U.S. DEPARTMENT OF ENERGY

The Asset Revitalization Initiative Briefing

October 2011

LEARN FROM AND TAKE CREDIT FOR PAST ASSET REVITALIZATION EFFORTS

The U.S. Department of Energy (DOE) has a long history of asset revitalization. We need to do a better job of communicating those efforts and learning from them.

- We supported the cleanup and closure of ~ 90 sites that had a role in winning the Cold War; most of those sites are in beneficial reuse.
- Since 2005, we have sold > 475,000 ft^2 of real property, both land and buildings. An additional 36,000 ft^2 was transferred to other federal agencies.
- Six DOE defense nuclear sites benefit researchers through access to unique natural habitats.
- Our sites already support the missions of multiple federal agencies and the private sector.

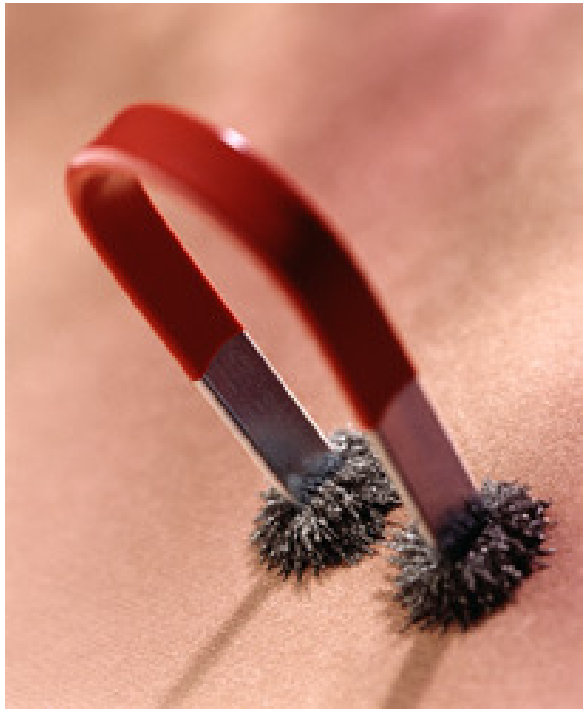
LEARN FROM AND TAKE CREDIT FOR PAST ASSET REVITALIZATION EFFORTS (continued)

- We are working with local communities to find the best reuse of property. Local entities have advocated for clean energy development, manufacturing, reindustrialization, open space, nature preserves, recreation areas, and educational centers.

- We are investing in sustainability and energy efficiency projects. We are supporting clean energy production facilities and the manufacturing of energy production components.
- We are conducting research on methods to produce and deliver energy more efficiently, and we are pursuing demonstration projects at levels that investors will accept as commercially viable.

RESPOND IN NEW WAYS TO THE URGENCY OF ASSET REVITALIZATION: SIX FORCES THAT ARE DRIVING US NOW!

Although DOE has pursued asset revitalization, current urgencies and opportunities require that we improve our efforts. We must use new—and more—approaches and achieve faster and better results



- EM's footprint reduction efforts are making a large amount of DOE assets available.
- NNSA's infrastructure modernization actions are revitalizing the national security enterprise and consolidating sites.
- The Quadrennial Technology Review may identify opportunities to expand and enhance investments in research and development and technology demonstrations and deployments.
- Efforts to "green the government" require continued leadership in federal sustainability.
- Securing a clean energy future demands innovation.
- The federal deficit means a tighter fiscal environment and mandates greater efficiency.
- The mandate to create jobs.

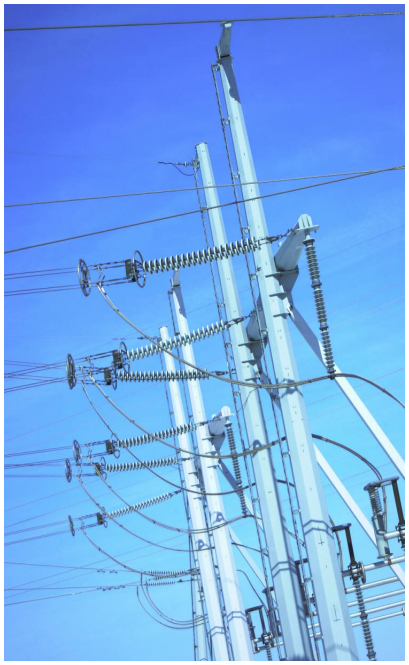
CREATE A VISION OF THE DOE COMPLEX (FOR 2020) THAT ENABLES OUR WORKERS, COMMUNITIES, AND STRATEGIC GOALS

