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OFFICE OF THE SECRETARY
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SECNAVINST 4101.3A
ASN (EI&E)
19 Jan 17

SECNAV INSTRUCTION 4101.3A

From: Secretary of the Navy

Subj: DEPARTMENT OF THE NAVY ENERGY PROGRAM

Ref: See enclosure (1)

Encl: (1) References
(2) Definitions

1. Purpose

a. To establish and implement policy, and to assign responsibility within the Department of the Navy (DON), for the administration and management of the DON energy program.

b. This instruction has been substantially revised and should be reviewed in its entirety.

2. Cancellation. SECNAVINST 4101.3, SECNAVINST 4100.9A.

3. Definitions. See enclosure (2).

4. Background

a. Assured access to reliable energy is critical to the DON's ability to accomplish its mission. Optimizing energy use by increasing energy efficiency and diversifying sources of supply enhances combat capability and operational flexibility, while reducing risk and logistical demands.

b. The DON has set a course to achieve aggressive targets for energy efficiency and the use of alternative and renewable energy sources at shore installations and in forward operations in reference (a). As energy demands associated with future mission requirements and energy-intensive platforms, systems, and facilities continue to grow, the DON will continue to pursue reforms in these areas.

5. Applicability. Applies to the Office of the Secretary of the Navy (SECNAV), the Chief of Naval Operations (CNO), the

Commandant of the Marine Corps (CMC), and all U.S. Navy and U.S. Marine Corps (USMC) activities, installations, and commands.

6. Policy. The DON shall:

a. Operational Energy. Treat energy as a strategic resource to improve reach, effectiveness, and mission capability of operational assets. Specifically: Use renewable and other alternative energy sources to reduce logistics support; incorporate energy-saving technologies and procedures in operations; and, consistent with references (b), (c), and (d), increase the use of alternative fuels in DON tactical platforms.

b. Installation Energy. Increase the reliability, resiliency, and efficiency of DON installations to mitigate vulnerabilities related to energy supply and ensure energy security. Specifically: Diversify energy sources, including the use of distributed energy resources; maximize energy efficiency; and consider all options to meet mobility and electric distribution planning requirements.

c. Platform and System Acquisition. Maximize platform and system effectiveness and reduce life-cycle costs by including evaluation of energy performance in procurement actions, integrating energy performance into platform and system design, and ensuring the use of an energy key performance parameter (KPP), or similar energy requirement, when validated as mandatory or otherwise appropriate for acquisition programs conducted in accordance with reference (e).

d. Installation Acquisition. Maximize the reliability, resilience, and efficiency of facilities and utility systems, and reduce life cycle costs by including evaluation of energy performance in procurement actions, and by integrating energy reliability, resilience, and efficiency into facility and utility system design for new construction, repair, and modernization projects.

e. Strategic Partnerships. Collaborate with federal, state, and local government entities, academia, and non-governmental organizations on energy matters of interest to the DON. Engage with industry and other external stakeholders to understand alternate approaches to foster innovation and address energy challenges facing the DON.

f. Training and Education. Train civilian and military personnel on DON energy programs, goals, and policies in accordance with reference (f) and any corresponding USMC guidance that may be issued in the future.

g. Data-Driven Energy Management. Use energy data collection, aggregation, and analytics to develop business decision tools, optimize energy decisions, improve management, and inform future investment in DON assets and programs.

7. Responsibilities

a. Assistant Secretary of the Navy (Energy, Installations & Environment) (ASN (EI&E)). Per reference (g), ASN (EI&E) is the senior DON official for energy matters. ASN (EI&E) shall have primary responsibility for all DON energy plans, policies, and programs. ASN (EI&E) shall represent the DON energy program in the six-gate governance process established in reference (h). ASN (EI&E) shall have primary responsibility for energy budget matters, including:

(1) Issue program objective memorandum (POM) guidance to Navy and Marine Corps regarding treatment of energy in the annual budget process; and

(2) Pursuant to reference (i), issue annual energy support budget guidance to the Shore Energy Policy Board (SEPB) and approve expenditure of energy support budget funds.

b. Deputy Assistant Secretary of the Navy (Energy) (DASN (Energy)). Under the authority, direction, and control of ASN (EI&E), DASN (Energy) shall develop DON energy policy and coordinate with DON stakeholders to implement programs and initiatives, including, but not limited to those outlined in paragraph 6 of this instruction. In addition, DASN (Energy) shall:

(1) Coordinate submission of energy plans, reports, data, and metrics to ensure compliance with internal and external reporting requirements.

(2) Chair the SEPB per reference (h).

(3) Manage the annual SECNAV energy awards program per reference (j).

