



DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT SUPPORT LOGISTICS AGENCY



DESC Renewables & ESPCs

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April 2010



- Mission/Commitment
- Goals
- Methods to Meet Goals



Commitment to Renewables and Energy Efficiency Initiatives

- DESC has dedicated internal resources to provide contracting expertise for DoD and Federal customers in support of renewable projects and energy efficiency measures at government facilities.
 - Working with partners to develop requirements
 - Teaming w/ DoD Military Service partners and DOE for technical expertise assistance
 - Working w/Service partners to develop ‘lessons learned’ and ‘best practices’ for long-term contracting support



Energy Policy Act of 2005 (EPAAct05)

- EPAAct 05, Title II - Renewable Energy
 - A. Sec. 203 Federal Purchase Requirements
"To the extent economically feasible and technically practicable"
 - Not less than 3% in FY07 through FY09
 - Not less than 5% in FY10 through FY12
 - Not less than 7.5% in FY13 and each year after
 - B. For purposes of compliance quantities doubled if –
 - Produced and used on site at a Federal facility
 - Produced on federal lands and used at Federal facility
 - Produced on Indian lands and used at Federal facility
 - C. Defines renewable energy technologies – wind, solar, geothermal, biomass (specific), landfill gas, ocean, municipal solid waste or new hydro from increased efficiencies or new capacity additions



Executive Order 13423

Executive Order 13423, January 2007

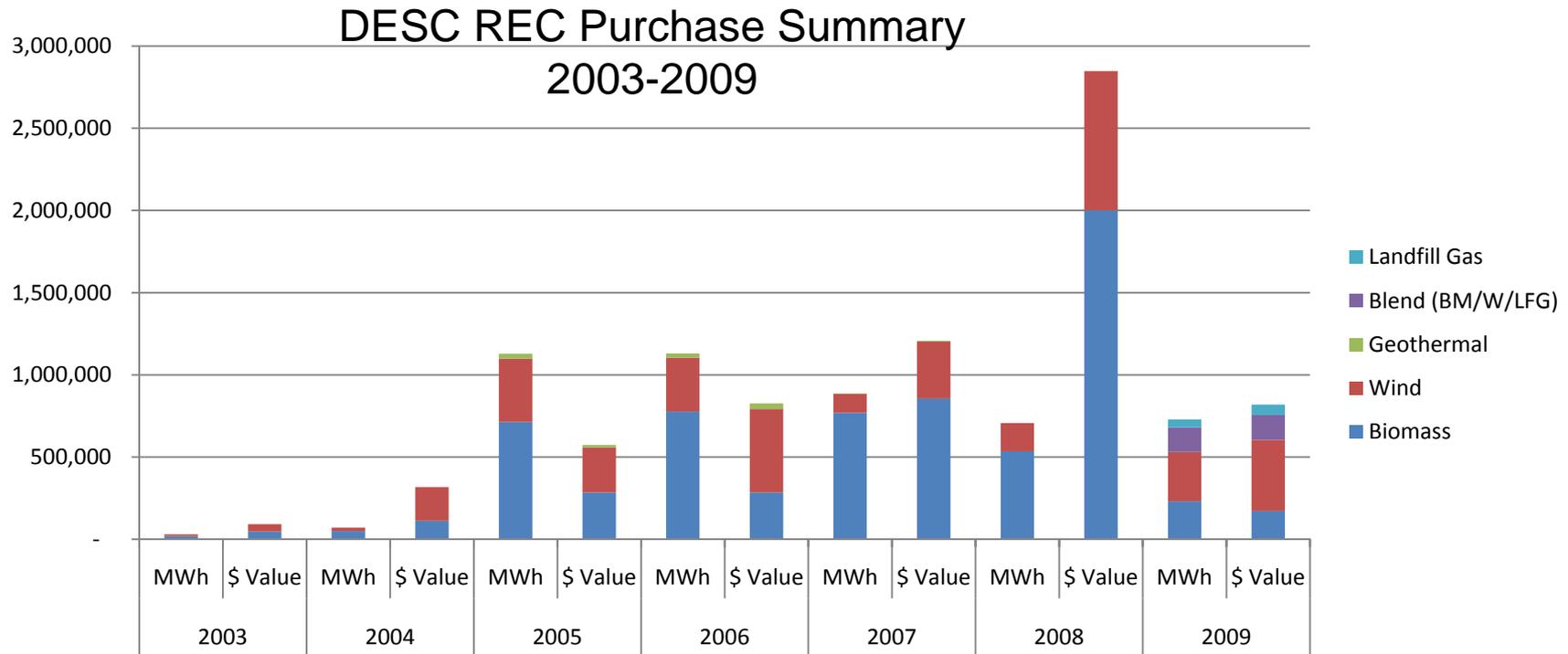
“The head of each agency shall ensure that (i) at least half of the statutorily required renewable energy consumed by the agency in a fiscal year comes from new renewable sources and (ii) to the extent feasible, the agency implements renewable energy generation projects on agency property for agency use.”

