

Department of Veterans Affairs (VA)

Fleet Alternative Fuel Vehicles (AFVs) Program Report for Fiscal Year 2005

This VA AFVs Program Report for Fiscal Year (FY) 2005 presents the Department's data on the number of alternative fuel vehicles acquired in FY 2005, and its planned acquisitions and projections for FY 2006 and FY 2007. The report has been developed in accordance with the Energy Policy Act of 1992 (EPAAct) (42 U.S.C. 13211-13219) as amended by the Energy Conservation Reauthorization Act of 1998 (ECRA) (Public Law 105-388), and recently EPAAct of 2005, and Executive Order (E.O.) 13149 (signed by the President in April 2000). Detailed vehicle acquisition tables generated by the Federal Automotive Statistical Tool (FAST) are shown in the appendices to this report.

Legislative Requirements

The number of vehicles defined as "EPAAct covered vehicles" is defined as follows: EPAAct requires that 75 percent of all covered light-duty vehicles acquired for Federal fleets in FY 1999 and beyond must be AFVs [where the fleets have 20 or more vehicles, are capable of being centrally fueled, and are operated in a Metropolitan Statistical Area (MSA) with a population of more than 250,000 based on the 1980 census]. Certain emergency, law enforcement, and national defense vehicles are exempt from these requirements. The EPAAct also sets a goal of using replacement fuels to displace at least 30 percent of the projected consumption of motor fuel in the United States by the year 2010. The ECRA of 1998 amended the EPAAct to allow one alternative fuel vehicle acquisition credit for every 450 gallons of pure biodiesel fuel consumed in vehicles over 8,500 pounds gross vehicle weight rating. "Biodiesel credits" may fulfill up to 50 percent of an agency's EPAAct requirements. The head of each Federal agency must also prepare and submit a report to Congress outlining the agency's AFV acquisitions and future plans by February 15 each year (EPAAct 2005 Section 705). Executive Order 13149 directs Federal agencies operating a fleet of 20 or more vehicles within the United States to reduce their annual petroleum consumption by at least 20 percent by the end of FY 2005 (compared to FY 1999 levels) by using alternative fuels in AFVs more than 50 percent of the time, improving the average fuel economy of new light-duty petroleum-fueled vehicle (LDV) acquisitions by 3 mpg by FY 2005, and using other fleet efficiency measures.

The Department of Energy and the General Services Administration (GSA) designed and recently updated the electronic database used in this data collection.

VA's Approach to Compliance with E Pact and E.O. 13149

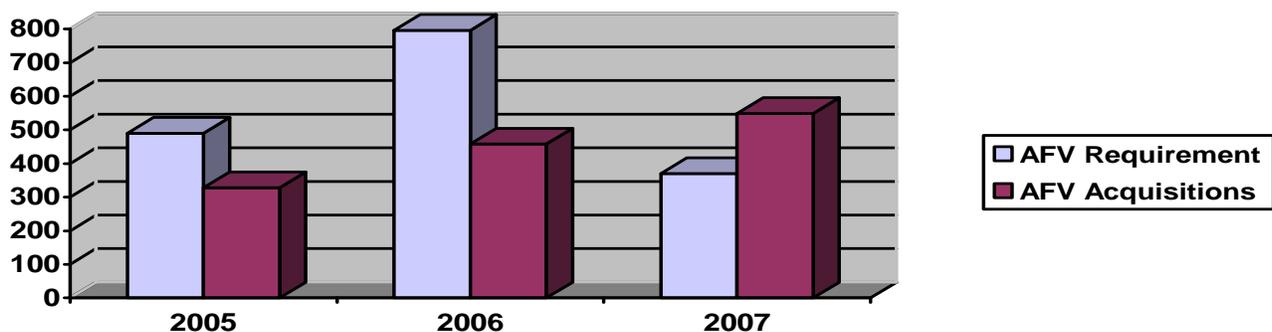
To achieve compliance with the legislative mandates of E Pact and E.O. 13149, VA will endeavor to annually acquire 75% of covered light-duty vehicles with AFVs and use alternative fuel in these vehicles a majority of the time. In addition, VA participates in the GSA payment option, the AFV Rate Option. The AFV Rate Option is designed to amortize the cost of an AFV over the life of the vehicle by accounting for these costs in the vehicles' monthly lease payments. This option is more acceptable, as it does not place a surcharge on the entire fleet as would a previous program that adds approximately \$5 monthly to the cost of every vehicle leased through GSA. GSA payment options help cover the higher incremental cost of many AFV models (compared to conventional vehicles). VA will also acquire light-duty vehicles with a higher fuel economy, and further reduce petroleum consumption by using biodiesel fuel in all diesel vehicles.

