

What's New: Fall 2005 Update

Plan Now for MY 2006 Acquisitions

Now is the time to start planning for model year (MY) 2006 vehicle purchases, and fleets will find several new options to choose from—specifically in the E85 flexible fuel vehicle (FFV) category.

Of the major automakers' vehicle line-ups, Ford Motor Company's has changed the most. For MY 2006, Ford added the flexible fuel Crown Victoria, Lincoln Town Car, and the Mercury Grand Marquis, which join the Taurus sedan in the large vehicle categories. The company's flex fuel Mercury Sable is no longer available. Also discontinued are the flex fuel Explorer and Explorer Sport Trac, which have been in production for four years. Filling the void left by the Explorer will be the F-150 FFV.

Fleets interested in these vehicles beware: Because their powertrains don't meet specific state emission standards, MY 2006 Ford FFVs are not available in California, New York, Massachusetts, Vermont, and Maine. Fleets in these states should look to the other automakers to fulfill their MY 2006 needs.

General Motors (GM) added two new FFVs for MY 2006: the Chevrolet Impala and Monte Carlo. These vehicles mark the company's first venture into the midsize and large FFV categories. Additionally, for the second year in a row, GM is the only American automaker to offer compressed natural gas (CNG) vehicles. Fleets can purchase the GMC Sierra and Chevrolet Silverado as dedicated CNG or bi-fuel CNG vehicles. Honda's CNG Civic GX is also available in MY 2006.

For MY 2006, DaimlerChrysler added the flexible fuel Dodge Durango—the company's first flexible fuel sport utility vehicle. The rest of DaimlerChrysler's line-up remains the same as MY 2005.

For a complete list of MY 2006 offerings, see Table 1.

(continued on next page)

Table 1. MY 2006 AFV Offerings*

Manufacturer	Model	Fuel
DaimlerChrysler	Chrysler Sebring	E85 FFV
	Dodge Stratus	E85 FFV
	Dodge Caravan/Grand Caravan	E85 FFV
	Dodge Ram 1500 Pickup	E85 FFV
	**Dodge Durango	E85 FFV
Ford	Taurus	E85 FFV
	**Crown Victoria	E85 FFV
	**Mercury Grand Marquis	E85 FFV
	**Lincoln Town Car	E85 FFV
	**F-150	E85 FFV
GM	**Chevrolet Impala	E85 FFV
	**Chevrolet Monte Carlo	E85 FFV
	Chevrolet Avalanche	E85 FFV
	Chevrolet Silverado	E85 FFV, CNG dedicated/bi-fuel
	Chevrolet Tahoe	E85 FFV
	Chevrolet Suburban	E85 FFV
	GMC Sierra	E85 FFV, CNG dedicated/bi-fuel
Honda	GMC Yukon/Yukon XL	E85 FFV
	Civic GX	CNG dedicated

* As of press time

** New for MY 2006



Keep in mind that each MY 2006 vehicle comes in a conventional fuel model. Therefore, when ordering MY 2006 vehicles, be sure to specify the alternative fuel, flexible fuel, or bi-fuel models. For more information on MY 2006 vehicles, visit the Vehicle Buyer's Guide for Fleets on the U.S. Department of Energy's (DOE) Clean Cities website (www.eere.energy.gov/cleancities/vbg/fleets).

President Signs New Energy Legislation

Signed by President Bush on August 8, the Energy Policy Act of 2005 does not change the way covered state and alternative fuel provider fleets will report their compliance data for MY 2005. In fact, covered fleets may not see alterations to EPCA until MY 2007 or later.

Changes to EPCA will be minimal. DOE is currently evaluating how state and alternative fuel provider fleets might use a waiver provision to reduce petroleum consumption in lieu of complying with the original alternative fuel vehicle (AFV) requirements.

The Department is also working on guidelines for a new vehicle exclusion for electric utility fleets. When the guidelines are ready, fleets will be notified and a Notice of Availability will be published in the *Federal Register*. Additional changes to EPCA include tax credits and incentives on AFV acquisitions and infrastructure development.

At this time, DOE is reviewing the new policy and considering how the new provisions will be implemented. Guidance on any changes to EPCA will be provided to fleets.