In 2020, the DOE complex will be composed of about two dozen primary sites. Those sites are sufficient to meet DOE's infrastructure requirements and include the following characteristics:

- Operations are conducted in a sustainable manner; facilities and transit are powered by clean energy; and major environmental remediation is complete.
- Site infrastructure is modern, adaptable, and efficient, and multiple federal agencies conduct operations in a seamless manner.
- Public–private partnerships thrive, and commercial entities are eager to invest in new opportunities and creating new jobs.
- Local communities are connected to and advocate for, the site, and site activities are a driving force behind regional development.

ACCELERATE THE CURRENT SHIFT TO MULTIPLE SITE USES AND USERS

Collocation of multiple federal agencies and commercial partners can take advantage of DOE infrastructure (e.g., facilities, roads, security) and a trained workforce (e.g., scientists, engineers, skilled labor). Expanding the number and types of site users can enable more effective and efficient pursuit to DOE's mission and goals.

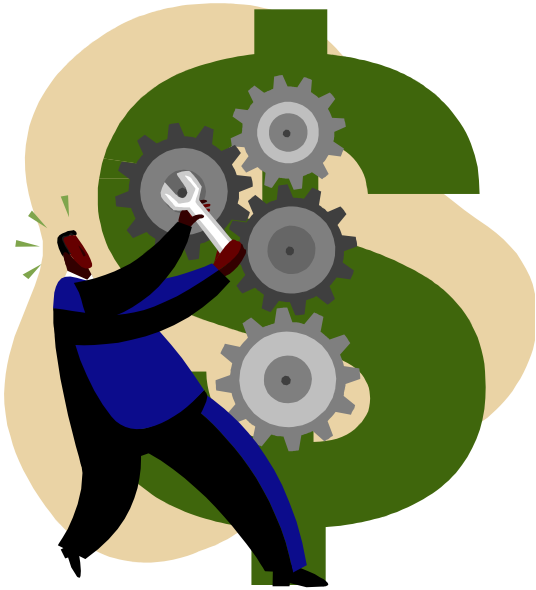


- Host dialogues between DOE program offices and sites to showcase assets at DOE sites that could host or support demonstration projects.
- Work with economic development and community reuse organizations (CROs), national laboratories, and the private sector to increase commercial and research and development opportunities. Establish and collocate technology incubators within site boundaries.
- Authorize site access for early site characterization and expedited land transfer.
- Fund environmental assessment and other activities needed to determine site viability for commercial use.
- Optimize property leasing mechanisms such as enabling enhanced use leases and lengthening lease authority to spur development at sites.

TRANSFORM THE WORKFORCE TO MEET FUTURE NEEDS

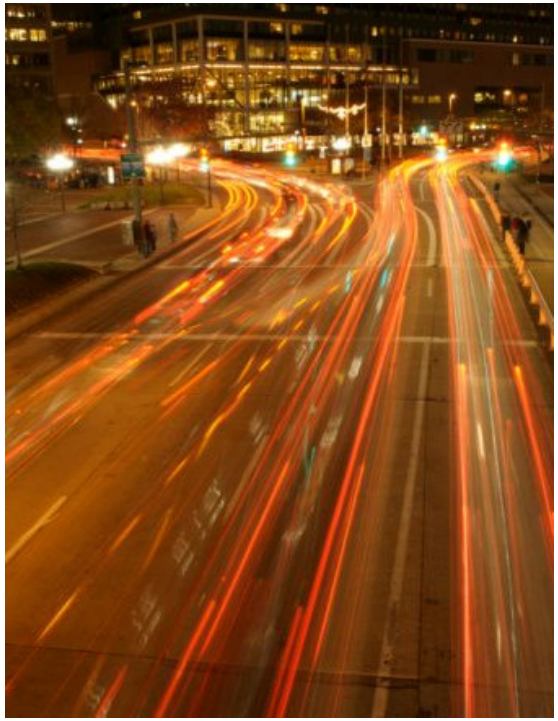
As federal and contractor workers finish overseeing and conducting cleanup, we need to supply qualitative and quantitative information on projected changes in site missions so as to retain needed expertise for DOE and to help others find new jobs in the public and private sectors.

