

EPAct: Alternative Fuels for Energy Security, Cleaner Air

The Energy Policy Act (EPAct) was passed by Congress on October 24, 1992, with the goals of enhancing our nation's energy security and improving environmental 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, as well as more traditional forms of energy such as coal, oil, and nuclear power.

Several parts, or titles, of the Act were designed to encourage use of "alternative fuels," not derived from petroleum, that could help reduce dependence on imported oil for transportation. EPAct defined 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; and
- Hydrogen and electricity.

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's) Clean Cities Program, which is helping to create markets for alternative fuels and alternative fuel vehicles (AFVs) through public/private partnerships in more than 80 U.S. cities.

EPAct Programs

DOE's Office of Transportation Technologies (OTT) manages the regulatory aspects of EPAct through three programs that address the three types of fleets listed above. In addition, a fourth program manages the petition and rulemaking process required to classify additional fuels as alternative fuels.

Congress established several regulatory activities within EPAct. These provisions focused on building an inventory of AFVs in large, centrally fueled fleets in metropolitan areas. EPAct established requirements for purchasing AFVs for certain entities operating fleets of light-duty vehicles (LDVs):

- State governments and alternative fuel providers
- Federal government, and
- Private entities and local governments.

State & Alternative Fuel Provider Program

The State & Alternative Fuel Provider Program is authorized under Sections 501 and 507 of EPAct and requires state government and alternative fuel provider fleets to purchase AFVs as a percentage of their annual LDV acquisitions. In addition to acquisition requirements, fuel provider fleets are required to fuel their vehicles with alternative fuel whenever possible. Fleets must report annually to DOE on their compliance with the regulations. The program applies only to fleets with more than 50 LDVs located in one of the 125 designated metropolitan areas. For more information, e-mail regulatory_info@afdc.nrel.gov or visit www.ott.doe.gov/epact/state_fleets.html.

Federal Fleet Program

The Federal Fleet Program is shaped by the requirements of EPAct, in addition to an Executive Order (E.O.). Under section 303 of EPAct, 75% of a federal fleet's new LDV purchases must be AFVs. Issued in April 2001, E.O. 13149 goes a step further by establishing a petroleum reduction goal of 20% by 2005 for federal fleets as compared to their FY 1999 usage. Acquiring AFVs and the use of alternative fuels is an integral part in achieving this goal. Agencies are required to submit strategies for how they'll meet the targets of the E.O., and must also report compliance annually with both the EPAct and E.O. requirements. Both of these requirements

apply to the major department level agencies within the federal government. For more information, e-mail fed_fleets@afdc.nrel.gov, or visit www.ott.doe.gov/epact/federal_fleets.html.

Private & Local Government Fleet Program

EPAct gave DOE the authority to impose acquisition requirements on private and local government fleets. However, the implementation of this section of the Act is still under consideration. Public hearings have been held on the matter, and comments from them are available on the EPAct Web site. DOE will print a notice in the Federal Register that will discuss whether it plans to move forward with a rule. Covered fleets could potentially include fleets with more than 50 vehicles not covered under the State & Alternative Fuel Provider Program and Federal Fleet Program, including urban busses and law enforcement vehicles within one of the 125 designated metropolitan areas. For more information, e-mail private_local_info@afdc.nrel.gov, or visit www.ott.doe.gov/epact/private_fleets.html.

Alternative Fuel Petitions Program

The Act outlines a formal rulemaking process through which DOE can add additional fuels to the list of EPAct-authorized alternative fuels. Under this program, the developer of a new fuel can petition DOE with sufficient technical data for the addition of a new fuel to the list of alternative motor fuels above. New fuels must be substantially non-petroleum and must yield substantial energy security and environmental benefits. One type of fuel known as "P-series" has been approved through this process. Several other petitions are being evaluated by DOE. For more information e-mail fuel_petitions@afdc.nrel.gov or visit www.ott.doe.gov/epact.

Program Results

The EPAct regulatory programs have developed an annual demand for approximately 30,000 AFVs. Manufacturers are now making more than 30 different models of light-duty AFVs, up from just a handful at the time of EPAct's passage in 1992. Additionally, there has been tremendous growth in fuel availability, particularly for ethanol, biodiesel, and natural gas.

Numerous federal fleets are installing fueling stations that are not only available to their own fleet drivers but publicly available to the community. The number of inquiries regarding fuel petitions has grown as well, which demonstrates that people are starting to see the AFV and alternative fuel marketplace as a growing industry. Although making a substantial change in our nation's fuel/vehicle infrastructure is a huge task, the provisions of EPAct are providing the impetus for a new alternative fuel industry.

Information Sources

- Alternative Fuels Data Center
www.afdc.doe.gov
- DOE National Alternative Fuels Hotline
(800) 423-1363
hotline@afdc.nrel.gov
- EPAct Fleet Information and Regulations
www.ott.doe.gov/epact
- Fleet Buyer's Guide
www.fleets.doe.gov

What is EPAct?

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

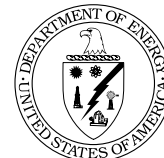
For more information, visit <http://www.ott.doe.gov/epact/>, or call the Regulatory Information Line at (202) 586-9171.

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

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-102001-1306
April 2001

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



Neither the United States government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States government or any agency thereof.