



U.S. Department of Energy
Energy Efficiency and Renewable Energy

freedomCAR & vehicle technologies program

EPAct Fleet Programs: Regulatory Overview

22nd National NGV Conference

San Antonio, TX
September 20, 2004

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Discussion Outline

- Overview of EPA Act Fleet Regulations
- EPA Act Fleet Statistics
- Program Successes
- Legislative Proposals
- Information Resources



Federal AFV Legislation: EPA Act of 1992

- Goal of petroleum reduction through AFV acquisitions and alternative fuel use
- Fleet programs currently apply to Federal, state and alternative fuel provider fleets
- Requires that a percentage of newly acquired light duty vehicles must be AFVs
- Light Duty Vehicles – up to 8,500 gvwr.



EPAct Definition of Alternative Fuel

Alternative Fuel

Methanol, denatured ethanol, and other alcohols containing 85% or more by volume of alcohol with gasoline or other fuels; natural gas (including liquid fuels domestically produced from natural gas); liquefied petroleum gas; hydrogen; coal-derived liquid fuels, fuels (other than alcohol) derived from biological materials; and electricity

Additions (since passage of EPAct)

P-Series Fuels, B100

(Biodiesel blends are not alternative fuels but blends of 20 percent or higher biodiesel count toward EPAct compliance)



What Types of Fleets are Covered?

- **Federal Government Agencies**
- **State Government Entities, such as:**
 - Executive, legislative, or judicial branch entities
 - State universities and colleges
- **Alternative Fuel Provider Fleets, including:**
 - Electric utility companies
 - Natural gas utility companies
 - Propane providers
 - Municipal power utilities
 - Oil and natural gas producers, transporters, sellers, etc. (if they derive 30% of revenues from alternative fuel activities)



Coverage Based on Fleet Size & Location:

Fleets with:

- **50** or more light-duty vehicles* (LDV) in the U.S.
- **20** or more LDVs “used primarily” in a single MSA/CMSA
 - MSA is metro area with 1980 Census population of **250,000** or more (125 exist in the U.S.)
 - **20** or more vehicles in MSA must be “capable of being centrally fueled”

*LDV means an on-road vehicle with a gross vehicle weight rating of 8,500 pounds or less, including passengers cars and light duty trucks.



