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Generate cash flow with new utility sales training

by Jennifer McCabe AFCEC Public Affairs

Is your civil engineer squadron "leaving money on the table?" New training developed by the Air Force Civil Engineer Center, Det. 1, Tyndall Air Force Base, Fla., is designed to help engineers properly charge tenants who should be paying their own utility bills.

Utility sales, also known as reimbursables or re-sales, equate to 20 percent of the \$1 billion Air Force facility energy bill. Two laws provide authority to sell utility service to non-federal customers on Air Force installations – 10 USC 2686 and 10 USC 2872a.

Examples of reimbursable customers include privatized and non-privatized military family housing; non-federal organizations and commercial entities such as fast food restaurants and credit unions; non-DOD agencies such as the post office; golf courses; the Army and



Air Force Exchange Service or AAFES; schools; and medical support facilities.

"If we don't collect from these customers, their utility bill is paid for with operations

and maintenance funds that could be used for other things," said Frederick Cade, AFCEC utility reimbursables program manager.

Cade said tenants on an Air Force installation are connected to the base utility system and receive service regardless of the payment process. This makes rate calculation, meter reading and invoicing important to the base.

"We recommend utility managers check

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"It's a very complicated process; however AFCEC has developed training videos to help simplify it." -Frederick Cade, AFCEC Utility PM

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Earth Day 2014 was recognized in different ways all over the Air Force.

(top left) Civil engineers set up a display at the Aviano Air Base Exchange, Italy, to distribute recycling information, Earth Day shopping bags and energy-saving tips. They reached more than 60 people.

(top right) Erin Willett, Tucson Clean and Beautiful; TSgt Gus Gonzalez, Davis-Monthan AFB, Ariz., utility manager; Kevin Wakefield, cultural and natural resources specialist; and Greg Noble, D-M energy manager, staff D-M's Exchange Earth Day display.

(bottom) Los Angeles Air Force Base, Calif., partnered with a local non-profit organization, Heal the Bay, to host its first official beach clean-up in honor of Earth Day. More than 20 volunteers cleaned a portion of Manhattan Beach called El Porto. Organizers are planning two more this year in August and November.





BLCC validates energy projects

by Mike Giniger, P.E. AFCEC/CND

As the civil enginner community knows, the facility project selection process has changed, but energy and water conservation projects will continue to be validated and prioritized using the Building Life Cycle Cost analysis. Typically, the BLCC is used to evaluate alternative designs that have higher initial costs but lower operating costs over the project life to determine which has the lowest life cycle cost and is therefore more economical in the long run. The program also provides the savings to investment

To get BLCC loaded on your computer you need the latest BLCC certification. Before this software can be used on a system, the system Approval to Operate must be updated to include the latest BLCC software version. The BLCC 5.x certification, good until February 2016, may be downloaded from the Energy SharePoint by clicking on the icon at right.



ratio and simple payback (or "break-even" point to recover the costs) based on the estimated costs and annual energy savings in million BTUs.

BLCC is free from the Department of Energy Federal Energy Management Program website and is available to the government user at: http://www1. eere.energy.gov/femp/information/ download_blcc.htm.

It is critical for energy project supporting documentation to be standardized, simple and complete. This provides an understandable picture of the work planned, the estimated project costs, and first-year energy and cost savings. The BLCC documents how a project's estimated savings are derived and must be provided by the installation engineering team. Contact AFCEC/CND for more information. DSN 523-6546.

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base support agreements, real estate records and the phone book once a year to ensure all reimbursable tenants are being charged for their utilities," said Cade.

The next step is to determine the rate reimbursable customers should be charged.

"It's a very complicated process; however AFCEC has developed training videos to help simplify it," said Cade.

AFCEC's three utility reimbursable training videos are each designed for different audiences.

Part one speaks to Base Civil Engineers and civil engineer leadership. **Part two** provides information relevant for flight chiefs and support personnel from operations, installation management and engineering. **Part three** is more detailed and targets utility engineers. The videos are posted on the Air Force Civil Engineer YouTube page under the energy playlist.



Answer on the back page How much of the Air Force reimbursable customers?

Air Force improving its energy security

by Staff Sgt. Torri Ingalsbe Air Force Public Affairs

The Air Force is the largest consumer of energy in the federal government, with 86 percent of its energy costs dedicated to aviation fuel, according to Kathleen Ferguson, the principal deputy assistant secretary performing duties as Assistant Secretary of the Air Force for installations, environment and logistics. Ferguson, who testified in April before the Senate Armed Services Committee's subcommittee on readiness and management support, further noted the Air Force is looking at the full spectrum of opportunities to improve its energy security posture by implementing initiatives that make good business sense, such as working to re-engine the KC-135 Stratotanker.

