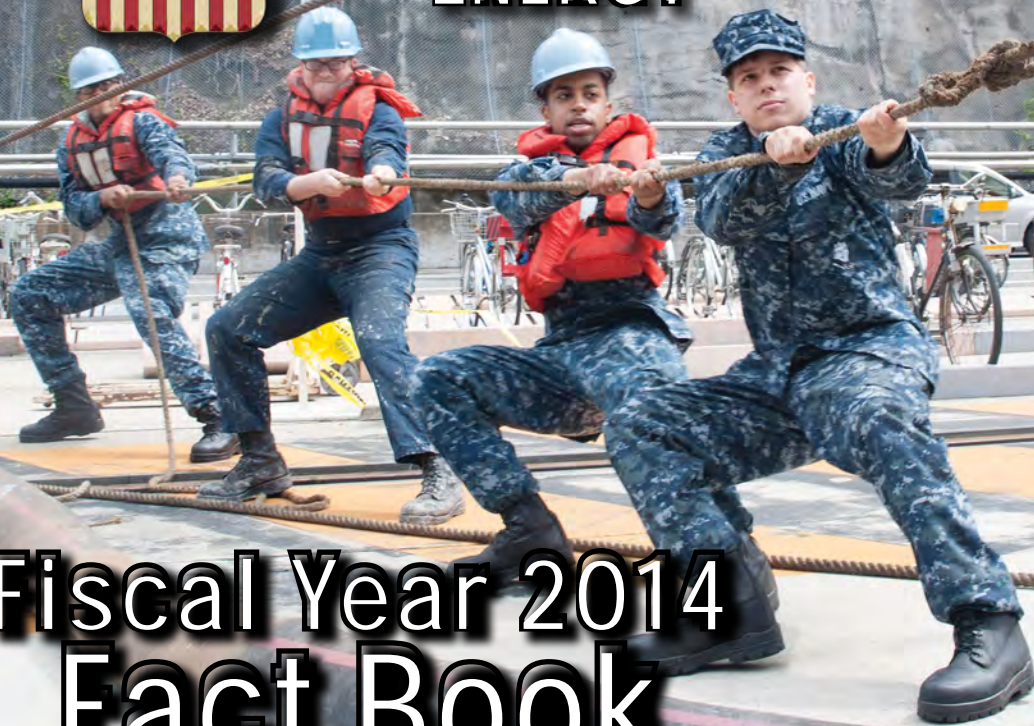




DEFENSE LOGISTICS AGENCY ENERGY



Fiscal Year 2014 Fact Book

Available online at: www.energy.dla.mil

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Foreword

The Defense Logistics Agency Energy Fact Book contains information regarding its business operations. The Fact Book reflects the operational status at the end of fiscal 2014, unless otherwise indicated.

The intent of this publication is for general information purposes only. The Fact Book can also be found online on the DLA Energy website at <http://www.energy.dla.mil>.



**Providing
Energy
Solutions
Worldwide**

DLA Energy's History

The Defense Logistics Agency is America's combat logistics support agency responsible for sourcing and providing nearly every consumable item used by our military forces worldwide. DLA Energy is a primary-level field activity of DLA responsible for providing the Department of Defense and other government agencies with comprehensive energy solutions in the most effective and efficient manner possible.

The origin of DLA Energy dates back to World War II. Originally, the organization was an entity of the Department of Interior as the Army-Navy Petroleum Board whose mission was to administer the critical petroleum requirements during World War II. In 1945, the organization was transferred to the War Department and became the Joint Army-Navy Purchasing Agency.

The organization underwent several name changes, but its mission of administering critical petroleum requirements remained essentially the same until 1962. At that time, it became a part of the consolidated military supply organization called the Defense Supply Agency. Today, that agency is known as the Defense Logistics Agency. In 1964, DLA Energy was renamed the Defense Fuel Supply Center and was designated as a single entity to purchase and manage the DoD's petroleum products and coal.

In 1973, DLA Energy progressed from a wholesale fuel central procurement activity to a more comprehensive mission as the Integrated Materiel Manager for the DoD petroleum mission. Under Phase I of IMM, DLA Energy added management of the acquisition, storage, distribution and sale of fuel with responsibility ending at the Service installation boundary. In 1991, Phase II began, which expanded the ownership of bulk petroleum products to include most bulk storage installations. This effort was divided into two parts, Phase IIA which capitalized aviation fuel and Phase IIB, which capitalized ground fuels.

In 1990, DLA Energy's mission was expanded to include the supply and management of natural gas in addition to basic petroleum and coal products. Under this program, natural gas

requirements were consolidated and centrally procured with a mission to provide direct supply natural gas to customers when determined more economical than using gas from a local distribution company.

Feb. 11, 1998, marked the beginning of a new chapter in DLA Energy's history with another name change. The DFSC became the Defense Energy Support Center. With the name change, came a new mission to build an energy program aimed at moving the DoD out of the management of energy infrastructure and into the management of energy products.

The initiative to deregulate electricity in the U.S. added still another mission to DLA Energy's responsibilities. As states deregulated, DLA Energy pursued and awarded contracts for electricity services to DoD and federal civilian agency installations in the same manner as procurements for natural gas.

With the issuance of Defense Reform Initiative #49 in December 1998 directing the military services to privatize their utility systems, DLA Energy took the lead in providing contracting expertise to the military services in support of the aggressive goals laid out in the DRI. DLA Energy has developed a core competency in utilities privatization and has become the single procurement organization for Army and Air Force utility services contracting.

Oct. 1, 2001, DLA Energy assumed a new mission from the U.S. Air Force and now serves as the DoD's IMM for space and space-related products and services, providing world-class support and business solutions to not only the DoD, but other to federal agencies, government contractors and academia. The new mission encompasses 93 national stock numbers with each product supporting at least one DoD major weapon system. The addition of this mission makes DLA Energy a full service provider of all energy and energy-related products.

Oct. 1, 2002, DLA Energy assumed the mission to manage and perform the worldwide energy quality mission, consolidating functions

previously performed by the Defense Contract Management Agency.

Aug. 11, 2004, the Secretary of Defense designated DLA as the Executive Agent for bulk petroleum. This authority was delegated to DLA Energy on Nov. 1, 2004, with the responsibility to execute Supply Chain Management for all DoD bulk petroleum, with an emphasis on improving efficiency and minimizing duplication and redundancy within the supply chain.

Oct. 1, 2006, DLA Energy became the DoD IMM for both bulk Aviator's Breathing Oxygen (specification MIL-PRF-27210) and liquid nitrogen (specification A-A-59503). Both were previously managed by DLA Aviation.

In 2009, DLA Energy's mission continued to expand, incorporating emerging areas of renewable and alternative methods for satisfying customers' energy needs. Its mission expanded beyond the role of traditional fuel and energy support as it leveraged new technologies. As the nation continued to embrace conservation, and as the need for energy security and a renewed awareness of the environmental impact presented themselves, DLA Energy focused on a system of solutions to meet these challenges. Its business units continued to pursue solar power, hydrogen power, synthetic fuels and other alternative fuel and renewable energy sources as new procurement, research and development initiatives materialized.

July 19, 2010, DLA Energy adopted its current name in support of DLA's "We Are DLA" initiative. As a DLA PLFA, the command changed its name to support a single-agency environment, internally and externally, building a greater sense of community and ownership for employees, creating a clearer and more definitive identity for customers and stakeholders.

DLA Energy, despite changes in name, organization structure and an expanded mission, continues its basic mission to support the warfighter and manage the energy sources of the future.

Mission and Vision



Mission:

To provide the Department of Defense and other government agencies with comprehensive energy solutions in the most effective and efficient manner possible.

Vision:

Our customers' first choice for energy solutions

Commander's Update



We enjoyed another very successful year in fiscal 2014, powering world-class global capability through delivery of nearly 100 million barrels of fuel, 112 million cubic feet of helium and over 1.1 billion kilowatt hours of renewable power. Our expert support extended from the reliable in Afghanistan to the revolutionary and nearly instantaneous in Liberia combating Ebola, ensuring uninterrupted and dependable service to all our Department of Defense customers around the globe. In many ways, 2014 marked a culmination point for nearly 15 years of truly exemplary operational and tactical support to the warfighter.

In future years, historians might look back at 2015 and note the significant impact shale oil production had on the global energy market. Military historians may also look back and see another kind of “Energy” revolution—our watershed organizational pivot to synchronize and address three strategic transformation issues for the DoD:

- Adapting the fuel supply chain to address evolving future warfighter requirements
- Modernizing and right-sizing our aging, costly and inefficient fuel infrastructure
- Revolutionizing the Sustainment, Restoration and Modernization program with “velocity”

Our existing DoD fuel supply chain, assembled over more than 70 years to address a variety of world-wide requirements, has more than sufficient capacity to support global operations. However, due to the evolving capabilities of emerging global competitors, not all our products are optimally positioned to support future combatant commander requirements. For this reason, we have embarked on an aggressive campaign to address forward and malpositioned requirements, build partner nation capacity and strengthen global commercial supply chain integration, as well as more fully integrate afloat and sea-based solutions across the globe. Our efforts began with the DLA-sponsored Pacific Command Fuel War Game, but quickly grew to address similar challenges in Northern Command, Strategic Command, Central Command, European Command and Africa Command. The end result of these innovative activities will set the stage for successful future operations plans execution for the next 25 years.

At the same time, our aging, more than 70-year-old infrastructure continues to be besieged by ever-increasing downward budget pressure, environmental risk and unsynchronized planning and oversight. Given these considerations, our current investment, modernization and right-sizing efforts have proven insufficient to ensure the continued viability of this critical national asset. For these reasons, the Office of the Secretary of Defense partnered with us to develop a Resource Management Decision infrastructure study project to identify and prioritize all requirements and divestment opportunities worldwide. This effort is now underway, and will culminate in the department’s first comprehensive funding requirement submission for the Fiscal Year 2017 Program Objective Memorandum, and creation of a single planning, oversight and execution process under Executive Agency oversight.

Commander's Update (cont.)

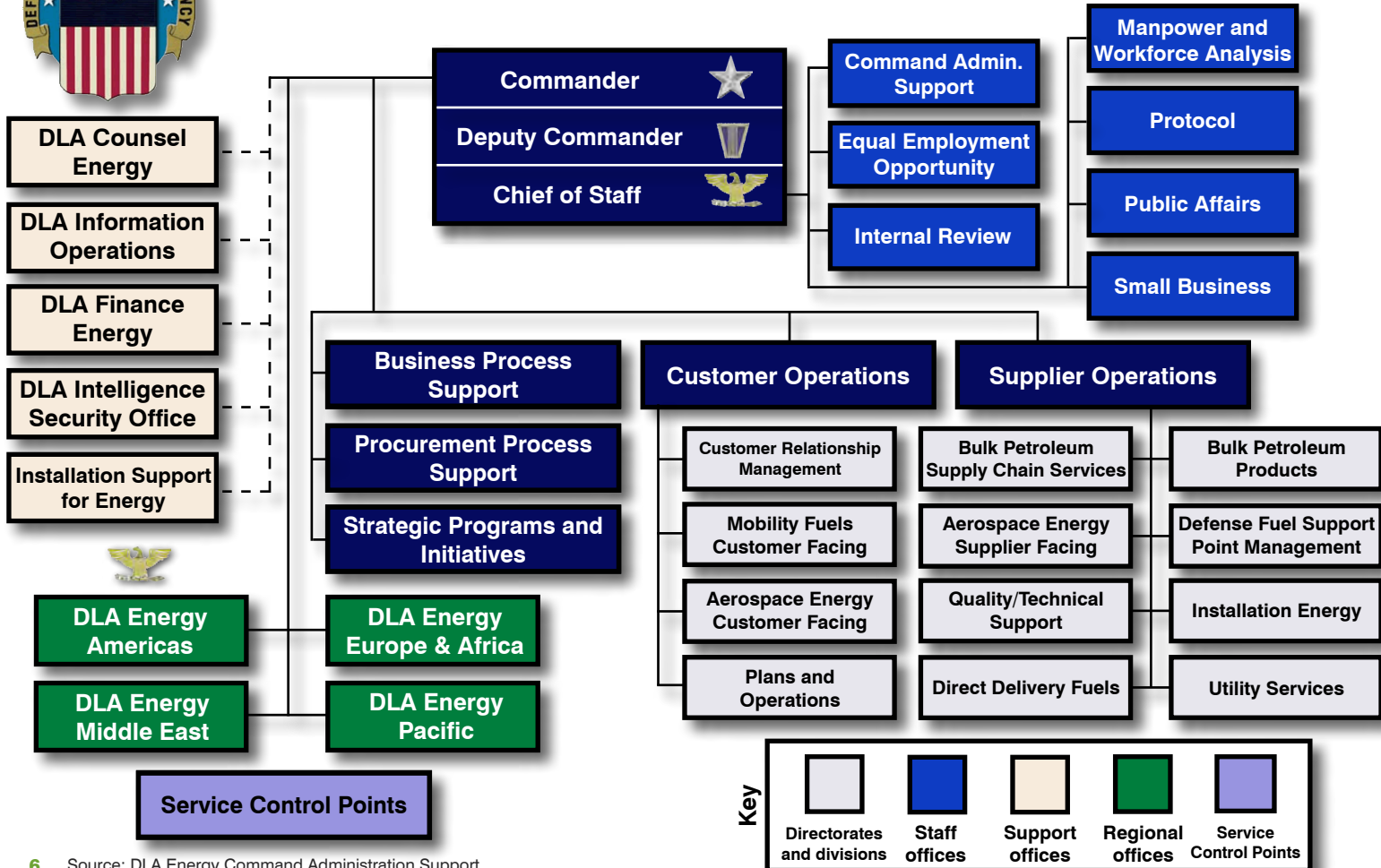
Our final strategic initiative, SRM program velocity, has also become a warfighter capability concern. Currently the annual SRM program is plagued by inefficient planning and approval processes as well as slow inspection, repair and return-to-service processes. As a result, we have created an unacceptable level of out-of-service capacity, a significant workload backlog and an equally large bow wave of overdue actions that translate directly into more strategic and environmental customer risk. We tackled this problem by conducting a Rapid Improvement Event to address known DLA process approval and coordination deficiencies, and by working with our Navy, Army and Air Force repair execution agents to increase the velocity of their return-to-service activities.

Our prime directive this year is lowering long-term warfighter risk by ensuring *reliable, efficient and affordable* capabilities. We are all things energy for the Department of Defense—agile, effective and efficient. The future is now.

