

Merit Review: EPAct Regulatory and Reporting Activities

Dana O'Hara
Vehicle Technologies Program
February 28, 2008

- Background
- Replacement Fuel Goal Modification
- Private and Local Government Fleet Determination
- EPA 2005 704/1831 Report to Congress
- Program Accomplishments
- Budget
- Plans for FY 2008-2009
- Summary
- Program Resources

Replacement Fuel Goal

- EPACK 1992 set a goal of 30% Replacement Fuel of project motor fuel use by 2010
- If the Goal is found to be unachievable, DOE must modify it by rule
- DOE found the goal to be unachievable (2006)
- Therefore, the goal had to be modified

- Replacement Fuels are defined as “the portion of any motor fuel that is methanol, ethanol, or other alcohols, natural gas, liquefied petroleum gas, hydrogen, coal derived liquid fuels, fuels other than alcohol) derived from biological materials, electricity (including electricity from solar energy), ethers or any other fuel the Secretary determines by rule is substantially non-petroleum and would yield substantial energy security benefits and substantial environmental benefits.

- Replacement fuels include:
 - Alternative Fuels (i.e. ethanol portion of E85)
 - Blends (i.e. the biodiesel portion of B20)
 - Oxygenates such as MTBE
 - Coal to Liquids
 - Hydrogen
 - Anything else that the Secretary designates by rule

- Practical and achievable
- Promote replacement fuels to maximum extent practicable
- Goal is a “production capability”
- Goal is of all motor fuels, not just gasoline
- Goal is based on projected motor fuel use
- DOE can modify date or percentage or both

- Short time-frame due to Court Order
- Least problematic to push goal out instead of reducing it
- Used existing analysis and figures
 - Annual Energy Outlook
 - GPRA projections for various DOE Programs
 - Other EE Reports
- Four different scenarios evaluated
- VISION model analysis of scenarios
- Middle/Moderate results selected

- New Goal is mainly ethanol, biodiesel, hydrogen, and coal-to-liquids
- Included efficiency gains from hybrids, diesels, and other FCVT technologies
- Four scenarios produced results of 9%; 18%; 35%; and 47%
- Published a new Goal of 30% of projected motor fuel production in 2030
 - Goal will be achieved without a Private and Local Government Fleet Mandate

- EPACT 1992 required DOE to determine if a P&L Fleet Rule was “necessary”
- If DOE determines that the Fleet Rule is necessary, DOE must issue an AFV acquisition regulation
- If the rule is not necessary then DOE can not issue such a fleet regulation.

- In order to make the necessity determination of the private and local fleets, DOE must determine:
 - The Replacement Fuel Goal, as modified, can not be achieved without a Private and Local Government Fleet Rule and;
 - The Replacement Fuel Goal is practical and achievable.

- Determination has to be based upon the Goal as modified
- The modified Goal was achievable without a P&L Fleet Mandate
- Therefore, the P&L Fleet Mandate is not “necessary”
- If the Private and Local Government Fleet were implemented it would have negligible impact on the modified Replacement Fuel Goal

- Modified Replacement Fuel Goal is a “production” capacity goal and is achievable without the P&L Rule
- P&L Fleet mandate is a LDV acquisition program
- The Department can not mandate fuel use on those fleets covered under such a program
- DOE estimates that fuel usage would only be 0.2% without a fuel usage requirement
- DOE estimates that if there was a fuel usage requirement the fuel usage, would be less than 1.0%
- Therefore, the Private and Local Government Fleet Mandate is not “necessary” and may not be implemented

- Schedule for publication on website by March 6, 2008
- Includes comments from:
 - Public Hearing
 - Oral Comments
 - Written Comments
 - Written comments
- DOE will respond to the comments in the final determination
- Final Determination is undergoing internal review and still pending

- Report to Congress (EPACT 2005, sec. 704/1831)
- Reviews status of current Title III, IV and V activities
- Identifies:
 - Development of alternative fuel technology
 - Availability of that technology in the market
 - Cost of AFVs
- Specific Topics include:
 - AFVs acquired by covered fleets
 - Quantity and type of fuel used by covered fleets
 - Quantity of fuel displaced by covered fleets

- Review of all EPACT 1992 Title III, IV, and V activities within Vehicle Technologies Program
- Includes EPACT 1992 section 501 Report on the implementation of the Fuel Provider Fleet AFV acquisition regulation
- Includes accomplishments of the various activities covered and impact on the AFV and AF markets
- Report is still undergoing internal review

- EPACT 1992 Replacement Fuel Goal Modification
 - Proposed Rule Completed September 6, 2006
 - Final Rule Completed March 6, 2007
- EPACT 1992 Private & Local Government Fleet Mandate Determination
 - Proposed Determination Completed September 6, 2007
- EPACT 2005 704/1831 Report to Congress
 - First Final Draft Completed - January 2007
 - Revised to include “Twenty in Ten” initiative – June 2007
 - Revised to include EISA 2007 – November 2007

Program Budget

2008 DOE Merit Review
EPA Act Regulatory
and Reporting Activities

- 2006: \$297,000*
- 2007: \$114,000
- 2008: \$350,000

* additional program funds provided above and beyond appropriations

- Private & Local Government Fleet Mandate Determination
 - Complete Final Determination by March 6, 2008
- EPACT 2005 704/1831 Report to Congress
 - Meeting with DAS on revisions
 - Complete by July 2008
- Other Congressional Reports
 - Start report development
 - Meetings to determine possible recommendations
 - Determine analytical requirements to support recommendations
 - Report Outline

- Replacement Fuel Goal Modification
 - Completed March 6, 2007
 - Sets a new Replacement Fuel Goal of 30% of all motors fuels by 2030
 - New goal is practical and achievable, but its not going to be easy
 - EISA 2007 makes the modified “Goal” more achievable
- Private and Local Government Fleet Determination
 - Proposed Determination completed September 6, 2007
 - Final Determination will be completed by March 6, 2008
 - If necessary, DOE must implement a regulation requiring covered fleets to procure light-duty AFVs
 - If not necessary, then DOE must make recommendations to Congress by rule within two years of such a determination.
 - Recommendations for increasing AFV and AF usage
 - Includes incentives and mandates
- 704/1831 Report to Congress
 - Undergoing internal review
 - Schedule for completion later this fiscal year

- Published Rules
 - Past Private and Local Government Determination
 - Replacement Fuel Goal Rules
 - Current Private and Local Government Determination
 - Future rules
 - Comments
- References listed in rules
 - Reports
 - Analyses
- Court Orders
- Reports

<http://www1.eere.energy.gov/vehiclesandfuels/epact/private/index.html>