VA's Fleet Compliance for FY 2005

In order to comply with AFV acquisition requirements, VA must acquire a certain number of alternative fuel vehicles each fiscal year. This number can change from year to year, as the need for total light-duty vehicle acquisitions change. VA is not required to have 75% of its total vehicle inventory be AFVs. Only 75% of the current year acquisitions must be AFVs, once certain exemptions (listed in the top section of Appendix A) are taken. The total number of light-duty vehicle acquisitions less exemptions gives the number of "E Pact covered acquisitions." To determine the number of AFVs required each year, VA calculates 75% of E Pact covered acquisitions.

Figure 1 is a graphical depiction of AFV acquisitions for VA's fleet in FY 2005 and projections for FY 2006 and FY 2007 based on data generated by FAST. Although duplicate entries were detected in this data, the database was closed prior to completion of data duplication extraction. As a result, the data shown below are distorted, even though they are the data of record within the FAST database. Figure 2 shows corrected figures for FY 2005, 2006, and 2007.

Figure 1. FAST Generated Information (2005 – 2007)

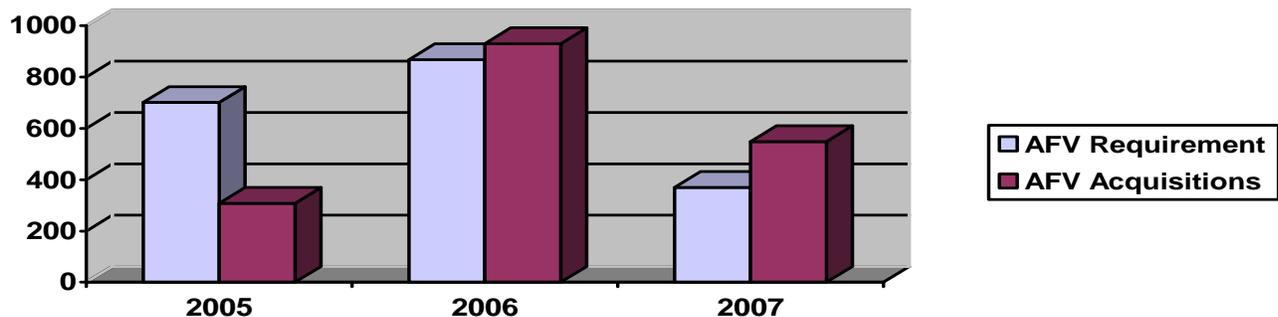


In FY 2005, E Pact covered acquisitions were calculated to be 490 covered light-duty vehicles. Of those, FAST showed 70%, or 328 vehicles, were AFVs. Although the

trend in recent years is that approximately 700-800 AFVs were required, changes in the location of vehicle replacements has shifted to more non-MSA regions. The result is that fewer AFVs may be required from one year to another.

After detecting the data errors in FAST, VA has determined that the actual EPAAct covered acquisitions should have been 934 covered vehicles. The required number of AFVs for FY 2005 was 701 which is 75% of 935. The actual number of AFV acquisitions was 328 and therefore represents 35% versus the required 75%.

Figure 2. VA Fleet Management Revised Information



For FY 2006, Figure 1 shows FAST generated data with VA projecting EPAAct covered acquisitions to be 1,061 light-duty vehicles. Based on FAST data, the 75% would amount to 796 AFVs.

After correcting for duplications in the FAST system, VA determined that total light-duty vehicle EPAAct covered acquisitions should be 944 vehicles. Therefore, the true number of AFVs required would be 708. VA worked closely with field units making acquisitions, and GSA Fleet Customer Service Representatives in order to exceed AFV mandated requirements.

GSA indicates that AFV orders for 2006 are estimated at 99 percent of all light-duty vehicle orders in MSAs. In other words, based on current orders placed with GSA, VA was required to get only 708 AFVs, but has actually ordered 930, or 31% more than was required.

