

Energy Efficiency & Renewable Energy



Guidance: Requirements for Installing Renewable Fuel Pumps at Federal Fleet Fueling Centers under EISA Section 246

Federal Fleet Program Federal Energy Management Program U.S. Department of Energy

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Introduction

On December 19, 2007, the Energy Independence and Security Act of 2007 (EISA) was signed into law as Public Law 110-140. Section 246(a) of EISA directs Federal agencies to install at least one renewable fuel pump at each Federal fleet fueling center under their jurisdiction by January 1, 2010 (42 U.S.C. 17503(a)). Section 246(b) requires the President to submit an annual report to Congress on Federal agency progress in meeting this renewable fuel pump installation mandate (42 U.S.C. 17053(b)).

The purpose of this document is to provide guidelines to help agencies understand these requirements and how to comply with EISA Section 246. This document will be made available at the following website: <u>www.femp.energy.gov/program/fedfleet_requirements.html.</u>

Definitions

Federal agency. A "Federal agency," for purposes of EISA Section 246, includes those agencies covered by the alternative fuel vehicle (AFV) acquisition requirements under Title III of the Energy Policy Act of 1992 (EPAct 1992; see 42 U.S.C. 13212(f)(1)(A)). These agencies include any Federal executive department, military department, Federal Government corporation, independent establishment, executive agency, the United States Postal Service, the Congress, the courts of the United States, or the Executive Office of the President that operates a Federal fleet.

Renewable fuel pump. A "renewable fuel pump" is a device that delivers renewable fuel (including electricity) to Federal vehicles.

Renewable fuel. For the purpose of this guidance, "renewable fuel" is defined as fuel that is:

- At least 85% ethanol (E85)
- A mixture of biodiesel and diesel or renewable diesel fuel (as that term is defined under section 211(o) of the Clean Air Act), containing at least 20% biodiesel (B20) or renewable diesel¹
- Electricity derived from a renewable source of energy (e.g., solar or wind-generated electricity) or non-renewably generated electricity if renewable energy credits (RECs) equal to or greater than the electricity used are purchased—see below for further guidance.

Federal fleet. The term "Federal fleet" means 20 or more light-duty motor vehicles, located in a metropolitan statistical area (MSA) or consolidated metropolitan statistical area (CMSA), as established by the Bureau of the Census, with a 1980 population of more than 250,000, that are centrally fueled or capable of being centrally fueled and are owned, operated, leased, or otherwise controlled by or assigned to any Federal executive department, military department, Government corporation, independent establishment, or executive agency, the United States Postal Service, the Congress, the courts of the United States, or the Executive Office of the President. Such term does not include:

- Motor vehicles held for lease or rental to the general public
- Motor vehicles used for motor vehicle manufacturer product evaluations or tests
- Law enforcement vehicles
- Emergency vehicles

¹ Drawn from the EISA Sec. 241 definition for renewable fuel.

- Motor vehicles acquired and used for military purposes that the Secretary of Defense has certified to the Secretary must be exempt for national security reasons
- Nonroad vehicles, including farm and construction vehicles.

Federal fleet fueling center. EISA Section 246 does not define "Federal fleet fueling center." For the purpose of the renewable fuel pump installation requirement, "Federal fleet fueling center" is defined as an existing Federally owned or contracted refueling site that is located on Federal property and primarily used to fuel Federal fleets—including those operating on appropriated or working capital funds—and that dispenses gasoline, diesel, and/or alternative fuels. Excluded from the definition of "Federal fleet fueling center" are refueling centers with a fuel turnover rate of less than 100,000 gallons per year of at least one fuel type. EISA Section 246 specifies that the renewable fuel pump installation requirements do not apply to any U.S. Department of Defense (DoD) refueling center with a fuel turnover rate of less than 100,000 gallons per year of at least one fuel statute is silent as to whether a turnover rate threshold applies to fueling centers of other agencies. For the reasons provided below, the U.S. Department of Energy (DOE) interprets this minimum threshold definition of 100,000 gallons as applying to all Federal agencies, and not just DoD refueling centers.

General Guidance

Section 246 of EISA requires the installation of renewable fuel pumps, providing access to renewable fuel at Federal fleet fueling centers. As such, if a Federal fleet fueling center does not currently have a renewable fuel pump, or a renewable fuel pump is not readily accessible to a Federal fleet that uses an existing Federal fleet fueling center,² a renewable fuel pump must be installed by January 1, 2010.

