SUSTAINMENT

11 September 2020

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS,
ENERGY, AND ENVIRONMENT)
ASSISTANT SECRETARY OF THE NAVY (ENERGY,
INSTALLATIONS, AND ENVIRONMENT)
ASSISTANT SECRETARY OF THE AIR FORCE
(INSTALLATIONS, ENVIRONMENT, AND ENERGY)
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Supplement to Fiscal Years 2022 and 2023 Energy Resilience and Conservation
Investment Program Guidance

This memorandum provides supplemental guidance to the Fiscal Years (FYs) 2022 and
2023 Energy Resilience and Conservation Investment Program (ERCIP) and for the remainder of
the Future Years Defense Program (FYDP) (FY 2024 through FY 2026). Changes to the FY
2022 and 2023 ERCIP program guidance are summarized below and included in Attachment A.

- Paragraph 2.1 extends the FY 2023 ERCIP submission deadline to October 15, 2020.
- Paragraph 2.2 adds a new section for the United States Space Force (USSF) but notes that
  until USSF is ready to submit projects on their own (similar to the United States Marine
  Corps), the Department of the Air Force will continue to submit projects on their behalf.
- Paragraph 2.3 adds Section 5.1, which discusses the requirement to include output from
  the OSD ERA Tool as part of the ERCIP submittal package.
- Paragraph 2.4 adds a new section for water resilience projects, which ERCIP can fund.
- Paragraph 3.1 adds information to Section 10.1 clarifying that in order to access the
  ERCIP Portal, DoD Components must either be logged onto a Non-classified Internet
  Protocol Router Network (NIPRNet) or use a Virtual Private Network (VPN) connection
  with a Common Access Card (CAC) reader.
- Paragraph 3.2 discusses changes in Section 10.2, specifically within the Actual
  Performance Data and Quarterly Reports section and in Appendix III – ERCIP Portal.
- Paragraph 3.3 adds new information to Section 10.3 clarifying when a full project change
  request package needs to be submitted and when only a partial package is required.
- Section 4 provides an updated ERCIP Annual Timeline.
- Appendix A is also added, which includes water resilience project questions for DoD
  Components to answer similar to the energy resilience questions.

Please direct all questions and submit files to Mr. Walter Ludwig (703-474-7172;
walter.s.ludwig.civ@mail.mil) and to Mr. Shawn Larcher (703-962-0486;
shawn.d.larcher.ctr@mail.mil). Thank you for your continued support of this critical program.

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Lisa A. Jung
Deputy Assistant Secretary of Defense
(Energy)

Attachments: As stated

AMENDMENT TO:

FISCAL YEARS 2022 and 2023 ENERGY RESILIENCE AND CONSERVATION INVESTMENT PROGRAM GUIDANCE

September 2020

Table of Contents

1. Introduction

The Energy Resilience and Conservation Investment Program (ERCIP)[1] is a critical element of the Department of Defense's (DoD's) strategy to improve the energy resilience, energy security, and energy conservation of its fixed installations. In February 2020, the Office of the Deputy Assistant Secretary of Defense for Energy (ODASD(Energy) released the *Fiscal Years 2022 and 2023 ERCIP Guidance* (herein referenced as the "Guidance"). This Amendment updates that guidance with additional information and clarifications based on ODASD(Energy)'s review of the Fiscal Year 2022 (FY22) Department of Defense (DoD) Component project submissions. The following topics are included in this Amendment:

- ERCIP Project Submissions
  - FY23 ERCIP submission deadline – CHANGE
  - U.S. Space Force (USSF) – NEW SECTION
  - Office of the Secretary of Defense (OSD) Energy Resilience Assessment (ERA) Tool – CHANGE
  - Water Resilience Questions – NEW SECTION
- DoD Component Responsibilities and Program Administration
  - ERCIP Portal Requirements – CHANGE
  - Reporting Requirements – CHANGE
  - Project Change Requests – CHANGE
- ERCIP Annual Timeline – CHANGE

2. ERCIP Project Submissions

2.1 FY23 ERCIP Submission Deadline

This section is a change to the Guidance, Section 5.1 – *ERCIP Project Submittal Package*. Due to delays in DoD Component project development caused by travel restrictions related to Coronavirus Disease 2019 (COVID-19), ODASD(Energy) has extended the FY23 ERCIP submission deadline to **October 15, 2020**. DoD Components must upload all required documents to the ERCIP Portal by **October 15, 2020**.

