



Reporting Biodiesel Fuel Use Credits

The Biodiesel Fuel Use Credit Interim Final Rule became effective January 9, 2001, allowing covered fleets to meet Energy Policy Act of 1992 (EPAct) requirements through the purchase of biodiesel fuel.

One biodiesel fuel use credit, which is counted as one AFV acquisition, will be allocated to fleets for each purchase of 450 gallons of neat biodiesel fuel⁽¹⁾. Neat biodiesel fuel is 100% biodiesel (B100) by volume.

Biodiesel blends, such as B20 (20% biodiesel, 80% petroleum diesel), may also be purchased by a fleet for biodiesel fuel use credit. However, in purchasing biodiesel blends, a fleet may only count the biodiesel portion of the blend toward the allocation of a biodiesel fuel use credit.

Example:

A fleet purchases 2,250 gallons of B20 to be used toward a biodiesel fuel use credit. B20 is 20% biodiesel, which means the number of gallons is multiplied by 0.20. The result: 450 gallons of neat biodiesel.

2,250 gallons of B20

x .20

450 gallons of neat biodiesel

Allocating Fuel Use Credits

To be allocated a biodiesel fuel use credit, all of the following conditions must be met:

- The fuel purchased must be in blends of at least 20% biodiesel. If higher percentage blends (including B100) are purchased for blending on site, the resulting blend when used in vehicles must be at least 20% biodiesel.
- The fuel must have been purchased for use in vehicles with a gross vehicle weight rating (GVWR) of greater than 8,500 lbs.
- The fuel may not be used in vehicles in which an EPAct AFV acquisition credit has already been claimed.
- The fuel must have been purchased after November 13, 1998.
- Federal or state law did not require biodiesel fuel use when the fuel was purchased.
- Biodiesel fuel use credits must be used only in the model year in which they are generated, meaning they cannot be banked for future years. These credits are not eligible for trading.
- The total amount of biodiesel purchases claimed must be the net amount of biodiesel purchased for use by the reporting fleet. Any amount of biodiesel sold or otherwise provided to any other user must not be included in the amount of biodiesel purchases reported. Remember: You must maintain and retain purchase records verifying this information for three years from the December 31 that follows the close of the model year for which this request is submitted.

Calculating Fuel Use Credits

The following rules will be followed to calculate your credits for using biodiesel fuel:

- Biodiesel fuel use credits can account for no more than 50% of a fleet's annual AFV acquisition requirements. The exception is for biodiesel fuel providers⁽²⁾ who can meet up to 100% of their requirements through the biodiesel fuel use credits.
- In determining if a fleet is in compliance with the AFV acquisition requirements, biodiesel fuel use credits are counted first, up to their allowable limit, and their alternative fuel vehicle acquisition

credits are counted. If this results in excess credits, the excess AFV acquisition credits can be used in future years.

- No rounding up of biodiesel fuel use credits is allowed; each allocation of a biodiesel fuel use credit requires that the full 450 gallons of biodiesel be purchased.

Biodiesel (mono alkyl esters) fuels are cleaner-burning diesel replacement fuels made from natural, renewable sources, such as vegetable oils. For more information on these types of fuels, contact:

National Biodiesel Board
P.O. Box 104898
Jefferson City, MO 65110
(800) 841-5849
biodiesel@sockets.net
www.biodiesel.org

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- (1) *Biodiesel is defined as a diesel fuel substitute produced from non-petroleum renewable resources that meets registration requirements for fuels and fuel additives established by the Environmental Protection Agency under section 211 of the Clean Air Act.*
- (2) *A “biodiesel fuel provider” is a covered person whose principal business (the sales-related activity that produces the greatest gross revenue) is producing, storing, refining, processing, transporting, distributing, importing, or selling at wholesale or retail biodiesel fuel. This does not include a person whose principal business is: (1) transforming the biodiesel fuel into a product that is not a fuel; (2) consuming biodiesel fuel as a feedstock or fuel in the manufacture of a product that is not biodiesel fuel.*

What is EPAct?

The Energy Policy Act of 1992, or EPAct, was passed by Congress to reduce the nation's dependence on imported petroleum. Provisions of EPAct require certain fleets to purchase alternative fuel vehicles. DOE administers the regulations through its State & Fuel Provider Program, Federal Fleet Program, Private & Local Government Program, and Fuel Petition Program. EPAct also includes voluntary programs, such as Clean Cities, which help accelerate the use of alternative fuels in transportation.

For more information, visit <http://www.ott.doe.gov/epact>, or call the Regulatory Information Line at (202) 586-9171.

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