Asset Revitalization and Energy Parks

A view from the local communities
ARI/Energy Parks Goals

- Benefit DOE/NNSA and the Community
- Become a model for DOE
  - DOE owns assets and has the top national labs at the sites
  - Technology leader in Energy
  - DOE is one of the largest users of electric power in the regions at the ARI Sites
- Help DOE/NNSA become a model for other federal agencies
  - Executive Order Requirements to increase Energy Efficiency
  - DOE Stated Goals
  - Efficiently use DOE assets to promote sustainable energy projects

- Ensure all parts of DOE are accomplishing its goals
  - EM/LM – cleanup (power intensive uses/land and facility assets/technical expertise)
  - NNSA – defense (power intensive uses)
  - EERE/Sustainability Office – Clean Energy Development (Promote use of alternatives)
  - NE/Science – Research and Development (Promote new technologies)

- Create Jobs and long-term Opportunities
- Energy Security at Sites
- Enhance National Competitiveness
Energy Communities

- Supportive Host Communities
- Support Energy Efficiency/Clean Energy
- Provide services to DOE – including utilities at many sites
- Can finance projects and issue bonds
- Partner with DOE regularly and offer to assist the sites with projects
- Have experience with land conveyance, public-private partnerships, grants, etc.
- Recognize one DOE (not EERE, EM, FEMP, SC, NE NNSA, LM, etc.)
DOE and Federal Leadership in Energy

• Executive Order 13514 - Issued October 5, 2009, it requires all Federal agencies to establish an integrated plan toward sustainability, including strategies for:
  – reducing greenhouse gas emissions,
  – using water more efficiently,
  – promoting pollution prevention and eliminating waste,
  – constructing high performance sustainable building,
  – purchasing energy efficient and environmentally preferred products, and
  – reducing use of fossil fuels through improved fleet management.

• 2011 President Obama – To meet his goal of 80% clean energy by 2035, the President urged an inclusive approach in his state of the Union - "Some folks want wind and solar. Others want nuclear, clean coal, and natural gas. To meet this goal, we will need them all,"

• 2010- Secretary of Energy Chu committed the Department of Energy to a **28 percent reduction in greenhouse gas emissions** by FY 2020.
HOW DOES DOE MEET THE GOALS WITHOUT SIGNIFICANT FUNDING –

PARTNER WITH COMMUNITIES

UTILIZE DOE ASSETS
Primary Assets to Use

- Primary types of assets:
  - Land/Property Based
  - Technology Based
  - People Based
  - COMBINATION
Assets Associated with DOE Sites

- Land
- Buffer zones
- Supportive Host Communities who have assets and financing capabilities to contribute to projects
- Facilities
- Roads
- Rail lines
- Electricity transmission facilities / grid connections
- Natural resources (e.g., surface water, ground water)
- Energy resources (e.g., solar, wind, biomass, geothermal)
- Equipment
- Security
- Site environmental characterization data
- Highly trained and experienced workers (e.g., scientists, engineers, craftspeople)
- Safety culture
- Incentives (e.g., loan guarantees, purchase agreements, tax credits)
What Do Communities Want?

• Clarity From DOE
• Assets – Use Existing Policy/Law and Models
  – Land
  – Technology
• Support and Commitment
  – DOE taking steps to implement this program that is 2 years old
  – Corporate Buy-in
• Business Support
  – PPAs with utility providers
  – Grants – if they exist (Planning and Implementation)
  – EERE/FEMP Support models for clean energy development on these sites
• DOE to be a model for other federal agencies on energy issues
Moving Forward . . .

- Most Communities have identified a project
  - Communities (Local Governments/CROs/Others) are off and Running
  - Projects Already Planned
    - EERE Funds to some communities with Existing Projects
  - Community Meetings
  - Identifying Needs
- Legislation – Creates Opportunity and Direction
- DOE Internal Group
- DOE Contractors
- Private Industry
Energy Parks Concept

National Objectives Supported
- Energy Self-Sufficiency
- Enhanced National Security
- Reduced Energy Imports
- Reduced Trade Deficit
- Clean Electric Energy
- Reduced GHG Emissions
  - Green Jobs
  - Site Security
- Vibrant Clean Energy Industry
  - Enhanced National Competitiveness

Energy Projects
- Wind
- Solar
- Biomass
- Nuclear
- Co-Generation
- Clean Fossil
- Geothermal

Energy Clusters
- Multiple Commercial Energy Production Operations
- Manufacturing Operations
  - RD&D Operations
- Supply Chain Operations
- Education/Training Activities