"By reducing our aviation fuel consumption more than 23 percent since fiscal year 2006, the Air Force avoided almost \$2.5 billion in aviation fuel costs in fiscal year 2013," Ferguson said. "Moving forward, the Air Force is looking towards an efficiency goal to improve our aviation productivity by 10 percent by fiscal year 2020."

Last year, then-Deputy Defense Secretary Ash Carter directed the department's senior leaders to develop a shared narrative to guide the full range of defense energy activities, said Sharon Burke, the assistant secretary of defense for operational energy plans and programs. This instruction included operational and facilities energy and the energyrelated elements of mission assurance.

"The Department of Defense will enhance military capability, improve energy security and mitigate costs in its use and management of energy," Burke said.

"It will improve the energy performance of weapons,



Witnesses testify in front of the Senate Armed Services Committee's subcommittee on readiness and management support last month in Washington, D.C. (U.S. Air Force photo/Staff Sqt. Carlin Leslie)

installations and military forces, by diversifying and expanding energy supplies and sources," Burke said. This includes using renewable energy and alternative fuels, analyzing the requirements and risks related to energy use, and promoting innovation for equipment and education and training for personnel.

"The policy," she said, "affirms the value the Department of Defense places on energy as a mission-essential resource that can also shape the mission."

In line with DOD policies, Ferguson told committee members the Air Force is looking toward innovative energy products and processes. "The Air Force is looking to improve its energy security and diversify its energy supply through the increased use of renewable energy," she said. "Currently, the Air Force has 256 renewable energy projects in operation across a wide variety of renewable energy sources, including wind, solar, geothermal, and waste-to-energy projects, increasing energy production by over 53 percent from 2012 to 2013."

In addition to energy saving programs, the Air Force is focusing on installation reform and force management.

The Air Force views energy as a critical component to enable its global missions. In accomplishing that mission, the Air

Force is striving to become more energy efficient.

"We continue to carefully scrutinize every dollar we spend," Ferguson said. "Our commitment to continued efficiencies, a properly sized force structure, and right-sized installations will enable us to ensure maximum returns on the nation's investment in her Airmen, who provide our trademark, highly valued airpower capabilities for the joint team."



Kathleen Ferguson spoke last month during a hearing with the Senate Armed Services Committee's subcommittee on readiness and management support in Washington, D.C. Ferguson is the principle deputy assistant performing duties as assistant secretary of the Air Force of installations, environment and logistics. (U.S. Air Force photo/ Staff Sgt. Carlin Leslie)

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Watts Happening

Nellis solar to double

In April, SAF/IE signed a 31-year lease for a 17 MW solar array on 121 acres of underutilized land at Nellis AFB, Nev. AFCEC sent the signed lease to Nevada Energy, local utility provider, to gain approval from the Nevada Public Utility Commission. The in kind payment for this



<u>energy</u>guz

 How much of the Air Force utility bill comes from on-base reimbursable customers?

A. Answer: Approximately \$200 million should be paid to the Air Force as reimbursement for the cost of utilities used by tenants on base. project is a substation and secondary feeder, owned and operated by Nevada Energy, which will provide the base improved energy security and mission assurance with a redundant feed.

Dyess UESC awarded

AFCEC Tyndall coordinated with Dyess AFB to award a \$13 million, 10-month construction, 10-year term Utility Energy Service Contract. Energy conservation measures include power factor correction, a new chiller plant and chilled water optimization. Project life cycle cost is \$16.71 million at 3.8% finance rate; projected electric and natural gas annual saving are 28,076 MTBUs.

ECIP moves forward at Clear AFS

Following receipt of the GAO final report, "Clear Air Force Station: Air Force Reviewed Costs and Benefits of Several Options before Deciding to Close the Power Plant GAO-14-371," containing no recommendations, SAF/IEN cleared the Air Force to proceed with an Energy Conservation Investment Project to close the plant at Clear AFS, Alaska, and move to commercial power. The project is scheduled for completion in late 2015 and will save the Air Force \$1.9 million in annual operation and maintenance costs and avoid \$16 million in necessary repairs to the plant.



FEMP award nominations submitted

AFCEC and SAF/IEN staff received Air Force-wide nominations, to compete against all federal agencies and fellow Department of Defense brethren, for the 2014 Federal Energy and Water Management Awards. Review of energy initiative narratives, photos, spreadsheets, and supplementary information resulted in 15 Air Force nominees submitted the end of April. Department of Energy is expected to notify winners in July.



Federal Energy Management Program



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