SECRETARY OF THE ARMY
WASHINGTON

28 JAN 2014

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Army Directive 2014-02 (Net Zero Installations Policy)

1. References:

a. Energy Independence and Security Act of 2007, Public Law 110-140.

b. Energy Policy Act of 2005, Public Law 109-58.

c. Executive Order 13514 (Federal Leadership in Environmental, Energy, and Economic Performance), October 5, 2009.

d. Executive Order 13423 (Strengthening Federal Environmental, Energy, and Transportation Management), January 24, 2007.

e. Department of Defense Strategic Sustainability Performance Plan, FY 2012.

f. Finding of No Significant Impact, Programmatic Environmental Assessment: Implementation of the Net Zero Program at Army Installations, October 2, 2012.

g. Programmatic Environmental Assessment: Army Net Zero Installations, Final, July 2012.

2. Purpose. The Army's vision is to appropriately manage our natural resources with a goal of Net Zero in energy, water and solid waste at installations. This memorandum sets policy and assigns responsibilities to strive toward Net Zero at all Army installations where fiscally responsible and in support of mission accomplishment. Net Zero is not a new program, but seeks to build on existing Army sustainability efforts to integrate environmental, energy and green procurement programs. This holistic strategy is targeted to improve management of existing Federal energy, water and solid waste programs with the goal of increasing resiliency where fiscally responsible. Net Zero is a force multiplier that enables the Army to appropriately steward available resources, manage costs and provide Soldiers, Families and Civilians with a sustainable future.

3. Applicability. This policy applies to all permanent Active Army, Army National Guard and U.S. Army Reserve installations, sites and facilities operated and/or maintained by Federal funds in the continental United States (CONUS) and outside the continental United States (OCONUS), hereafter referred to as "installations." This policy does not apply to contingency bases or Civil Works facilities. For the purposes of this policy, the term "Commands" refers to U.S. Army Materiel Command, U.S. Army Installation Management Command, the Army National Guard and the Army Reserve.

4. Policy. Net Zero builds on longstanding sustainable practices and incorporates emerging best practices in building and community management of energy, water and solid waste at Army installations.

a. Effective immediately, Commands will implement Net Zero to the maximum extent practical and fiscally prudent by:

(1) reducing overall energy use, maximizing efficiency, implementing energy recovery and cogeneration opportunities, and offsetting the remaining demand with the production of renewable energy from onsite sources so that the Net Zero energy installation produces as much renewable energy as it uses over the course of a year.

(2) reducing overall water use, regardless of the source; increasing use of technology that uses water more efficiently; recycling and reusing water, shifting from the use of potable water to non-potable sources as much as possible; and minimizing interbasin transfers of any type of water, potable or non-potable, so that a Net Zero water installation recharges as much water back into the aquifer as it withdraws.

(3) reducing, reusing, recycling/composting and recovering solid waste streams and converting them to resource values, resulting in zero landfill disposal.

b. Commands, both CONUS and OCONUS, will work to gain local, regional and national (where applicable) support toward Net Zero goals.

c. The original Net Zero pilots will continue to strive toward a goal of Net Zero in energy, water and/or solid waste by fiscal year 2020. The Net Zero pilots will serve as sources of "best practices" that other installations can implement.

5. Implementation. Army Net Zero is designed to further the Army energy, water, solid waste and overall sustainability goals, primarily through improved management practices.

a. Commands are expected to move toward the Net Zero goals using existing programs and resources, where practical. Efforts will be funded with existing program resources from funds for military construction; the Energy Conservation Investment Program; the Environmental Security Technology Certification Program; sustainment, restoration and modernization; and base operations services.

b. Commands are encouraged to:

(1) leverage existing utilities privatization contracts, energy savings performance contracts and utility energy service contracts;

(2) explore options for alternative financing through power purchase agreements and enhanced use leases;

(3) collaborate with other Federal agencies and the private sector to finance project development; and

(4) use life-cycle cost analysis to assess any proposed new Net Zero initiative or project.

c. Commands are expected to review and validate all life-cycle cost analyses that installations develop to ensure that the recommended project or initiative is fiscally responsible and cost-effective.

6. Responsibilities

a. The Office of the Assistant Secretary of the Army (Installations, Energy and Environment) (OASA (IE&E)) develops Net Zero strategy and policy, represents Army environmental and sustainability interests, and provides strategic oversight and direction for Net Zero.

b. The Office of the Assistant Chief of Staff for Installation Management (OACSIM) establishes guidance and secures program resources to achieve Net Zero goals. OACSIM will develop and maintain a process to oversee command performance, share best practices and lessons learned across commands, and report progress toward Net Zero by leveraging existing systems and reporting requirements.

c. Commands will oversee installation performance as they strive to exceed the legal, regulatory, Presidential, Department of Defense and Army policy requirements for increasing efficiency, and reusing and reducing energy and water consumption and solid waste generation as cost-effectively as possible (references 1a–1g and the supplemental Net Zero references at the enclosure). Commands will continually evaluate and implement efficiencies, reductions and reuse of energy, water and solid waste to the maximum extent possible within available funding levels and as new technologies and approaches are proven cost-effective.

