THE COUNCIL OF STATE GOVERNMENTS

RESOLUTION ON RENEWABLE ENERGY DEVELOPMENT AT DEPARTMENT OF DEFENSE INSTALLATIONS

Resolution Summary

The Department of Defense (DoD) is the federal government's single largest electricity user, consuming 55 percent of total government use. With more than \$5 billion of its annual budget allotted to purchase energy, the DoD is the largest energy consumer in the nation.

The Defense Department can greatly impact the federal government's overall demand for electricity by incorporating renewable sources of energy such as wind, solar, biomass, landfill gas, ocean thermal and mechanical energy, geothermal, municipal solid waste and new hydroelectric generation capacity.

The Defense Department has made great strides toward increasing its usage of renewable energy sources. In 2005, more than 8 percent of DoD's electricity consumption came from renewable energy that was either self-generated or purchased. That year, the DoD issued an internal memo encouraging its service branches to pursue a goal of generating and/or acquiring 25 percent of electricity from renewable sources by 2025. The DoD has also committed \$17 million in FY 2006 and FY 2007 to support life-cycle, cost-effective renewable energy projects. In addition, the Energy Policy Act of 2005 requires that at least 7.5 percent of the federal government's total energy consumption come from renewable energy sources by 2013.

Opportunities for collaboration with DoD installations may exist for states seeking to encourage renewable energy development. In its March 2006 Renewable Energy Assessment Status Report Update to Congress, the DoD stated that it is interested in facilitating renewable energy projects on its lands, where compatible with missions, through lease arrangements and the use of alternative financing with private sector partners. DoD installations typically are reliable and stable consumers of electricity as well as dependable contributors to states' economies. By coordinating renewable energy portfolio development with the DoD as a major energy consumer, states could reap economic benefits.

State governments can help encourage the development of renewable energy projects in many ways: (1) through financial incentives such as grants, loans, rebates, industry recruitment, bond programs, tax incentives and production incentives; (2) through regulatory incentives such as public benefits funds, renewable portfolio standards, net metering, extension analysis, generation disclosure, contractor licensing, equipment certification, solar/wind access laws, construction and design standards, required utility green power options and green power purchasing/aggregation policies.

Because energy costs greatly impact the military as well as the citizens of each state, and because many state and local economies depend on revenues directly and indirectly

flowing from military facilities and personnel, encouraging renewable energy projects in cooperation with DoD installations is in the best interests of the states and the nation.

Management Directives

- Management Directive #1: Encourage governors, state legislatures, and the Department of Defense to engage in discussions about how best to promote renewable energy use and development in states and at Department of Defense installations throughout the United States.
- Management Directive #2: The Council of State Governments will send this resolution to the governors and adjutant generals of all 50 states, the Secretary of defense, chairman of the Joint Chiefs of Staff, and each member of the U.S. Congress.

THE COUNCIL OF STATE GOVERNMENTS

Resolution on Renewable Energy Development at Department of Defense Installations

- WHEREAS, the Department of Defense (DoD) is the largest single consumer of energy in the United States;
- WHEREAS, the long term viability of DoD training and testing installations can be impacted adversely by high energy costs and limited energy resources;
- WHEREAS, the DoD has established a goal of generating and/or purchasing 25 percent of its electricity from renewable sources by 2025;
- WHEREAS, DoD installations are typically reliable and stable consumers of electricity;
- WHEREAS, the DoD is interested in facilitating renewable energy projects on its lands, where compatible with missions;
- WHEREAS, state and local economies can benefit by maintaining viable and sustainable military installations within the state;
- WHEREAS, an enhanced and expanded renewable energy portfolio can benefit both citizens and governmental entities;

BE IT THEREFORE RESOLVED that The Council of State Governments supports the enactment of state and federal financial, regulatory and policy incentives for renewable energy development on or near military installations.

BE IT FURTHER RESOLVED that The Council of State Governments supports programs that encourage the development of renewable energy projects in partnership with DoD installations.

BE IT FURTHER RESOLVED that the Department of Defense and each service branch identify an official to serve as a point of contact for states to facilitate the development of renewable energy projects on DoD lands.