- Project and communicate future changes in site missions and employment (numbers and skill sets) and evaluate the implications of those changes.
- Improve Workforce Information System projections to include employment numbers and skill sets.



REVITALIZE BY PARTNERING WITH NON-DOE ENTITIES

To revitalize DOE's infrastructure with limited federal funding, we must partner with federal agencies, local governments, CROs, and public utilities and attract resources from the private sector.



- Set up informational meetings with private-sector clean energy and high-tech manufacturing, communities, and the sites (including landlord DOE programs, national laboratories, and the CROs) to introduce possible end uses of DOE properties scheduled for cleanup completion.
- Develop and implement strategies to increase the attractiveness and marketability of DOE assets.
- Expand project financing options (e.g., local government bonds, other federal agencies, investment banks, venture capitalists, enhance use of leases and lengthening lease authority).
- Partner with local governments, CROs, and the private sector to better use assets (e.g., excess facilities and materials) or privatize services (e.g., wastewater treatment, emergency response).
- Reassess the Secretarial moratorium and suspension on metals release.

REVITALIZE TO PROMOTE DOE'S NATIONAL GOALS FOR CLEAN ENERGY AND ENERGY SECURITY

Investment in sites and communities with funding from multiple sources (public and private can help achieve the Secretary's national goals for clean energy and energy security.

- Use asset revitalization as a means to meet applicable sustainability goals.
- Inventory assets specifically for the purpose of asset revitalization.
- Evaluate opportunities to conduct large-scale demonstration projects on DOE sites.
- Support the development of regional energy initiatives.
- Work with other federal agencies to implement joint sustainability projects on DOE sites and determine scoring on the Sustainability Scorecard and Greenhouse Gas Inventory.
- Continue efforts to extend the life of power purchase agreements to 30 years.
- Establish a clean energy standard for DOE that includes nuclear energy and clean coal.
- Expand collaboration with NRC on precommercial testing of reactors.

STREAMLINE TRANSFER PROCESSES TO MEET TIME-TABLES TO TAKE ADVANTAGE OF PRIVATE-SECTOR OPPORTUNITIES

Reduce delays in land transfer by projecting when land/infrastructure will become available, what it can be used for, doing the NEPA work in advance and having transition plans ready to implement.

- Review the real property transfer process to determine where improvements can be made.
- Revised 10 CFR 770, "Transfer of Real Property at Defense Nuclear Facilities for Economic Development," to streamline the process and issue the revised rule.
- Determine if any parts of the process can be delegated from the Secretary of Energy to a Program Secretarial Officer or Site Manager.
- Evaluate and remove unnecessary lease and deed restrictions that impede asset revitalization.
- Evaluate broader indemnification for potentially contaminated, transferred property.
- Implement a supportable and efficient NEPA process that establishes parameters for asset uses.

PROMOTE AN UNUSUAL LEVEL OF COOPERATION AMONG PROGRAM OFFICES

Successful asset revitalization will require unprecedented programmatic cooperation and synergy.

- Continue efforts to cut across "stovepiped" programs; encourage people to think beyond the mandate of their own organizations to embrace the whole DOE enterprise and improve transparency.
- Make revitalization a part of long-term planning for sites and program offices. Require them to integrate across program offices for project support and demonstrations.
- Improve use of intra-DOE teams to share specific technical expertise across Headquarters and Field Offices (e.g., realty officers, business expertise to work with private-sector financing).
- Develop a DOE-wide (*not* program-specific) process for soliciting and reviewing proposals for revitalization of assets to meet national and DOE mission goals and objectives, as well as local economic needs.

