



Lessons Learned: DoD's First Energy-based EUL Fort Detrick, MD

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Fort Detrick and U.S. Biodefense

- In response to 9-11, President Bush established National Biodefense Strategy
- The development of the National Interagency Biodefense Campus (NIBC) at Fort Detrick was the primary outcome
- First agencies to get Congressional funding were NIH, DHS and Army.
- Army determined that “enhanced-use” leasing (EUL) was the most expedient approach to meet the energy needs.

Fort Detrick's EUL Process

- Aug 2004 – Army tests concept with Energy Development community – positive feedback
- Feb-Mar 2005 – Industry Forum and competitive solicitation
- Apr 2005 – Chevron ES/Keenan team selected to develop, finance, design/build and operate a co-gen utility plant (CUP)
- May 2005 – Chevron ES/Keenan begin project development
- May 2006 – EUL signed
- Jul 2006 – Energy Services Contract signed
- Mar 2008 – CUP enters commercial operations and delivers “guaranteed” energy to NIBC and Army



Commercial Structure

– Enhanced-Use Lease

- Fort Detrick out-leased land next to NIBC to Chevron ES/Keenan team which finances, design/builds, owns and operates the CUP.

– FAR-based Energy Services Contract

- CUP to provide conditioned and standby power, and steam and chilled water services to NIBC and other Army facilities.

– Future phase

- Complete utilidor loop and increase capacity for new USAMRIID facility and possibly off-post markets. Evaluating potential for co-generation and use of renewable fuel.



Business Drivers

- Congressional funding of NIH and DHS predicated on those facilities being built at the NIBC
- The CUP schedule had to catch-up with lab construction
- CUP reliability and redundancy support unique utility requirements driven by the operations of truly unique, \$1 billion world-class labs
- The CUP was designed to provide cost-effective expansion
- The CUP provides a highly-energy efficient and environmentally friendly solution to delivering utility services in a secure campus setting

Is the Project Meeting Expectations?

- **Expandable Below-Ground Distribution In Place**
 - Underground infrastructure intentionally designed to accommodate sizable future demand growth planned by the FDICC
 - Subsurface infrastructure minimizes disruption to existing operations as additional capacity is added
- **Modular Energy Generation Expansion Capability**
 - Above-ground infrastructure designed for seamless, modular growth
- **Unit costs will drop with each additional unit of electricity, steam, and chilled water**
 - A major investment has been made to accommodate future load growth
 - To fully leverage the significant benefits associated with a district energy approach, load growth must occur as planned

Lessons Learned & Industry Suggestions

- Let the Market drive the opportunity!!
 - Markets should determine opportunity and viability. The better the opportunity and response, the higher the returns to DoD
- Work with the selected developer to determine best technical solution – do not pre-suppose solution
- Do not rule out on-site DoD purchase of energy commodities
- Lower solicitation costs for developers = better return to the federal host



EUL and Energy

- Energy-related market opportunities can bring value to DoD thru EUL:
 - Power quality and energy security
 - Energy efficiency and renewable energy
 - In states that have Renewable Portfolio Standards, renewable power generation can enhance return to DoD



Would you like to know more about this session?

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