

EPAcT

Fleet Information & Regulations



State and Alternative Fuel Provider Fleet Compliance Methods

Covered state and alternative fuel provider fleets have a choice when it comes to complying with EPAcT fleet requirements: Standard Compliance or Alternative Compliance.

The Energy Policy Act (EPAcT) of 1992 was amended several times, allowing state government and alternative fuel provider fleets multiple means to comply with EPAcT 1992's alternative fuel vehicle (AFV) acquisition requirements. Originally, under what is termed Standard Compliance, these fleets had to acquire a certain percentage of AFVs each model year.

Since 2001, fleets have been able to obtain some compliance credit for the purchase and use of biodiesel. More recently, the U.S. Department of Energy (DOE) authorized covered fleets additional compliance flexibility under what is termed Alternative Compliance. This allows the covered fleets to employ petroleum reduction measures in lieu of simply acquiring AFVs under Standard Compliance. DOE's Alternative Fuel Transportation Program is responsible for implementing the two compliance options.

What fleets are covered?

All state government fleets and those of businesses whose principal activity is based on the production or sale of EPAcT-authorized alternative fuels may be subject to EPAcT fleet requirements. Typically, covered alternative fuel providers have included electric and gas utilities and propane providers.

Covered fleets are those state or business fleets that operate, lease, or control 50 or more light-duty vehicles (LDVs) within the United States. Of those 50 vehicles, at least 20 are used primarily within a single Metropolitan Statistical Area/Consolidated Metropolitan Statistical Area (MSA/CMSA) with a population of at least 250,000 under the 1980 census. Importantly, those same 20 vehicles must also be centrally fueled or capable of being centrally fueled.

Exclusions that apply to specific vehicle types may affect whether a fleet is covered. Fleets must notify DOE of their covered status, and DOE works with fleets to help them understand the relevant EPAcT requirements.

What are the compliance options for covered fleets?

Standard Compliance. Under Standard Compliance, covered fleets must acquire a certain percentage of AFVs each year based on the number of LDVs they purchase. Seventy-five percent of the new covered LDVs that state fleets acquire must be AFVs; for alternative fuel providers, this number is 90%. Additionally, covered alternative fuel provider fleets must use alternative fuels in their AFVs, unless they operate in an area where the fuel is not available. Fleets also may meet up to 50% of the AFV acquisition requirements through the purchase and use of biodiesel.

Alternative Compliance. Under Alternative Compliance, covered fleets may obtain a waiver from Standard Compliance to implement petroleum reduction measures in their vehicle fleets in lieu of the AFV acquisition requirements. Covered fleets must demonstrate an annual petroleum reduction equal to that which would have been achieved in the AFVs it would have acquired under Standard Compliance, as well as in all the existing fleet AFVs that were reported for previous compliance with Standard Compliance Requirements.

Locations of Covered EPA Act Fleets*



*MSA/CMSAs were determined by 1980 census data.

How do fleets comply with Standard Compliance?

- Acquire new or used LDVs that are capable of operating on alternative fuels.
- Use banked AFV acquisition credits or purchase credits from another fleet or third party.
- Earn AFV acquisition credits through the purchase and use of biodiesel blends. Fleets must use fuel blends containing at least 20% biodiesel (B20) in medium- and heavy-duty vehicles to earn one credit for every 450 gallons of pure biodiesel (B100) that is used. Covered fleets, other than biodiesel providers, can satisfy as much as 50% of their annual requirements by using biodiesel. Biodiesel credits must be used in the year they are earned and may not be banked or sold. To learn more about using biodiesel to comply with Standard Compliance, visit www.eere.energy.gov/vehiclesandfuels/epact/pdfs/biodiesel_guidance.pdf.

In some cases, DOE may grant exemptions from AFV acquisition requirements if alternative fuels or AFVs are not available. For more information on exemptions, see the guidance document at www.eere.energy.gov/vehiclesandfuels/epact/pdfs/exemption_guide.pdf.

How do fleets participate in Standard Compliance?

Fleets must report their AFV acquisitions and any biodiesel purchases to be applied for EPA Act compliance credit to DOE no later than December 31 for the model year for which they are reporting. Fleets may enter their compliance data into the reporting database on the EPA Act Web site at www.eere.energy.gov/vehiclesandfuels/epact/state/progs/poc_login.html.

Acquisition Credits

Every light-duty AFV purchased earns covered fleets one credit that counts toward one AFV requirement for that year. If a fleet earns more credits than required in one model year, the additional credits may be banked for future use or sold to other covered fleets participating in Standard Compliance. In addition, once the fleet's light-duty AFV purchase requirements are fulfilled, fleets may also earn credits for medium- or heavy-duty AFV acquisitions. Again, biodiesel purchases and use cannot be used to generate credits that can be banked or traded. A fleet that both maximizes its allowable biodiesel fuel use and exceeds its requirements for AFVs, however, will end up with surplus credits generated by the excess AFV acquisitions. For a list of fleets that are looking to buy or sell credits, visit the Credit Trades Bulletin Board at www.eere.energy.gov/vehiclesandfuels/epact/state/progs/vwb/vwb.cgi, or check the list of Fleets with Excess Credits at www.eere.energy.gov/vehiclesandfuels/epact/state/progs/public_rpt.cgi.

