

DEFENSE LOGISTICS AGENCY ENERGY

Fiscal Year 2016 Fact Book

2016



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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 2016, 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.dla.mil/Energy>.



**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 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.

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 to other federal agencies, government contractors and academia. The new mission encompassed 93 national stock numbers with each product supporting at least one DoD major weapon system. The addition of this mission made 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. The DLA director delegated authority 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's 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 primary level field activity, 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.

Through evolution in mission and name changes, DLA Energy continues to provide world class support to the warfighter.

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



Our accomplishments during Fiscal Year 2016 are a direct result of our continued efforts to streamline our processes and aggressively seek innovative solutions for our customers that spans over 2,060 posts in 35 countries. We continue to set the standard for warfighter support and productivity. DLA Energy recorded approximately \$10 billion in sales and issued a total of 4.17 billion gallons of fuel.

DLA Energy aggressively supports the Office of the Secretary of Defense's goal of privatizing on-base utility infrastructure through the use of energy savings performance contracts. DLA Energy manages 15 million MWhs of electricity valued at over \$900 million under multiple year contracts and has Energy Savings Performance Contracts at multiple locations, providing customers with an estimated \$300 million annual savings. We expanded our renewables solutions with the award of the Army's first large-scale renewable energy solar and wind contract for Fort Hood, Texas. The project will provide the installation with 65 megawatts of alternating current from more than 60,000 panels and 21 wind turbines.

We achieved another great milestone with the award of our largest energy savings performance contract to date that guarantees to deliver a 35 percent energy savings at Tinker Air Force Base. The contracting process took 20 months and is a result of proactive planning between DLA Energy and the U.S. Air Force. The \$243-million facility modernization project will save at least \$20 million annually in energy and operational costs over the 25-year life of the contract. We are proud to have participated in helping the White House meet its \$4-billion goal in federal government energy performance contracts by 2016.

In FY17, we plan to build on these many successes by focusing on our seven lines of efforts which are: 1) Develop an Energy future roadmap, 2) Implement executive agency initiatives, 3) Develop a resilient and redundant Energy supply chain, 4) Institute a rigorous talent management and development, 5) Mature relationships with DoD Agency partners, 6) Maintain audit readiness and 7) Focus on process health.

We will publish a forward-looking roadmap of our support to Department of Defense and develop the Global Petroleum Distribution Plan to assist the joint petroleum community in prioritizing resources to improve the petroleum distribution supply chain.

Under the executive agent initiatives, we are working with the Services to optimize our JET-A supply chains for key CONUS locations with plans to expand to OCONUS. The use of commercial JET-A with additives has vastly increased the

Commander's Update

supply base while reducing costs to the warfighter. Integrating more JET-A increases the efficiency and resiliency of our supply chain. It is a faster, better and cheaper solution for the warfighter to leverage pre-existing worldwide logistics infrastructure and processes.

Developing a resilient and redundant energy supply chain presents many challenges as well as opportunities. Chief among these is the opportunity to significantly improve our expeditionary fuels capabilities for the warfighter.

We are instituting a Talent Development Program to ensure that our workforce has every opportunity to grow its skillset and create a culture where they can become this organization's future leaders. As part of talent development, we are reinstating the Quality Assurance Representative Development Program under the Pathways to Excellence Program.

In conjunction with this plan, we are working to increase dialogue between industry leaders and consumers. We are focused on developing innovative business relationships with our DoD partners, foreign allies and industry partners. We want to leverage capabilities in the commercial industry: emerging technologies, application of state-of-the-market tools for supply chain management, innovative solutions, and existing infrastructure.

On top of our many efforts we plan to embark on this upcoming fiscal year, we plan to continue our financial stewardship by sustaining our audit readiness through continued testing and establishing reliance on our internal controls, maintaining an audit trail of source documents, identifying and resolving audit impediments, carrying forward with data cleansing efforts and assessing areas of risk as it applies to potential operational weakness in preparation for our annual Statement of Assurance.

We are always looking for ways to improve our processes, last year we developed a plan to strengthen our existing Continuous Process Improvement Program by prioritizing CPI opportunities. This will allow us to build a culture that drives transformational change and sustainable process improvements through training and mentoring.

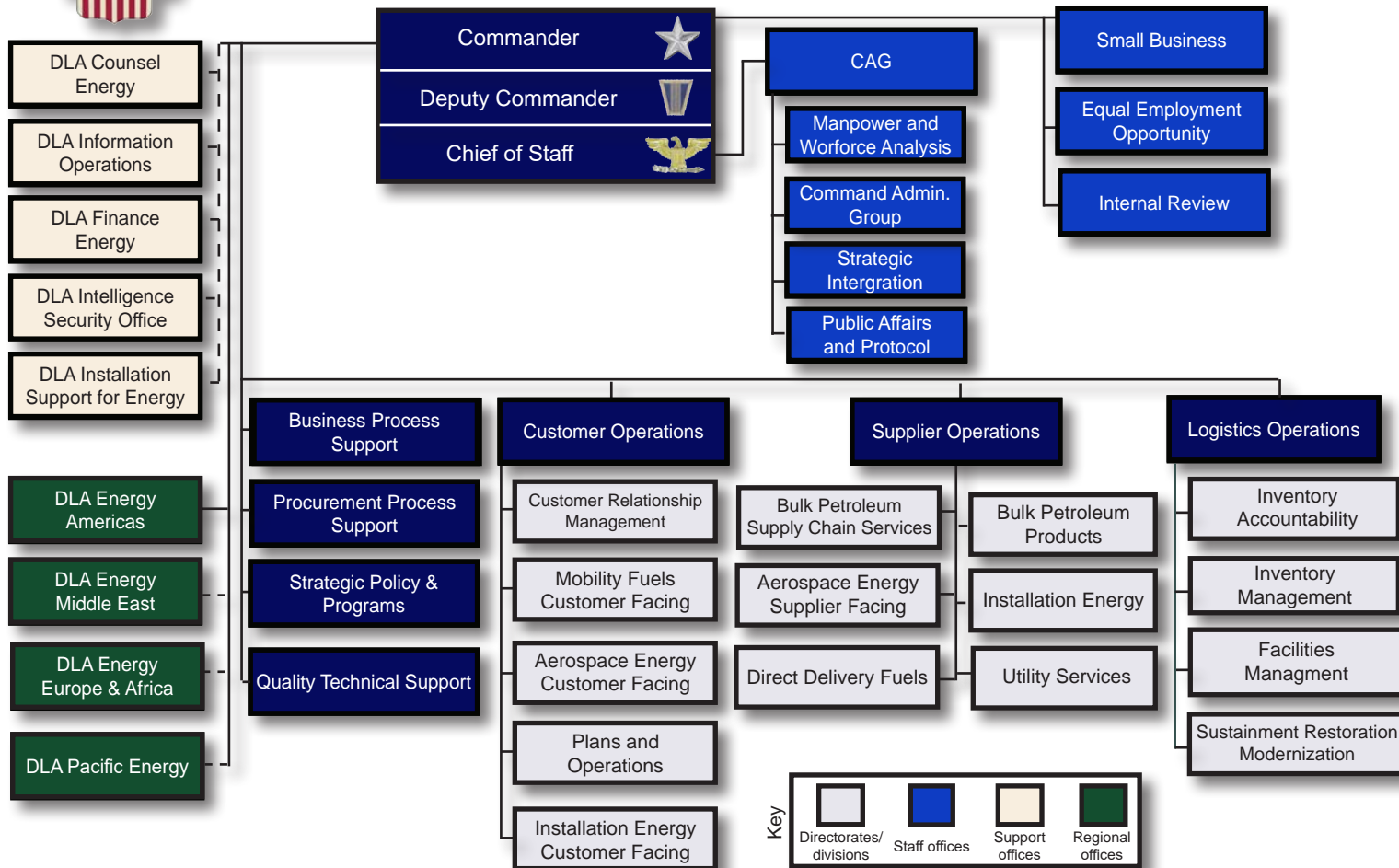
I want to take this time to thank all of the hard-working team members at DLA Energy who have helped us to achieve huge milestones this year and look forward to next year's accomplishments.

Brig. Gen. Martin Chapin

Note: This first section of the Fact Book represents the organizational structure of DLA Energy in 2017. The organization chart, regional locations, biographies and unit roles and missions are all current as of the 2016 release date. Information after the Financial Results section is a snapshot of DLA Energy's facts and figures for fiscal year 2016.



DLA Energy Organization



Worldwide Locations



DLA Energy Leadership



Deputy Commander (Acting)
Gabriella Earhardt



Commander
Brig. Gen. Martin Chapin, USAF



Chief of Staff
Col. Doug Henry, USA



Customer Operations
Col. Todd Cheney, USAF



Supplier Operations (Acting)
Kevin Ahern



Logistics Operations
Col. John Martin, USAF



Procurement Process Support
Bruce Blank



Strategic Policy & Programs
Regina Gray



Strategic Policy & Programs
Capt. Chris Light, USN



Business Process Support
James Mandziara



Americas Commander
Col. Craig Simonsgaard, USA



Europe & Africa Commander
Col. Lee English, USA



Middle East Commander
Col. Marc Thoreson, USA



DLA Finance Energy
Richard Sninsky



Counsel
Kathleen Murphy



DLA Installation Support for Energy
DJ Junio



Quality Tech Support
Pam Serino



Hawaii Commander (Acting)
Ralph Wells



Guam Commander
Cdr. Bruce Kong, USN



Korea Commander
Lt. Col. Faith Chamberlain, USA



Japan Commander
Lt. Col. Kevin Campbell, USAF



Okinawa Commander
Lt. Col. Robinson Mata, USAF



Alaska Commander
Maj. Anthony Mollison, USAF

Brig. Gen. Martin Chapin, USAF



Commander, Defense Logistics Agency Energy

U.S. Air Force Brig. Gen. Martin Chapin 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 22, 2016. 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, Brig. Gen. Chapin served as the Deputy Director of Operations for the United States Transportation Command, Scott Air Force Base, Illinois. He was responsible to the director for planning, coordinating and monitoring all air, land and sea transportation provided by the command's three components, Air Mobility Command, Military Surface Deployment and Distribution Command and Military Sealift Command for Office of the Secretary of Defense, the Joint Staff, unified combatant commands and the services.

