

GAO Highlights

Highlights of [GAO-16-162](#), a report to congressional committees

Why GAO Did This Study

DOD established ECIP, which funds projects at military installations that are designed to conserve energy or water, generate electricity from renewable sources, promote energy security, or accomplish a combination of these goals. Senate Report 113-174 included a provision that GAO review energy savings from ECIP-funded projects. This report assesses the extent to which DOD has (1) reported anticipated returns on investment or reduced energy use from ECIP-funded projects; (2) found that completed ECIP projects have resulted in cost savings or lower energy use; and (3) developed and implemented a strategic vision for ECIP.

GAO obtained and analyzed the annual congressional notifications of the 441 proposed ECIP projects from fiscal years 2009 to 2015; analyzed applicable guidance, including DOD guidance from fiscal year 2011 for preparing ECIP proposals; developed, circulated, and analyzed a questionnaire to project managers; and analyzed project documentation to determine which contained attributes that formed part of DOD's strategic vision.

What GAO Recommends

GAO recommends that DOD improve its reporting on anticipated ECIP savings; measure actual savings from ECIP projects; and review its goals and update guidance to best align projects with DOD's strategic vision. DOD concurred or partially concurred with all of the recommendations.

View [GAO-16-162](#). For more information, contact Brian J. Lepore at (202) 512-4523 or leporeb@gao.gov, or Frank Rusco at (202) 512-3841 or ruscof@gao.gov.

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DEFENSE INFRASTRUCTURE

Energy Conservation Investment Program Needs Improved Reporting, Measurement, and Guidance

What GAO Found

The Department of Defense (DOD) collects information on how Energy Conservation Investment Program (ECIP) projects are expected to perform when operational, including anticipated returns on investment and energy or water savings. While DOD annually notifies congressional committees of proposed ECIP projects and includes some of this performance information with the notification, it does not do so consistently. In particular, for fiscal years 2009 through 2015, DOD reported anticipated returns on investment for 79 percent of projects. However, it did not consistently update these data as projects were added and revised or report any information on expected energy or water savings. While DOD is not required by law or its own guidance to report this information, federal internal control standards provide guidance for communicating with external stakeholders information that may have a significant effect on an agency achieving its goals. However, DOD has not developed guidance to require reporting the additional performance information and thus congressional committees may not be able to assess the extent to which DOD expects to achieve ECIP program objectives.

Since fiscal year 2011, DOD has required the services to measure and verify the extent to which ECIP projects have realized their projected savings and energy efficiencies. However, of the 35 domestic projects that the services have started and reported as completed since that requirement was adopted, only 8 projects have resulted in documented savings or reduced energy use. Managers of the remaining projects either did not complete projects according to their original scope, or did not measure or verify cost savings or reduced energy use. Managers, with few exceptions, did not specifically budget for postcompletion measurement and verification costs in their project proposals. If the military services do not include these costs in project proposals, managers will be less likely to set aside resources needed for the measurement and verification actions necessary to determine whether projects realized anticipated benefits.

DOD developed guidance in fiscal year 2011 describing a strategic vision for the program where projects meet at least one of six attributes, such as fundamental performance improvements, that it described as "game-changing" (i.e., significant) benefits. However, about 80 percent of the ECIP-funded projects that GAO reviewed only anticipate benefits that DOD considers traditional rather than significant. DOD has not clarified how the military services and defense agencies should choose ECIP projects to best achieve DOD's strategic vision. According to DOD officials, it is challenging to identify projects that align with DOD's strategic vision and deliver the return on investment that DOD expects of \$2 for every \$1 invested. This challenge exists because significant projects also tend to be more expensive and therefore have a lower return on investment. If DOD does not review its strategic goals for ECIP and update guidance to clarify how its components should balance their portfolios among traditional and other projects, the department will be unable to meet its strategic vision for the program.