

EPAct: Alternative Fuels for Energy Security, Cleaner Air

The Energy Policy Act (EPAct) fleet requirements were passed by Congress on October 24, 1992, with the goals of enhancing our nation's energy security and improving air quality. The Act, officially known as Public Law 102-486, includes provisions addressing all aspects of energy supply and demand, including energy efficiency, alternative fuels, and renewable energy. It also includes more traditional forms of energy such as coal, oil, and nuclear power.

Several parts, or titles, of EPAct were designed to encourage the use of alternative transportation fuels (not derived from petroleum) that could help reduce dependence on imported oil. EPAct, as amended, defines alternative fuels to include:

- Methanol, ethanol, and other alcohols
- Blends of 85% or more of alcohol with gasoline
- Natural gas and liquid fuels domestically produced from natural gas
- Liquefied petroleum gas (propane)
- Coal-derived liquid fuels
- Hydrogen
- Electricity
- Biodiesel (B100)
- P-Series

The activities outlined by EPAct related to alternative fuels—Titles III–VI—employ both voluntary and regulatory approaches for encouraging the fundamental changes necessary to building a self-sustaining alternative fuel market. EPAct's voluntary activities are being implemented through the U.S. Department of Energy's (DOE) Clean Cities initiative.

Clean Cities was created in 1993 to provide technical, informational, and financial resources to both regulated fleets and voluntary adopters of alternative fuels. With coalitions in more than 80 U.S. metropolitan areas, Clean Cities demonstrates significantly higher deployment rates for alternative fuels in areas involved in the initiative than for the nation as a whole.

EPAct Areas

DOE's FreedomCAR & Vehicle Technologies (FCVT) Program manages the regulatory aspects of EPAct through Federal Fleet Requirements and the State & Alternative Fuel Provider Rule. In addition, the Alternative Fuel Designation Authority allows companies to petition DOE to have their fuels evaluated for possible inclusion on the list of EPAct alternative fuels.

Congress established several regulatory activities within EPAct. These provisions focused on building an inventory of alternative fuel vehicles (AFVs) in large, centrally fueled fleets in cities across the country. EPAct established requirements for purchasing AFVs for the following fleets:

- Federal government
- State government
- Alternative fuel provider

EPAct applies only to fleets that operate more than 50 light-duty vehicles (LDVs) and have at least 20 vehicles in one of 125 designated metropolitan statistical areas.

Federal Fleet Requirements

Federal fleet activities are shaped by the requirements of EPAct and Executive Order (E.O.) 13149.

Under section 303 of EPAct, 75% of a Federal fleet's new LDV acquisitions in a metropolitan area must run on alternative fuels. Issued in April 2000, E.O. 13149 goes a step further by establishing a petroleum reduction goal of 20% by 2005 for Federal agencies compared to their fiscal year 1999 usage. Acquiring AFVs and using alternative fuels are integral parts of achieving this goal. Agencies are required to annually report compliance with EPAct and E.O. 13149 requirements.

Both requirements apply to the major department level agencies within the Federal government.

For more information, visit www.eere.energy.gov/vehiclesandfuels/epact/federal/index.shtml.



State & Alternative Fuel Provider Rule

The State & Alternative Fuel Provider Rule (S&FP) is authorized in Sections 501 and 507 of EPA Act and applies to certain fleets in metropolitan areas. Under the regulation, 75% of a covered state fleet's annual LDV acquisitions must be AFVs. For alternative fuel providers, the percentage of required AFVs is 90% of new LDVs. In addition to acquisition requirements, fuel provider fleets are required to use alternative fuels whenever possible.

Under Section 508 of EPA Act, fleets can participate in a credit program that allows them to bank or trade credits earned. Covered fleets earn one vehicle credit for every light-duty AFV they acquire beyond their base vehicle acquisition requirements.

State and fuel provider fleets must also annually report compliance activity to DOE, which uses its authority to enforce the S&FP Rule.

For more information, visit www.eere.energy.gov/vehiclesandfuels/epact/state/index.shtml.

Alternative Fuel Designation Authority

EPA Act authorizes DOE to add fuels to the list of EPA Act-authorized alternative fuels through rulemaking. Developers of new fuels can petition DOE with sufficient technical data to have it evaluated for possible inclusion.

For their request to be considered, petitioners must prove that the fuel:

- Is substantially nonpetroleum
- Yields substantial energy security benefits
- Offers substantial environmental benefits

One type of fuel, P-Series, was approved through this process. Other petitions have also been evaluated by DOE.



EPA Act: www.eere.energy.gov/vehiclesandfuels/epact

Clean Cities: www.eere.energy.gov/cleancities

Alternative Fuels Data Center: www.eere.energy.gov/afdc

Vehicle Buyer's Guide: www.eere.energy.gov/cleancities/vbg

E85 Fleet Toolkit: www.eere.energy.gov/afdc/e85toolkit

For more information, visit www.eere.energy.gov/vehiclesandfuels/epact/petition/index.shtml.

Progress

The EPA Act regulatory initiatives have collectively put more than 150,000 AFVs on U.S. roadways. Manufacturers are now making more than 25 different models of light-duty AFVs—up from just a handful at the time of EPA Act's passage in 1992. Additionally, there has been tremendous growth in fuel availability, particularly for ethanol and biodiesel.

Numerous Federal fleets are installing fueling stations that are not only available to their own fleet drivers but to the public. S&FP fleets are also voluntarily building fueling stations to support their AFVs.

Although making a substantial change in our nation's fuel and vehicle infrastructure is a daunting task, the provisions of EPA Act are providing part of the impetus for a vibrant alternative fuel industry.

Sponsored by the U.S. Department of Energy
Energy Efficiency and Renewable Energy
FreedomCAR and Vehicle Technologies Program

For more information contact: EERE Information Center
1-877-EERE-INF (1-877-337-3463)
www.eere.energy.gov

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