7. Tracking Progress

a. OACSIM will provide quarterly updates to the OASA (IE&E) on each command's progress, as well as overall Army energy, water and solid waste goal performance. OACSIM will include periodic Net Zero training in existing Army Energy Managers Workshops and help commands incorporate Net Zero into other appropriate Army training.

b. Commands will hold quarterly conference calls to facilitate information exchange, identify best practices, track progress and publish success stories and lesson learned. Commands will summarize the results in quarterly reports to OACSIM.

c. Commands will ensure that installations report progress quarterly and annually on energy, water and solid waste in accordance with Army policy via existing reporting systems (for example, Army Energy and Water Reporting System, Solid Waste Annual Reporting and Headquarters Army Environmental System). Commands will review and certify the accuracy and completeness of data quarterly, track progress toward Net Zero goals through the aggregation of existing data sources, and assess and report individual installation progress toward Net Zero.

8. Exceptions. Requests for exception to this policy must be forwarded in writing through the chain of command to the Deputy Assistant Secretary of the Army (Energy and Sustainability) for approval.

9. Proponent. The proponent for this policy is OACSIM, who will incorporate the guidance in this directive into the next revisions of Army Regulation 200-1 (Environmental Protection and Enhancement) and Army Regulation 420-1 (Army Facilities Management), as appropriate.

10. Rescission. This directive is rescinded upon publication of the revised regulations.

John M. McHugh

Encl

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SUPPLEMENTAL REFERENCES FOR NET ZERO INSTALLATIONS POLICY

1. 10 United States Code (U.S.C.) § 2911(e), Goal regarding use of renewable energy to meet facility energy needs.

2. 10 U.S.C. § 2913, Energy savings contracts and activities.

3. 10 U.S.C. § 2662, Real property transactions: reports to congressional committees.

4. 10 U.S.C. § 2667, Leases: non-excess property of military departments and Defense Agencies.

5. 10 U.S.C. § 2922a, Contracts for energy or fuel for military installations.

6. 42 U.S.C § 8287, Authority to enter into contracts.

7. Memorandum; Office of the Under Secretary of Defense (Acquisition, Technology and Logistics); 19 Jan 10; subject: DoD Implementation of Storm Water Requirements under Section 438 of the Energy Independence and Security Act (EISA).

8. Memorandum; Office of the Under Secretary of Defense (Acquisition, Technology and Logistics); 25 Oct 10; subject: Department of Defense Sustainable Buildings.

9. Army Regulation 200-1 (Environmental Protection and Enhancement), 13 December 2007.

10. Army Regulation 420-1 (Army Facilities Management), 12 February 2008, Rapid Action Revision 2 dated 24 August 2012.

11. Memorandum; Assistant Secretary of the Army (Installations and Environment) and Assistant Secretary of the Army (Acquisitions, Logistics and Technology); 22 Nov 06; subject: Establishment of the Army Green Procurement Program.

12. Memorandum; Assistant Secretary of the Army (Installations, Energy and Environment); 23 Aug 12; subject: Comprehensive Energy and Water Evaluations Policy.

13. Memorandum; Assistant Secretary of the Army (Installations, Energy and Environment); 16 Dec 13; subject: Sustainable Design and Development Policy Update.

14. Memorandum, ACSIM, DAIM-ZA, 23 Nov 11, subject: Master Planning Policy Guidance for Sustainable Design and Development (Environmental and Energy Performance).

15. Memorandum, ACSIM, DAIM-OD, 15 May 13, subject: FY2013 Solid Waste Annual Reporting (SWARWeb) Schedule.

16. Facility Energy Management Guidelines and Criteria for Energy and Water Evaluations in Covered Facilities (42 U.S.C. 8253 Subsection (f), *Use of Energy and Water Efficiency Measures in Federal Buildings*), Federal Energy Management Program, 25 November 2008.

17. Unified Facilities Criteria 1-200-01 (General Building Requirements), 1 July 2013, with Change 1, 1 September 2013.

18. Unified Facilities Criteria 2-100-01 (Installation Master Planning), 15 May 2012.

19. Unified Facilities Criteria 3-210-10 (Low Impact Development), 15 November 2010.

20. U.S. Environmental Protection Agency Technical Guidance on Implementing the Stormwater Runoff Requirements for Federal Projects under Section 438 of the Energy Independence and Security Act, EPA 841-B-09-001, December 2009.