Note: Energy Clusters include all clean technologies covered by Energy Projects

Framework
- Vision
- Objectives
- Policies
- Strategy
- Business Plan
- Guidance
- Procedures
- Site/Regional Data
- Federal Assets
- Financing Options
- Other

Community Reuse Organizations
• DOE Programs, Sites & National Laboratories
• Local/Regional Communities
• Federal Agencies
• Labor
• States & Tribes
• Investors
• Technology Companies
• Academic Organizations
• Economic Development Organizations
• DOE Programs, Sites & National Laboratories
• Local/Regional Communities
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Model Energy Communities

• Integration of a lot of DOE programs
• Imagine – renewable energy power, demonstration of smart appliances, improved weatherization, LEED compliant buildings by local code, mass electric transportation, renewable generation and smart grid application to improve the operation of the system.
• Already happening by communities and DOE working together – just not on purpose . . . yet.
Energy Parks

– Opportunities exist today
– Communities, DOE and the private sector must work together
– ECA Tells communities
  • Be creative
  • Be specific so DOE can support the project
  • Develop a solid business case
– Potential over the long term
– Meets DOE and Community goals
“Land Transfer Shouldn’t It Be Simple?”

How to Actually Make it Happen
Process – It Should Be Simple

• Develop a Clear and Identifiable Use
• Identify Property
• Identify Needs – Transfer/Conveyance
• Request the Property (770 Request)
• Negotiate Terms with DOE/NNSA
• Convey Property
Reality

- Unclear
- Who makes decisions – at DOE
- Not known by Sites (except 2 sites) or HQ
- Re-learned Each time
- Leadership does not make the decision clear

Need to work with DOE to create a clear process
DOE Issues

- What assets should be made available?
- Under what conditions should the assets be made available?
- How to ensure that processes are transparent & equitable?
- How to ensure that processes are efficient and timely?
- Indemnification?
- NEPA coverage?
- How to structure the procurement process?
- How to balance sole-source proposals with desire for competition?
- How to ensure the best return for taxpayers?
Step 1: Develop a Clear and Identifiable Use

- Goals need to be clear
- Keep the story simple and keep the project simple
- Develop a complete picture that can be acted upon
- Answer DOE’s questions for them
- Process supports you . . . if you are clear
- DOE should recognize that economic development can take years to implement
If the Energy Project will Provide Power to DOE

- Be aware of potential OMB scoring on projects on government land
- Understand DOE’s legal and budgetary limitations and balance financing needs
  - GSA 10 year electric utility power purchase authority delegated to DOE
  - Separate PPA from Lease/Easements
  - Balance need for 20-25 year financing for many clean energy projects
Step 2: Communities Identify Property

- The Property must be “excess”
- Must meet your needs
  - Use
  - Financing
  - Infrastructure
- Not interfere with DOE/NNSA mission
- Hopefully can support the mission
Step 3: Community Identify Needs – Transfer/Conveyance

- NEPA Process – on-going during process
- AEA §161g, Port Conveyance (and other authorities)
  - Lease – term, rules, etc? ENSURE YOUR NEEDS ARE MET
  - Deed
  - Other
- Financing
- Use

Footprint reduction . . . . .
Step 4: Request the Property

- Land Transfer Request (42 USC 7274q -10 CFR 770 request)
- Use forms already created (Oak Ridge/Los Alamos)
- Work with the site office (ensure direction from Site Manager is to support/entertain the request)
- Work with the site office
- Work with the site office
- Ensure HQ knows and is briefed about the request – prior to making the request
Step 5: Negotiate Terms with DOE/NNSA

- Use existing deals that meet your needs
- Ensure you know the law and DOE policy – DOE does not always recognize all of its authorities.
- See previous slides – meet goals/financing/ensure DOE leadership support
- Use EERE Guidance on PPAs
- Work with the Site Office
- Keep briefing HQ and Delegation to ensure they know the status of request
- Can take a long time – stay on top of the process
Step 6: Convey Property

• Mayor/County Chair and DOE/NNSA Sign historic agreement that will bring new jobs and opportunities to the region
• Energy Park will be built in the City/County and will put [community] at the forefront of clean energy opportunities
Oh – and what if DOE does not want to transfer the property

Congressional pressure
Special Legislation
Other
Don’t take “No” or “We Can’t” as an answer
Questions

Energy Communities Alliance
Local Concerns. National Impact.

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