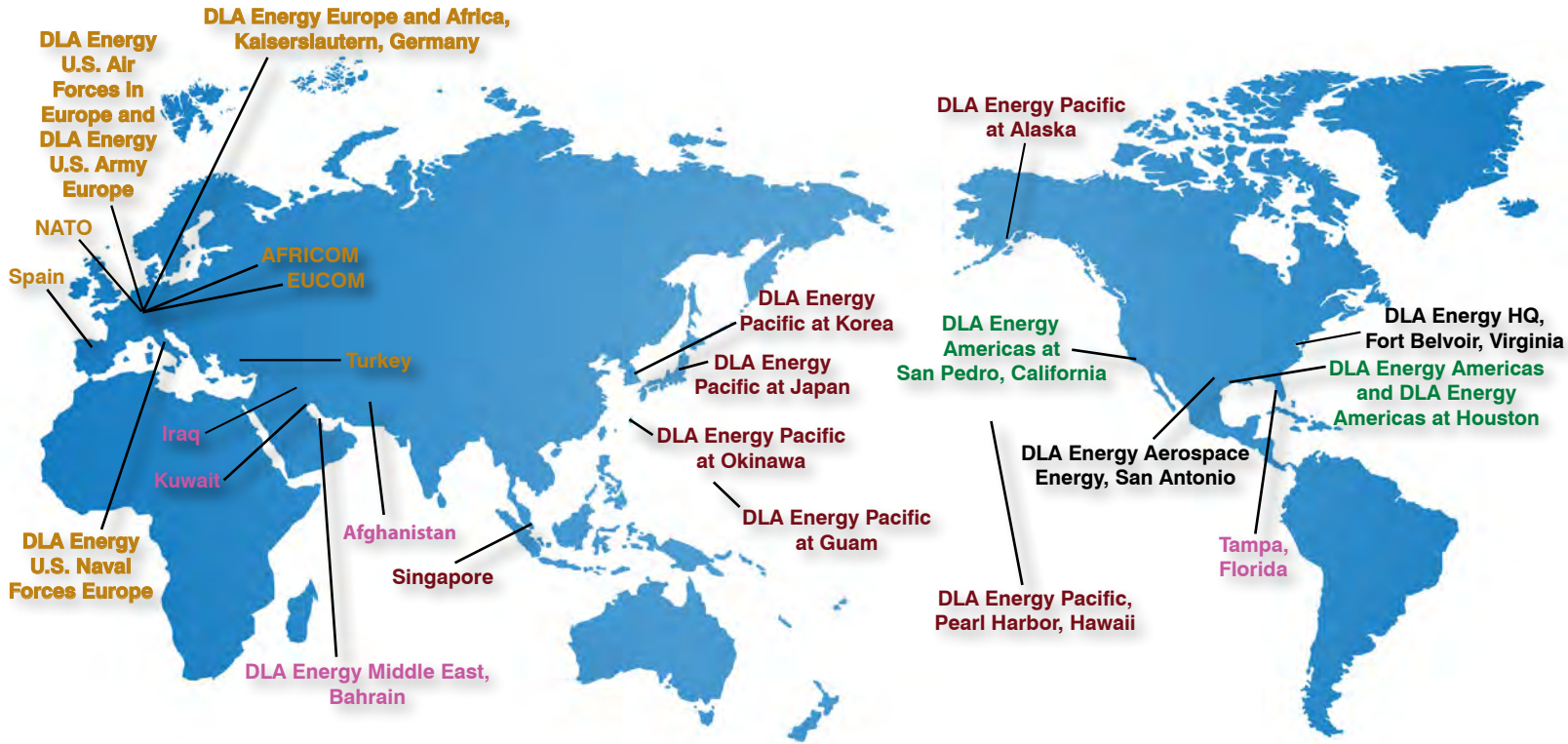
Note: This first section of the Fact Book represents the organizational structure of DLA Energy in 2015. The organization chart, regional locations, biographies and unit roles and missions are all current as of the 2015 release date. Information after the Financial Results section is a snapshot of DLA Energy's facts and figures for fiscal year 2014.



DLA Energy Organization



Worldwide Locations



DLA Energy Senior Leadership



Deputy Commander
George Atwood



Commander
Brig. Gen. Mark McLeod, USAF



Chief of Staff
Col. Peter Crean, USA



Customer Operations
Col. Todd Cheney, USAF



Supplier Operations
Gabriella Earhardt



Business Process Support
Capt. Ed Bogdanowicz, USN



Procurement Process Support
Bruce Blank



DLA Finance Energy
Jean Blackburn



DLA Counsel-Energy
Kathleen Murphy



DLA Energy Americas
Commander
Col. Ronald Ross, USA



DLA Energy Europe and
Africa Commander
Col. Edward English, USA



DLA Energy Pacific
Commander
Capt. Christopher Bower, USN



DLA Energy Middle East
Commander
Col. Marc Thoreson, USA

Brig. Gen. Mark McLeod, USAF



Commander, Defense Logistics Agency Energy

U.S. Air Force Brig. Gen. Mark McLeod assumed his current position as the commander of the Defense Logistics Agency Energy, a primary-level field activity of DLA at Fort Belvoir, Virginia, July 23, 2014. As commander, he is responsible for providing the Department of Defense and other government agencies with comprehensive energy solutions in the most effective and efficient manner possible.

Prior to his arrival to DLA Energy, McLeod served as the director for Logistics, Engineering and Security Assistance for U.S. Pacific Command Headquarters at Camp H.M. Smith, Hawaii. He was responsible for the planning, coordination, and integration of strategic logistics, engineering and security cooperation in support of U.S. National Defense Strategy in order to build U.S. and partner capacities to accomplish the PACOM mission across the Asia-Pacific theater.

McLeod entered the Air Force in 1986 after completing Officer Training School at Lackland Air Force Base, Texas. In addition to his various wing maintenance positions, he has managed Programmed Depot Repair operations, performed C-5 Weapon System Manager duties, served as Maintenance Liaison to the Republic of Korea Air Force, oversaw U.S. Central Command strategic sea-/airlift transportation movements, commanded two Expeditionary Maintenance Groups, and performed logistics, installation and mission support planning and programming at Headquarters Air Force.

His assignments include serving as a maintenance officer at Altus Air Force and the San Antonio Air Logistics Center at Kelly AFB, Texas; Air Mobility Command and Headquarters USAF staff officer (Scott AFB, Illinois, and USAF headquarters at the Pentagon); and student (Maxwell AFB, Alabama, and Carlisle Barracks, Pennsylvania). He commanded at both the squadron and group levels (Sheppard AFB, Texas; Dyess AFB, Texas; and Al Udeid Air Base, Qatar); was a liaison officer to the Republic of Korea Air Force at Yongsan Garrison, Seoul, Korea; and U.S. Transportation Command branch chief (Scott AFB, Illinois). Prior to his transition to DLA Energy, his flag-officer tours included HQ Pacific Air Forces (Joint Base Pearl Harbor-Hickam, Hawaii) and PACOM J4 (Camp Smith, Hawaii).

McLeod's education includes a Bachelor of Arts in biological science from Lake Superior State College, Sault Ste. Marie, Michigan, as well as a master's degree in management from Webster University, Missouri. He attended Squadron Officer School and Air Command and Staff College at Maxwell Air Force Base, and earned a Master of Arts in strategic studies at the U.S. Army War College.

His major awards and decorations include the Defense Superior Service Medal, the Legion of Merit award, a Bronze Star with oak leaf cluster, the Defense Meritorious Service Medal, the Meritorious Service Medal with one oak leaf cluster, the Air Force Commendation Medal with one oak leaf cluster and the Joint Service Commendation Medal.

George W. Atwood III



Deputy Commander, Defense Logistics Agency Energy

George Atwood assumed his current position as deputy commander of the Defense Logistics Agency Energy, a primary-level field activity of DLA at Fort Belvoir, Virginia, Nov. 17, 2014. As deputy commander, he is responsible for providing the Department of Defense and other government agencies with comprehensive energy solutions in the most effective and efficient manner possible.

Prior to his current assignment, he served as the director of DLA Energy's Procurement Process Support directorate. In this role, Atwood had primary responsibility as the chief of the Contracting Office with delegated responsibility for acquisition programs valued at approximately \$22 billion. He previously served as the deputy director of DLA Energy Supplier Operations as well, and was responsible for the direction and management of complex programs involving Department of Defense worldwide petroleum storage and distribution systems and as a principle advisor on matters relating to worldwide

fuel terminal operations, storage, maintenance, repair, international agreements and contracting.

Atwood also served as the associate director of the DLA Energy Acquisition Policy and Oversight Office and was responsible for providing acquisition policy and oversight for DLA Energy's procurement programs. In addition, Atwood served as the DLA Energy Europe & Africa deputy director in Kaiserslautern, Germany, assisting in the execution of DLA Energy's mission to support storage, transportation and distribution of bulk petroleum products for all U.S. Forces and U.S. supported missions in the European and African theaters.

He has worked in various contracting positions within DLA Energy Direct Delivery Fuels, to include deputy director, division chief and contracting officer. During his tenure with Direct Delivery Fuels, Atwood was responsible for executing world-wide petroleum procurement programs in support of the military services and federal civilian agencies.

Atwood began his tenure with DLA Energy in 1994. He is certified in Contracting at Level III under the Defense Acquisition Workforce Improvement Act and is a member of the Defense Acquisition Corps. He has a Master's of Science in National Resource Strategy and completed the Defense Acquisition University's Senior Acquisition Course from The National Defense University, Dwight D. Eisenhower School for National Security and Resource Strategy in 2013. Atwood holds a Bachelor of Science in Business Management from Virginia Tech University, where he graduated in 1993.

Organizational Missions and Functions

Supplier Operations Functions

The **DLA Energy Aerospace Energy Supplier Division** manages the worldwide acquisition of missile and rocket fuels, propellants for systems to include satellites and aerostats, as well as aviator's breathing oxygen, and other bulk industrial gases – namely nitrogen, oxygen, argon, hydrogen, helium – all in either gaseous or liquid states. Aerospace Energy provides centralized, cradle-to-grave contracting support via aggregation and award of government contracts for supplies and services that support customers worldwide ranging from those in theater – helium to aerostats, aviator breathing oxygen to fighter jets, and hydrazine to the F16s for their emergency power unit – to those in the continental U.S. – Defense Department, space launch, cruise missiles, Homeland Security, NASA, as well as federally funded research and development at universities. Streamlined acquisition strategies combined with industry knowledgeable staff enable Aerospace Energy to support several “short-notice” contingency operations with timely contract awards, ensuring critical mission requirements are successfully supported. Aerospace Energy facilitates one-on-one meetings with industry to discuss acquisition strategies, supply chain capabilities and standard industry practices to determine how to promote effective competition, meet growing customer requirements, control costs throughout the supply chain and increase small business subcontracting opportunities, all while simultaneously implementing industry recommendations into its procurement processes to achieve these goals. Finally, Aerospace Energy participates in job fairs to increase veteran and Hispanic hiring opportunities throughout DLA. POC: (210) 925-4455.

DLA Energy Bulk Petroleum Products provides contract support for the bulk petroleum supply chain,

including worldwide bulk fuels requirements (JAA, JP8, JP5, F76). These fuels are acquired through four major purchase programs: Inland East Gulf Coast; Rocky Mountain/West Coast; Atlantic, European, Mediterranean; and Western Pacific. Bulk Petroleum Products is also responsible for the purchase of the bulk fuel system icing inhibitor additive (drummed FSII is handled by DLA Aviation in Richmond, Virginia), bulk lubricants and alternative fuels, such as a hydrorenewable JP8 jet fuel equivalent known as HRJ8, for testing and certification purposes, and other petroleum-related products. POC: (703) 767-9544.

DLA Energy Bulk Petroleum Supply Chain Services

provides contract support for the bulk petroleum supply chain, including worldwide acquisition of fuel-related services such as government-owned, contractor-operated defense fuel support points, contractor-owned and -operated defense fuel support points, alongside aircraft fuel delivery, lab testing and environmental compliance, assessment and remediation. Bulk Petroleum Supply Chain Services is also the single source for drafting, negotiating, concluding and amending international fuel agreements with foreign governments supporting worldwide DoD operations. POC: (703) 767-3541.



Organizational Missions and Functions

DLA Energy Defense Fuel Support Point Management provides enterprise-level management for both DFSP operations and the DLA-owned bulk petroleum inventory. It is responsible for managerial oversight and technical expertise in the development of quantitative and qualitative requirements to support acquisition programs for bulk petroleum products. It also provides distribution, transportation and inventory management for bulk fuels, additives, specialty fuels and lube oils worldwide for Department of Defense and other federal government customers. It plans, programs, budgets, manages and executes the DLA Energy Sustainment, Restoration and Modernization Program. The division performs short and long-range research, analysis, planning and development functions to determine, establish and maintain optimal DoD storage and transportation infrastructure required for distribution of petroleum products to the military services and other authorized customers. It plans, programs, budgets and provides oversight for fuel storage facilities and operations. POC: (703) 767-9531.



DLA Energy Direct Delivery Fuels provides worldwide acquisition and integrated materiel management of commercial fuels delivered directly to military and federal civilian customers. This includes the procurement of commercial specification aviation fuel at commercial airports, commercial ship propulsion fuels at commercial seaports and commercial ground fuels (diesel, gasoline and “green” products) at posts, camps and stations worldwide. In addition, the business unit supports short-notice provisioning of fuel to the warfighter for worldwide contingency operations and humanitarian relief efforts, provides the full range of contract administration activities and technical support using automated information systems, and provides information technology and fuel card acquisition and support services. POC: (703) 767-8500.

DLA Energy Installation Energy provides acquisition support for facility energy commodities and services including coal, natural gas, electricity, renewable energy, energy savings performance contracts and long term renewable energy project development. The business unit also serves as coordinator and facilitator for the Defense Department’s participation in electricity demand response programs and the centralized program manager for DoD’s Natural Gas Program. POCs: (703) 767-9404 or (703) 767-8328.

DLA Energy Utility Services manages the utility services contracting mission supporting the utility privatization programs of service partners. It provides pre- and post-award contracting and technical expertise for service partners privatizing government-owned utility distribution systems (water, wastewater, electric and natural gas) under authority of 10 U.S.C. 2688. It acts as the procurement, program management and technical liaison with the Deputy Under Secretary of Defense Installations and Environment for utility

Organizational Missions and Functions

services contracting done in conjunction with the privatization of utility systems. POC: (703) 617-1532.

DLA Energy Quality and Technical Support provides quality assurance, quality surveillance, product technology, measurement, cataloging, standardization and laboratory support for all products managed by DLA Energy. It serves as the lead standardization activity for Federal Supply Classes 91GP, 9110, 9130 and 9140. It also represents DLA Energy on quality and technical-related issues with military service technical offices, customers, suppliers, foreign government partners and national and international industry standardization organizations and regulatory agencies. The office is responsible for quality and technical policy, procedures, guidance and information systems related to the acquisition, storage and distribution of DLA Energy-managed products. Additionally, it provides technical expertise for alternative fuels and renewable energy and science and technology projects. POCs: (703) 767-8363 or (703) 767-8360.

Customer Operations Functions

The **DLA Energy Aerospace Energy Customer Division** supports Defense Department, federal civilian and commercial space and launch programs worldwide with liquid propellants, bulk cryogenics, chemicals, compressed and liquefied gases and associated services. It supports federal academic research programs, as requested. The division provides centralized customer requirements aggregation, product distribution and transportation and inventory management of all assigned products. It also provides services in support of customer requirements, as requested, as well as support during the research and development phase of customers' space and launch programs. It drafts sales contracts with commercial space and launch companies under the authority of the

Commercial Space Launch Act. The division provides technical support for the safe transportation of assigned products as well as other hazardous materials. It hosts technical conferences for the exchange of ideas within customer groups and participates in industry forums to optimize support. It serves as the accountable officer for all Defense Working Capital Fund-owned product stored and distributed from 15 defense fuel support points worldwide. The division manages property, plant and equipment in support of assigned commodities procured on a free on board origin basis and serves as the accountable property officer and property administrator for commodity-related, DLA-owned Property, Plant and Equipment. POC: (210) 925-4455.



The **DLA Energy Customer Relationship Management Division** provides functions related to CRM such as performance measurement and analysis, readiness and logistics support, customer outreach, marketing and education, as well as functions in direct support of Order Fulfillment and

Organizational Missions and Functions

Demand Planning, such as accounts receivable support, traffic management support and planning data maintenance. The division supports common functions across all DLA Energy customer and supplier side CRM cells, including business analysis, customer service policy and procedures, Enterprise Business System CRM data maintenance, CRM training and CRM process oversight. The division provides direction for the establishment and monitoring of agreements for the sale of energy products to non-DOD customers. It has outreach responsibilities to all authorized customers and is responsible for ensuring energy programs meet requirements of applicable service agreements. The division is also the first touch point for non-DoD customers to access DLA Energy's products and services, determines customer eligibility to purchase from DLA Energy, and guides customers through the appropriate process to obtain support. POC: (703) 767-1608.