Federal Fleet Fueling Centers Subject to the EISA Section 246 Requirements

EISA Section 246 applies to the same agencies and fleets that are currently subject to the AFV acquisition requirements of EPAct 1992. EISA Section 246 requirements only apply to Federal fueling centers located in the United States that meet all of the following criteria:

- **Provides central refueling of Federal fleets.** EISA Section 246 only applies to existing Federally owned or contracted refueling sites located in an MSA or CMSA where Federal fleets of 20 or more light-duty vehicles (LDVs) are centrally refueled. Fueling centers not located in a covered MSA or CMSA are exempt from these requirements. Vehicles heavier than 8,500 pounds gross vehicle weight rating (GVWR) and law enforcement, emergency, and military tactical vehicles are not counted in the size of the fleet served by the fueling center.
- Achieves 100,000 gallons or greater annual fuel turnover rate. EISA Section 246 specifies that renewable fuel pump installation requirements do not apply to any DoD refueling center with a "fuel turnover rate of less than 100,000 gallons of fuel per year." As indicated above, DOE has excluded from the definition of Federal fleet fueling center, any center with a fuel turnover rate of less than 100,000 gallons of fuel per year. DOE has determined that this minimum threshold should apply to all Federal agencies because at levels below this threshold:

² Agencies are not required to install renewable fuel pumps at Federal fleet fueling centers where fleets already have access to renewable fuel, including access through publically available infrastructure. Requiring duplicative renewable fuel pumps would not increase the number of AFVs having access to alternative fuel, and is therefore not cost effective. Additionally, excluding consideration of publically available infrastructure would be counterproductive to other ongoing efforts encouraging the private sector to develop renewable fuel infrastructure near Federal fleets that do not have access to renewable fuel.

- Installation of renewable fuel infrastructure is not cost effective and cannot justify a private sector investment
- Cost-effective procurement of alternative fuel cannot be ensured
- Product quality deteriorates
- Seasonal fuel specification changes cannot be met.

For these reasons, EISA Section 246 applies only to existing Federally owned or contracted refueling sites with an annual fuel turnover rate of 100,000 gallons or greater of one conventional fuel type (i.e., gasoline or diesel).

- Lacks an existing renewable fuel pump on site. Federal fleet fueling centers with existing renewable pumps already meet the EISA Section 246 requirements.
- Lacks a local renewable fueling source. Agencies are not required to install a renewable pump at Federal fleet fueling centers in locations where renewable fuel is reasonably available at a nearby retail station (or other accessible fueling center). The criteria for availability of renewable fuel are the same as applicable to Section 701 of EPAct 2005—alternative fuel is reasonably available if it can be obtained within a 15-minute drive or within five miles (one way) from the Federal fleet fueling center.³

At Federal fleet fueling centers that are not subject to EISA Section 246 requirements, Federal agencies are encouraged to install renewable fuel infrastructure when practical and/or cost effective. For example, converting existing gasoline or diesel infrastructure to renewable fuels may be more cost effective than installing new renewable fuel infrastructure. Additionally, skid-mounted turnkey fueling stations are available that can cost-effectively refuel smaller fleets.

Renewable Fuel Pump Installation Requirements

By January 1, 2010, Federal agencies must have installed at least one renewable fuel pump at each Federal fleet fueling center under their jurisdiction subject to the EISA Section 246 requirement. At these fueling centers, agencies must install either an **E85 refueling pump, biodiesel (B20 or great-er) refueling pump, or electric charging station.**

Electricity as a Renewable Fuel

Agencies may satisfy EISA 246 requirements by installing an electric recharging station at Federal fleet fueling centers, provided the following:

• The electricity used to charge the vehicle(s) is from a renewable source (wind or solar-generated, for example), or agencies have purchased RECs equal to or greater than the amount of electricity used to charge the vehicles at the fueling center. Agencies must certify the purchase of RECs in their annual EISA Section 246 data supplied to DOE, and the RECs must be purchased specifically for meeting EISA Section 246 renewable fuel pump installation requirements. In other words, there can be no double-counting of REC purchases—the REC purchases that cover the electricity used to charge vehicles can be counted as meeting EISA Section 246 requirements only if it is not counted toward meeting other mandates as well. REC purchases that exceed vehicle electricity use may be counted toward meeting other mandates.

³ For more information please refer to Section 6.6 of the Comprehensive Federal Fleet Management Handbook, found at <u>www.femp.energy.gov/pdfs/eo13514_fleethandbook.pdf.</u>

• The electric charging station and/or the vehicles being charged have a metering device that measures the amount of electricity used to charge the vehicles, and this data is recorded and maintained by the agency and provided to DOE as part of the annual EISA Section 246 submission process.

Annual Reporting Requirements

Not later than June 30 of each calendar year or by a date established and promulgated by DOE, Federal agencies subject to EISA Section 246 requirements are to submit data on Federal fleet fueling centers that are within their jurisdiction via the Federal Automotive Statistical Tool (FAST). Agencies must complete all fields, including the Federal fleet fueling center name, its location, and amounts of fuels dispensed by type. *Note that Federal agencies must report fuel use at all Federal fleet fueling centers regardless of the volume of fuel used annually*, but are only required to install renewable fuel pumps at fueling centers meeting the above criteria. Each year, DOE will compile this information on the status of agency performance in complying with the renewable fuel pump installation requirements.