2.2 U.S. Space Force

This section is new to the Guidance. In December 2019, a new branch of the Armed Forces was formed, the United States Space Force (USSF). The USSF was established within the Department of the Air Force, similar to how the U.S. Marine Corps (USMC) is a branch of the Armed Forces within the Department of the Navy (DON). Therefore, in future submittals, the USSF will be able to submit and rank projects in the same manner that USMC submits projects separate from the DON. However, until USSF is ready to assume that role, for this FY22/FY23 submittal guidance, the Department of the Air Force will continue to submit projects on their behalf.

2.3 OSD ERA Tool

This section adds information to the Guidance, Section 5.1 – E*RCIP Project Submittal Package*, which discusses the requirement to include output from the OSD ERA Tool as part of the ERCIP submittal package. The OSD ERA Tool is an early stage planning tool that assists installations by

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[1] Changed by the National Defense Authorization Act (NDAA) for Fiscal Year 2017 through amendment of 10 United States Code (U.S.C.) 2914.

exploring alternative technology solutions for meeting mission critical power requirements. It performs a system analysis of energy solutions based on life cycle cost and ability to meet the critical load. It displays all explored results to the user, enabling them to focus on energy solutions (e.g., solar and battery, uninterruptible power source and generator, etc) that best meet their critical requirements. The goal of the tool is to provide meaningful, holistic analysis of how various energy generation technologies would fare at the installation, in comparison to the existing system. The tool is mainly designed to assess energy generation projects. It does **not** assess water, natural gas distribution system resilience, electrical distribution system hardening, or redundant utility lines or redundant distribution pathways. To be clear, the ERA Tool should be used early in the project development process. It is not a design tool and will not select and design an energy project for the user.

ODASD(Energy) uses the OSD ERA Tool output to help evaluate ERCIP projects and is one of the criteria for project prioritization and selection per the Guidance, Section 4 – *Prioritization Criteria and Process*. To help ODASD(Energy)'s evaluation, DoD Components shall include the architecture number of their proposed project in their submission. If the tool output does not support the proposed project, ODASD(Energy) will consider the project based on the other criteria listed in the Guidance, Section 4; however, DoD Components can include language justifying why they chose the proposed project over the project recommended by the ERA Tool.

2.4 Water Resilience Projects
This section is new to the Guidance. ODASD(Energy) prioritizes energy resilience projects; however, ERCIP can fund water resilience projects as well. As stated in the Guidance, Section 2 – *Strategic Vision for the Program* – "Water resilience projects are projects that improve or enable access to water in support of mission functions. ERCIP does **not** fund projects that are solely for water compliance, meaning a project whose sole objective is to enable installations to meet environmental and permitting standards."

To facilitate ODASD(Energy)'s review of water resilience projects, DoD Components shall answer water resilience questions – see Appendix A. The water resilience questions are similar to the energy resilience questions in that they establish the critical mission requirement, gap in current infrastructure, and benefit of the project as well as ensure the project has the appropriate level of planning and stakeholder support. Answers to the water resilience questions should provide sufficient explanation for reviewers to understand the resilience benefits of the project. **Yes/No answers are not sufficient.** Additionally, if the project fills a gap identified in an Installation Energy Plan (IEP) / Installation Energy and Water Plan (IEWP), or black start exercise, that information should be noted in the answers.

3. DoD Component Responsibilities and Program Administration

3.1 ERCIP Portal Requirements
This section adds information to the Guidance Section 10.1 – ERCIP Portal Requirements. For DoD Components to access the ERCIP Portal, they must be on a Non-classified Internet Protocol Router Network (NIPRNet) or use a Virtual Private Network (VPN) to connect to the NIPRNet if accessing from a remote location. For remote access, DoD Components cannot use a Common Access Card (CAC) reader alone to gain access to the ERCIP Portal.