The **Mobility Fuels Customer Division** provides a wide variety of customer support functions for DoD, federal civilian and other authorized foreign government customers in the area of customer account management, demand planning and Fuel Card program management. As customer advocate

and liaison, the focus is to solve or coordinate the resolution of customer order/support problems, integration, customer service improvements and implementing guidance. Customer Account Management is the primary customer-facing point of contact for customer order fulfillment of mobility fuels. Demand planning includes statistical forecasting for short and long range demand to support requirement aggregation, supply planning and acquisition. The Government Fuel Card Program Management office performs overall program management responsibilities, training and support for DLA's customer purchasing tools used worldwide: the Aviation In-plane Reimbursement Card®, Ships' Bunkers Easy Acquisition Card Order Management System®, Swipe SEA Card® and DoD Fleet Card. The card program office works directly with the DoD Purchase Card program officials, General Services Administration SmartPay®2 Program Office, GSA Contracting Office, Office of Management and Budget and the Inspector General officials to coordinate all government-wide charge card guidance and support to more than 70,000 card holding customers and their component program managers. POC: (703) 767-8420.

DLA Energy Plans and Operations provides seamless end-to-end planning and operations support for Defense Department-wide bulk petroleum and other energy support to the Office of the Secretary of Defense, Department of Homeland Security, Joint Chiefs of Staff, combatant commands, military services' missions, DLA contingency support teams and DoD exercises. POC: (703) 767-8420.

Other Functions

The **DLA Energy Business Process Support Directorate** is responsible for maximizing the efficiency and effectiveness of DLA Energy's business processes and business cycles,

Organizational Missions and Functions

coordinating the alignment of DLA Energy to the Enterprise Process Management tenets, and implementing the Enterprise Business System and Base-Level Support Application systems to execute the DLA supply chain and provide best value support to DLA Energy's customers. The Business Process Support directorate partners with the headquarters/enterprise process owners, process leads, sub-process owners and sub-process liaisons throughout DLA Energy, the military service partners, and the rest of DLA to ensure that the EBS and BLSA provide a coherent, integrated business solutions for all of DLA Energy's supply chains. The directorate provides liaison to the DLA Energy information technology service providers in DLA Information Operations to ensure a responsive framework to DLA Energy business endeavors and provides policy and procedural support for all supply chain business system processes. These processes include order fulfillment (to include inventory management, order management and customer support management); demand and supply planning; technical/quality; human performance; real property; and reports and analysis processes pertaining to DLA Energy's various missions and supply chains. While not all DLA Energy process owners reside within the directorate, the directorate has the mission and role to fully integrate

all the processes to ensure a coherent, end-to-end business process solution. The directorate is responsible for the design, test, evaluation, implementation, and sustainment of EBS and BLSA. This includes the automated systems and related business process re-engineering. It prepares, oversees and administers training on new systems and conducts change management activities to educate employees and promote their acceptance of and commitment to EBS. It is also responsible for maintaining and retiring legacy systems over the course of the transition to EBS, and provides business process analyst support to end users of both the EBS and BLSA. The directorate provides research, review and analysis of data, operational procedures, systems and performance. It conducts studies on complex operational changes affecting any of the DLA Energy supply chain's performance, and provides recommendations, suggests business process improvements, and develops plans for implementing recommended improvements. The directorate's analysts extract data, run reports and monitor metrics and key performance indicators for all DLA Energy supply chains, tracking and analyzing trends and underlying data. This directorate maintains fully trained EBS business process analysts. POC: (703) 275-5724.



Organizational Missions and Functions

The DLA Energy Procurement Process and Support Office advises the commander and the acquisition community on all procurement-related matters. It provides oversight for all procurement functions managed within each business unit to ensure quality and integrity of procurement functions. It oversees the Procurement Planning and Support division, EProcurement division, Procurement Functional Support division, Acquisition Support division, Auditability Sustainment division, and Acquisition Workforce Development and Intern center. The unit implements contracting plans, procedures and instructions; assesses impact of proposed legislation affecting DLA Energy and recommends position; leads Acquisition Review Boards and Acquisition Strategy Review Boards; directs the DLA Energy Federal Procurement Data System and Purchase Card Program; implements Energy Convergence for procurement to integrate the energy supply chain into DLA's Enterprise Business System; provides functional support to the vendor direct and supply chain commodities; manages auditability with the Procure-to-Pay business cycle; and is responsible for employees in the Pathways Recent Graduate and Intern programs for the contracting, quality and supplies series. POC: (703) 767-9363.



DLA Energy Strategic Programs and Initiatives Directorate serves as lead for managing all long-range and strategic initiatives impacting the DLA Energy mission. It contains three separate offices providing command visibility on efforts affecting DLA Energy's mission capability. The Auditability Office serves as focal point and lead for DLA Energy's audit and sustainment program by overseeing assertion efforts, internal control testing, local risk mitigation, management review integration (compliance testing) and internal review, as well as monitoring corrective actions, to identify and resolve impediments to DLA Energy end-to-end business process assertions to the DLA Energy commander, deputy commander and DLA enterprise business cycle owners. This office also serves as the records management repository manager for documents supporting audit sustainment and any other records supporting DLA Energy's business or mission. The Executive Agent Office is responsible for programmatically implementing DoD Executive Agent mandates for the bulk petroleum supply chain within DoD, to include the identification and review of strategies for integrating alternative sources of supply into this supply chain. It provides structure, support, and direction to the EA Component Steering Group as the EA joint coordinating body and is the DoD focal point for oversight for the Class IIIB supply chain from source of supply to the point of customer acceptance. The Management Initiatives Office is responsible for centrally managing studies, projects and cost-benefit and business case analyses that have DLA Energy-wide mission implications, and it leverages industry best practices and facilitates development of new capabilities. This includes assessing how best to integrate Congressional/Executive Branch/Secretary of Defense policy changes and mandates impacting DLA Energy's mission. It's also responsible for developing, implementing, evaluating, administering and sustaining the Lean Six Sigma/Continuous Process Improvement Program across DLA Energy. POC: (703) 767-9681.

Organizational Missions and Functions

The **DLA Energy Public Affairs Office** serves as principal advisor to the commander regarding public affairs matters. The office is responsible for media relations, public information programs and public affairs policy development. The office develops and publishes informational products including the quarterly magazine, the *Energy Source*, strategic communication plans and internal and corporate trifold brochures. The office is responsible for the DLA Energy public website and its content, as well as the DLA Energy commander's blog. The office also researches, writes and posts articles highlighting the efforts of DLA Energy's workforce on the headquarters' intranet. It reviews and edits briefings, presentations and publications intended for public distribution using the Associated Press style of journalism, in accordance with DoD regulations. POC: (703) 767-4108.

The **DLA Energy Internal Review Office** serves as the principal adviser for all internal reviews, external audits, inspection matters and related internal and external follow-up work. It serves as a central office of record for the Hotline Referral and the Command Complaint programs. It also provides independent appraisals of organizational operations and the effectiveness of internal controls. POC: (703) 617-1457.

The **DLA Energy Small Business Office** is responsible to the DLA Energy commander for the management and administration of small business programs. The Small Business office assists the DLA Energy contracting workforce in an effort to meet small business contracting goals established by DLA headquarters. DLA Energy's Small Business office also manages the subcontracting plan review program, ensuring that applicable large businesses comply with their plan's efforts to subcontract to small businesses. POC: (703) 767-9465.

DLA Energy Command Administration Support is responsible for administrative support for the DLA Energy leadership. It is also responsible for the collection and presentation of DLA Energy operational metrics, which include all metric data provided to DLA headquarters in support of the DLA Alignment Group, DLA Agency Performance Review and the DLA Executive Board. The directorate is responsible for developing the DLA Energy Strategic Plan based on the cascaded DLA Strategic Plan, and provides administrative and developmental support for the semiannual DLA Annual Operating Plan Review. The directorate is also responsible for the development and collection of internal DLA Energy metrics and reporting in the Monthly Management Review, and serves as the focal point for the DLA Enterprise Task Management Tracker by executing suspense and task completion visibility to the Director's Staff Group. The directorate orders supplies for the DLA Energy headquarters and manages mail and FedEx shipments. The Command Administration Support group represents DLA Energy at working groups that support DLA-sponsored strategic initiatives such as the DLA Strategy Council, DLA Service days, DLA Culture Survey and the Voluntary Protection Program. POC: (703) 767-2945.

The **DLA Energy Equal Employment Opportunity Program** formulates, directs and sustains a comprehensive effort to maximize human potential to ensure fair treatment for DLA Energy employees without regard to race, color, gender, religion, or national origin. It also aims to provide an environment free of unlawful discrimination and/or offensive behavior by advising commanders, leaders and managers at all levels in carrying out their responsibilities under the total Equal Employment Opportunity Program areas of Affirmative Employment, Discrimination Complaint Processing and Special Emphasis Programs. POC: (703) 767-1123.

Organizational Missions and Functions

DLA Energy Manpower and Workforce Analysis provides centralized manpower analysis and career development support to the commander, staff and region offices. It acts as the control point for all personnel actions and issues between DLA Energy directorates, staff, region offices and Human Resources Services – New Cumberland in liaison with DLA, specified and unified commands, military service components and government agencies. It develops and manages a comprehensive DLA Energy Human Capital Management program to include personnel forecast, recruiting strategy, employee development, workforce representation, mentor/protégé opportunities, survey tools and leadership enhancement. POC: (703) 767-9474.



DLA Installation Support for Energy provides engineering technical support and construction quality assurance; environmental program management; property, plant and equipment accountability; safety and occupational health support and physical security-related services for DLA Energy and its facilities. POC: (703) 767-9284.

DLA Energy Manpower and Workforce Analysis provides centralized manpower analysis and career development support to the commander, staff and region offices. It acts as the control point for all personnel actions

and issues between DLA Energy directorates, staff, region offices and Human Resources Services – New Cumberland in liaison with DLA, specified and unified commands, military service components and government agencies. It develops and manages a comprehensive DLA Energy Human Capital Management program to include personnel forecast, recruiting strategy, employee development, workforce representation, mentor/protégé opportunities, survey tools and leadership enhancement. POC: (703) 767-9474.

DLA Finance Energy is responsible for obtaining and allocating resources, analyzing execution, providing fiscal guidance and advice to support the DLA Energy business area in accomplishing its mission in a manner that provides the best return on investment to the taxpayer. The directorate does so through a highly motivated team of dedicated financial professionals who are innovative, well-trained, and committed to uncompromising customer support. POC: (703) 767-9484.

DLA Counsel-Energy provides the full range of legal support to the commander and his staff. The chief counsel serves as DLA Energy's deputy designated agency ethics official. DLA Counsel-Energy represents the agency before the Armed Services Board of Contract Appeals, the Government Accountability Office, the Equal Employment Opportunity Commission and the Merit Systems Protection Board. It also works with the Department of Justice on all court litigation involving DLA Energy and serves as DLA Energy's Alternative Dispute Resolution specialist. It is responsible for DLA Energy's Legislative Affairs program and is the DLA Energy contact for all congressional inquiries. In addition, DLA Counsel-Energy manages DLA Energy's Freedom of Information Act and Privacy Act programs, as well as DLA Energy's fraud, waste and abuse program. POC: (703) 767-5020.

Organizational Missions and Functions

DLA Intelligence - Energy provides the full range of security support to the commander and his staff. The DLA Intelligence security manager for Energy serves as the principal overall management and coordination of the DLA Energy Operations Security, Information Security and Industrial Security programs. The program manager also ensures DLA Energy is in compliance with DoD and DLA polices, plans, programs and budgets for implementation and maintenance of the security programs. The program manager also provides guidance and awareness training for all DLA Energy personnel, to include regional offices. DLA Intelligence is committed to full security support. POC: (703) 767-5277.



Regional Offices

DLA Energy Americas provides comprehensive energy support and solutions to the various departments and agencies of the U.S. government, as well as international partners, in the most effective and efficient manner possible. DLA Energy Americas is one of four DLA Energy regional offices responsible for the receipt, storage, and distribution of various energy products to DLA Energy customers. The region's area of responsibility consists of North, Central and South Americas, plus the Caribbean Island states and territories; a total of 16,632,233 square miles encompassing the 48 contiguous United States and 39 additional countries/territories. DLA Energy Americas is divided into two sub-regional offices and associated AORs; DLA Energy Americas at Houston, Texas, and DLA Energy Americas at San Pedro, California. In order to accomplish the DLA Energy Americas mission, a dedicated workforce of federal employees and active duty military personnel provide uninterrupted fuel management and support to the warfighter at more than 400 Army, Air Force, Navy, Marine and Coast Guard installations. Strategic energy and fuel management support includes distribution, inventory accountability and quality assurance functions of bulk fuel (aviation), bunkers (marine), direct delivery fuels (ground and installation), into-plane (aviation), missile/cryogenic, lube oil and coal. Bulk fuel storage and distribution support includes contract administration and inventory management. DLA Energy Americas supports four combatant commands: Northern Command, Southern Command, Strategic Command and Transportation Command. DLA Energy Americas also partners with the Federal Emergency Management Agency and contingency contractors for bulk petroleum support for natural or man-made disasters occurring in the U.S. POC: (713) 754-9503.

Organizational Missions and Functions

DLA Energy Europe & Africa provides comprehensive energy solutions in the U.S. European Command and U.S. Africa Command areas of responsibility, as well as into Northern Iraq with U.S. Central Command in order to ensure uninterrupted sustainment of the energy requirements in the region's support area of operations. The office serves as the theater item manager for bulk fuel distribution and storage in Europe and Africa, as well as additional forces supported by DLA Energy Europe & Africa to include NATO, former Soviet Bloc nations and most forces operating in the former Yugoslavia, including those operating under the auspices of the United Nations. This geographic responsibility includes 55.8 million square miles, covering 103 nations in all of Europe and Africa, parts of Asia and North America, and extends from 500 miles off the Atlantic coast of the United States to the Pacific coast of Russia. It includes two-thirds of the Earth's coastlines, spanning 18 time zones. DLA Energy Europe & Africa is the first choice for energy solutions to all warfighters operating within the EUCOM and AFRICOM areas of responsibility, and will continue to provide fuel for today's fighting forces and energy solutions for tomorrow's missions. POC: 011-49-631-411-5352/5354.

DLA Energy Pacific is DLA Energy's largest geographical fuel region. DLA Energy Pacific maintains constant supervision over product inventory, provides theater contingency and exercise support, monitors product quality throughout the region and coordinates unique alternative fuels and renewable energy requirements. The region provides support to every military agency in the Pacific and to a host of foreign countries in the region. Spanning such a large portion of the world, DLA Energy Pacific's offices are Alaska, Guam, Hawaii, Japan, Korea, Okinawa and Singapore, which provide first-class energy support 24 hours a day, seven days a week. POCs: (808) 473-4312 or (808) 473-4292.



DLA Energy Middle East provides comprehensive fuel management support to Central Command and other government activities operating in the CENTCOM area of responsibility. Through use of a robust and flexible petroleum distribution network, the employment of strategically dispersed bulk petroleum facilities, and synchronization and maintenance of multiple support arrangements, DLA Energy Middle East enables component commanders the flexibility to execute combatant command-directed combat operations and theater engagement. The area of responsibility encompasses the Middle East and Central Asia. Countries included are: Bahrain, Saudi Arabia, Kuwait, Qatar, Oman, United Arab Emirates, Yemen, Syria, Lebanon, Egypt, Jordan, Iraq, Iran, Afghanistan, Pakistan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. Operating seven days a week from a forward-positioned headquarters in Bahrain, the region provides comprehensive energy solutions to the warfighter in real-time, focusing on wartime effectiveness and peacetime efficiency. POCs: Commander, +973-1785-4661 or deputy director, +973-1785-4654. DSN 318-439-XXXX.