(4) Develop strategic communications guidance to advance DON energy policies, programs, and initiatives.

c. Deputy Assistant Secretary of the Navy (Environment) (DASN (Environment)). DASN (Environment) shall coordinate with DASN (Energy) to implement energy-related sustainability efforts in support of references (k), (l), and (m).

d. Resilient Energy Program Office (REPO). In close coordination with DASN (Energy), per references (n) and (o), and consistent with reference (p), REPO shall execute energy resilience, alternative energy, and renewable energy projects. ASN (EI&E) shall have operational control of REPO; Naval Facilities Engineering Command (NAVFAC) shall have administrative control of REPO.

e. Assistant Secretary of the Navy (Research Development & Acquisition) (ASN (RD&A)). In coordination with CNO and CMC, ASN (RD&A) shall ensure DON-wide compliance with energy-related requirements of reference (i), implement validated mandatory energy requirements (such as the energy KPP when required per references (q), (r), and (s)) in DON acquisition programs, and integrate energy efficiencies in system design to the extent practicable. ASN (RD&A) shall include energy considerations or requirements in other supply or service procurements as appropriate. ASN (RD&A) shall support research, development, test, and evaluation of innovative energy technologies and processes that increase warfighter capability.

f. CNO. CNO is the senior Navy official responsible for Navy energy matters. CNO shall:

(1) Ensure coordination with ASN (EI&E) in the development of DON energy policy and supporting Navy guidance for current and future Navy energy programs and initiatives;

(2) Develop and submit an annual budget per ASN (EI&E) energy POM guidance;

(3) Provide expertise on energy requirements development in the Joint Capabilities Integration and Development System (JCIDS) and acquisition processes; and

(4) Implement training consistent with paragraph 6f.

g. CMC. CMC is the senior Marine Corps official responsible for Marine Corps energy matters. CMC shall:

(1) Ensure coordination with ASN (EI&E) in the development of DON energy policy and supporting USMC guidance for current and future USMC energy programs and initiatives;

(2) Develop and submit an annual budget in accordance with ASN (EI&E) energy POM guidance;

(3) Provide expertise on energy requirements development in the JCIDS and acquisition processes; and

(4) Implement training consistent with paragraph 6f.

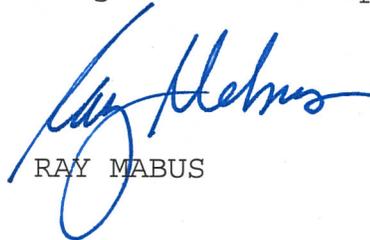
h. Chief of Navy Information (CHINFO). CHINFO shall coordinate with DASN (Energy) in the execution of energy communications guidance across the DON.

i. Chief of Legislative Affairs (CLA). Per reference (t), CLA shall coordinate with ASN (EI&E) in the conduct of all energy-related legislative affairs functions.

j. Chief of Naval Research (CNR). CNR shall collaborate with ASN (EI&E), ASN (RD&A), CNO, and CMC to promote research and development of new technologies in support of DON energy requirements, policies, programs, and initiatives.

8. Records Management. Records created as a result of this instruction, regardless of media and format, shall be managed per SECNAV Manual 5210.1 of January 2012.

9. Reports. The reporting requirements contained within paragraphs 7b(1) and 7f(2) are assigned SECNAV Reports Control Symbol 4101-1.



RAY MABUS

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REFERENCES

- (a) SECNAV WASHINGTON DC 301751Z Oct 09 (ALNAV 068/09)
- (b) Defense Production Act Determination of the Under Secretary of Defense for Acquisition, Technology, and Logistics, December 19, 2010
- (c) Memorandum of Understanding between the Departments of Navy, Energy, and Agriculture, June 2011
- (d) Defense Production Act Determination of the Under Secretary of Defense for Acquisition, Technology, and Logistics, January 8, 2013
- (e) DoD Instruction 5000.02 of 7 January 2015
- (f) Navy Energy Training and Education Plan, June 2, 2015
- (g) SECNAVINST 5430.7R
- (h) SECNAVINST 5000.2E
- (i) Assistant Secretary of the Navy (Energy, Installations & Environment) Policy Memorandum, Update of *Shore Energy Policy Board Charter*, December 19, 2016
- (j) SECNAVINST 4101.2
- (k) E.O. 13693
- (l) Implementing Instructions for Executive Order 13693, *Planning for Federal Sustainability in the Next Decade*, June 10, 2015
- (m) Department of Defense Guidance for Executive Order 13693: *Planning for Federal Sustainability in the Next Decade*, March 2016
- (n) Assistant Secretary of the Navy (Energy, Installations & Environment) Policy Memorandum, *Renewable Energy Program Office - Way Ahead*, March 2016
- (o) Assistant Secretary of the Navy (Energy, Installations & Environment) Policy Memorandum, *Renewable Energy Program Office Name Change and Reorganization*, December 2016
- (p) DoD Instruction 4170.11 of 16 March 2016
- (q) Deputy Chief of Naval Operations, Integration of Capabilities and Resources (N8) Policy Memorandum, *Navy Guidance for Energy Key Performance Parameter*, August 7, 2015
- (r) Manual for the Operation of the Joint Capabilities Integration and Development System (JCIDS)
- (s) MCO 3900.19
- (t) SECNAVINST 5730.5J
- (u) 10 U.S.C. § 2667
- (v) 42 U.S.C. § 13211

