

# Federal Energy and Water Management **AWARDS** 2014



## Naval Air Weapons Station China Lake U.S. Navy China Lake, California

In FY 2013, Naval Air Station Weapons Station China Lake completed construction of a 13.78 megawatt solar photovoltaic system—the largest solar plant in the Navy and the first installed on a Department of Defense installation—using a 20 year solar power purchase agreement. The new plant produces 30,000 megawatt-hours annually, providing 30% of Naval Air Weapons Station China Lake’s annual energy consumption. Under the power purchase agreement, the site will purchase \$80 to 100 million worth of energy at the negotiated price during the next 20 years, avoiding about \$13 million in energy costs over the contract period.

To make this project possible, extraordinary effort went into market research, technical analysis, industry partnership, preparation of complicated acquisition documentation, and navigation of complicated regulations and incentives. During 18 months of discussions, the team successfully negotiated the terms and conditions that satisfied both government and private financing requirements. Use of the power purchase agreement as a financing model has been growing within the Navy, and with the knowledge gained from this project, the agency plans to further streamline the approval process to pave the way for additional new agreements.