

GAO Highlights

Highlights of [GAO-16-164](#), a report to congressional committees

Why GAO Did This Study

DOD is the largest energy consumer in the federal government, spending about \$4.1 billion on facilities' energy at more than 500 permanent military installations throughout the world in fiscal year 2013. To help ensure oversight of DOD's fulfillment of energy performance goals, Congress requires that DOD track energy savings, investments, and projects in its annual Energy Report. The Energy Report also details DOD's activities to enhance energy security.

Congress included a provision for GAO to review DOD's fiscal year 2013 Energy Report and energy security at energy-remote military installations—that is, those installations located in areas with limited connectivity and without significant infrastructure of power plants, transmission lines, or distribution lines.

GAO assessed the extent to which (1) DOD addressed the 12 required reporting elements and reliably reported data in its fiscal year 2013 Energy Report and (2) the military services help ensure energy security at energy-remote military installations in the United States. GAO analyzed DOD's Energy Report and interviewed officials from the Office of the Secretary of Defense, military services, defense agencies, and all installations in Alaska and Hawaii because they were identified as energy remote.

What GAO Recommends

GAO recommends, among other things, that DOD revise its guidance for producing the Energy Report and clarify funding processes to include consideration of energy security. DOD concurred with all recommendations.

View [GAO-16-164](#). For more information, contact Brian J. Lepore at (202) 512-4523 or leporeb@gao.gov or Frank Rusco at (202) 512-3841 or ruscof@gao.gov.

January 2016

DEFENSE INFRASTRUCTURE

Improvement Needed in Energy Reporting and Security Funding at Installations with Limited Connectivity

What GAO Found

The Department of Defense's (DOD) fiscal year 2013 Annual Energy Management Report (Energy Report) addressed some of the required reporting elements and correctly incorporated data from the military services and defense agencies. However, the report is not fully reliable because the data were captured and reported using different methods, hindering comparability across the department. Specifically, the Energy Report addressed six, partially addressed four, and did not address two reporting requirements. For example, the Energy Report addressed the requirement to describe actions taken to implement DOD's energy performance master plan, partially addressed the requirement to describe progress to meet various energy goals (it described progress for three of five required goals), and did not address the requirement to describe the types and amount of financial incentives received. The Energy Report correctly reflected data provided by the military services and defense agencies. However, the military services and defense agencies used different methods for capturing and reporting on data in the Energy Report such as on energy consumption and projects. These inconsistencies resulted from guidance that was either unclear or lacking. For example, DOD did not provide guidance on reporting end-of-fiscal-year energy data; thus, the military services and defense agencies used different reporting methods. Without clear guidance for reporting data consistently, it will be difficult for DOD to have reliable data to plan effectively to reach energy goals, and Congress will have limited oversight of DOD's energy consumption and difficulty in comparing energy projects.

The military services generally help ensure energy security (the ability to continue missions in the event of a power outage) at their energy-remote military installations in Alaska and Hawaii by providing access to multiple power sources. However, GAO identified areas of risk to energy security regarding installation electricity systems, high energy costs, and funding. GAO found that the military services addressed some risks by conducting studies on integrating renewable energy into electricity systems and identifying alternative energy solutions to lower costs. However, military service efforts to incorporate energy security into funding decisions have been limited. The processes to evaluate projects for funding generally do not consider energy security in prioritizing those to receive funding, and officials from all four military services stated that there is no military service or DOD guidance related to evaluating projects for funding that focuses on energy security. As a result, six of the nine locations GAO visited in Alaska and Hawaii cited difficulty obtaining funding for energy security projects. For example, officials at the Air Force's Alaska Radar System said they have sought funding since 2002 to build a networked system of multiple fuel tanks at three off-grid locations that each have only one fuel tank, but they said energy security projects do not compete well against other projects, such as those for new facilities. Navy officials similarly stated that energy security projects—which have significant infrastructure costs—do not compete well for funding against energy conservation efforts based on return on investment. Without clarification of the processes used to compare and prioritize projects for funding to include consideration of energy security, it will be difficult for decision makers to have sufficient information to adequately prioritize energy security projects for funding when appropriate and thus address energy security issues.