



## Program Activities and Accomplishments in FY 2002

The Energy Policy Act of 1992 (EPAct) established the State & Alternative Fuel Provider (S&FP) Program, which requires state governments and alternative fuel providers to acquire alternative fuel vehicles (AFVs). Since the inception of the program, covered fleets across the United States have collectively acquired more than 60,000 AFVs. This report summarizes fleet acquisition statistics for model year (MY) 2001 and program accomplishments during fiscal year (FY) 2002.

MY 2001 was another successful year. Covered fleets acquired more than 10,000 new AFVs, and biodiesel fuel use was up significantly from the previous year. To meet their AFV acquisition requirements, fleets in MY 2001 purchased light-duty AFVs, acquired credits from other fleets, used banked credits, and earned credits by purchasing biodiesel.

### Status of Covered Fleets

More than 90% of covered fleets are in compliance with the program's MY 2001 requirements. The S&FP Program attributes this high compliance rate to increased outreach efforts to fleets that failed to submit timely reports and those that reported too few acquisitions. Fleets that needed help were contacted by program representatives and assisted.

For MY 2001, 312 entities (133 state, 179 fuel provider) were listed as "covered fleets" under the S&FP Program. The number of individual fleets that were actually impacted by the regulations, however, is considerably larger because some states filed consolidated reports. In most cases, these consolidated state reports include data from dozens of covered fleets.

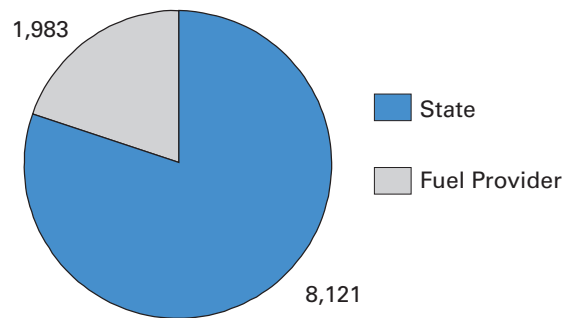
### Vehicle Acquisitions

Under the S&FP Program, 90% of new light-duty vehicles (LDVs) acquired by alternative fuel providers must be AFVs, and state fleets must acquire

75% AFVs. AFV acquisition requirements are determined by multiplying a fleet's number of newly acquired LDVs, minus excluded vehicles, by the applicable percentage.

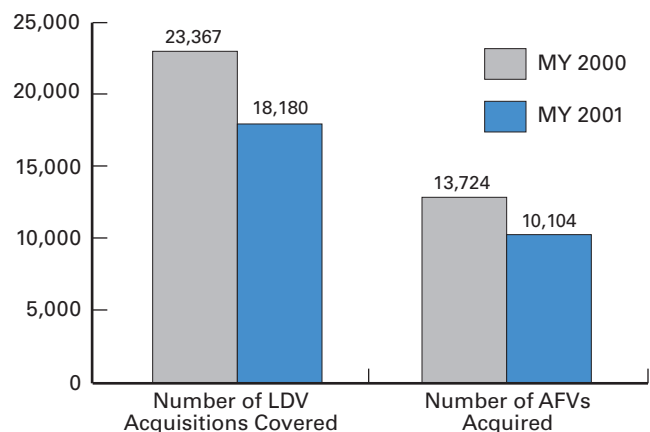
In MY 2001, covered fleets acquired 18,180 covered LDVs and had a combined AFV acquisition requirement of 14,453 vehicles.

**Figure 1:**  
AFVs Acquired by Covered Fleets



In MY 2001, covered fleets acquired a total of 10,104 AFVs, down 26% from MY 2000. The decline was largely the result of a 22% decrease in LDV acquisitions in MY 2001 compared to MY 2000 (see Figure 2). Another important factor was an increase

**Figure 2:**  
LDV/AFV Acquisitions



in credit use, particularly in biodiesel fuel use credits. The program also provided an increased number of exemptions due to the continued lack of some AFV models and problems with vehicle delivery schedules.

### Credit Trading and Use

Covered fleets earn credits when they exceed their light-duty AFV acquisition requirements. Fleets can also earn credits for using biodiesel. Credits (other than biodiesel) also can be acquired from other fleets through credit trades.

Credit use in MY 2001 was up 17% compared to MY 2000. Fleets used 3,051 credits to meet their AFV acquisition requirements, compared to 2,603 credits used in MY 2000. The most significant difference between the last two years is the number of credits fleets traded. Credit trading increased 97%, jumping from 397 credits in MY 2000 to 781 in MY 2001.

Traded credits accounted for slightly more than 25% of all credits used by fleets in MY 2001—a number that will likely increase in the future.

