

A GUIDEBOOK TO THE
**U.S. DEPARTMENT OF ENERGY'S
ALTERNATIVE FUEL TRANSPORTATION
PROGRAM**
FOR
**STATE AND ALTERNATIVE FUEL
PROVIDER FLEETS**



U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585
www.ott.doe.gov/epact/state_fleets.html



Alternative Fuel Transportation Program
Office of Energy Efficiency and Renewable Energy, EE-34

February 2001



**A Guidebook to the U.S.
Department of Energy's
Alternative Fuel Transportation
Program
For
State and Alternative Fuel
Provider Fleets**

**U.S. Department of Energy
1000 Independence Ave., S.W.
Washington D.C. 20585
www.ott.doe.gov/epact/state_fleets.html**

TABLE OF CONTENTS

PREFACE	1
SECTION 1—STATE FLEETS	3
1-1 Determining if Your State Fleets Are Covered by EPACT	3
Decision Tree for State Government Fleets	
1-2 Deciding Whether To Comply State-Wide or as Individual Fleets	5
1-3 Reporting Changes in Fleet Status	5
1-4 State Acquisition Requirements	6
Calculating Vehicle Acquisitions for State Fleets	
Calculating Requirements for Fleets Established and Covered After Model Year 1997	
1-5 Exemptions for States	7
Applying for Exemptions for Unavailability of Suitable Alternative Fuels or Alternative Fueled Vehicles	
Requesting an Exemption for Financial Hardship	
Submitting a Request for an Exemption	
1-6 Identifying Vehicles To Meet Your Acquisition Requirements	9
Counting Converted LDVs That You Already Own	
Sorting Out the Differences in Light-Duty, Alternative Fueled Vehicles	
Choosing Appropriate Alternative Fuels To Satisfy Acquisition Requirements	
Converting Vehicles to AFVs To Satisfy Acquisition Requirements	
Acquiring Excluded Vehicles as AFVs To Satisfy Acquisition Requirements	
Acquiring Medium- or Heavy-Duty AFVs To Satisfy Acquisition Requirements	
What Does Not Count in Model Year 2000–2001	
1-7 State Reporting Requirements	11
Filing an Annual Compliance Report	
1-8 Alternative State Plans	12
Writing an Optional, Alternative State Plan	
Monitoring the Implementation of Alternative State Plans	
SECTION 2—ALTERNATIVE FUEL PROVIDERS	15
2-1 Defining an Alternative Fuel Provider	15
Exceptions	
Determining Whether an “Alternative Fuel Provider” is a “Covered Person”	
Who Must Acquire AFVs	
Decision Tree for Fuel-Provider Fleets	
2-2 Calculating the Number of AFV Vehicles That Covered Alternative Fuel Providers Must Acquire	17
2-3 Acquiring Vehicles That Satisfy Program Requirements	19
2-4 Choosing Alternative Fuels To Satisfy Acquisition Requirements	20
2-5 Dealing with Mergers, Acquisitions, and Divestitures	21
2-6 Exemptions from Acquisition Requirements for Alternative Fuel Providers	21
Applying for Exemptions for Unavailability of Suitable Alternative Fuels	
Submitting Exemption Requests	
2-7 Alternative Fuel Provider Reporting Requirements	22
Filing an Annual Compliance Report	

SECTION 3—AFV CREDIT PROGRAM25
 3-1 Earning Credits under This Program25
 3-2 Transferring Earned Credits.....26

SECTION 4—REQUESTS FOR INTERPRETIVE RULINGS.....27

SECTION 5—ENFORCEMENT29

APPENDICES

APPENDIX A GLOSSARY OF TERMS AND ACRONYMS31
 APPENDIX B METROPOLITAN STATISTICAL AREAS (MSAS) AND CONSOLIDATED
 METROPOLITAN STATISTICAL AREAS (CMSAS).....37
 APPENDIX C ADDITIONAL SOURCES OF INFORMATION ABOUT ALTERNATIVE
 FUELS, ALTERNATIVE FUELED VEHICLES, AND DOE’S ALTERNATIVE FUEL
 TRANSPORTATION PROGRAM.....41

PREFACE

The country's increasing dependence on imported oil and the relative instability of the oil-producing countries prompted Congress to pass the Energy Policy Act (EPAct) of 1992. The Act called on the U.S. Department of Energy (DOE) to expand research and development in the transportation sector, and to create programs for accelerating the introduction of alternative fueled vehicles (AFVs) to replace conventional models fueled by gasoline.

DOE's Alternative Fuel Transportation Program, as codified in 10 CFR Part 490, implements the provisions in Sections 501, 507(o), 508, 511, 512, and 513 of EPAct. These sections

- Call for DOE to promulgate rulemakings requiring State government fleets and alternative fuel providers to acquire AFVs in certain gradually increasing percentages;
- Set forth a credit program to reward those who purchase or lease AFVs either earlier than required, or in greater numbers than required;
- Establish reporting procedures;
- Implement exemption provisions; and
- Set forth enforcement procedures and provisions.

State government fleet managers and alternative fuel providers must determine if they are *covered* by these provisions, and take certain steps to be *in compliance* if they are covered. This booklet has been produced by DOE as a reader-friendly guide to the primary requirements of the Alternative Fuel Transportation Program for States and fuel providers. DOE has addressed the topics that fleet managers ask about most frequently.

Section 1 covers the concerns of State government or State agency fleets. Section 2 discusses issues specific to fuel providers. The remaining sections (3 through 5) are concerned with credit programs, interpretive rulings, and enforcement, and will be of interest to both groups. The three appendices will also be useful to both State and Fuel Provider fleets. Appendix A is a comprehensive glossary to provide the reader with definitions of unfamiliar terms. Appendix B is a listing of Metropolitan Statistical Areas and Consolidated Metropolitan Statistical Areas, which are used to determine which fleets are covered under EPAct. Appendix C is a helpful source of additional information about alternative fuels and alternative-fueled vehicles, and DOE's Alternative Fuel Transportation Program.

Topics that are not addressed here may be directed to DOE by mail, Internet e-mail, or telephone. Information on how to contact DOE for additional information is provided throughout the document, and specifically in Appendix C. Readers should be aware that this guide is only a summary of the program. Should questions arise concerning the language of this publication compared to that of the regulation, the language of the regulation (10 CFR Part 490) governs.

SECTION 1—STATE FLEETS

This section will help a State government or State agency determine if it is required to acquire alternative fueled vehicles (AFVs) under EAct. Guidance is also provided on whether the State should report as a single entity or as individual agencies, and on the types of vehicles that qualify for compliance and credit.

1-1 Determining if Your State Fleets Are Covered by EAct

The State government (or State agency) is “covered” and must meet the requirements in EAct if it satisfies **ALL** of the following conditions:

1. It owns, operates, leases, or otherwise controls 50 or more light-duty vehicles (LDVs) (of 8,500 lb gross vehicle weight rating or less) within the United States that are *not* on the **list of excluded vehicles** found in 10 CFR Subpart A, Section 490.3 of the Rule (see a definition of the Final Rule at the bottom of the page and a list of excluded vehicles in the sidebar).
2. At least 20 of those LDVs are used primarily within any single Metropolitan Statistical Area (MSA) or Consolidated Metropolitan Statistical Area (CMSA). (A list of MSAs and CMSAs appears in Appendix B of this document.)
3. Those same 20 LDVs are centrally fueled, or capable of being centrally fueled. LDVs are “centrally fueled” if they are or could be refueled at least 75 percent of the time at a location that is owned, operated, or controlled by any fleet, or under contract with that fleet for refueling purposes. This issue is discussed in detail in the rulemaking (published in the *Federal Register*, Volume 61, Number 51, pages 10627-10628). See also the definition of “centrally fueled” in Appendix A of this document. The Final Rule is also available at the Web site, www.ott.doe.gov/epact.

