

# Commercially Available Hybrid Electric, Low-Speed Vehicles Not Eligible for EPart Credit under Standard Compliance

Revised September 2009

The U.S. Department of Energy (DOE) has received inquiries from fleet representatives about the eligibility of light-duty hybrid electric and low-speed vehicles (LSVs) for alternative fuel vehicle acquisition credits under the Energy Policy Act's (EPA Act's) Alternative Fuel Transportation Program (10 C.F.R. Part 490).

At this time, commercially available models of these vehicles are ineligible to earn credits under the program's Standard Compliance option. They may, however, be used as part of an Alternative Compliance strategy (established under EPA Act 2005) for complying with the EPA Act state and fuel provider fleet requirements. Changes to any credits the program may allot to hybrid electric vehicles (HEVs) pursuant to the Energy Independence and Security Act of 2007 are to be applicable no earlier than model year 2010.

## Hybrid Electric Vehicles

According to 10 C.F.R. §490.2, an HEV:

- Has an energy conversion unit, such as a combustion engine or fuel cell
- Has an energy storage device, such as a battery or ultracapacitor
- Is primarily powered by an electric motor.

Commercially available HEVs, such as the Toyota Prius, Honda Civic Hybrid, and Ford Escape Hybrid—although beneficial in their energy-efficient design—do not meet these legislatively imposed criteria because they are not primarily powered by an electric motor.

Although acquisition of HEVs does not earn a fleet credits under the Alternative Fuel Transportation Program's Standard Compliance option, DOE supports and encourages the use of HEVs as part of a compliance strategy under the Alternative Compliance approach to complying with EPA Act state and fuel provider fleet requirements. DOE also encourages the voluntary use of HEVs (for the portion of a fleet's acquisitions that do not need to be alternative fuel vehicles) because they are typically more energy-efficient than the vehicles they replace.

## Low-Speed Vehicles

LSVs, such as Neighborhood Electric Vehicles (NEVs), do not meet the requirements of the Alternative Fuel Transportation Program and are ineligible for credits under Standard Compliance. LSVs, which can reach speeds up to 25 mph, fall short of the program's definition of vehicles eligible for credits (10 C.F.R. §490.2). Nonetheless, LSVs and NEVs do not count as light-duty vehicle acquisitions under Standard Compliance and, therefore, may reduce a fleet's alternative fuel vehicle acquisition requirements if they replace a covered light-duty vehicle.

DOE supports and encourages the voluntary use of NEVs because they do not consume petroleum.

## Energy Independence and Security Act of 2007

Section 133 of the Energy Independence and Security Act calls for DOE to revise the allocation of marketable credits under Standard Compliance for the Alternative Fuel Transportation Program to include specific types of electric drive vehicles, including HEVs and LSVs/NEVs. DOE expects to promulgate a rulemaking implementing the provisions of Section 133, which would be effective for model year 2010.