Driving to the Bottom-line

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OSD Energy Policy

Initiatives Actions	Strategies	Goals	Grand Challenges	Mission	Vision
Utility Privatization • Issue guidance • Demonstrate benefits • High % of success • Technology (better data) • Right people involved	**Utility Privatization** • Align efforts • Ensure proficiency • Execute efficiently and effectively	Complete utility privatization	Modernize infrastructure	Ensure that the DoD utility infrastructure is secure, safe, reliable and efficient, that energy and Water commodities are procured effectively and efficiently, and that the components maximize energy and water conservation efforts.	100 % reliability of utility services to the Warfighter
Embrace Sustainable Design • LCC Analysis • W B Design Guide	Transition from utility privatization to utility mgmt.	Bring all systems to C2 level			
Enhance recognition • Showcase facilities • Awards • Training	Implement conservation measures and reduce cost	Meter energy consumption at all facilities	Increase utility and energy conservation and demand reduction		
Establish metering policy • Benchmarking • Accuracy in accounting/billing • Energy Star Buildings	Achieve/increase energy awareness	Sound stewardship/ management of systems			
Implement appropriate Distributive Energy Resources	Improve Energy Efficiency • Development • Investment	Reduce energy consumption			
Pursue energy funding • Congressional appropriations • Private sector investments	Expand use of renewable energy	Reduce greenhouse gases	Improve energy flexibility		
Increase efficiency products use • Energy Star • Alternative fuels		Increase use and production of renewable energy			
Promote renewable energy • Purchases • Self-generated					

The Business

- 571,965 Facilities
  - 347,966 Buildings
  - 159,110 Structures
  - 64,889 Utilities
- 29,819,492 Acres of Land
- $658,039 (M) Plant Replacement Value (PRV)
- 3,748 DoD Sites

➢ Total DoD Facility Energy consumption

  - $2.97B
  - 234.6 Trillion Btus

Facility Data source: Base Structure Report FY 2005 Baseline

ESPC Trend

- FY 2002
  - 32 Contracts/delivery orders
    - $596.5M - Award value
    - 1,619,060 MMBtu reduction
- FY 2003
  - 34 Contracts/delivery orders
    - $549.9M - Award value
    - 3,422,658 MMBtu reduction
- FY 2004 – Authority Lapse
  - 5 Delivery orders
    - $16.2M - Award value
    - 148,512 MMBtu reduction
- FY 2005
  - 15 Contracts/delivery orders
    - $140.9M - Award value
    - 456,536 MMBtu reduction

ESPCs

Collectively, we need to work together to:

- Increase quantity awarded
- Incorporate best business practices
- Better articulate actual results
- Incorporate more renewable applications
  - DESC leading a mass-replication ESPC pilot project to deliver solar applications to 43 installations

External

ESPC versus ECIP

OR

ESPC versus Status Quo

(Capital cost versus lost opportunity cost)

Are we saving “Energy and Dollars”?

OR

Are we saving “Energy”?

The clock is ticking.....
Imperative is mutual