

The background of the slide features the official seal of the United States Navy Chief of Naval Operations. The seal is circular, with a yellow rope-like border. Inside the border, the words "UNITED STATES NAVY" are written in a blue arc at the top, and "CHIEF OF NAVAL OPERATIONS" is written in a blue arc at the bottom. The center of the seal depicts an eagle with its wings spread, perched atop a shield with vertical stripes. The eagle's chest is illuminated by a sunburst.

Capabilities & Resources 2011 Naval Energy Forum

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Deputy Chief of Naval Operations
Integration of Capabilities and Resources (OPNAV N8)
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This briefing contains Planning, Programming, and Budgeting/Execution System (PPBE) data and is not to be disclosed outside of the Department of Navy (DON) and other governmental agencies directly involved in the Naval planning and resource allocation process. Disclosure of PPBE information to Congress and the General Accounting Office (GAO) is covered by statute or other procedures.



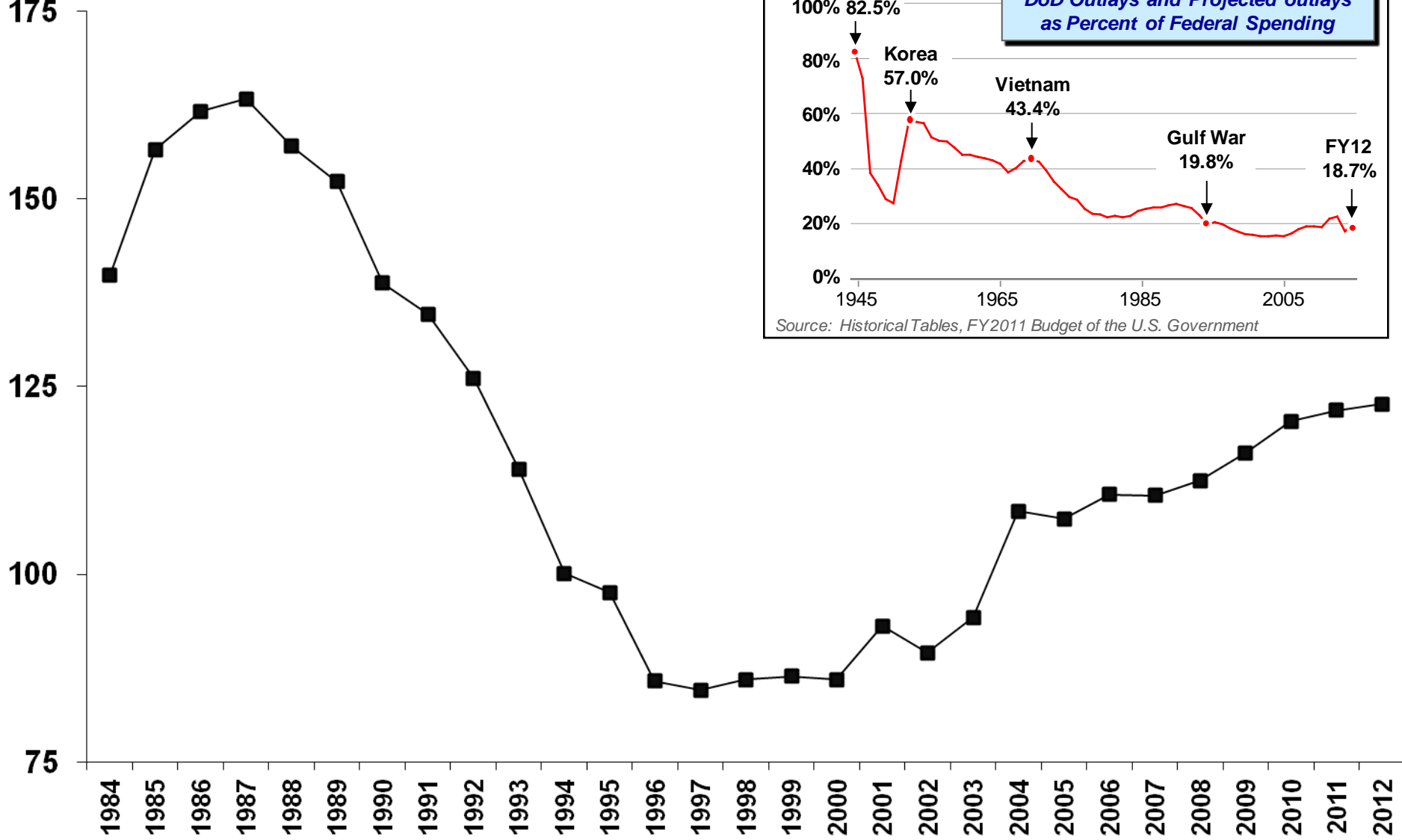
Challenge

- **Current national fiscal environment and impact to Department of Defense and Navy funding**
- **Pressure of increasing manpower and entitlement costs on total Navy budget**
- **Pressure of increasing fuel and energy costs on Navy budget**