Adopted this 3rd Day of December, 2006 at the CSG 2006 Annual Trends and Leadership Forum In Phoenix, Arizona

mile

Carl Ray Tomblin

Senate President Earl Ray Tomblin 2006 CSG Chair

Governor Jim Douglas 2006 CSG President



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For Immediate Release Office of the Press Secretary January 24, 2007

Executive Order: Strengthening Federal Environmental, Energy, and Transportation Management

By the authority vested in me as President by the Constitution and the laws of the United States of America, and to strengthen the environmental, energy, and transportation management of Federal agencies, it is hereby ordered as follows:

Section 1. Policy. It is the policy of the United States that Federal agencies conduct their environmental, transportation, and energy-related activities under the law in support of their respective missions in an environmentally, economically and fiscally sound, integrated, continuously improving, efficient, and sustainable manner.

Sec. 2. Goals for Agencies. In implementing the policy set forth in section 1 of this order, the head of each agency shall:

(a) improve energy efficiency and reduce greenhouse gas emissions of the agency, through reduction of energy intensity by (i) 3 percent annually through the end of fiscal year 2015, or (ii) 30 percent by the end of fiscal year 2015, relative to the baseline of the agency's energy use in fiscal year 2003;

(b) ensure that (i) at least half of the statutorily required renewable energy consumed by the agency in a fiscal year comes from new renewable sources, and (ii) to the extent feasible, the agency implements renewable energy generation projects on agency property for agency use;

(c) beginning in FY 2008, reduce water consumption intensity, relative to the baseline of the agency's water consumption in fiscal year 2007, through life-cycle cost-effective measures by 2 percent annually through the end of fiscal year 2015 or 16 percent by the end of fiscal year 2015;

(d) require in agency acquisitions of goods and services (i) use of sustainable environmental practices, including acquisition of biobased, environmentally preferable, energy-efficient, water-efficient, and recycled-content products, and (ii) use of paper of at least 30 percent post-consumer fiber content;

(e) ensure that the agency (i) reduces the quantity of toxic and hazardous chemicals and materials acquired, used, or disposed of by the agency, (ii) increases diversion of solid waste as appropriate, and (iii) maintains cost-effective waste prevention and recycling programs in its facilities;

f) ensure that (i) new construction and major renovation of agency buildings comply with the Guiding Principles for Federal Leadership in High Performance and Sustainable Buildings set forth in the Federal Leadership in High Performance and Sustainable Buildings Memorandum of Understanding (2006), and (ii) 15 percent of the existing Federal capital asset building inventory of the agency as of the end of fiscal year 2015 incorporates the sustainable practices in the Guiding Principles;

(g) ensure that, if the agency operates a fleet of at least 20 motor vehicles, the agency, relative to agency baselines for fiscal year 2005, (i) reduces the fleet's total consumption of petroleum products by 2 percent annually through the end of fiscal year 2015, (ii) increases the total fuel consumption that is non-petroleum-based by 10 percent annually, and (iii) uses plug-in hybrid (PIH) vehicles when PIH vehicles are commercially available at a cost reasonably comparable, on the basis of life-cycle cost, to non-PIH vehicles; and

(h) ensure that the agency (i) when acquiring an electronic product to meet its requirements, meets at least 95 percent of those requirements with an Electronic Product Environmental Assessment Tool (EPEAT)-registered

electronic product, unless there is no EPEAT standard for such product, (ii) enables the Energy Star feature on agency computers and monitors, (iii) establishes and implements policies to extend the useful life of agency electronic equipment, and (iv) uses environmentally sound practices with respect to disposition of agency electronic equipment that has reached the end of its useful life.

Sec. 3. Duties of Heads of Agencies. In implementing the policy set forth in section 1 of this order, the head of each agency shall:

(a) implement within the agency sustainable practices for (i) energy efficiency, greenhouse gas emissions avoidance or reduction, and petroleum products use reduction, (ii) renewable energy, including bioenergy, (iii) water conservation, (iv) acquisition, (v) pollution and waste prevention and recycling, (vi) reduction or elimination of acquisition and use of toxic or hazardous chemicals, (vii) high performance construction, lease, operation, and maintenance of buildings, (viii) vehicle fleet management, and (ix) electronic equipment management;

(b) implement within the agency environmental management systems (EMS) at all appropriate organizational levels to ensure (i) use of EMS as the primary management approach for addressing environmental aspects of internal agency operations and activities, including environmental aspects of energy and transportation functions,
(ii) establishment of agency objectives and targets to ensure implementation of this order, and (iii) collection, analysis, and reporting of information to measure performance in the implementation of this order;

