



Defense Logistics Agency



Defense Energy Support Center “Leaning Forward” On Alternative Fuels

Biofuels for Aviation Summit
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Energy Industry is Changing



“...So we have a **choice** to make. We can remain one of the world's leading importers of foreign oil, or we can make the investments that would allow us to become the **world's leading exporter of alternative and renewable energy.**”

President Obama, March 19, 2009

- Creation of millions of “green” jobs
- Significantly reducing reliance on foreign oil
- Investing in new AF/RE technology
- Cap-and-trade program to reduce green-house gas emissions



DoD Focuses on Energy

Army Energy Strategy



Air Force Energy Strategy



Navy Energy Strategy



“We are also looking to improve energy security by institutionalizing energy considerations in our business processes, establishing energy efficiency and sustainability metrics, and increasing the availability of alternative sources.”

Navy Adm. Mike Mullen, Chairman of the Joint Chiefs of Staff
May 2009





DESC Vision and Future for Alternative Energy

Mission:

To Provide the Department of Defense and Other Government Agencies with Comprehensive Energy Solutions in the Most Efficient and Economical Manner Possible

Vision:

Our Customers First Choice for Energy Solutions

Values:

- People
- Service
- Excellence
- Innovation
- Trust





DESC Enterprise

Military Fuel FY08

- Inventory 59.5M barrels
- Storage locations 632
- Transactions 23.6M
- Barrels sold 132.5M
- Fuel Cards \$230M
- Aerospace Energy Sales \$54M

Petroleum Sales

- FY05 Net Sales 132.5M barrels - \$ 8.5B
- FY06 Net Sales 133.9M barrels - \$12.7B
- FY07 Net Sales 132.4M barrels - \$12.6B
- FY08 Net Sales 132.5M barrels - \$17.5B
- FY09 Projection 130.0M barrels - \$15.0B

Foreign Military Sales

- FY08 Net Sales 4M barrels - \$512.1M

Expanding Energy Solutions

- \$489.6M Natural Gas Business
- \$477.5M Electricity Business
- \$73.7M Coal Business
- \$2.9M Renewables
- \$706M Estimated Utility Privatization Awards (multi year awards)

