



DEPARTMENT OF THE NAVY

OFFICE OF THE ASSISTANT SECRETARY
(ENERGY, INSTALLATIONS & ENVIRONMENT)
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

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MEMORANDUM FOR DIRECTOR, MATERIAL READINESS AND LOGISTICS DEPUTY COMMANDANT FOR INSTALLATIONS AND LOGISTICS

SUBJECT: SECNAV Shore Energy Policy

The effective management and use of energy is considered part of the mission of each shore installation. Energy stewardship must become ingrained in every sailor, marine and civilian in the department. To emphasize energy's importance, the Secretary of the Navy in October of 2009 set forth five energy goals to reduce Department of Navy's overall consumption of energy, decrease its reliance on petroleum, and significantly increase its use of alternative energy. The Secretary's Energy goals that pertain to the shore are:

- Increase Alternative Energy Ashore, by 2020, at least 50% of shore-based energy requirements will come from alternative sources; 50% of DON installations will be net-zero
- Reduce Non-tactical Petroleum Use; by 2015 DON will reduce petroleum use in the non-tactical fleet by 50%
- Navy will build to LEED Gold standards

Components are requested to provide this office their plans and budgets for implementing the shore energy goals set out by SECNAV. To assist developing shore energy accomplishment plans, attachments 1-3 are provided. The guidance included in attachments 1-3 responds to many of the shore energy questions this office has received. My point of contact for this issue is Bill Tayler, Director for Shore Energy (571) 256-7871.


Tom Hicks

Attachment 1:

Increase Alternative Energy Ashore, by 2020, DON will produce or procure at least 50% of the total quantity of electric energy consumed by shore-based facilities and activities each fiscal year from alternative energy sources; 50% of DON installations will be net-zero

The Department of the Navy will achieve this goal by reducing energy consumption and developing alternative power sources within or adjoining to installation fence lines.

Definitions:

- **Net Zero:** An Installation, which over the course of a fiscal year, matches or exceeds the electrical energy it consumes ashore with electrical energy generated from alternative energy sources. The alternative energy may be (1) generated and consumed on the Installation, (2) generated off of the Installation but directly transmitted to and consumed on the Installation, or (3) generated on the Installation and sold into the utility grid. The following shore-based facility or activity electrical loads will not be included in the net zero calculation:
 - shore power use to ships
 - simulators & transmitters
 - private parties, such as banks and restaurants
 - portable construction trailers
 - non-DoD governmental facilities
 - thermal energy consumption.
- **Alternative Energy:** Energy produced or procured from non fossil fuel sources. These include all renewable energy sources generated from solar, wind, biomass, landfill gas, ocean (including tidal, wave, current, and thermal), geothermal, municipal solid waste, new hydroelectric generation capacity achieved from increased efficiency or additions, and nuclear energy

Guidance:

- **Energy Efficiency:** Navy and Marine Corps installations should place a priority on implementing an energy efficiency program which produces an annual project portfolio to maximize energy and financial savings. The reduced energy consumption resulting from these programs will facilitate meeting alternative energy, net zero and green house gas emission reduction goals.
- **Ownership of Renewable Energy Credits (RECs):** It is DON's policy that ownership or retirement of RECs is not required to receive credit towards NDAA or the Secretary's renewable/net zero energy goals. Retention of RECs is encouraged only if it can be done without adversely impacting the specific project's budget. Purchasing of RECs not associated with on-base projects is not recommended. Rules regarding double counting of RECs when power is produced and consumed on base will apply towards the EPAct goal only, not to the NDAA or Secretary's goals. Any plan to engage in bulk purchases of RECs or to otherwise procure unbundled RECs must be approved by DASN Energy. In

cases where RECs associated with a project are retained by DON, it is DON's policy not to engage in the sale of those RECs.

- Federal policy prevents Federal agencies from claiming credit for renewable energy attributes that are also claimed by other parties such as state portfolio standards (RPS). Renewable energy included in the utility power supply as part of their RPS cannot be counted toward the installation's renewable energy goal.
- Ownership of alternative energy generation facilities: It is the intent of DON not to become a power producer. While small photovoltaic or other renewable projects may be owned by DON, large, multi-mega-watt power projects should normally be owned and operated by third party contractors. The authority of 10 USC 2922a (30 year contract authority) and 10 USC 2916 (service secretaries may authorize our contractor to sell power to the grid) should be used for this purpose. The production and sale to the grid of excess electrical energy from plants on our property is encouraged since the entire production capacity may be credited against the NDAA and Secretary's goals.
- Favorable consideration should be given to providing electrical power from large renewable power purchase projects to the base core as an energy security measure. The decision regarding the power's disposition will be based upon energy security, and life cycle economics.
- Revenue from the sale of electrical power, from alternative generation, to the grid by our contractors shall be shared between the installation and the DON Shore Energy program.
- Renewable power projects reduce our reliance on grid power, reduce our dependence on foreign energy sources and off set green house gas emissions. These benefits should be considered in determining life cycle economics of renewable energy projects. Initial price premiums up to 15% over the price of currently available, non-renewable power may be considered in developing projects as long as the life cycle analysis shows a net savings or break even.
- Contracts for installing large, on base renewable power projects should allow for the contractor to install hybrid systems incorporating more than one renewable type. For example, a geothermal project would likely have large areas of land undeveloped between wells. This land could be used to locate solar photovoltaic systems whose power output could be joined with that of the geothermal project and exported onto the grid, used to supply the parasitic power requirements of the production plant or fed to the base.
- The Service shall develop specific energy plans down to the installation level for achieving legislative and SECNAV efficiency and alternative energy goals within 12 months from issuance of this directive.
- Utilizing actual meter data to affect change, installations shall benchmark energy consumption to develop effective conservation programs and to develop policy for charging the actual energy costs to the installations' tenants that have smart meters.
- Monitoring of building energy losses should be a part of all commissioning activities.

