



NAVAL SUPPORT FACILITY INDIAN HEAD

Potential EUL Project

Proposed Energy Facility

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FACT SHEET

For more information,
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Naval Support Facility (NSF) Indian Head is the Navy's principal Center of Excellence for guns, rockets and missiles; energetic chemicals; ordnance devices; missile weapon simulators; explosive process development engineering; and explosive safety, occupational safety and health, and environmental protection.

NSF Indian Head employs 3,500 personnel whose tenants include six major commands supporting the Navy, Department of Defense and U.S. Joint Forces missions: Naval Surface Warfare Center Indian Head Division, Naval Explosive Ordnance Disposal Technology Division, Naval Ordnance Safety and Security Activity, Naval Sea Logistics Center Detachment Indian Head, Joint Interoperability Test Command, Marine Corps Chemical Biological Incident Response Force and NAVFAC Washington.

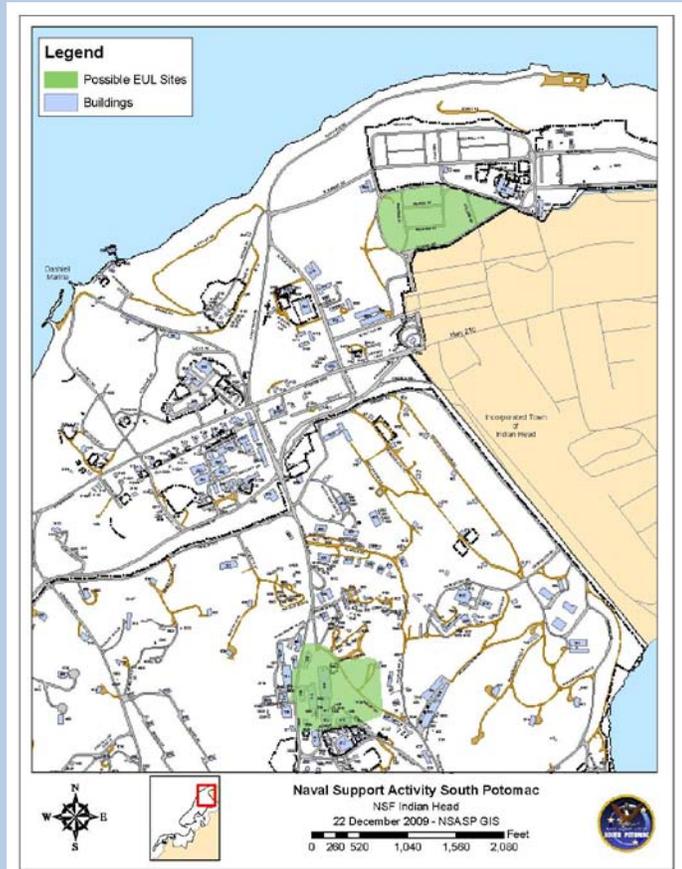
The proposed development of a privately constructed and operated energy facility at NSF Indian Head would involve the replacement of current, installation power-generation facilities inside the security perimeter that would better support the installation's mission to sustain combat readiness through effective and efficient shore installation management and support.

Any proposed Enhanced Use Lease (EUL) project could meet this goal in a number of important ways, including:

- Increase reliability of energy production and distribution at the installation.
- Improve existing energy infrastructure and delivery systems.
- Provide energy-production cost savings that would drive down installation operating costs and generate operating revenue from the sale of commercial power to the electrical power grid.
- Provide a facility that will meet the State of Maryland's regulatory requirements for air quality.

The Navy's emerging energy strategy is centered on energy security, energy efficiency and environmental stewardship while remaining the pre-eminent maritime power. Energy efficiency increases mission effectiveness; efficiency improvements minimize operational risks by saving time, money and lives. Environmental stewardship protects mission capabilities. Investments in environmentally-responsible technologies afloat and ashore reduce greenhouse gas emissions and lessen dependence on fossil fuels.

The proposed method for undertaking the modernization effort is to utilize the EUL authority. This statutory authority would be used to cost-effectively support Navy operational goals and to ensure the highest and best use of



NSF Indian Head land. An EUL project at NSF Indian Head would involve the lease of installation lands to a private developer in some or all of the areas highlighted in green on the graphic on Page One. The developer would then proceed to finance, construct and operate (e.g., manage and maintain) facilities designed to meet Navy and market demand for energy and possibly office and/or light industrial use while consistent with the installation's security and operational requirements. The government could choose to purchase energy from the EUL facility, or could seek energy produced through the EUL as an "in-kind" payment by the EUL developer to off-set lease costs for the EUL property.

The Navy is committed to its on-going partnership with the local community. The proposed EUL development could mutually benefit the Navy and the community by enhancing the Navy's operational capability and generating additional power and supporting economic development. For example:

Providing a new energy facility on-base would be financially feasible in the market and would likely result in significant reduction in greenhouse gases, as well as:

- More dependable power to the installation and the local community.
- Increased opportunities for construction jobs to local residents and material purchases from local suppliers and other new and sustainable permanent jobs to support the EUL facilities and any induced growth in the community.
- Increased opportunities for local revenue through housing sales to prospective new home-buyers brought in as new tenants by the prospective EUL developer or other businesses.
- Reduced or eliminated coal deliveries to the installation.
- Potentially helping to alleviate current and future energy shortfalls within the region and State of Maryland.
- As part of the National Environmental Policy Act (NEPA) review, the government or the EUL developer will assess traffic impacts and, if necessary, develop mitigation strategies to lessen the burden on adjacent streets in order to sustain community quality of life.
- Any development and business impact fees the EUL developer pays should supplement municipal tax revenues and possibly contribute to local capital and community improvement programs and projects.
- The Navy is also considering using an Energy Savings Performance Contract (ESPC) to provide the base with decentralized steam and a 3.5 MW co-generation facility (electricity and steam). The ESPC and potential EUL project are complementary; the EUL project would assist in providing greater energy reliability and back-up power to the installation and its tenants.

The Navy believes the successful execution of an EUL development for an energy facility would be a win-win for the installation and the community. The EUL would strongly support efficient mission execution, long-term program sustainability at NSF Indian Head and the attainment of the highest and best use of increasingly scarce and burdened installation resources – while potentially providing an important new source of energy for the community, the region and the State. The public will have opportunities to comment throughout the EUL process.

Projected Timeline: Potential EUL Project: Proposed Energy Facility at NSF Indian Head.



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