Brig. Gen. Chapin earned his commission as a Distinguished Graduate of the Reserve Officer Training Corps program at Oregon State University in June 1990. His career has encompassed a variety of operational, command and staff assignments to include command of the 458th Airlift Squadron, Scott Air Force Base, Illinois, and the 621st Contingency Response Wing, at both Joint Base McGuire-Dix-Lakehurst, New Jersey, and Travis Air Force Base, California. His staff assignments include Air Mobility Command and United States Transportation Command.

Brig. Gen. Chapin's education includes a Bachelor of Science degree in business administration, Oregon State University, Corvallis; and a Master of Science degree in national security and strategic studies (graduated with highest distinction), Naval War College, Newport, Rhode Island. He is a designated Joint Qualified Officer.

Brig. Gen. Chapin is rated as a senior pilot and his awards and decorations include the Defense Superior Service Medal, Legion of Merit with oak leaf cluster, the Defense Meritorious Service Medal, the Meritorious Service Medal with two oak leaf clusters, the Air Force Commendation Medal with two oak leaf clusters, the Combat Readiness Medal, Armed Forces Expeditionary Medal with bronze star device, the Southwest Asia Service Medal with bronze star device, the Iraq Campaign Ribbon with two bronze star devices, the Global War on Terrorism Service Medal, Humanitarian Service Medal and Air Force Expeditionary Service Ribbon with gold border and oak leaf cluster.

Gabriella Earhardt



Acting Deputy Commander, Defense Logistics Agency Energy

Gabriella Earhardt assumed her current position as acting deputy commander of the Defense Logistics Agency Energy, a primary-level field activity of DLA at Fort Belvoir, Virginia, Nov. 28, 2016. As acting deputy commander, she 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 her current assignment, she served as the director of Supplier Operations for the Defense Logistics Agency Energy since February 2013, where she spearheaded all of the DLA Energy buying units' managing acquisition programs, exceeding \$10 billion in annual sales. In addition, she led in the oversight and management of acquisition programs and the field-level execution for end-to-end Class III supply chain support of U.S. and coalition forces in Operations Enduring Freedom and Iraqi Freedom.

Earhardt also served as the director of the Procurement Process Support directorate. She has also worked in various contracting positions within DLA Energy, to include contracting officer in the Overseas Bulk Fuels Division, division chief for the Direct Supply Natural Gas Program and in the Electricity and Utility Privatization programs.

Earhardt began her tenure with DLA Energy in 1993. She is certified in Contracting at Level III under the Defense Acquisition Workforce Improvement Act and is a member of the Defense Acquisition Corps.

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. 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 units – to those in the continental U.S. – DoD, 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) and transportation services. The fuels are acquired through

four major purchase programs: Inland East Gulf Coast; Rocky Mountain/West Coast; Atlantic, European, Mediterranean; and Western Pacific. The transportation services are required for distribution of petroleum products to the military services and other authorized customers in various locations throughout the continental United States, Europe, Western Pacific and the Middle East. Bulk Petroleum Products also purchases bulk fuel system icing inhibitor additive (drummed FSII is handled by DLA Aviation in Richmond, Virginia), bulk lubricants and alternative fuels. 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 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 DoD’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 Utilities Privatization programs of service partners. It provides specialized pre- and post-award contracting and technical expertise to support the services’ conveyance of government-owned utility distribution systems (water, wastewater, electric and natural gas) to public, private or municipal entities under the authority of Title 10 U.S.C. §2688. It also acts as the procurement, program management, and technical liaison with the Deputy Under Secretary of Defense Installations and Environment for utility services contracting performed in support of the Services’ utilities privatization program. POC: (703) 617-1529.

Customer Operations Functions

The **DLA Energy Aerospace Energy Customer Division** supports DoD, 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



Organizational Missions and Functions

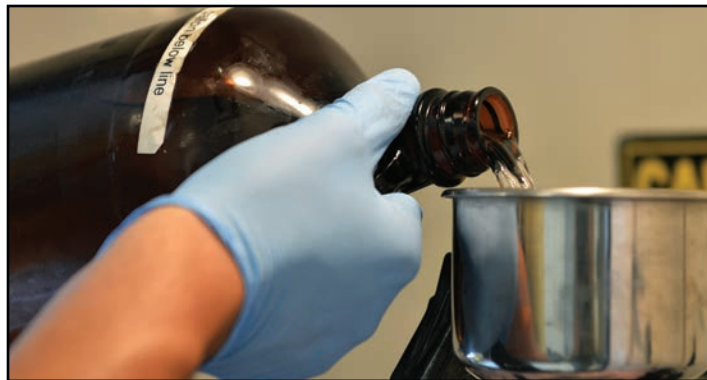
Commercial Space Launch Act. The division provides technical support for the safe transportation of assigned products as well as other hazardous materials. It hosts technical conferences for the exchange of ideas within customer groups and participates in industry forums to optimize support. It serves as the accountable officer for all Defense Working Capital Fund-owned product stored and distributed from 12 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 is the first touch point for federal agency and other 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. The division provides direction for the establishment and monitoring of agreements for the sale of energy products to federal agencies and other non-DoD customers. CRM has established sales agreements with over 460 customers representing approximately \$540M in annual sales. We ensure sales to federal customers use U.S. Treasury Intergovernmental Payment and Collection processes. The CRM team also conducts customer outreach, marketing and education to DLA Energy customers. The division supports common functions supporting DLA's enterprise CRM processes. POC: (703) 767-1608.

The DLA Energy Installation Energy Customer Facing Division manages installation energy commodities, to include natural gas, deregulated electricity, electricity generated from renewable sources, and coal to DoD and federal civilian

agencies. The division also facilitates participation in demand response programs and provides support for on-site renewable projects, energy services and energy conservation efforts. POC: (703) 767-7301.

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 areas 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

Organizational Missions and Functions

management responsibilities, training and support for DLA's customer purchasing tools used worldwide: Aviation Intra-plane Reimbursement Card-AIR Card®, Ships' Bunkers Easy Acquisition Card- SEA Card®, Swipe SEA Card® and DoD Fleet Card. The card program office works directly with the DoD Purchase Card program officials, General Services Administration SmartPay® 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.

Quality Technical Support Functions

DLA Energy Quality Technical Support Directorate

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 training for quality personnel and technical expertise for alternative fuels, renewable energy, and science and technology projects. POCs: (703) 767-8363 or (703) 767-8736.

The **Quality Operations Division** provides integrated supply chain support and solutions in support of the DLA Energy worldwide quality mission. Quality Operations develops policy, programs and procedures for implementing DLA Energy quality assurance (Center, Contract and Depot) functions. The office integrates quality into the strategic level business aspects of contracting, supply, transportation, and facility areas. Specifically, it provides support and oversight of the quality assurance areas to business units, regions and service partners. It maintains liaison with industry and government agencies to resolve quality assurance issues related to fuels, lubricants, additives, propellants, cryogenics, and coal. Additionally, it serves as the focal point for DLA Energy related Customer/Depot Complaints and Quality

Organizational Missions and Functions

Notifications. The division develops and maintains quality assurance provisions in support of all Energy business unit programs. Quality Operations develops requirements for laboratory support, provides oversight of DLA Energy and Service Partner managed laboratories, and acts as the technical representative to submit commercial laboratory support requests. The division develops and maintains a Training and Certification Program for all DLA Energy quality personnel on staff and in the field, and develops and teaches critical courses in support of that program. POC: (703) 767-8738.

The Product Technology and Standardization Division provides technical support to DLA Energy for various products and services. This includes standardization, engineering support, acquisition support, logistics data (cataloging), science and technology, environmental compliance, and partnering with industry technical experts. It reviews proposed specification/standardization documents and addresses issues covering general fuels, lubricants, waxes, solid fuels, and petroleum-based liquid propellants. It provides technical engineering advice on aspects of product applications, production, refining, storage, and transportation.

Additionally, the division develops and maintains procurement specification clauses/provisions for all assigned commodity items and assesses accuracy of technical and engineering data submitted by offerors on DLA Energy solicitations. It coordinates environmental requirement matters and provides technical guidance to DoD, and federal agencies. The division maintains liaison with industry and government agencies to resolve technical issues related to fuels, lubricants and additives. Moreover, it performs product cataloging functions for DLA Energy-managed products and services. The office manages DLA Energy's R&D program to oversee and conduct projects to support the Class III Bulk Petroleum supply chain. POC: (703) 767-8740.

Logistics Operations Functions

The Facility Management Division provides executive-level program management and advice to senior DLA Energy leaders on worldwide fuel facility and service operations. This division conducts short and long-term research, assessments, and planning for capitalized locations to develop best-fit solutions to operate and maintain DoD petroleum storage and



Organizational Missions and Functions

distribution systems. In addition, the Facility Management Division establishes requirements and plans, coordinates resources, assists in acquisition, and provides technical oversight for DLA Energy-funded Fuel Storage and Terminal Operations Service Programs. POC: (703) 767-8068.

The **Inventory and Distribution Management Division** develops supply plans for bulk petroleum products, oils, lubricants and product additive purchases; monitors inventory levels and alters these levels as operational or market conditions dictate. This division manages bulk petroleum, oils, lubricants, product additive inventories, and distribution worldwide. It administers, formulates, and evaluates transportation and traffic management plans, policies, programs, procedures, systems and performance measurement standards to ensure efficient and economical distribution of DLA Energy-managed items. In addition, this division manages the ocean tanker program to support the petroleum distribution plan. POC: (703) 767-8407.

The **Inventory Accountability Division** manages the capitalization/de-capitalization, accountability and reconciliation of DLA Energy's petroleum inventory, both in-place and in-transit. This division is responsible for development and implementation of inventory policy, procedures, oversight compliance programs, management controls over inventory reporting and auditability of the DWCF petroleum inventory. The division develops and oversees organizational, regional, and DFSP level performance based metrics including inventory gains and losses, in and out of tolerance accounts, transactional/reconciliation timeliness and petroleum accounting. The Inventory Accountability Division also directs or conducts fuel liability investigations for and provides disposal or redistribution instructions for off-specification DWCF fuel. POC: (703) 767-9388.

The **Sustainment Restoration Modernization Division** maintains the DoD's bulk petroleum, oil and lubricant infrastructure at maximum operating readiness and comply with engineering and environmental regulations to minimize operational impacts. Repair aging and damaged facilities or alter existing facilities to meet emerging warfighter needs. POC: (703) 767-4415.