Fiscal Pressures and Navy Budget

CY07\$B

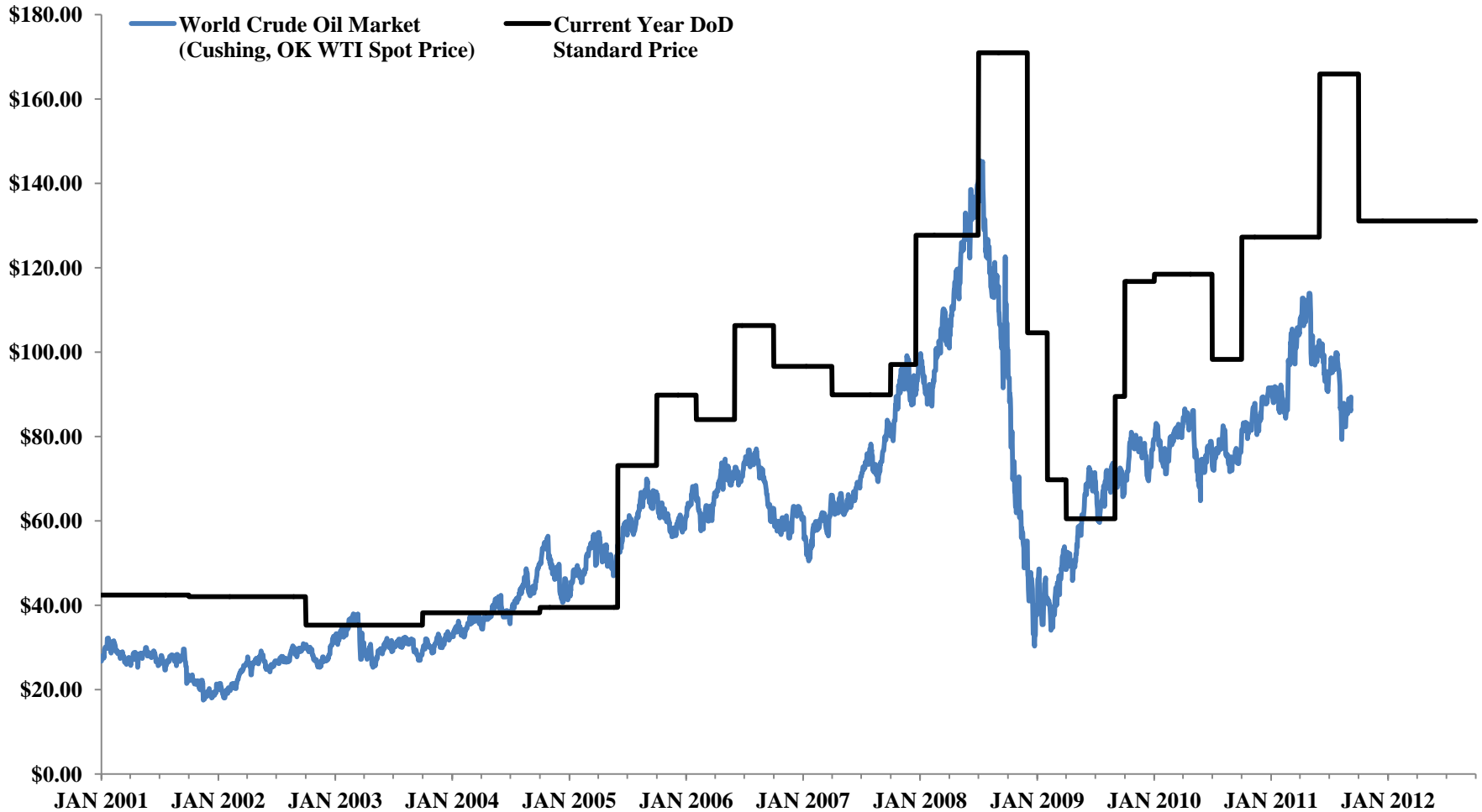


*This chart reflects the programmed BES position for the FYDP of each budget cycle. The actual PB for each year is reflected in black.