(c) establish within the agency programs for (i) environmental management training, (ii) environmental compliance review and audit, and (iii) leadership awards to recognize outstanding environmental, energy, or transportation management performance in the agency;

(d) within 30 days after the date of this order (i) designate a senior civilian officer of the United States, compensated annually in an amount at or above the amount payable at level IV of the Executive Schedule, to be responsible for implementation of this order within the agency, (ii) report such designation to the Director of the Office of Management and Budget and the Chairman of the Council on Environmental Quality, and (iii) assign the designated official the authority and duty to (A) monitor and report to the head of the agency on agency activities to carry out subsections (a) and (b) of this section, and (B) perform such other duties relating to the implementation of this order within the agency as the head of the agency deems appropriate;

(e) ensure that contracts entered into after the date of this order for contractor operation of government-owned facilities or vehicles require the contractor to comply with the provisions of this order with respect to such facilities or vehicles to the same extent as the agency would be required to comply if the agency operated the facilities or vehicles;

(f) ensure that agreements, permits, leases, licenses, or other legally-binding obligations between the agency and a tenant or concessionaire entered into after the date of this order require, to the extent the head of the agency determines appropriate, that the tenant or concessionaire take actions relating to matters within the scope of the contract that facilitate the agency's compliance with this order;

(g) provide reports on agency implementation of this order to the Chairman of the Council on such schedule and in such format as the Chairman of the Council may require; and

(h) provide information and assistance to the Director of the Office of Management and Budget, the Chairman of the Council, and the Federal Environmental Executive.

Sec. 4. Additional Duties of the Chairman of the Council on Environmental Quality. In implementing the policy set forth in section 1 of this order, the Chairman of the Council on Environmental Quality:

(a) (i) shall establish a Steering Committee on Strengthening Federal Environmental, Energy, and Transportation Management to advise the Director of the Office of Management and Budget and the Chairman of the Council on the performance of their functions under this order that shall consist exclusively of (A) the Federal Environmental Executive, who shall chair, convene and preside at meetings of, determine the agenda of, and direct the work of, the Steering Committee, and (B) the senior officials designated under section 3(d)(i) of this order, and (ii) may establish subcommittees of the Steering Committee, to assist the Steering Committee in developing the advice of the Steering Committee on particular subjects;

(b) may, after consultation with the Director of the Office of Management and Budget and the Steering Committee, issue instructions to implement this order, other than instructions within the authority of the Director to issue under section 5 of this order; and

(c) shall administer a presidential leadership award program to recognize exceptional and outstanding environmental, energy, or transportation management performance and excellence in agency efforts to implement this order.

Sec. 5. Duties of the Director of the Office of Management and Budget. In implementing the policy set forth in section 1 of this order, the Director of the Office of Management and Budget shall, after consultation with the Chairman of the Council and the Steering Committee, issue instructions to the heads of agencies concerning:

(a) periodic evaluation of agency implementation of this order;

(b) budget and appropriations matters relating to implementation of this order;

(c) implementation of section 2(d) of this order; and

(d) amendments of the Federal Acquisition Regulation as necessary to implement this order.

Sec. 6. Duties of the Federal Environmental Executive. A Federal Environmental Executive designated by the President shall head the Office of the Federal Environmental Executive, which shall be maintained in the Environmental Protection Agency for funding and administrative purposes. In implementing the policy set forth in section 1 of this order, the Federal Environmental Executive shall:

(a) monitor, and advise the Chairman of the Council on, performance by agencies of functions assigned by sections 2 and 3 of this order;

(b) submit a report to the President, through the Chairman of the Council, not less often than once every 2 years, on the activities of agencies to implement this order; and

(c) advise the Chairman of the Council on the Chairman's exercise of authority granted by subsection 4(c) of this order.

Sec. 7. Limitations. (a) This order shall apply to an agency with respect to the activities, personnel, resources, and facilities of the agency that are located within the United States. The head of an agency may provide that this order shall apply in whole or in part with respect to the activities, personnel, resources, and facilities of the agency that are not located within the United States, if the head of the agency determines that such application is in the interest of the United States.

(b) The head of an agency shall manage activities, personnel, resources, and facilities of the agency that are not located within the United States, and with respect to which the head of the agency has not made a determination under subsection (a) of this section, in a manner consistent with the policy set forth in section 1 of this order to the extent the head of the agency determines practicable.

