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LF

MAY 27 2014

From: Deputy Assistant Deputy Commandant for Installations and Logistics (Facilities)
To: Distribution List

Subj: UTILITIES DEMAND REDUCTION

Ref: (a) CMC Energy Strategy Bases to Battlefields

Encl: (1) "10 by 20" (Utilities Execution Reduction of Ten Percent by 2020) Guidance

1. The Marine Corps has made superb progress toward meeting Congressional mandates for achieving energy efficiency at our installations. Since 2009, we have invested approximately \$500M to retrofit existing facilities to reduce energy consumption per building square foot 30% by 2015. Normalized for changes in our footprint, this represents an annual cost avoidance of over \$60M, which will continue to grow with inflation. You have superbly executed this investment focused effort. While continuing that effort, we must also now take additional steps to further reduce our utility bills. Installation Commanding Officers are directed to make every practical effort to reduce utility "execution" costs ten percent by FY2020 as measured from an FY2013 baseline normalized for square footage growth and currently approved projects. Efforts should begin immediately.

2. To achieve this goal, installations must reduce their utility budget execution below the normally programmed requirement. Utility execution is the net cost of purchasing and operating utilities. The savings in the annual utilities budget from this effort will be available for installation comptrollers to shore up underfunded programs. Since utilities consume 19% of Base Operating Support (BOS) non-labor costs, this effort will help adequately fund our BOS requirements.

3. The enclosure provides detailed guidance on installation actions that will be necessary to change behavior. In addition to maintaining new and renovated facilities to keep them operating efficiently, this includes implementing "Energy Ethos" actions with all units, use of data from smart meters and unit energy managers to influence energy use, pursuit of lower scheduled rates for utilities contracts, increased strategic use

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of industrial controls to reduce utility demand, and demolition or shuttering of inefficient or excess buildings. You should also develop competitive projects for the Energy Investment Program (EIP), which will provide \$35M annually to further invest in efficiencies that will count towards this 10% utilities savings goal.

4. Lastly, Section 4 of the enclosure establishes utilities cost reduction targets and baselines for each installation. Savings will be reported quarterly using a "Quarterly Utilities Execution Reductions Report" beginning in July 2014 for execution through the third quarter. Headquarters Marine Corps Facilities/Marine Corps Installations Command Facilities (HQMC LF/MCICOM GF) will make adjustments to targeted goals based upon real time increases or decreases in utility rates, unforeseen weather patterns, or other unexpected utilities costs.

5. Please join me by aggressively supporting a change in our paradigm of energy use. By executing the Commandant's guidance in the reference, we will improve our energy management and create a more Spartan Corps. Additional emphasis is being drafted for senior Commanders and regional Public Affairs planning. My point of contact is Mr. Jeromy Range, Utilities Program Manager, HQMC LF/MCICOM GF-1, jeromy.range@usmc.mil, 571-256-2839 (DSN 260).



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