

# ***Air Force Civil Engineer Center***

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*Integrity - Service - Excellence*



## **DoD Update and Air Force Utility Partnerships Overview**

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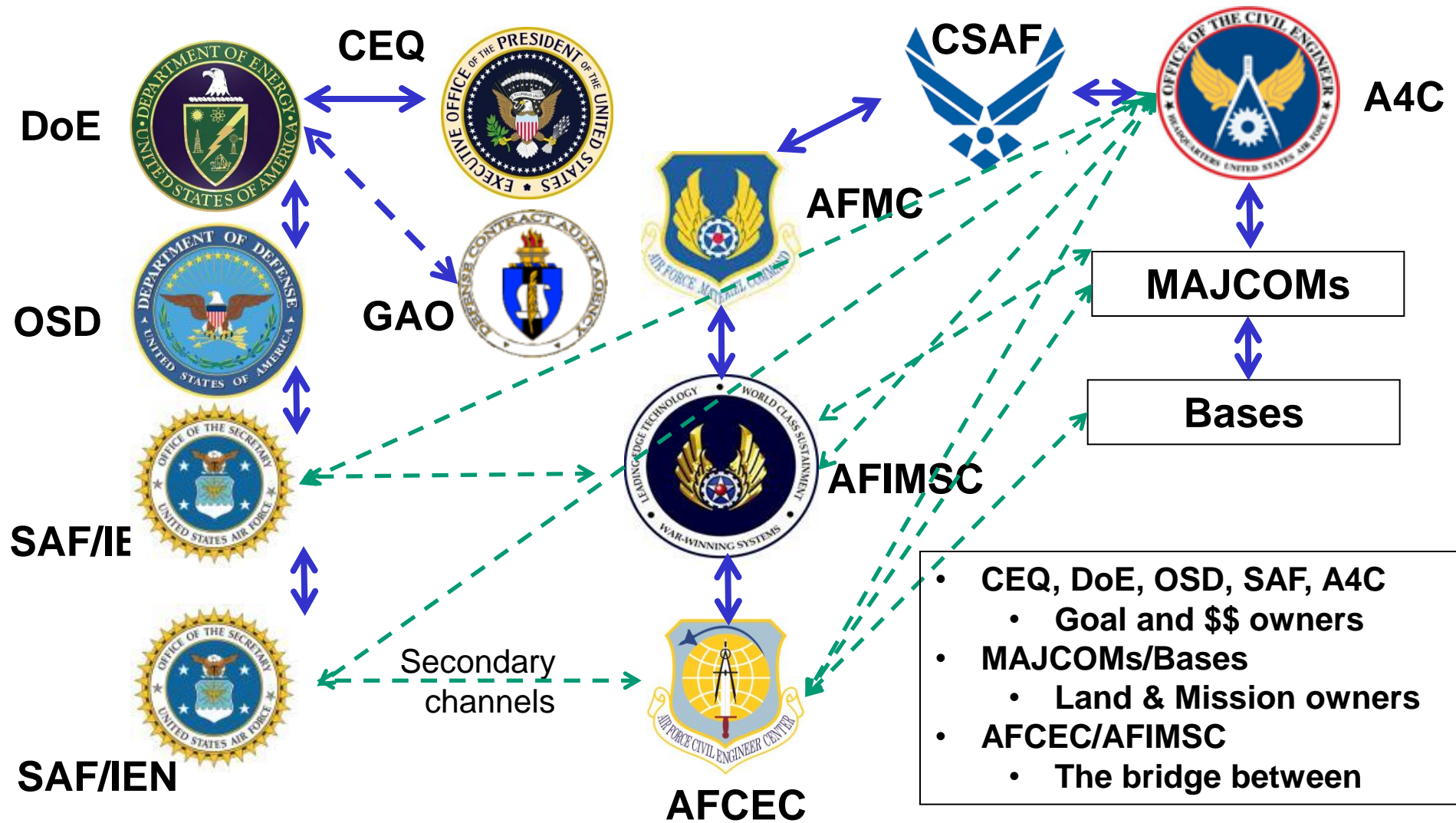
# Overview

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- **Energy Chain of Command**
- **Air Force RE Projects**
- **Strategic Partnerships**
- **Air Force 1GW Goal Strategy**
- **Issues and Solutions**
- **Conclusion**



