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[Advanced Technology Vehicle Program of the Maryland Department of Transportation and Metropolitan Washington Council of Governments]

Includes summary of project and attachment.
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This multi-year Program is designed to replace existing high mileage/high-fuel-use vehicles in selected public and private fleets with advanced technology vehicles. The primary goal of the Program is reduced emissions of nitrogen oxides (NOx) from on-road vehicles in the Maryland counties surrounding Washington, D.C. and the Greater Baltimore region. Eligible types of vehicle applications include taxicabs, shuttles, buses and delivery vans and trucks. Other types of vehicles may qualify if they meet certain annual fuel-use or mileage criteria. Minimum requirements have been established for participating fleets, including size of fleet and age of firm. The first vehicles under this Program were placed in service in 1999.

The Program provides financial incentives to selected, qualified fleets that purchase original equipment manufacturer (OEM) vehicles or heavy-duty engines that have been certified to Low Emission Vehicle (LEV) emission levels or lower.

The Program is funded by the Maryland Department of Transportation (MDOT) and managed by the Metropolitan Washington Council of Governments (COG). Funding of the Program by the Maryland Department of Transportation (MDOT) is budgeted at $825,000 per year for the Washington region and $200,000 for the Baltimore region. A Program Oversight Committee consisting of personnel from COG, MDOT, and the Maryland Department of the Environment (MDE) are responsible for approving program plans, budgets, procedures and outcomes.
The Clean Alternative

A Guide to the
Advanced Technology
Vehicle Program of the
Maryland Department
of Transportation and
Metropolitan Washington
Council of Governments

DOE Patent Clearance Granted

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DOE Chicago Operations Office

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Overview

The multi-year Clean Alternative program is designed to integrate low-emission advanced technology vehicles into high mileage/high-fuel-use public and private fleets, which are major contributors to high pollution levels. The primary goal of the program is reduced emissions of nitrogen oxides (NOx) from on-road vehicles in the Maryland counties surrounding Washington, D.C. The program is targeted at fleets operating in Calvert, Charles, Frederick, Montgomery, and Prince George’s counties. Eligible types of vehicle applications include taxicabs, shuttles, buses, and delivery vans and trucks. Other types may qualify if they meet certain annual fuel-use or mileage criteria. Minimum requirements have been established for participating companies, including size of fleet and age of firm. The first vehicles under this program were placed in service in 1999.

The Clean Alternative provides financial incentives to selected qualified firms that purchase original equipment manufacturer (OEM) vehicles or heavy-duty engines that have been certified to Low Emission Vehicle (LEV) emission levels or lower.

This program is intended to be flexible and to evolve over time. For instance, in coming years the standards for acceptable emission levels may be tightened. The level of financial incentive will be determined on a case-by-case basis and other types of incentives may be provided in some cases. The range of counties included may be extended in the future or criteria for participation changed to help meet the air quality goals of the region.

Organization of the Program

The Clean Alternative is funded by the Maryland Department of Transportation (MDOT) and administered by the Metropolitan Washington Council of Governments (COG). A separate implementing organization, GRI, has been selected by COG to conduct the program. GRI will establish contracts with participating firms, disperse and track program funds, establish a marketing effort to ensure awareness of the program, and regularly report to COG on program status.

Program funding is in addition to Maryland state and federal alternative fuel tax incentives that may be applicable to specific fleets, future federal or state legislative incentives or programs, as well as other funding that may be obtained or provided by the implementing organization to leverage program funds. Duration of the program and funding levels over time will be determined based on an annual evaluation by COG of the need for the program and of its effectiveness. A Program Oversight Committee consisting of personnel from COG, MDOT, and the Maryland Department of the Environment (MDE) will be responsible for approving program plans, budgets, procedures, and outcomes. Technical assistance will be available from Edwards and Kelcey, Inc.

Program Eligibility Requirements

Meeting the eligibility requirements described below does not ensure funding under the program. The organizations running the program will select the participants from among the applicants to optimize overall cost-effectiveness.