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- (w) Department of Defense Alternative Fuels Policy for Operational Platforms, July 5, 2012
- (x) 10 U.S.C. § 2922h
- (y) NIST Handbook 135: Life-Cycle Costing Manual for the Federal Energy Management Program
- (z) 10 U.S.C. § 2924
- (aa) 10 U.S.C. § 2916

DEFINITIONS

1. Alternative Energy Project. In accordance with reference (k), an alternative energy project is a project in which energy is generated from: technologies and approaches that advance renewable heat sources, including biomass, solar thermal, geothermal, waste heat, and renewable combined heat and power processes; combined heat and power; small modular nuclear reactor technologies; fuel cell energy systems; or any project for which the active capture and storage of carbon dioxide emissions associated with the energy generation is verified. In addition, in accordance with reference (u), for an alternative energy project that includes a real estate out-grant, the out-grant is cost-effective if the consideration provided (in-kind or cash payments) is not less than the fair market value of the lease interest.
2. Alternative Fuels. Defined in subsection (2) of reference (v). To ensure operational flexibility, and in accordance with references (w) and (x), alternative fuels for DON tactical platforms shall be drop-in replacements and cost-competitive with traditional fossil fuels.
3. Drop-In Fuel. An alternative fuel that is a direct replacement for a conventionally-derived fuel with no changes required to infrastructure, handling, or the platform using the fuel. Drop-in fuel shall not affect platform performance or maintenance requirements, or require any change to operational procedures. A drop-in fuel is compatible with military fuel specifications.
4. Energy Key Performance Parameter (KPP). In accordance with reference (r), Energy KPP is a mandatory KPP that is intended to ensure combat capability of the force by balancing the energy performance of systems and the provisioning of energy to sustain systems/forces required by the operational commander in relevant threat environments. It includes, but is not limited to, considerations for optimizing fuel and electric power demand in capability solutions, in the context of the logistical supply of energy to the warfighter, as it directly affects the demand on the force to provide and protect critical energy supplies. The Energy KPP includes both fuel and electric power demand

considerations in systems, including those for operating "off grid" for extended periods when necessary, consistent with strategic analysis products.

5. Energy Resilience Project. In accordance with reference (p), energy resilience is the ability to prepare for and recover from energy disruptions that impact mission assurance on military installations. Energy resilience also means the ability of a system to anticipate, resist, absorb, respond, adapt, and recover from disturbances, such as weather events, accidents, geo-magnetic storms, terrorism, fire, cyber-attack, and the effects of climate change (e.g. sea level rise). In accordance with reference (p), energy resilience projects must be life cycle cost effective or remove unacceptable energy resiliency risk. Life cycle cost effectiveness analysis for energy resilience projects shall be performed in accordance with reference (y). In addition, in accordance with reference (x), for an energy resilience project that includes a real estate out-grant, the out-grant is cost-effective if the consideration provided (in-kind or cash payments) is not less than the fair market value of the lease interest.

6. Energy Security. Defined in subsection (3)(A) of reference (z) as having assured access to reliable supplies of energy and the ability to protect and deliver sufficient energy to meet mission essential requirements.

7. Energy Support Budget. The revenue stream resulting from the sale of electricity pursuant to reference (aa).

8. Operational Energy. Defined in subsection (5) of reference (z) as the energy required for training, moving, and sustaining military forces and weapons platforms for military operations. The term includes energy used by tactical power systems and generators and weapons platforms.

9. Renewable Energy Project. Consistent with the definition of "renewable electric energy" in reference (k), renewable energy is energy produced by solar, wind, biomass, landfill gas, ocean (including tidal, wave, current, and thermal), geothermal, geothermal heat pumps, microturbines, municipal solid waste, or new hydroelectric generation capacity achieved from increased efficiency or additions of new capacity at an existing hydroelectric project. A renewable energy project is any

project, regardless of fund source or acquisition strategy, that relies on renewable energy as its primary fuel source but does not otherwise meet the definition of an Energy Resilience Project. In accordance with reference (p), the DoD components shall purchase renewable energy when cost effective and any premium is considered fair and reasonable. It is DON policy that a renewable energy project that includes a power purchase agreement is cost-effective if, when compared to the projected total cost for procuring energy in a business-as-usual manner, the total contract cost to the DON of the renewable energy project over its contract term is projected to be cost-neutral or produce cost savings. In addition, in accordance with reference (u), for a renewable energy project that includes a real estate out-grant, the out-grant is cost-effective if the consideration provided (in-kind or cash payments) is not less than the fair market value of the lease interest.

10. Shore Energy Policy Board (SEPB). As described in reference (h), the SEPB is responsible for coordinating the development of policy and guidance for DON installation energy-related matters.