U.S. DOE Fleet Alternative Fuel Vehicle Acquisition Report for Fiscal Year 1999

April 22, 2000

Summary

This 1999 Department of Energy (DOE) Fleet Alternative Fuel Vehicle Acquisition Report provides data on the DOE's fleet acquisitions of alternative fuel vehicles (AFVs) for 1999, planned acquisitions for 2000, and projections for 2001. This report has been developed in accordance with Executive Order 13031 and the Energy Conservation Reauthorization Act of 1998 (Public Law 105-388). As shown in Figure 1, the Department exceeded the 75 percent AFV acquisition requirement, 434 vehicles, by acquiring 649 AFV credits in fiscal year 1999. Plans indicate a similar level of compliance for fiscal years 2000 and 2001 with acquisitions of 662 and 683 AFVs, respectively. Detailed vehicle acquisition tables are provided as appendices.

This report also contains a brief discussion of the difficulties encountered by the Department in funding the incremental cost of AFVs and tracking the quantity of alternative fuel purchased at commercial refueling stations. In addition to these issues, other Federal agency fleets attempting to acquire and use alternative fuel vehicles have encountered problems with obtaining information on available AFVs, ordering and receiving AFVs, and accessing alternative fuel refueling and support infrastructure. Agencies experiencing these problems will address them in their own agency AFV acquisition reports.

Background

This report has been developed in accordance with Executive Order 13031 and the Energy Conservation Reauthorization Act of 1998 (Public Law 105-388). Executive Order 13031, published December 17, 1999, requires each Federal agency to prepare and submit plans for acquiring alternative fuel vehicles in percentages specified by the Energy Policy Act of 1992 (EPAct), 42 U.S.C. 13211-13219, and to use alternative fuel in all vehicles capable of running on them whenever practical. EPAct requires that 75 percent of all covered vehicles acquired for Federal fleets in fiscal year 1999 and beyond must be alternative fuel vehicles. These requirements generally apply to fleets of 20 or more vehicles that are capable of being centrally fueled and are operated in a metropolitan statistical area with a population of more than 250,000 based on the 1980 census. For security and safety reasons, certain emergency, law enforcement, and national defense vehicles are exempt from these requirements. Executive Order 13031 instructs each Federal agency to report to the Office of Management and Budget on the number of AFV acquisitions and inventory in their fleet and the agency's alternative fuel use. These reports are to be submitted annually with agency budgets. Executive Order 13031 specifies that each agency is required to fund the incremental costs for AFVs within its own budget and is not exempt in the case of limited appropriations. The Energy Conservation and Reauthorization Act of 1998 amended EPAct to allow one alternative fuel vehicle acquisition credit for every 450 gallons of pure biodiesel fuel consumed in vehicles over 8,500 lbs. gross vehicle weight rating. Fleets are only allowed to use these credits to fulfill up to 50 percent of its EPAct requirements. In addition, the Act requires the head of each Federal Agency to prepare and submit a report outlining the Federal agency's alternative fuel vehicle acquisitions and future plans to Congress by January 1 of each year.

DOE Fleet AFV Acquisitions for 1999

As shown in Figure 1, in 1999, DOE's fleet exceeded the AFV acquisition requirements for Federal fleets set forth in EPAct by 50 percent. DOE fleets acquired 615 AFVs and 34 credits for acquiring electric vehicles for a total of 649 AFV credits compared to the EPAct requirement of 434 AFVs. This 434 AFV requirement represents 75 percent of the DOE's 579 covered vehicle acquisitions. Attachment A provides detailed information on the number and types of light-duty vehicles leased and purchased from the General Services Administration (GSA) by Departmental fleets in fiscal year 1999, the total number of light-duty vehicle acquisitions in 1999 was 1,383 vehicles. Of these, 35 were exempt for being in fleets of less than 20 vehicles; 621 for being in fleets outside covered metropolitan statistical areas; 119 for being law enforcement vehicles; and 29 for operating outside metropolitan statistical areas for extended periods of time. These exemptions left 579 vehicles considered EPAct covered acquisitions for DOE fleets in 1999. The exemplary performance of several large fleets was key to DOE's success in exceeding the AFV acquisition mandates set forth in EPAct. *Note:* Due to difficulties in obtaining accurate fleet inventory information, the number of acquisitions may be higher than the total number of vehicles reported. Table 1 illustrates the performance of fleets at Los Alamos National Laboratory, the Nevada Test Site, Lawrence Livermore National Laboratory, and Savannah River.