Civilian and Military End Strengths

| Fiscal Year | Civilian | Military |
|--------------------|-----------------|-----------------|
| | Onboard | Onboard |
| 2014 | 1,278* | 67 |
| 2013 | 1,333* | 78 |
| 2012 | 1,339* | 71 |
| 2011 | 1,202* | 63 |
| 2010 | 1,148 | 63 |
| 2009 | 1,033 | 63 |
| 2008 | 920 | 59 |
| 2007 | 880 | 60 |
| 2006 | 760 | 69 |
| 2005 | 722 | 62 |
| 2004 | 743 | 61 |
| 2003 | 731 | 67 |
| 2002 | 689 | 68 |

* Includes 250 transformed employees from DLA Finance, DLA Installation Support, and DLA Information Operations

Fiscal 2014 Facts and Statistics

Financial Results



Energy Summary

U.S. dollars in millions

| | Fiscal 2012 | Fiscal 2013 | Fiscal 2014 |
|------------------|-------------|-------------|---------------------------|
| Energy Expenses | \$20,366.0 | \$17,442.9 | \$16,648.5 ⁽¹⁾ |
| Net Sales | \$18,778.3 | \$16,662.8 | \$15,822.7 ⁽²⁾ |
| Ending Inventory | \$7,681.9 | \$7,226.5 | \$7,116.5 ⁽³⁾ |

⁽¹⁾ Includes expenses for petroleum, natural gas, aerospace energy products, Federal Excise Tax, transportation, facilities, DLA Energy operations and headquarters.

⁽²⁾ Includes net sales for petroleum, natural gas and aerospace energy products.

⁽³⁾ Includes petroleum and aerospace energy product inventory.



Statement of Financial Conditions

Petroleum, Natural Gas and Aerospace Energy (U.S. dollars in millions)

| Assets | Fiscal 2012 | Fiscal 2013 | Fiscal 2014 |
|--------------------------------------|--------------------|--------------------|--------------------|
| Accounts receivable | \$474.6 | \$841.2 | \$1,096.9 |
| Inventories | \$7681.9 | \$7,226.5 | \$7,116.5 |
| Fund balance with treasury | \$2,674.9 | \$4,045.7 | \$802.2 |
| Other assets | \$124.9 | \$387.4 | \$124.9 |
| Total assets | \$10,956.3 | \$12,500.8 | \$9,140.5 |
| Liabilities | | | |
| Accounts payable | \$1,265.9 | \$1,253.9 | \$779.5 |
| Advances from others | \$0.0 | \$0.0 | \$0.0 |
| Custodial liabilities | \$0.2 | \$1.2 | \$3.0 |
| Other liabilities | \$0.04 | \$13.8 | \$14.5 |
| Estimated clean-up cost | \$195.0 | \$570.1 | \$1,071.5 |
| Total liabilities | \$1,461.1 | \$1,839.0 | \$1,868.5 |
| Net position | | | |
| Accumulated operating results | \$9,495.2 | \$10,661.8 | \$7,272.0 |
| Total capital | \$9,495.2 | \$10,661.8 | \$7,272.0 |
| Total liabilities and capital | \$10,965.3 | \$12,500.8 | \$9,140.5 |

Notes: 1) For fiscal 2014, natural gas was not part of the Defense Working Capital Fund
2) Defense Department Reporting System Journal Vouchers are excluded from the data presented

Statement of Sales

Petroleum, Natural Gas and Aerospace Energy (U.S. dollars in millions)

Notes:

- 1) For fiscal 2014, natural gas was not part of the Defense Working Capital Fund
- 2) Defense Department Reporting System Journal Vouchers are excluded from the data presented

| Customer | Fiscal 2012 | Fiscal 2013 | Fiscal 2014 |
|----------------------------------|-------------------|-------------------|-------------------|
| U.S. Army | \$3,671.1 | \$2,496.6 | \$2,318.7 |
| U.S. Navy | \$4,813.4 | \$4,678.9 | \$4,527.7 |
| U.S. Air Force | \$8,812.6 | \$8,120.4 | \$8,010.6 |
| U.S. Marine Corps | \$64.0 | \$69.6 | \$63.7 |
| Other DoD | \$43.7 | \$19.5 | \$66.6 |
| Total DoD | \$17,404.8 | \$15,385.0 | \$14,987.3 |
| Other government agencies | \$740.3 | \$566.1 | \$426.6 |
| Subtotal | \$18,145.1 | \$15,951.1 | \$15,413.9 |
| Foreign government | \$444.7 | \$582.4 | \$498.4 |
| State government | \$1.1 | \$1.1 | \$1.3 |
| Local government | \$8.4 | \$4.6 | \$0.6 |
| Commercial | \$698.3 | \$557.1 | \$398.7 |
| Morale, Welfare and Recreation | \$54.0 | \$58.0 | \$24.6 |
| Total gross sales | \$19,351.6 | \$17,154.3 | \$16,337.5 |
| Less: | | | |
| Price reduction of sales | \$0.0 | \$0.0 | \$0.0 |
| Material returns credits applied | \$573.3 | \$491.5 | \$514.8 |
| Allowance for retail stock loss | \$0.0 | \$0.0 | \$0.0 |
| Total net sales | \$18,778.3 | \$16,662.8 | \$15,822.7 |

Net Sales by Category

Petroleum, Natural Gas and Aerospace Energy

| Category | Fiscal 2012 | Fiscal 2013 | Fiscal 2014 |
|--|----------------|----------------|---------------|
| Petroleum (thousands of barrels) | | | |
| Bulk and Posts, Camps and Stations: | | | |
| AVGAS | 12 | 11 | 11 |
| Distillates and diesel | 20,391 | 17,851 | 16,726 |
| Gasohol | 403 | 366 | 340 |
| JP4, JAB, JAA and JA1 | 10,733 | 12,097 | 20,750 |
| JP5 | 10,901 | 10,128 | 9,506 |
| JP8, JPTS | 60,608 | 49,789 | 39,406 |
| Lube oils | 23 | 21 | 22 |
| Motor gasoline, leaded and unleaded | 1,141 | 1,108 | 935 |
| Residuals | 366 | 357 | 353 |
| Subtotals | 104,579 | 91,728 | 88,049 |
| Into-Plane | 4,757 | 3,573 | 3,937 |
| Bunkers | 2,066 | 1,707 | 2,087 |
| Local purchase | 8,671 | 6,107 | 5,166 |
| Total petroleum | 120,073 | 103,115 | 99,239 |
| Natural gas (millions of dekatherms) | 18.8 | 15.4 | N/A |
| Aerospace Energy (millions of dollars) | \$47.1 | \$63.3 | \$56.1 |

Notes:

1) For fiscal 2014, natural gas was not part of the Defense Working Capital Fund

2) Defense Department Reporting System Journal Vouchers are excluded from the data presented

Product Cost

Petroleum, Natural Gas and Aerospace Energy

Notes:

- 1) For fiscal 2014, natural gas was not part of the Defense Working Capital Fund
- 2) Defense Department Reporting System Journal Vouchers are excluded from the data presented

| Product | Fiscal 2012 | Fiscal 2013 | Fiscal 2014 |
|---|-------------------|-------------------|-------------------|
| Petroleum (U.S. dollars in millions) | | | |
| Bulk and Posts, Camps and Stations: | | | |
| AVGAS | \$3.5 | \$3.1 | \$3.9 |
| Distillates and diesel | \$2,763.6 | \$2,248.0 | \$2,060.3 |
| Gasohol | \$53.6 | \$46.8 | \$47.3 |
| JP4, JAB, JAA and JA1 | \$3,469.7 | \$3,238.5 | \$4,463.2 |
| JP5 | \$1,675.0 | \$1,450.6 | \$1,426.1 |
| JP8, JPTS | \$6,697.7 | \$5,257.6 | \$3,307.6 |
| Lube Oils | \$6.3 | \$5.6 | \$6.4 |
| Motor gasoline, leaded and unleaded | \$169.7 | \$158.0 | \$141.6 |
| Residuals | \$22.0 | \$23.3 | \$47.7 |
| Bulk subtotals | \$14,861.1 | \$12,431.5 | \$11,504.1 |
| Into-Plane | \$960.7 | \$572.9 | \$621.7 |
| Bunkers | \$304.6 | \$256.0 | \$305.1 |
| Local purchase | \$2,671.9 | \$1,936.6 | \$1,426.4 |
| Total petroleum | \$18,598.3 | \$15,197.0 | \$13,857.3 |
| Natural gas | \$75.2 | \$65.9 | N/A |
| Aerospace energy | \$47.3 | \$37.7 | \$33.9 |

Purchases by Category

Petroleum and Natural Gas

| Category | Fiscal 2012 | Fiscal 2013 | Fiscal 2014 |
|--|----------------|----------------|---------------|
| Petroleum (thousands of barrels) | | | |
| Bulk and Posts, Camps and Stations: | | | |
| AVGAS | 11 | 11 | 13 |
| Distillates and diesel | 20,594 | 16,974 | 15,978 |
| Gasohol | 394 | 349 | 343 |
| JP4, JAB, JAA and JA1 | 23,629 | 22,277 | 33,213 |
| JP5 | 12,534 | 11,219 | 11,090 |
| JP8, JPTS | 47,670 | 38,042 | 25,913 |
| Lube oils | 23 | 21 | 23 |
| Motor gasoline, leaded and unleaded | 1,167 | 1,107 | 1,038 |
| Residuals | 181 | 205 | 401 |
| Subtotals | 106,203 | 90,205 | 88,014 |
| Into-Plane | 4,757 | 1,707 | 3,953 |
| Bunkers | 2,066 | 3,573 | 2,055 |
| Local purchase | 8,374 | 5,742 | 4,989 |
| Total petroleum | 121,400 | 101,227 | 99,011 |
| Natural gas (millions of dekatherms) | 18.8 | 15.4 | N/A |

Notes:

1) For fiscal 2014, natural gas was not part of the Defense Working Capital Fund

2) Defense Department Reporting System Journal Vouchers are excluded from the data presented

Worldwide Bulk Fuel Ending Inventory

Millions of barrels and U.S. dollars

| Product | Fiscal 2012 | | Fiscal 2013 | | Fiscal 2014 | |
|---|---------------|--------------------|---------------|--------------------|---------------|--------------------|
| | Barrels | Dollars | Barrels | Dollars | Barrels | Dollars |
| AVGAS | 0.002 | \$0.540 | 0.002 | \$0.523 | 0.002 | \$0.509 |
| Distillates and diesel | 10.503 | \$1,371.420 | 10.304 | \$1,296.979 | 10.449 | \$1,300.457 |
| JP4 (JP4, JAB, JAA and JA1) | 9.580 | \$1,272.100 | 9.995 | \$1,275.625 | 14.154 | \$1,855.987 |
| JP5 | 14.617 | \$1,947.960 | 14.507 | \$1,870.162 | 15.992 | \$1,994.426 |
| JP8, JPTS | 22.565 | \$3,036.881 | 21.303 | \$2,724.537 | 15.016 | \$1,897.149 |
| Lube oils | 0.009 | \$2.560 | 0.009 | \$2.634 | 0.010 | \$2.771 |
| Motor gasoline and gasohol (leaded and unleaded) | 0.202 | \$29.590 | 0.177 | \$24.992 | 0.175 | \$27.172 |
| Residuals | 0.181 | \$12.640 | 0.090 | \$5.772 | 0.224 | \$18.361 |
| Additives | 0.037 | \$8.229 | 0.002 | \$2.636 | 0.016 | \$3.484 |
| Total on-hand and in transit | 57.696 | \$7,681.920 | 56.389 | \$7,203.860 | 56.038 | \$7,100.316 |
| Aerospace energy | | \$16.922 | | \$22.595 | | \$16.139 |

Note: Defense Department Reporting System Journal Vouchers are excluded from the data presented



Fiscal 2014 Facts and Statistics

Contracts

Contract Action Data

U.S. dollars in billions

| Business Unit | Total Business Unit Award Dollars | Contract Actions |
|--------------------------------------|--|-------------------------|
| Bulk Petroleum Products | \$8.3 | 3,294 |
| Bulk Petroleum Supply Chain Services | \$0.3 | 1,114 |
| Ground Fuels Division | \$3.0 | 18,349 |
| Mobility Fuels Division | \$0.4 | 529 |
| Installation Energy | \$0.02 | 247 |
| Utility Services | \$0.4 | 477 |
| Aerospace Energy | \$0.03 | 4,578 |
| Total | \$12.45 | 28,588 |

Note: Dollar values include all fiscal 2014 awards and modifications.

Environmental Contracts

Locations

- 20 specific
- Four multiple
- \$52 million approximate annual value to date
- Active multi-year contract data as of Sept. 30, 2014

Fiscal 2014 Testing Contracts



Alongside Aircraft Refueling



27 locations

- 27 contracts
- \$287 million award amount
- \$41 million approximate annual value

Active multi-year contract data as of Sept. 30, 2014.

Optimization Projects

21 ongoing locations

- Type:
 - » Contractor-owned, contractor-operated
 - » Government-owned, contractor-operated
- \$81.6 million projected savings over contract period approximate annual value.

Active multi-year contract data as of Sept. 30, 2014.



Into-Plane Contracts

Domestic

- 342 locations supported
- 342 contracts
- \$2.16 billion contract value
- 9.8 million barrels

Overseas

- 126 locations supported in 96 countries
- 31 contracts
- \$714 million contract value
- 4.5 million barrels

Active multi-year contract data as of Sept. 30, 2014.



Ships' Bunkers Contracts



Domestic

- 60 ports supported
- 28 contracts
- \$253.8 million contract value
- 2.56 million barrels

Overseas

- 45 ports supported in 43 countries
- 17 contracts
- \$591 million contract value
- 5.0 million barrels

Active multi-year contract data as of Sept. 30, 2014.

Posts, Camps and Stations Contracts

Domestic

- 202 contracts
- 1,645 activities supported
- \$6.86 billion contract value
- 50 million barrels

Overseas

- 77 contracts
- 202 activities supported in 35 countries
- \$4.97 billion contract value
- 32.7 million barrels

Active multi-year contract data as of Sept. 30, 2014.