Attachment 2:

Reduce Non-tactical Petroleum Use: By 2015 DON will reduce petroleum use in the commercial fleet by 50% using a baseline of 2009

Guidance:

- **Use alternative fuel 100 percent of the time:**
 - Alternative fuel vehicles must be located in proximity to fueling stations with available alternative fuels and must be operated on the alternative fuel for which the vehicle is designed.
- **Continue to right size the non-tactical fleet:**
 - The standard sedan for the Navy is a compact alternative fuel vehicle.
 - The standard sedan for the Marine Corps is an compact alternative fuel vehicle. If alternative fuels are not available, or alternative fuels are not used, the standard sedan will be a sub-compact vehicle.
 - The standard vehicle for transporting 5 or more passengers is a van.
 - The standard vehicle for hauling cargo is a cargo van.
 - Senior Executives and three Star Flag Officers in the Washington National Capital Region must use the Executive Motor Pool.
 - DOD 4500.36-R limits class IV (large) vehicles to: Secretary of Navy, Chief of Naval Operations, Commandant of the Marine Corps, Vice Chief of Naval Operations, Assistant Commandant of the Marine Corps, and Four Star Officers.
 - Pickup trucks should be kept to the minimum size required to fulfill the vehicle mission. When vehicles are replaced the requirements must be examined to determine if a smaller vehicle can fulfill the mission.
 - 4x2 pickup trucks are the standard pickup. 4x4 must be justified by the agency fleet manager.
 - Gasoline vehicles should be replaced with alternative fuel, hybrid or electric vehicles where life cycle economical. In accordance with the Presidential Memorandum on Federal Fleet Performance, by December 31, 2015, all new light duty vehicles leased or purchased must be alternative fueled vehicles.
- **Non-tactical vehicles are to be used for official business only, to include:**
 - Transportation to and from official meetings
 - Hauling mission-required equipment or goods
 - Performing a mission-related service
 - If government vehicle is considered for use in TDY/TAD, then an economic analysis must be conducted in advance to determine if the government vehicle should be used. The government vehicle should be used only when less expensive than all alternate modes of transportation.

- **Limit vehicle idling to severe circumstances**
 - Vehicles, including shuttle buses, and security should not be kept running to keep a comfortable temperature except in extreme heat or cold in accordance with Navy/Marine Corps anti-idling policies
- **Reduce total vehicle miles traveled**
 - Public transportation and shuttles should be utilized whenever possible.
 - Teleconferencing and web meetings should be utilized whenever possible.
 - Use DOD shuttle bus whenever possible.
- **Vehicles must meet minimum utilization requirements**
 - Any vehicle that does not meet utilization criteria should be reassigned, turned in, or disposed.
- **Performance monitoring**
 - Progress toward this goal will be measured by the annual Federal Automotive Statistical Tool (FAST) data call. If the report indicates the Department of Navy is not on track to meet the goal additional data calls may be conducted.

Attachment 3:

Navy will build to LEED Gold standards

Guidance:

FY11 and FY12 MILCON Projects: All MILCON projects with a primary intended purpose of housing, administrative, or learning functions shall achieve sustainable design and construction certification equivalent to, or above, the U.S. Green Building Council Leadership in Energy and Environment Design New Construction Gold level (LEED Gold) and meet EnergyStar.

Exceptions are allowed if any of the following criteria cannot be met:

- (a) Affordability – The project cost shall be within the programmed amount of the congressionally enacted project 1391.
- (b) Execution Timeliness – The project planned construction award date shall not be significantly delayed as a result of design or procurement schedule changes needed to implement the higher standard.

FY13 and later MILCON Projects: Beginning in FY13, all applicable MILCON projects will be required to achieve certification equivalent to, or above, LEED Gold and EnergyStar. All upgrades should improve lifecycle cost effectiveness.

Additional certification points to achieve the higher standard shall concentrate on increasing the project's energy and water efficiency to levels 40% below ASHRAE 90.1 and by using facility elements that lower the life cycle cost of the project.