



# Enhanced-Use Leasing: An Energy Developer's Perspective

**Navy Enhanced-Use Lease Forum**

**Chevron Energy Solutions  
Federal Business Unit**

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# Chevron Energy Solutions

- **A division of Chevron USA, Inc**
- **One of the leading sustainable energy services companies in the U.S.**
- **World-class capability in applying renewable energy technologies – Chevron’s “technology implementer”**
- **Awardee of DOE’s and Army’s 2008 Energy Savings Performance Contract (ESPC) IDIQs**
- **Experienced in energy EUL and EUL-like structures – operating Army’s first energy EUL.**

# What We're Doing

- **National Interagency Biodefense Campus, Fort Detrick, MD – DoD's and Army's first Energy EUL!**



# What We're Doing

- **San Ramon Corporate Data Center**
- **Conducting detailed energy, utility, and facilities reliability analysis**
- **Formal alliance with Uptime Institute and Brill, Inc.**
- **In process of launching global “green” data center product offering**



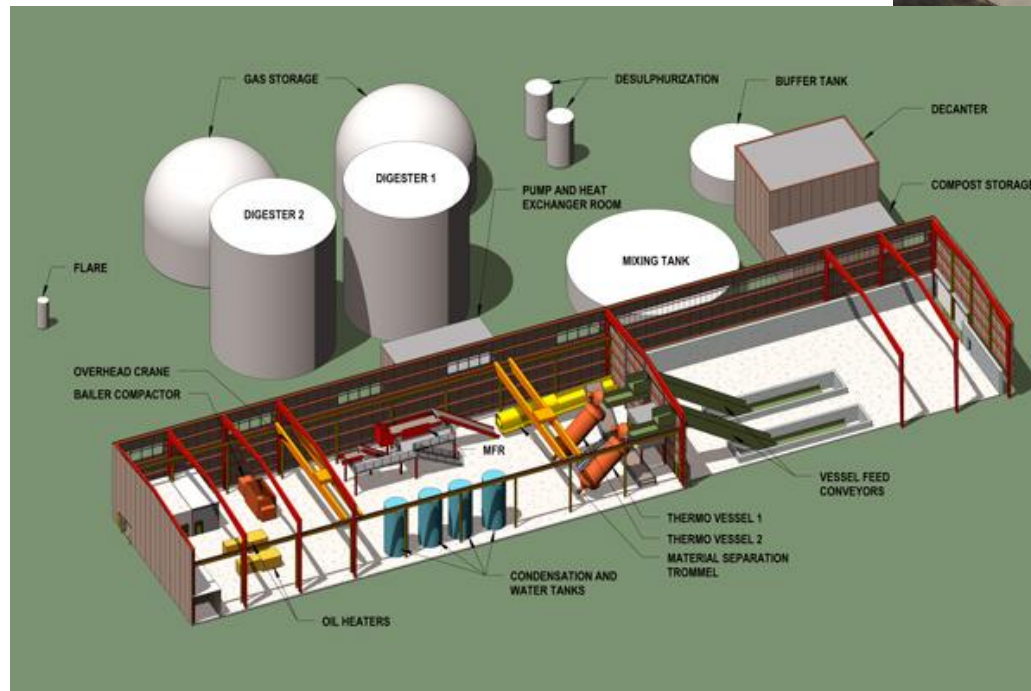
# What We've Done

- **Solar Parking Structures**



# What We've Done

- Biomass & Biogas to Energy
- Multiple U.S. sites and one in Europe



# How Do We Qualify EUL Energy Opportunities?

- **Is there a market? If so, who are the energy off-takers? Are they on- or off-base? What is their credit worthiness?**
- **What are the market drivers? Is there a State RPS?**
- **What ownership, legal and financing structure works best within federal budgetary policies?**
- **If selling to the federal host/tenants, what acquisition authority is most appropriate use?**
- **If there is an off-site market, what is the transmission accessibility and what/where are the constraints?**
- **Regulatory Environmental and approval timeframes – known obstacles to development?**
- **What agency has control of the site?**
- **What are the locations of other utilities – and the costs of upgrading them?**

# How Do We Qualify EUL Energy Opportunities? (cont'd)

- **Are there other potential sources of revenue or cost off-sets**
  - **Tipping fees / waste management fees**
  - **Thermal energy requirement to support co-generation and electrical peak-shaving**
  - **Potential for operational cost avoidance**
  
- **If renewable, verify the renewable energy resources and fuel Sources**
  - **Financiers typically require one year of “met tower” data for wind**
  - **Financiers typically require investment-grade audit of solar resource (IGSA) and biomass fuel availability/sustainability**

# Recommended Developer's Profile

- **History of working with utilities**
  - **IOUs (investor-owned utility)**
  - **Municipals**
  - **Cooperatives**
- **Experience in dealing with multiple and complex regulatory issues**
- **Ability to arrange financing (critical)**
- **Financial strength and balance sheet to stand behind all obligations for 20+ years**
- **Core business specifically related to energy**
- **Experience in working with the federal government/DoD on complex energy projects – lots of moving parts and a need to understand them**

# Recommendations to Navy – The Way Forward

- **We view Navy’s EUL program as “young” and promising**
- **Considering the high interest in EUL from the development community:**
  - **Seek continuous one-on-one feedback from developers and be willing to stay flexible and make adjustments**
  - **View and qualify your offerings from a developer’s perspective**
    - **What are the market opportunities?**
    - **How can they enhance Navy mission?**
    - **What are the development costs?**
  - **Improve communications with interested and participating companies in all phases of the project opportunity**
- **View underutilized Navy real property assets as means to leverage sustainable energy projects that can protect critical assets and enhance Navy’s mission**

## Recommendations to Navy – The Way Forward

- **If and once a National RPS is passed, Navy will need to prioritize Navy energy requirements/challenges with respect to where best and most favorable renewable energy opportunities exist**
- **Consider use of EUL and long-term acquisition authorities to support data centers and other critical national defense assets that can be protected through micro-grid configurations and sustainable technologies**



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# Chevron Energy Solutions – Experience

- **Provide power quality, reliability, and energy efficiency services to Federal, & Public Sector clients**
  - **Over \$1 billion in contract value in last five years**
  - **Designer/builder/operator of critical energy assets with quality and reliability delivery warranties**
  - **Operating DoD's and Army's first energy EUL**
- **Largest developer/implementer of institutional market solar projects in the U.S.**
  - **Developing the largest utility-scale PV solar project in U.S.**
  - **Developing Pacific Rim Waste-to-Energy and Solar projects**
- **Serve as Chevron's "Center of Excellence" for energy efficiency and reliability**
  - **Improving facilities and data center performance and reliability through energy efficiency and renewable energy technologies**