Energy Savings Performance Contract Awards

DLA Energy is partnered with various energy service companies to complete energy savings projects on behalf of Defense Department installations. The ESCO conducts a comprehensive energy audit and identifies improvements to save energy. In consultation with DLA Energy and the installation, the ESCO designs and constructs a project that meets the installation's needs and arranges the necessary funding. The ESCO guarantees that the improvements will generate energy cost savings to pay for the project over the term of the contract (up to 25 years). After the contract ends, all additional cost savings accrue to the installation.

| Installation | Energy Efficiency Investment | Total Cost Savings | Energy Savings (in MBTU) | Greenhouse Gas Reduction (Tons CO ₂) |
|--------------------------|------------------------------|----------------------|--------------------------|--|
| Aberdeen Proving Grounds | \$4,964,428 | \$6,084,945 | 272,699 | 82,886 |
| 99th RSC | \$25,495,025 | \$57,178,518 | 1,354,206 | 176,155 |
| Carlisle Barracks | \$9,359,579 | \$11,729,130 | 410,420 | 24,389 |
| Fort Hamilton | \$2,451,640 | \$4,905,436 | 269,172 | 18,725 |
| Fort Hood (TO 1) | \$3,847,202 | \$11,300,882 | 578,346 | 118,251 |
| Fort Hood (TO 2) | \$11,593,095 | \$37,813,870 | 1,215,003 | 174,119 |
| Fort Hood (TO 3) | \$9,086,313 | \$32,370,064 | 1,200,352 | 172,934 |
| DIA | \$12,011,882 | \$20,850,142 | 501,280 | 96,201 |
| Fort Jackson | \$38,129,098 | \$106,633,093 | 3,650,152 | 458,475 |
| Totals | \$116,938,262 | \$288,866,080 | 9,451,630 | 1,322,135* |

* Equivalent to 2,789,352 barrels of oil (per EPA Greenhouse Gas Equivalencies Calculator)

| Technical categories of energy conservation measures include: | |
|--|--|
| <ul style="list-style-type: none"> Boiler/chiller plant improvements Building automated systems/energy management control Heating, ventilating and air conditioning Lighting improvements Building envelope modifications Chilled water, hot water and steam distribution systems Electrical peak shaving/load shifting Energy cost reduction through rate adjustments | <ul style="list-style-type: none"> Electric motors and drives Refrigeration Distributed generation Renewable energy systems Energy/utility distribution systems Water and sewer conservation systems Energy-related process improvements Commissioning and advanced metering systems |

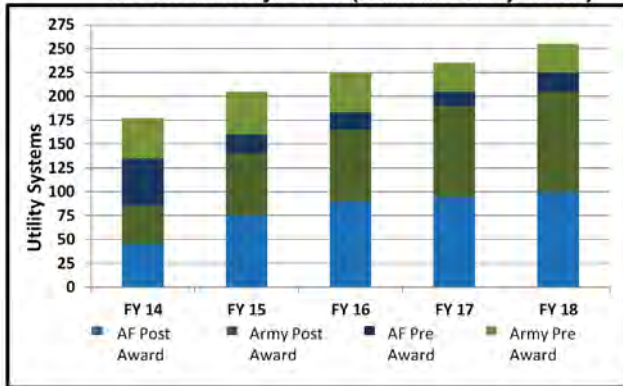
Utility Services Contract Award Summary

- 48 locations supported
- 106 systems
- Types of contracted support
 - » Water distribution
 - » Wastewater collection
 - » Electrical distribution
 - » Central heat and power plant
 - » Natural gas distribution
 - » Water plant
 - » Wastewater plant
 - » Stormwater collection
- \$11.75 billion contract value through fiscal 2014
- Active multi-year contract data as of Sept. 30, 2014.

DLA Energy Utility Services Activity Across the US



Workload Projection (Number of Systems)



Fiscal 2014 Utility Services Contract Awards

| Location | System(s) | Total value |
|---------------------------|------------------|----------------------|
| Hill Air Force Base, Utah | Water/Wastewater | \$288,021,970 |
| Hill Air Force Base, Utah | Electric | \$281,622,253 |
| Picatinny, New Jersey | Water/Wastewater | \$296,750,180 |
| Total | | \$866,394,403 |

Aerospace Energy Contracting Overview



- 93 national stock numbers
 - » 29 different products
 - » Three product classes: liquid propellants, cryogenics and compressed gases
- 123 active contracts, 3,312 contract line item numbers
 - » 95 percent requirements-type contracts
 - » Normally multi-year three to five years
 - » Both free on board origin and destination
- “Cradle to grave” – pre-award to contract closeout
- Every product supports a Department of Defense major weapon system or DoD space application

Alternative Fuel

Alternative fuel contracts in support of the military services' testing and certification efforts:

| Product type | Feedstock | Source | Quantity (U.S. gallons) | Procurement date | Option quantity |
|---------------------|---------------------|---------------|--------------------------------|-------------------------|------------------------|
| DSH8 | Sugar | Amyris | 800 | September 2014 | No |
| CHCJ5 | Fats, Oils, Greases | ARA | 750 | September 2014 | 34,581 |
| CHCD76 | Fats, Oils, Greases | ARA | 750 | September 2014 | 34,580 |

Fiscal 2014 Facts and Statistics

Business Unit Programs



Storage and Distribution Services

Types of storage and distribution services:

- Government-owned, government operated
- Government-owned, contractor operated
- Contractor-owned, contractor operated
- Foreign government
- North Atlantic Treaty Organization



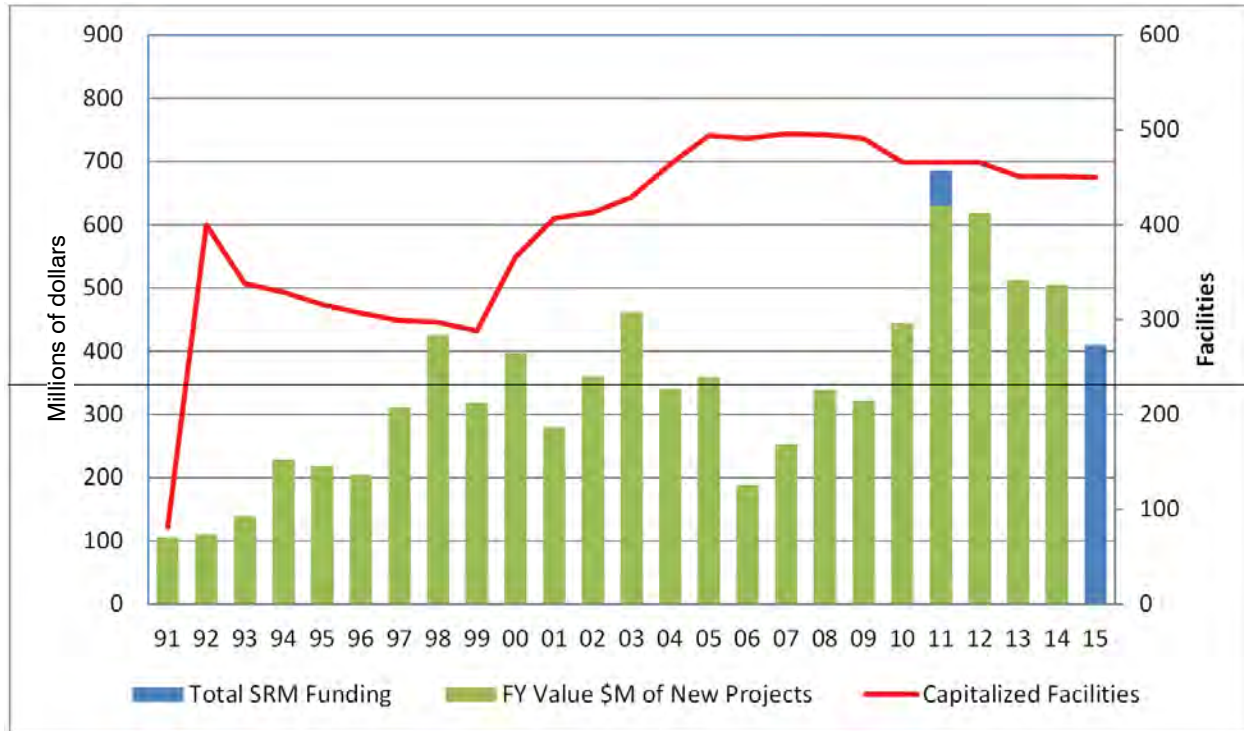
DLA Energy-funded terminal operations worldwide: **210**

Expenditures: **\$329 million** annually

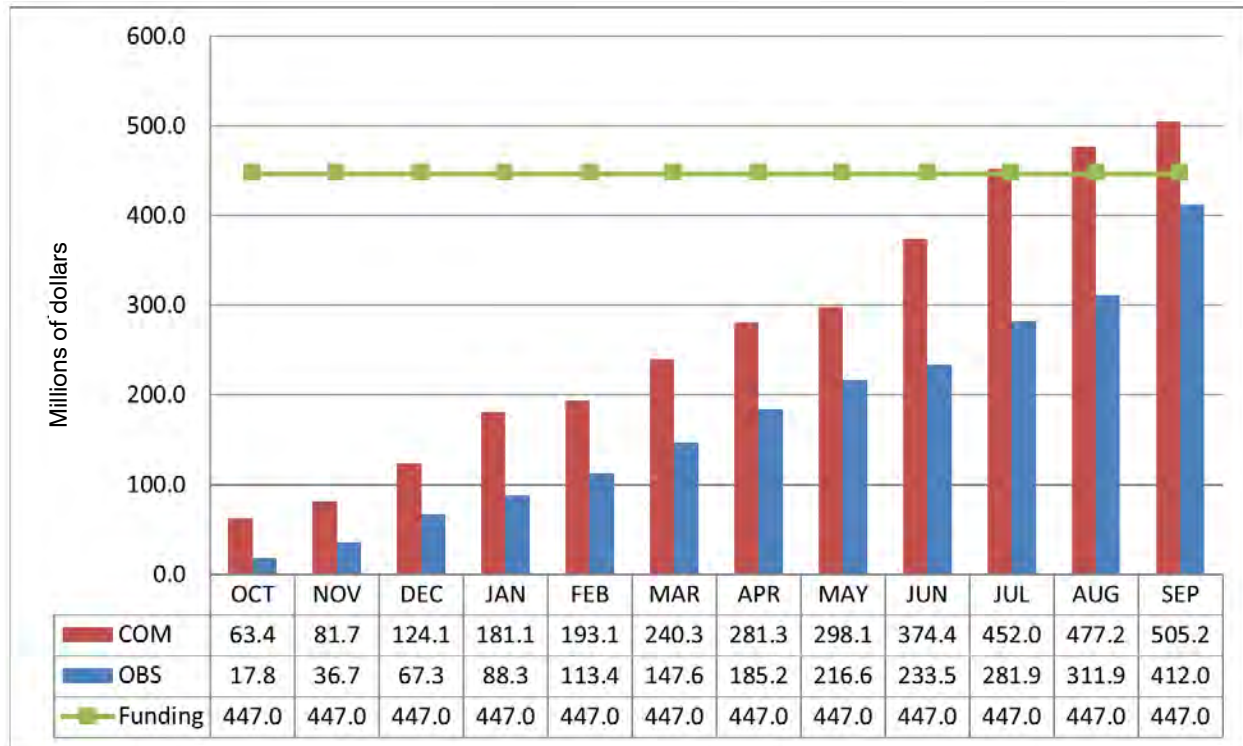
Defense Fuel Support Points

| Type of operation | Army | Navy | Air Force | DLA | Total |
|---------------------------------------|------------|------------|------------|------------|------------|
| Government-owned, government-operated | 96 | 45 | 108 | 3 | 252 |
| Government-owned, contractor-operated | 19 | 8 | 26 | 130 | 183 |
| Contractor-owned, contractor-operated | 0 | 0 | 0 | 42 | 42 |
| North Atlantic Treaty Organization | 0 | 0 | 0 | 6 | 6 |
| Commercial pipeline | 0 | 0 | 0 | 41 | 41 |
| Floating storage | 0 | 62 | 0 | 0 | 62 |
| Foreign government | 0 | 0 | 2 | 7 | 9 |
| Total | 115 | 115 | 136 | 229 | 595 |

Sustainment, Restoration and Modernization

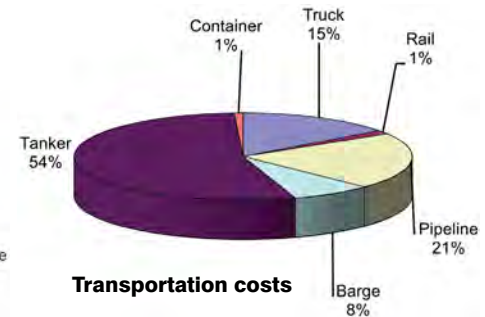
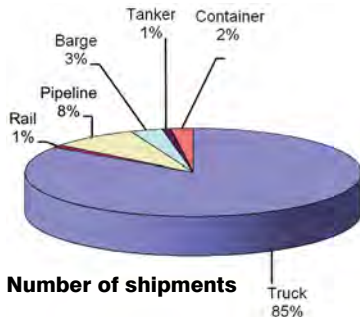


SRM Commitments and Obligations



Worldwide Bulk Product Transportation

Frequency - Cost - Volume



| | | Truck | Rail | *Pipeline | Barge | Tanker | Seavan | Total |
|---------------------------------------|--------------------|--------|------|-----------|-------|--------|--------|--------|
| Within the Continental United States | Shipments | 19,995 | 179 | 1,640 | 697 | 57 | - | 22,568 |
| | Cost (\$ millions) | 58.8 | 2.9 | 86.7 | 31.5 | 60.7 | - | 240.6 |
| | Barrels (millions) | 10.3 | 0.8 | 37.7 | 13.9 | 10.0 | - | 72.7 |
| Outside the Continental United States | Shipments | 1,634 | 98 | 506 | 89 | 160 | 545 | 3,032 |
| | Cost (\$ millions) | 2.4 | 3.1 | - | 0.4 | 162.6 | 3.6 | 172.1 |
| | Barrels (millions) | 0.7 | 0.4 | 6.4 | 0.5 | 27.1 | 0.1 | 35.2 |
| Total | Shipments | 21,629 | 277 | 2,146 | 786 | 217 | 545 | 25,600 |
| | Cost (\$ millions) | 61.2 | 6.0 | 86.7 | 31.9 | 223.3 | 3.6 | 412.7 |
| | Barrels (millions) | 11.0 | 1.2 | 44.1 | 14.4 | 37.1 | 0.1 | 107.9 |

Costs associated with OCONUS pipeline shipments are funded under an International Agreement and have been excluded to avoid duplicate information.

Transportation Expenses

U.S. dollars in millions

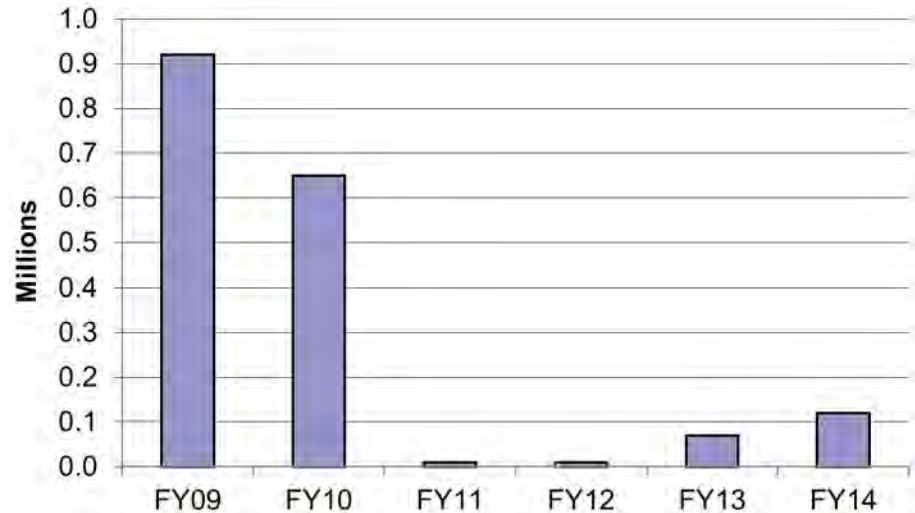
| Worldwide Petroleum Fuel | Fiscal 2012 | Fiscal 2013 | Fiscal 2014 |
|-------------------------------------|----------------|----------------|----------------|
| AVGAS | \$0.0 | \$0.0 | \$0.0 |
| Distillates and diesel | \$95.2 | \$78.8 | \$69.9 |
| JP4, JAB, JAA and JA1 | \$109.4 | \$103.4 | \$142.5 |
| JP5 | \$58.0 | \$51.6 | \$48.5 |
| JP8, JPTS | \$220.8 | \$177.1 | \$113.3 |
| Lube oils | \$0.1 | \$0.1 | \$0.1 |
| Motor gasoline, leaded and unleaded | \$7.2 | \$6.8 | \$6.0 |
| Residuals | \$0.8 | \$1.0 | \$1.8 |
| Total | \$491.7 | \$418.8 | \$382.1 |
| Worldwide aerospace energy products | \$1.6 | \$2.3 | \$5.1 |

Note: Defense Department Reporting System Journal Vouchers are excluded from the data presented.