For FY 2007, there are no discrepancies between the FAST projected data and VA records. Projected EPAAct covered acquisitions are 493 light-duty vehicles, thus 75% of 493 would require 370 AFVs be acquired in FY 2007. VA will exceed this number. Current plans with GSA are to acquire 412 AFVs, or 84% of all light-duty acquisitions. This represents 42 alternative fuel vehicles more than required (11%). In addition, VA plans to obtain additional credits through biodiesel fuel usage representing another 137 credits.

Summary of VA FY 2005 AFV Exemptions

VA leased and purchased additional vehicles in FY 2005 that were not “covered” vehicles. Of the total of 1,495 light-duty vehicles acquired, 1,005 of these vehicles were not counted for compliance due to the following reasons:

- 18 fleet size
- 19 geographic
- 45 exempt as law enforcement vehicles
- 889 were used in non-MSA operations

Alternative Fuel Use by VA’s Fleets in FY 2005

Table 1 presents alternative fuel use data for VA’s fleets in FY 2005. The majority of vehicles acquired by VA and other Federal fleets are leased from GSA, and the leasing contract includes the maintenance and fuel costs for the vehicles. This is accomplished by the use of a GSA credit card that the fleets use to purchase alternative fuel. However, since product code standards are not uniform among suppliers of alternative fuels (e.g., ethanol or E-85), it is not possible for credit vendors to accurately track the purchase of alternative fuels with this credit card, at the present time. The exception may be natural gas, which is usually purchased at a local utility refueling site, allowing the fleets to contact the utility for an accurate accounting of purchased fuel.

Table 1. VA Fuel Use in FY 2005

| Fuel Type | Quantity | Unit |
|---------------------------------|-----------|------------------------------|
| Biodiesel – B100 | 0 | Gallons |
| Biodiesel – B20 | 4,500 | Gallons |
| CNG (Compressed natural gas) | 10,782 | Gallons @ 2,400 psi, 70°F |
| CNG | 0 | Hundred cu. ft. |
| Diesel | 1,426,257 | Gallons |
| E-85 | 20,403 | Gallons |
| Gasoline | 7,088,620 | Gallons |
| Methanol | 0 | Gallons |
| Propane | 0 | Gallons |

Because of duplicated GSA data entry, diesel and gasoline use appear higher than actual use. Actual use is 8,073,558, not 8,514,877 – a difference of 441,319.

VA’s Fleet AFV Acquisitions for FY 2006 and FY 2007

Appendices B and C provide detailed information on projected vehicle acquisitions and inventory for VA’s fleets for FY 2006 and FY 2007. In FY 2006, VA’s fleets plan to acquire a cumulative total of 1,061 (minus exemptions) light-duty vehicles, of which 458 (including 140 AFV credits) will be AFVs. Projected light-duty acquisitions in FY 2007 total 493 (minus exemptions). All (including credits) are anticipated to be AFVs.

Petroleum Savings (Appendix D)

Petroleum savings for FY 2006 and FY 2007 have not been projected. Savings are reported for only FY 2005 based on actual data available for FY 1999 and FY 2005.

In FY 1999, VA's baseline petroleum consumption was 6,277,134-gasoline gallon equivalents (GGE) and FY 2005 petroleum consumption was 8,073,558 gallons (actual data, not FAST data). An increase of 1,796,424 GGE is reflected in FY 2005 as compared to FY 1999 baseline numbers. The increase in fuel use is attributed to support of enhanced and additional veterans offered programs. Although it may not be apparent when viewing the overall miles per gallon (mpg) which appear very low, approximately 13 mpg (105,785,260 miles traveled/8,073,558 gallons fuel used), it is a total vehicle fleet average which includes medium and heavy-duty vehicles, like pickup trucks, dump trucks, buses, cherry-pickers, and the like, vehicles that do not travel far but use a relative number of gallons of fuel.

Summary

As detailed in this report and appendices, VA shows an increase in AFV acquisitions for FY 2005, and for FY 2006. Through continued participation in the GSA AFV Rate Option plan and working with GSA Fleet Customer Service Representatives, VA will meet or exceed the 75% requirement for EPAAct light-duty acquisitions.

In addition, VA has distributed a comprehensive Vehicle Fleet Management Guidebook available to the field on CD-ROM or via the Intranet. This guidebook will provide clear information on the procedures and recordkeeping necessary to track fleet data. This will help VA reporting efforts, since the very short reporting time frame for FAST can lead to incomplete or duplicate data.

Veterans Health Administration
Office of the Deputy Under Secretary for Health
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