Webinar: Final Rule on Electric Drive Vehicles and Infrastructure

Alternative Fuel Transportation Program

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Agenda

• Regulatory Background
• Alternative Fuel Vehicles
• Credit Allocations Under New Rule
  o Vehicles
  o Investments
• Other Program Modifications
• Summary
• Contact Information
Program Background

  o Promote alternative fuel (AF) use to maximum extent practicable
  o Requires certain state government and alternative fuel provider fleets to acquire light-duty alternative fuel vehicles (AFVs)

• Current Annual AFV-Acquisition Requirements
  o State fleets = 75% of annual non-excluded light-duty vehicle (LDV) acquisitions
  o Alternative fuel provider fleets = 90% of annual non-excluded LDV acquisitions

• AF Use
  o Alternative fuel providers must use AF when an AFV is operating in an area where the AF is available
Compliance Methods

• **Standard Compliance (SC)**
  - Acquire light-duty AFVs
  - Biodiesel use – achieve up to 50% of annual AFV-acquisition requirements
  - Exemptions – granted as administrative relief if vehicle or AF not available

• **State Plan**
  - State may submit plan to include AFV acquisitions in partnered fleets

• **Alternative Compliance (AC)**
  - Fleets submit plans to reduce petroleum use equal to amount used if fully compliant and all AFVs used AF
New Rule

• Section 133 of the Energy Independence and Security Act of 2007 (EISA)

  - Directed U.S. Department of Energy (DOE) to allocate AFV credit under the Alternative Fuel Transportation Program (AFTP or Program) for:

    ▪ Acquisition of certain electric drive vehicles
    ▪ Investments in:
      - Qualified AF infrastructure
      - Qualified AF non-road equipment
      - Emerging technology relating to electric drive vehicles
Vehicle Credit Allocations – AFVs

• AFVs are:
  o Dedicated vehicles
    ▪ Operate solely on one or more AFs
  o Dual fueled vehicles
    ▪ Capable of operating on AF and on gasoline/diesel
    ▪ Key: NHTSA makes this determination based on EPA test
  o AFVs receive 1 credit

• All other vehicles are not AFVs
Credit Allocations – Non-AFV Hybrids

- Hybrid electric vehicles that are neither dedicated vehicles nor dual fueled vehicles
  - Classified as hybrid vehicles under the Program
  - These non-AFV hybrids are allocated ½ AFV credit
Vehicle Credit Allocation Tree

- Is it a dedicated vehicle (operates solely on AF)?
  - Yes: Already an AFV = 1 credit, under existing Program
  - No: Is it a dual fueled vehicle (meets NHTSA criteria)?
    - Yes: Non-AFV hybrid = ½ credit, under EISA 133
    - No: Is it a hybrid vehicle?
      - Yes: All credits under EISA 133 apply for model year (MY) 2014 and forward
      - No: No credit
Neighborhood Electric Vehicles (NEVs)

- ¼ AFV credit
- Not considered “motor vehicles” under EPAct 1992 – do **not** count as LDV acquisitions
- Credit for NEVs acquired in MY 2014 and forward
Medium- and Heavy-Duty Electric Vehicles (EVs)

- Battery EVs and PHEVs = AFVs
- Other hybrid MD/HD vehicles that are not AFVs → ½ AFV credit
- *Not* counted as vehicle acquisitions
- Credit earned *only after* fleet meets its light-duty AFV-acquisition requirements
Investment Credit Allocations

• Alternative Fuel Infrastructure
  
  o AF stations
  
  o Charging or battery exchange stations
    ▪ Excludes 120V electrical outlets (i.e., basic wall outlets)
  
  o 1 AFV credit for every $25,000 invested
    ▪ Maximum per MY
    ▪ Credit for infrastructure owned/operated by others
    ▪ Seek credit in MY infrastructure put into operation
  
  o Credit for investments in MY 2014 and forward
Investment Credit Allocations (cont’d)

• Alternative Fuel Non-Road Equipment
  o Mobile non-road equipment
  o Must operate on AF
  o 1 AFV credit for every $25,000 invested
    ▪ Maximum per MY
    ▪ Seek credit in MY equipment put into operation
  o Credit for investments in MY 2014 and forward
• Emerging Technology
  o Pre-production/pre-commercial versions of electric drive vehicles
  o 2 AFV credits for first $50,000 invested, 1 AFV credit for each additional $25,000 invested
    ▪ Maximum per MY
    ▪ If investment credit is sought, cannot also count as AFV acquisitions
  o Seek credit in MY technology put into operation, for investments in MY 2014 and forward
Credit Allocations