Demurrage Collected

U.S. dollars in millions

| Fiscal year | Total |
|-------------|--------|
| 2014 | \$0.12 |
| 2013 | \$0.07 |
| 2012 | \$0.01 |
| 2011 | \$0.01 |
| 2010 | \$0.65 |
| 2009 | \$0.92 |



Note: Demurrage is a charge assessed for holding a conveyance beyond the “free time” or “allowable lay time.” Demurrage collected is from ocean tanker and barge modes of supply.

Small Business Program Achievements

| Small Business Preference Program | Fiscal 2012 | | | Fiscal 2013 | | | Fiscal 2014 | | |
|--|-------------|-------------|--------------------|-------------|-------------|--------------------|-------------|-------------|--------------------|
| | Targets | Performance | Dollars (millions) | Targets | Performance | Dollars (millions) | Targets | Performance | Dollars (millions) |
| Total Small Business eligible dollars | | | \$12,700 | | | \$4,249 | | | \$8,143 |
| Small Business awards | 26.5% | 13.7% | \$1,700 | 21.3% | 35.7% | \$1,518 | 21.3% | 25.7% | \$2,099 |
| Small Disadvantaged Business awards | 1% | 0.4% | \$53.5 | 5% | 3.1% | \$132.2 | 5% | 2.10% | \$171.2 |
| Section (8)a (Subset of SDB – no separate target) | N/A | 0.2% | \$31.4 | N/A | 0.1% | \$6.3 | N/A | 0.17% | \$14.3 |
| Woman-Owned Small Business awards | 2.4% | 2% | \$23.1 | 5% | 3.3% | \$144.3 | 5% | 0.66% | \$54.4 |
| Hubzone Small Business awards | 1.5% | 0.2% | \$25.7 | 3% | 0.4% | \$20.6 | 3% | 0.08% | \$7.2 |
| Service-Disabled Veteran-Owned Small Business awards | 3% | 0.3% | \$38.8 | 3% | 1.4% | \$60.4 | 3% | 0.48% | \$39.1 |

Worldwide Agreements Snapshot

U.S. Northern Command (2)

Canada

- Air Force FEA
- Navy FEA

U.S. Southern Command (4)

Argentina

- Navy FEA

Chile

- Navy FEA

Peru

- Navy FEA

Honduras

- Air Force FEA

U.S. Central Command (3)

Oman

- FSA - Product/Service Agreement

Bahrain

- FSA - Product Agreement

United Arab Emirates

- Joint FEA

U.S. Pacific Command (9)

Japan

- Joint FEA

Korea

- FSA - Kunsan Pier
- FSA - South North Pipeline
- Joint FEA

India

- Navy FEA

Indonesia

- Navy FEA

Singapore

- FSA - Senoko Depot (UK)

Australia

- Joint FEA

New Zealand

- Joint FEA

U.S. European Command (22)

NATO

- FSA - Central European Pipeline System

United Kingdom

- FSA - GPSS Pipeline System
- Air Force FEA
- Navy FEA

Italy

- Navy FEA
- Air Force FEA
- FSA - Northern Italian Pipeline System
- FSA - Sigonella Pipeline
- FSA - Augusta Depot/Gaeta Depot

Germany

- Joint FEA

Poland

- Navy FEA

France

- Navy FEA

Greece

- Air Force FEA
- FSA - Souda Depot

Portugal

- FSA - Lajes Storage

Spain

- Air Force FEA
- Navy FEA
- Rotaza FEA
- FSA - Spanish Pipeline System

Turkey

- Air Force FEA
- Navy FEA
- FSA - Turkish NATO Pipeline System

| Agreement Type | Agreements | Financial |
|---|------------|---------------|
| Fuel Support Agreements (product/service costs) | 14 | \$296 million |
| Fuel Exchange Agreements (exchange/sales) | 26 | \$384 million |

Coal Program

Coal customers

Eleven Department of Defense installations

Locations supported with bituminous coal:

Naval Facilities Engineering Command Washington, Indian Head, Maryland; Marine Corps Base, Camp Lejeune, North Carolina; Marine Corps Air Station, Cherry Point, North Carolina; Joint Systems Manufacturing Center, Lima, Ohio; Wright-Patterson Air Force Base, Ohio; Rock Island Arsenal, Illinois; Red River Army Depot, Texarkana, Texas; and Malmstrom Air Force Base, Montana.

Locations supported with sub-bituminous coal:

Fort Wainwright, Eielson Air Force Base and Clear Air Force Station, Alaska.

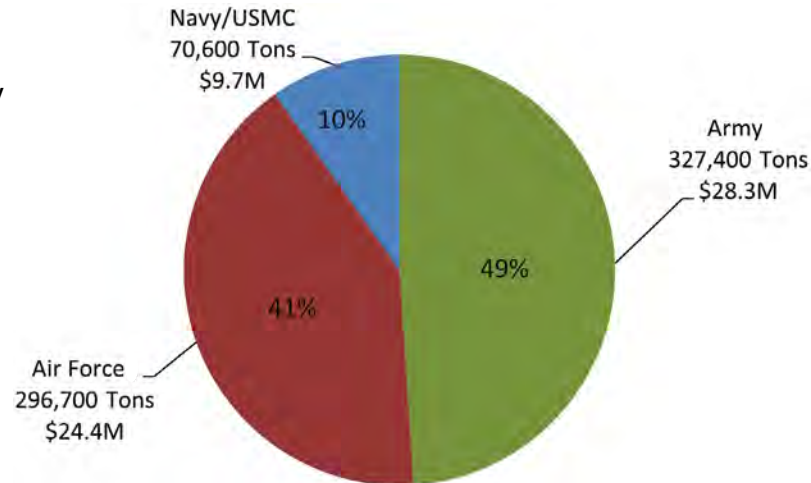
Locations supported with Biomass (wood pellets):

General Services Administration, Ketchikan, Alaska. Delivered 95 tons of wood pellets valued at \$23,750.

Fiscal 2014 Coal Program Summary

694,700 tons of coal for various DoD locations in the U.S. valued at \$62,540,376.

Fiscal 2014 Summary the Coal Program
(dollars in millions)



Natural Gas Program

DLA Energy serves as DoD's central procurement agency to competitively acquire direct supply natural gas. The program includes more than 20 industry suppliers delivering approximately 40 million dekatherms annually to more than 200 DoD and federal civilian customers.

Fiscal 2014 Program Summary

| Component | Customers per component | Fiscal 2014 dekatherms delivered (in millions) | Fiscal 2014 expenditures* (in millions) | Fiscal 2014 cost avoidance** (in millions) | Fiscal 2014 percent savings vs. utility | Fiscal 1991-2014 cost avoidance (in millions) |
|---------------|-------------------------|--|---|--|---|---|
| Army | 48 | 13.1 | \$72.4 | \$10.0 | 15% | \$285.3 |
| Navy/Marines | 45 | 11.8 | \$72.8 | \$12.3 | 15% | \$289.6 |
| Air Force | 34 | 8.8 | \$42.0 | \$7.5 | 18% | \$166.9 |
| Other DoD | 13 | 1.4 | \$7.2 | \$1.9 | 21% | \$39.2 |
| Fed. Civilian | 70 | 13.1 | \$68.0 | \$10.4 | 15% | \$249.3 |
| Total | 210 | 48.4 | \$262.4 | \$42.2 | 15% | \$1,030.4 |

* Includes deliveries to the utility and deliveries directly off the pipeline.

** Represents cost avoidance at DLA Energy indexed contract rates.

Electricity - Demand Response Program

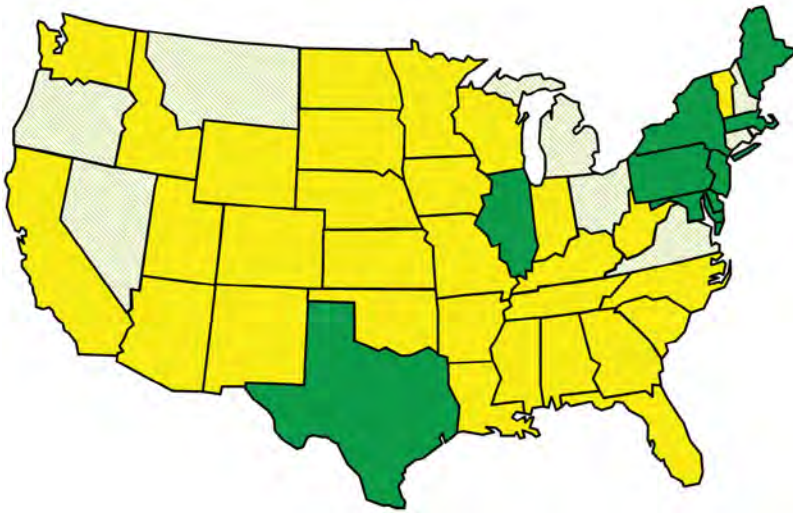
The Demand Response Program provides incentives to curtail demand and reduce load during peak periods in response to system reliability or market conditions.

Fiscal 2014 Program Overview

| | Number of DR installations in fiscal 2014 | States (current enrollment) | KW enrolled in fiscal 2014 | Savings in fiscal 2014* | Savings since inception (fiscal 2008 - 2014) |
|----------------------|--|--|-----------------------------------|--------------------------------|---|
| Air Force | 9 | CA, ID, MD, OH, NY, TX, VA | 14,557 | \$439,950 | \$2,468,261 |
| Army | 11 | AZ, MD, NJ, NY, PA, TX, VA | 32,150 | \$1,001,682 | \$3,162,121 |
| Navy/USMC | 15 | CA, DC, IL, ME, MD, PA, VA | 80,289 | \$994,261 | \$8,881,370 |
| Other DoD | 10 | CA, DC, MD, PA, VA | 25,115 | \$268,022 | \$4,194,195 |
| Fed. Civilian | 32 | AZ, CA, DC, FL, MA, MD, NJ, NY, TX, VA, WV | 98,424 | \$1,233,349 | \$3,577,258 |
| Total | 77 | | 250,535 | \$3,937,264 | \$22,283,205 |

*Additional savings from fiscal 2014 performance period will continue to be realized during fiscal 2015.

Electricity Program



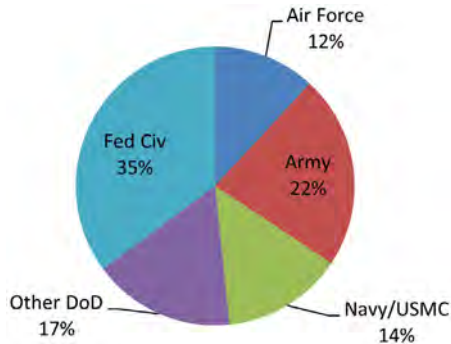
DLA Energy is actively managing more than 15 million megawatt hours of electricity valued at more than \$900 million under multiple-year contracts. DLA Energy has experience in all states in which deregulation/restructuring has occurred and in which requirements have been received.

- Retail access implemented, DLA Energy awards contracts
- Retail access implemented, DLA Energy solicited, no awards
- Retail access pending, DLA Energy monitoring market

Electricity Program summary

| Program | kWh awarded | Contract value |
|-----------------------|-----------------------|----------------------|
| PJM Portfolio | 5,676,820,165 | \$354,290,346 |
| PJM Small | 922,249,542 | \$97,456,615 |
| PJM Large | 3,847,371,854 | \$201,896,466 |
| PJM Navy | 1,421,360,438 | \$85,281,626 |
| Northeast | 43,425,806 | \$3,191,362 |
| Texas 2013 | 1,806,615,171 | \$77,591,006 |
| Texas 2014 (NASA/SPR) | 558,424,107 | \$25,178,068 |
| Illinois-Fermi | 802,762,548 | \$37,930,530 |
| MISO 2014 | 292,741,266 | \$12,429,794 |
| New York | 202,245,391 | \$10,433,121 |
| FE Warren | 64,000,000 | \$4,550,400 |
| Total | 15,638,016,288 | \$910,229,335 |

Percent of total contract value



Renewable Energy Program

Renewable Power: Any source of energy that is continually available or that can be renewed or replaced. The Energy Policy Act of 2005 defines “renewable energy” as electric energy generated from solar, wind, biomass, landfill gas, ocean (including tidal, wave, current and thermal), geothermal, municipal solid waste or new hydroelectric generation capacity at an existing hydroelectric project.

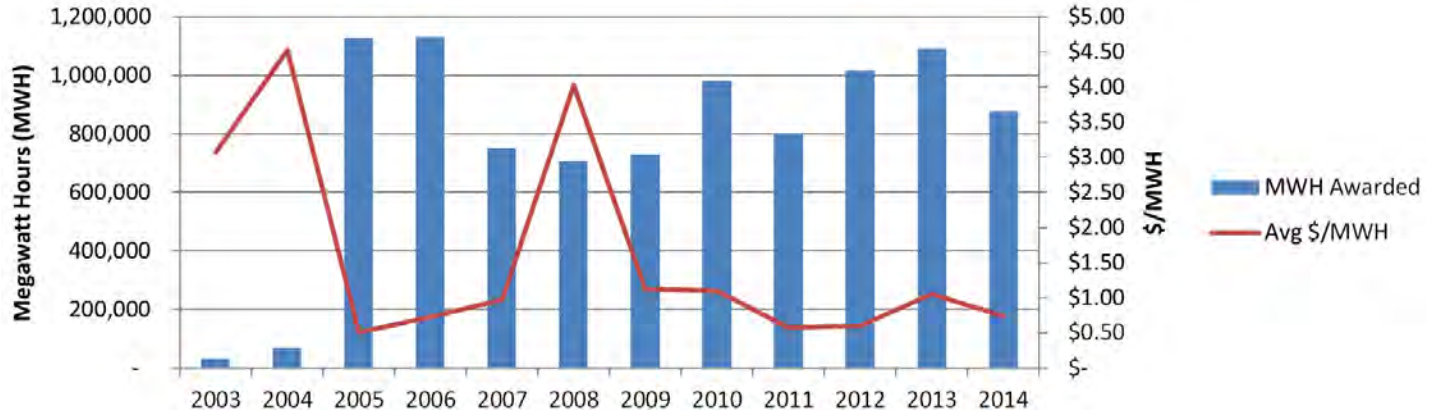
Fiscal 2014 Renewable Energy Program Summary:

| Installation | Service | Renewable technology | Size (MW) | On-site / Off-site | Est. annual delivery (MWh) | Contract term (estimated) | Estimated dollar value (in millions) |
|--------------------------------|-----------|----------------------|-----------|--------------------|----------------------------|---------------------------|--------------------------------------|
| Fort Drum | Army | Biomass | 15-28 | On-site | 147,000 | 20 years | \$286 |
| Fort Detrick | Army | Solar | 18.6 | On-site | 24,240 | 26 years | \$62 |
| Fort Irwin | Army | Solar | 15 | On-site | 26,760 | 26 years | \$64 |
| Joint Base Cape Cod (Otis AFB) | Air Force | Solar | 6 | On-site | 9,000 | 20 years | \$11.7 |
| EPA Edison | Fed. Civ. | Solar | 1 | On-site | 3,859 | 25 years | \$2.6 |
| Vandenberg AFB | Air Force | Solar | 20-30 | On-site | TBD | TBD | TBD |
| Totals | | | | | 211,859 | | \$426.3 |

Renewable Energy Program (cont.)

Renewable Energy Certificates: A REC is a tradable, non-tangible energy commodity in the United States that represents proof that one megawatt-hour of electricity was generated from an eligible renewable energy (solar, wind, biomass, ocean, geothermal, municipal solid waste or “new” hydroelectric generation) resource.

Summary of DLA Energy Renewable Energy Certificate purchases (2003-2014)



For fiscal year 2014, the Energy Policy Act of 2005 requires that not less than 7.5 percent of total electricity consumed by the federal government come from renewable energy.