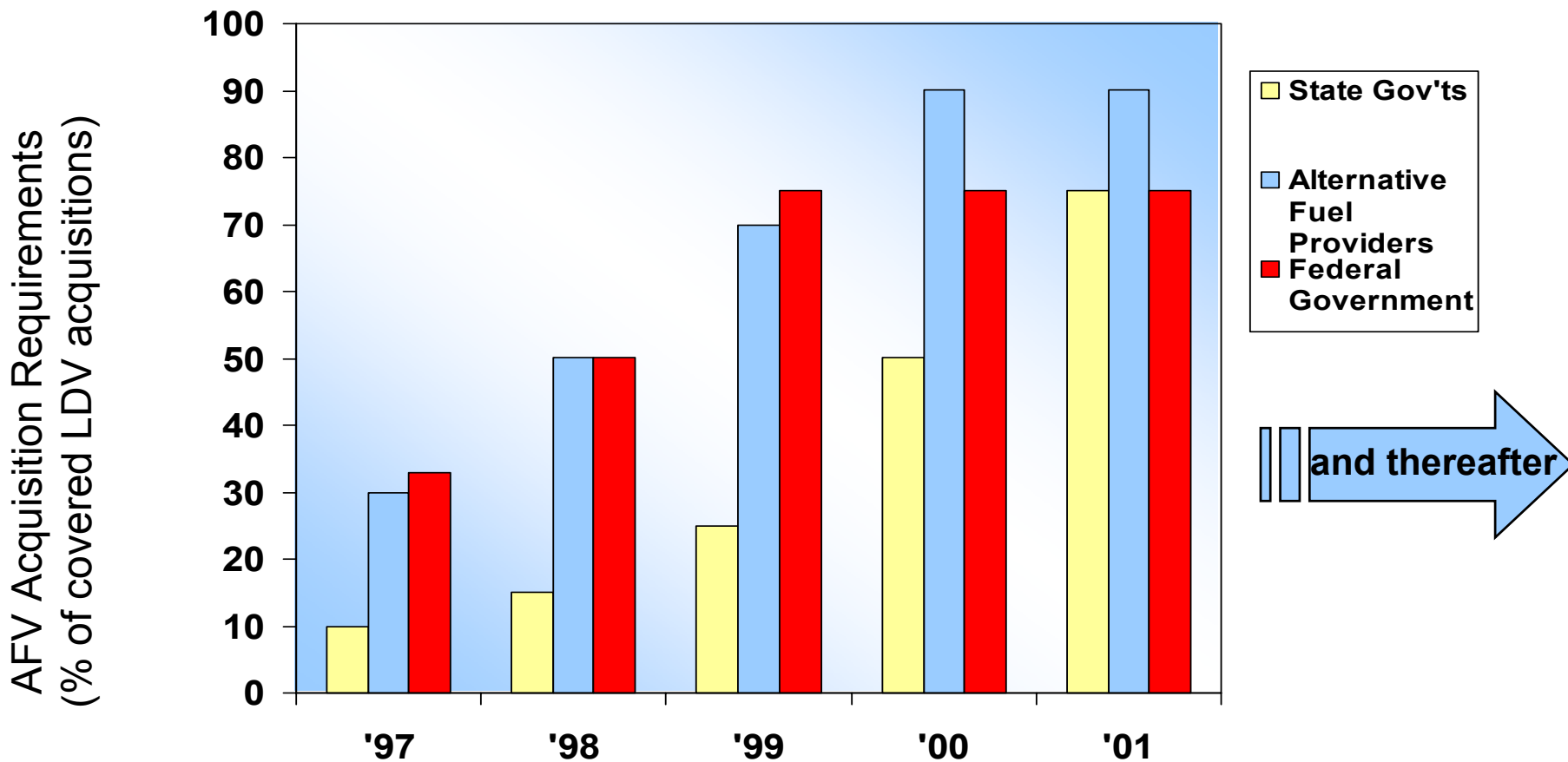
Excluded Vehicles*

- Law enforcement
- Emergency motor vehicles
- Non-road vehicles
- Motor vehicles normally parked at a personal residence when not in use
- Vehicles used for university or laboratory research or testing

*These vehicles do not count for determining coverage (i.e., 50/20 LDVs) or when determining AFV requirements.



AFV Acquisition Requirements



Note - Federal Government Requirements actually started 1993.



Complying with AFV Acquisition Requirements

- Acquire new or used LDV that is capable of operating on alternative fuels
 - Dedicated vehicles
 - Dual-fuel vehicles
 - Flexible-fuel vehicles
- Convert a new LDV to operate on alternative fuels (*within 4 months of the vehicle entering fleet*)
- Use banked credits or purchase credits from another fleet or third party (*S&FP fleets only*)



Complying with AFV Acquisition Requirements (cont.)

- Purchase Biodiesel – earn 1 credit for every 450 gallons of neat biodiesel purchased for use in blends of 20% or more
 - Fuel must be used in medium or heavy-duty on-road vehicles (i.e., 8,501 lbs GVWR & up)
 - Can satisfy up to 50% of AFV requirements
- Acquire alternative fuel medium- and heavy-duty vehicles (which only earn credits after LDV acquisition requirements are satisfied)



E.O. 13149 Federal Fleet Requirements

- Reduce petroleum consumption by 20%
 - Use alternative fuel in AFVs 51% of the time
 - Increase fuel economy of non-AF LDV acquisitions
- Reinforces compliance with EPA Act
 - 75% of covered LDV acquisitions must be AFVs



