

Lockheed Martin to launch \$150 million energy business

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Lockheed Martin Corp. is going to market with its energy portfolio, announcing Tuesday it was creating a new line of business called Lockheed MartinEnergy.

The Bethesda-based company is trying to get ahead of a shift in the global demand for energy. Frank Armijo, the newly appointed vice president of Lockheed MartinEnergy, said he anticipates that the need for new energy generation capacity will be driven by renewable sources — as much as 70 percent of new energy generation in the U.S. alone — in the years to come.

"We see energy as a global security and economic imperative," Armijo said Tuesday at Lockheed's 2016 Media Day. "It's changing rapidly, the population is growing quite rapidly. ... The need for power is going to continue to grow."

For decades, the Lockheed energy businesses were captive and dispersed among its several divisions. The company began its foray into this particular line of business to meet customer cost savings and energy efficiency requirements on unrelated contract work. Through these ancillary jobs, executives said, Lockheed built up its energy chops and began attracting commercial and utilities clients.

Since January, Lockheed Martin Energy has booked \$150 million in new work. The company said Tuesday it won a \$43 million contract to build a bioenergy plant in Herten, Germany, which expects to take in 50,000 tons of raw waste a year and transform it into enough energy to power 5,000 homes and businesses.

Lockheed Martin Energy has five core areas: energy management, energy storage, nuclear systems, ocean technologies and bioenergy.

Energy management provides, as the name suggests, energy management and efficiency programs including smart grid technologies for utility customers. The energy storage line is focused on selling short- and long-duration energy storage technologies, a portfolio that was built up following Lockheed's August 2015 acquisition of Cambridge, Massachusetts-based Sun Catalytix Corp.

Bioenergy is related to the work in Herten, Germany, taking waste and converting it to energy. Ocean technologies will harness tides and temperature gradients to create energy. And nuclear systems — at 60 years old, one of the oldest of Lockheed's energy businesses — is focused on Lockheed's nuclear systems powering U.S. Navy submarines and aircraft carriers and its digital systems monitoring nuclear plant safety.

In January, Lockheed divested \$5 billion in government IT services and sold those assets to Reston-based Leidos Holdings Inc., realigning its business units in the process. Prior to that strategic move, Lockheed's energy work was scattered throughout the corporation's several divisions.

Lockheed Martin Energy is a collection of the nuclear safety systems and energy storage businesses that once resided in its Missiles and Fire control unit, while its ocean technologies and bioenergy work came from Mission Systems and Training and the energy management systems and smart grid technology came from the recently divested Information Systems and Global Solutions portfolio.

These have all been consolidated into Lockheed Martin Energy, and will operate as a part of Missiles and Fire Control. The majority of Lockheed's customers are commercial and utilities clients.

Source Washington Business Journal