This program is targeted at fleets of vehicles in the Maryland suburbs of Washington, D.C. that have high annual mileage and associated high fuel usage. Early program emphasis will be placed on those fleets that have the oldest and highest polluting vehicles. Introduction of vehicles that will result in relatively high NOx-emission reduction will be emphasized.
Annual fuel use per vehicle of more than 3,000 gallons, or annual miles driven greater than 45,000 miles, will be the primary criteria used to determine vehicle eligibility.

The credibility of the vehicle owner is a major factor in program success. In order to be eligible for participation, this program requires that a fleet consist of at least 10 vehicles and that the organization has been in continuous business for at least five years.

Vehicles must be registered in Maryland and travel in Calvert, Charles, Frederick, Montgomery, or Prince George's County to be eligible.

Fleet operators will develop an agreement with GRI, purchase and use the advanced technology vehicle for at least three years, allow GRI representatives to visit on-site to confirm usage, and provide annual reports on mileage driven and other simple documentation.

Advanced Technology Eligibility Requirements

Vehicle technology is changing rapidly and can be expected to continue to evolve significantly within the life of the program. The program will target early introduction of commercially ready advanced technologies that offer emission benefits over whatever constitutes "conventional" technology at the time.

The program is not restricted to any given fuel type. Initially, CNG vehicles are expected to be most common as they are expected to continue to offer emissions advantages over the life of the program. Nonetheless, any technology or fuel offered by the major automotive OEMs that provides certified emissions benefits over conventional technology will be eligible.

To be eligible for funding under the program the vehicle must be:

- Certified to meet an emission standard at least as strict as LEV.
- Produced by an OEM as a standard model. Conversions will not be allowed. Repowering of heavy-duty vehicles with new advanced technology engines may be considered. Prototypes and test vehicles are not acceptable for this program.
- Appropriate for use in the proposed application.

At the current time, most of the vehicles that would meet these criteria are alternative fuel vehicles (AFVs).

Incentives for Participation

Significant incentives are provided through the program to help motivate fleets to use advanced technology vehicles and participate in the program. These incentives will help cover the added cost of owning and/or operating these vehicles and integrating them into fleets. Although some advanced technology vehicles can offer lower overall lifecycle costs due to the lower cost of the fuels, incentives encourage making the change to the new technologies.

Each jurisdiction, each market sector, and each company has different requirements that preclude setting a universal set of incentives. GRI, as the implementing organization, will be responsible for investigating and understanding all factors and economics influencing the decision of candidate fleets to enter the program. GRI will work with the candidate owners, within guidelines set by the Program Oversight Committee in each case, to develop an agreement that recognizes and includes incentives from all sources, financial and non-financial.

Some of the incentives for which you may qualify include:

- Maryland/Washington D.C. Rebate Program: Public and private fleets in Maryland and Washington D.C. can receive up to $4,000 per vehicle for a dedicated alternative fuel vehicle from the Maryland Energy Office.
- Maryland Tax Credit: A tax credit will be given for up to $2,000 for purchase of alternative fuel vehicles. The credit is a percentage of the federal credit, or deduction for weight class. For vehicles that weigh 0-5,000 pounds, the allowable tax credit is $800.
How to Participate

If you want to find out more about this program, contact:
Daiwanani (Siva) Sivasailam
Advanced Technology Vehicle Program
Metropolitan Washington Council of Governments
202/962-3226

Your questions will be answered and you will be asked for some preliminary information over the phone. Someone will then visit you for a more detailed discussion if appropriate. At that time, additional literature or other information on advanced technology vehicles will be shared with you. If your fleet is appropriate for the program and compares well to other potential participants, GRI will work with you to identify other potential funding sources to help cover any extra costs you will incur. GRI will document your application and present it to the Program Oversight Committee with a recommendation. If your application is approved, GRI will offer a letter agreement for your signature that specifies the incentives that you will receive after you purchase the new vehicles as well as your obligations. You will agree to operate the vehicles in normal service for at least three years, to provide some limited information on the vehicles once per year, and to let GRI personnel on-site annually to confirm vehicle operation.

Program Sponsors Include:

- Maryland Department of Transportation
- Maryland Department of the Environment
- Metropolitan Washington Council of Governments
- GRI