Other Functions

The **DLA Energy Business Process Support Directorate** maximizes the efficiency and effectiveness of DLA Energy's business processes and business cycles, 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 DLA Energy functional champions, DLA Enterprise Process Owners, DLA Enterprise Business Cycle Owners, and the military service partners to ensure that the DLA Enterprise



Organizational Missions and Functions

Business System and Base-Level Support Application provide coherent, integrated business solutions for all of DLA Energy's supply chains. The directorate provides policy and procedural support to DLA Energy operational areas including order fulfillment (inventory management and order 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 leads 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 provides coordination for DLA Energy to DLA Information Operations to ensure a responsive framework to DLA Energy business endeavors. 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 reengineering. It prepares, oversees and administers training on new systems and conducts change management activities to educate users and promote their acceptance of and commitment to EBS and BLSA. It provides business process analyst support to end users of both 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) 275-5725.

The DLA Energy Procurement Process and Support Directorate 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 consists of the Procurement Planning and Support division, EProcurement division, Procurement Functional Support division, Acquisition Support division, Auditability and Sustainment division, Acquisition Workforce Development Division and Market Research Division. 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 for 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.



Organizational Missions and Functions

The DLA Energy Strategic Policy & Programs Directorate manages most strategic pursuits that impact the DLA Energy mission and serves as the DLA Energy focal point for Enterprise Process Management implementation to ensure seamless audit sustainment compliance across DLA. The Directorate performs this charge through four supporting offices: Auditability Office, Executive Agent Office, Management Initiatives Office, and Policy and Procedures Office. Together they bring a broad level of logistics control, support, and oversight to the accomplishment of the DLA Energy mission. The Auditability Office provides audit sustainment, business process assertion support, internal control testing, local risk mitigation, and evidential matter management. The EA Office programmatically implements enhancements and Department-delegated responsibilities of the DoD's Bulk Petroleum supply chain and provides structure and direction to the DoD EA Component Steering Group. The Management Initiatives Office focuses on centrally managed studies, projects, and business case analyses that have DLA Energy-wide mission implications. It also oversees the knowledge management effort, Continuous Process Improvement pursuits, and Culture Surveys across the DLA Energy organization. Lastly, the Policy and Procedures Office plans, implements, and maintains policy and procedures for the management of energy commodities in support of DoD and Federal Agency requirements. It also provides situational awareness and currency for DLA issuances that affect non-Energy aspects of DLA Energy's mission. POC: (703) 767-9355.

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 communica-

tion 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 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 provides non-partisan, value-added reviews and assessments that improve the stewardship of resources and promote the effectiveness and efficiency of local programs and operations. The office provides independent assessments and shares ideas of best practices for improving internal controls, processes and procedures, risk management, and performance for DLA Energy business processes to DLA Energy commander and stakeholders. In addition, the office serves as a central office of record for the DLA Enterprise Hotline Program and the Command Complaint Programs. The office provides independent investigations of any allegations of fraud, waste, abuse, or mismanagement. The office promotes the efficient, economy, effectiveness, and integrity of DLA programs and operations. Lastly, the office provides efficient and effective liaison support for the External Audit program by coordinating activities with external audit agencies, to include Department of Defense Inspector General, Government Accountability Office, and military services audit organizations. POC: (703) 767-1340.

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

Organizational Missions and Functions

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 its plan's efforts to subcontract to small businesses. POC: (703) 617-1452.

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 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, and DLA Culture Survey. POC: (703) 767-9401.

The **DLA Energy Equal Employment Opportunity & Diversity Program** aims to foster an environment free of unlawful discrimination and sexual harassment, and ensure fair treatment for DLA Energy employees and applicants without regard to race, color, religion, sex, national origin, age, physical or mental disability, genetic information or reprisal for engaging in EEO protected activity. The program also informs leadership at all levels of their responsibilities under the Model Equal Employment Opportunity Program areas of Commitment, Integration, Management and Accountability, Pro-Active Prevention, Efficiency and Legal Compliance with Affirmative Employment, Discrimination Complaint Processing, Reasonable Accommodations and Special Emphasis Programs. POC: (703) 767-1123.

The **DLA Energy Manpower and Workforce Development Directorate** 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 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



Organizational Missions and Functions

program to include personnel forecast, recruiting strategy, employee development, workforce representation, mentor/protegé 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) 767-5482.

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 which provides the best return on investment to the taxpayer through a highly motivated team of dedicated financial professionals who are innovative, well-trained, and committed to uncompromising customer support. POC: (703) 767- 9486/8591.

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.

DLA Intelligence–Energy provides the full range of security support to the commander and his staff. The DLA Intelligence security manager for DLA Energy serves as the principal overall management and coordination of the DLA Energy Operations Security, Information Security, Industrial Security and the Foreign Visit programs. The program manager also ensures DLA Energy is in compliance with DoD and DLA policies, 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

Organizational Missions and Functions

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 America, 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 five combatant commands: Northern Command, Southern Command, Strategic Command, Transportation Command and Special Operations 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 occur-

ring in the U.S. POC: (713) 754- 9503.

DLA Energy Europe & Africa provides comprehensive energy solutions in the U.S. European Command and U.S. Africa Command areas of responsibility. 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, span-



Organizational Missions and Functions

ning 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 Pacific Energy is DLA Energy's largest geographical fuel region. DLA Energy Pacific maintains constant 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 in 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 318-439-4661/4654.



Civilian and Military End Strengths

Fiscal Year	Civilian	Military
	Onboard	Onboard
2016	1,259*	74
2015	1,238*	67
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

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

Fiscal 2016 Facts and Statistics



Financial Results

Energy Summary

U.S. dollars in millions

	Fiscal 2014	Fiscal 2015	Fiscal 2016
Energy Expenses	\$16,648.5	\$13,200.4	\$11,920.2 ⁽¹⁾
Net Sales	\$15,822.7	\$14,808.0	\$10,028.3 ⁽²⁾
Ending Inventory	\$7,116.5	\$5,291.6	\$3,991.5 ⁽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 2014	Fiscal 2015	Fiscal 2016
Accounts receivable	\$1,096.9	\$1,167.1	\$1,856.2
Inventories	\$7,116.5	\$5,289.0	\$3,991.5
Fund balance with treasury	\$802.2	\$1,738.1	\$528.3
Other assets	\$124.9	\$1,276.5	\$1,698.4
Total assets	\$9,140.5	\$9,470.7	\$8,074.4
Liabilities			
Accounts payable	\$779.5	\$773.2	\$1,881.5
Advances from others	\$0.0	\$0.0	\$0.0
Custodial liabilities	\$3.0	\$13.1	\$4.7
Other liabilities	\$14.5	\$40.9	\$43.0
Estimated clean-up cost	\$1,071.5	\$1,268.2	\$1,333.4
Total liabilities	\$1,868.5	\$2,095.4	\$3,262.6
Net position			
Accumulated operating results	\$7,272.0	\$7,375.3	\$4,811.8
Total capital	\$7,272.0	\$7,375.3	\$4,811.8
Total liabilities and capital	\$9,140.5	\$9,470.7	\$8,074.4

Notes: 1) Beginning 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) Beginning 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 2014	Fiscal 2015	Fiscal 2016
U.S. Army	\$2,318.7	\$1,364.5	\$916.2
U.S. Navy	\$4,527.7	\$4,285.9	\$2,967.0
U.S. Air Force	\$8,010.6	\$7,903.9	\$5,280.0
U.S. Marine Corps	\$63.7	\$67.1	\$41.2
Other DoD	\$66.6	\$163.7	\$14.7
Total DoD	\$14,987.3	\$13,785.1	\$9,219.0
Other government agencies	\$426.6	\$404.0	\$315.9
Subtotal	\$15,413.9	\$14,189.1	\$9,534.9
Foreign government	\$498.4	\$674.0	\$472.0
State government	\$1.3	\$1.0	\$0.7
Local government	\$0.6	\$0.5	\$0.3
Commercial	\$398.7	\$308.8	\$265.6
Morale, Welfare and Recreation	\$24.6	\$7.1	\$5.0
Total gross sales	\$16,337.5	\$15,180.5	\$10,278.5
Less:			
Price reduction of sales	\$0.0	\$0.0	\$0.0
Material returns credits applied	\$514.8	\$372.5	\$250.2
Allowance for retail stock loss	\$0.0	\$0.0	\$0.0
Total net sales	\$15,822.7	\$14,808.0	\$10,028.3

Net Sales by Category

Petroleum, Natural Gas and Aerospace Energy

Notes:

1) Beginning 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

Category	Fiscal 2014	Fiscal 2015	Fiscal 2016
Petroleum (thousands of barrels)			
Bulk and Posts, Camps and Stations:			
AVGAS	11	14	19
Distillates and diesel	16,726	16,762	17,378
Gasohol	340	330	463
JP4, JAB, JAA and JA1	20,750	34,553	34,385
JP5	9,506	9,869	9,615
JP8, JPTS	39,406	27,913	25,779
Lube oils	22	22	21
Motor gasoline, leaded and unleaded	935	1,151	1,036
Residuals	353	404	214
Subtotals	88,049	91,018	88,911
Into-Plane	3,937	5,026	4,831
Bunkers	2,087	2,117	1,356
Local purchase	5,166	3,641	4,223
Total petroleum	99,239	101,803	99,321
Natural gas (millions of dekatherms)	N/A	N/A	N/A
Aerospace Energy (millions of dollars)	\$56.1	\$62.0	\$42.1

Product Cost

Petroleum, Natural Gas and Aerospace Energy

Notes:

- 1) Beginning 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 2014	Fiscal 2015	Fiscal 2016
Petroleum (U.S. dollars in millions)			
Bulk and Posts, Camps and Stations:			
AVGAS	\$3.9	\$4.3	\$4.6
Distillates and diesel	\$2,060.3	\$1,309.7	\$919.4
Gasohol	\$47.3	\$31.2	\$32.9
JP4, JAB, JAA and JA1	\$4,463.2	\$4,402.4	\$2,924.2
JP5	\$1,426.1	\$920.3	\$636.3
JP8, JPTS	\$3,307.6	\$868.0	\$688.0
Lube Oils	\$6.4	\$4.0	\$3.7
Motor gasoline, leaded and unleaded	\$141.6	\$91.6	\$83.6
Residuals	\$47.7	\$26.0	\$7.1
Bulk subtotals	\$11,504.1	\$7,657.4	\$5,359.8
Into-Plane	\$621.7	\$596.7	\$440.6
Bunkers	\$305.1	\$193.5	\$124.8
Local purchase	\$1,426.4	\$944.3	\$846.5
Total petroleum	\$13,857.3	\$9,392.0	\$6,771.8
Natural gas	N/A	N/A	N/A
Aerospace energy	\$33.9	\$15.9	\$28.7