Sec. 8. Exemption Authority. (a) The Director of National Intelligence may exempt an intelligence activity of the United States, and related personnel, resources, and facilities, from the provisions of this order, other than this subsection and section 10, to the extent the Director determines necessary to protect intelligence sources and methods from unauthorized disclosure.

(b) The head of an agency may exempt law enforcement activities of that agency, and related personnel, resources, and facilities, from the provisions of this order, other than this subsection and section 10, to the extent the head of an agency determines necessary to protect undercover operations from unauthorized disclosure.

(c) (i) The head of an agency may exempt law enforcement, protective, emergency response, or military tactical vehicle fleets of that agency from the provisions of this order, other than this subsection and section 10.

(ii) Heads of agencies shall manage fleets to which paragraph (i) of this subsection refers in a manner consistent with the policy set forth in section 1 of this order to the extent they determine practicable.

(d) The head of an agency may submit to the President, through the Chairman of the Council, a request for an exemption of an agency activity, and related personnel, resources, and facilities, from this order.

Sec. 9. Definitions. As used in this order:

(a) "agency" means an executive agency as defined in section 105 of title 5, United States Code, excluding the Government Accountability Office;

(b) "Chairman of the Council" means the Chairman of the Council on Environmental Quality, including in the Chairman's capacity as Director of the Office of Environmental Quality;

(c) "Council" means the Council on Environmental Quality;

(d) "environmental" means environmental aspects of internal agency operations and activities, including those environmental aspects related to energy and transportation functions;

(e) "greenhouse gases" means carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride;

(f) "life-cycle cost-effective" means the life-cycle costs of a product, project, or measure are estimated to be equal to or less than the base case (i.e., current or standard practice or product);

(g) "new renewable sources" means sources of renewable energy placed into service after January 1, 1999;

(h) "renewable energy" means energy produced by solar, wind, biomass, landfill gas, ocean (including tidal, wave, current and thermal), geothermal, municipal solid waste, or new hydroelectric generation capacity achieved from increased efficiency or additions of new capacity at an existing hydroelectric project;

(i) "energy intensity" means energy consumption per square foot of building space, including industrial or laboratory facilities;

(j) "Steering Committee" means the Steering Committee on Strengthening Federal Environmental, Energy, and Transportation Management established under subsection 4(b) of this order;

(k) "sustainable" means to create and maintain conditions, under which humans and nature can exist in productive harmony, that permit fulfilling the social, economic, and other requirements of present and future generations of Americans; and

(I) "United States" when used in a geographical sense, means the fifty states, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Northern Mariana Islands, and associated territorial waters and airspace.

Sec. 10. General Provisions. (a) This order shall be implemented in a manner consistent with applicable law and subject to the availability of appropriations.

(b) Nothing in this order shall be construed to impair or otherwise affect the functions of the Director of the Office of Management and Budget relating to budget, administrative, or legislative proposals.

(c) This order is intended only to improve the internal management of the Federal Government and is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by a party against the United States, its departments, agencies, instrumentalities, entities, officers, employees or agents, or any other person.

Sec. 11. Revocations; Conforming Provisions. (a) The following are revoked:

(i) Executive Order 13101 of September 14, 1998;

(ii) Executive Order 13123 of June 3, 1999;

(iii) Executive Order 13134 of August 12, 1999, as amended;

(iv) Executive Order 13148 of April 21, 2000; and

(v) Executive Order 13149 of April 21, 2000.

(b) In light of subsection 317(e) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107 107), not later than January 1 of each year through and including 2010, the Secretary of Defense shall submit to the Senate and the House of Representatives a report regarding progress made toward achieving the energy efficiency goals of the Department of Defense.

(c) Section 3(b)(vi) of Executive Order 13327 of February 4, 2004, is amended by striking "Executive Order 13148 of April 21, 2000" and inserting in lieu thereof "other executive orders".

GEORGE W. BUSH

THE WHITE HOUSE,

January 24, 2007.

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Department of Defense Regional Environmental Coordinator, Region VII Testimony House Bill 2169 An Act concerning the Kansas finance development authority; relating to energy conservation improvements and energy conservation measures.

Co-Chairperson(s) and members of the committee, I am very pleased to have this opportunity to speak to you in support of House Bill 2169. I am Stanley Rasmussen, Regional Counsel for the US Army Central Regional Environmental Office and am here on behalf of the Department of Defense and its facilities within the state of Kansas.