Stay in Compliance:

MY 2005 Reports Due December 31

Reporting season is upon us! Under EPCA Sections 490.205 and 490.309, covered state and alternative fuel provider fleets must submit their completed annual compliance reports to DOE no later than December 31, 2005. For more information on reporting requirements, visit the EPCA website (www.eere.energy.gov/vehiclesandfuels/epact/state/reporting.shtml).

Reporting Reminders

- Report only the biodiesel portion of biodiesel blends (see guidance at www.eere.energy.gov/vehiclesandfuels/epact/pdfs/biodiesel_guidance.pdf).
- Do not count hybrid or neighborhood electric vehicles as AFVs. EPCA doesn't recognize them as AFVs (see guidance at www.eere.energy.gov/vehiclesandfuels/epact/pdfs/0901_epact_advisory.pdf).
- Include the zip code for each vehicle's location.
- Submit annual report to DOE no later than December 31, 2005.

State-Enacted Regulations Promote Alternative Fuel Use in Fleets

To ensure fleets reap the energy-security, economic, and environmental benefits of AFVs, many state governments are instituting regulations that encourage or mandate the use of alternative fuels in state-run vehicles. Although EPCA doesn't require states to use alternative fuels in their AFVs, DOE encourages covered state fleets to do so.

Table 2 paraphrases several of the state-enacted regulations. Most of the provisions listed went into effect in the last two years. However, several have been in place for at least four years. The information presented in the table was gathered from the Renewable Fuels Association (www.ethanolrfa.org) and the AFDC (www.eere.energy.gov/afdc) websites. Both of these sites are reliable sources for alternative fuels-related legislation.

For more information, including links to the official regulations, visit the State & Federal Incentives & Laws section of the AFDC website (www.eere.energy.gov/afdc/laws/incen_laws.html).

Eric Draper, White House



President Bush signed the Energy Policy Act of 2005 into law on August 8.

Table 2. State Alternative Fuel Use Regulations*

State	Regulation	Date Instituted	Alternative Fuel Use Provisions
Indiana	HB 1032	2005	State vehicles are required to be fueled, when possible, with agriculture-based fuels such as biodiesel, ethanol, and gasohol.
	Executive Order (EO) 05-21	2005	State agencies are required to fuel their Indianapolis-based FFVs with E85 when possible.
Iowa	EO 41	2005	State agencies are required to operate FFVs on E85 when an E85 refueling facility is available. Agencies are also required to procure bulk diesel fuel containing at least 5% renewable content by 2007, 10% by 2008, and 20% by 2010 when suitable fuel is available, and to fuel diesel vehicles with biodiesel blends when blends are available.
Maryland	EO 01.01.2001.02	2001	State agencies are required to average 50% alternative fuel use in FFVs and bi-fuel AFVs.
Minnesota	Minnesota Statute 16C.135	2004	State fleets are required to use clean fuels when reasonably possible. Clean fuels include B20 or higher biodiesel blends, E70 or higher ethanol blends, CNG, liquefied natural gas, propane, and hydrogen.
	EO 04-08	2004	State agencies are required to reduce air pollution by implementing two or more actions, including refueling state-operated vehicles with the cleanest fuel available.
	EO 04-10	2004	The state is required to achieve a 25% (by 2010) and 50% (by 2015) reduction in state fleet gasoline use and a 10% (by 2010) and 25% (by 2015) reduction in state fleet petroleum-based diesel use (with 2005 fuel use as a baseline). State agencies are required to ensure that 75% of new on-road vehicles use clean fuels. Vehicles with high fuel economy also qualify.
Missouri	Missouri Revised Statutes 414.400	1998	Thirty percent of the fuel purchased annually for use in state fleet vehicles is required to be alternative fuel.
	Missouri Revised Statutes 414.365	2002	The Missouri Department of Transportation is required to fuel at least 75% of its diesel fleet and heavy equipment with B20 or higher biodiesel blends, if available.
Nevada	Nevada Administrative Code 486A.180	Revised 2004	State AFVs acquired in compliance with Nevada's ultra low emissions vehicle acquisition rule are required to use alternative fuel when available.
New York	EO 111	2001	State agencies and affected entities that operate medium- and heavy-duty vehicles are required to implement strategies to reduce petroleum consumption and emissions by using alternative fuels and improving vehicle fleet fuel efficiency.
North Carolina	Session Law 2005-413, General Statute § 143-58.5	2005	Creates a revolving fund to assist in paying the incremental purchase price of AFVs or alternative fuels, and provides a funding source for installation of alternative fuel infrastructure. Surplus EPA credits can be sold to other covered fleets, and the funds from those sales go into the revolving fund. The fund is administered by the State Energy Office, under regulations that will be adopted by the State Secretary of Administration.
Ohio	EO 2005-18T	2005	The Ohio Department of Transportation must use at least 1 million gallons of biodiesel and 30,000 gallons of ethanol per year and purchase only new cars that are able to run on both unleaded fuel and ethanol. This executive order is effective until Governor Taft's second term ends in January 2007.
Oklahoma	Oklahoma Statutes Section 74-130.3	Revised 2003	School and government vehicles are required to use alternative fuel when a refueling station is within a five-mile radius and the cost is competitive.
South Carolina	EO 2001-35	2001	State agencies operating AFVs are required to use alternative fuels in those vehicles.
Wisconsin	Wisconsin Statutes 16.045	Revised 2005	All state employees are required to use alternative fuel for all state-owned or state-leased motor vehicles when possible.

