



Power Surge

How the Department of Defense Leverages Private Resources to Enhance Energy Security and Save Money on U.S. Military Bases

The U.S. military incurs a **\$4 billion energy bill annually** operating its bases. To lower energy costs and enhance energy security, the Army, Navy, Air Force, and Marine Corps have initiated effective policies and measures to ensure near- and long-term progress in clean energy installation, including the widespread use of third-party financing wherein private developers assume responsibility for funding and maintaining projects.

The following is a snapshot from research by the Pew project on national security, energy, and climate.

Installation Energy Security Is a Topline Priority

Three reasons to prioritize the ability to ensure **access to reliable sources of energy** and **deliver it uninterrupted** to meet operational needs on military bases in the United States and abroad:



mission assurance

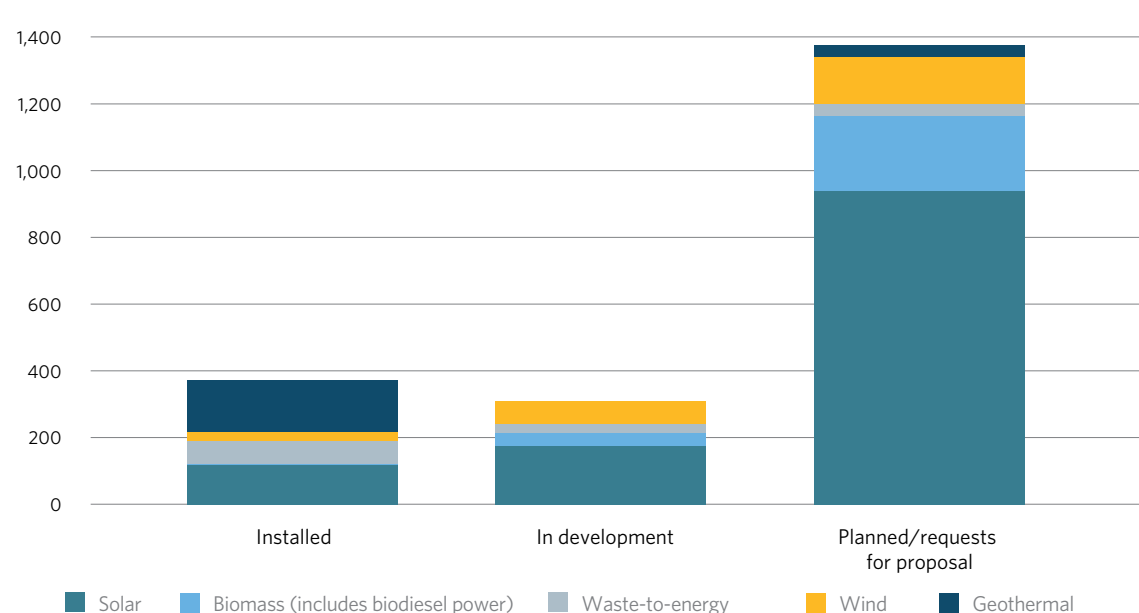


budget savings



compliance with laws and regulations

DOD Renewable Energy Capacity Installed, in Development, and Planned—by Technology (megawatts)



Sources: Navigant Research, Department of Defense

Clean Energy Policies Matter

The DOD has developed a comprehensive and strategic **Master Energy Performance Plan** to comply with its energy goals, executive orders, and legislation.

Master Energy Performance Plan Key Tenets



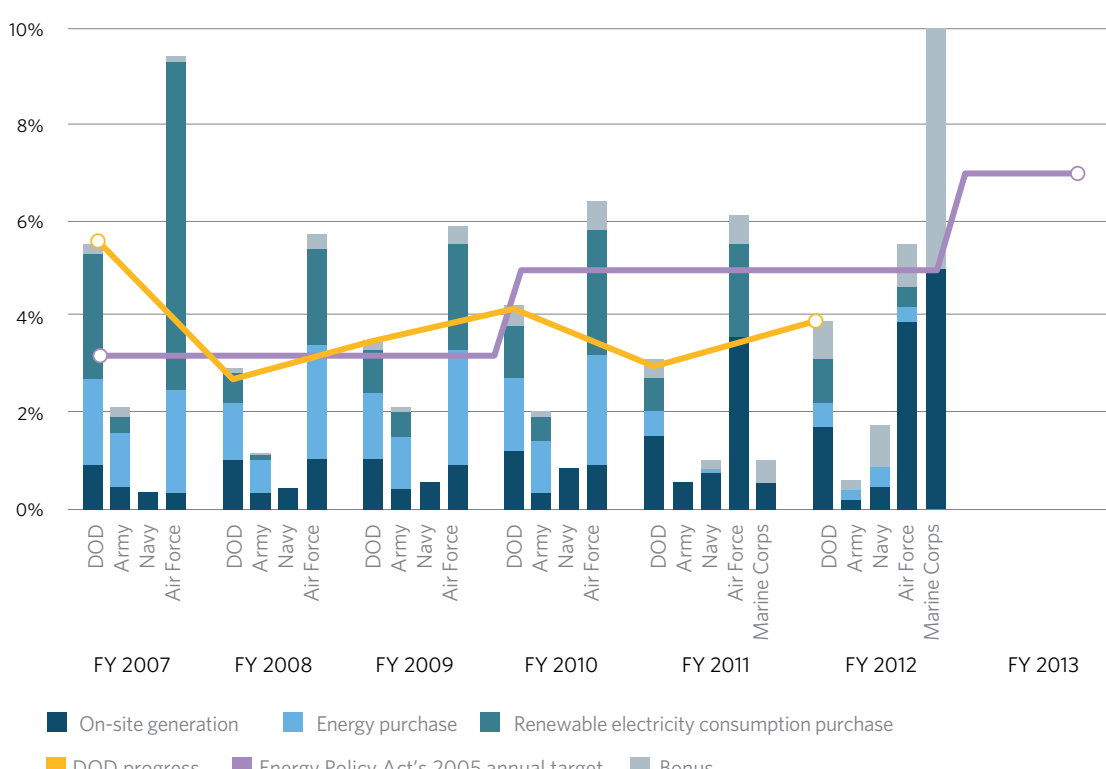
Reducing energy demand through conservation and efficiency.



