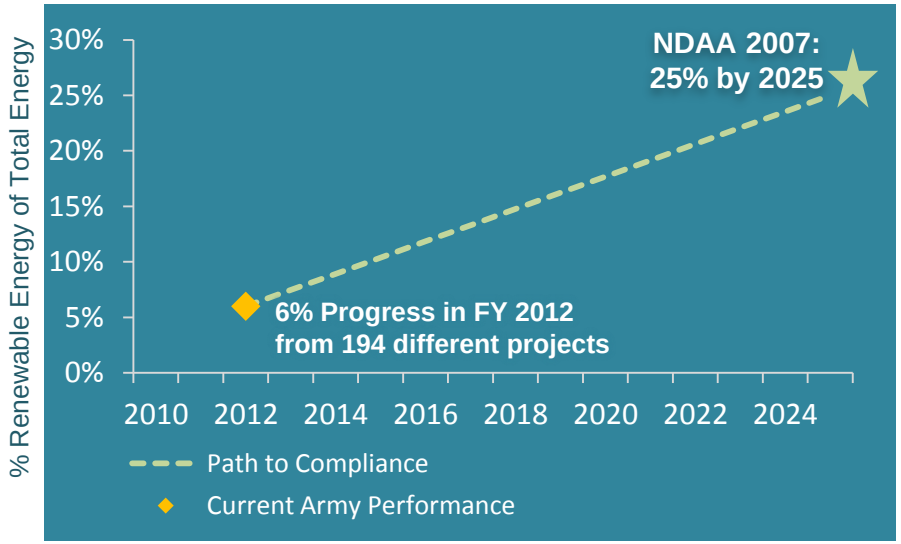
Reaching Army Energy Goals Requires a Significant Number of Large-Scale Renewable Energy Projects



The NDAA 2007 goal of "25% by 2025" is driving the Army to deploy 1 GW total of renewable energy projects.

Major Issues for Army Large-Scale Renewable Energy Projects:

- Declining Budgets/Incentive Leverage
  - *Need for private financing*
- Specialized Expertise
  - *Requires financial, regulatory, environmental, and real estate expertise*
- Enterprise Strategy
  - *To define the most efficient path to reach Army goals*



The Army's Commitment to Renewable Energy and Energy Security

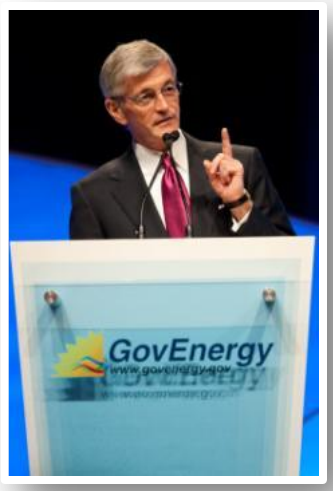
Energy Initiatives Task Force (EITF) established on September 15, 2011.

EITF to serve as the central management office for **partnering** with Army installations to implement **cost-effective, large-scale,** renewable energy projects, leveraging **private sector financing**.

- Projects **greater than 10MW**
- Solar, Wind, Biomass/WTE and Geothermal technologies
- Will use existing DoD land-use and third-party financing authorities

Energy Security is a key project design objective.

Army expects 30+ projects within 10 years.



DoD announces commitment to deploy 3 GW of renewable energy projects by 2025 on April 11, 2012

the WHITE HOUSE PRESIDENT BARACK OBAMA

Get Email Updates | Contact Us

BLOG | PHOTOS & VIDEO | BRIEFING ROOM | ISSUES | the ADMINISTRATION | the WHITE HOUSE | our GOVERNMENT

Home • Briefing Room • Statements & Releases

Search WhiteHouse.gov Search

The White House

Office of the Press Secretary

For Immediate Release April 11, 2012

Fact Sheet: Obama Administration Announces Additional Steps to Increase Energy Security

