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United States Government Accountability Office
Washington, DC 20548

September 29, 2010

Congressional Committees

Subject: *Defense Infrastructure: Department of Defense's Energy Supplemental Report*

This letter formally transmits our response to section 332 of the National Defense Authorization Act (NDAA) for Fiscal Year 2010.¹ Section 332 of the NDAA for Fiscal Year 2010 expanded the Department of Defense's (DOD) annual reporting requirements under 10 U.S.C. § 2925(a), regarding DOD's energy efficiency programs. Additionally, section 332(b) states that the first report submitted by the Secretary of Defense under 10 U.S.C. § 2925(a) after the date of enactment of the NDAA for Fiscal Year 2010 shall include information on eight specific issues, in addition to the matters required under the revised 10 U.S.C. 2925(a). Section 332(c) requires the Comptroller General to review that supplemental report. Descriptions of the eight issues to be addressed in the first expanded report are included as enclosure I of this letter.

The first report submitted by DOD in response to 10 U.S.C. § 2925(a) after the date of the enactment of the NDAA for Fiscal Year 2010 was the Fiscal Year 2009 Annual Energy Management Report, which was issued in May 2010. The Fiscal Year 2009 Annual Energy Management Report did not include information on the eight specific issues identified by the NDAA for Fiscal Year 2010. DOD officials stated that they plan to comply with the reporting requirement by including the required information in their Fiscal Year 2010 Annual Energy Management Report. They expect to issue that report in early 2011. The officials noted that the 2010 Annual Report will be the first report commenced and developed under the expanded section 332 reporting requirements.

To assist in congressional oversight, we plan to review and report on the extent to which DOD's Fiscal Year 2010 Annual Energy Report addresses the eight specific issues identified in section 332 of the NDAA for Fiscal Year 2010 once DOD issues that report.

Agency Comments

We provided DOD with a draft of this report for comment, but received no comments.

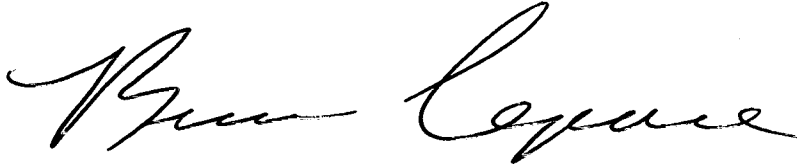
¹Pub. L. No. 111-84 (2009).

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We are sending copies of this letter to the congressional committees listed on page 3 and to the Secretary of Defense.

Should you or your staff have any questions concerning this letter, please contact Brian Lepore at (202) 512-4523 or leporeb@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this letter.

In addition, this letter will be made available at no charge on the GAO Web site at <http://www.gao.gov>.

A handwritten signature in black ink, reading "Brian Lepore". The signature is fluid and cursive, with the first name "Brian" and last name "Lepore" clearly distinguishable.

Brian Lepore
Director
Defense Capabilities and Management

Enclosure

List of Committees

The Honorable Carl Levin
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The Honorable John McCain
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Daniel K. Inouye
Chairman
The Honorable Thad Cochran
Ranking Member
Subcommittee on Defense
Committee on Appropriations
United States Senate

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The Honorable Norman D. Dicks
Chairman
The Honorable C.W. Bill Young
Ranking Member
Subcommittee on Defense
Committee on Appropriations
House of Representatives

Summary of National Defense Authorization Act for Fiscal Year 2010 (Pub. L. No. 111-84, Sec. 332(b)) Expanded Reporting Requirements

Additional material required, but not provided in DOD's May 2010 report, includes the following:

1. A determination of whether the tools that exist as of the date of the enactment of this Act, including the Energy Conservation Investment Program and the Energy Performance Contracts Program, are sufficient to support renewable energy projects to achieve the Department of Defense's (DOD) installation energy goals, or if new funding mechanisms would be beneficial.
2. A determination of the cost and feasibility of a policy that would require new power generation projects established on installations to be able to switch to provide power for military operations in the event of a commercial grid outage.
3. An assessment of the extent to which State and regional laws and regulations and market structures provide opportunities or obstacles to establish renewable energy projects on military installations.
4. A determination of the cost and feasibility of developing or acquiring equipment or systems that would result in maximized use of renewable energy sources at contingency locations.
5. An assessment of the feasibility of meeting DOD's renewable energy goals with on-base renewable energy production rather than with renewable energy credits.
6. An analysis of the percentage of new construction projects subject to DOD's current building construction sustainable design standards that include a renewable energy component, and a determination as to whether the criteria of the Department's design standards are consistent with the overall goals (including renewable energy goals) of the Secretary.
7. The feasibility and cost of developing net-zero energy installations and a detailed assessment, by installation, of power production (including renewable energy) measured against energy consumption.
8. A determination of whether a dedicated funding mechanism for renewable energy projects for stand-alone facilities, including National Guard and Reserve centers, would encourage greater use of renewable energy sources both at existing facilities and in new construction.

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