DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Parts 217 and 241
RIN 0750–AG48

Defense Federal Acquisition Regulation Supplement; Multiyear Contract Authority for Electricity From Renewable Energy Sources (DFARS Case 2008–D006)

AGENCY: Defense Acquisition Regulations System; Department of Defense (DoD).

ACTION: Interim rule with request for comments.

SUMMARY: DoD is issuing an interim rule to implement section 828 of the National Defense Authorization Act for Fiscal Year 2008. Section 828 authorizes the Secretary of Defense to enter into a contract for a period not to exceed 10 years for the purchase of electricity from sources of renewable energy.

DATES: Effective Date: June 21, 2010. Comment Date: Comments on the interim rule should be submitted in writing to the address shown below on or before August 20, 2010, to be considered in the formation of the final rule.

ADDRESSES: Submit comments identified by DFARS Case 2008–D006 by any of the following methods:

- E-mail: dfars@osd.mil. Include DFARS Case 2008–D006 in the subject line of the message.
- Fax: 703–602–0350.

All comments received will be posted to http://www.regulations.gov, including any personal information provided.


SUPPLEMENTARY INFORMATION:

A. Background

This interim rule implements section 828 of the National Defense Authorization Act for Fiscal Year 2008 (Pub. L. 110–181). It amends DFARS parts 217 and 241 to authorize the Department of Defense to enter into a contract for a period not to exceed 10 years for the purchase of electricity from sources of renewable energy, as that term is defined in section 203(b)(2) of the Energy Policy Act of 2005 (42 U.S.C. 15852(b)(2)). DoD may exercise this authority to enter into a contract for a period in excess of five years only if the head of the contracting activity determines, on the basis of a business case analysis prepared by DoD, that—

1. The proposed purchase of electricity under such contract is cost effective; and
2. It would not be possible to purchase electricity from the source in an economical manner without the use of a contract for a period in excess of five years.

This rule was subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993.

B. Regulatory Flexibility Act

DoD has prepared an initial regulatory flexibility analysis consistent with 5 U.S.C. 604. The analysis is summarized below and a copy may be obtained from the point of contact specified herein.

There are a very limited number of small businesses engaged in the sale of energy-related services to include the sale of renewable energy. Those small businesses that engage in energy-related activities tend to have more than one area of competency, such as fossil fuel electric power, distribution of electric power, or other electric power generation, etc. With the potential overlap of competencies, it is very likely that a small business may have more than one of these competencies, thereby reducing the number of small businesses and does not have the predictability as compared to other fuel markets.

Renewable energy and alternative fuel projects are capital-intensive investments, and involve the construction of production facilities which provides limitations to small entities. At this time, DoD is unable to estimate the number of small entities to which this rule will apply. DoD invites comments from small business concerns and other interested parties on the expected impact of this rule on small entities.

DoD will also consider comments from small entities concerning the existing regulations in subparts affected by this rule in accordance with 5 U.S.C. 610. Interested parties must submit such comments separately and should cite 5 U.S.C. 610 (DFARS Case 2008–D006) in correspondence.

C. Paperwork Reduction Act

The Paperwork Reduction Act (Pub. L. 96–511) does not apply because the
rule does not impose additional information collection requirements that require the approval of the Office of Management and Budget under 44 U.S.C. 3501, et seq.

D. Determination To Issue an Interim Rule

A determination has been made under the authority of the Secretary of Defense that urgent and compelling reasons exist to publish an interim rule prior to affording the public an opportunity to comment. This interim rule authorizes and establishes conditions under which the Department of Defense may enter into a contract for a period not to exceed 10 years for the purchase of electricity from sources of renewable energy, pursuant to section 828 of the National Defense Authorization Act for Fiscal Year 2008. It is necessary to publish this rule prior to obtaining public comments because the statute became effective upon enactment, and it is imperative that DoD contracting officers be aware of the conditions under which DoD may enter into such contracts to ensure that they are in compliance with the requirements of the Act. However, DoD will consider public comments received in response to this interim rule in the formation of the final rule.

List of Subjects in 48 CFR Parts 217 and 241

Government procurement.

Ynette R. Shelkin,
Editor, Defense Acquisition Regulations System.

Therefore, 48 CFR parts 217 and 241 are amended as follows:

1. The authority citation for 48 CFR parts 217 and 241 continues to read as follows:


PART 217—SPECIAL CONTRACTING METHODS

2. Section 217.175 is added to read as follows:

217.175 Multiyear contracts for electricity from renewable energy sources.

(a) The head of the contracting activity may enter into a contract for a period not to exceed 10 years for the purchase of electricity from sources of renewable energy, as that term is defined in section 203(b)(2) of the Energy Policy Act of 2005 (42 U.S.C. 15852(b)(2)).

(b) Limitations. The head of the contracting activity may exercise the authority in paragraph (a) of this section to enter into a contract for a period in excess of five years only if the head of the contracting activity determines, on the basis of a business case analysis (see PGI 217.1, Supplemental Information TAB, for a business case analysis template and guidance) prepared by the requiring activity, that—

(1) The proposed purchase of electricity under such contract is cost effective; and

(2) It would not be possible to purchase electricity from the source in an economical manner without the use of a contract for a period in excess of five years.

(c) Nothing in this section shall be construed to preclude the DoD from using other multiyear contracting authority of DoD to purchase renewable energy.

PART 241—ACQUISITION OF UTILITY SERVICES

3. Section 241.103 is amended by redesignating existing paragraph (2) as paragraph (3); and by adding new paragraph (2) to read as follows:

241.103 Statutory and delegated authority.

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(2) See 217.175 for authority to enter into multiyear contracts for electricity from renewable energy sources.

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DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Parts 225 and 252

[DFARS Case 2008–D024]

RIN 0750–AG13

Defense Federal Acquisition Regulation Supplement; Para–Aramid Fibers and Yarns Manufactured in a Qualifying Country

AGENCY: Defense Acquisition Regulations System, Department of Defense (DoD).

ACTION: Final rule.

SUMMARY: DoD is adopting as final, with changes, the interim rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to implement determinations made by the Under Secretary of Defense for Acquisition, Technology, and Logistics with regard to the acquisition of items containing para-aramid fibers and yarns manufactured in foreign countries that have entered into a reciprocal defense procurement memorandum of understanding with the United States.

DATES: Effective Date: June 21, 2010.

FOR FURTHER INFORMATION CONTACT: Ms. Amy Williams, 703–602–0310.

SUPPLEMENTARY INFORMATION:

A. Background

The interim rule also clarified the definition of “qualifying countries” at DFARS 225.003 and 252.225–7012 by including a list of the qualifying countries within the definition instead of referring to the list at DFARS 225.003(10).

The interim rule also clarified the definition of “qualifying countries” at DFARS 225.003 and 252.225–7012 by including a list of the qualifying countries within the definition instead of referring to the list at DFARS 225.872-1.

DoD received comments on the interim rule from nine respondents. Based on public comments, changes were made to the interim rule. The differences between the interim rule and this final rule include—

- Restricting the authority to acquire para-aramid fibers and yarns manufactured in a qualifying country to apply to para-aramid fibers (both staple and continuous) and continuous filament para-aramid yarns, based on a new USD(AT&L) determination and findings, dated November 9, 2009, which contains a five year review requirement.

- Amplifying the definition of “qualifying country” to make clear that these are countries with which DoD has negotiated reciprocal defense procurement memoranda of understanding.

B. Public Comments

The following is a discussion of the comments and the changes included in this final rule as a result of those comments: