

Information Paper

ASA IE&E  
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SUBJECT: Army Establishes Energy Initiatives Office Task Force

1. Purpose: To provide information on the Energy Initiative Office Task Force

2. Facts:

a. The Secretary of the Army, John McHugh, is establishing an Energy Initiatives Office (EIO) Task Force to serve as the central managing office for large-scale Army renewable energy projects. Through the EIO Task Force, the Army will conduct an aggressive outreach effort towards private industry to foster strategic, technical, and financial investment in the Army's Renewable Energy Program.

b. The Army must reduce operational and installation energy demand because enhancing energy security is operationally necessary, financially prudent, and mission critical. The EIO Task Force will implement an innovative management solution, based on the successful model of the Residential Community Initiative. This enables the Army to obtain energy that is more secure, more sustainable, and more affordable by assuring diversity of sources. The scale of renewable energy production the Army needs in order to meet Army goals and Federal mandates, as well as provide enhanced energy security, is estimated to require investment up to \$7.1B over the next 10 years. This level of investment is expected to generate 2.1 million MWh of power annually for the Army. In order to meet these targets, the Army will need to collaborate with the private sector.

c. The EIO Task Force will work within the Army to streamline existing acquisition processes and leverage industry for the execution of large-scale renewable and alternative energy projects on Army installations. Army installations currently are pursuing renewable energy infrastructure, but often lack the expertise to identify and evaluate technologies, negotiate with utilities, and manage the construction, operation and maintenance of large-scale renewable projects. The EIO Task Force will fill this expertise gap by providing resources focused on working with the private sector to execute large-scale renewable energy projects. This is expected to result in increased interest from project developers and improved financial options for the Army.

d. To maximize its effectiveness, the EIO Task Force will also leverage the existing Memorandum of Agreement between the Department of Defense and the Department of Energy (DOE) by accessing the expertise and resources of the DOE, the National Renewable Energy Lab, and other DOE labs for the development of large-scale renewable energy projects. Personnel from the DOE are being assigned to the EIO Task Force to accelerate coordination between the two organizations.

e. Activities within the EIO Task Force will include analysis of the renewable energy market, project economics, technology, and resource availability to develop large-scale renewable energy solutions. Working in concert with an energy efficiency strategy, the Army has the potential to mitigate total cost and price volatility of energy supplies.

f. The Army's EIO Task Force is focused on on-site, large-scale renewable energy generation that can mitigate mission risk stemming from service disruptions due to a reliance on an aging and vulnerable electric grid. This also provides a hedge against rising and volatile energy prices, and serves as a potential source of revenue for other energy and efficiency efforts.

g. The Army Power and Energy efforts are divided into three focus areas: Soldier Power, Vehicle Power, and Basing Power. The EIO Task Force will utilize the Army's Renewable Energy Execution Plan to address Basing Power needs, resulting in the implementation of large-scale renewable energy infrastructure on Army installations. The Renewable Energy Execution Plan is coupled with "playbooks" that provide the Army with a process to pursue large-scale renewable energy project in a manner that is predictable and transparent. The EIO Task Force will utilize these "playbooks" to engage in financial risk management strategies, which will address installations' needs to reduce costs, mitigate energy supply liabilities from domestic transmission and distribution system reliability.

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