



## What's New: Fall 2001 Update

### Compliance Advisories Aid in Understanding EPAct Regulations

In early September, the U.S. Department of Energy (DOE) issued its first compliance advisory to covered fleets that outlined DOE's policy on the credit eligibility of hybrid electric vehicles (HEVs) and low-speed vehicles (LSVs).

The first of a series, the HEV/LSV compliance

advisory is part of a new communications plan designed to offer fleets clarification on State & Alternative Fuel Provider (S&FP) Program issues as well as guidance in meeting EPAct requirements. DOE believes that improved communication efforts will help fleets achieve the program's maximum alternative fuel vehicle (AFV) acquisition levels, which are 75% for state fleets and 90% for alternative fuel provider fleets.

*Continued on page 2*

### Facts & Figures

#### Biodiesel Fuel Use Grows 600% in 2000

Biodiesel fuel use by state and alternative fuel providers more than doubled between 1999 and 2000. In FY 1999, 12 fleets reporting to DOE used roughly 86,000 gallons of biodiesel, while in FY 2000, the number skyrocketed to 28 fleets using more than 563,000 gallons of biodiesel. Production is expected to reach 20 million gallons for FY 2001, with more than 150 major fleets using the fuel.

According to the National Biodiesel Board (NBB), there are nine biodiesel manufacturing

plants in the United States; 14 more are planned. Additionally, new public biodiesel refueling sites are emerging in San Francisco; Phoenix; Kahului, Hawaii; Arundel, Maine; Murdock, Minn.; Sparks, Nev.; and Aiken, SC.

Nine U.S. biodiesel plants may sound insignificant, but NBB estimates the country's dedicated production capacity to be 60 million to 80 million gallons of biodiesel per year. That amount could triple within 12 months. Although these suppliers are located in Florida, Hawaii, Idaho, Illinois, Iowa, Kentucky, and Nevada, they can ship biodiesel anywhere in the country.

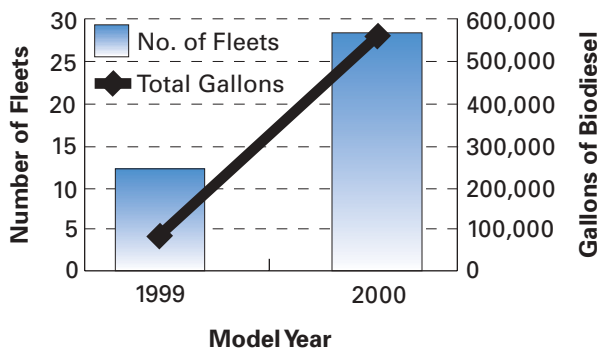
Because it's made from vegetable oils, fats, or grease, biodiesel helps to displace the petroleum consumed by U.S. fleets. Biodiesel offers fleets one way to meet as much as half their EPAct requirements.

Covered state and alternative fuel provider fleets can earn one credit for every 450 gallons of pure biodiesel they use in medium- and heavy-duty diesel vehicles. This must be used in at least a 20% blend with petroleum diesel. However, currently only 50% of a fleet's annual EPAct requirements can be met using biodiesel, and biodiesel credits cannot be banked or traded.

For more on biodiesel fuel use credits, download the updated guidance at [www.ott.doe.gov/epact](http://www.ott.doe.gov/epact). For more information on biodiesel, visit NBB's Web site at [www.biodiesel.org](http://www.biodiesel.org).

#### Biodiesel Usage in State and Fuel Provider Fleets

April 2001



## **Fleet Activity**

### **Texas Department of Transportation Goes Beyond Compliance**

With a fleet of 6,000 AFVs, the Texas Department of Transportation (TxDOT) has been acquiring nothing but AFVs since 1991. That's when a Texas law, which goes above and beyond the Energy Policy Act of 1992 and the 1990 Clean Air Act, became effective.

According to the law, state agencies are to purchase only AFVs. As a result, TxDOT today holds more than 7,000 EPA credits—a source of pride for the department.

Additionally, TxDOT enforces an internal policy that requires state fleets to use only alternative fuels in their AFVs (unless otherwise approved). According to TxDOT, alternative fuel is used roughly 55% of the time statewide and as much as 85% in certain areas.

This results in an annual consumption of about 5 million gallons of primarily natural gas and propane. Natural gas is available in Dallas and Houston; propane, a state-produced product, is available in urban and rural areas throughout Texas.

One secret to TxDOT's success is a merit incentive program that encourages the state's 25 district administrators to compete for the prestigious role of heading up fleets that used the highest percentage of alternative fuel—a number that is factored into each administrator's annual performance review.

Not only is TxDOT in compliance with mandated EPA requirements, it is a prominent stakeholder in DOE's voluntary Clean Cities Program. The department's activities in acquiring and using AFVs and providing AFV refueling and maintenance facilities significantly contribute to the momentum of the program.

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*From page 1*

As new EPA related legislation is approved, the S&FP Program will issue compliance advisories to communicate changes. To download a copy of this and future advisories, visit the EPA Web site at [www.ott.doe.gov/epact/state\\_fleets.html](http://www.ott.doe.gov/epact/state_fleets.html).

### **Buy or Sell Credits Online**

If you want to purchase or sell credits under the S&FP Program, visit the Credit Trades Bulletin Board on the EPA Web site. Created to help fleets comply with S&FP Program requirements, the Bulletin Board offers fleets quick and convenient access to credits for sale, as well as a place to buy or sell used AFVs.

To use the Bulletin Board, go to [www.ott.doe.gov/epact](http://www.ott.doe.gov/epact) and select State & Alternative Fuel Provider Program. Double click on the button that says Credit Trades Bulletin Board. This will call up a form where you can enter your name, e-mail address and a message. After you have input your information, press Enter.

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#### **What is EPA?**

The Energy Policy Act of 1992, or EPA, was passed by Congress to reduce the nation's dependence on imported petroleum. Provisions of EPA 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. EPA 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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