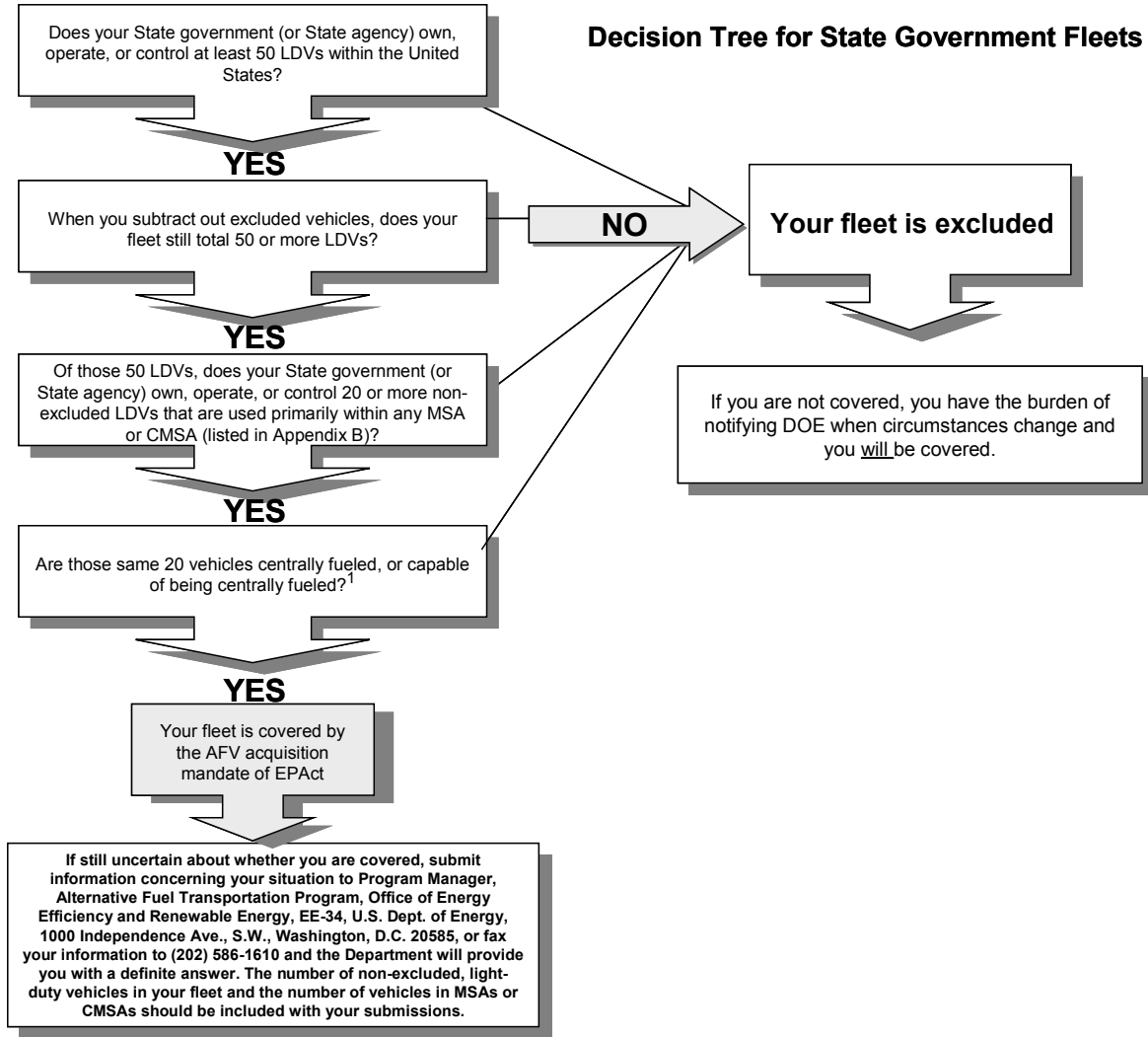
Excluded Vehicles (as defined by EAct)

- Emergency motor vehicles
 - Law enforcement vehicles
 - Non-road vehicles
 - Vehicles that under normal operations are parked at private residences when not in use
 - Vehicles used for evaluating or testing products of a motor vehicle manufacturer, including vehicles owned or held by a university for research purposes
 - Vehicles owned or held by a testing laboratory or other evaluation facility, solely for evaluating their performance for engineering, research and development, or quality control reasons
 - Motor vehicles acquired and used for purposes that the Secretary of Defense has certified to DOE must be exempted for national security reasons
-

What is the Final Rule?

The Department of Energy published a Rule, as required by the Energy Policy Act of 1992, to implement statutorily imposed AFV acquisition requirements for certain State government and alternative fuel provider vehicular fleets. The Rule interprets to whom and to what extent the requirements apply; provides procedures for exemptions and administrative remedies; and sets forth a program of marketable credits that rewards fleets that voluntarily acquire alternative fueled vehicles in excess of mandated requirements, or that acquire the AFVs before the requirements take effect, and that can be used to demonstrate compliance with the requirements. The Rule became effective April 15, 1996.

For Further Help at This Stage: Review the Decision Tree below, and contact the Alternative Fuel Transportation Program if you are still unsure about whether your fleet is covered.



¹DOE determines central fueling capability by whether 75 percent of a vehicle’s total annual miles are derived from trips that are less than the operational range of the vehicle.

1-2 Deciding Whether To Comply State-Wide or as Individual Fleets

A State government fleet that is covered by EPAAct has to decide whether it should comply with acquisition requirements for alternative fueled vehicles (AFVs) as a single entity, or allow individual agencies within that State government to comply on their own.

The Department of Energy prefers that compliance be carried out by each State as a whole, but understands that each State is unique. Therefore, DOE allows the State to choose the way in which it will calculate its acquisition requirements and report its compliance. A covered State may choose between the following options:

- Comply as one large fleet, counting the total number of non-excluded LDVs acquired by all its individual agency fleets, regardless of any agency's location or fleet size; *or*
- Allow individual State fleets or groups of two or more fleets to count their vehicles and report their compliance separately.

If a covered State has allowed its fleet operators to comply individually, *and* an individual fleet does not meet the size guidelines described in Subsection 1.1, that individual agency would be exempted from acquisition requirements, unless it is a participant in an optional Alternative State Plan that the State has developed. (Section 5 of this guide discusses participation in optional Alternative State Plans.)

State agencies that join together to calculate their compliance responsibilities do not have to acquire their vehicles together. However, they must file their annual reports to DOE together, as one fleet.

1-3 Reporting Changes in Fleet Status

Fleet characteristics often change and a State government or State agency fleet that was once covered by EPAAct requirements may no longer be subject to them. For example, a State agency's fleet may shrink to the point that it no longer owns, operates, or controls at least 50 LDVs. Likewise, a previously uncovered fleet may find itself falling under the requirements because of a change in one of the qualifying areas, perhaps by gaining vehicles. A fleet must notify DOE at the following address when such changes occur:

Program Manager
Alternative Fuel Transportation Program
Office of Energy Efficiency and Renewable
Energy, EE-34
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

1-4 State Acquisition Requirements

Section 1-1 discussed how to determine if your State government or State agency fleet must meet the compliance requirements of EPCa, and listed the types of vehicles that are excluded from those requirements. This section will look at *how many* vehicles must be acquired by a covered State or State agency fleet to be in compliance.

Calculating Vehicle Acquisitions for State Fleets

When State fleets or State agency fleets are subject to EPCa requirements (as defined in 10 CFR Part 490), and the fleets acquire new light-duty vehicles, the following percentages of the new LDVs must be AFVs:

- 10 percent for Model Year 1997
- 15 percent for Model Year 1998
- 25 percent for Model Year 1999
- 50 percent for Model Year 2000
- 75 percent for Model Year 2001 and thereafter

For example, if a covered State or State agency acquires 100 new non-excluded LDVs in 2000, 50 percent, or 50 of those newly acquired LDVs must be AFVs (unless the types of LDVs are on the list of excluded vehicles shown on page 1).

The State or State agency may calculate its exact fleet-acquisition requirements, using the following formula:

1. Start with the number of new LDVs that will be acquired for a fleet.
2. Subtract any excluded vehicles.
3. Multiply the result by the decimal equivalent of the acquisition percentage for that model year to get the number of vehicles that must be AFVs.

Example

If a fleet plans to acquire 105 LDVs in Model Year 2000, and 5 of those will be excluded vehicles, then:

Total Planned Acquisitions	105
Excluded-Vehicle Acquisitions	<u>-5</u>
Total Covered Acquisitions	100
AFV Fraction in Model Year (MY) 2000	<u>x0.5</u>
AFV Acquisitions Required in MY 2000	50*

*(If the fraction is 0.5 or greater, the number is rounded up to the nearest whole number. Below 0.5 it is rounded down.)

Of the 105 vehicles to be acquired by this fleet, at least 50 must be AFVs to meet the fleet's EPA requirements.

Use the following work sheet to determine how many of your planned LDV acquisitions must be AFVs:

Work Sheet for Any Covered Fleet:

Total Planned Acquisitions	
Excluded-Vehicle Acquisitions	- ___
Total Covered Acquisitions	
AFV Fraction in MY 2000	X ___
AFV Acquisitions Required in MY 2000	

Calculating Requirements for Fleets Established and Covered after Model Year 1997

A State that owns, operates, or controls the required minimum number of LDVs for it to be classified as a covered fleet operator in any year after Model Year 1997 must acquire AFVs starting with *the full model year after* the State becomes a fleet operator. It must also meet the acquisition requirements for that model year. For example, if a State or State agency became a covered fleet operator in 1998, it needed to begin meeting the acquisition requirements in 1999 (25 percent that year).

1-5 Exemptions for States

State and State agency fleets may apply for exemptions from EPA's acquisition requirements. DOE will grant such exemptions if warranted by individual situations. Any exemption is good for one year only and is not renewable. Fleets must apply for exemptions annually, presenting updated documentation for DOE's consideration. Exemptions are granted on a case-by-case basis. Situations for which DOE will consider an exemption are discussed in the next two subsections.

When applying for exemptions, refer first to the exemption guidance provided on the DOE Web site, www.ott.doe.gov/epact. When you submit your request to DOE for an exemption, be sure to include all of the supporting documentation specified in the guidance. If the documentation is incomplete, DOE will ask for additional information before considering your request.

Applying for Exemptions for Unavailability of Suitable Alternative Fuels or Alternative Fueled Vehicles

You may apply for an exemption from the acquisition requirements if no alternative fuels or alternative fueled vehicles are available in the fleet's territory that meet your operating requirements. **For example**, an exemption may be requested if the only AFVs available that meet your operating needs are natural gas vehicles, and compressed natural gas is not available in your operating area.

Requesting an Exemption for Financial Hardship

You may apply for an exemption from the acquisition requirements if the additional costs associated with AFVs pose an unreasonable financial hardship for a State. These requests will be carefully considered on a case-by-case basis. States requesting exemptions as a result of financial hardship must submit compelling evidence to DOE.