3.2 Reporting Requirements
This section makes changes the Guidance Section 10.2 – Reporting Requirements. The changes are within the Actual Performance Data and Quarterly Reports sections, and Appendix III – ERCIP Portal, which is associated with the Guidance with Section 10.2.

Actual Performance Data: There are no changes to the section on Actual Performance Data; however, Appendix III – ERCIP Portal > Portal Project Records > 11) Actual Performance Data is revised to state:

11) **Actual Performance Data:** DoD Components shall provide actual performance data obtained through the identified project M&V plan of their completed projects on an annual basis within the 'Performance Update' tab of the Portal Menu. Performance data will include Actual Annual Energy Savings (MMBTU), Actual Annual Energy Production (MMBTU), Actual Annual Water Savings (MGal), Actual Annual Energy Cost Savings, Actual Annual Water Cost Savings, Energy Resilience Metrics Performance, Water Resilience Metrics Performance, Energy Resilience Economic Performance, and Water Resilience Economic Performance, as applicable. Updates shall reflect actual performance data for the previous year. Annual updates shall be made in the Portal no later than **October 31** each year during the entire life-cycle of the project. See Appendix II for M&V guidance.

  a. *Responsibility: Service POC or Project POC*

Quarterly Reports: This section is revised to state:

To provide ODASD(Energy) updates on the status of the projects, each quarter, DoD Components will validate a report generated from Portal data. ODASD(Energy) will prepare the report and send to DoD Components for validation each year on January 31, April 30, July 31, and October 31. DoD Components will be required to verify information, such as PA, SIR, Payback, bid savings, and award data (if applicable). Refer to Appendix III for more information on the data required for the Quarterly Reports, and the *Metrics and Standards for Energy Resilience at Enduring Installations* memo dated February 25, 2020 for more information on energy resilience metrics.

Appendix III – *ERCIP Portal > Portal Project Records > 13) Quarterly Reports* is revised to state:

13) **Quarterly Reports:** Each quarter, DoD Components will validate a report generated from Portal data. ODASD(Energy) will prepare the report and send to DoD Components for validation. DoD Components will be required to:

  a. Verify that projects listed in the report reflect the current program;
  b. Verify that project data including PA, SIR, payback, bid savings, and award data (if applicable) is accurate;
  c. Validate the balance of P&D funds for each year of active funding;
  d. Check obligation rates for active fiscal year funding;
  e. Provide feedback on any discrepancies; and
  f. Update the Portal to correct any discrepancies.

Validation will occur each year on **January 31, April 30, July 31, and October 31.**

3.3 Project Change Requests

This section adds new information to the Guidance Section 10.3 – *Project Changes and Cancellations*. If the project current working estimate (CWE) is higher than the Program Amount (PA) just prior to contract solicitation, DoD Components must submit to ODASD(Energy) the Change Notification Template (Guidance, Appendix V) **only**. The DD Form 1391, life cycle cost analysis, and other documentation are not required. If the selected offer is over the PA and the Component desires to proceed, then the full change request package with supporting documentation must be submitted to ODASD(Energy) for approval prior to contract award. ODASD(Energy) understands that CWEs are estimates; however, ODASD(Energy) must be aware of potential cost overruns to ensure the viability and success of the program.

Lessons Learned and Best Practices for preparing change requests are listed below:

- The contracting office and Component headquarters should stay in close contact throughout project planning and execution. Lack of communication can lead to delays in project execution, which generally causes costs to increase.
- Change requests should include sufficient details for ODASD(Energy) to understand any PA increase. For example, if the PA doubles, simply stating, "market conditions" is not sufficient. Components should include line items noting the cost of each change, such as errors in equipment estimates, omissions in the cost estimate, etc.
- If a PA significantly increases, the Component must provide compelling reasons to continue with the project. For example, the fact that the Component has been working on a project for several years is not sufficient justification to continue with the project. The benefits and/or requirement for the project, even if there is a significant cost increase, should be clearly stated.

4. ERCIP Annual Timeline

This section updates information in the Guidance, Section 11 – *ERCIP Annual Timeline*. Additions and changes are noted in green text.