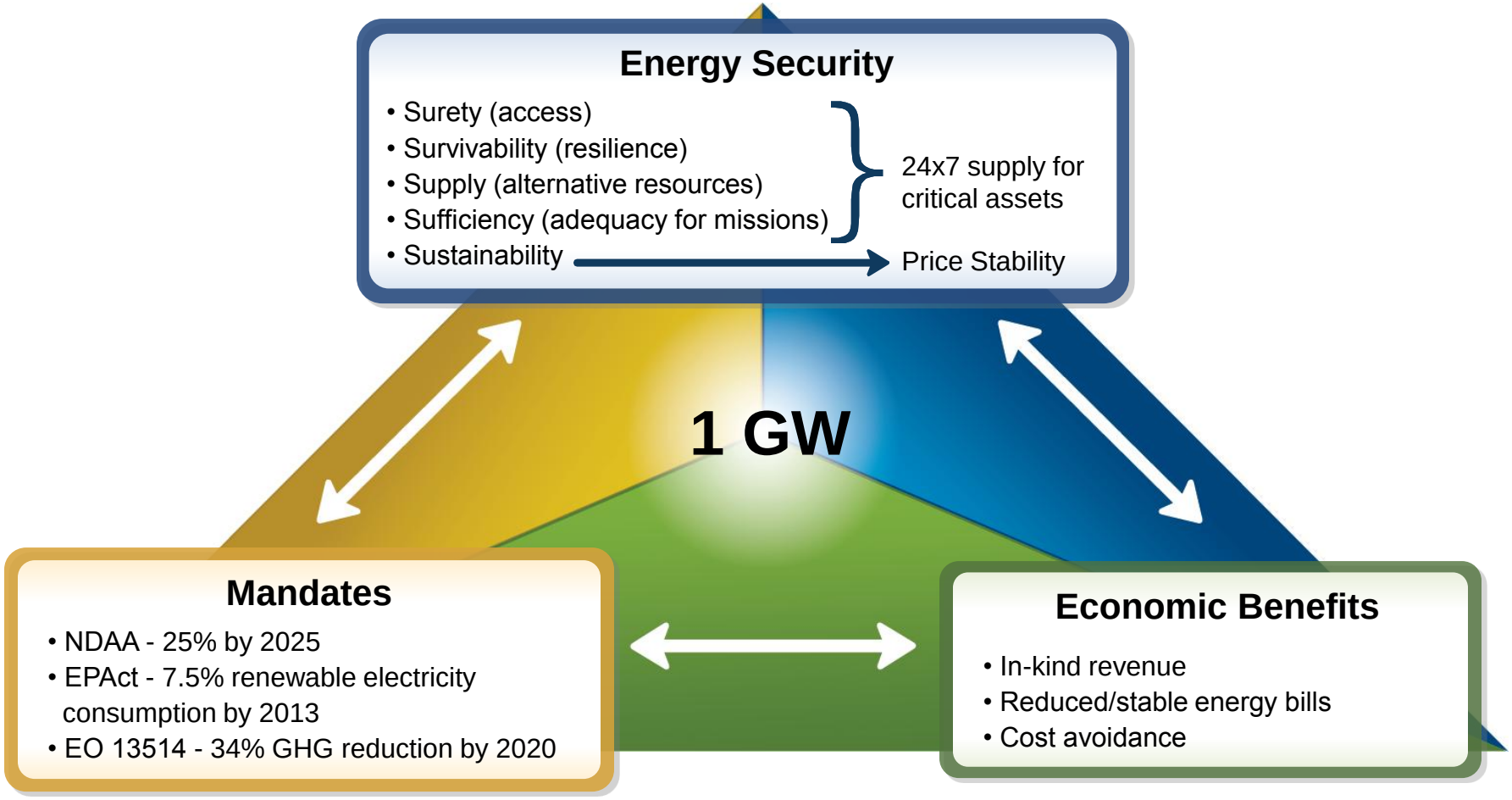
Senior Officials to Highlight Commitment to Energy Security for America's Warfighters

Defense Department Increases Commitment to Renewable Energy to 3 Gigawatts

DoD is making one of the largest commitments to clean energy in history, by developing a goal to deploy three gigawatts of renewable energy – including solar, wind, biomass, and geothermal – on Army, Navy, and Air Force installations by 2025 – enough to power 750,000 homes. This effort furthers the commitment President Obama made during the State of the Union to develop 1 gigawatt of renewable energy on Navy installations by 2020. The Air Force goal of obtaining 1 gigawatt by 2016 and the Army goal of obtaining 1 gigawatt by 2025 support the broader DoD goal to meet 25 percent of its energy needs with renewable energy by 2025.

Balanced Enterprise Approach

EITF seeks to create a balanced pipeline of opportunities that will serve three driving principles