Submitting a Request for an Exemption

Requests for an exemption may be submitted at any time, as the need arises. DOE advises States to submit their requests as early in the model year as possible so that fleets have time to ensure they are in compliance if their requests are rejected in whole or in part. DOE will issue a written determination on whether the State's request for an exemption has been granted within 45 working days after receiving an adequate request.

Submit your exemption request by mail or fax to the following individual:

Program Manager
Alternative Fuel Transportation Program
Office of Energy Efficiency and
Renewable Energy, EE-34
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Remember that exemptions will be granted for one model year only. You must submit a separate exemption request in each subsequent model year.

If the exemption request is denied, the State or State agency may file an appeal within 30 working days after notification of DOE's determination. Send your appeal to the following office:

Office of Hearings and Appeals
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

You may wish to look at this office's Web site at <http://www.oha.doe.gov/eecases.htm>, which contains its previous decisions on appeals for the Alternative Fuel Transportation Program.

1-6 Identifying Vehicles To Meet Your Acquisition Requirements

Having determined that a State or State agency is covered under EPAct, and the percentage of its acquisitions that must be AFVs, the fleet manager may satisfy those requirements by one or more of the following methods:

1. Purchasing or leasing new LDVs capable of operating on alternative fuels.

Any new light-duty vehicle acquired by a covered State or State agency fleet that can operate on alternative fuels is counted toward the fleet's compliance requirements. This includes LDVs that are on the excluded list (i.e., emergency or law enforcement vehicles) if they are acquired as AFV models. (A new LDV means it was not previously under the control of the State, no matter when the vehicle was manufactured.) If you acquire a medium- or heavy-duty alternative fueled vehicle, you may also apply this AFV toward your compliance requirements, or for additional credit if your requirements have been met.

2. Purchasing or leasing any after-market, converted LDV (including a demonstration model) that was not previously under the control of the State (no matter when it was manufactured) and is capable of operating on alternative fuels. *It should be noted that all conversions must meet the specifications in the U.S. Environmental Protection Agency Memorandum 1A (on anti-tampering) and appropriate emissions requirements.*
3. Purchasing or leasing any used Original Equipment Manufacturer (OEM), alternative fueled, light-duty vehicle (including a demonstration model) that was not previously under the control of the State (no matter when it was manufactured).
4. Converting a new LDV to operate on alternative fuels within four months after it comes under the control of the State.
5. Applying AFV credits against the fleet's acquisition requirements (see Section 3, AFV Credit Program).

In addition, you may purchase biodiesel for use in AFVs in blends of B20 or higher to meet up to 50 percent of your annual requirements. This fuel must be for use in vehicles of more than 8,500 lb gross vehicle weight rating only. One biodiesel fuel use credit will be counted as one AFV acquisition, and will be awarded to fleets and covered persons for every 450 gallons of pure biodiesel fuel used in blends of at least 20 percent biodiesel. (B20 fuel is 20 percent biodiesel and 80 percent standard diesel fuel by volume.) The biodiesel rule and information on this fuel are available on the Web site, www.ott.doe.gov/epact.

Counting LDVs Converted to AFVs That You Already Own

You may count any vehicles that you already own or control to satisfy acquisition requirements if they were acquired between October 24, 1992 (the day EPAct became law) and August 31, 1996, and they were converted to AFVs before January 1, 1997. Since September 1, 1996 (the date mandatory reporting began), all conversions must be completed within four months of acquiring the LDV. Vehicles acquired prior to September 1, 1996, must be converted not later than January 1, 1997, in order to earn credits.

Sorting Out the Differences in Light-Duty, Alternative Fueled Vehicles

Light-duty AFVs may be classified as dedicated, dual-fuel, flexible-fuel, or bi-fuel vehicles. EPA defines a **dual-fuel AFV** as a vehicle designed to operate on a combination of an alternative fuel and a conventional fuel. Subdivisions under dual-fuel AFVs are 1) **flexible-fuel vehicles**, which have one fuel tank and operate on an alternative fuel, a petroleum fuel, or a mixture of the two; and 2) **bi-fuel vehicles**, which have two separate fuel systems, one with an alternative fuel and one with a conventional fuel, and which may operate on one fuel at a time. However, some medium- and heavy-duty bi-fuel systems (called pilot-injection systems) operate using a combination of the alternative and conventional fuels.

Choosing Appropriate Alternative Fuels To Satisfy Acquisition Requirements

Light-duty AFVs (whether they are dedicated, dual-fuel, flexible-fuel, or bi-fuel vehicles) must be designed to operate on at least one of the fuels defined as an alternative fuel in order to satisfy acquisition requirements. The current list of approved fuels follows.

Alternative Fuels That Satisfy EPA Requirements

- 100 percent methanol
 - Denatured ethanol, and other alcohols
 - Mixtures containing 85 percent or more by volume of methanol, denatured ethanol, and other alcohols with gasoline or other fuels
 - Natural gas (compressed or liquefied)
 - Liquefied petroleum gas (propane)
 - Electricity (including electricity from solar energy)
 - Hydrogen
 - Coal-derived liquid fuels
 - Fuels (other than alcohol) derived from biological materials, including neat or 100 percent biodiesel
 - The three P-series blends
-

No other fuels are currently designated as alternative fuels (although DOE has received applications for approval of other fuel types, which are currently pending). RFG and diesel fuel are not alternative fuels under EPA for any type of vehicle; and biodiesel blends do not qualify as alternative fuels for use in *light-duty* AFVs under EPA. Any changes to the approved list of alternative fuels will be made by a *Federal Register* notice.

Converting Vehicles to AFVs To Satisfy Acquisition Requirements

If no OEM vehicles are available from automakers that meet the State's operational requirements, the State is not required to convert conventional vehicles to operate on alternative fuels. However, the State may *choose* to convert vehicles to meet its acquisition requirements, according to guidelines discussed in Section 6 of this document.

Acquiring Excluded Vehicles as AFVs To Satisfy Acquisition Requirements

Light-duty vehicles that are on the excluded list (see Section 1-1) are not counted toward meeting your requirements (and earning credits) unless you acquire AFV models of these vehicles. AFV models of excluded vehicles *will* help satisfy your requirements and earn credits, unless they are non-road vehicles, which are never eligible to satisfy requirements. (*Note: Low-speed vehicles do not satisfy acquisition requirements either.*)

Acquiring Medium- or Heavy-Duty AFVs To Satisfy Acquisition Requirements

Since the program's primary emphasis is on light-duty AFVs, you may purchase medium- or heavy-duty AFVs to earn credits only after you have fulfilled your light-duty AFV percentage requirement for that model year. Moreover, you may apply any credits earned in this manner toward your percentage requirements in the following year(s).

For example, if you fulfill your percentage requirements for 2000 by ensuring that 50 percent of your annual purchases of LDVs are AFVs, the acquisition of any medium- or heavy-duty AFVs in excess of the LDV requirements can earn credits toward acquisition requirements for Model Year 2001 and future model years.

What Does Not Count in Model Year 2000-2001

The following types of vehicles may *not* be counted toward EPEAT requirements:

- Low speed vehicles
- Hybrid electric vehicles that run on gasoline
- Reformulated gasoline/clean diesel vehicles
- Non-road AFVs like forklifts and construction equipment

1-7 State Reporting Requirements

Each covered fleet operator must file an annual report with DOE on the status of its compliance with EPEAT regulations. If a State's individual agencies are tracking their compliance separately, the State government may choose to

- Collect all reports and submit them to DOE at one time, **or**
- Have each separate agency submit its report directly to DOE, **or**
- Submit a report with some agencies grouped together.

All reports must be received by DOE no later than December 31, after the end of any model year. *For example, a report for Model Year 2000 will be due December 31, 2000.*

Reminder

A model year runs from September 1 of one year through August 31 of the following year

Fleets must retain copies of their acquisition records and compliance reports for three years following the due date. *For example, materials related to a report filed on November 1, 1999, for the 1999 Model Year (due December 31, 1999), must be retained by the State until December 31, 2002.*

Filing an Annual Compliance Report

Reports may be submitted to DOE using any of the methods described below. Please do not create your own forms for your report; the methods below are the only ones that will be accepted when you submit your acquisition information to DOE:

- **Option 1: Report on-line via the Internet**
The AFV Acquisition and Credits Database can be accessed at <http://www.ott.doe.gov/epact>. Enter the requested data into the on-line forms and submit.
- **Option 2: Complete a downloadable spreadsheet**
The Excel spreadsheet template can be downloaded from the above Internet site. Establish a spreadsheet file and complete the spreadsheet. Submit the completed spreadsheet to Jaycor, the database contractor, at AFV_credit_acct@va.jaycor.com.

Alternatively, a hard copy of the spreadsheet can be mailed or faxed, and/or a copy of the file on a computer diskette can be mailed to the contractor:

Jaycor, AFV Project Office
11410 Isaac Newton Square North
Suite 103
Reston, VA 20190
Fax: 703-397-9359

- **Option 3: Download and Print Form 101 (DOE/OTT/101) from the Web site.** Fill it in by hand and mail or fax it to the contractor (address and fax number just above).
- **Option 4: Obtain a paper copy of the template** from the National Alternative Fuels Hotline at 800-423-1363. The completed spreadsheet should be sent to the contractor by mail or fax (address and fax number just above).

1-8 Alternative State Plans

Instead of meeting its acquisition requirements on its own, a State or State agency may develop and seek DOE approval for a "light-duty AFV plan," under which local governments and private entities could voluntarily join the State in fulfilling the acquisition requirements of this program, and coordinate community efforts to introduce alternative fuels. Others that may wish to join in this voluntary effort are State fleets that are not required to comply.

DOE strongly encourages States to consider developing their own methods for compliance. Under this option, States have an opportunity to be creative and formulate plans unique to their situation, involving the voluntary participation of local and private fleets. (Optional alternative State plans must provide for the acquisition of the same or a greater number of light-duty AFVs than would otherwise be required under EPAct.)

Writing an Optional Alternative State Plan

Each optional Alternative State Plan must include the following:

- Certification by the Governor (or a person designated to represent the Governor) that the plan meets the minimum acquisition requirements of the regulation as it applies to the State fleet
- Identification of State, local, and private fleets that will participate in the plan
- The number of new AFVs to be acquired in each model year by each plan participant, either through conversion or acquisition
- A written statement from each plan participant declaring the individual's commitment
- A statement of alternative measures to offset any failure by a participant to fulfill commitments
- A provision by the State to monitor and verify implementation of the plan
- A provision certifying that (with the exception of AFVs for covered State fleets) all acquisitions and conversions under the plan are voluntary; all acquisitions will also conform with requirements of Section 247 of the Clean Air Act and all applicable safety requirements
- Identification of a State contact

Any acquisitions of light-duty AFVs or conversions of conventional LDVs to AFVs may be included in the plan, even if they involve vehicles in excluded categories (except non-road vehicles). Conversions must be made within four months of the vehicles entering a fleet.

A State needs to submit its alternative plan no later than June 1 prior to any new model year. An original and two copies of the plan should be sent to the following:

Program Manager
Alternative Fuel Transportation Program
Office of Energy Efficiency and Renewable Energy, EE-34
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

DOE has 60 days to review an optional Alternative State Plan. Until an optional plan is approved, a State is subject to the statutory acquisition requirements. If the optional plan is not approved, a State may revise and resubmit its plan to DOE within a reasonable time, but it must comply with existing commitments or statutory acquisition requirements until a new plan is approved.

Monitoring the Implementation of Alternative State Plans

A State must monitor and verify the implementation of its approved optional plan. An account of this implementation must be included in the annual report to DOE. If a State finds it impossible to successfully implement its approved plan, it may at any time submit proposed modifications to the plan (with adequate justifications), for consideration by DOE.

Until such modifications are approved, the State must comply with its existing commitments, or the statutory acquisition requirements. Requests for modifications must be sent to the following:

Program Manager

Alternative Fuel Transportation Program
Office of Energy Efficiency and Renewable Energy, EE-34
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

SECTION 2—ALTERNATIVE FUEL PROVIDERS

The Alternative Fuel Transportation Program applies also to alternative fuel providers, and the information in this section is addressed specifically to them.

2-1 Defining an Alternative Fuel Provider

A fuel provider (or any “affiliate” or “business unit” under its control—see Appendix A for definitions of these terms) is an alternative fuel provider if its “principal business”(see Appendix A) involves

- Producing, and/or
- Storing, and/or
- Refining, and/or
- Processing, and/or
- Transporting, and/or
- Distributing, and/or
- Importing or selling (at wholesale or retail price) any alternative fuel (other than electricity);

or if its principal business is

- Generating, and/or
- Transmitting, and/or
- Importing, and/or
- Selling electricity (at wholesale or retail price);

or if that fuel provider

- Produces, and/or
- Imports, and/or
- Produces and imports (in combination) an average of 50,000 barrels per day or more of petroleum; **and** 30 percent (a "substantial portion") or more of its gross annual revenues are derived from producing alternative fuels.

Exceptions

There are two types of alternative fuel providers (or affiliates or business units of that fuel provider) that are **not** covered by acquisition requirements:

- A fuel provider whose principal business is that of transforming alternative fuel into products that are **not** alternative fuels
- One whose principal business is that of using alternative fuel as a feedstock or fuel in the manufacture of products that are **not** alternative fuels

Examples of Exceptions

- A company that burns natural gas to make heat for a manufacturing operation
 - A manufacturer of windshield washer fluid who blends an alternative fuel (methanol) in producing windshield washer fluid, not an alternative fuel
-

Determining Whether an "Alternative Fuel Provider" is a "Covered Person" Who Must Acquire AFVs

A "covered person" satisfies ALL of the following conditions:

1. Owns, operates, leases, or otherwise controls 50 or more LDVs within the United States, which are not on the list of excluded vehicles (see sidebar below for a list of excluded vehicles).
2. At least 20 of those LDVs are used primarily within any single MSA or CMSA (see Appendix B for the list of MSAs and CMSAs).
3. Those 20 (or more) LDVs are centrally fueled, or capable of being centrally fueled.

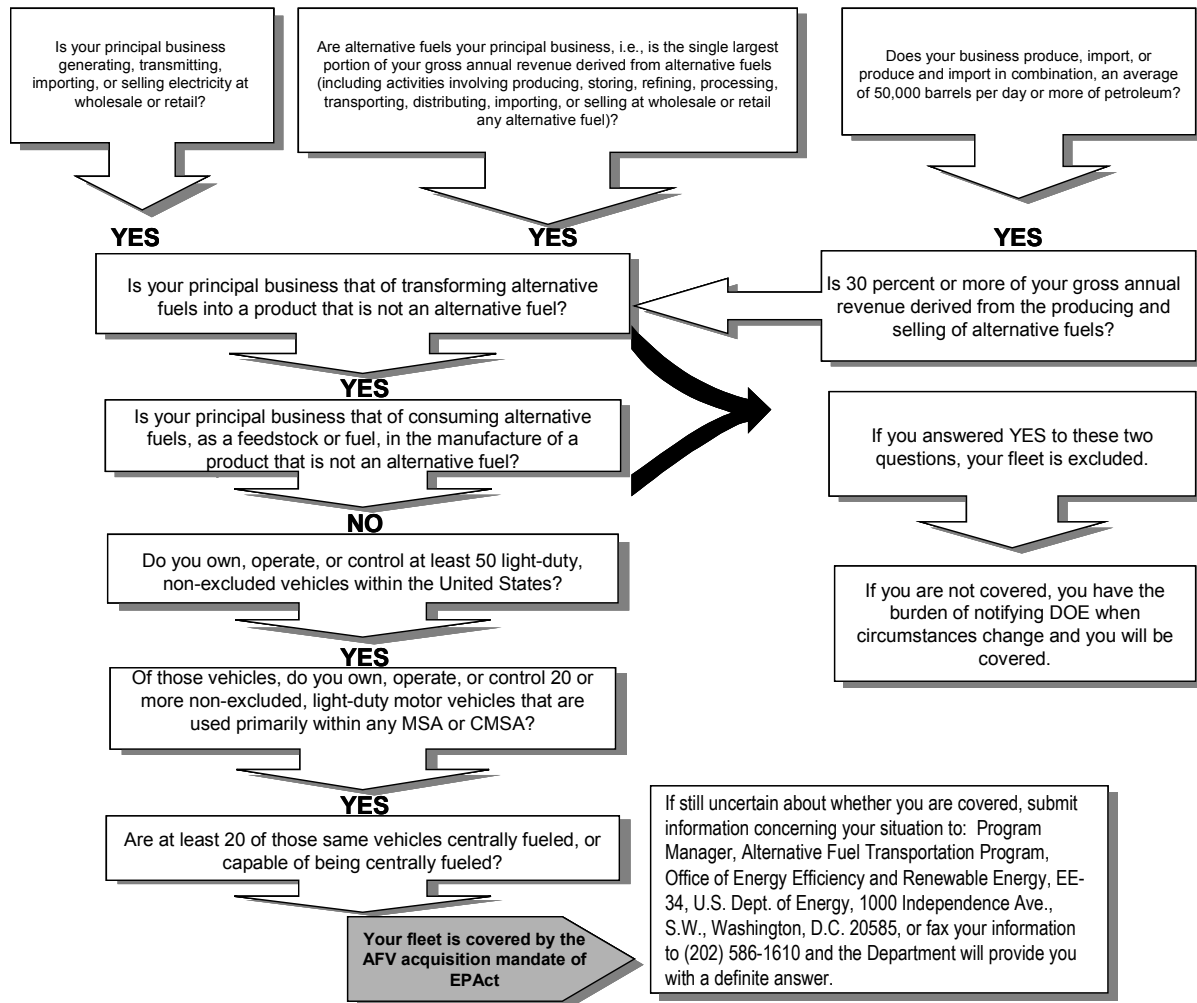
Vehicles that are considered to be "centrally fueled, or capable of being centrally fueled" are LDVs that are or could be refueled at least 75 percent of the time at a location that is owned, operated, or controlled by any fleet, or under contract with that fleet for refueling purposes. This issue is discussed in detail in the rulemaking (Federal Register, Volume 61, Number 51, pages 10627-10628). See also the definition of "centrally fueled" in Appendix A.

