



DEPARTMENT OF ARMY
REGIONAL ENVIRONMENTAL AND ENERGY OFFICE - WEST
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31 July 13

Utah Public Service Commission
Heber M. Wells Building
160 East 300 South
Salt Lake City, Utah 84114

Re: Army Energy Initiatives Task Force Comments on Docket No. 12-0350-100

Dear Public Service Commissioners:

I am the Director of the Army's Regional Environmental and Energy Office-Western (REEO-W), and in this capacity, I am responsible for providing Army comments on various environmental and energy policies or regulatory matters of interest in U.S. Environmental Protection Agency (US EPA) Regions 8, 9 and 10. On behalf of the United States Department of the Army Energy Initiatives Task Force, which has an interest in the outcome of the current avoided costs docket, Docket No. 12-035-100, I submit the following comments for the Commission's consideration.

The Army has an interest in this docket as a Federal government entity subject to multiple renewable energy goals and mandates that could be achieved through the development of renewable energy qualifying facilities (QFs) at either Tooele Army Depot or Dugway Proving Ground. As a vested stakeholder in Utah, the Army recommends that the Commission support a robust avoided cost methodology that internalizes the full range of benefits that the utility receives through long-term power purchases from renewable energy QFs and provides fair and reasonable pricing for both renewable energy project owners and ratepayers.

The Army operates two active facilities in Utah – Tooele Army Depot (which now includes Deseret Chemical Depot, which was transferred to Tooele Army Depot in July 2013) and Dugway Proving Ground – both of which are Rocky Mountain Power customers. The Army is an active member of the Military Installation Energy Collaboration (MIEC) and is engaged in on-going conversations with the Office of Economic Development and Office of Energy Development in support of the Governor's Strategic Energy Plan.

In addition to collaborating through the MIEC on state energy goals, the Secretary of the Army established the Energy Initiatives Task Force in September 2011 to centrally manage the implementation of cost-effective, large-scale renewable energy projects and address several federal renewable energy goals that are applicable to all Army installations, including those in Utah:

- The Department of Army goal to produce or procure 1 gigawatt (GW) of renewable energy generation on Army-owned real property or at Army facilities by 2025, part of the broader goal for all three services to collectively produce or procure 3 GW of renewable energy on Army, Navy, and Air Force installations by 2025;
- The 10 USC 2911(e) goal to produce or procure on Army real property at least 25% of the electrical energy consumed by 2025; and
- The Energy Policy Act of 2005 requirement that the total electricity consumed by the Federal government should be not less than 7.5% in fiscal year 2013 and thereafter.

In order for those Army installations located in Utah to contribute towards the renewable energy goals listed above, it is critical that there is a fair and reasonable avoided cost methodology that can be applied to renewable energy QFs. The Army has conducted in-depth analysis of renewable project opportunities within Utah and has concluded that present avoided cost models are a hindrance to the implementation of cost-effective renewable energy projects.

The establishment of a more equitable model for valuing electricity acquired from renewable energy QFs will enable the Army to more successfully meet both State and Federal renewable energy goals and mandates.

My point of contact for this issue is Mr. Park Haney, Deputy Director, REEO-W, who can be reached at 303-844-0957.

Thank you for your consideration of the Army's Energy Initiatives Task Force comments.

Sincerely,

MARK A. MAHONEY
Director, Army Regional Environmental
and Energy Office - West