Mobility Fuels Customer Support to the Warfighter

- Serves as the primary customer-facing point for Department of Defense, federal civilian and other authorized customers at 2,235 delivery locations for petroleum products
- Informs customers of new and existing DLA Energy services and processes
- Coordinates and processes customer requirements and maintains customer data
- Monitors the overall customer relationship with DLA Energy
- Assists in performing expeditious action on ordering and material acceptance processes
- Solves or coordinates timely resolution of customer fuel support issues

Mobility Fuels Demand Planning Support to the Warfighter

- Manages customer collaboration for petroleum requirements at both into-stock and customer direct locations
- Maintains demand data for 730 into-stock and 3,500 customer direct locations
- Produces demand plans from historical data, statistical modeling and interactive collaboration
- Coordinates demand plans and customer requirements with supplier operations to supply plan and perform acquisition actions
- Conducts demand/supply alignment meetings with services/customers and internal DLA Energy stakeholders

U.S. Government AIR Card®

Warfighter benefits

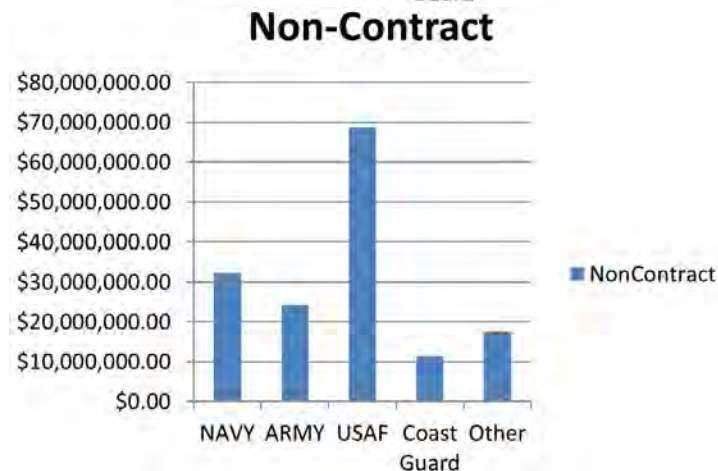
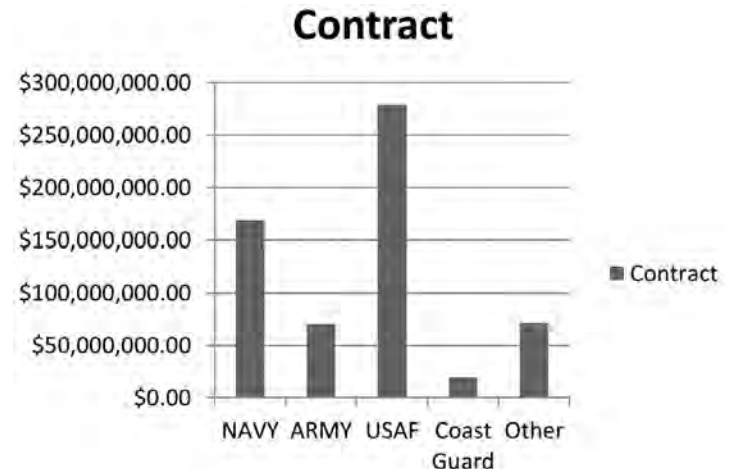
- Supports DLA Energy into-plane contract refueling at more than 500 locations
- Accepted at more than 4,000 non-contract locations worldwide

Fiscal stewardship

- Fiscal 2014 non-contract rebate is \$265,000
- Strategic Sourcing Report: Identifies potential contract locations and the units buying non-contract fuel where contract fuel is available

Fiscal 2014 sales data

- \$608 million in contract fuel
 - » 170 million gallons
 - » 250,00 transactions
- \$154 million in non-contract fuel
 - » 34 million gallons
 - » 54,000 transactions



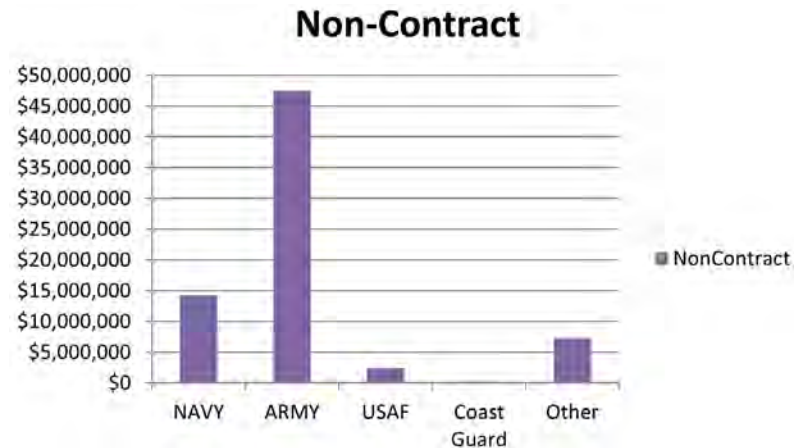
DoD Fleet Card

Warfighter benefits

- Supports more than 528,000 vehicle fueling transactions annually
- Provides minor maintenance and roadside assistance support
- Accepted at more than 200,000 commercial locations
- Not a credit card – enables standard unit pricing
- \$446,437 in fiscal 2014 rebates

Fiscal 2014 sales data

- \$72 million in non-contract fuel
 - » 18 million gallons
 - » 683,000 transactions



SEA Card System®

Warfighter benefits

- Total online order management system supporting ships' bunker refueling
- Electronically connects DLA Energy bunkers merchant to vessel ordering officers
 - » Eliminates inefficient manual paper process

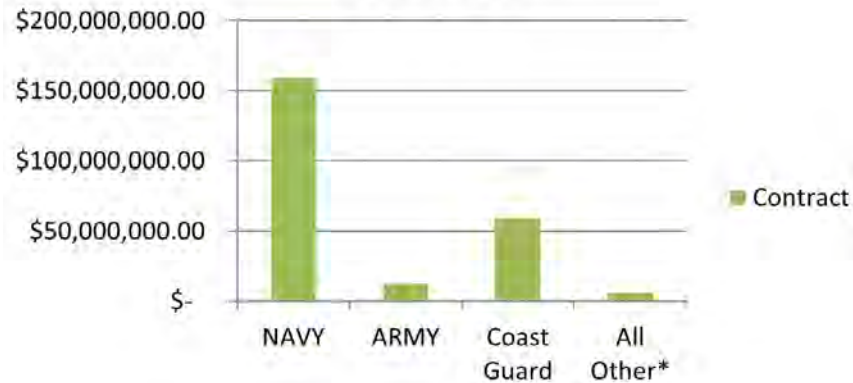
Global support

- More than 700 Defense Department vessels registered
- 24/7 fuel ordering/customer service support
- Contract support at more than 250 bunker contract ports
- Open Market support at more than 2,000 non-contract ports

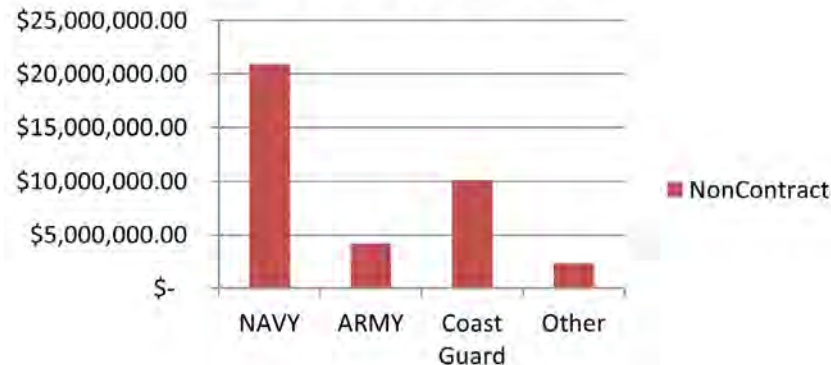
Fiscal 2014 sales data

- \$237 million contract fuel
 - » 70 million gallons
 - » 2,594 transactions
- \$38 million non-contract fuel
 - » 11 million gallons
 - » 412 transactions

Contract



Non-Contract



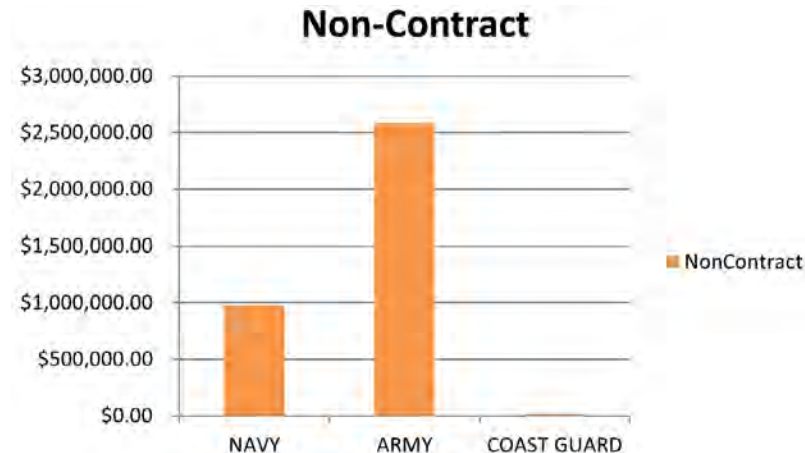
DoD Swipe SEA Card®

Warfighter benefits

- More than 200 DoD small vessels registered
- The card is accepted at locations worldwide for fuel only
- The card is authorized up to the Simplified Acquisition Threshold of \$150,000
- Provides interfund billing through DLA Energy
- \$25,594 in fiscal 2014 rebates

Fiscal 2014 sales data

- \$3.6 million non-contract fuel
 - » 950,000 gallons
 - » 1,817 transactions



Petroleum Quality Information Support

Purpose:

- Implemented Office of the Secretary of Defense 1989 directive to facilitate the collection and dissemination of standardized fuel quality data
- Allows for a proactive approach in identifying and monitoring product quality trends across a wide spectrum
- Largest publication of fuel quality information worldwide
- Used by customers, foreign governments, NATO and commercial industry (TWA 800, General Electric engine development, trends, etc.)
- Provides a first look at alternative fuel quality properties
- The raw data used to create the PQIS report is able to be queried through a custom query system
- This system allows for tracking of specific fuel properties over any period of time



PQIS publication includes quality data for aviation fuel (AN8, JP4, JP5, JP8, JA1, Jet A, JPTS and TS1) marine fuel (F76, marine gas oil and RME180), propellants (JP10 and PF1, RP1 and RP2), lubricants (LTL, LO6 and LA6), fuel system icing inhibitor (FSII) additive and alternative fuels including hydrotreated renewable fuels (HRF76, HRJ5 and HRJ8), alcohol to jet (ATJ8 and ATJ5), direct sugar to hydrocarbon (DSH76) and hydroprocessed depolymerized cellulosic diesel (HDCD76).

Research and Development Product Support

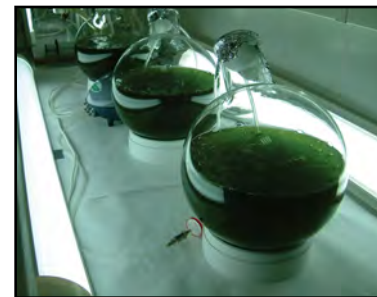


• **Projects include:**

- Jet fuel characterization of conventional and alternative fuels
- Automated real-time fuel monitoring, identification and property estimation
- Rocket propellant study to evaluate composition on thermal stability properties
- Evaluation of cetane improvers in aviation fuel and alternative fuels
- Environmental and cost benefit analysis of alternative aviation fuels
- Program manager for DLA Energy-funded projects
- Establishes and implements long-term projects and studies to resolve issues impacting the Class IIIB supply system, and petroleum product/additive specification requirements and allowances
- Partner with commercial industry, military services and federal agencies
- Best practices for fuel system contamination detection and remediation
- Combustor operability with alternative and referenced fuels
- Improved testing of alternative fuels on o-ring performance
- Improved analytical methods to detect and characterize light cycle oil contaminant in jet fuel
- Improved test methods for storage stability of diesel fuels containing stabilizer additives
- Commercial hydrazine characterization
- Novel demilitarization of Unsymmetrical Dimethylhydrazine

Alternative Energy Research and Development Support

- Provides expertise for technical and administrative actions for research and development projects and congressional earmarks relating to alternative and mobility fuels and renewable energy products
- Participates in the source selection team for all energy-related research and development proposals
- Provides input to strategies and policies concerning research and development and alternative or renewable energies within the agency
- Partners with commercial industry, military services and federal agencies:
 - » **Commercial Aviation Alternative Fuels Initiative**
 - Continued development and implementation of alternative fuels in partnership with the commercial aviation industry
 - » **Aviation Sustainability Center of Excellence**
 - Contributed towards research efforts in the areas of aviation emissions reductions and alternative fuel certification requirements
- Projects include:
 - » **Direct Sugar to Hydrocarbon Aviation Fuel (Synthesized Iso-Paraffins)**
 - Procurement of DSH8 to support the Army's program to certify DSH8 as a JP8 blend component
 - » **Catalytic Hydrothermal Conversion Synthetic Aviation and Marine Diesel Fuel**
 - Procurement of CHCJ5 and CHCD76 to support the Navy's alternative fuels certification program
 - » **Defense Production Act Title III**
 - Provided technical expertise and support in evaluating proposals for the Department of the Navy, Department of Agriculture and Department of Energy Biorefinery DPA Title III initiative, which resulted in the award of government funds to three enterprises for the construction of commercial facilities to produce military grade biofuels by 2017



Cataloging and Standardization

- Lead standardization activity for federal supply group for fuels, lubricants, oils and waxes
- Lead standardization activity for liquid propellant fuels
- Market research and specification analysis
- Works with the DLA Standardization Executive Agent
- Responsible for the creation, deletion and maintenance of national stock numbers
- Manages and maintains DESCH 4120.1, “Reference List of Commodities, Specifications and Standards”

Quality Assurance/Surveillance Program

- Provides quality-related support and direction to the Bulk Petroleum Products, Bulk Petroleum Supply Chain Services, Direct Delivery and Aerospace Energy business units, as well as DLA Installation Support for Energy and divisions involved in alternative fuels
 - » Develops and recommends appropriate quality inspection requirements for DLA Energy solicitations and contracts
 - » Evaluates and recommends acceptability of contractor exception, deviations and waiver requests
 - » Evaluates and determines technical acceptability of prospective contractors' technical proposals prior to contract award
- Develops and implements quality assurance and surveillance policy for DLA Energy headquarters and regions
- Investigates and resolves customer and depot complaints involving quality of products and services
- Provides disposition recommendations for off-specification fuel in concert with DFSP Management and DLA Finance Energy
- Maintains quality metrics
- Manages the commercial laboratory program
- Evaluates and determines acceptability of marine vessels offered by Military Sealift Command for carrying DLA Energy product
- Provides support for secure fuels and receives and processes secure fuels commercial lab invoices

DoD Quality Assurance/Surveillance Standard Practice (MIL-STD-3004)

- Develops and assures implementation of MIL-STD-3004 “Department of Defense Standard Practice – Quality Assurance/Surveillance for Fuels, Lubricants and Related Products” in conjunction with the military services. The current edition, MIL-STD-3004D, was published Oct. 10, 2014.
- This standard provides DoD policy and minimum procedures to be used by the military services and DLA, worldwide, in performing quality assurance/surveillance of fuels, lubricants and related products purchased by the DoD.
- This standard covers quality assurance where applicable (e.g., direct delivery to customers, destination acceptance, etc.).
- This standard includes policy and responsibilities derived from DoD Directive 5101.8, “DoD Executive Agent for Bulk Petroleum,” Aug. 11, 2004, which designates the director of DLA as the DoD Executive Agent for Bulk Petroleum, with authority to re-delegate to DLA Energy.
- This standard also contains intra-governmental receipt limits for U.S. government-owned fuels.