• General Concepts
  
  o Aggregation of investment amounts

    ▪ No fractional credits in any investment category **but** may aggregate sums invested in different categories

    o Invest $10,000 in private AF station and $15,000 in AF non-road equipment – aggregate these ($25k) to earn 1 AFV credit

    ▪ May not aggregate funds from a category if already earned maximum AFV credits in MY for that category
Credit Allocations (cont’d)

• General Concepts (cont’d)
  o Multi-year investments
    ▪ Investments may span more than one MY
  o Rounding of credit total
    ▪ Total your credits earned, including all fractional credits, and round to nearest whole number
Other Program Modifications

• Credit Activity Reporting Under SC
  
  o Must seek AFV credit through annual credit activity report (CAR)
    
    ▪ Fulfilled via your annual report
    ▪ Annual report form and online reporting system incorporates CAR

  o Webinars for updated annual reporting compliance tool
Other Program Modifications (cont’d)

• Exemption Process Under SC

  o Timing

    ▪ Revisions reflect existing exemption process
      o Submit exemption request after annual report filed
      o No earlier than September 1
      o No later than January 31 following MY for which exemption is sought

    ▪ 30 days to respond to a DOE request for additional information

    ▪ If annual report shows AFV-acquisition deficiency, fleet must indicate in its report if it intends to submit an exemption request
Other Program Modifications (cont’d)

• Exemption Process Under SC (cont’d)

  o Non-AFV hybrid vehicles

    ▪ Widely available

    ▪ Must indicate if at least 50% of annual AFV-acquisition requirements were met through non-AFV hybrid acquisitions

    ▪ Unless demonstrate non-availability of non-AFV hybrids in the type/model fleet needed, number of exemptions DOE grants will be limited based on shortfall in these acquisitions
Other Program Modifications (cont’d)

• AC
  
  o Single AC plan application deadline
    ▪ July 31
    ▪ Intent deadline remains March 31

  o Clarification of regulatory provisions on the rollover/use of excess petroleum reductions

  o If fleet’s AC waiver is revoked, no exemptions available when fleet is returned to SC
Summary

- Regulatory Program focused on LDVs
- AFVs earn 1 credit
- Credit Allocations Under New Rule, for MY 2014 and forward
  - Hybrid vehicles earn $\frac{1}{2}$ credit
  - NEVs earn $\frac{1}{4}$ credit
  - MD/HD vehicles earn 1 credit if an AFV, $\frac{1}{2}$ if hybrid
  - Investments earn credits by monetary threshold with maximum per MY
  - Aggregation, multi-year investments, and rounding
- Other Program Modifications
- Webinars for updated annual reporting compliance tool
### Credit Allocations Under the 133 Final Rule

<table>
<thead>
<tr>
<th>Credit Category</th>
<th>Credit Allotment</th>
<th>Limitations/Other</th>
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<tbody>
<tr>
<td>HEV</td>
<td>½ credit</td>
<td></td>
</tr>
<tr>
<td>PHEV</td>
<td>½ credit</td>
<td></td>
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<tr>
<td>FCEV</td>
<td>½ credit</td>
<td></td>
</tr>
<tr>
<td>NEV</td>
<td>¼ credit</td>
<td>Not included in covered LDV count</td>
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<tr>
<td>Medium- or heavy-duty HEV</td>
<td>½ credit</td>
<td>Not included in covered LDV count</td>
</tr>
<tr>
<td>Alternative Fuel Infrastructure</td>
<td>1 credit per $25,000 invested*</td>
<td>Maximum of 5 credits if private infrastructure, 10 credits if publicly accessible infrastructure; credit allocated in model year placed into operation</td>
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<tr>
<td>Alternative Fuel Non-Road Equipment</td>
<td>1 credit per $25,000 invested*</td>
<td>Maximum of 5 credits per fleet per model year</td>
</tr>
<tr>
<td>Emerging Technology</td>
<td>2 credits for initial $50,000 invested and 1 credit per $25,000 thereafter, or 1 credit per pre-production vehicle*</td>
<td>Maximum of 5 credits if counting based on amount invested, per fleet per model year</td>
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* Aggregation of dollar amounts allowed
More Information


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