Who should consider Alternative Compliance?

Alternative Compliance may be a good option for fleets that have limited access to light-duty AFVs and alternative fuel infrastructure or those that must comply with other policies calling for petroleum reduction. Additionally, fleets that can readily use biodiesel or reduce petroleum consumption may find Alternative Compliance an excellent option.

Unlike Standard Compliance, Alternative Compliance allows petroleum reductions achieved in excluded LDVs and limited numbers of qualified non-road vehicles to be counted toward compliance with annual requirements.

How can fleets comply with Alternative Compliance?

- Increase alternative fuel use.
- Use biodiesel blends.
- Purchase hybrids and other advanced technology vehicles.
- Increase fleet fuel efficiency.
- Reduce vehicle miles traveled.

To learn more, consult the Alternative Compliance guidance document at www.eere.energy.gov/vehiclesandfuels/epact/pdfs/alt_compliance_guide.pdf.

How do fleets participate in Alternative Compliance?

To be considered for Alternative Compliance, fleets must submit the following items to DOE each year by the specified deadlines.

- **Intent to Apply for a Waiver.** Submitted online, the intent informs DOE of a fleet’s interest in participating in Alternative Compliance. The waiver is due March 31 before the model year for which an Alternative Compliance waiver is sought. A fleet that submits an intent may still opt-out of Alternative Compliance and return to Standard Compliance.

- **Waiver Request.** The waiver request is applicable to the entire fleet for the full model year and includes a required petroleum reduction amount based on the fleet’s current Alternative Compliance vehicle inventory and average-per-LDV fuel use and a detailed plan for achieving that reduction requirement. The request is due July 31 before the model year for which an Alternative Compliance waiver is sought.
- **Annual Report.** The annual report certifies the actual amount of petroleum fuel a fleet reduced during the Alternative Compliance model year. It is due December 31 following the waiver year.

How do Standard and Alternative Compliance compare?

Technology	Standard Compliance (AFV Acquisition)	Alternative Compliance (Petroleum Reduction)
Hybrid electric vehicles (or other energy-efficient conventional fuel technologies)	No AFV credit	Petroleum reduction from hybrids or other fuel-efficient conventional vehicle technologies counts toward petroleum reduction in model year efficiencies occur
Light-duty AFVs	One credit per AFV	Credit for alternative fuel use on gasoline gallon equivalent (GGE) basis
Medium- and heavy-duty AFVs	Credit only after requirement is met with LDV acquisitions	Credit for alternative fuel use on a GGE basis
Method	Standard Compliance (AFV Acquisition)	Alternative Compliance (Petroleum Reduction)
Biodiesel blends	Credit for every 450 gallons of biodiesel in blends of B20 or higher; capped at 50% of annual requirements	Credit for biodiesel used in any blend percentage on a GGE basis if it exceeds the amount already prescribed by state and federal law; no cap on amount of biodiesel used to meet requirements
Vehicle miles traveled (VMT) reduction	No credit	Credit for petroleum reduction in the model year VMTs are reduced
Idle reduction	No credit	Credit toward petroleum reduction
Truck stop electrification	No credit	For covered fleet only; no credit for third-party use



State and alternative fuel provider fleets have two options to comply with EPA fleet requirements: Standard Compliance or Alternative Compliance.

Where can fleets find more information on Alternative Compliance?

DOE developed the following tools to help fleets understand the Alternative Compliance option.

- Alternative Compliance: Guidelines for Preparing and Submitting a Waiver Request and Other Documentation Requirements
www.eere.energy.gov/vehiclesandfuels/epact/pdfs/alt_compliance_guide.pdf
- Alternative Compliance Tutorial
www.eere.energy.gov/vehiclesandfuels/epact/state/alt_tutorial.html
- Alternative Compliance Planning Tool
www.eere.energy.gov/vehiclesandfuels/epact/state/acp_tool/

What Is EPA Act?

The Energy Policy Act of 1992 (EPA Act) was passed by Congress to reduce the nation's dependence on imported petroleum. Provisions of EPA Act require certain fleets to purchase AFVs. DOE administers these requirements through its State & Fuel Provider Rule, Federal Fleet Requirements, and Alternative Fuel Designation Authority.

For more information, visit www.eere.energy.gov/vehiclesandfuels/epact/, or call the Regulatory Information Line at 202-586-9171.

Where can fleets find more information on Standard Compliance?

DOE's Office of Energy Efficiency and Renewable Energy Vehicle Technologies Program Web site features complete information on the Standard Compliance requirements of the State and Alternative Fuel Provider Fleets. Visit www.eere.energy.gov/vehiclesandfuels/epact/state_alt_fleets.html.

What if I have specific questions about Alternative and Standard Compliance?

DOE has a Regulatory Information Line you may contact with questions on the compliance options. Call the line at 202-586-9171, or e-mail at regulatory.info@nrel.gov.

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