



## ASSISTANT SECRETARY OF DEFENSE

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OPERATIONAL ENERGY  
PLANS AND PROGRAMS

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FOR: DEFENSE OPERATIONAL ENERGY BOARD MEMBERS

FROM: Sharon E. Burke, ASD (OEP&P)

A handwritten signature in black ink, appearing to read "SEB", is written over the text "ASD (OEP&amp;P)".

SUBJECT: Department of Defense Alternative Fuels Policy for Operational Platforms

The Department of Defense's (DoD's) primary alternative fuels goal is to ensure operational military readiness, improve battlespace effectiveness, and further flexibility of military operations through the ability to use multiple, reliable fuel sources. Alternative fuel investments will be targeted to ensure forces are able to carry out operations using alternative sources of fuel that improve the reliability of our overall fuel supply. Specific considerations include: increased resilience against strategic supply disruptions; dampened effect of petroleum price volatility; increased fuel options for operational commanders; and ultimately increased expeditionary effectiveness of our joint force.

It should be stressed that operational military readiness and battlespace effectiveness are the desired end-state, not simply the use of alternative fuels. Alternative fuels can be a means to ensure combat effectiveness, logistical flexibility and to mitigate Anti-Access/Area Denial (A2AD) effects.

All DoD investments in this area will be subject to a rigorous, merit-based evaluation, and will be reviewed as part of the annual budget certification process of the Office of the Assistant Secretary of Defense for Operational Energy Plans and Programs (OEPP).

DoD alternative fuels activities will be carried out primarily in the three Phases listed below.

### Phase 1: Certification/Qualification

On an annual basis, the Tri-Service Petroleum, Oils, and Lubricants (POL) Users Group is responsible for providing a harmonized certification/qualification plan that minimizes costs through technical review, coordination, and collaboration across the Services. Included in the plan will be recommendations on whether DoD should initiate new certification/qualification activities for an alternative fuel source/production pathway (including a fuel blend). To assist in making this recommendation, the Tri-Service POL Users Group will review the most current report from the Department of Energy (DOE) to determine whether any new production pathways, aside from those which have already been or are in the process of being certified for all operational platforms, will likely be commercially competitive with conventional fuels within the next ten years.

The plan should take the following into consideration:

- Potential for drop-in compatibility and interoperability with existing equipment and infrastructure across the Services (e.g., JP-5, JP-8, F-76, Jet A or Jet A-1 w/additives);
- Potential ability to provide significant volumes of fuel to support an expeditionary, globally deployed force, including CONUS operations, at competitive cost OR potential to be produced at an operating location; and
- Potential for compliance with Sec. 526 of the Energy Independence and Security Act (EISA) of 2007.
- Potential to leverage planned or completed work performed by industry groups involved with the certification and approval of alternative fuels.

The POL Users Group will present the plan to the Defense Operational Energy Board for recommendation to the Assistant Secretary of Defense for Operational Energy Plans and Programs and the Director for Logistics, Joint Staff in advance of the annual Program Budget Review.

This policy does not restrict research, development, testing, and evaluation (RDT&E) of specialty fuels that enhance military capabilities, e.g. missile propulsion systems and unmanned vehicles. This policy also does not restrict RDT&E activities to identify candidate fuels (or fuel additives) for certification/qualification and field demonstration. Such activities may include, but not be limited to, market investigations, cost-benefit analyses, and laboratory tests covering physical and chemical properties, material compatibility, and performance of fuel-wetted components.

### Phase 2: Field Demonstration

To meet a significant technical or operational need, military departments may engage in field demonstrations that require use of a new fuel beyond the certification/qualification process. Field demonstrations would examine the use of a new fuel in an operational environment as part of a system of systems, rather than in a single specific platform.

*Criteria:* Such a demonstration must be of finite duration and its expected benefits must be clearly justified. The operational risks associated with not carrying out such a demonstration must also be described.

Field demonstrations may be financially supported directly from the appropriated funds of the executing military department or departments or via the Defense Working Capital Fund (DWCF). The DWCF would be used only to procure fuel for a field demonstration. Other, non-fuel expenses (e.g., resources to collect and analyze data, manpower, etc.) would be the Services' responsibility. A proposal by a Service to carry out a field demonstration solely using its own appropriated funds, without impact to the budgets of other Services, will be reviewed during OEPP's annual budget certification process. The above criteria will be evaluated in this review.

A military department proposing to carry out a field demonstration funded via the DWCF must work with the Defense Logistics Agency-Energy (DLA Energy) to produce a detailed proposal. The military department(s) with DLA Energy then must present this proposal for joint review by the Office of the Secretary of Defense (OSD) Comptroller, Logistics and Materiel Readiness,

and OEPP prior to final approval to proceed with the demonstration. The above criteria will be evaluated in this review.

### Phase 3: Ongoing Purchases

After Phase 1 and, if necessary, Phase 2, alternative drop-in replacement fuel procured for DoD-wide use and distribution within the Class III (Bulk) supply chain will compete with petroleum products under the DLA Bulk Purchase and Direct Delivery Purchase Programs. Awards will be based on the ability to meet requirements at the best value to the government, including cost.

*The Department of Defense Alternative Fuels Policy for Operational Platforms is pursuant to 10 U.S.C. 138c.*