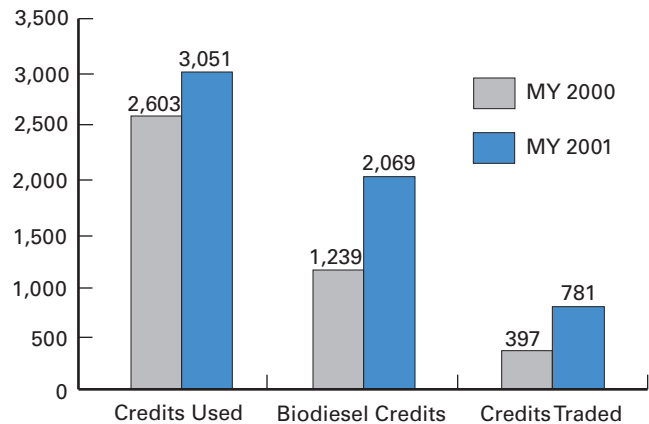
### Biodiesel Fuel Use Credits

As a result of legislation passed in 1998, the S&FP Program provides fleets with one credit for each 450 gallons of pure biodiesel used or one credit for every 2,250 gallons of B20\*. Biodiesel fuel use is a compliance strategy being used by more fleets. In MY 2001, fleet records show a 67% increase in biodiesel fuel use, reporting more than 900,000 gallons used versus 560,000 gallons used in MY 2000. The number of fleets using biodiesel jumped from 28 to 46. Almost 15% of covered fleets are using biodiesel in their compliance strategies.

### Exemptions

In MY 2001, 24 fleets received 1,030 vehicle exemptions, resulting in an 8% reduction in the number of AFVs that fleets had to acquire. Although the number of fleets requesting exemptions was down from 26 in MY 2000, the number of vehicle exemptions that were granted increased by 17%. Exemptions are more likely to be requested by fuel providers that have alternative fuel use requirements.

**Figure 3:  
Credits Used**



However, some state fleets will request exemptions when acquiring vehicles that do not have an alternative fuel option. Exemption requests are expected to fluctuate in future years as manufacturers change their AFV offerings and biodiesel fuel becomes more available.

## Program Accomplishments

The S&FP Program continued efforts to work with fleets to increase the number of AFVs on the road and expand the use of alternative fuels. Specific efforts include the following activities.

### Direct Communication with Covered Fleets

Good communication has proven to be the best way to maximize fleet compliance. Therefore, the program automated several compliance notices. Covered fleets receive a reminder that their annual reports are due by December 31. Fleets that fail to file timely reports are reminded in writing soon after the filing deadline. Fleets that file a report showing credit deficiencies are also sent a letter that summarizes their compliance status and provides information on options for meeting the AFV acquisition requirements.

Additionally, the program continues to operate the Regulatory Information Line, which fielded more than 350 inquiries during the past 12 months.

\*For more information on how biodiesel credits are calculated, download "Reporting Biodiesel Fuel Use Credits" from the EPAAct Web site.

**Table 1:**  
**MY 2001 Activity\*\***

Number of Required AFV Acquisitions (before exemptions)	14,453
AFVs Purchased	10,104
Vehicle Exemptions Granted	1,030
Credits Used	3,051
Biodiesel Credits Used	2,069
Credits Traded	781
Credits Banked	1,573

\*\*Because some fleets have credit deficiencies and others banked excess credits during MY 2001, these numbers do not add up.

### Updated Exemption Guidance

The guidance document, “Documentation Requirements for Exemption Requests Under EPart State and Fuel Provider Sections 490.308 and 490.204,” was updated to advise fleets to consider the availability of biodiesel fuel before submitting exemption requests. The guidance, which is available on the EPart Web site, also indicates that fleets are required to resolve past credit deficiencies before the S&FP Program will process exemption requests.

### Conference and Workshop Presentations

The S&FP Program in FY 2001 participated in several events, including the Washington Day Workshop in Washington, D.C., and AFV Odyssey Day in

Cincinnati, Ohio. The program exhibited at the 8th National Clean Cities Conference in Oklahoma City, Oklahoma, and distributed materials and answered questions. In 2002, it also presented on the status of the program and pending legislative changes at a workshop for Missouri state fleet managers and an event for electric utility fleet executives.

### Redesigned Web Site

May 2002 marked the launch of the redesigned EPart Web site. The new S&FP Program pages now walk users through the nuts and bolts of the program and feature updated documents. In addition to providing a list of fleets that want to sell credits, the Web site now also includes a Used AFV Bulletin Board where fleets can exchange messages with other fleets looking to buy or sell preowned AFVs.

