

REPORT: EM Energy Park Initiative

September 30, 2009

Submitted by the EMAB Energy Park Initiative Subcommittee

Background:

The Energy Park Initiative (EPI) aims to convert the Office of Environmental Management's (EM) liabilities – its contaminated sites, facilities, and materials – into reusable assets focused on providing solutions to critical national energy and environmental issues. These assets include the sites' natural resources, infrastructure, institutional controls, and human and economic capital.

The EPI is a high priority for EMAB since the initiative is still in the formative planning and implementation phases. The EPI Subcommittee members are Paul Dabbar (lead), James Ajello, Lessie Price, and Robert Thompson.

Recommendations:

To further aid the Assistant Secretary in her efforts to implement the Energy Park Initiative, the EPI Subcommittee offers the following recommendations:

Recommendation 2009-06: EM should encourage the Department to establish standard, complex-wide processes for soliciting, accepting, and evaluating EPI proposals and projects.

A standard structure for the implementation of the EPI will ensure consistency across the complex, specifically with regard to EPI-related discussions and proposal evaluations. A common, complex-wide format will also allow DOE to more efficiently align EPI evaluation processes and identify those proposals that provide the greatest benefit to taxpayers on a regional and national scale. Furthermore, this framework will assure the conformity of discussions and follow-on evaluations for EPI programs. It is also important that the processes for solicitation of regional site contacts, economic redevelopment proposals, and business enterprise structures require master planning, schedules for beneficial reuse, and a clear understanding of the financial return on investment.

We recommend, through the implementation of standardized processes and master planning, that EM and the Department prioritize those EPI proposals that offer the most beneficial reuse options, both regionally and nationally. Lastly, as proposals for EPI projects and programs are submitted to DOE, the process for evaluation and selection should be clearly outlined and articulated to the enterprise teams in order to provide for added transparency and open communication.

Recommendation 2009-07: As various EPI enterprises are proposed and reviewed, EM should encourage the Department to seek independent support for business model evaluation, technical and programmatic deployment risk analyses, and determining economies of scale as they relate to former site transition and/or impacts on local community economic redevelopment.

Recommendation 2009-08: EM should encourage the Secretary of Energy to issue a memorandum convening an interdepartmental taskforce and develop a policy for implementation of the EPI.

EM's primary role in the EPI stems from its responsibility to reduce the program's footprint, accelerate clean-up, and prepare sites and assets for potential transition into a variety of future end use options. The success of the EPI will require Departmental buy-in from DOE's other program and support organizations. This commitment can be obtained through the issuance of an interdepartmental policy memorandum for cross-program integration.

Recommendation 2009-09: As EPI programs develop, EM should consider the use of royalty payback to the taxpayers based on beneficial reuse and the transfer of assets from the public to the private sector.

Recommendation 2009-10: EM should identify the assets and/or resources that will be made available through the EPI and any restrictions or institutional controls associated with their use.

Clearly identifying which assets or resources will be made available to the communities and industry for redevelopment under the EPI will allow stakeholders to better understand the opportunities available to them and aid in the development of a vision for future site use.