Due Date	Task	Action
July 31, 2020	Quarterly Portal validation report distributed	ODASD(Energy)
October 15, 2020	DoD Components submit proposed FY23 projects to ODASD(Energy)	DoD Components
October 31, 2020	Quarterly Portal validation report distributed and annual performance updates due	ODASD(Energy)/ DoD Components
November 15, 2020	DoD Components submit proposed projects for FY24 – FY26	DoD Components
November / December 2020	Annual ERCIP Program Review with DoD Components – actual date TBD	ODASD(Energy)/ DoD Components
December 31, 2020	ODASD(Energy) submits Annual Report to Congress	ODASD(Energy)
January 2021	ODASD(Energy) releases ERCIP guidance for upcoming cycle. ODASD(Energy) submits selected FY 2022 ERCIP portfolio to Under Secretary of Defense (Comptroller/Chief Financial Officer) (USD(C)) for inclusion in President's Budget (PB)	ODASD(Energy)
January 31, 2021	Quarterly Portal validation report distributed	ODASD(Energy)
February / March 2021	USD(C) submits PB to Office of the President	USD(C)
April 2021	Upon receipt of FY 2021 construction appropriations (3rd quarter of project's programmed year), ODASD(Energy) sends Congressional Notification for projects intended to be awarded, and includes any changes to previously appropriated projects. Following waiting period of 14 days, USD(C) will distribute funds to Components.	ODASD(Energy)
April 30, 2021	Quarterly Portal validation report distributed	ODASD(Energy)
April/May 2021	ODASD(Energy) and some DoD Components participate in ERCIP brief for Congressional Staffer Days	ODASD(Energy)/ DoD Components
Monthly	Working group meetings (if necessary) conducted to continuously improve ERCIP process	ODASD(Energy)/ DoD Components
As needed	ERCIP Change Notification Submissions and supporting documentation	ODASD(Energy)/ DoD Components

Appendix A: Water Resilience Project Questions

When proposing a water resilience project, provide answers to the questions below as a supplement to the project's DD Form 1391 to support the water resilience claim. Ensure answers are complete and thorough providing sufficient detail (i.e., yes/no answers are **not** sufficient).

Project Description
1. What are the components of the project (e.g., infrastructure, equipment) that remediate disruption risk?

Critical Mission
2a. What is the critical mission(s) the project supports?
2b. What are the requirements of the critical mission(s) (e.g., water volume, availability, reliability, flow rate, and quality thresholds)?
2c. What portion of the critical mission requirement is being affected or improved by the project?

3a. Does the project directly remediate disruption risks to critical mission operations on the base? This is determined by the current state of the availability/reliability of the current system and the improvement expected by the project to meet the critical mission requirements. If so, describe.
3b. Provide quantification of resilience metrics (e.g., technical metrics: availability, reliability, and quality).

4a. Is the base currently compliant with near-term water resilience requirements to assure critical mission operation during disruptions (e.g., current level of reliability is aligned to what missions require)? If so, how?
4b. Does the base require additional water resilience? If so, describe (reference IEP/IEWP, black start exercises or other analysis performed, if applicable).

Project Planning
5a. Has an analysis of alternatives been conducted? If so, describe.
5b. Have the cost and mission tradeoffs been assessed across the alternatives (inclusive of upgrades)? If so, describe.

6. How have the near-term execution impediments been remediated prior to project selection (e.g., infrastructure ownership, integration of water systems, land ownership, and host-tenant/installation-mission agreements)?

7a. Describe how the M&V plan will ensure performance.
7b. Describe how the M&V metrics will be included in contracting to ensure the performance of contractors/vendors and ensure that missions' requirements are met.

Stakeholder Support

8. Does the project have support and commitment from mission owners, operators, and other affected tenants (e.g., commitment documents, such as a letter of support from a commanding officer)?

9a. Have the appropriate mission owners and other stakeholders coordinated on the project selection (e.g., installation support, financial support)? If so, describe.

9b. Is there commitment to sustain the project over its life?

9c. Have each stakeholders' budgets been reviewed to identify "fair share" contributions to implement/execute the project?