Federal Fleet EPA Act Compliance

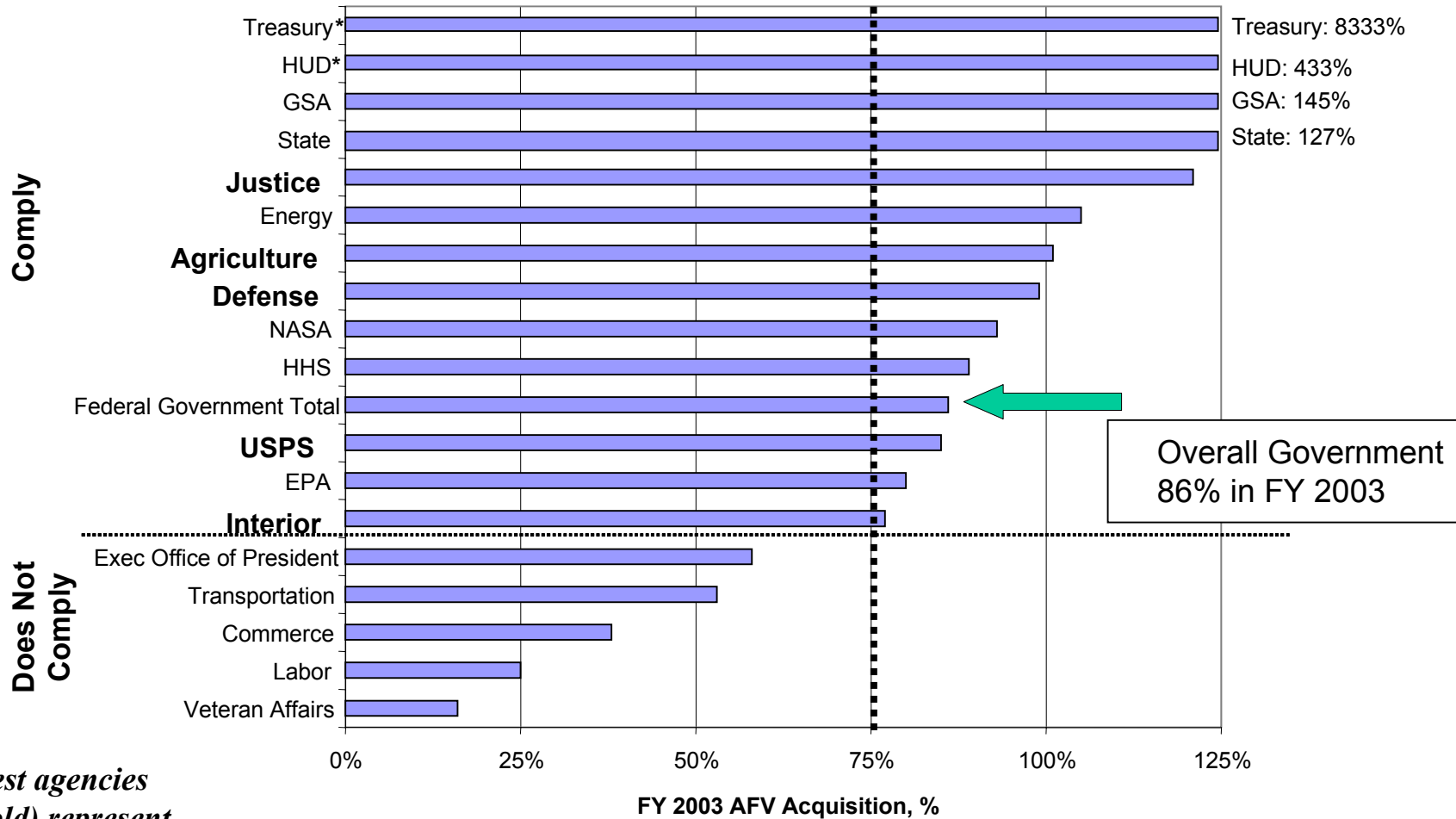
Fiscal Year	AFVs Acquired	Total EPA Act Credits**	Percent of Acquisition	Total AFV Inventory
2000	7,922	9,188	44%	55,260
2001	8,798	9,736	45%	58,242
2002	9,387	10,870	60%	65,687
2003	20,846	22,848	86%	80,852

Source: FAST database

** Includes additional credits for biodiesel use and dedicated AFVs (LD, MD, HD)



Federal Fleet EPAct Compliance



*Largest agencies
(in bold) represent
87% of Fed. fleet*

*Number of EPAct covered vehicles for these agencies is extremely small (less than 5).