Quality Assurance Training and Certification Program

Quality Assurance Specialist and QAS Supervisors Training and Certification Program (DLA Energy Regulation 4155.2)

- Develops, maintains and implements the QAS and QAS Supervisors Training and Certification Program for DLA Energy.
- This regulation outlines the DLA Energy QAS and QAS Supervisors Training and Certification Program as required per DoD 5000.52, DoDI 5000.66 and DLA Instruction 7518. It determines the minimum required course and on-the-job training requirements for DLA Energy quality personnel in a range of commodity-specific disciplines.
- In addition to determining the other course requirements for this program, the staff develops the lesson plans and course content, as well as provides the sponsorship and classroom instruction, for the program's core commodity-specific courses:
 - » J07: Quality assurance of into-plane servicing contracts
 - » J08: Quality assurance of coal
 - » J10: Petroleum quality assurance - general
 - » J20: Petroleum quality assurance

DLA Supply Chain Sustainability and Hazardous Materials Minimization Team



DLA Energy is the liaison to the DLA Supply Chain Sustainability Hazardous Minimization team, or HAZMIN team, formerly the “DLA Green Product team.”

The HAZMIN team promotes the procurement and use of “green” products as classified below:

- Recovered or recycled content
- Environmentally preferable
- Energy efficient
- Bio-based
- Alternative fuels and alternative fueled vehicles

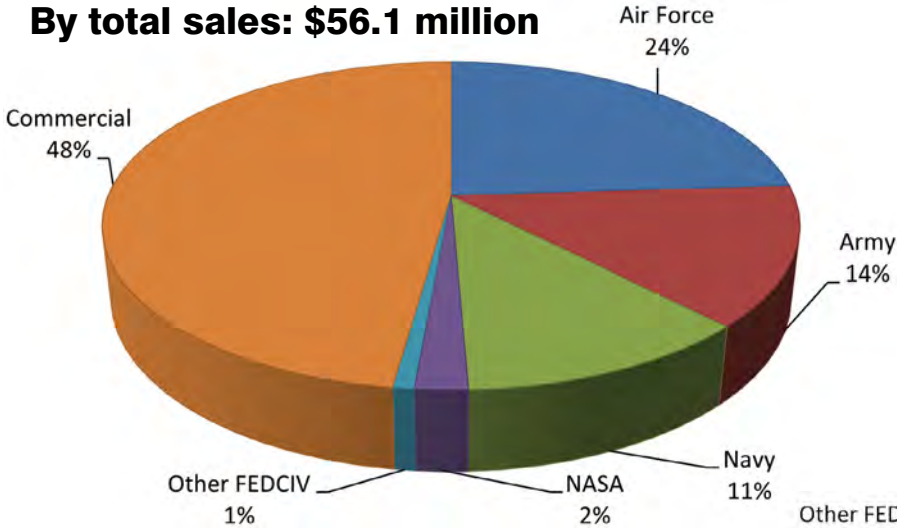
DLA Energy supports customers in going “green” with the procurement of E85, biodiesel, hydrotreated renewable jet fuel from various feedstocks (camelina, algae and tallow) and synthetic fuels.

The team educates users and is currently establishing Environmental Attribute Codes for B20 and E85 to enable customers to identify and order environmentally preferable alternative fuels.

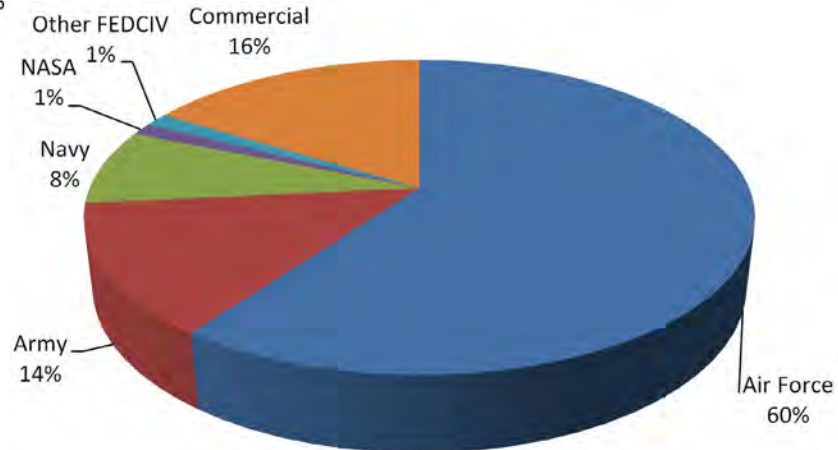
In support of the energy goals of the U.S. Department of Agriculture and the Secretary of the Navy, DLA Energy incorporated biofuels into the regular bulk procurement of the Inland East Gulf Coast purchase program. This was the first DLA Energy solicitation for operational quantities of biofuels and was a product of all of the successful testing and certification efforts on synthetic paraffinic kerosene and diesel made from either the Fischer-Tropsch or Hydroprocessed Esters and Fatty Acids processes.

Aerospace Energy Customer Profile

By total sales: \$56.1 million



By number of customers: 655



Aerospace Energy Product Line Overview



Compressed gases

- Helium
- Nitrogen
- Argon
- Hydrogen
- Deuterium
- Nitrogen trifluoride
- Fluorine
- Xenon
- Krypton
- Neon

Propellants

• Hypergolic

- » Hydrazine fuels - seven grades
- » Dinitrogen tetroxide - five grades
- » Inhibited red fuming nitric acid

• Non-hypergolic

- » Rocket propellant - Grades 1 and 2
- » Isopropyl alcohol
- » Hydrogen peroxide
- » JP10
- » Priming fluid
- » Methanol

• Cryogenic

- » Liquid oxygen
- » Liquid hydrogen
- » Liquid methane

Non-propellant cryogenics

- Aviator's breathing oxygen
- Liquid nitrogen
- Liquid air
- Liquid argon
- Liquid helium
- Liquid carbon dioxide



Major Programs Supported

- U.S. Air Force Atlas II
- Commercial evolved expendable launch vehicle - Lockheed Martin Atlas V and Boeing Delta IV
- Commercial launch vehicles – SpaceX Falcon and Orbital Sciences Antares
- F-16 emergency power unit
- F-15/F-16 air intercept missile, Avenger, Sidewinder
- Cruise missiles - Navy Tomahawk, Harpoon, and USAF air launched cruise missile and air cruise missile
- AIM-9 and Stinger missiles
- Research and development programs
- Army terminal high altitude area defense
- Department of Defense aircraft life support and maintenance
- USAF continental airship programs
- Outside the continental U.S. DoD aerostat programs
- Military and commercial satellites
- International Space Station
- Drug Enforcement Agency drug interdiction
- DoD laser programs
- Department of Homeland Security Border Patrol Aerostat Program
- National Oceanic and Atmospheric Administration
- National Weather Service
- U.S. Department of Energy
- U.S. Navy nuclear-powered attack submarine program



Hazardous Material Shipments

| Product | Cylinders/Drums | Bulk |
|---|------------------------|-------------|
| Helium | 920 | 617 |
| Argon | 1,065 | |
| Hydrazine | 188 | 2 |
| JP10/PF1 | 187 | 28 |
| Dinitrogen Tetroxide (N ₂ O ₄) | 133 | |
| RP1 and RP2 | 35 | 68 |
| Nitrogen | 10 | |
| Hydrogen | | 10 |
| Inhibited Red Fuming Nitric Acid | 15 | |
| Total | 2,553 | 725 |

Major Annual Exercises

| DLA Energy Americas | |
|----------------------------|--|
| QLLEX | Quartermaster Liquid Logistics Exercise: The largest annual Army petroleum and water transportation exercise in the continental U.S. |
| UNITAS | A Southern Command and U.S. Navy exercise promoting maritime interoperability. |
| Red Flag | The U.S. and up to 31 allied forces exercise capabilities from Nellis Air Force Base, Nevada. |
| Central Command | |
| Eager Lion 15 | A multi-lateral exercise in support of global contingency operations held in Jordan. |
| The Flag | A United Arab Emirates-sponsored exercise focused on battle staff readiness. |
| Invincible Sentry | The command and control exercise during regional crisis and contingencies held in Oman. |
| Eagle Resolve 15 | A multi-warfare exercise for developing/exercising capabilities with Arab coalition partners, held in Kuwait |
| Regional Cooperation | An exercise with the multi-national Regional Coordination Center held in Central Asian States. |
| Leading Edge 15 | The exercise to enhance weapons of mass destruction interdiction held in Qatar. |
| Internal Union | An exercise allowing coalition headquarters to form and rehearse warfighting processes held in Tampa, Florida. |
| Pacific Command | |
| RIMPAC 16 | The Rim of the Pacific Exercise: The world's largest international maritime exercise. |
| Cobra Gold | A Combined Joint Chiefs of Staff-funded exercise to enhance security and stability in Asia-Pacific region held in Thailand. |
| Ulchi Freedom Guardian | An exercise to demonstrate support of Republic of Korea. |
| Key Resolve 15 | A CJCS funded exercise for joint and combined warfare held in Korea. |
| Balikatan 15 | The PACOM-scheduled annual exercise in support of the Philippines. |
| Talisman Saber 15 | The exercise that trains coalition task force in short warning power projection held in Australia. |
| Keen Sword/Keen Edge | An exercise to strengthen interoperability of Japanese Self Defense Forces and PACOM held in Japan. |
| Red Flag 15-2 | An exercise to provide joint and combined training to fighter pilots held in Alaska. |
| Red Flag 15-3 | Another exercise to provide joint and combined training to fighter pilots held in Alaska. |

Acronyms

| | |
|-----------------|---|
| ACM | Air cruise missile |
| ACSA | Acquisition and cross-servicing agreement |
| AFRE | Alternative fuel and renewable energy |
| AIM | Air-to-air missile (Sidewinder) |
| AIT | Automatic identification technology |
| ALCM | Air-launched cruise missile |
| ANG | Air National Guard |
| AOR | Area of responsibility |
| AVGAS | Aviation gasoline |
| B | Billion |
| BCS3-NM | Battle Command Sustainment Support System-Node Management |
| BPCOP | Bulk petroleum common operating picture |
| BSM-E | Business Systems Modernization-Energy |
| BU | Business unit |
| CDC | Customer/depot complaint |
| CES | Constellation energy source |
| CHPP | Central heat and power |
| COCO | Contractor-owned, contractor-operated |
| COCOM | Combatant command |
| COG | Customer orientation group |
| CONUS | Continental United States |
| CSM | Customer support management |
| DESC | Defense Energy Support Center |
| DES | DLA Enterprise Support |
| DFSP | Defense fuel support point |
| DLA | Defense Logistics Agency |
| DoD | Department of Defense |
| DoD-SCOMS | DoD-SEA Card Order Management System |

Acronyms

| | |
|---------------|---|
| DPK | Dual purpose kerosene |
| DSCR | Defense Supply Center Richmond |
| Dths | Dekatherms |
| DWCF | Defense Working Capital Fund |
| DWT | Dead weight ton |
| EA | Executive Agent |
| EBS | Enterprise Business Systems |
| ECM | Energy conservation measures |
| EELV | Evolved expandable launch vehicle |
| EPS | Energy performance services |
| ESC | Expeditionary Sustainment Command |
| ESCO | Energy service company |
| ESOH | Environmental safety and occupational health |
| FAME | Fatty acid methyl ester |
| FEA | Fuel exchange agreement |
| FEMA | Federal Emergency Management Agency |
| FES | Fuels Enterprise System |
| FG | Foreign government |
| FISC | Fleet and industrial supply center |
| FMS | Foreign military sales |
| FOB | Free on board |
| FPDS-NG | Federal Procurement Data System-Next Generation |
| FY | Fiscal year |
| GHP | Geothermal heat pump |
| GIA | Guam International Airport |
| GOCO | Government-owned, contractor-operated |
| GOGO | Government-owned, government-operated |
| GSHP | Ground source heat pump |

Acronyms

| | |
|---------------|--|
| HRJ | Hydrotreated renewable jet |
| HVAC | Heating, ventilating and air conditioning |
| IA | Inventory accountability |
| IMM | Integrated Materiel Management |
| IRFNA | Inhibited red fuming nitric acid |
| ISR/SSR | Individual contracts/summary subcontract report |
| IT | Information technology |
| JIATF-S | Joint Interagency Task Force - South |
| JP | Jet petroleum (JP4, JP5, JP8, JP10, Jet A1, Jet B, etc.) |
| JPO | Joint Petroleum Office |
| JQO | Joint qualified officer |
| K | Thousands |
| LNO | Liaison officer |
| LSA | Lead Standardization Activity |
| LSS | Lean Six Sigma |
| M | Million |
| MGO | Marine gas oil |
| MND | Ministry of National Defense |
| MOA | Memorandum of agreement |
| MOGAS | Motor gasoline |
| MOU | Memorandum of understanding |
| MSC | Military Sealift Command |
| MSCA | Military support to civilian agencies |
| MWh | Megawatt hour |
| NASA | National Aeronautics and Space Administration |
| NATO | North Atlantic Treaty Organization |
| NAVAIR | Naval Air Systems Command |
| NAVEUR | Naval Command Europe |

Acronyms

| | |
|--------------|---|
| NAVFAC | Naval Facilities Engineering Command |
| NDAA | National Defense Authorization Act |
| NLSA | National logistics staging area |
| NPV | Net present value |
| NSN | National Stock Number |
| OCONUS | Outside the Continental United States |
| OEF | Operation Enduring Freedom |
| OIF | Operation Iraqi Freedom |
| OPA-90 | Oil Pollution Act of 1990 |
| OPDS | Offshore petroleum discharge system |
| OPLAN | Operational plans |
| OSD | Office of the Secretary of Defense |
| P/L | Pipeline |
| PATSA | Petro America Terminal, SA |
| PC&S | Posts, camps and stations contract |
| POL | Petroleum, oil and lubricants |
| POM | Program objective memorandum |
| POTUS | President of the United States |
| PP&E | Plant, property and equipment |
| PQDR | Product quality deficiency report |
| PQIS | Petroleum Quality Information System |
| QA | Quality assurance |
| QAR | Quality assurance representative |
| QAS | Quality assurance specialist |
| QLLEX | Quartermaster Liquid Logistics Exercise |
| QS | Quality surveillance |
| R&D | Research and development |
| REC | Renewable energy certificate |

Acronyms

| | |
|------------------|---|
| RIE | Rapid improvement event |
| ROK | Republic of Korea |
| RP | Rocket propellant |
| RSC | Regional Support Command |
| SAP | System analysis and program development |
| SEA | Ships' Bunkers' Easy Acquisition |
| SK | South Korean |
| SOAR | Subcontracting orientation and assistant review |
| SRM | Sustainment, Restoration and Modernization |
| SRM-E | Sustainment, Restoration and Modernization Energy |
| STS | Ship-to-ship |
| TACM | Temperature and API correcting meter |
| UESC | Utility energy service contracts |
| UFG | Ulchi Freedom Guardian |
| UK MOD | United Kingdom Ministry of Defense |
| UMCS | Utility monitoring control system |
| USA | U.S. Army |
| USAF | U.S. Air Force |
| USAFE | U.S. Air Force Europe |
| USAR | U.S. Army Reserve |
| USCENTCOM | U.S. Central Command |
| USEUCOM | U.S. European Command |
| USFK | U.S. Forces Korea |
| USMC | U.S. Marine Corps |
| USPACOM | U.S. Pacific Command |
| USSOCOM | U.S. Special Operations Command |
| USSOUTHCOM | U.S. Southern Command |
| USTRANSCOM | U.S. Transportation Command |
| VFD | Variable frequency drives |

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