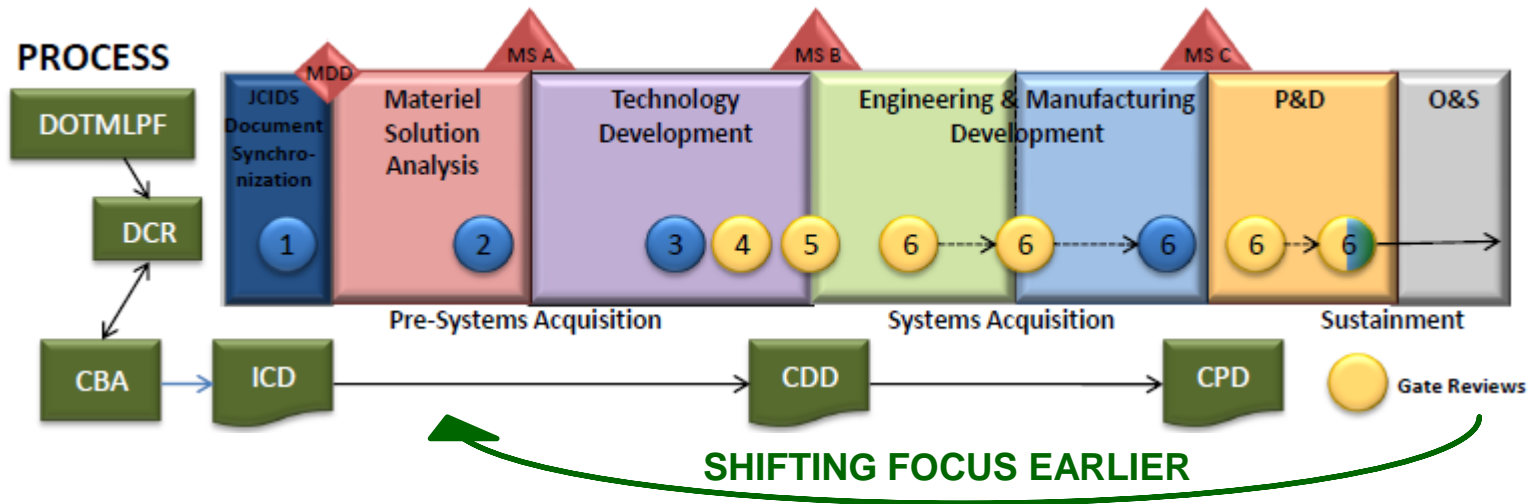
Fuel Prices

Cost per barrel (TY\$)





Requiring Energy Efficiency



OLD: COMMANDS MANAGE ENERGY EFFICIENCY POST-DELIVERY

- Fuel use monitored during deployments and commands rewarded for savings
- Rewards inspired innovative field work, but systems still inherently inefficient

NEW: DESIGNS BUILT TO BE ENERGY EFFICIENT

- Consideration of energy efficiency in weapons systems requirements development
- Ensuring energy is central to Analysis of Alternatives Tradeoffs
- Adding Energy Efficiency as a Key Systems Attribute to Capability Design Documents



Investing in Energy

Current Outlook

• Investing over \$900M in FY12 for Tactical and Shore Energy Initiatives

- **Investment Priorities Directed to High Return, Low Risk Tasks; Additional Funding Greatly Augments RDT&E**
- **Investment Supports CNO and SECNAV Goals**
 - **Certifies Alternative Fuels**
 - **Significant Progress on Consumption Reduction**

Future Challenges

- **Ability of Producers to Meet Demand and Price Levels Necessary for Navy Alternative Fuel Goals**
- **Continued progress in technology maturity and identification of appropriate avenues to fund investments**
- **Data management required to confirm return on investment (ROI) forecasts, and inform future investments to the right areas**



Energy Investments in Action



Security

- Increasing use of alternative energy reduces Navy's dependency on petroleum
- Ensures Naval presence is a credible part of global strategy



Warfighting Capability

- Increased efficiency = increased time on station = less frequent resupply = persistent combat power
- Reducing logistics demand at sea and on shore protects military lives and equipment



Building Partnerships

- Congress
- Department of Defense
- Other Government Agencies
- Industry





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Questions?

Discussion

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