House Bill 2169 addresses an issue that is important to the Department of Defense, specifically conservation of energy and renewable energy use.

The Department of Defense is the federal government's single largest energy user, consuming 55 percent of total energy used by the government. With more than \$5 billion of its annual budget allotted to the purchase of energy, the Department of Defense is the largest energy consumer in the nation. For example, within the DoD, the Army spends nearly one billion dollars per year to purchase energy for use at our facilities nationwide. This equals roughly twentytwo percent of all the energy consumed at federal facilities throughout the United States. Given this dollar amount, the Army must be mindful of costs, where a mere one percent change in energy efficiency can be worth nearly ten million dollars. Accordingly, the Department of Defense welcomes opportunities to improve energy efficiency and/or save money on energy expenses.

The Department of Defense (DoD) sees substantial benefit in acquiring and utilizing innovative, cost effective technologies such as, geothermal, solar, biomass, and wind energy to support the mission at our facilities. Fostering renewable energy use and supporting the development of better renewable technologies not only expands the diversity and availability of the DoD's energy supply but improves the reliability and security of our power systems and benefits the environment.

On 24 January 2007, the President of the United States issued an Executive Order pertaining to the Strengthening of Federal Environmental, Energy, and Transportation Management. The Order sets aggressive goals for federal agencies to improve energy efficiency and reduce greenhouse gas emissions. In addition, the Order instructs federal agencies to pursue the use of renewable energy and strongly encourages the development of renewable energy generation projects on federal property. (A copy of this Executive Order is attached for your reference.)

Prior to issuance of the Executive Order, the Department of Defense was already working closely with leaders of the Environmental Task Force in the Counsel of State Governments (CSG) to develop an energy conservation resolution. In December 2006, this collaborative effort resulted in CSG approval of a Resolution on Renewable Energy Development at Department of Defense Facilities. This resolution supports state governmental programs that encourage the development of renewable energy projects in partnership with Department of Defense facilities. The Resolution also encourages state governments to support the enactment of state and federal financial, regulatory and policy incentives for renewable energy development on or near military facilities. The resolution goes on to suggest possible incentives such as grants, loans, rebates, industry recruitment, bond programs, tax incentives and production incentives. (A copy of this important resolution from CSG, is also attached for your reference.)

This significance of House Bill 2169 is that it not only affords the Department of Defense an opportunity to meet the requirements of the Executive Order, but also provides model legislation for other states to follow. Passage of this bill also provides federal facilities in Kansas and the state an opportunity work together by combining and leveraging funds in a manner which will help support growth of the Kansas renewable energy market.

For the reasons stated above, the Department of Defense supports this legislation and encourages its approval by this committee. I thank you for taking the time to consider our comments on this bill, and I am pleased to respond to your questions.



DEPARTMENT OF THE ARMY US ARMY ENVIRONMENTAL COMMAND CENTRAL REGIONAL ENVIRONMENTAL OFFICE 601 EAST 12TH STREET, SUITE 647 KANSAS CITY, MO 64106-2896



March 2, 2007

Re: House Bill 2169

Honorable Karin Brownlee and Honorable Nick Jordan Co-Chairperson, Committee on Commerce Kansas Senate State Capitol Building Topeka, KS 66612

Dear Chairpersons:

I am writing to you to express support for the proposed legislation contained in House Bill 2169, which is currently before your committee. As the Department of Defense, Regional Environmental Coordinator for Standard Federal Region VII, which includes the State of Kansas, I appreciate the opportunity to provide comments on this important legislation. Attached for your review, is a copy of our testimony concerning House Bill 2169. This testimony will be presented by Mr. Stanley Rasmussen, Regional Counsel for my office.

I welcome the opportunity to work with you and your committee on any matter that may affect Department of Defense facilities in the state of Kansas. If you have any questions, my point of contact for this matter is Mr. Mark Salley, Regional Environmental Coordinator for Region VII, (816) 389-3447, or e-mail <u>mark.salley@us.army.mil</u> or Mr. Rasmussen, (816) 389-3448 or e-mail <u>stanley.rasmussen@us.army.mil</u>.

I thank you for the opportunity to comment on House Bill 2169 and would appreciate it if you would share this letter with members of your committee.

Sincerely,

Stephen C. Scanlon DoD Regional Environmental Coordinator Region VII