Excluded Vehicles (as defined by EPAAct)

- Law enforcement vehicles
 - Emergency motor vehicles
 - Non-road vehicles
 - Vehicles that under normal operations are parked at private residences when not in use
 - Vehicles used for evaluating or testing products of a motor vehicle manufacturer, including vehicles owned or held by a university for research purposes
 - Vehicles owned or held by a testing laboratory or other evaluation facility, solely for evaluating their performance for engineering, research and development, or quality control reasons
 - Motor vehicles acquired and used for purposes that the Secretary of Defense has certified to DOE must be exempted for national security reasons
-

FOR HELP IN DECIDING WHETHER THE
ALTERNATIVE FUEL TRANSPORTATION PROGRAM
APPLIES TO YOUR COMPANY, FOLLOW THE
BRANCHES OF THE DECISION TREE ON THE NEXT
PAGE.

Decision Tree for Fuel Provider Fleets



2-2 Calculating the Number of AFV Vehicles that Covered Alternative Fuel Providers Must Acquire

Under EPAct, a certain percentage of the new LDVs acquired annually by covered fuel providers must be AFVs, as specified in the box below:

- 30 percent for Model Year 1997
- 50 percent for Model Year 1998
- 70 percent for Model Year 1999
- 90 percent for Model Year 2000 and thereafter

Alternative Fuel Providers

This acquisition schedule applies to all fuel providers acquiring LDVs for use within the United States, with the exception of utilities that took the electric utility delay option. If an electric utility notified DOE of its intent to acquire electric motor vehicles, the utility must acquire the following percentages of AFVs among its new LDVs:

- 30 percent from January 1, 1998, to August 31, 1998
- 50 percent for Model Year 1999
- 70 percent for Model Year 2000
- 90 percent for Model Year 2001 and thereafter

To calculate actual AFV acquisitions, a covered alternative fuel provider will use the following formula:

1. Start with the number of new LDVs to be acquired for each fleet.
2. Subtract any excluded vehicles.
3. Multiply the result by the decimal equivalent of the acquisition percentage for that model year.

For example, if an alternative fuel provider plans to acquire 105 LDVs in 2000 and 5 of these will be **excluded** vehicles, then:

Total Planned Acquisitions	105
Excluded-Vehicle Acquisitions	<u>-5</u>
Total Covered Acquisitions	100
AFV Percentage in MY 2000	<u>x0.9</u>
AFV Acquisitions Required in MY 2000	90*

*(If the fraction is 0.5 or greater the number is rounded up to the nearest whole number. Below 0.5 it is rounded down.) Of the 105 vehicles to be acquired by this fleet, at least 90 must be AFVs to meet the fleet's EPA requirements.

Now use the following worksheet to determine how many of your planned LDV acquisitions must be LDVs:

Work Sheet for Any Covered Fleet

Total Planned Acquisitions	
Excluded-Vehicle Acquisitions	- ____
Total Covered Acquisitions	
AFV Percentage in MY 2000	X ____
AFV Acquisitions Required in MY 2000	

Municipal gas and electric utilities that are covered by EPA Act must meet the acquisition requirements for fuel providers. They will not be subject to any additional local government requirements regarding acquisition requirements that are imposed by regulation in the future. Calculations for electric utility fleets should be made the same way calculations are made for any covered alternative fuel provider fleet, using their delayed schedule.

Companies with multiple corporate entities in the alternative fuels business must decide how they will comply with this program. The company (as the covered person) may choose to comply with its acquisition requirements as a single entity, or any of its associated entities that are also determined to be covered persons may comply separately.

An alternative fuel provider that is newly classified as a “covered person” after Model Year 1997 must acquire alternative fueled vehicles (AFVs) starting the next model year using the percentage in effect for that year.

For example, an alternative fuel provider that becomes a covered person in MY 2000 would have to meet the acquisition requirements starting with MY 2001 (90 percent of vehicles must be AFVs).

2-3 Acquiring Vehicles That Satisfy Program Requirements

Any of the following methods may be used by covered fuel providers to satisfy their acquisition requirements for AFVs:

- Purchasing or leasing a new¹ light-duty vehicle capable of operating on alternative fuels
- Purchasing or leasing any after market-converted LDV not previously under the covered person's control (no matter when it was manufactured) capable of operating on alternative fuels
- Converting a new LDV to operate on alternative fuels within four months after it comes under the control of the fuel provider
- Purchasing a used OEM alternative fueled vehicle
- Applying AFV Credits (see Section 3, “AFV Credit Program”)

In addition, you may purchase biodiesel for use in AFVs in blends of B20 or higher to meet up to 50 percent of your annual requirements for vehicles of more than 8,500 lb gross vehicle weight rating only. (Biodiesel fuel providers can meet 100 percent of their requirements with biodiesel credits.) One biodiesel fuel use credit will be counted as one AFV acquisition, and will be awarded to fleets and covered persons for every 450 gallons of pure biodiesel fuel used in blends of at least 20 percent biodiesel. B20 fuel is 20 percent biodiesel and 80 percent standard diesel fuel by volume. The biodiesel rule and information on this fuel are available on the Web site, www.ott.doe.gov/epact.

The covered alternative fuel provider may choose to acquire converted vehicles to meet requirements. A conventional vehicle that was acquired within the period, October 24, 1992, to August 31, 1996, receives a credit when it is converted to an AFV, as long as it is converted before January 1, 1997. Since September 1, 1996, a conventional vehicle must be converted to an AFV within four months of its date of acquisition to receive a credit. Credits are assigned to the model year in which the

¹ Here, *new* means it was not previously under the control of the fuel provider, no matter when the vehicle was manufactured.

conversion is made. A vehicle acquired on July 1, 2000, and converted on October 1, 2000, counts as a 2001 acquisition for credit purposes. All conversions must meet the specifications in the U.S. Environmental Protection Agency Memorandum 1A (on anti-tampering) and appropriate emissions requirements.

The covered alternative fuel provider may also choose to acquire any vehicles that appear on the list of excluded vehicles to satisfy acquisition requirements (or earn credits) if they are LDVs and they are not non-road vehicles. Non-road vehicles are **never** eligible for meeting acquisition requirements. *(You are not required to count vehicle types from the excluded list in making your calculations, and you do not have to acquire vehicles from the excluded list to meet your requirements.)*

A covered alternative fuel provider may acquire medium- or heavy-duty AFVs to satisfy acquisition requirements. Since the program's focus is on *light-duty* AFVs, a covered alternative fuel provider may purchase medium- or heavy-duty AFVs to earn credits only after the provider has fulfilled the light-duty AFV percentage requirements for that model year. Then, any credits earned in this manner may be applied toward the fuel provider's percentage requirements for the following year(s).

For Example: *If a covered alternative fuel provider fulfills acquisition requirements for Model Year 2000 by acquiring light-duty alternative fueled vehicles equaling 90 percent of the provider's annual purchases of light-duty vehicles (LDVs), the acquisition of any medium- or heavy-duty AFVs in excess of the LDV requirements may earn credits toward acquisition requirements for MY01 and future model years.*

2-4 Choosing Alternative Fuels To Satisfy Acquisition Requirements

Alternative Fuels That Satisfy EPAct Requirements

- 100 percent methanol
 - Denatured ethanol, and other alcohols
 - Mixtures containing 85 percent or more by volume of methanol, denatured ethanol, and other alcohols with gasoline or other fuels
 - Natural gas (compressed or liquefied)
 - Liquefied petroleum gas (propane)
 - Electricity (including electricity from solar energy)
 - Hydrogen
 - Coal-derived liquid fuels
 - Fuels (other than alcohol) derived from biological materials, including neat or 100 percent biodiesel
 - The three P-series blends
-

Light-duty AFVs, whether they are dual-fuel, flexible-fuel, or bi-fuel vehicles (as defined in Section 1, Subsection 1.6, under "Sorting Out the Differences in Light-Duty, Alternative Fueled Vehicles") must be designed to operate on at least one of the alternative fuels in order to satisfy acquisition requirements. No other fuels are currently designated as alternative fuels (although DOE has received applications for approval of other fuel types, which are currently pending). RFG, diesel fuel, and biodiesel blends do not qualify as alternative fuels for use in light-duty AFVs under EPAct. Any changes to the approved list of alternative fuels will be made by a *Federal Register* notice. **EPAct requires covered alternative fuel providers to always use alternative fuels in their AFVs, except where and when the fuel is unavailable.** *A fuel provider who purchases a dual-fuel vehicle in an area where no refueling infrastructure exists for the alternative fuel, will not receive a credit*

for the vehicle since this supposes there was no intent to use an alternative fuel. Moreover, an alternative fuel provider who acquires dual-fuel AFVs for which no alternative fuel is available in the fleet's operating area may be considered in violation of the fuel use requirements of the rule. However, the fuel provider may request an exemption if it is impossible to purchase both an AFV and alternative fuel appropriate to the fleet's needs in the geographic area.

2-5 Dealing with Mergers, Acquisitions, and Divestitures

If two alternative fuel provider companies merge, or a company breaks up and its fleet splits into several fleets, covered or uncovered, they may report either separately or jointly for that model year. The fleets should notify DOE of the merger or split at the time it takes place, indicating how they will report for the current model year and who the new contact person will be for reporting compliance. The fleets should also indicate what they will do with any credits banked for either company or what they plan to do if either entity is out of compliance.

Provide this information in writing to the Program Manager, Alternative Fuel Transportation Program (see Appendix C for complete address), and send a copy to Jaycor, AFV Project Office, 11410 Isaac Newton Square, North, Suite 103, Reston, VA 20190; fax: 703-397-9359.

