

Event Summary: Operational Energy Strategy

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On July 15th, 2011 the CSIS Energy and National Security Program and Defense-Industrial Initiatives Group hosted Sharon Burke, Assistant Secretary of Defense for Operational Energy Plans and Programs, to present the Department of Defense's newly released "Operational Energy Strategy." Ms. Burke's remarks were followed by an expert panel discussion featuring Admiral John Nathman (Ret.), Former Vice Chief of Naval Operations, United States Navy, David Morrison, Corporate Vice President for Government Operations, Boeing, and David Berteau, Senior Adviser and Director, Defense-Industrial Initiatives Group, CSIS. Sarah Ladislaw, Senior Fellow, Energy and National Security Program, CSIS, moderated the panel which evaluated the robustness of the strategy, plans for implementation and the political environment in which implementation will occur.

Ms. Burke began by describing the journey of a gallon of fuel used by the military in order to emphasize the geopolitical implications of the military's dependence on fossil fuels. Much of this fuel is transported by convoys through Pakistan and Afghanistan, increasing the risk to Army personnel and contractors from attacks on these convoys. Shortening these supply lines will necessitate decreasing demand and diversifying supply. Ms. Burke outlined the three components of DoD's strategy "Energy of the Warfighter":

1. "More fight, less fuel": reduce energy demand in military operations for better range and endurance for military forces and improve energy efficiency;
2. "More options, less risk": expand and secure energy supplies for military operations—critical for the military's tactical edge; and,
3. "More capability, less cost": build energy security into the future.

DoD plans to release the implementation plan for the strategy within 90 days of the strategy's publication. The implementation plan will lay out how DoD will produce tangible results from its strategy. Ms. Burke cited that successful implementation of the Operational Energy Strategy will improve the military's response time to threats/problems, strengthen support for mission leaders, and reduce the risks posed to men and women in war.

An overarching theme from the panel was the uphill battle faced by DoD in the implementation of its strategy due to the dearth of a national energy policy. Admiral Nathman noted that one of the

largest hurdles faced by DoD is its inability to influence the direction of the market. DoD's fuel demand is less than 1% of the nation's total. Thus, according to Admiral Nathman, this means that the formation of an overarching energy policy that creates incentives will be a vital determinant of DoD's ability to pursue the goals laid out in its strategy. Admiral Nathman applauded efforts by DoD to establish a strategy, however, he emphasized that without guidance, it is operating in a vacuum.

David Morrison noted that the perception within Congress is that there is "a lack of strategic cohesion behind the Department's program, a lack of focus, and a lack of purpose." According to Morrison, this is a result of an ill-informed understanding of the issues on Capitol Hill and a limited appetite for large-scale energy policy. Morrison argued that DoD must demonstrate that its strategy has a direct operational effect on troops in the field, that it will save lives, and more importantly, that it will save money.

David Berteau, commended DoD on its strategy, but noted—along with Morrison and Nathman—that the Defense Department's energy use is too small to drive the market. He discussed three ways DoD could implement the strategy despite its limited influence on the market:

1. Act as a test bed for the application of emerging technologies;
2. Set specifications and standards for clean energy technology; and
3. Set common goals across the Department to ensure forward movement in clean energy innovation and implementation.

Another challenge for DoD is maintaining long-term operational energy investments despite the existing mentality of deficit reduction. Berteau was optimistic, "What Sharon Burke has with her budget certification authority is the ability to change the time-value of money on the marginal investments by saying 'we're going to make that dollar today because of the \$100 it saves down the road.'" Morrison and Berteau agreed that DoD must synchronize its short-term solutions and long-term goals in order to reduce unnecessary spending and investment and ensure that its strategy progresses successfully.