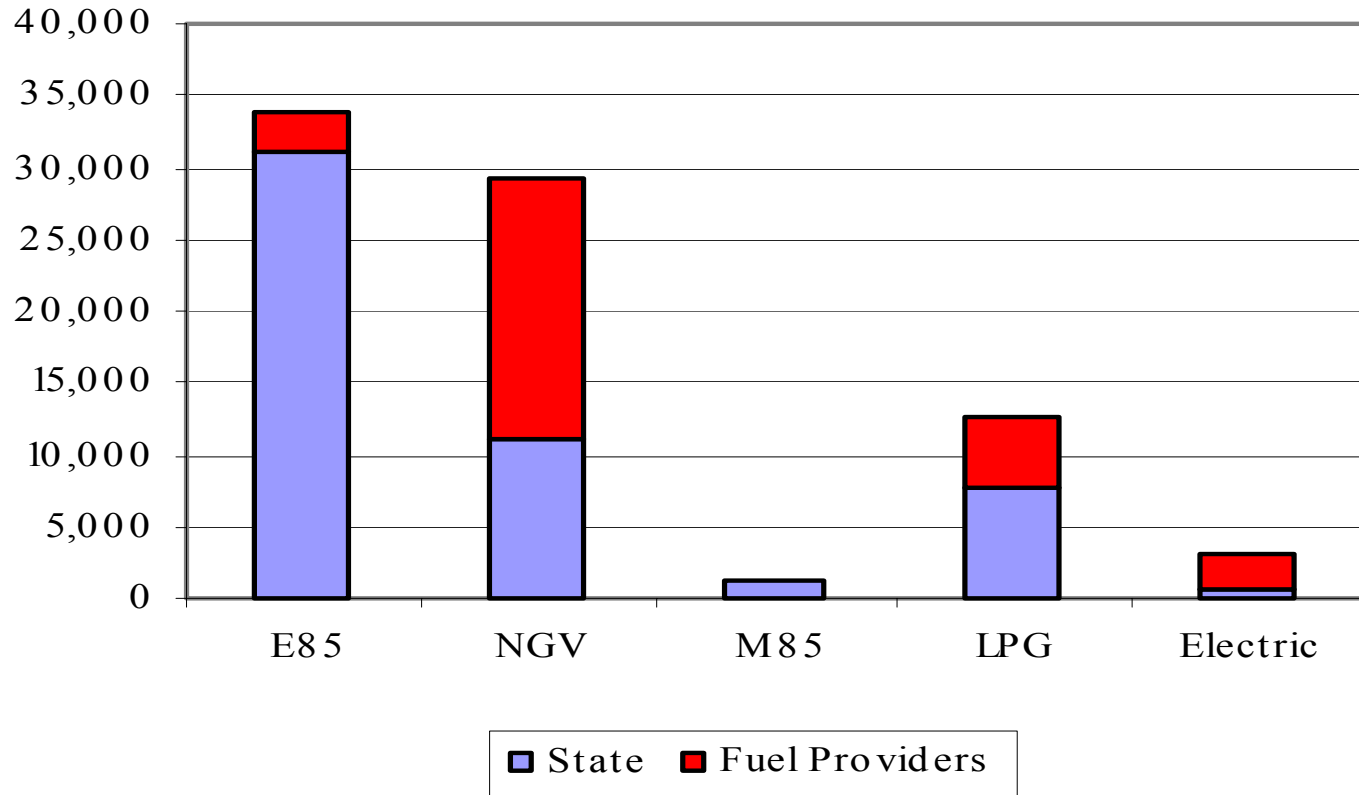


Federal Fleet Performance Summary (Vehicles - EPAAct)