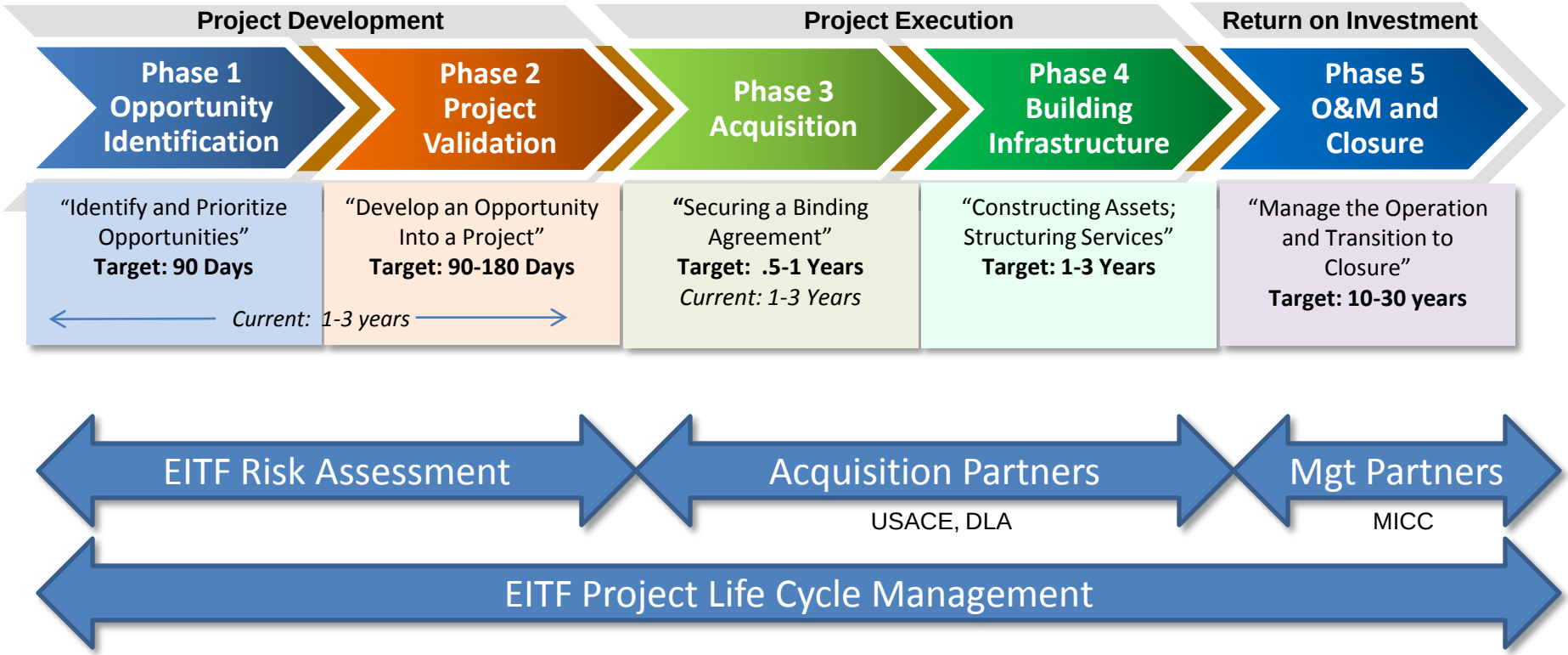
Enabling Authorities

The EITF will leverage existing Congressional authorities to meet renewable energy goals:

- Contracts for energy or fuel for military installations (10 USC 2922a)
- Enhanced-use Leasing (10 USC 2667)
- Acquisition of Utility Services (FAR Part 41)
- Purchase of Electricity (40 USC 591)
- Utility Energy Services Contracts (10 USC 2913)
- Energy Savings Performance Contracts (42 USC 8287)
- Cooperative Agreements (31 USC 6305)
- Easement Authority (40 USC 1314)

Project Development Process

The EITF is producing a process for developing large-scale renewable energy projects that is clear, consistent and transparent.



Project Risk Assessment Template

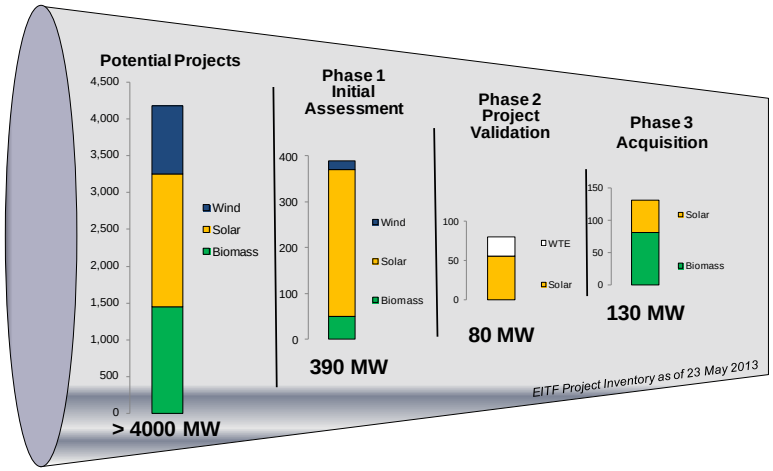
Project Risk Factors are reviewed on a weekly basis to identify roadblocks and key issues for successful project development