Purchases by Category

Petroleum and Natural Gas

Notes:

1) Beginning 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

Category	Fiscal 2014	Fiscal 2015	Fiscal 2016
Petroleum (thousands of barrels)			
Bulk and Posts, Camps and Stations:			
AVGAS	13	15	21
Distillates and diesel	15,978	15,357	15,491
Gasohol	343	327	454
JP4, JAB, JAA and JA1	33,213	51,742	49,197
JP5	11,090	10,646	11,323
JP8, JPTS	25,913	10,122	10,980
Lube oils	23	21	21
Motor gasoline, leaded and unleaded	1,038	1,040	1,067
Residuals	401	319	142
Subtotals	88,014	89,589	88,696
Into-Plane	3,953	5,022	4,750
Bunkers	2,055	1,639	1,712
Local purchase	4,989	6,075	7,849
Total petroleum	99,011	102,325	103,007
Natural gas (millions of dekatherms)	N/A	N/A	N/A

Worldwide Bulk Fuel Ending Inventory

Millions of barrels and U.S. dollars in millions

Product	Fiscal 2014		Fiscal 2015		Fiscal 2016	
	Barrels	Dollars	Barrels	Dollars	Barrels	Dollars
AVGAS	0.002	\$0.509	0.002	\$0.420	0.003	\$0.695
Distillates and diesel	10.449	\$1,300.467	9.577	\$886.755	10.361	\$633.723
JP4 (JP4, JAB, JAA and JA1)	14.154	\$1,855.987	17.644	\$1,394.236	20.499	\$1,191.101
JP5	15.992	\$1,994.426	14.527	\$1,537.597	15.297	\$1,176.225
JP8, JPTS	15.016	\$1,897.149	13.845	\$1,415.289	11.685	\$872.806
Lube oils	0.010	\$2.771	0.009	\$1.831	0.009	\$1.597
Motor gasoline and gasohol (leaded and unleaded)	0.175	\$27.172	0.149	\$15.764	0.139	\$11.189
Residuals	0.224	\$18.361	0.174	\$11.307	0.167	\$9.025
Additives	0.016	\$3.484	0.017	\$13.468	0.016	\$3.077
Total on-hand and in transit	56.038	\$7,100.326	55.944	\$5,276.666	58.176	\$3,899.437
Aerospace energy		\$16.139		\$14.925		\$92.079

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

A photograph of a military helicopter on a tarmac under a clear blue sky. In the foreground, the back of a person's head wearing a green helmet is visible, looking towards the helicopter. A soldier in camouflage gear is kneeling on the ground next to a red fire extinguisher, working on the side of the helicopter. The helicopter has a large, open cargo bay.

Fiscal 2016 Facts and Statistics

Contracts

Contract Action Data

U.S. dollars in billions

Business Unit	Total Business Unit Award Dollars	Contract Actions
Bulk Petroleum Products	\$4.2	3,937
Bulk Petroleum Supply Chain Services	\$0.3	704
Ground Fuels Division	\$0.8	313,909
Mobility Fuels Division	\$0.7	316,621
Installation Energy	\$0.03	243
Utility Services	\$0.4	443
Aerospace Energy	\$0.03	3,434
Total	\$6.46	639,291

Note: Dollar values include all reported fiscal 2016 awards and modifications. All data is pulled from FPDS unless otherwise noted. This data does not include non-WCF funded contract actions or dollars in Installation Energy. Mobility Fuels actions and dollars include data from a third party source.

Environmental Contracts

Locations

- 16 specific
- Four multiple
- \$64.6 million approximate annual value to date
- Active multi-year contract data as of Sept. 30, 2016

Fiscal 2016 Testing Contracts



Alongside Aircraft Refueling



29 locations

- 28 contracts
- \$274 million award amount
- \$45 million approximate annual value

Active multi-year contract data as of Sept. 30, 2016.

DWCF Optimization Program Overview

Studies that identify optimal storage, operational and infrastructure solutions for an installation. These studies often reduce government owned infrastructure by incorporating best commercial practices while minimizing a Service component's investment in Class III (B) supply chain management.

- 32 ongoing studies resulting in the following recommendations:
 - » Contractor-owned, contractor-operated (COCO): 14
 - » Government-owned, contractor operator (GOCO): 2
 - » Hybrid (COCO/GOCO): 2
 - » Current Operations: 8
 - » Still under assessment: 6
- \$72.5 million projected Net Present Value savings over a 19-year contracted period.



Active multi-year contract data as of Sept. 30, 2016.

Into-Plane Contracts

Domestic

- 326 locations supported
- 374 contracts
- \$2.38 billion contract value
- 13.4 million barrels

Overseas

- 131 locations supported in 96 countries
- 32 contracts
- \$1.67 billion contract value
- 7.2 million barrels

Active multi-year contract data as of Sept. 30, 2016.



Ships' Bunkers Contracts



Domestic

- 73 ports supported
- 21 contracts
- \$383 million contract value
- 2.77 million barrels

Overseas

- 58 ports supported in 35 countries
- 29 contracts
- \$976 million contract value
- 7.07 million barrels

Active multi-year contract data as of Sept. 30, 2016.

Posts, Camps and Stations Contracts

Domestic

- 214 contracts
- 1,725 activities supported
- \$6.2 billion contract value
- 51.3 million barrels

Overseas

- 117 contracts
- 346 activities supported in 35 countries
- \$5.34 billion contract value
- 46.2 million barrels

Active multi-year contract data as of Sept. 30, 2016.



Energy Savings Performance Contracts

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 Reductions (Tons of 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 (TO1)	\$2,451,630	\$4,905,436	269,172	18,725
Fort Hamilton (TO2)	\$16,584,118	\$27,204,083	574,074	56,880
Fort Hood (TO1)	\$3,847,202	\$11,300,882	578,346	118,251
Fort Hood (TO2)	\$11,593,095	\$37,813,870	1,215,003	174,119
Fort Hood (TO3)	\$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
USAG R-P (CHP)	\$7,567,025	\$26,439,629	1,192,956	783.034
OC-ALC, Tinker AFB	\$243,016,917	\$650,678,351	14,455,765	1,468,954
Totals	\$384,106,312	\$993,188,143	25,674,425	3,631,003*

* Equivalent to 4,426,625 barrels of oil (per EPA Greenhouse Gas Equivalencies Calculator)

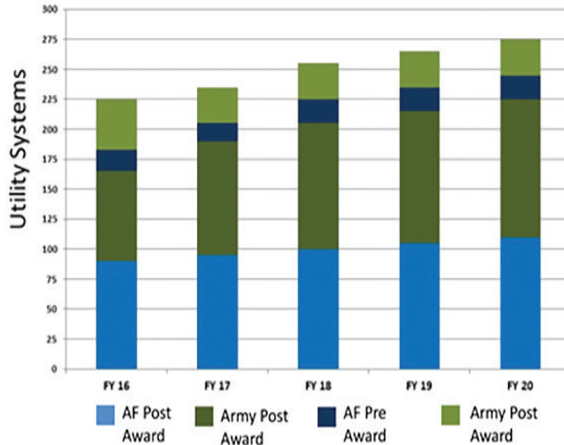
Technical categories of energy conservation measures include:

- 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
- 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 Contracts

- 50 locations supported
- 118 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
- \$13.9 billion contract value through fiscal 2016
- Active multi-year contract data as of Sept. 30, 2016

Workload Projection (Number of Systems)



DLA Energy Utility Services Activity Across the US



Fiscal 2016 Utility Services Contract Awards

Location	System(s)	Total value
Elgin AFB, Florida	Water/ Wastewater	\$510,036,942
Elgin AFB, Florida	Electric	\$360,448,495
Fort Hood, Texas	Electric/Gas	\$740,282,112
Travis AFB, California	Water	\$208,922,015
Total		\$1,819,689,564

Aerospace Energy Contracts



- 92 national stock numbers
 - » 29 different products
 - » Three product classes: liquid propellants, cryogenics and compressed gases
- 138 active contracts, 3,572 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

Fiscal 2016 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



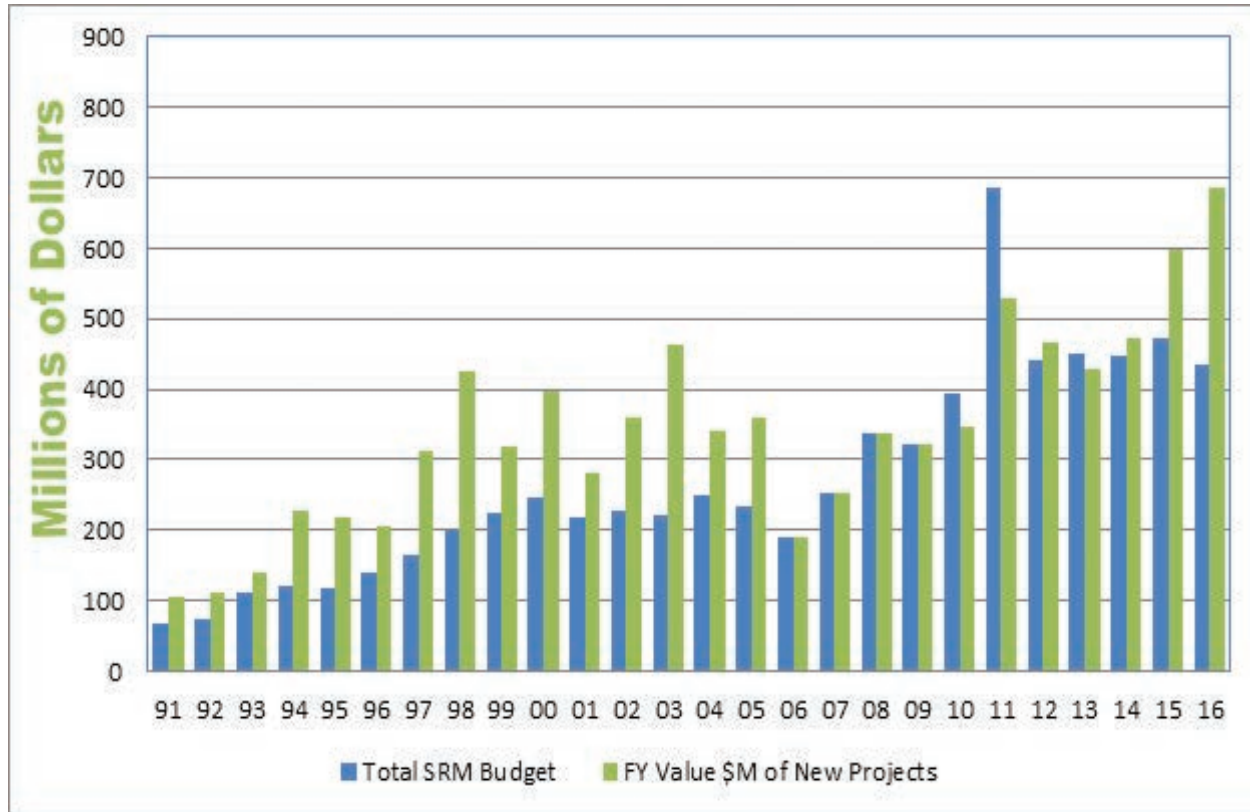
DLA Energy-funded terminal operations worldwide: **236**

