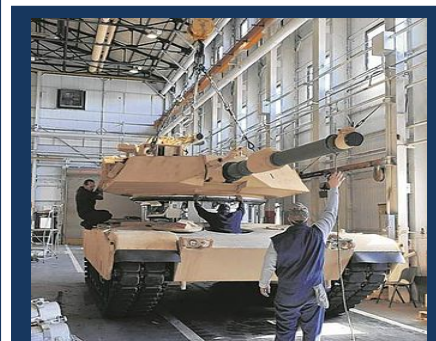
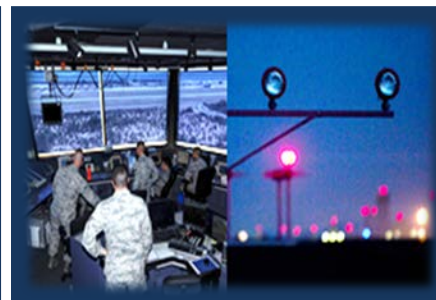


*Federal Utility Partnership
Working Group Seminar*

Walter Ludwig
*Office of the Assistant Secretary of Defense for
Sustainment - Energy*
May 2, 2019

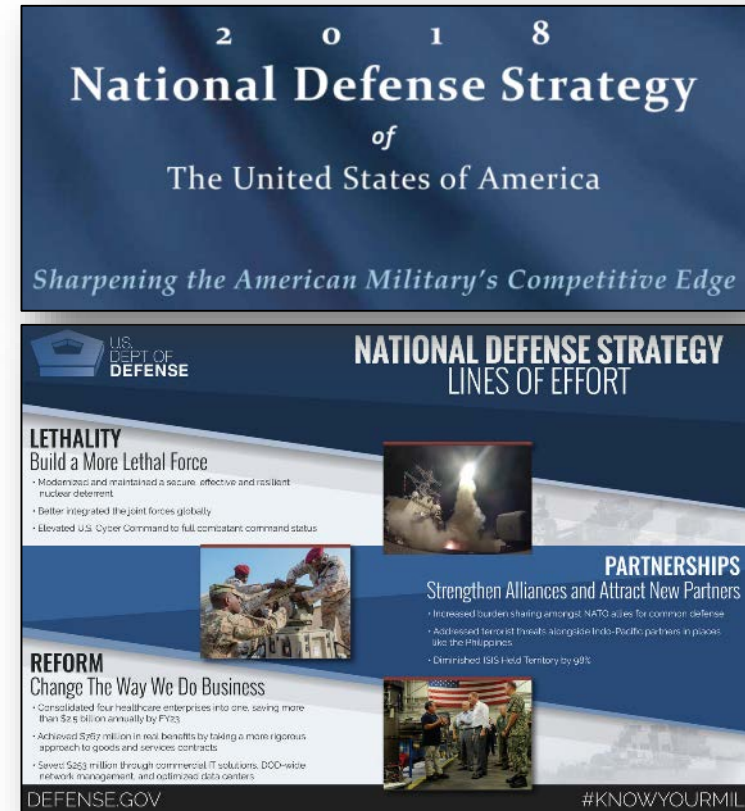




National Defense Strategy (NDS)

Sustainment

- 2018 NDS outlines a stressing security environment
 - “Every domain is contested – air, land, sea, space, and cyberspace”
 - “Lethal and disruptive battlefield, combined across domains, and conducted at increasing speed and reach”
 - “The homeland is no longer a sanctuary”
- Future requirements:
 - Distributed operations, logistics
 - Dispersed, resilient, adaptive basing
 - Ensure sustainment under attack
 - High energy weapons, sensors



Growing global threats put our military operations at risk.



DoD Energy Priorities

Sustainment

- **Mission**
 - Sustain warfighting readiness and lethality by providing all energy-related policy and governance for programs and activities that enable resilient, efficient, and cyber-secure energy for Joint Forces, weapon systems, and installations
- **ASD(Sustainment) priorities aligned to NDS**
 - Prepare the battlefield for 2025
 - Create and sustain resilient installations
- **Four primary focus areas:**
 - Energy Resilience
 - Energy Risk
 - Energy Performance
 - Cyber Secure Facilities



Vision: DoD has resilient energy needed to deter wars and ensure our Nation's security.

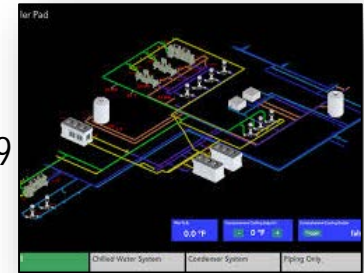


Aligning Policies with Strategy

Sustainment

- **Installation Energy Plans (IEPs) Policy**

- DoD policy memo requiring IEPs (Mar '16)
- Supplemental IEP Guidance (May '18)
 - Expand IEPs to all installations; Priority installations' IEPs to be completed by end of FY'19
 - Explicitly requires energy resilience (ER) and cybersecurity (CS) be part of each IEP
- Annual program reviews – maintain IEPs as living documents designed to identify, evaluate, & mitigate energy risks to critical missions



- **Energy Resilience (ER)**

- DoD Power Resilience Review (Dec '13 – Aug '14)
- DoDI 4170.11 Installation Energy Management: ER requirements added (Mar '16)
- MIT/LL ER Business Case Analysis Study (Oct '16)
- DoD ER Operations, Maintenance and Testing Guidance (Mar '17)
- *Draft policy - DoD ER Guidance (ECD: FY '19)*



- **Facility Related Control Systems (FRCS)**

- DepSecDef directs Components to cyber secure ALL control system types (Jul '18)
- DoD CIO directs Component alignment to DoD Cyber Strategy & Posture Review (Dec '18)



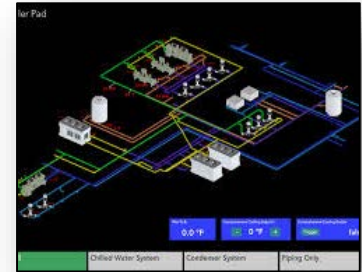
Integrating resilience and cyber requirements into policy maintains alignment during execution.