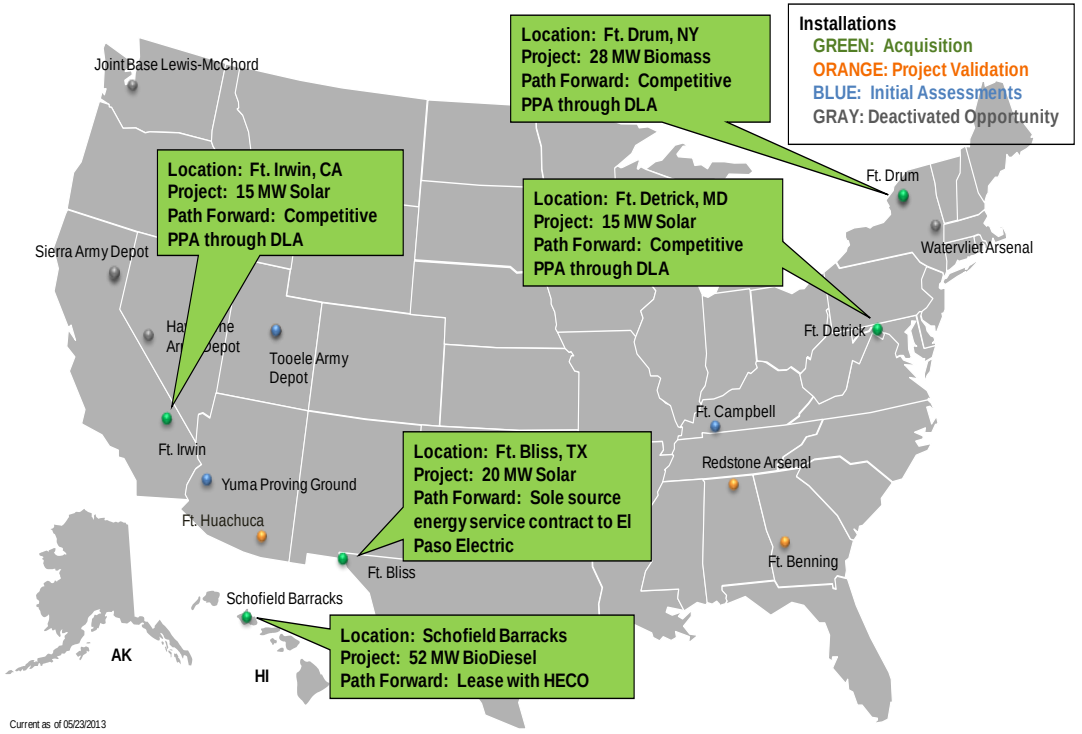
Project Risk Assessment	
Mission/ Security	• *How does project enhance energy security on host and surrounding installations?* • *What are the possible impacts to Installation operations or tenant missions?* • *Has the project been approved by Installation, Army HQ, and DoD staffs?*
Economics	• *What is the estimate of the baseline capital cost?* • *What is the value of any RECs or other incentives?* • *What is the predicted resource? Has it been validated?* • *What is existing utility rate and alternative tariffs?* • *What are the impacts of the project to the POM?*
Real Estate	• *What is the Real Estate approach and what authority is being used?* • *Has the project received required BLM approvals?* • *Is the project consistent with the Installation Master Plan?*
Regulatory	• *What are the regulatory limits for interconnection, net-metering?* • *What is the status of getting required PUC approvals?*
Off-Take	• *Will the installation consume all electricity generated?* • *What is the status of state RPS and other incentives to drive external demand?* • *If power is to be sold off the installation, have off-takers been identified?* • *Can the utility wheel power to other potential off-takers?*
Integration	• *Is there sufficient line and substation capacity? What upgrades are required?* • *Are flow studies are required? What is the status?* • *Is the system upgradeable for smart grid and energy storage technologies?*
NEPA	• *What are the major NEPA issues?* • *Which parties will implement NEPA and what is the timeline?*
Acquisition	• *What is acquisition strategy and timeline to implement?* • *What performance risks are there with the developer or other partners?*

Progress Report
Renewable Energy Projects

EITF activities have positioned the Army to release 5 projects that will provide 130 MW of renewable energy for Army