Expenditures: **\$283 million** annually

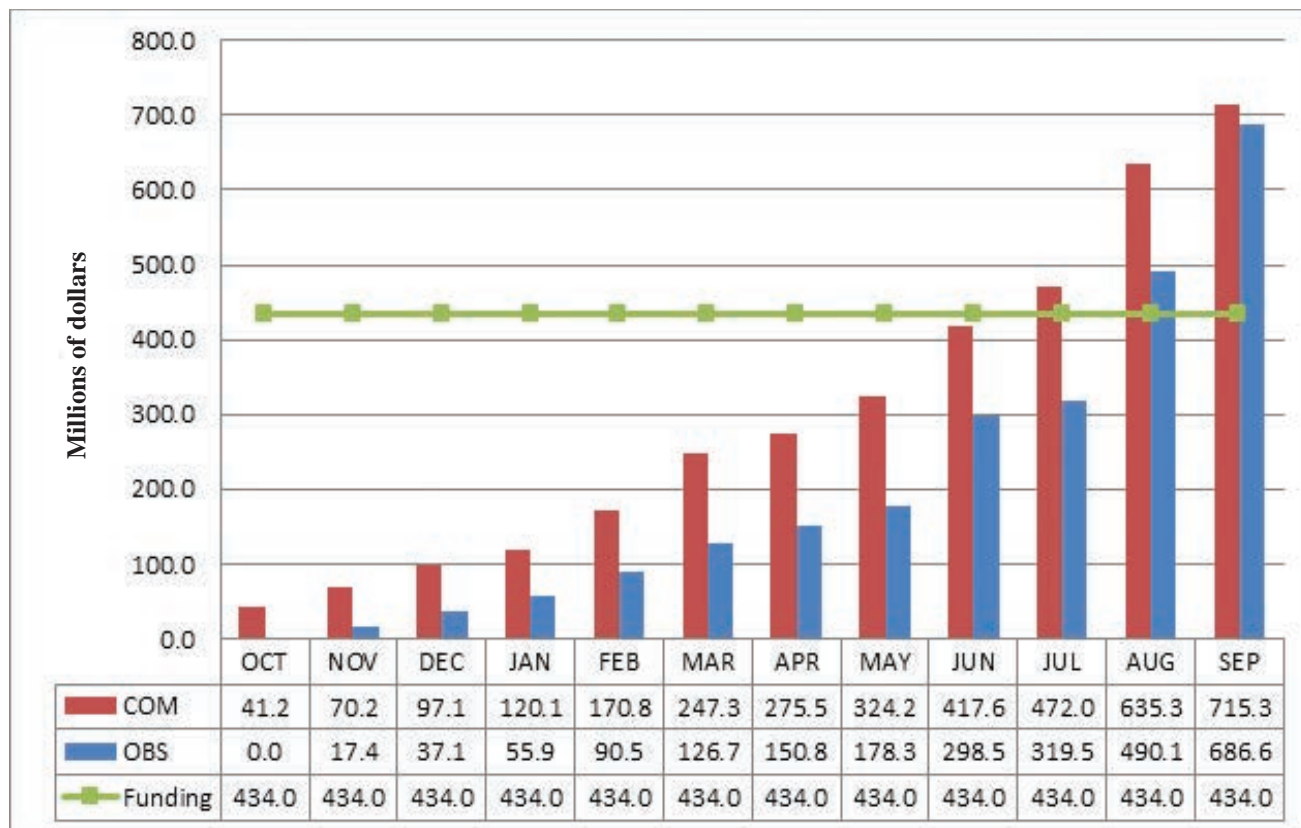
Defense Fuel Support Points

Type of operation	Army	Navy	Air Force	DLA	Total
Government-owned, government-operated	95	45	108	4	252
Government-owned, contractor-operated	19	8	26	129	182
Contractor-owned, contractor-operated	2	1	1	44	48
North Atlantic Treaty Organization	0	0	0	6	6
Commercial pipeline	0	0	0	43	43
Floating storage	0	61	0	0	61
Foreign government	0	0	3	7	10
Total	116	115	138	233	602

Sustainment, Restoration and Modernization

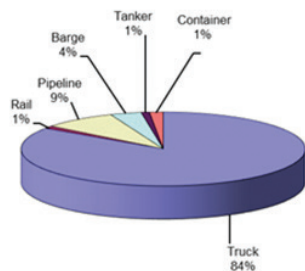


SRM Commitments and Obligations

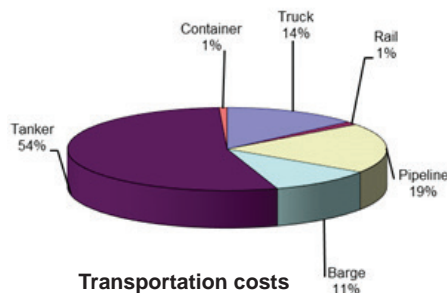


Worldwide Bulk Product Transportation

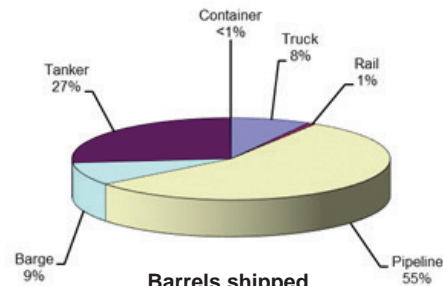
Frequency - Cost - Volume



Number of shipments



Transportation costs



Barrels shipped

		Truck	Rail	*Pipeline	Barge	Tanker	Seavan	Total
Within the Continental United States	Shipments	16,823	154	1,697	689	56	-	19,419
	Cost (\$ millions)	49.8	2.5	75.6	39.2	48.1	-	215.2
	Barrels (millions)	9.2	0.6	54.3	10.1	8.1	-	82.3
Outside the Continental United States	Shipments	3,695	131	346	173	173	377	4,895
	Cost (\$ millions)	3.3	2.6	-	1.8	163.0	3.2	173.9
	Barrels (millions)	1.6	0.5	19.9	1.9	27.4	0.1	51.4
Total	Shipments	20,518	285	2,043	862	229	377	24,314
	Cost (\$ millions)	53.1	5.1	75.6	41.0	211.1	3.2	389.1
	Barrels (millions)	10.8	1.1	74.2	12.0	35.5	0.1	133.7

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 2014	Fiscal 2015	Fiscal 2016
AVGAS	\$0.0	\$0.1	\$0.1
Distillates and diesel	\$69.9	\$93.5	\$76.1
JP4, JAB, JAA and JA1	\$142.5	\$315.1	\$241.8
JP5	\$48.5	\$64.8	\$55.6
JP8, JPTS	\$113.3	\$61.6	\$54.0
Lube oils	\$0.1	\$0.1	\$0.1
Motor gasoline, leaded and unleaded	\$6.0	\$8.3	\$7.5
Residuals	\$1.8	\$1.9	\$0.7
Total	\$382.1	\$545.5	\$435.9
Worldwide aerospace energy products	\$5.1	\$1.3	\$2.0

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

Small Business Program Achievements

	Fiscal 2014			Fiscal 2015			Fiscal 2016		
Small Business Preference Program	Targets	Performance	Dollars (millions)	Targets	Performance	Dollars (millions)	Targets	Performance	Dollars (millions)
Total Small Business eligible dollars			\$8,143			\$5,691			\$4,584
Small Business awards	21.3%	25.7%	\$2,099	21.3%	24.9%	\$1,418	21.29%	24.9%	\$1,016
Small Disadvantaged Business awards	5%	2.10%	\$171.2	5%	6.1%	\$346.6	5%	5.6%	\$254.7
Section (8)a (Subset of SDB – no separate target)	N/A	0.17%	\$14.3	N/A	0.02%	\$1.3	N/A	0.05%	\$2.3
Woman-Owned Small Business awards	5%	0.66%	\$54.4	5%	0.4%	\$28.0	5%	0.59%	\$27.2
Hubzone Small Business awards	3%	0.08%	\$7.2	3%	0.4%	\$21.4	3%	1.95%	\$87.4
Service-Disabled Veteran-Owned Small Business awards	3%	0.48%	\$39.1	3%	1.0%	\$57.7	3%	0.37%	\$28.8

Strategic Policy and Initiatives Achievements

Focused and Multifunctional -- Manages all long-range and strategic initiatives that impact the DLA Energy mission:

Audit sustainment and compliance across DLA	Continuous Process Improvement (CPI) efforts across the Activity	Administration of the DLA Energy Culture Survey
Operational analysis of all DLA Energy Governance activities	DoD Class III (B) supply chain Executive Agent (EA) responsibilities	Centrally-managed studies, projects, and business case analyses
DLA-wide Enterprise Process Management (EPM) integration and implementation	Policy and procedures management	Situational awareness and currency for all DLA issuances that affect non-Energy aspects of DLA Energy's mission

FY16 Accomplishments - Executive Agent:

- Championed efforts to extend DLA's Accountable Property System to the Services. When fielded this system will provide greater supply chain visibility, enhance interoperability, and provide critical information to decision makers.
- Enhanced Bulk petroleum supply chain training and knowledge management to address gaps identified by the End-to-End Class III Bulk Petroleum Supply Chain Skill Set Identification and Training Study.
- Enhanced worldwide jet fuel additive visibility/management.
- Enhanced the functional capability of the DLA Energy Inventory Management Plan (IMP).
- Analyzed DFSP data capture & manual processes in a collaborative R&D effort with Pennsylvania State University.
- Chartered a DoD Petroleum Equipment Working Group (PEWG) to identify and resolve equipment issues on a joint scale.
- Participated in the DoD 4140.25M, DoD Management of Energy Commodities, rewrite.
- Participated in the DoD 5101.8, DoD Executive Agent for Bulk Petroleum, rewrite.