### Case Studies Supporting State Infrastructure Project

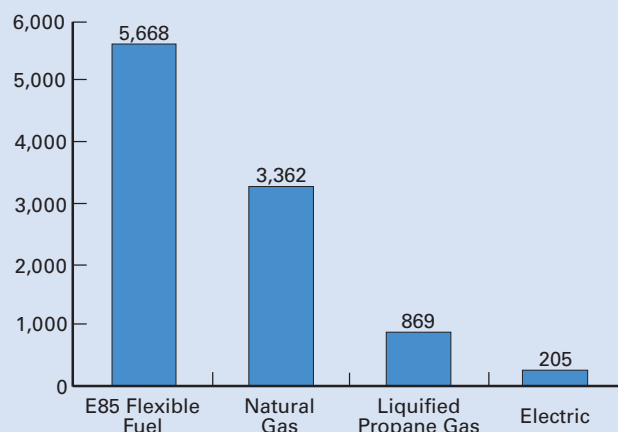
In an effort to support the U.S. Department of Energy’s State Infrastructure Project—a voluntary initiative to promote the use of alternative fuels in state fleets—the S&FP Program developed a new series of success stories that highlight state fleets that have found new and innovative ways to promote alternative fuel use. The first two case studies, which are available on the EPart Web site, highlight the Texas Department of Transportation (TxDOT) and New York State (NYS).

“TxDOT Goes Beyond Compliance by Purchasing 100% AFVs” charts how the department acquired 6,000 AFVs—two thirds of its fleet of 9,000 on-road

### Fleet Vehicle Preferences

Flexible fuel vehicles that use E85 once again accounted for more than 50% of newly acquired AFVs (most were acquired by state entities). Natural gas and propane vehicles were the next most popular AFVs. In general, the bifuel AFV configurations are popular with covered fleets because of the limited alternative fuel infrastructure in many areas. Ninety-two percent of the AFVs acquired in MY 2001 were either bifuel or flex-fuel vehicles. Of the more than 60,000 AFVs currently operated by covered state and fuel provider fleets, bifuel and flex-fuel vehicles currently make up more than 83% of all vehicles.

**Figure 4:**  
**Vehicle Acquisition Summary**  
10,104 AFVs



## FY 2003 Program Objectives

- ◆ Develop a driver education-training program in cooperation with the Clean Cities Program. This program will use a train-the-trainer format and focus on overcoming obstacles to driver use of alternative fuels.
- ◆ Develop a compliance monitoring plan that includes off- and on-site review procedures for covered fleets.
- ◆ Develop guidance procedures to assist covered fleets in performing self audits.
- ◆ Emphasize better identification of state fleets through communications and outreach activities.
- ◆ Increase outreach activities, including attending national fleet conferences and workshops.

vehicles—in just 10 years. The fleet also uses an impressive 5 million gallons of alternative fuel per year. “New York State Overcomes Barriers to Comply with Aggressive State Legislation” offers insight on how NYS installed almost 50 CNG stations throughout the state and initiated an infrastructure plan that includes provisions for fueling ethanol and propane and for charging electric vehicles.

## Conclusion

In MY 2001, covered fleets added more than 10,000 AFVs to their fleets and consumed close to a million gallons of biodiesel. Ninety percent of the fleets are in compliance with the S&FP Program’s requirements. The program has increased its outreach efforts by participating in regional and

national workshops and events, redesigning its Web site, and publishing success stories on state programs that have successfully expanded the use of alternative fuels.

For FY 2003, the S&FP Program will continue to work with fleets to provide them with useful guidance to increase compliance with EPart regulations.

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### What is EPart?

The Energy Policy Act of 1992, or EPart, was passed by Congress to reduce the nation’s dependence on imported petroleum. Provisions of EPart 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. EPart also includes voluntary programs, such as Clean Cities, which help accelerate the use of alternative fuels in transportation.

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

Sponsored by the U.S. Department of Energy  
Office of Energy Efficiency and Renewable Energy

Prepared by  
the National Renewable Energy Laboratory (NREL)

NREL is a U.S. Department of Energy National Laboratory  
Operated by Midwest Research Institute • Battelle • Bechtel

DOE/GO-102002-1622  
August 2002

Printed with a renewable-source ink on paper containing  
at least 50% wastepaper, including 20% postconsumer waste



## MY 2001 Highlights

- ◆ Biodiesel fuel use increased 67%.
- ◆ Credit trading increased 97%.
- ◆ More than 90% of covered fleets were in compliance.
- ◆ Covered fleets acquired a total of 10,104 AFVs.

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