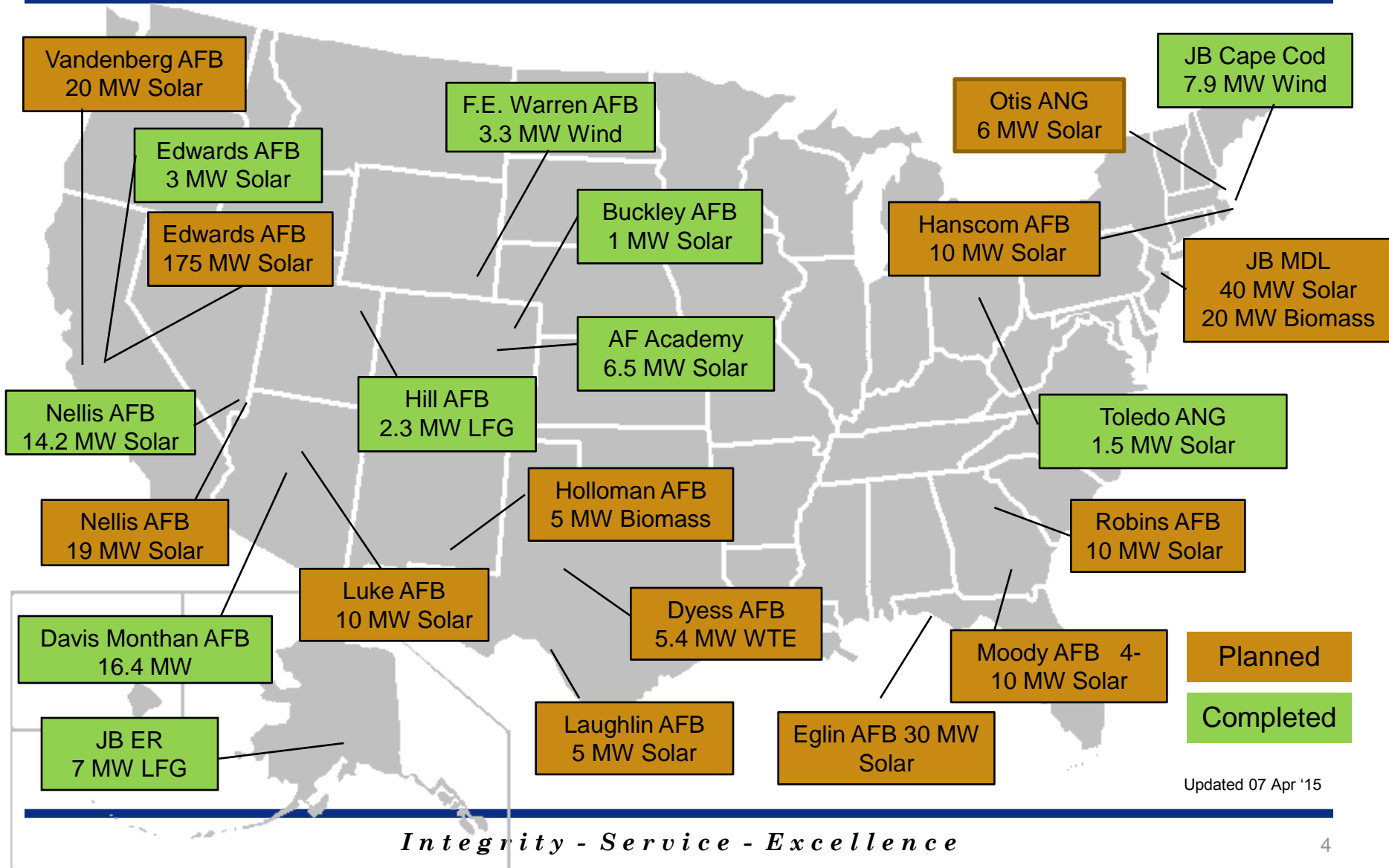
# AF Energy “Working Channels” Many Differing Demands





# AF Renewable Energy Projects

U.S. AIR FORCE





# Strategic Partnerships with Utility Companies

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- The Air Force would like to work with utilities to replicate projects and contracts at multiple locations
  - Mutually beneficial opportunities at one site - let's do it again
  - Both parties must be successful (we both have a boss)
- NOT always about low price (at/below market rates)
  - What can we do to decrease AF mission risk through utilities using asymmetric approaches (we don't do everything the same)
- Open dialog/partnership key to get to a solution

**Money is a big factor, but not THE factor**



# **Strategic Partnerships with Federal Power Marketing Administrations**

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- **The Air Force would like to work with any/all Federal Power Marketing Administrations**
  - **Federal PMAs have contracting authority that facilitates RE development**
  - **Western Area Power Authority (WAPA) is already partnering with DoD on select RE projects**
  - **Why not replicate as possible throughout WAPA, SWPA, SEPA, BPA ..... and TVA too?**
- **Our challenges**
  - **AF is limited by FAR rules (competition / pricing)**
  - **Ownership of the contract (lots of working channels)**



# Issues and Solutions

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- **Issue: AF is often averse to on base development**
  - **NEPA, encroachment, appearance, etc.**
  - **Program drives very long timelines**
- **Solution – immediately adjacent / near-by development**
  - **AF can make a 30 year 2922a deal, but how to deliver w/ 5 year supplier contracts?**
- **Issue: How does the AF gain true Energy Resilience with geographically separated RE generation?**
- **Solution – contingency agreements (AF can use the power when the grid can't accept), localized micro grids, site specific development (nearby/adjacent to bases)**



# Issues and Solutions

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- Air Force has ~102 MW of RE in production
- Tasked to get 1 GW of RE contracted by 2025
  - Energy Security is an important consideration
  - Capacity vs. Consumption
- Recognition of the evolving market
  - Grid stability, reliability, and risk management benefits all parties (government, utility, other consumers)
  - Tax credits (federal, state, local), local RE incentives/requirements, etc
- Life-cycle cost at or below projected market rate of brown power is a starting point constraint – what can we do?



# Conclusion

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- **We need to work together to identify what is possible**
- **To solve these problems we need the right decision makers represented at the table: Contracting, Legal, Project Developers, Utilities, and Regulatory people**

# QUESTIONS?