Forward Presence FY08

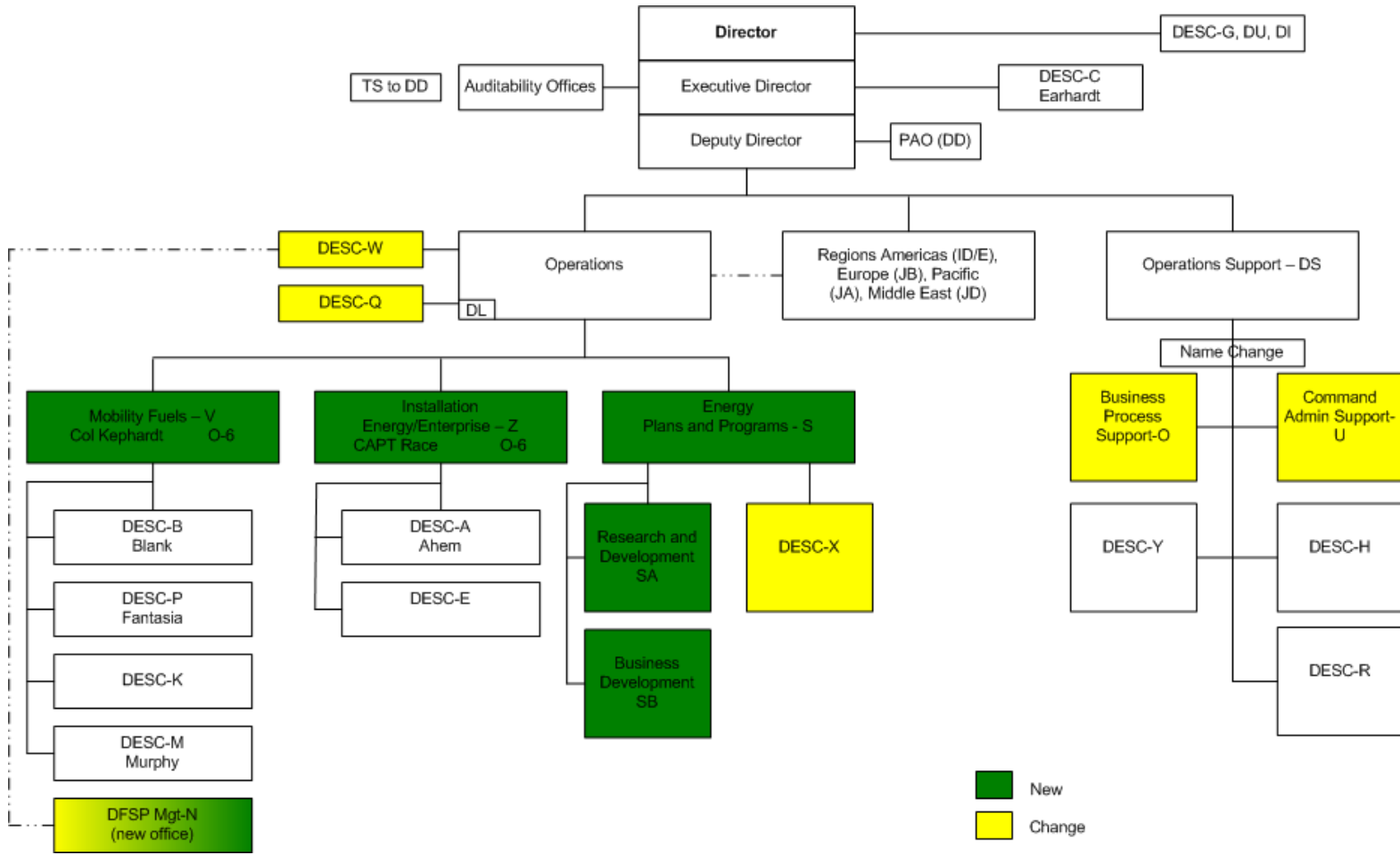
- HQC
 - Co-located w/ 3 Service Control Points
 - Approx 750 personnel
- 4 Geographic Regions
 - Approx 225 personnel

Personnel On Board FY08

- Civilians 921
- Military 61



DESC Organizational Realignment: Committed to Alt Energy Solutions



New
 Change



Synthetic Fuels Pilot Program

- Alaska, Washington, Oregon JP8 requirements
- Multi-Year Contract - Minimum of 5 years
- Fischer-Tropsch Process - Feedstock Neutral
- 50:50 Blend
- Complies with Environmental Standards





Hydro-treated Renewable Jet Fuel (HRJ8/HRJ5)

- Delivery of up to 400,000 gallons of HRJ8 from two different biomass oil feedstock
- Delivery of up to 190,000 gallons of HRJ5 from one biomass oil feedstock
- Planned Aug 09 contract award





Algae Derived F-76

- Not aviation fuel, but advances biofuel technology
- Delivery of 20,055 gallons to undergo Navy's fuel testing and certification program
- Planned Aug 09 contract award
- Final delivery 12 months ARO





Leveraging DESC AF/RE Capabilities

- DESC as AF/RE Requirements Integrator
 - Ensure coordinated acquisition approach – economies of scale
 - Industry benefit to facilitate competition – one touch-point
- DESC as an AF/RE “Provider of Choice”
 - Industry and acquisition experience
- Focused Research & Development
 - Co-located with our Service Partners
 - AF/RE Mobility Fuel integration with current supply chain



Doing Business With DESC

- Acquisitions comply with the Federal Acquisition Regulations
- Firm requirements solicited on FedBizOpps
 - <https://www.fbo.gov/>
- Research & Development requirements
 - Broad Agency Announcement process
 - Can also be found on FedBizOpps



Your Turn!

Questions?



**Defense Energy
Support Center**