Aligning Policies with Strategy (Cont.)

Sustainment

- Energy Resilience, Cybersecurity, & Sustainment Costs Integrated into Demand Response & Alternative Financing
 - Incorporate ER as driver for Demand Response (Mar '18)
 - Incorporate ER, CS, and Maintenance, Repair and Replacement (MR&R) costs into ESPCs and UESCs (Nov '18)
 - Incorporate ER and CS into Utilities Privatization projects (Feb '19)
 - Future policy will require better M&V/Performance Assurance to strengthen post-award oversight to delivering ER & CS, and guaranteed savings



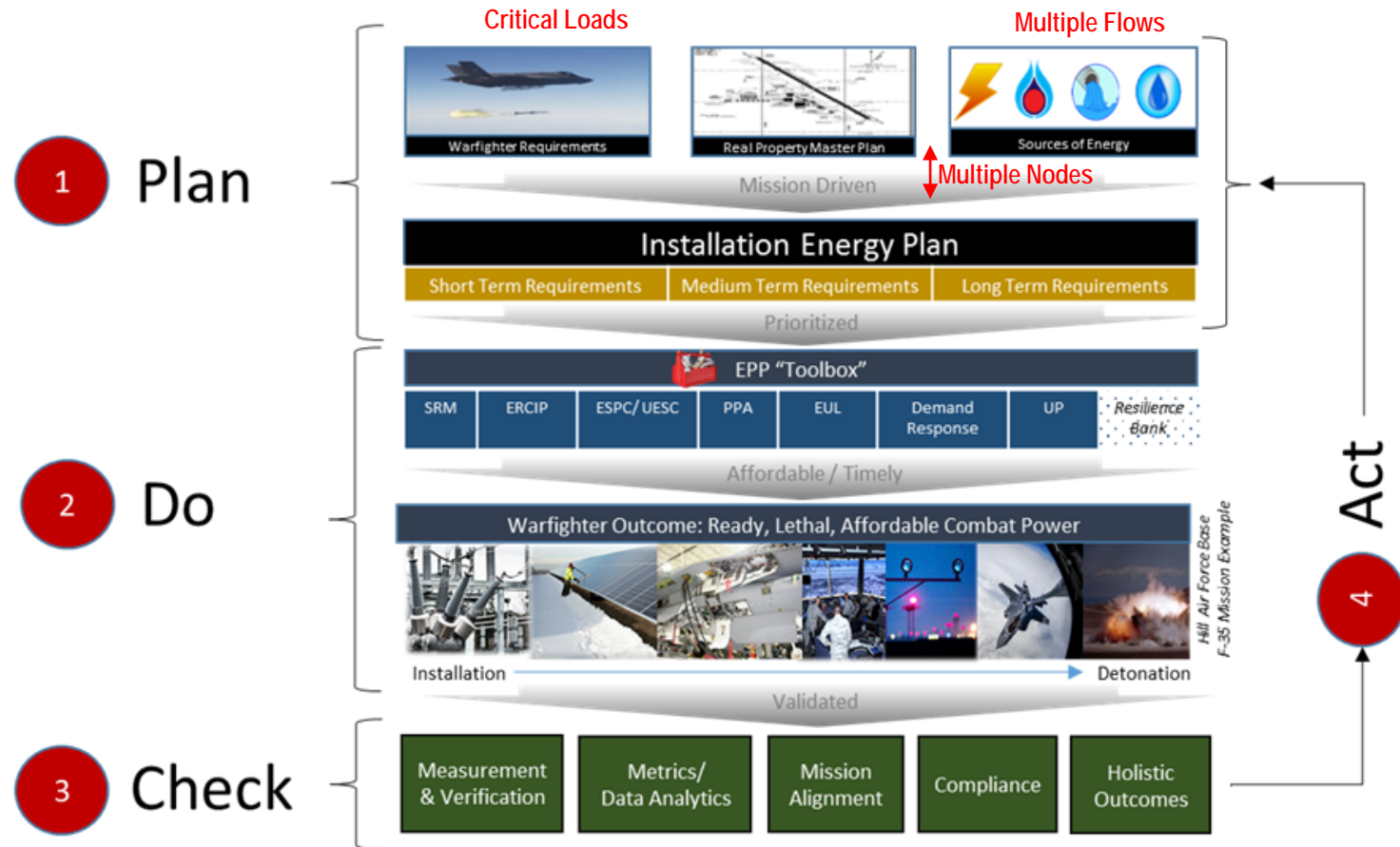
Integrating resilience and cyber requirements into policy maintains alignment during execution.



Energy Performance Cycle

Sustainment

EPP Governance



Foundational Elements: National Defense Strategy ♦ Energy Resilience ♦ Cybersecurity



Energy Performance Program Outcomes

Sustainment

- **Readiness Outcomes**
 - Hardening cybersecurity and prioritizing energy resilience
 - Cyber planning mitigates risk/vulnerabilities to critical missions (i.e. FRCS)
 - Improved knowledge of energy resilience and cybersecurity
- **Lethality Outcomes**
 - Focusing efforts at key/priority installations
 - Prioritizing critical loads
 - Integrating mission and real property stakeholders as part of IEP and ER process
 - Skilled workforce to implement the National Defense Strategy
- **Accountability / Transparency Outcomes**
 - Developing data driven programs with annual reviews and better metrics
 - Refining policies