

**DEPARTMENT OF THE ARMY  
U.S. ARMY CORPS OF ENGINEERS**

**STATEMENT OF  
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**BEFORE THE**

**SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES  
COMMITTEE ON NATURAL RESOURCES**

**ON**

**SOLAR ENERGY DEVELOPMENT ON FEDERAL LANDS:  
THE ROAD TO CONSENSUS**

**MAY 11, 2009**

Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to testify today to discuss the Department of the Army's solar energy initiatives. My name is Thomas Kretzschmar and I am a real estate professional with the Baltimore District of the U. S. Army Corps of Engineers. I joined the Corps in 2003 and have 20 years' experience on federally funded real estate actions. I also hold a master's degree in real estate from the Johns Hopkins University. The Baltimore District is the Corps' national "Center of Expertise" for Enhanced Use Lease projects and I manage the Fort Irwin project.

This morning I would like to describe for you some of the genesis of the Army's renewable energy programs, its recent senior level initiatives, and the resulting creation of a large scale solar energy generation project at Fort Irwin.

Based on the February 2008 Report of the Defense Science Board Task Force On DoD Energy Strategy - "More Fight - Less Fuel", the Army initiated a six month Energy Security Task Force Tiger Team which on October 7, 2008, resulted in the establishment of an Army Senior Energy Council to serve as a board of directors focusing on Army energy policy, programs and funding to leverage the Army's nationwide energy-conservation efforts.

Enhanced Use Leasing's (EUL) authority is Title 10, United States Code, Section 2667, which was amended to incentivize the Department of Defense's (DoD) use of private sector capital by leveraging leasing of non-excess real or personal property. This authority allows payment from leases to be paid as "in-kind" consideration or cash. The law further allows that at least 50 percent of proceeds deposited will be available for the installation where funds were derived. EUL requires execution of long term (such as terms of 50 years) leases to finance private construction and operation. We must receive at least fair market value for the lease interest.

Among the Senior Energy Council initiatives were five major energy projects including a 500 megawatt solar energy generation development at Fort Irwin, California. The Army's EUL program had been focused on a private sector ground lease-based development for solar electricity generation at Fort Irwin since the summer of 2007. The Army sought quick execution and worked very hard to accomplish site assessments, stakeholder meetings and project approvals.

Within 60 days, the Army EUL team had created a solar development solicitation and advertised its qualification based Notice of Opportunity to Lease (NOL). On March 4, 2009, Fort Irwin and Army EUL hosted an Industry Day at the Garrison for interested developers to hear about and see the development sites. More than 250 people attended the Industry Day. Proposals were received April 17, 2009 and a June 2009 developer selection is scheduled.

The Fort Irwin Solar EUL solicitation offers five sites totaling more than 12,000 acres for renewable electricity generation. These sites are ideally suited for solar generation based on four critical criteria: solar radiation, topography, proximity to transmission, and water

availability. The Mojave Desert ‘insolation’ (solar radiation) is among the best available in the United States. The five sites identified for development have slopes of five percent or less. There are major transmission lines either adjacent to or in relative close proximity to the five sites and Fort Irwin can make available treated waste water in sufficient quantities to develop thermal solar technologies.

In addition to its market and construction feasibilities, we also analyzed the intended use, to assure the military mission would not be impacted and that environmental standards would not be compromised. The five sites lie in areas not currently used for training. Three of the five sites are buffer areas for the National Aeronautical and Space Administration Goldstone Deep Space Listening facility located within Fort Irwin. NASA and the Army have agreed to work together to advance both agencies’ goals and objectives for renewable energy development. The Army and its selected developer will conduct all required environmental analysis to assure compliance with the National Environmental Protection Act (NEPA) and the California Environment Quality Act (CEQA).

The Fort Irwin Solar EUL creates a unique opportunity for the Army to meet its renewable energy goals and enhance its mission. The scale of solar development being contemplated however, dwarfs previous undertakings. And a project of such size does not succeed without challenges. We have sought to identify hurdles with the project conceptualization and advertisement and begin working with the appropriate parties toward resolution.

The Department of Defense and the State of California have in place a Renewable Energy Working Group that addresses regulatory and business issues such as environmental review and permitting timelines along with the planning for additional transmission lines needed to meet the State’s renewable energy standards. DoD and the Army will continue to participate in planning initiatives such as the Renewable Energy Transmission Initiative (RETI) and Western Renewable Energy Zone (WREZ) to provide both military mission compatibility guidance and as potential renewable energy supply points.

We look forward to working with the State of California, San Bernadino County, the Bureau of Land Management and Congress to ensure a collaboration on this very exciting project. Thank you again for the opportunity to testify today and I will be happy to answer any questions you may have.