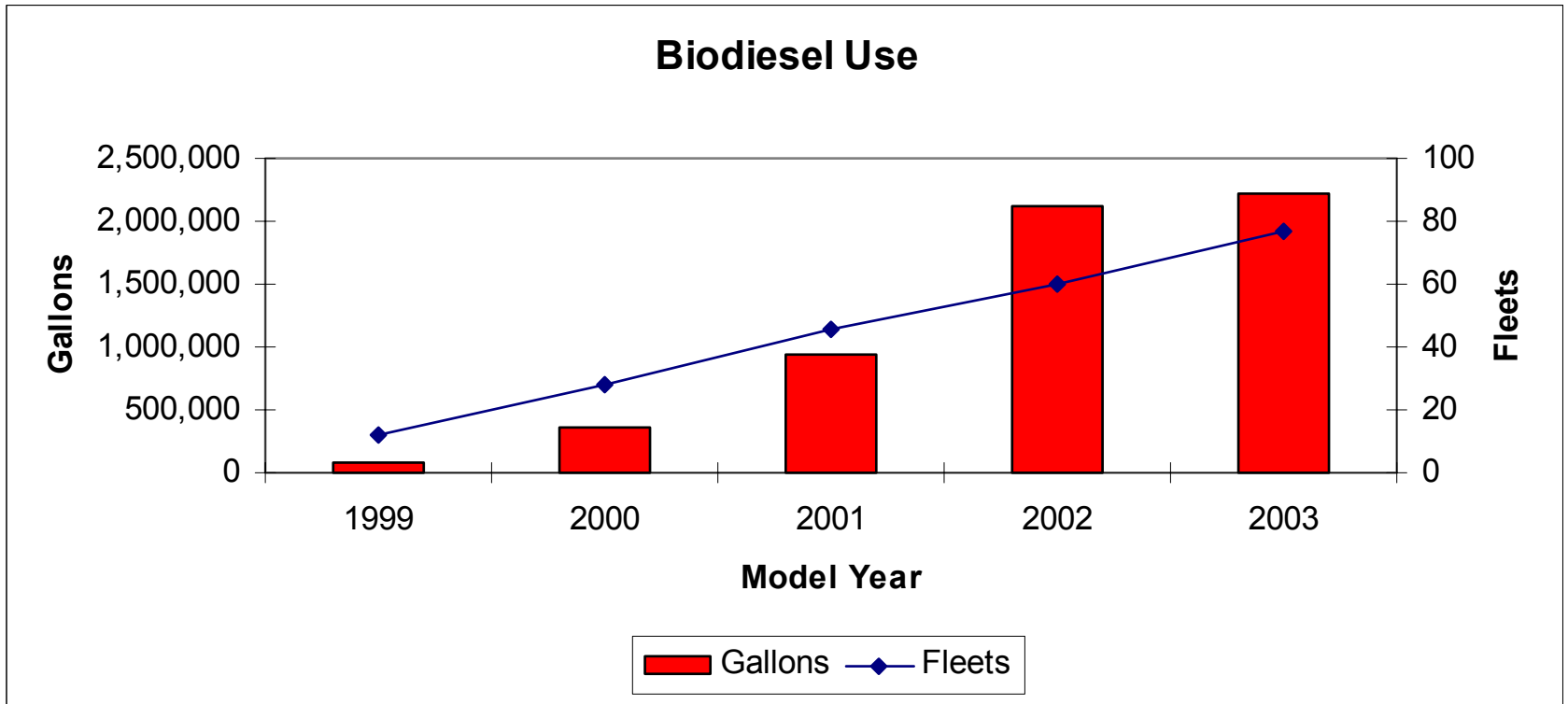
- AFV acquisitions at 86% in FY 2003 – equivalent to 115% of the compliance rate
- Over 80,800 AFVs are currently operating in the Federal Government
- Significant biodiesel usage increase – 1,558 EPAAct credits in FY 2003
- Majority of agencies showing progress towards fuel economy increase required by EO



