



AIR FORCE STARTS DOWN RUNWAY TOWARD RENEWABLE EUL PROJECTS

The Air Force's selection last week of a developer to build a solar array on 3,200 acres of California's Mojave Desert at Edwards Air Force Base marks the service's first attempt to harness the enhanced use leasing (EUL) program to take advantage of the nation's surging demand to obtain a greater share of its energy from renewable sources. At 600 megawatts, it likely will be the Air Force's largest renewable energy project under the EUL program for quite some time, but certainly not its last.

Next week, the Air Force Real Property Agency (AFRPA) will hold an industry day at Hill AFB for developers to learn about waste-to-energy and co-generation development opportunities at the northern Utah base. The agency tentatively plans to put on an industry day in January for a solar project at Kirtland AFB, N.M. Last month AFRPA hosted industry representatives at Travis AFB in northern California to talk about the potential for solar development there, but that project is currently on hold.

"We're always looking for opportunities across the U.S. Edwards is just the tip of the iceberg," Dennis Guadarrama, AFRPA's chief of strategic asset utilization, said during an interview following the decision to begin negotiations with San Francisco-based Fotowatio Renewable Ventures (FRV) to develop a crystalline photovoltaic solar field at Edwards.

One key consideration in scouting out sites for new projects, Guadarrama says, is matching prospective locations with state renewable portfolio standards. The standards encourage electric utilities to purchase energy

from renewable sources by establishing a minimum for the share of power generated from such sources. In some cases, states offer financial incentives to boost utilities' use of renewable energy.

One likely site for hosting additional renewable energy development is Edwards. More real estate is available there for development, he said, and, equally important, the recent competition received a high level of interest from the private sector.

"There was a good number of high-end, high-value type of industry members interested in the

Kathleen Ferguson, deputy assistant secretary of the Air Force for installations, signs papers last month to begin negotiations with Fotowatio Renewable Ventures to develop a 600-megawatt, solar array at Edwards



AFB, Calif. Also pictured (l to r): Craig Henry, Edwards energy EUL project manager for the Air Force Real Property Agency (AFRPA); Dennis Guadarrama, AFRPA's strategic asset utilization chief; and Blanca Paredes, AFRPA's strategic asset utilization execution chief. project," Guadarrama said.

The other services also are embracing renewable energy projects as they expand their use of the EUL program. In October, the Army signed an agreement with a development team to build a

500-megawatt solar power complex at Fort Irwin, Calif., an effort which could be scaled up to 1,000 megawatts after 2022. The service also is looking at the feasibility of developing energy facilities at several other sites.

The Navy, meanwhile, is going ahead with EUL projects that rely on renewable energy at Naval Station Pearl Harbor and Joint Expeditionary Base Little Creek-Fort Story, Va.

Now the Hard Part

The next step in the Edwards deal, the signing of a letter of intent to lease the property, could be completed next month. At that point, FRV would be responsible for working with the state of California to complete an environmental review and to apply for permits. That process is expected to take from 18 to 24 months, Guadarrama said.

"It's a significant investment [in time] on their part" before the first solar panel can be installed, he said.

FRV is the U.S. business unit of Madrid-based Fotowatio, one of the worlds' leading independent solar power producers. FRV previously developed a 14-megawatt solar field at Nellis AFB, Nev., a project that had been the largest solar photovoltaic array in North America until October when a 25-megawatt facility was commissioned in central Florida. The plant at Nellis, completed in December 2007, was not developed under the EUL program.

The Nellis project did not play a significant role in the selection of FRV as the highest ranked competitor. Rather, Guadarrama said, the firm's overall experience in the energy industry and the value it offered the Air Force were the critical factors in the decision.

The Air Force has not committed to purchasing any of the power generated by the Edwards project — expected to deliver enough electricity to light up 89,000 homes — but it plans to retain the option to buy some of the new facility's energy.

Waiting in the Sun

Of the three other energy EUL projects

AFRPA is considering, only the one at Kirtland has received a green light. The agency completed a business case analysis for a 20-megawatt solar power system at Kirtland and plans to issue a request for qualifications early next year.

The feasibility study for the project at Hill is not as far along, but so far the agency's analysis indicates expansion of an existing waste-to-energy facility to burn landfill waste and upgrading an existing natural gas boiler plant to a co-generation facility make sense, he said.

"I'm optimistic," Guadarrama said of the prospects for the Hill EUL project to go forward. "It's a good thing for the community."

Before the proposed project to develop a solar plant on a 230-acre golf course at Travis can move ahead, senior Air Force leaders first need to decide if they will close the base golf course.

"There's a lot of coordination that needs to be made. We're hoping for a go," he said.

For now, AFRPA officials will continue to gauge trends in the commercial real estate market as they look for new EUL projects to pursue.

"We're here to serve the Air Force. We're trying to invest these dollars back in the installations to improve quality of life and support the mission," Guadarrama said.

For more information about AFRPA's EUL program, visit the agency's [Web site](#).

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