- Defined “new renewable sources” as sources of renewable energy placed into service after January 1, 1999.
 - First time new was defined outside of guidance
 - Inline with commercial definition



Meeting the Goals RECs/Green Tags

- DESC has awarded over 4.5M megawatt hours of renewable energy credits (RECs) valued at \$6.2M since 2003





Alternative Financing

- Power Purchase Agreements
- Energy Savings Performance Contracts
- Utility Energy Service Contracts
- Energy Conservation Investment Program



PPAs

- Contractor installs equipment at their expense
 - Contractor performs O&M
 - Payment is made on kWh delivered
 - Requires a lease, easement, right-of-way, etc
 - Full and open competition
 - Contracting Authorities



ESPCs

- Contractors install equipment at their expense
 - All payments made on performance vs baseline
 - Accurate measurement and verification critical
 - No savings, no payments
 - DOE/DESC limited to 16 ESCOs
 - Up to 25 year contract limit



UESCs

- Contractor (utility) installs equipment at their expense
 - All payments made according to schedule
 - Award is made on a sole source basis
 - Currently limited to 10 year payback



ECIP

- Government owns and maintains all equipment
 - Supplemental MilCon for specific projects
 - Money expires if not obligated timely
 - May involve additional O&M contract



DESC Involvement

- Installation Energy
 - Energy experience
 - Commodity
 - Renewables
 - ESPC
 - DESC Europe & Africa
 - Established locally
 - Ongoing training



Sample of Projects

- On-site Renewables
 - DOE Princeton Lab – solar
 - DLA Tracy – solar
 - EPA Edison - solar
 - Others pending (wind, solar, biomass, geo)
- ESPC
 - Ft. Hood, TX
 - Ft. Hamilton, NY
 - Others pending



Concentrating on ESPCs

- Recognize the need
- Benefits of an ESPC
 - <http://www1.eere.energy.gov/femp/financing/espcs.html>
- Contact DESC or DOE
- Customer remains an active participant in the process



ESPC Particulars

- Project Facilitator
 - DOE provides assistance through every step
 - Mandatory for DOE Super ESPC
 - Contracting Personnel are required
 - DOE - does not provide
 - There is a cost associated
 - Whether for one location or several
 - Take the time to consolidate multiple locations



Points of Contact

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Warfighter Support

Renewable Energy & Energy Savings

- Awarded over \$430M in energy savings performance contracts since 2001
- Performing contract administration supporting ESPC task orders valued in excess of \$121.5M for multiple Army locations
- Issued multiple procurements for long-term (10yr) power purchase agreements to facilitate large and small scale solar photovoltaic efforts at DOD and Federal Civilian sites
- In process of signing support agreement with Defense Commissary Agency for ESPC procurement support



Customer Support Renewable Energy

Project Name	Service	Renewable Resource	Proj Desc	Capacity	Lge / Sml Scale?	Proc Method (PPA, ESPC, UESC)	Term (10yr/25yr)	Est \$ value
DOE Princeton	DOE	Solar PV	Purchase of electricity generated from ground mounted and rooftop photovoltaic arrays	1.3 MW	lge	PPA	10yr	\$5.7M
EPA Edison	EPA	Solar PV	Purchase of electricity generated from ground mounted photovoltaic arrays	2.5 MW	lge	PPA	10yr	\$7.6M
Defense Depot San Joaquin	DOD	Solar PV	Purchase of electricity generated from ground mounted photovoltaic arrays. This effort is a partnership w/ DLA R&D PMO to provide electricity to support the DLA Hydrogen Forklift effort	800 kW	sml	PPA	10yr	\$3.5M
DFSP San Pedro	DOD	Solar PV	Net Zero + demonstration to include demand reduction measures and generation/use of electricity generated from ground mounted photovoltaic arrays	1 MW		ESPC	25 yr	\$20M
Hawthorne AD	Army	Geothermal Hot Rock	Development of a geothermal power plant. Electricity from project to be sold into grid.	10-300 MW	lge	PPA?	30yr	TBD



Warfighter Support ESPC Admin

Site	State	Contract No SP0600	ECMs	Contractor	Award Date	Contract Value	Contract Term	DESC POC
Aberdeen	MD	02-F-8255	Ground Source Heat Pumps	Constellation Energy	9/14/2001	\$14.6 M	20 yrs	C. Bond Jawish
Carlisle	PA	02-F-8256	Geothermal Heat Pumps, Direct Digital Controls, HVAC, Lighting	Energy Performance Services, Inc	7/17/2002	\$16.3 M	17 years	C. Bond Jawish
Ft Hamilton	NY	02-F-8257	Lighting, Energy Management Control System, Water Measures	Consolidated Edison Solutions	11/16/2001	\$7.3 M	15 years	C. Bond Jawish
Fort Hood No. 1	TX	03-F-8274	Utility Monitoring Control System (UMCS), Vending Machine Controls, Cooling Towers, Lighting	Johnson Controls	9/29/2003	\$11.3 M	21 years	C. Bond Jawish
Fort Hood No. 2	TX	06-F-0801	UMCS, Vending Machine Controls, Lighting	Johnson Controls	5/24/2006	\$38.5M	22 years	C. Bond Jawish
Fort Monmouth	NJ	03-F-8269	Lighting, HVAC, Heat Pumps, Cogeneration Preparation/Feasibility	Ameresco	9/30/03	\$51.4 M	T4C due to BRAC	C. Bond Jawish
Fort Hood No. 3	TX	10-F-8250	UMCS Upgrade, Lighting, Solar Thermal Water Heating	Johnson Controls	12/30/09	\$33.5 M	24 years	C. Bond Jawish