2-6 Exemptions from Acquisition Requirements for Alternative Fuel Providers

A fuel provider may apply to DOE for an exemption from meeting EPart's acquisition requirements if warranted by an individual situation. Exemptions are granted on a case-by-case basis, and requests for exemptions may be submitted whenever the need arises. Before applying for an exemption, refer to the guidance provided on the Web site, www.ott.doe.gov/epact. All of the supporting information specified in this guidance must be included when you submit your request to DOE. If the documentation is incomplete, your request will not be considered.

An exemption is good for one model year only and is not renewable. Fleets must submit exemption requests annually, presenting updated documentation for DOE's consideration.

Applying for Exemptions for Unavailability of Suitable Alternative Fuels

An alternative fuel provider may be granted an exemption from the acquisition requirements by DOE if appropriate alternative fueled vehicles or refueling infrastructure cannot be located in the fleet's territory. *For example, if the only AFVs currently available to meet a particular operating function are natural gas vehicles, and compressed natural gas is not available for refueling the fuel provider's vehicles, an exemption may be granted (in whole or in part, depending on the circumstances).*

Submitting Exemption Requests

Exemption requests and supporting information should be submitted by letter or fax to the Program Manager of the Alternative Fuel Transportation Program at the U.S. Department of Energy (see Appendix C for the complete address and the fax number). DOE will issue a written determination on whether the fuel provider's request for an exemption has been granted within 45 working days after receiving a complete and adequate request. If the request for an exemption is denied, the fuel provider

may appeal the decision. The appeal must be filed within 30 working days of notification of denial, to the following:

Office of Hearings and Appeals
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Information on the Office of Hearings and Appeals' previous decisions concerning the Alternative Fuel Transportation Program is provided at <http://www.oha.doe.gov/eecases.htm>.

2-7 Alternative Fuel Provider Reporting Requirements

Reports on fleet compliance must be filed with the Department of Energy by December 31 of the close of the model year for which you are reporting. For example, a report for Model Year 2000 will be due December 31, 2000. (MY 2000 runs from September 1, 1999, through August 31, 2000.)

Filing an Annual Compliance Report

Reports may be submitted to DOE using any of the methods described below. Please do not create your own forms for your report. The methods below are the only ones that will be accepted when you submit your acquisition information to DOE.

- **Option 1: Report on-line via the Internet**
The AFV Acquisition and Credits Database can be accessed at <http://www.ott.doe.gov/epact>. Enter the requested data into the on-line forms and submit.
- **Option 2: Complete a downloadable spreadsheet**
The Excel spreadsheet template can be downloaded from the above Internet site. Establish a spreadsheet file and complete the spreadsheet. Submit the completed spreadsheet to Jaycor, the database contractor, at AFV_credit_acct@va.jaycor.com.

Alternatively, a hard copy of the spreadsheet can be mailed or faxed, and/or a copy of the file on a computer diskette can be mailed to the contractor:
- **Option 3: Download and Print Form 101 (DOE/OTT/101) from the Web site. Fill it in by hand and mail or fax to the contractor:**

Jaycor, AFV Project Office
11410 Isaac Newton Square North
Suite 103
Reston, VA 20190
Fax: 703-397-9359

- **Option 4: Obtain a paper copy of the template.**
Contact the National Alternative Fuels Hotline at 800-423-1363. The completed spreadsheet should be sent to the contractor by mail or fax (address and fax number just above).

The fuel provider must keep copies of all acquisition and compliance records for three years.

SECTION 3—AFV CREDIT PROGRAM

The credit program was established to allow State fleet operators and alternative fuel providers some flexibility in meeting their requirements without sacrificing the program's national energy security goals. Fleets that exceed EPA requirements in acquiring AFVs are rewarded by credits, while those that are unable to meet the requirements by acquiring AFVs may purchase or otherwise acquire credits from those holding them.

3-1 Earning Credits under This Program

States and fuel providers may earn credits by

- Acquiring AFVs in greater numbers than required in any model year (including by acquiring vehicles of more than 8,500 lb gross vehicle weight rating after light-duty vehicle acquisition requirements are met), **or**
- Acquiring AFVs earlier than required.

DOE will allocate one credit for each AFV a covered State or fuel provider fleet acquires beyond the acquisition requirements for any model year.

If an AFV was acquired by a State or fuel provider fleet before Model Year 1997, or the first model year for which requirements apply, DOE will allocate one credit per AFV for each year the AFV was acquired before acquisition requirements began. However, DOE will only allocate these early acquisition credits for AFVs acquired **after** October 24, 1992 (the date EPA became law). The schedule for early acquisition credits appears in the following table:¹

EARLY ACQUISITION CREDITS			
Fleet Type			
MODEL YEAR	State	Fuel Provider	Electric Delay
1992	NA	NA	6
1993	4	4	5
1994	3	3	4
1995	2	2	3
1996	1	1	2
1997	1	1	1
1998	1	1	1
1999	1	1	1

¹ Credits for State and Fuel Provider fleets are based on the model year, e.g., September 1, 1995, to August 31, 1996, constitutes Model Year 1996; Electric Delay Fleet credits are based on the calendar year through 1998. The 1992 calendar year runs from October 24 to December 31. All credits from 1999 are based on the calendar year.

3-2 Transferring Earned Credits

Credits may be transferred to

- Any State fleet that must acquire AFVs, and
- Any fuel provider. A State that transfers a credit to a fuel provider must provide certification that the credit represents a vehicle that operates solely on alternative fuel whenever available.

Credits may be bought, sold, given away, or traded. If you buy, sell, or transfer credits, you must provide proof of their transfer on a form provided by DOE at www.ott.doe.gov/epact. The form must include dated signatures of both parties involved. This documentation should be received by DOE within 30 days of the transfer date at the following address:

ATTN: Program Manager
Alternative Fuel Transportation Program, EE-34
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

DOE will establish a credit account for each fleet that obtains an AFV credit, and will send an annual credit account statement to each fleet submitting a report on its credit activity. A copy of the credit transfer request should also be sent to Jaycor at the following address:

Jaycor
AFV Project Office
11410 Isaac Newton Square North
Reston, VA 20190
Fax: 703-397-9359

SECTION 4—REQUESTS FOR INTERPRETIVE RULINGS AND PETITIONS

An interpretive ruling is used to obtain a determination from the Department of Energy on how the regulation applies to certain facts. Any organization that is or that could be subject to the regulation has the right to request an interpretive ruling from the Department. DOE may or may not provide public notice of the request, and may or may not request public comments upon it. DOE may also conduct an investigation to make its determination. DOE's determination is limited to the requestor only although DOE may rely upon previous interpretive rulings when making its determination. In addition, DOE's determination is solely conditioned upon the specific facts and circumstances as included in the request. (Details for how to file a request are included in 10 CFR Part 490, Section 490.4.)

The request for interpretive ruling differs from the petition for generally applicable rulemaking. The petition is specifically used to request a modification of the regulations, rather than an interpretation under them (although it may also request that clarification is specifically added to the regulation). Under the petition, the full procedures for rulemaking are invoked (public notice, opportunity for comments, and possibly hearings). In addition, once DOE has made its determination, it is applicable to all relevant parties, not just the requestor, and therefore must be published in the *Federal Register*.

Any person who is or may be subject to the Rule (see the definition of the *Final Rule* on page 1) has the right to file a request for an interpretive ruling on how the regulations apply to a particular set of facts and circumstances. An interpretive ruling only applies to the party who requested it.

Submit requests for interpretive rulings to the following:

Program Manager
Alternative Fuel Transportation Program
Office of Energy Efficiency and Renewable Energy,
EE-34
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

For more information on interpretive rulings, see 10 CFR Part 490, Subpart A, Section 490.5.

Section 5—Enforcement

Congress granted enforcement authority to DOE under EPCA. Fleets that violate the requirements of the program may incur the following penalties and fines:

1. Whoever violates applicable sections of the Rule will be subject to a civil penalty of not more than \$5,000 for each violation.
2. Whoever willfully violates applicable sections of the Rule will pay a criminal fine of not more than \$10,000 for each violation.
3. Any person who knowingly and willfully violates applicable sections of the Rule, after having been subjected to a civil penalty for a prior violation, will pay a criminal fine of not more than \$50,000 for each violation.

Except for repeated violations or other unusual circumstances, DOE will notify individuals at least 90 days in advance of the Department's intention to bring an enforcement action. This will provide time to negotiate a settlement, if appropriate.

Refer to the Rule (Subpart G, Investigations and Enforcement) for details on Assessments, Orders to Pay, Hearings, General or Special Orders, and Appeals.

Use the following address for submitting appeals of DOE's interpretive rulings and denials of exemptions:

Office of Hearings and Appeals
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Appendix C provides additional sources of helpful information concerning alternative fuels, alternative fueled vehicles, and the Alternative Fuel Transportation Program.

Appendix A—Glossary of Terms and Acronyms

Acquire. To take a vehicle into possession or control, such as through purchase or lease.

Act. The Energy Policy Act of 1992 (Public Law 102-486) and any amendments thereto.

Affiliate. A person who, directly or indirectly, controls, is controlled by, or is under common ownership or control of the subject person.

Alternative Fuel Transportation Program. A program of the U.S. Department of Energy that is concerned with accelerating the introduction of alternative fueled vehicles into public and private fleets, and in interpreting the regulations covering alternative fuel requirements for fleets, at 10 CFR Part 490.