* Table offers a sampling of state regulations.

E85 Fleet Toolkit Popular with Fleets and Consumers

In the wake of rising gasoline prices and war in the Middle East, more and more fleets are turning to E85 to displace petroleum and fill their tanks for less. Many are turning to the E85 Fleet Toolkit for help.

According to website statistics, the E85 Fleet Toolkit is one of the top 10 most visited sections on DOE's AFDC website.

Launched in March 2005, the toolkit walks users through the process of developing E85 fueling infrastructure. Subjects covered include fueling equipment, processes for building new stations, and procedures for converting equipment to be E85 compatible.

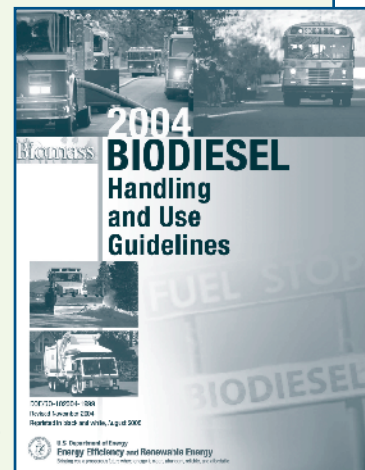
The most visited sections of the site, however, are those that cover the basics on E85 fuel and vehicles. These areas detail fuel properties, vehicle specifications, and station availability, and link to currently available FFVs. Also popular is a bulletin board fleet managers can use to post and answer questions. According to Tim Gerlach, a site monitor at the American Lung Association of Minnesota, traffic on the bulletin board is heavier than expected and communication between users is lively and spirited.

Developed by the National Renewable Energy Laboratory (NREL) for DOE, the E85 Fleet Toolkit provides a one-stop shop for E85 infrastructure information. It is the only tool of its kind available on the web.

Check it out for yourself at www.eere.energy.gov/afdc/e85toolkit.

Guide Offers ABCs of Biodiesel

Biodiesel Handling and Use Guidelines is a must for fleets interested in using or learning about biodiesel in heavy-duty fleet vehicles. Produced by NREL for DOE, this comprehensive, 60-page booklet covers everything fleets need to know about using, blending, and distributing biodiesel. It starts with the basics, explaining regulations, benefits, and drawbacks, and moves into detailed



descriptions of biodiesel when it stands alone and is mixed as blends. Also covered is information on warranties; taxes and incentives; and safety, health, and environmental issues.

The *Biodiesel Handling and Use Guidelines* is available online at www.nrel.gov/docs/fy05osti/36182.pdf.

What Is EPAct?

The Energy Policy Act of 1992 (EPAct) was passed by Congress to reduce the nation's dependence on imported petroleum. Provisions of EPAct 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.

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