Pipeline of Projects



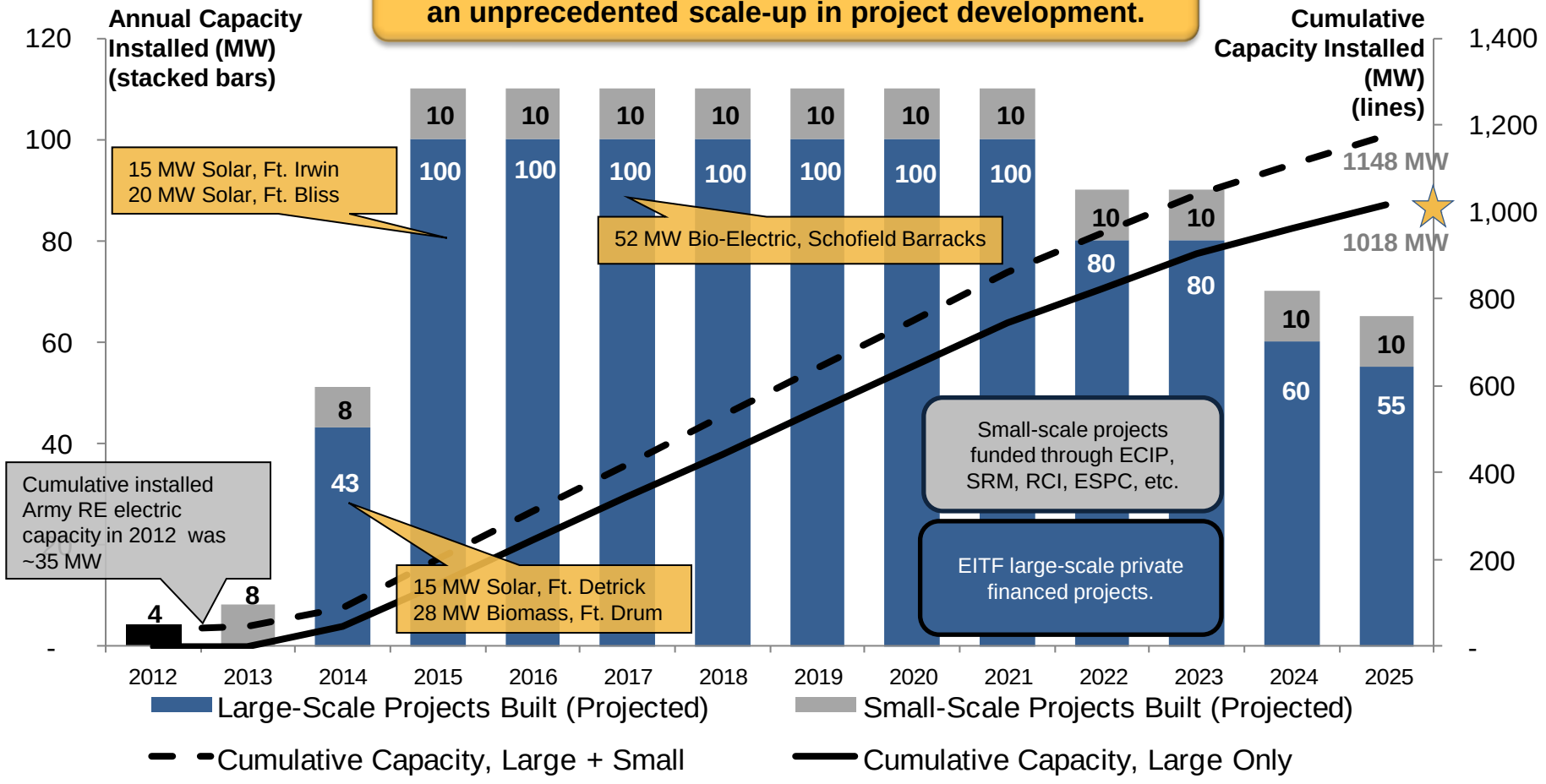


Other Accomplishments

- Screened 180 Army and National Guard installations for RE project potential, identifying over 4 GW of projects
- Initiated 28 new projects in Evaluation
- Supported development of $7B USACE MATOC contract – issued August 5th
- Developed standardized processes and templates for project evaluation and implementation

Pathway to One Gigawatt

Achieving Army Renewable Energy Goals will require an unprecedented scale-up in project development.



Summary

- Energy and energy security continue to be key components to enhance Army mission effectiveness.
- Renewable energy is and will continue to be a significant part of the Army's energy security strategy.

- Through the EITF, the Army is aggressively developing new and efficient business models to support the rapid deployment of 1 GW of renewable energy by 2025.

Visit us online at: www.armyeitf.com

On Facebook @US Army Energy Initiatives Task Force

On LinkedIn @US Army Energy Initiatives Task Force

On Twitter @ArmyEITF


U.S.ARMY
ARMY STRONG.SM