AFV Acquisitions



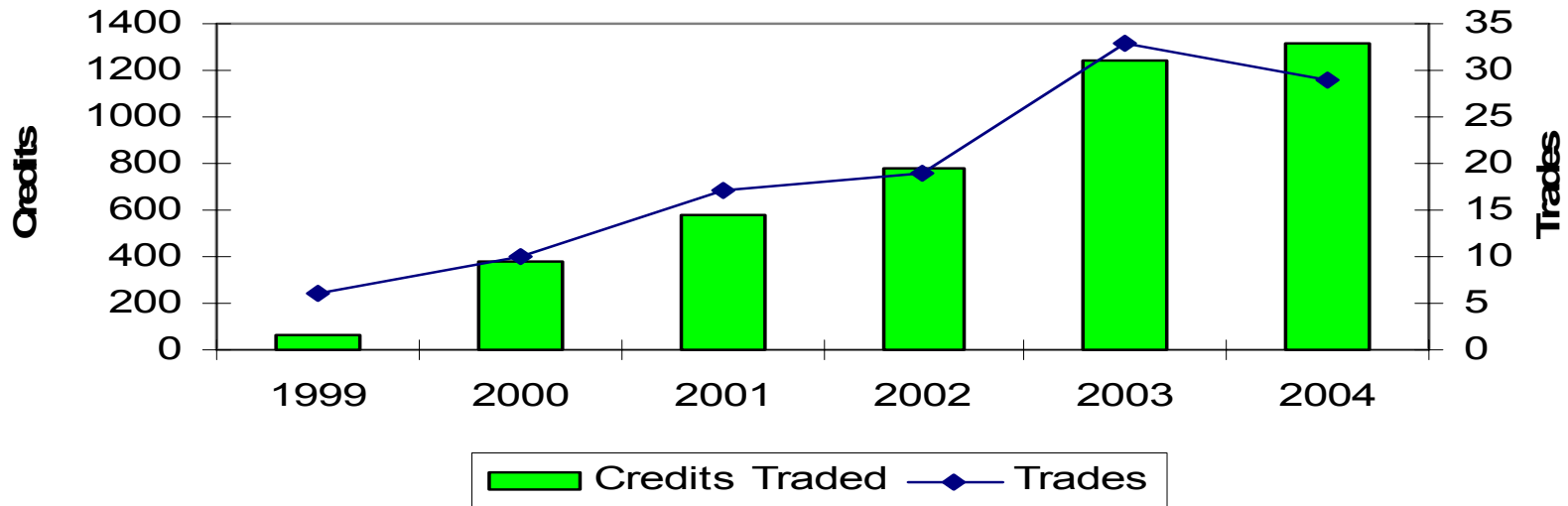
Since Program inception, the states have acquired ~65% of the AFVs. Of those state vehicles, the primary choice has been E-85 FFVs.



	Gallons	Fleets
1999	83,653	12
2000	358,247	28
2001	939,552	46
2002	2,113,788	60
2003	2,214,806	77