Strategic Policy and Initiatives Achievements

FY16 Accomplishments - Audit Sustainment:

- Completed control testing, appraised DLA Energy's Process Cycle Memorandums (PCMs), complied with Independent Public Auditor requests, conducted audit readiness site visits and more.
- Examples:
 - » Statement of Assurance (SOA) for FY16 completed and submitted.
 - » OMB A-123 internal control compliance testing conducted at thirty-eight DFSPs -- 25 CONUS and 13 OCONUS
 - » Control Testing completed for FY16:
 - » Aerospace Inventory Reconciliation
 - » AIR Card
 - » SEA Card and Swipe SEA Card
 - » Card Program Accrual
 - » DoD Fleet Card
 - » Hazardous Materials Handling
- Addressed/closed Corrective Action Plans (CAPs)/Deficiencies created as a result of Card Program and Energy Inventory PCM retesting.
- Updated Energy Inventory Process Cycle Memorandum and retested manual key controls.
- Updated Energy Card Programs Process Cycle Memorandum and retested manual key controls.

Worldwide Agreements Snapshot

U.S. Northern Command (2)

Canada

- Air Force FEA
- Navy FEA

U.S. Central Command (3)

Bahrain

- FSA - Product Agreement

Oman

- FSA - Product/Service Agreement

United Arab Emirates

- Joint FEA

U.S. European Command (22)

Belgium

- Joint FEA

Germany

- Joint FEA

Greece

- Air Force FEA
- FSA - Souda Depot

Italy

- Navy FEA
- Air Force FEA
- FSA - Northern Italian Pipeline System

- FSA - Sigonella Pipeline

- FSA - Augusta/Gaeta Depot

NATO

- FSA - Central European Pipeline System

Poland

- Navy FEA

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

United Kingdom

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

U.S. Pacific Command (9)

Australia

- Joint FEA

India

- Navy DBA

Indonesia

- Navy FEA

Japan

- Joint FEA

Korea

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

New Zealand

- Joint DBA
- Air Force FEA

Singapore

- FSA - Senoko Depot (UK)

U.S. Southern Command (4)

Argentina

- Navy FEA

Chile

- Navy FEA

Peru

- Navy FEA

Honduras

- Air Force FEA

Agreement Type	Agreements	Financial
Fuel Support Agreements (product/service costs)	14	\$156 million
Fuel Exchange Agreements (exchange/sales)	26	\$536 million

Coal Program

Locations supported with bituminous coal:

United States Capital Building Power Plant, Washington, D.C.; Marine Corps Base, Camp Lejeune, North Carolina; Marine Corps Air Station, Ohio; Cherry Point, North Carolina, Joint Systems Manufacturing Center Lima, and Wright-Patterson Air Force Base, Ohio.

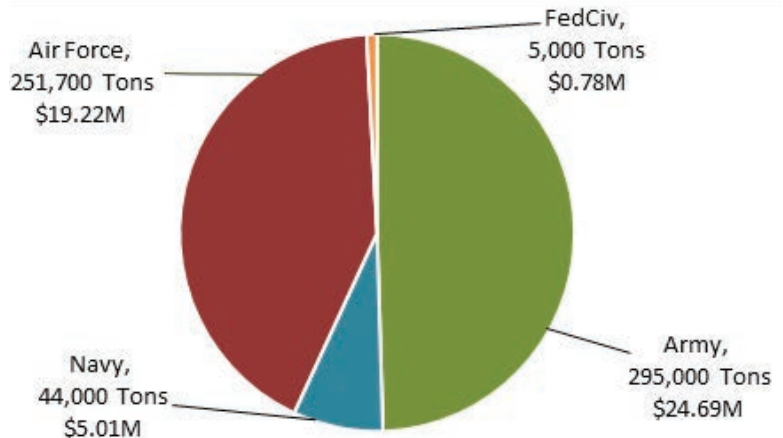
Locations supported with sub-bituminous coal:

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

FY16 Coal Program Summary

595,700 tons of coal for various DoD locations in the U.S. valued at \$49,787,008.

FY16 Summary of 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 2016 Program Summary

Component	Customers per component	Fiscal 2016 dekatherms delivered (in millions)	Fiscal 2016 expenditures* (in millions)	Fiscal 2016 cost avoidance** (in millions)	Fiscal 2016 percent savings vs. utility	Fiscal 1991-2016 cost avoidance (in millions)
Army	48	11.6	\$34.5	\$16.3	40%	\$318.1
Navy/Marines	45	8.8	\$25.7	\$20.2	44%	\$327.5
Air Force	36	8.6	\$23.7	\$11.6	37%	\$190.6
Other DoD	14	1.5	\$4.9	\$1.5	23%	\$42.9
Fed. Civilian	73	11.9	\$35.6	\$12.7	29%	\$277.9
Total	216	42.4	\$124.4	\$62.4	37%	\$1,157.1

* 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.

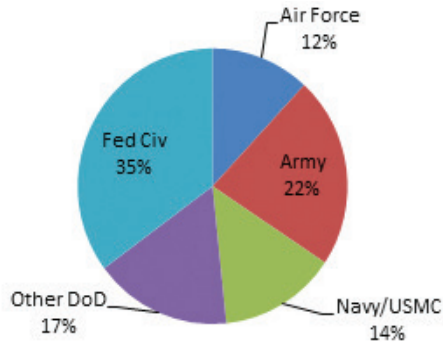
Fiscal 2016 Program Overview

	Number of DR installations in fiscal 2016	States (current enrollment)	KW enrolled in fiscal 2016	Savings in fiscal 2016*	Savings since inception (fiscal 2008 - 2016)
Air Force	9	CA, FL, MD, OH, MA, NY, TX, VA, WV	18,164	\$352,575	\$3,070,939
Army	9	AZ, MD, NJ, NY, PA, VA, WV	18,458	\$388,955	\$3,981,612
Navy/USMC	18	CA, DC, ME, MD, NJ, PA, VA	68,413	\$1,508,417	\$12,924,996
Other DoD	7	MD, VA	19,100	\$286,037	\$5,285,722
Fed. Civilian	25	DC, FL, IL, MA, MD, NJ, NY, TX, VA, VT, WV	78,141	\$3,343,576	\$8,930,261
Total	68		202,276	\$5,879,560	\$34,193,530

*Additional savings from fiscal 2016 performance period will continue to be realized during fiscal 2017.

Electricity Program

Percentage of Total Contract Value

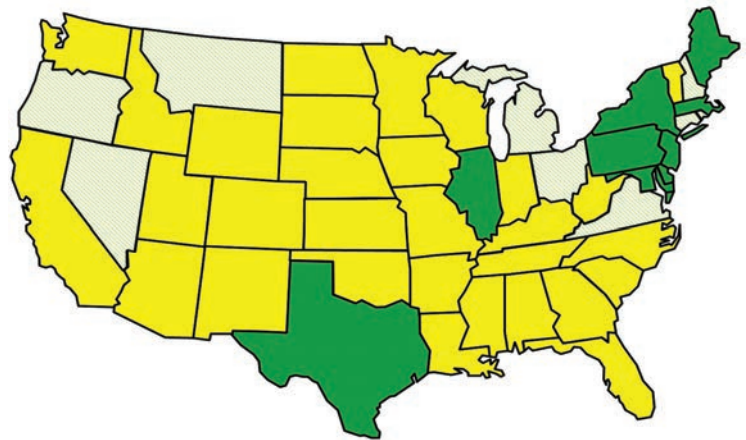


DLA Energy is actively managing more than 12 million megawatt hours of electricity valued at more than \$750 million under multiple-year contracts. DLA Energy has experience in all states in which deregulation/restructuring has occurred and in which requirements have been received.

Electricity Program Summary

Program	kWh Awarded	Contract Value
PJM Portfolio	6,069,842,100	\$378,818,845
PJM Small	188,122,851	\$11,055,296
PJM Large	3,901,446,840	\$252,457,910
New England	290,033,000	\$20,172,011
Texas	928,413,309	\$32,788,722
Illinois-Fermi	866,540,322	\$44,641,353
MISO	438,961,347	\$18,271,750
New York	212,155,469	\$9,834,411
Wyoming	20,750,810	\$1,479,117
Total	12,916,176,048	\$769,519,415

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



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 2016 Renewable Energy Program Awards

Installation	Service	Renewable technology	Size (MW)	On-site / Off-site	Est. annual delivery (MWh)	Contract term (estimated)	Estimated dollar value (in millions)
Fort Hood	Army	Solar/Wind	65	On-site/Off-site	239,815	30 years	\$377.5
EPA Edison	FedCiv	Solar	1.5	On-site	1,890	25 years	\$5.6
Totals					241,705		\$383.1

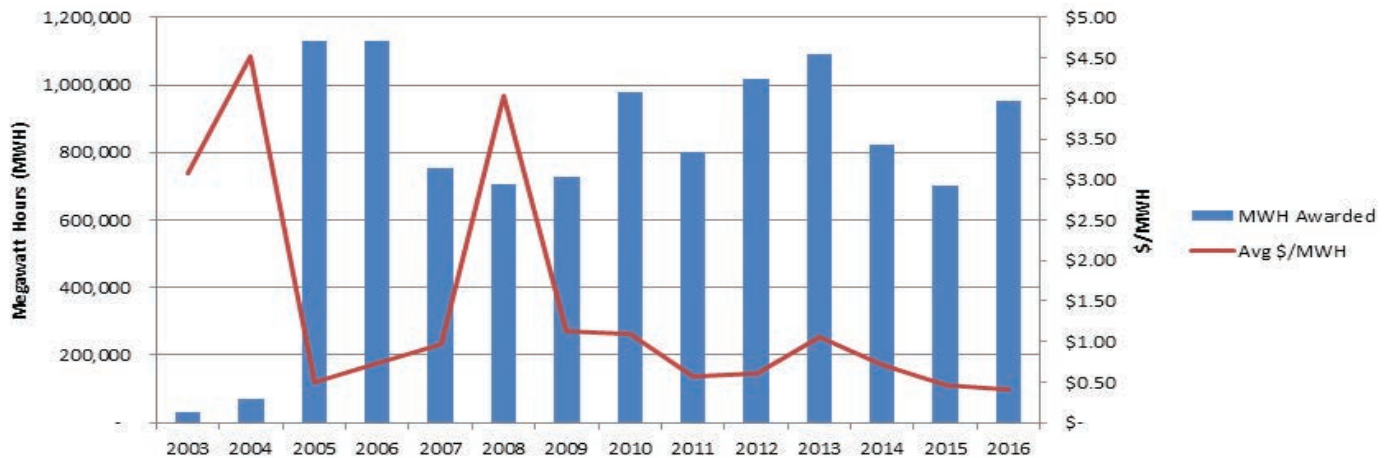
Fiscal 2017 Renewable Energy Program Anticipated Awards:

Installation	Service	Renewable technology	On-Site/ Off-site	Contract Term (estimated)
JB Cape Cod (Otis AFB)	Air Force	Solar	On-site	20 years
Vandenberg AFB	Air Force	Solar	On-site	25 years

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 (2003-2016)



For fiscal year 2016, 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

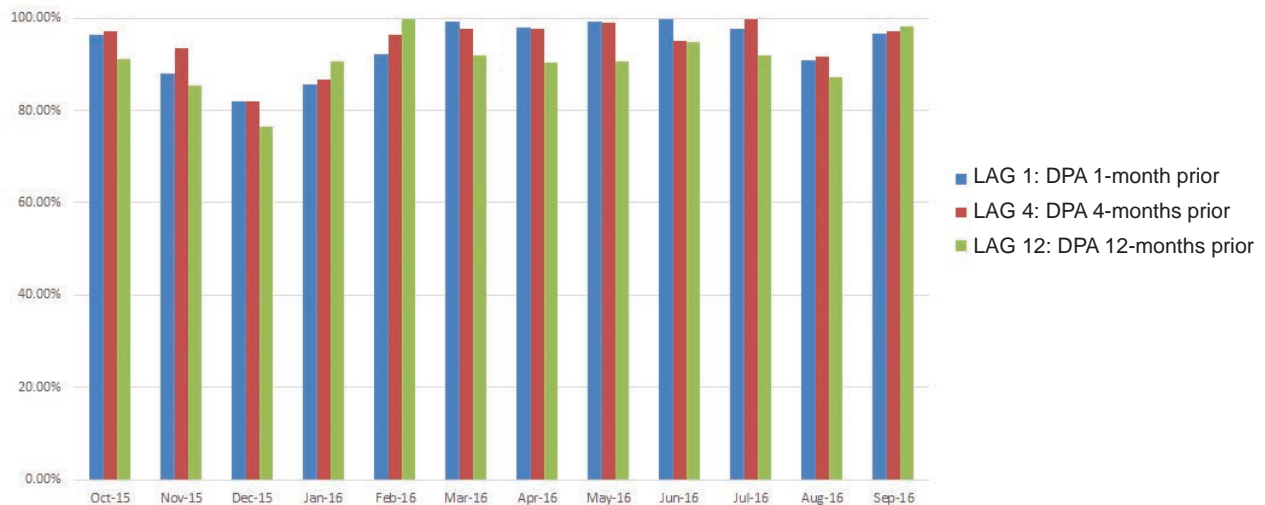
- Serves as the primary customer-facing point for Department of Defense, federal civilian and other authorized customers at 2,235 delivery locations for petroleum products.
- Informs customers of new and existing DLA Energy services and processes.
- Coordinates and processes customer requirements and 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.

DLA Worldwide Demand Plan Accuracy

Aggregate DPA for FY16 – LAG 1 = 93.77%, Lag 4 = 94.48%, Lag 12 = 90.65%



- DPA Percentage is the accuracy between the forecasted demand and actual sales for either one, four or 12 months prior.

U.S. Government AIR Card®

Warfighter benefits

- Supports DLA Energy into-plane contract refueling at more than 450 locations.
- Accepted at more than 4,000 non-contract locations worldwide.
- DLA supported over \$5 million in non-contract Direct Bill fuel sales, for a total of 1.8 million gallons under 11,000 transactions (State/Local First Responders and Canadian Government).

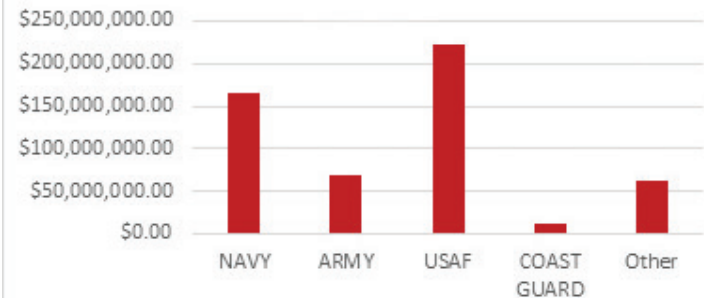
Fiscal stewardship

- Fiscal 2016 non-contract rebate is \$184,370
- Strategic Sourcing Report: Identifies potential contract locations and the units buying non-contract fuel where contract fuel is available.

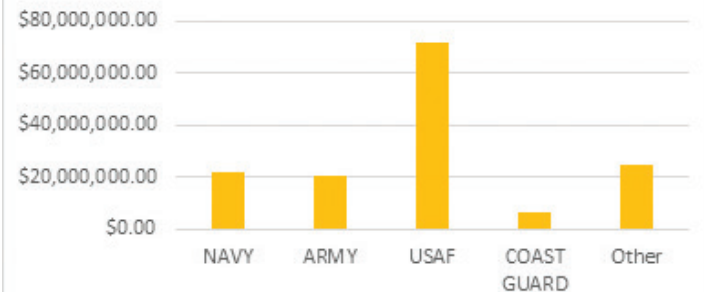
Fiscal 2016 sales data

- \$531 million in contract fuel
 - » 203 million gallons
 - » 299,00 transactions
- \$146 million in non-contract fuel
 - » 45 million gallons
 - » 100,000 transactions

Contract



Non-Contract



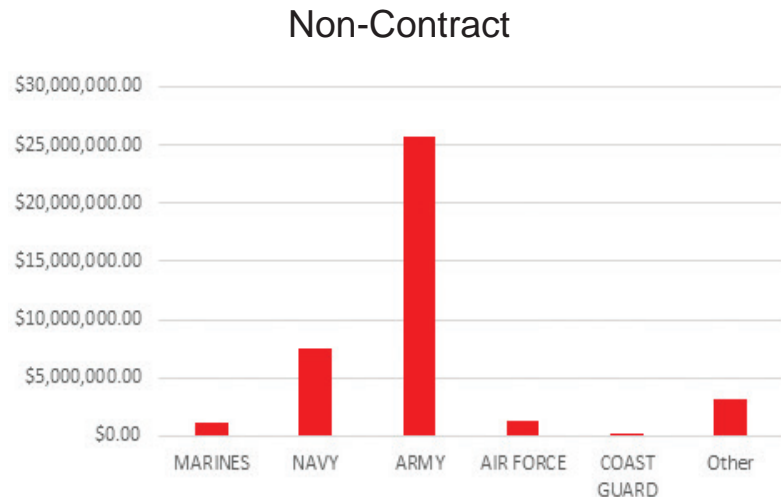
DoD Fleet Card

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.
- \$86,834 in fiscal 2016 rebates.

Fiscal 2016 sales data

- \$39 million in non-contract fuel
 - » 17 million gallons
 - » 668,000 transactions



DoD 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.
- Fiscal 2016 non-contract rebate \$20,100.

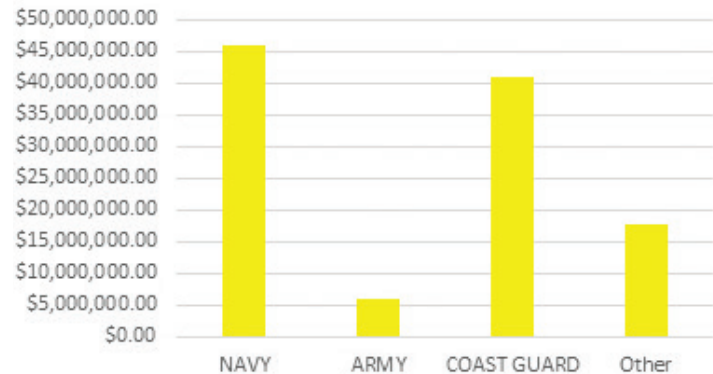
Global support

- 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.

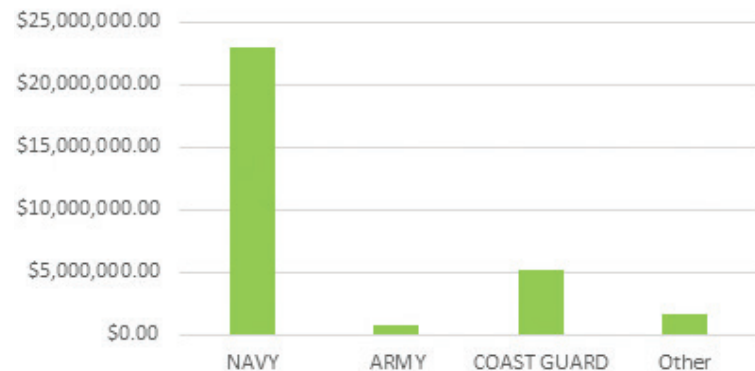
Fiscal 2016 sales data

- \$111 million contract fuel
 - » 53 million gallons
 - » 3,162 transactions
- \$31 million non-contract fuel
 - » 12 million gallons
 - » 488 transactions

Contract



Non-Contract



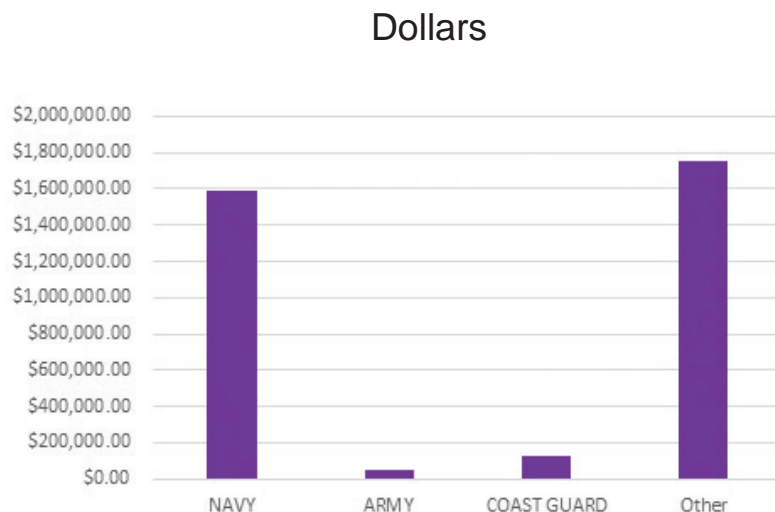
DoD Swipe SEA Card®

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.
- \$32,612 in fiscal 2016 rebates.