Figure 1: Summary of DOE AFV Acquisitions

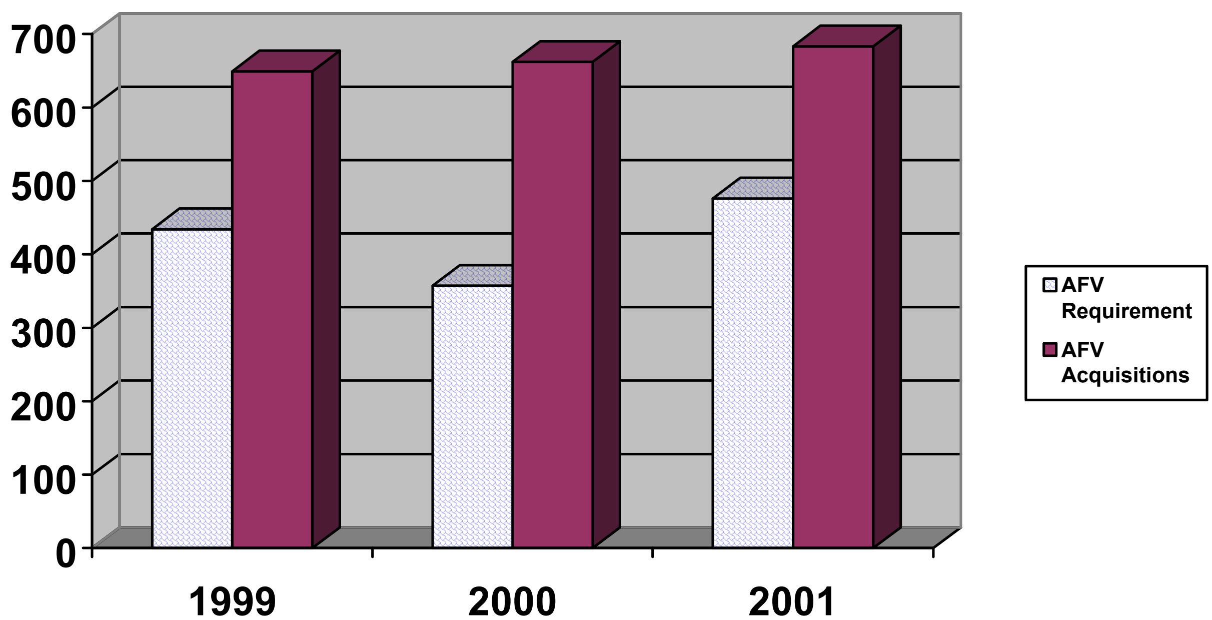

Table 1: DOE Fleets Exhibiting Exemplary Acquisition of AFVs in 1999

			Total AFV Acquisitions including Credits
			130
			69
			83
			164

Table 2 presents the fuel usage data for the Departmental fleets in fiscal year 1999. Unfortunately, the information is not complete due to difficulties that arose this year in accurately determining alternative fuel use. Most vehicles acquired by DOE and other Federal fleets are leased from GSA with all maintenance and fuel costs for the vehicle included in the lease. In order to pay for fuel, fleets utilize a GSA credit card. Unfortunately, product code standards are not uniform among fuel suppliers for alternative fuels, such as ethanol (E-85), making it impossible for credit vendors to track and gauge the purchase of alternative fuels by fleets. Natural gas, however, is predominantly dispensed at local utility owned fueling sites and fleets are able to track usage by contacting their local utility.

Table 2: DOE Fuel Usage in Fiscal Year 1999

		Unit
		Gallons
		Gallons @2,400 psi, 70 F
		Gallons
		Gallons*
		Gallons
		Gallons
		Gallons

Estimate based on incomplete data.

DOE's Fleet AFV Acquisitions for 2000 and 2001

Attachments B and C provide detailed vehicle acquisition and inventory information for the Department of Energy's fleets for fiscal years 2000 and 2001. *Note:* Due to difficulties in obtaining accurate fleet inventory information, the number of acquisitions may be higher than the total number of vehicles reported. In fiscal year 2000, DOE fleets are planning to acquire 662 AFVs, which will exceed EPAct requirements of 357 AFVs by 85 percent. For fiscal year 2001, projections are for DOE fleets to acquire 683 AFVs, which will exceed the EPAct requirements of 476 AFVs by 43 percent. DOE expects to maintain its leadership role in being in compliance for fleet acquisitions, and in setting standards for other agencies to follow.

AFV Acquisition and Use Issues

Federal agency fleets attempting to meet the requirements of the Energy Policy Act of 1992 continue to experience difficulty in the acquisition and use of AFVs. These issues include high incremental cost of certain AFV models, lack of available alternative fuel use data, poor distribution of information on available AFVs, difficulty ordering and receiving AFVs, and limited access to alternative fuel infrastructure and service in certain areas. The Department of Energy experiences the most problems with the high incremental cost and the lack of available alternative fuel use data.

The success of DOE fleets in acquiring AFVs was achieved despite the high incremental cost of many AFVs and the lack of specific appropriations to cover these costs. This is an especially difficult problem as fleets are required to pay the entire incremental cost of the vehicles within the first year of the lease as opposed to spreading it out over the life of the lease. To help ensure that Departmental fleets have the funding needed to continue to comply with the AFV acquisition mandates of EPAct, DOE is working with the General Services Administration (GSA) to establish a monthly surcharge on all vehicles leased by DOE fleets. The collected funds will be held in an account and used to pay the incremental cost of AFVs acquired in the subsequent fiscal year. This process is already being used for fleets at the Department of the Interior and the United States Army.

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