DEPARTMENT OF DEFENSE

Overview of DoD's CFE procurement in Duke Progress and Fort Liberty

Five US Military installations will support the development of 135 MW of new solar generation in Duke Energy Progress territory. These installations will achieve 75% of their 2030 CFE requirement; Fort Liberty will reduce its emissions from electricity by 27% compared to 2022, with cost savings possible by 2040.

The Department of Defense (DoD) has collaborated with Duke Energy Progress on its Green Source Advantage (GSA) tariff. This project represents a **first-of-its-kind** aggregated, off-site procurement for the DoD and achieves significant progress towards EO14057 and increases resiliency in the local electric grid.

Impact of procurement

DoD has contracted for two solar projects that will provide an estimated **330 GWh of CFE** to installations in its first year of operation (**2027**), enough to meet **~75% of DoD's 2030 CFE target in Duke's territory**. Both projects are located in South Carolina and are expected to begin construction in 2024.

Installations in scope

The pilot covers the **5 largest DoD installations across North and South Carolina in Duke Energy Progress** service territory, one of the largest regions of DoD's electricity consumption. These installations are **Fort Liberty, Camp Lejeune, Cherry Point, Seymour Johnson, and Shaw Air Force Base** covering Army, USAF, Navy, and USMC.

CFE impact at Fort Liberty

- This contract will provide Fort Liberty with clean electricity that will result in an approximate **27% reduction in GHG** emissions associated with Fort Liberty's procured electricity versus their 2022 AEPRR-reported performance.
- This deal will result in a **max 3.9% increase** to Fort Liberty's electricity bill. The costs are highest from 2027-2032, then taper off from 2033, reducing **below 1% in 2036** and providing **savings from 2040** until contract conclusion in 2041.

DoD's CFE objectives

- Achieve 100% CFE by 2030, including 50% matching on a 24/7 basis.
- Enroll in available programs that are compliant with E.O. 14057.
- Work with utilities to develop new CFE programs or products.
- Partner with industry on onsite development, energy efficiency or other CFE related technologies.

Additional details

How is the program structured?

- Customers receive and pay their typical electricity bills from Duke Energy; the CFE product charge is fixed for contract duration.
- The overall cost is determined by three factors: CFE product charge (PPA price), an avoided cost rate credit, and admin fees.

When will the solar projects be completed?

- The solar projects will need to be built before Duke starts charging customers for the power.
- The actual CFE purchase premium will not be reflected in the utility bills until around 2027.
- The contract has a 17-year term – 2 years for construction and 15 years for performance.

FOR MORE INFORMATION

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https://www.dla.mil/Energy/Products/Carbon-Pollution-Free-Electricity/