



ENERGY,  
INSTALLATIONS  
AND ENVIRONMENT

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

3400 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3400

CLEARED  
For Open Publication  
AUG 18 2015  
5  
Department of Defense  
OFFICE OF PREPUBLICATION AND SECURITY REVIEW

INFO MEMO

FOR: SECRETARY OF DEFENSE

DepSecDef

THROUGH: Frank Kendall, USD(AT&O)

JUN 17 2015

FROM: John Conger, Performing the Duties of the ASD(EI&E)

JUN 03 2015

SUBJECT: Operational Energy Certification of the Fiscal Year 2016 Budget

- Military operations depend on a significant and assured supply of energy, a requirement that can be and has been exploited by our adversaries as a vulnerability. Title 10, U.S.C., section 138c, requires a review of the alignment of the President's Budget with the goals of the *Operational Energy Strategy*, which include reducing energy demand, diversifying energy supplies, and adapting the future force.
- Given my preliminary evaluation, I certify that the President's Budget is adequate for achieving the goals of the *Operational Energy Strategy*. This finding is based on the 2016 President's Budget submission by the Military Departments; the Office of the Assistant Secretary of Defense for Energy, Installations, and Environment; and the Defense Logistics Agency.
- The Department is investing nearly \$1.6 billion in FY 2016 and \$11.4 billion over the Future Years Defense Plan (FYDP) in operational energy initiatives. Although FY 2016 funding was approximately the same as FY 2015, increased out year funding for a small number of programs resulted in an increase of slightly over \$2 billion in FY 2016-20 FYDP funding when compared to the FY 2015-19 FYDP. In addition, nearly 90 percent of Department investments in FY 2016 are focused on reducing demand and matching the emphasis in the *Operational Energy Strategy*. Balancing these investments are efforts in tactical solar, improved batteries, and alternative fuels. Finally, the Military Departments are adapting requirements and analytical processes to fundamentally adjust the energy needs of our future forces.
- Given the role of propulsion in influencing Joint energy needs – and accompanying capabilities and risks – I am encouraged by Department funding of innovations related to current and future engines, including the Adaptive Engine Technology Development program for tactical aircraft, KC-135 engine upgrades, Improved Turbine Engine Program for helicopters, improved power pack for Stryker, and Hybrid Electric Drive for ships. However, I am concerned about decreased investments in selected propulsion programs in the FY 2016 President's Budget relative to the previous year's budget. Even as overall budget constraints continue; these initiatives deserve consideration because of their role in reducing logistics risk and improving capability.

15-S-2333

- I also am encouraged by investments affecting energy use at contingency bases. Army and Marine Corps investments in Advanced Mobile Medium Power Sources generator sets, the contingency base infrastructure initiative to standardize planning, construction and operation of base camps, and other expeditionary applications will reduce energy needs at outposts and base camps. In the future, all Military Departments will need to build on these improvements to contingency bases supporting ground component operations in desert environments and consider innovations at contingency bases supporting air, sea, and land operations in different environmental conditions.
- Over the long-term, the Department is making appropriate investments in science and technology. Programs like the Army's investments in dual-use ground vehicle, the Navy's electric ship research and development consortium, the Air Force initiatives in composite materials and aircraft design, and the Marine Corps initiatives in energy efficient processors, sensors, and fuel cells each contribute to improvements in the use of energy across air, land, and sea. As before, however, I remain concerned over the adequacy of Military Department's resources for maturing technologies funded by the Office of the Secretary of Defense in prior years through the Operational Energy Capabilities Improvement Fund.
- Finally, Military Department investments in wargames are improving, but these strategic-level investments require complementary funding for programs to fill the gaps discovered in wargaming. Additional funding for modeling and simulation tools is also needed to improve the role of operational energy in the force development process. As the Department includes energy supportability analyses in the formulation of the Energy Key Performance Parameter, using scenario-based analyses against a realistic adversary will remain a priority for influencing long-term risks and opportunities associated with operational energy.
- This preliminary certification of the FY 2016 President's Budget will be followed by a more comprehensive certification report later this year. Next year, we anticipate the completion of the full report within 30 days of the President's Budget being transmitted to the Congress.

Prepared by: John Conger, Performing the Duties of the ASD(EI&E), USA001841-15