AFV. Alternative fueled vehicle. Includes dedicated and dual-fuel technologies.

After-Market Converted Vehicle. An original equipment manufacturer's vehicle that is reconfigured by a conversion company. The vehicle is not under contract to the original equipment manufacturer to operate on an alternative fuel, and its conversion kit components are under warranty of the conversion company. (This applies to both dedicated and dual-fuel vehicles.)

Alternative Fuel. Methanol, denatured ethanol, and other alcohols; mixtures containing 85 percent or more by volume of methanol, denatured ethanol, and other alcohols with gasoline or other fuels; natural gas; liquefied petroleum gas; hydrogen; coal-derived liquid fuels; fuels (other than alcohol) derived from biological materials (including neat biodiesel); Pure Fuel Corporation P-series blends of 60 percent or more non-petroleum components; and electricity (including electricity from solar energy).

Alternative Fuels Business. Activities undertaken to derive revenue from (1) producing, storing, refining, processing, transporting, distributing, importing, or selling at wholesale or retail any alternative fuel other than electricity; or (2) generating, transmitting, importing, or selling electricity at wholesale or retail prices.

Alternative Fueled Vehicle. A dedicated vehicle or a dual-fueled vehicle (including a flexible-fuel vehicle).

Assistant Secretary. The Assistant Secretary for Energy Efficiency and Renewable Energy or any other DOE official to whom the Assistant Secretary's duties under this part may be delegated by the Secretary.

Automobile. A four-wheeled vehicle propelled by conventional fuel, or by alternative fuel, manufactured primarily for use on public streets, roads, and highways, and rated at (1) not more than 6,000 pounds gross vehicle weight, or (2) more than 6,000, but less than 10,000 pounds gross vehicle weight, if the Secretary of Transportation has decided, by rule, that the vehicle meets the criteria in section 501 (1) of the Motor Vehicle Information and Cost Savings Act, as amended, 49 U.S.C. 32901 (a)(3).

B20. A mixture of 20 percent biodiesel and 80 percent standard diesel fuel by volume. Fleets may use biodiesel fuel in blends of B20 or higher to meet up to 50 percent of their annual compliance requirements in vehicles with a gross vehicle rating of greater than 8,500 pounds.

Bi-Fuel Vehicles. Vehicles that have two fuel systems, one with an alternative fuel and one with a conventional fuel, and which may operate on one fuel at a time, or, in some medium- and heavy-duty systems, on a combination of the alternative and conventional fuels.

Biodiesel Fuel. A nontoxic, biodegradable replacement for petroleum diesel, made from vegetable oil, recycled cooking oil, and tallow. The Btu content of Biodiesel is similar to that of petroleum diesel, but is cleaner-burning. Neat biodiesel (B100 or 100% biodiesel) is recognized as an alternative fuel for meeting the mandated programs of the Clean Air Act Amendments and EPCRA for credit toward a covered vehicle's annual EPCRA requirement for AFV use. Covered fleets that use B100 or a blend of biodiesel (e.g., B20 [20%biodiesel/80% diesel] or higher blends) in medium- and heavy-duty vehicles may earn credits toward their annual AFV acquisition requirements. Each 450 gallons of biodiesel will equal one AFV credit, but credits obtained in this manner may not be carried forward of the year in which they are earned.

Business Unit. A semi-autonomous major grouping of activities for administrative purposes and organizational structure within a business entity, and which is controlled by or is under the control of the subject person.

Centrally Fueled or Capable of Being Centrally Fueled. A vehicle that can be refueled at least 75 percent of the time at a location that is owned, operated, or controlled by the fleet or covered person, or is under contract with the fleet or covered person for refueling purposes. In addition, DOE defines centrally fueled by whether 75 percent of a vehicle's total annual miles traveled are derived from trips that are less than the operational range of the vehicle.

CFR. Code of Federal Regulations

CMSA. Consolidated Metropolitan Statistical Area.

Control. When "control" is used in the context of determining whether one person controls another or whether two persons are under common control, it means any one or a combination of the following: (1) A third person or **firm** has equity ownership of **51** percent or more in each of two firms; or (2) two or more firms have common corporate officers, in whole or in substantial part, who are responsible for the day-to-day operation of the companies; or (3) one firm leases, operates, supervises, or in 51 percent or greater part owns equipment and/or facilities used by another person or firm, or has equity ownership of 51 percent or more of another firm. When "control" is used to refer to the management of vehicles, it means a person has the authority to decide who may operate a particular vehicle, and the purposes for which the vehicle may be operated. When "control" is used to refer to the management of people, it means a person has the authority to direct the activities of another person or employee in a precise situation, such as the workplace.

Covered Person. A person that owns, operates, leases, or otherwise controls at least 50 LDVs within the United States. A fleet, as defined by EPCRA, is a group of light-duty motor vehicles that contains at least 20 LDVs that are centrally fueled or capable of being centrally fueled, and are used primarily within a metropolitan statistical area or a consolidated metropolitan statistical area, as established by

the Bureau of the Census, with a 1980 population of 250,000 or more, or in a *Federal Register* notice; and that contains at least 50 light-duty motor vehicles, within the United States.

Dealer Demonstration Vehicle. Any vehicle that is operated by a motor vehicle dealer solely for the purpose of promoting motor vehicle sales, either on the sales lot or through other marketing or sales promotions, or for permitting potential purchasers to drive the vehicle for pre-purchase or pre-lease evaluation.

Dedicated Vehicle. An automobile that operates solely on an alternative fuel, or a motor vehicle, other than an automobile, that operates solely on an alternative fuel.

Division. A major administrative unit of an enterprise comprising at least several enterprise units or constituting a complete integrated unit for a specific purpose, and that is controlled by or is under the control of the subject person.

DOE. U.S. Department of Energy.

DOT. U.S. Department of Transportation.

Dual-Fuel Vehicle. (1) An automobile that meets the criteria for a dual-fuel automobile as that term is defined in section 513(h)(1)(C) of the Motor Vehicle Information and Cost Savings Act, 49 U.S.C. 32901 (a) (8); or (2) a motor vehicle, other than an automobile, that is capable of operating on alternative fuel or on gasoline or diesel fuel; or (3) a flexible-fuel vehicle.

EE. Office of Energy Efficiency and Renewable Energy (in the U.S. Department of Energy).

Electric-Hybrid Vehicle. A vehicle primarily powered by an electric motor that draws current from rechargeable storage batteries, fuel cells, or other sources of electric current and also relies on a non-electric source of power.

Electric Motor Vehicle. A motor vehicle primarily powered by an electric motor that draws current from rechargeable storage batteries, fuel cells, photovoltaic arrays, or other sources of electric current and that may include an electric-hybrid vehicle.

Emergency Motor Vehicle. Any vehicle that is legally authorized by a government authority to exceed the speed limit to transport people and equipment to and from situations in which speed is required to save lives or property, such as a rescue vehicle, fire truck, or ambulance.

EPAct. Energy Policy Act of 1992.

EV. Electric vehicle.

Fleet. Except as provided by section 490.3 of EPAct, a group of 20 or more light-duty motor vehicles, used primarily in a Metropolitan Statistical Area or Consolidated Metropolitan Statistical Area, as established by the Bureau of the Census as of December 31, 1992, with a 1980 Census population of more than 250,000 (listed in Appendix B), which are centrally fueled or capable of being centrally fueled, and are owned, operated, leased, or otherwise controlled by (1) a person who owns, operates, leases, or otherwise controls **50** or more light-duty motor vehicles within the United States and its

possessions and territories; (2) any person who controls such a person; (3) any person controlled by such a person; and (4) any person under common control with such a person.

Flexible-Fuel Vehicle. Any motor vehicle engineered and designed to be operated on an alternative fuel, a petroleum fuel, or on a broad mixture of the two.

Law Enforcement Motor Vehicle. Any vehicle that is primarily operated by a civilian or military police officer or sheriff, or by personnel of the Federal Bureau of Investigation, the Drug Enforcement Administration, or other agencies of the Federal Government, or by State highway patrols, municipal law enforcement, or other similar enforcement agencies, and which is used for the purpose of law enforcement activities including, but not limited to, chase, apprehension, surveillance, or patrol of people engaged in or potentially engaged in unlawful activities.

Lease. The use and control of a motor vehicle for transportation purposes pursuant to a rental contract or similar arrangement with a term of 120 days or more.

Light-Duty Motor Vehicle (LDV). A light-duty truck or light-duty vehicle, as such terms are defined under section 216(7) of the Clean Air Act (42 U.S.C. §7550(7)), having a gross vehicle weight rating of 8,500 pounds or less, prior to any aftermarket conversion.

Low-Speed Vehicles (LSVs). These vehicles are limited to a top speed of 25 mph, and are not required to meet all the safety regulations of full-scale passenger vehicles. They are certified for use in only about a dozen jurisdictions throughout the country, and never on highways.

Model Year. The period from September 1 of the previous calendar year through August 31.

Motor Vehicle. A self-propelled vehicle, other than a non-road vehicle, designed for transporting persons or property on a street or highway.

MSA. Metropolitan Statistical Area.

New. A new LDV means the vehicle was not previously under the control of the fuel provider, no matter when the vehicle was manufactured.

Non-road Vehicle. A vehicle used principally for industrial, farming, or commercial use, for rail transportation, at an airport, or for marine purposes, and other vehicles not licensed for on-road use.

