ACCO Defense, National Security and Climate Change Workshop

March 30-31, 2011 | Washington, DC

Hosted by McKenna Long & Aldridge LLP

ROUNDTABLE NOTES

Track 1: Clean Energy Infrastructure

Session 1: Developing Clean Energy Infrastructure throughout Installations and Forward Operations

Moderators: Dave Belote, Col Jon Ostertag

Takeaways:

Question: How do we create partnerships, creative programs that get these non-sexy things done?

- It's easier to do things that are "sexy" than to address "boring" infrastructure (e.g. inside walls, below the streets, etc. vs. producing electricity with Solar PV)
- Utilities Privatization is an enabler to establishing partnerships and creative programs
  - In high electricity cost regions, distributed energy looks better (e.g. CA, NY, HI, etc.)
  - Finding 3rd party groups to pick up capital costs helps overcome barriers
- Use Sacramento Metropolitan Utility District (SMUD) as a model for Air force/military to implement Electric Vehicles (EV) infrastructure on all bases
  - Money is the main barrier
- Solid waste needs to be addressed as there are substantial opportunities related to bases
  - Opportunities for PPAs with the trash site's power production.
  - If there's enough good solid waste, there's enough economic reason to do an energy project there (e.g. toxic needs a plasma torch, solid doesn't provide much energy, etc.)
- Two different issues for viability of a project:
  - Length of PPA becomes another issue.
  - Real Estate – you need the right to the land (e.g. Bureau of Land Management may own it vice military)
- Between CBO and OMB scoring – the length of the PPA is a deciding factor
- Year-to-year deals for PPAs/energy/waste to electricity deals aren't realistic
- Improving the 'entering arguments' of accepting or rejecting contracts (OMB v CBO differences in scoring).
- The differences in fiscal risk investments – some investors have a higher threshold for future risks or view them differently
- DOD can be a market creator (e.g. offshore wind in VA to bases in NC, VA, MD, and NJ)
  - Need political will supporting the effort
- State to state regulation is vastly different. Some states are super regulated; others allow anyone to buy power
- Institutional knowledge of base energy managers is a challenge
  - There's a culture change going on – GS-10, GS-14 base energy engineers were nobody. Now higher ups are paying attention to the issue so those on the ground have some more leverage to improve a base's energy efficiency or energy production.

- Issues with the looming federal shutdown. Even if they approve the budget, we'll get money on June 1 which means everything has to be expended within one quarter before the next FY starts again.

Question: How do we transition a robust, locked-in, infrastructure to one that's able to manage the distributed, renewable energy potential sources

- Low Maximum net metering regulations – California Conservation Corps campus example of only 10kWp max to sell into the system during day (reverse metering) – almost nothing.
- Air force is looking at pilot projects for waste management operations with multiple types of incinerators
- What are the environmental impacts of putting PV over the desert – shade – and how will it affect the ecosystem? What about particulates and waste management?
- Waste is heavily regulated under the Clean Air Act

Next Steps / Prospective Action Items:

- Recommendations should be made to OMB on process improvement issues
- Identify target rich environments that state and local governments need to be able to take advantage of and provide supporting material
- Waste management gasification could be useful to the USAF portfolio, particularly in cleaning up toxic/hazardous sites
- Establish working group to author paper on consolidating and rationalizing the various RPS-related targets established by Congress and secretarial pronouncements (e.g. EPAct 2005, EISA 2007, NDAA 2010, etc.) into one standard, and establishing an action plan
- Establish a forum for technology discussions useful for greening peacekeeping missions around the world