Fiscal 2016 sales data

- \$3.5 million non-contract fuel
 - » 1.5 million gallons
 - » 7,319 transactions



Petroleum Quality Technical Information System

Purpose:

- Implemented by the 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 acquisition 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 Petroleum Quality Annual Report which 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



- Program manager for DLA Energy-funded projects.
- Establishes and implements long-term projects and studies to resolve issues impacting the Class III (B) supply system, and petroleum product/additive specification requirements and allowances.
- Partner with commercial industry, military services and federal agencies.

Projects include:

- Rocket Propellant Study to Evaluate Composition on Thermal Stability Properties
- Evaluation of Cetane (Ignition) Improvers in Aviation Fuel and Alternative Fuels
- Combustor Operability with Alternative and Referenced Fuels
- Improved Testing of Alternative Fuels on O-Ring Performance
- Commercial Hydrazine Propellants Characterization
- Novel Demilitarization of Unsymmetrical Dimethylhydrazine (UDMH) Satellite Propellants
- Logistical and Cost Benefit Analysis of Conversion from F-76 to MGO Marine Distillate Fuel
- Effect of Alternate Jet Fuels on Combustor Operability Limits
- Improved Analytical Method for Diesel Fuel Ignition Improver Additives
- Development of a Fuel Contaminant Laboratory Test Method
- Assessment of Copper Contamination on Diesel Fuel Storage Stability
- Detection of Nonpolar High Molecular Weight Contaminants
- Development of Analytical Protocols for Improved Fuel Diagnostics and Characterization
- Woody Biomass Conversion to Liquid Hydrocarbon Fuels
- Comparison of Fuel Storage Stability Test Methods
- Quantification and Identification of Alkyl Nitrate Based Cetane (Ignition) Improver Additives

Alternative Energy Research and Development Product 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.
 - » **Co-production of liquid hydrocarbon fuels**
 - Focus on solutions to develop innovative industrial practices for the co-production of liquid hydrocarbon fuels (suitable to meet Department of Defense bulk fuel requirements), chemicals, and wood fiber products. The research may include the development of practices for additional co-product items determined to be economically viable with the production of liquid hydrocarbon fuels.



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, “Defense Logistics Agency Energy Commodities Handbook.”

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 exceptions, 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 Service Partners, DLO, DLA Energy regional offices, DLA Inventory Accountability 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-3004D)

The current edition is MIL-STD-3004D with change 1 was dated March 28, 2016, this standard:

- 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.
- 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.
- Covers quality assurance where applicable (e.g., direct delivery to customers, destination acceptance, etc.).
- 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.
- The standard also contains intra-governmental receipt limits for U.S. government-owned fuels.
- During 2017, the MIL-STD-3004 will be split into two parts, Part I for Bulk Petroleum managed by DLA Energy and Part II for Packaged Products managed by DLA Aviation.

Quality Assurance Training and Certification Program

Quality Assurance Specialist Training and Certification Program

- Develops, maintains and implements the QAS and QAS Supervisors Training and Certification Program for DLA Energy.
- This program develops, maintains, and implements the training and certification requirements for DLA Energy quality personnel worldwide, in accordance with applicable DoD and DLA guidance. As part of those requirements, the program determines the minimum course and on-the-job training necessary for a wide range of commodity-specific disciplines.
- In addition to determining the other course requirements for this program, the DLA Energy 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
- The U.S. Air Force provides additional commodity-specific courses under the program:
 - » J03: Specification Testing of Propellants
 - » J15: Specification Testing of Aviator's Breathing Oxygen
- This program also forms the basis for the DLA Energy Quality Assurance Specialist (QAS) Development Program, which is designed to produce fully qualified QASs to fill field quality positions throughout DLA Energy and will be augmented by normal hiring practices.

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.

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

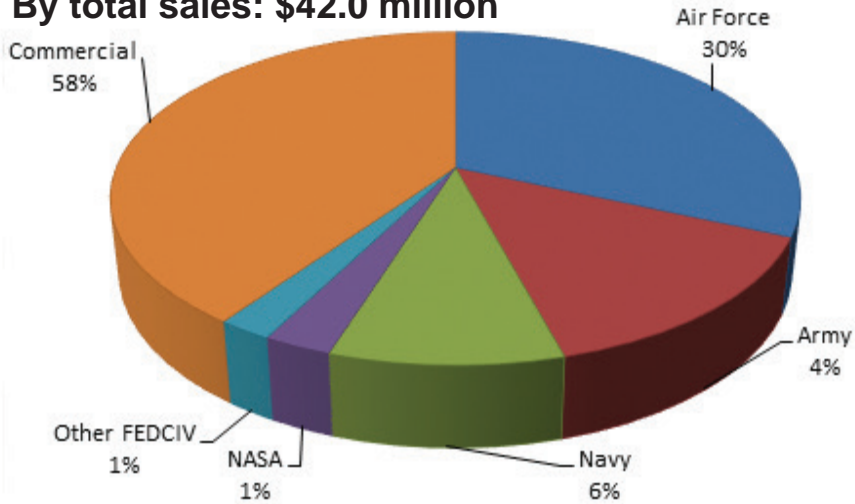
- Recovered or recycled content
- Environmentally preferable
- Energy efficient
- Bio-based
- Alternative fuels and alternative fueled vehicles

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.

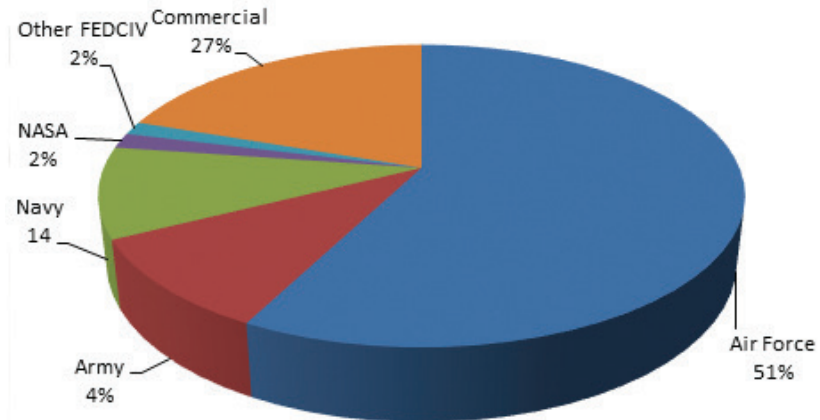
The team educates users and establishes Environmental Attribute Codes for B20 and E85 to assist customers in identifying and ordering environmentally preferable alternative fuels.

Aerospace Energy Customer Profile

By total sales: \$42.0 million



By number of customers: 424



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

- Commercial evolved expendable launch vehicle - United Launch Alliance Atlas V, Delta II and 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
- 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



Hazardous Material Shipments

Product	Cylinders/Drums	Bulk
Helium	548	418
Argon	627	
Hydrazine	219	6
JP10/PF1	78	30
Dinitrogen Tetroxide (N ₂ O ₄)	136	
RP1 and RP2	16	42
Nitrogen	10	
Hydrogen		20
Inhibited Red Fuming Nitric Acid	1	
Oxygen		2
Total	1,635	518

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.
Vigilant Shield	NORAD and USNORTHCOM Tier 1 Command Post exercise focused on N-NC Homeland Defense and Homeland Security missions and staff processes.
Ardent Sentry	NORAD and USNORTHCOM Tier 1 exercise focused on Defense Support of Civil Authority.
UNITAS	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	A multi-lateral exercise in support of global contingency operations held in Jordan.
Inherent Resolve	Ongoing operation that provides support to a comprehensive strategy in degrading and defeating Islamic State of the Iraq and Levant.
Invincible Sentry	The command and control exercise during regional crisis and contingencies held in Oman.
Pacific Command	
RIMPAC	The Rim of the Pacific Exercise: The world's largest international maritime exercise is held every even year.
Cobra Gold	Combined Joint Chiefs of Staff-funded exercise to enhance security and stability in Asia-Pacific region held in Thailand.
Pacific Sentry	PACOM directed Tier 1 Command Post exercise.
Ulchi Freedom Guardian	An exercise to demonstrate support of Republic of Korea.
Key Resolve	CJCS-funded exercise for joint and combined warfare held in Korea.
Keen Sword/Keen Edge	An exercise to strengthen interoperability of Japanese Self Defense Forces and PACOM held in Japan.
Africa Command	
JTF- Horn of Africa	Operation that aims at countering violent extremist organizations in East Africa.
SOCFWD-WA	Special Operations exercise designed to improve interoperability, communication and humanitarian response capabilities between nations of West Africa. It is conducted at 14 forward operating bases in the AFRICOM AOR.
African Lion	Annual bilateral exercise between U.S. and Moroccan forces designed to improve interoperability and mutual understanding of each nation's tactics, techniques, and procedures.
European Command	
Altantic Resolve	Operation that demonstrates U.S. commitment to the collective security of NATO and to the enduring of peace and stability in Europe.
Thracian Star	Bilateral, total force training exercise aimed at enhancing interoperability with the Bulgarian air force and to bolster readiness to conduct combined air operations.
Saber Strike	An exercise aimed at improving the cooperation and capabilities of the participating nations for future contingency operations amongst European nations.
Sea Breeze	Multinational maritime exercise hosted by Ukraine conducted in the Black Sea to strengthen regional security in Europe.

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
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
MWh	Megawatt hour
NASA	National Aeronautics and Space Administration
NATO	North Atlantic Treaty Organization
NAVAIR	Naval Air Systems Command
NAVEUR	Naval Command Europe
NAVFAC	Naval Facilities Engineering Command

Acronyms

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
RIE	Rapid improvement event

Acronyms

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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