Normal Requirements and Practices. The operating business practices and required conditions under which the principal business of the covered person operates.

Original Equipment Manufacturer (OEM) Vehicle. A vehicle engineered, designed, produced, and warranted by an original equipment manufacturer.

OTT. Office of Transportation Technologies (under the Office of Energy Efficiency and Renewable Energy within the U.S. Department of Energy).

Person. Any individual, partnership, corporation, voluntary association, joint stock company, business trust, governmental entity, or other legal entity in the United States except United States Government entities.

Principal Business. The sales-related activity that produces the greatest revenue.

P-Series Blends. P-series blends (manufactured by Pure-Energy Corporation) consist of ethanol and methyltetrahydrofuran (MTHF) and have at least 60 percent non-petroleum components. They were designated as alternative fuels in a final rulemaking on May 17, 1999. For more information on P-series blends, refer to 64 F.R. 26822, and the Pure-Energy Web site, www.pure-energy.com/products/pseries.html.

RFG. Reformulated gasoline.

The Rule. In this document, this term refers to 10 CFR Part 490, implementing statutorily imposed AFV acquisition requirements for certain State agency and alternative fuel provider fleets.

State. Any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

Substantial Portion. At least 30 percent of the annual gross revenue of a covered person is derived from the sale of alternative fuels.

Substantially Engaged. A covered person, or affiliate, division, or other business unit thereof regularly derives sales-related gross revenue from an alternative fuels business.

Used Primarily. A majority of a vehicle's total annual miles are accumulated within a covered metropolitan or consolidated metropolitan statistical area.

**Appendix B—Metropolitan Statistical Areas (MSAs) and
Consolidated Metropolitan Statistical Areas (CMSAs)
with 1980 Populations of 250,000 or More
(from 10 CFR Part 490)**

AREA	STATES ENCOMPASSED
Albany-Schenectady-Troy MSA	NY
Albuquerque MSA	NM
Allentown-Bethlehem-Easton MSA	PA
Appleton-Oshkosh-Neenah MSA	WI
Atlanta MSA	GA
Augusta-Aiken MSA	GA-SC
Austin-San Marcos MSA	TX
Bakersfield MSA	CA
Baton Rouge MSA	LA
Beaumont-Port Arthur MSA	TX
Binghamton MSA	NY
Birmingham MSA	AL
Boise City MSA	ID
Boston-Worcester-Lawrence CMSA	MA-NH-ME-CT
Buffalo-Niagara Falls MSA	NY
Canton-Massillon MSA	OH
Charleston MSA	SC
Charleston MSA	WV
Charlotte-Gastonia-Rock Hill MSA	NC-SC
Chattanooga MSA	TN-GA
Chicago-Gary-Kenosha CMSA	IL-IN-WI
Cincinnati-Hamilton CMSA	OH-KY-IN
Cleveland-Akron CMSA	OH
Colorado Springs MSA	CO
Columbia MSA	SC
Columbus MSA	OH
Columbus MSA	GA-AL
Corpus Christi MSA	TX
Dallas-Fort Worth CMSA	TX
Davenport-Moline-Rock Island MSA	IA-IL
Dayton-Springfield MSA	OH
Daytona Beach MSA	FL
Denver-Boulder-Greeley CMSA	CO
Des Moines MSA	IA
Detroit-Ann Arbor-Flint CMSA	MI
Duluth-Superior MSA	MN-WI
El Paso, MSA	TX
Erie MSA	PA
Eugene-Springfield MSA	OR

Appendix B—MSAs and CMSAs

Evansville-Henderson MSA	IN-KY
Fort Wayne MSA	IN
Fresno MSA	CA
Grand Rapids-Muskegon-Holland MSA	MI
Greensboro-Winston Salem-High Point MSA	NC
Greenville-Spartanburg-Anderson MSA	SC
Harrisburg-Lebanon-Carlisle MSA	PA
Hartford MSA	CT
Hickory-Morgantown MSA	NC
Honolulu MSA	HI
Houston-Galveston-Brazoria CMSA	TX
Huntington-Ashland MSA	WV-KY-OH
Indianapolis MSA	IN
Jackson MSA	MS
Jacksonville MSA	FL
Johnson City-Kingsport-Bristol MSA	TN-VA
Johnstown MSA	PA
Kalamazoo-Battle Creek MSA	MI
Kansas City MSA	MO-KS
Knoxville MSA	TN
Lakeland-Winter Haven MSA	FL
Lancaster MSA	PA
Lansing-East Lansing MSA	MI
Las Vegas MSA	NV-AZ
Lexington MSA	KY
Little Rock-N. Little Rock MSA	AR
Los Angeles-Riverside-Orange County CMSA	CA
Louisville MSA	KY-IN
Macon MSA	GA
Madison MSA	WI
McAllen-Edinburg-Mission MSA	TX
Melbourne-Titusville-Paim Bay MSA	FL
Memphis MSA	TN-AR-MS
Miami-Fort Lauderdale CMSA	FL
Milwaukee-Racine CMSA	WI
Minneapolis-St. Paul MSA	MN-WI
Mobile MSA	AL
Modesto MSA	CA
Montgomery MSA	AL
Nashville MSA	TN
New London-Norwich MSA	CT-RI
New Orleans MSA	LA
New York-N. New Jersey-Long Island CMSA	NY-NJ-CT-PA
Norfolk-Virginia Beach-Newport News- MSA	VA-NC
Oklahoma City MSA	OK
Omaha MSA	NE-IA
Orlando MSA	FL

Appendix B—MSAs and CMSAs

Pensacola MSA	FL
Peoria-Pekin MSA	IL
Philadelphia-Wilmington-Atlantic City CMSA	PA-NJ DE-MD
Phoenix-Mesa MSA	AZ
Pittsburgh MSA	PA
Portland-Salem CMSA	OR-WA
Providence-Fall River-Warwick MSA	RI-MA
Raleigh-Durham-Chapel Hill MSA	NC
Reading MSA	PA
Richmond-Petersburg MSA	VA
Rochester MSA	NY
Rockford MSA	IL
Sacramento-Yolo CMSA	CA
Saginaw-Bay City-Midland MSA	MI
St. Louis MSA	MO-IL
Salinas MSA	CA
Salt Lake City-Ogden MSA	UT
San Antonio MSA	TX
San Diego MSA	CA
San Francisco-Oakland-San Jose CMSA	CA
San Juan-Caguas-Arecibo MSA	PR
Santa Barbara-Santa Maria-Lompoc MSA	CA
Scranton-Wilkes Barre-Hazleton MSA	PA
Seattle-Tacoma-Bremerton CMSA	WA
Shreveport-Bossier City MSA	LA
Spokane MSA	WA
Springfield MSA	MA
Stockton-Lodi MSA	CA
Syracuse MSA	NY
Tampa-St. Petersburg-Clearwater MSA	FL
Toledo MSA	OH
Tucson MSA	AZ
Tulsa MSA	OK
Utica-Rome MSA	NY
Washington-Baltimore CMSA	DC-MD-VA-WV
West Palm Beach-Boca Raton MSA	FL
Wichita MSA	KS
York MSA	PA
Youngstown-Warren MSA	OH

APPENDIX C—Additional Sources of Information about Alternative Fuels, Alternative Fueled Vehicles, and DOE’s Alternative Fuel Transportation Program

Resource	Type of Information Available	How to Contact
National Alternative Fuels Hotline and Data Center	Information without charge on alternative transportation fuels	Phone: 1-800-423-1 DOE Web site: www.afdc.doe.gov
Alternative Fuel Vehicle Fleet Buyer’s Guide (Clean Cities Program)	Information on alternative fueled vehicles and refueling and recharging sites	Web site: www.fleets.doe.gov
The Alternative Fuel Transportation Program	General information on DOE’s Alternative Fuel Transportation Program	Web site: www.ott.doe.gov/epact Phone: (202) 586-9171 Fax: (202) 586-1610 e-mail: regulatory_info@afdc.nrel.gov
Program Manager, Alternative Fuel Transportation Program	For general correspondence concerning DOE’s Alternative Fuel Transportation Program	ATTN: Program Manager Alternative Fuel Transportation Program Office of Energy Efficiency and Renewable Energy, EE-34 U.S. Department of Energy 1000 Independence Avenue, S.W. Washington, D.C. 20585
Clean Cities Hotline	Information on Clean Cities, a voluntary Federal program designed to accelerate and expand the use of AFVs in urban communities and to provide refueling and maintenance facilities for their operation.	Phone: 1-800-CCITIES Web site: www.ccities.doe.gov

DISCLAIMER

This publication is intended as a guide for familiarizing interested parties with the requirements of the Department of Energy's Alternative Fuel Transportation Program, 10 CFR Part 490, adopted pursuant to sections 501, 507(o), 508, 511, 512, and 513 of the Energy Policy Act of 1992. It is not intended as a complete representation of the regulation nor the complete information necessary for compliance with the regulation. In the event of any discrepancy, real or perceived between the language of this publication and that of the regulation, the language of the regulation should be considered as governing.

Copies of this document are available from the National Alternative Fuels Hotline by calling 1-800-423-1363 or electronically through the Office of Transportation Technologies Web site at www.ott.doe.gov/epact/state_fleets.html.

February 2001

DOE/GO-102001-1134



Printed on paper containing at least 50% wastepaper, including 20% postconsumer waste.