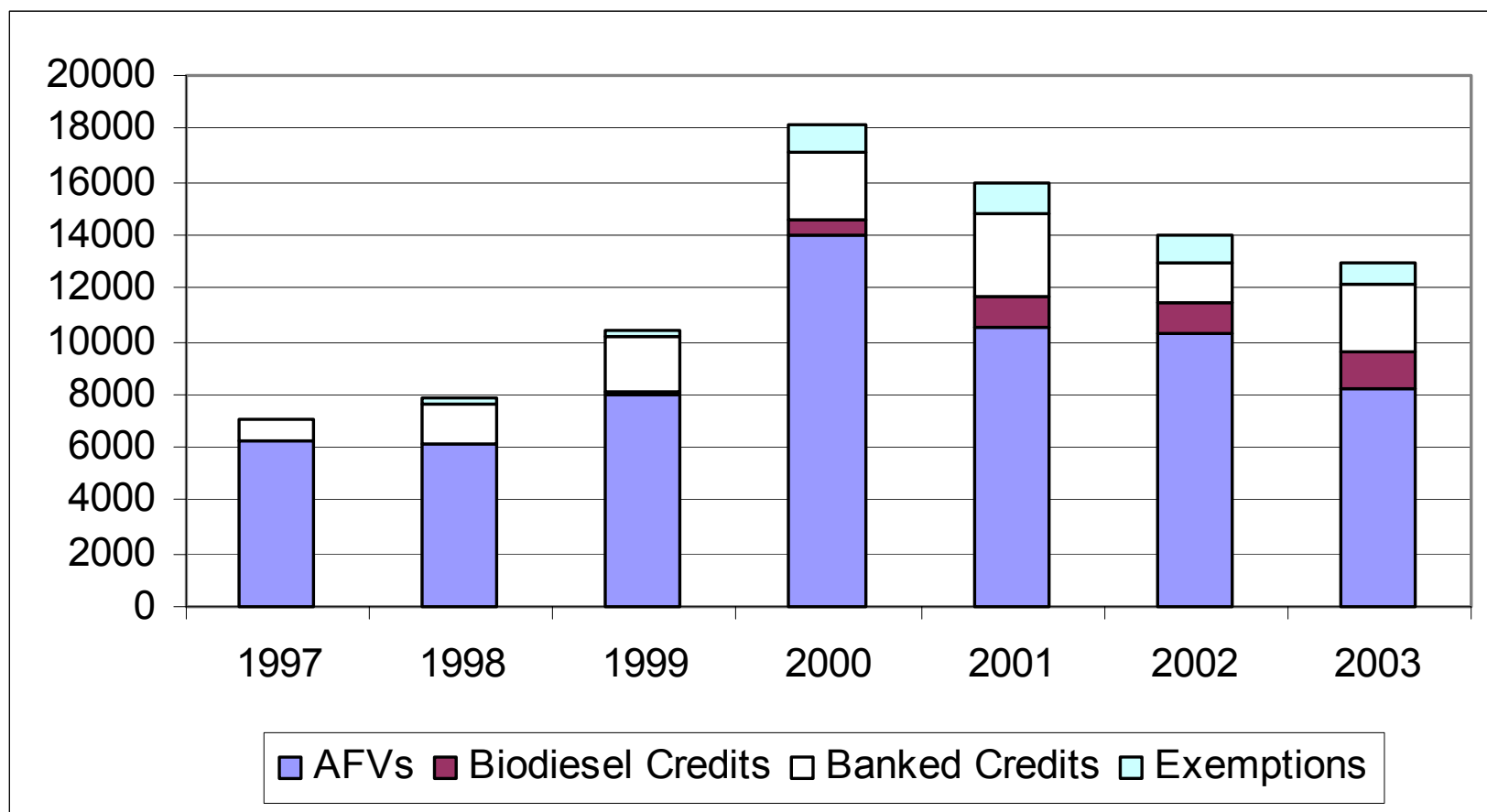
Credit Trading Activity



	Trades	Credits Traded
1999	6	64
2000	10	376
2001	17	583
2002	19	779
2003	33	1237
2004 (to date)	29	1312