Implementation

First, each Federal agency should identify the locations of all fueling centers that meet the definition of Federal fleet fueling centers under their jurisdiction. These fueling centers will be required to install at least one renewable fuel pump by January 1, 2010, consistent with this guidance. Note that new infrastructure installed to meet this requirement need not be colocated with existing fueling centers, but must be accessible to those vehicles that would have otherwise accessed the original fueling station.

Install Renewable Fuel Pumps

- 1. **Determine renewable fuel pump requirements for each site.** Agencies should determine the most appropriate renewable fuel type for each Federal fleet fueling center lacking a renewable fuel pump, or lacking access to a renewable fuel pump. This determination should be made based upon existing and planned fleet characteristics, including those contained in agencies' EISA Section 142 plans.
- 2. Consider and address installation and operation issues. After selecting the renewable fuel type(s), the agency should assess the equipment, supply, storage, operational, and maintenance requirements to ensure operation of installation. Agencies should evaluate the compatibility of existing refueling infrastructure for the renewable fuel, and determine whether new infrastructure is required. For example, many metal and fiberglass tanks that meet U.S. Environmental Protection Agency (EPA) code (December 1998) may be compatible with E85 once cleaned.
- 3. **Procure renewable fuel.** Federal agencies should consider procuring renewable fuel either through the Defense Energy Support Center (DESC) or directly from ethanol or biodiesel suppliers. By consolidating requirements for DoD and other Federal agencies, DESC often may be the lowest cost provider of renewable fuel. For renewable electricity, agencies must either ensure electricity is generated solely from a renewable source, or purchase RECs equal to or greater than the amount of electricity used to charge the vehicles at the fueling center.

Frequently Asked Questions, Clarifications, and Special Cases

During the development of this guidance document, Federal fleet managers, Federal agency representatives, and other stakeholders raised questions about EISA Section 246 requirements and implementation. The following section addresses those questions.

What if my agency already has a renewable fuel pump installed at a Federal fleet fueling center? Does my agency need to install another one? No.

Funding for infrastructure for my agency has already been obligated. Am I still required to install renewable fuel pumps? Congress directed agencies to accomplish EISA Section 246 requirements by January 1, 2010.

Does "Federal fleet fueling center" include locations and/or vehicles not normally associated with fleets? No. "Federal fleet fueling centers" apply only to Federal fueling centers that service Federal fleets of vehicles.

What if my agency does not have any vehicles that use alternative fuel located at a specific Federal fleet fueling center? Does my agency still need to install a renewable fuel pump? Yes. Agencies can transfer AFVs from other sites to this fueling center, and should begin acquiring AFVs as part of the normal annual vehicle acquisition process.

What if my fleets have access to renewable fuel at a Federal fleet fueling center close to but separate from my center? Is my agency required to install a renewable fuel pump? No, as long as your fleet has access to that site. Provide such information in the "Plans for Renewable Pumps" column in the FAST EISA Section 246 data form.

What if my fleets have access to renewable fuel at a nearby retail site? Is my agency required to install a renewable fuel pump? No, but agencies must use the renewable fuel located at the retail station. Provide such information in the "Plans for Renewable Pumps" column in the FAST EISA Section 246 data form. If the retail renewable pump ceases to be operational, an agency would be required to install a renewable fuel pump at their fueling center. If the retail site provides E85, the agency is required to refuel all of its E85 flexible-fuel vehicles with E85 at that station (per EPAct 2005 Section 701). If the retail site provides biodiesel, the agency should, to the maximum extent possible, refuel all of its diesel vehicles with biodiesel at that station. Additionally, DOE would not expect to see any EPAct Section 701 waiver requests for vehicles associated with this Federal fleet fueling center. In other words, it is not appropriate for an agency to avoid the installation of a renewable fuel pump because of proximity to a retail renewable pump, and then submit waiver requests not to use the renewable fuel at that same retail location.

Are fuel tank sizes required as part of the FAST EISA Section 246 data form? No.

What if my agency's data is submitted later than the submission deadline identified by DOE? DOE will attempt to accommodate late submissions, but may not be able to do so. Agencies failing to submit EISA Section 246 data by the required deadline run the risk of being identified as such an agency in status report to Congress. Agencies that cannot meet the deadline should advise DOE as soon as possible.

Appendix: EISA Section 246 Language

Sec. 246—Federal Fleet Fueling Centers

(a) In general—Not later than January 1, 2010, the head of each Federal agency shall install at least one renewable fuel pump at each Federal fleet fueling center in the United States under the jurisdiction of the head of the Federal agency.

(b) Report—Not later than October 31 of the first calendar year beginning after the date of the enactment of this Act, and each October 31 thereafter, the President shall submit to Congress a report that describes the progress toward complying with subsection (a), including identifying:

- 1. The number of Federal fleet fueling centers that contain at least one renewable fuel pump
- 2. The number of Federal fleet fueling centers that do not contain any renewable fuel pumps.

(c) Department of Defense facility—This section shall not apply to a DoD fueling center with a fuel turnover rate of less than 100,000 gallons of fuel per year.

(d) Authorization of appropriations—There are authorized to be appropriated such sums as are necessary to carry out this section.

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