

EPA Act

Fleet Information & Regulations



State & Alternative Fuel Provider Rule

Fact Sheet

S&FP Rule Promotes Alternative Fuels to Cut Need for Foreign Oil

The Energy Policy Act of 1992 (EPA Act) requires fleets operated by state governments and alternative fuel providers to acquire a certain percentage of alternative fuel vehicles (AFVs) each year. The requirements of sections 501 and 507(o) promote the use of nonpetroleum fuels to reduce U.S. dependence on foreign oil. The regulations focus on building an inventory of AFVs in large light-duty vehicle (LDV) fleets in large metropolitan areas.

After EPA Act was enacted, the U.S. Department of Energy (DOE) began a formal rulemaking process with public input to establish the regulations. The resulting State & Alternative Fuel Provider (S&FP) Rule requires state and alternative fuel provider fleets to include a percentage of AFVs in their acquisitions of new LDVs, starting with model year (MY) 1997 vehicles.

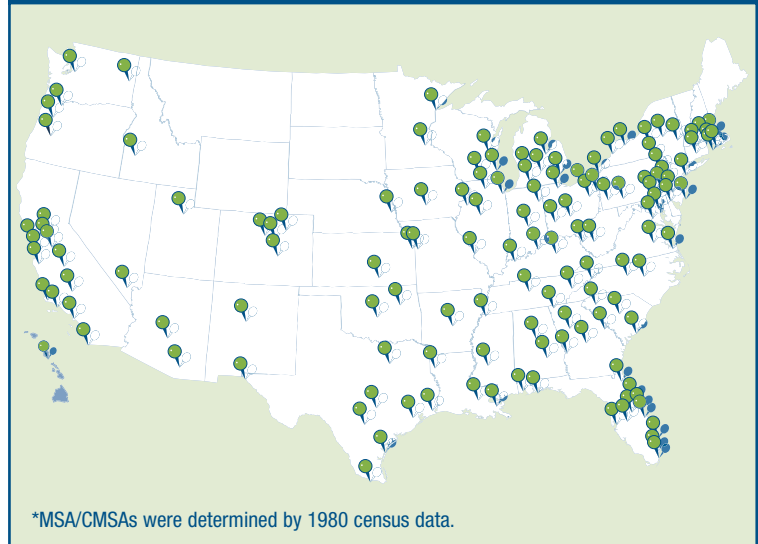
As of MY 2005, state and alternative fuel provider fleets have collectively purchased more than 90,000 AFVs. These vehicles have formed a critical mass of fuel demand, allowing fleets and private businesses to justify the development of fueling infrastructure. In response to this market, automobile manufacturers are producing more than 20 AFV models, which fleets and individuals outside of EPA Act are purchasing.

Who Is Covered?

EPA Act requirements for the S&FP Rule apply to fleets operated by state government agencies and businesses whose principal activity is based on the production or sale of EPA Act-authorized alternative fuels. Compliance is required by fleets that operate, lease, or control 50 or more LDVs within the United States. Of those 50 vehicles, at least 20 must be used primarily within a single Metropolitan Statistical Area/Consolidated Metropolitan Statistical Area (MSA/CMSA). Those same 20 vehicles must also be capable of being centrally fueled.

For a list of MSA/CMSAs, visit www.eere.energy.gov/vehiclesandfuels/epact/state/progs/dyn_msa.cgi.

Locations of Covered EPA Act Fleets*



Acquisition Requirements

When DOE initiated the S&FP Rule, a phase-in schedule was established to allow fleets to gradually comply. As of MY 2001, the acquisition requirements were fully phased in. The percentage of new LDVs that must now be AFVs is 75% for state fleets and 90% for alternative fuel providers.

If a state or alternative fuel provider fleet became eligible for EPA Act following 1997, it must comply with the acquisition requirements for the year in which it became covered. It is important for fleets to notify DOE of their covered status immediately. DOE will work with fleets in these situations to help them understand the EPA Act requirements.

In some cases, DOE may grant an exemption from the AFV acquisition requirements if fuels or vehicles are not available. For more information on exemptions, see the guidance document at www.eere.energy.gov/vehiclesandfuels/epact/pdfs/exemption_guide.pdf and its addendum at www.eere.energy.gov/vehiclesandfuels/epact/pdfs/exemption_addendum2.pdf.



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Fuel Use Requirements

Under EPAAct, covered alternative fuel providers should always use alternative fuels in their AFVs. The only exception is when they are operating in an area where the alternative fuel is not available. Therefore, it is extremely important for fleets to understand which alternative fuels are available in their operating areas. For a list of alternative fueling sites throughout the United States, visit the Alternative Fuels Data Center's Alternative Fuel Station Locator at www.eere.energy.gov/afdc/infrastructure/locator.html.

Credits

Fleets must report their AFV acquisitions to DOE each year. Every alternative fuel LDV purchased earns covered fleets one credit that counts toward one AFV requirement. Each credit a fleet reports is automatically applied to its requirements for the year. Once the fleet's light-duty AFV purchase requirements are fulfilled, credits may be earned for medium- or heavy-duty AFV acquisitions. If a fleet earns more credits than are required in one year, the credits can be banked for future use or sold to other covered fleets participating in the S&FP Rule.

For a list of fleets that are looking to buy or sell credits, visit the Credit Trades Bulletin Board on the EPAAct website 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.

Biodiesel

Fleets that use fuel blends containing at least 20% biodiesel (B20) in medium- and heavy-duty vehicles 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

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EPAAct Website
www.eere.energy.gov/vehiclesandfuels/epact/index.shtml

Regulatory Information Line
202-586-9171
regulatory_info@afdc.nrel.gov

What Is EPAAct?

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

by using biodiesel. Biodiesel credits must be used in the year they are earned and cannot be banked or sold.

To learn more about using biodiesel to comply with EPAAct, visit www.eere.energy.gov/vehiclesandfuels/epact/pdfs/biodiesel_guidance.pdf.

Reporting to DOE

Covered S&FP fleets are required to report their acquisition activity to DOE no later than December 31 for the model year for which they are reporting. Fleets enter their acquisition activity into the online reporting database on the EPAAct website. Acquisition activity includes LDVs and AFVs acquired during the model year and biodiesel purchased for use.

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