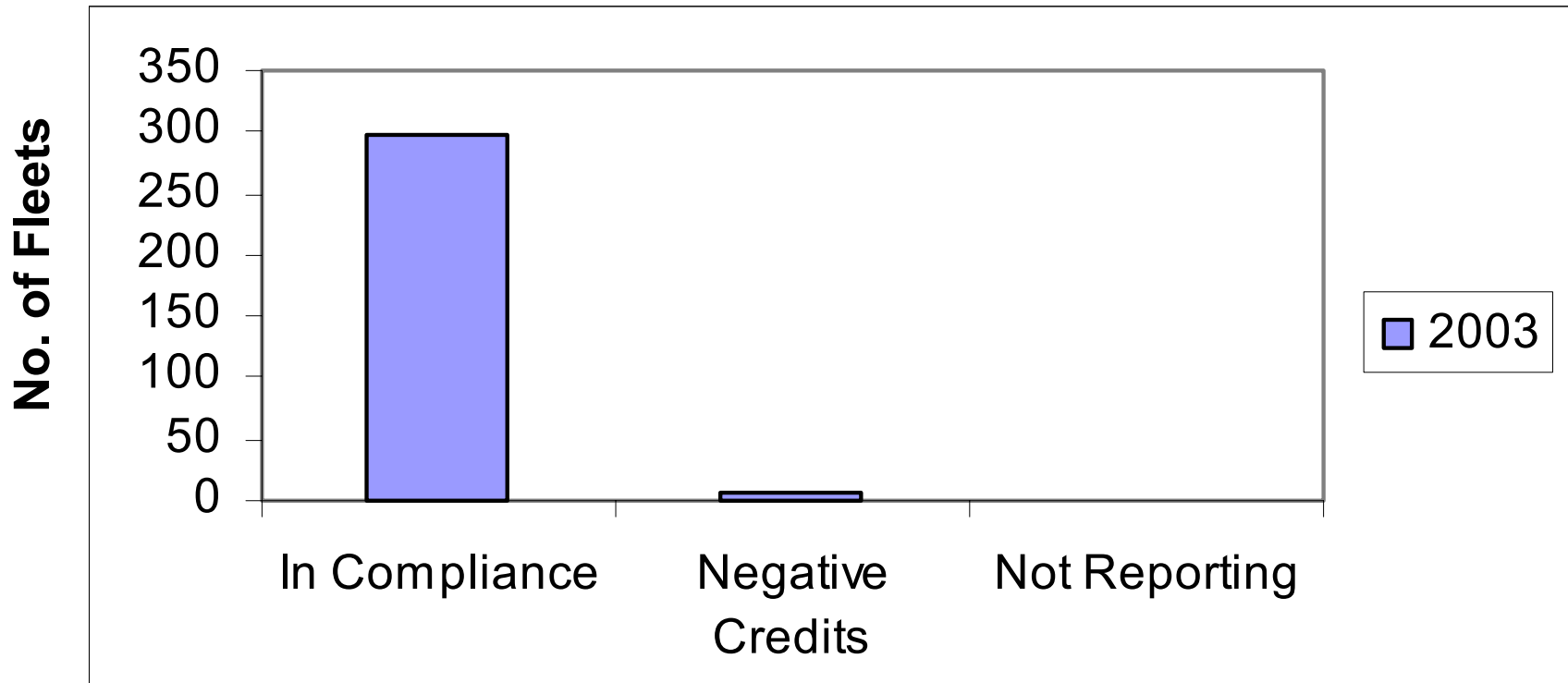


Compliance Methods





S&FP Fleet Compliance – Model Year 2003





Outreach Efforts

- Identify additional covered fleets
- Educate fleets/agencies on requirements
- Assist new fleets in developing compliance strategies
- Identify fleets that are interested in partnering with other regulated fleets to develop infrastructure
- Publish success stories



Program Successes

- Reduced number of exemptions awarded
- Increased biodiesel utilization
- Consistent AFV demand
- Expanding credit trading market
- Adoption of aggressive state programs
 - Increased AFV acquisitions
 - Fuel use provisions
 - Infrastructure installation
- Utility installation of fueling infrastructure



Proposed EPA Act Changes

- Inclusion of NEVs & hybrid vehicles
- Multiple credits for MD/HD AFVs
- Opt-out program – credits for petroleum reductions
- Infrastructure investment credits

NOTE: None have become law at this time, so fleets should NOT modify their actions in response to any of these proposals



Information Resources

EPAct Fleet Information and Regulations website:

<http://www.eere.energy.gov/vehiclesandfuels/epact/>

Linda Bluestein: linda.bluestein@ee.doe.gov

Shabnam Fardanesh: shabnam.fardanesh@ee.doe.gov

Regulatory Information Line:

regulatory_info@afdc.nrel.gov or (202)586-9171



Literature (See EPAct website)

- AFV Reporting Guidance
- Final Regulations
- Compliance Guidelines for S&FP Fleets (Bluebook)
- Frequently Asked Questions
- Exemptions, biodiesel, and credit trading guidance
- DOE AFV Buyers Guide: <http://www.ccities.doe.gov/vbg/fleets>