

P3.C6. PART 3, CHAPTER 6

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P3.C6. PART 3, CHAPTER 6

DEPARTMENT OF DEFENSE (DOD) ELECTRICITY PROGRAM

P3.C6.1. GENERAL. This chapter discusses policy guidelines and management responsibilities relative to the centralized acquisition of electricity through competitive procurements. Deregulation of the electricity industry in the United States and the nondiscriminatory access to the transmission grid have created potential cost savings opportunities for the installations participating in the centralized electricity acquisition program.

P3.C6.2. POLICY

P3.C6.2.1. Executive Order 13123, "Greening the Government through Efficient Energy Management," (June 3, 1999) requires Agencies to take advantage of competitive opportunities in the electricity market to reduce costs and enhance services.

P3.C6.2.2. DoD's policy is to ensure that utility commodities are procured effectively and efficiently, to invest in cost-effective renewable energy sources, and regionally aggregate bargaining power.

P3.C6.2.3. The DoD and Federal Agencies are encouraged to partner with the Defense Energy Support Center (DESC) for the procurement of their electricity in states or regions where the electric industry has restructured and the generation of electricity has been deregulated. DESC will aggregate regional electricity demand (including renewable energy) to competitively procure electricity, ancillary and incidental services needed to meet identified demand. Award determinations shall be based on best value compared to the applicable utility tariff available under a Utility Services Contract and the impact of terminating the existing electric services contract.

P3.C6.2.4. No actions will be taken to bypass the Utility Distribution Company (UDC) systems without prior approval of the Deputy Under Secretary of Defense (Installations & Environment) (DUSD (I&E)).

P3.C6.3. RESPONSIBILITIES

P3.C6.3.1. The Defense Energy Support Center (DESC), shall:

P3.C6.3.1.1. Aggregate electricity demand reported by DoD installations and Federal Agencies.

P3.C6.3.1.2. Perform or arrange for the economic analyses of supply options.

P3.C6.3.1.3. Prepare solicitations, awards, and administer contracts for the acquisition of competitive electricity for delivery to designated points.

P3.C6.3.1.4. Monitor the market for competitive opportunities for electricity, and opportunities for reducing energy costs through the centralized acquisition process. DESC shall work with suppliers, other industry participants, and utility companies to increase opportunities for acquisition and delivery of competitive electricity.

P3.C6.3.1.5. Establish a customer feedback mechanism that will be responsive to installations' requirements and suggestions for improvement in the electricity program.

P3.C6.3.1.6. Ensure the Military Services have a basic understanding of the electricity market and of DESC's electricity program.

P3.C6.3.2. The DoD Components and Federal Agencies shall:

P3.C6.3.2.1. Plan, program, budget, and fund their respective electricity requirements in support of installations under DESC's competitive electricity program.

P3.C6.3.2.2. Submit an authorization letter to DESC requesting inclusion in the DESC competitive electricity program. The letter, signed by an authorized representative, should include the following information:

P3.C6.3.2.2.1. State that the installation gives DESC approval to solicit on behalf of, and receive usage data on, all accounts specified.

P3.C6.3.2.2.2. Specify all meters/accounts by service address, account number (old and new if applicable), service voltage, and any additional unique meter information that may be indicative of the accounts to be solicited.

P3.C6.3.2.2.3. A statement authorizing the utility to transfer data to DESC electronically.

P3.C6.3.2.2.4. Invoice certification and payment office information.

P3.C6.3.2.2.5. The name, title, email address, telephone and fax numbers of the installation's point of contact.

P3.C6.3.2.3. Maintain the installation and utility relationship for transmission and distribution of electricity to the meter.

P3.C6.3.2.3.1. Service Utility Management Offices (SUMOs) shall initiate or ensure that the installation initiates a formal agreement with the utility company for transmission and distribution of the contract electricity when a DESC contract is awarded. The SUMO or the installation shall provide the appropriate tariff rates to DESC. The utility company's transmission and distribution agreement must be formalized and in place prior to the anticipated contract start date.

P3.C6.3.2.3.2 Distribution agreements with a utility company are generally accomplished by one of the following methods:

P3.C6.3.2.3.2.1. The most frequently used method is the utilization of the GSA area-wide contract (if available) to provide for the necessary electricity distribution service.

P3.C6.3.2.3.2.2. When a GSA area-wide contract is not available, a separate negotiated contract with the utility company can be accomplished in accordance with the Utility Services section of the FAR, Part 41.

P3.C6.3.2.4. Maintain a utility service contract when the utility company is determined to be the best value to the Government.

P3.C6.3.2.5. Monitor state regulatory commissions' activities and advise DESC of any regulatory action that may affect DESC's electricity program.

P3.C6.3.2.6. Continue to provide utility rate expertise and regulatory/rate intervention support for all Military Services' installations in the utility service territory in which the Military Services are the dominant users.

P3.C6.3.2.7. Validate installations' electricity demand and provide appropriate assistance (including technical specifications) to DESC.

P3.C6.3.2.8. Review (jointly with DESC) DESC's economic analysis of supply options.

P3.C6.3.2.9. When requested, participate in the development of technical criteria and/or participate during the technical and price review of proposals offered in response to solicitations.

P3.C6.4. SERVICES' UTILITIES MANAGEMENT OFFICES (SUMOs) are as follows:

Organization/Address

Telephone Number

Defense Logistics Agency

Defense Energy Support Center
8725 John J. Kingman Road, Suite 3827
Ft. Belvoir, VA 22060-6222
Website: www.desc.dla.mil

COM: (703) 767-8572
DSN: 427-8572

Army

U. S. Army Engineering and Support Center
ATTN: CEHNC-IS-SP
4820 University Square
Huntsville, AL 35816-1822

COM: (256) 895-1503
DSN: 760-1503

Headquarters
U. S. Army Installation Management Agency
ATTN: IMAH-PWD
2511 Jefferson Davis Highway
Arlington, Virginia 22202

COM: (703) 602-1540

Navy/Marines

Naval Facilities Engineering Command
ATTN: Code 13B
Alexandria, VA 22332-2300

COM: (757) 322-4698
DSN: 262-4698

Facilities Engineering Command

COM: (619) 532-3974

Southwest Division
Code 163
1220 Pacific Highway
San Diego, CA 92132-5190

Naval Facilities Engineering Command
Southern Division
P.O. Box 190010
2155 Eagle Drive
Charleston, SC 29411-0068

COM: (803) 820-5908

Naval Facilities Engineering Command
Atlantic Division
Code 164
Norfolk Naval Base
Norfolk, VA 34511-6287

COM: (757) 322-4698
DSN: 262-4698

Air Force

HQ Air Force Civil Engineering
Support Agency, CESE
ATTN: HQ AFCESA/ENE
139 Barnes Drive, Suite 1
Tyndall AFB, FL 32403-5319

COM: (904) 283-6463/6356
DSN: 523-6463/6356