Increasing on-site electricity generation with renewable energy, through a goal of deploying 3 gigawatts of renewable energy by 2025.

DOD Progress Toward Energy Policy Act's 2005 Goals

Renewable electricity consumption as a percentage of total installation electricity consumption



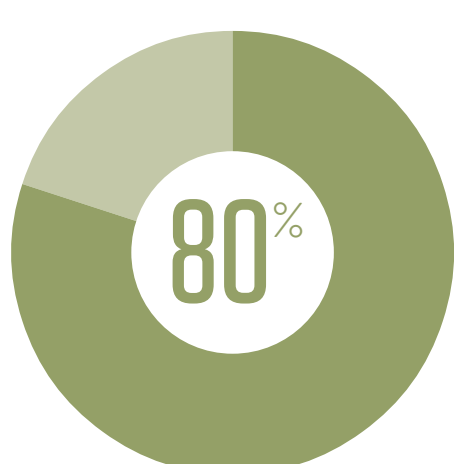
Source: Department of Defense

Leveraging Private-Sector Expertise and Financing

Facing budgetary constraints, the U.S. military uses **third-party financing** as a means of obtaining energy infrastructure enhancements and associated energy security benefits at **little or no upfront cost**. These include:



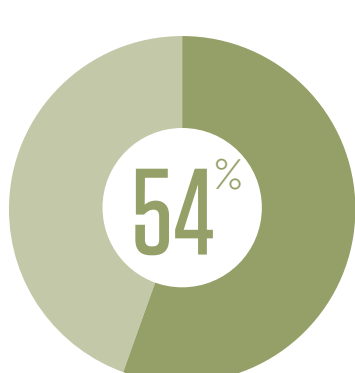
Energy saving performance contracts and **utility energy service contracts**, in which the private-sector partner guarantees that the improvements will generate energy cost savings to pay for the project over the term of the contract.



Power purchase agreements, or PPAs, will finance an estimated 80 percent of future Defense Department renewable energy projects. These PPAs rely on private developers to finance, build, and maintain projects while saving the military money over the life of the contract.

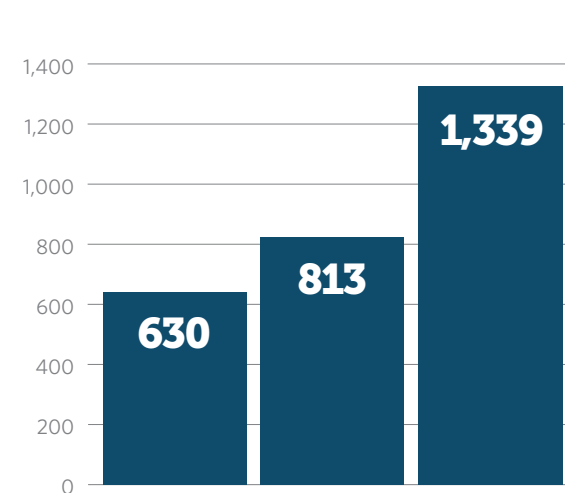
Clean Energy Efforts Are Accelerating

The Department of Defense has made progress toward modernizing its energy infrastructure and realizing the benefits of clean energy technologies.



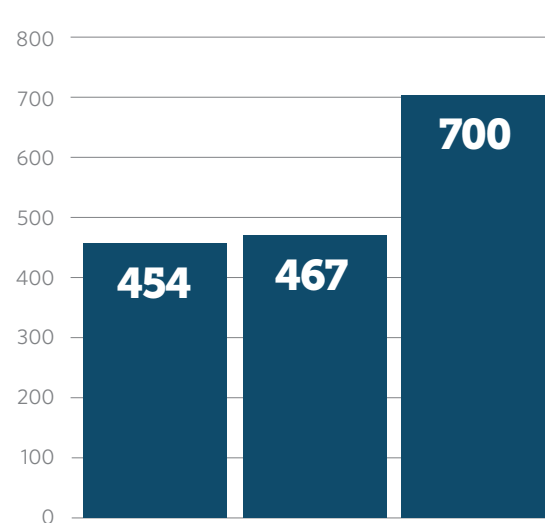
For example, efficiency projects at military installations more than doubled, to 1,339 from 630, and renewable energy projects at military bases increased by 54 percent, to 700 in fiscal 2012 from 454 in fiscal 2010.

Number of Energy Conservation Projects on U.S. Military Bases, Fiscal 2010-12



Sources: Navigant Research, Department of Defense

Number of DOD Renewable Energy Projects, Fiscal 2010-12



Sources: Navigant Research, Department of Defense

For more information, please visit:

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