CREATE AND SUPPORT A CROSSCUTTING "PHASE II" EFFORT WITHIN DOE

Recommendations call for a second phase of ARI. A crosscutting team is needed to complete the anlysis, drive actions to implement recommendations and ensure an integrated DOE-wide approach.

- The task force should report to the Under Secretary for Nuclear Security – USNS has the majority of the infrastructure and assets that can be revitalized.
- Representatives from program offices with infrastructure and assets are needed as the principal owners: NNSA, NE, EM, LM, and SC.
- Formal representation from selected field/site offices is critical to implementation.
- Retain representatives from support offices in an advisory capacity: GC and MA.
- Add a specific, formal advisory capacity for both EE/FEMP and the DOE Sustainability Performance Office.
- Determine, commit, and apply dedicated resources with specialized skill sets.

ENGAGE SIGNIFICANT STAKEHOLDERS – GENERATE THE BEST IDEAS AND ACCELERATE POSITIVE OUTCOMES

Drive a shift from passive input-gathering to active planning, outreach, and execution. An outreach process is necessary for all paries to understand in concrete, market-tested terms what the potential for revitalizaton is at any given site.

- Define roles and include structured opportunities for participation by DOE contractors, the national laboratories, local governments, tribal nations, communities, and the CROs.
- Distribute the contents of this report to affected and interested stakeholders.
- Engage the private sector on a national and site-specific basis.
- Create and maintain a clearinghouse (web-based) for sites and stakeholders to share information on a DOE complex–wide basis.
- Engage DoD using the interagency Memorandum of Understanding to expand mutual cooperation and collaboration.

ACCELERATE AND HIGHLIGHT ASSET REVITALIZATION EFFORTS WITH BROAD OR IMPORTANT IMPACT

Champion site-specific pilot projects to accelerate asset revitalization on a DOE complex-wide basis.

- Portsmouth Site: Clean energy through an early site permit and evaluate nickle recycling.
- Oak Ridge Reservation: The Tennessee Valley, an energy corridor/regional development.
- Nevada National Security Site: Support national security and a solar demonstration project.
- Hanford Site: Streamline 10 CFR 770 to accelerate commercial development and make land available for industry to develop energy projects.
- Brookhaven National Laboratory: A public–private partnership for renewable energy.
- Kansas City Plant: Reuse infrastructure for manufacturing or other industrial use.
- Savannah River Site: Partnership with the U.S. Army (Fort Gordon) and the CRO to develop the “Enterprise SRS.”
- Los Alamos Site: Transfer of land

IMPLEMENTATION OF THE ASSET REVITALIZATION INITITIATIVE

Communication Outreach

- A dedicated team will be established headed by Cynthia Anderson to coordinate and implement the ARI Phase I findings.
- Develop Communication Plan and Methodologies to inform stakeholders of ARI outcomes through:
  - Briefing- OMB, Congress, regulators, Tribes, and other stakeholders
  - Website
  - Email Blasts, Face book and other social networking
  - Conference s, Regional and Local meetings
  - Meetings targeted to specific stakeholders, such as, project developers and project financiers
  - Develop and maintain a web-based clearing house of DOE assets available for redevelopment
- Participate in joint meetings with other federal agencies to determine if DOE assets could be used by other agencies to work on compatible missions or for sustainability projects.
- Develop and expand opportunities to work with DOD through the interagency Memorandum of Understanding (MOU).
- Maintain relationships with local communities and community reuse organizations (CROs) to keep apprised of local interest in the available assets.
- Participate in regional initiatives such as the Tennessee Valley Corridor that could use available DOE assets to improve conditions within the greater community.

IMPLEMENTATION OF THE ASSET REVITALIZATION INITITIATIVE

Path Forward

- ARI headed by Cynthia Anderson reporting to the Under Secretary of Nuclear Security to coordinate and implement the ARI initiatives.
- ARI Team includes program offices and site POCs.
- Streamline the property transfer process.
- Develop a methodology for unsolicited proposals.
- Determine if NEPA and other site characterizations studies could be conducted before property transfer.
- Determine if the NEPA process could be streamlined.
- Determine the viability of current ARI efforts such as the Portsmouth Nuclear Power Plant proposal.
- Integrate ARI methodologies and mechanisms into site and program operations.