

## SUBCHAPTER 41D - ENERGY POLICY ACT CREDIT BANKING AND SELLING PROGRAM

### SECTION .0100 - GENERAL PROVISIONS

#### 01 NCAC 41D .0101 PURPOSE AND ORGANIZATION

*History Note:* Authority G.S. 143-58.4; 143-58.5;  
Eff. May 1, 2007;  
Repealed Eff. July 1, 2021.

#### 01 NCAC 41D .0102 DEFINITIONS

For the purposes of this Chapter, the following definitions apply:

- (1) "AFV" means the same as defined in G.S.143-58.4.
- (2) "Alternative fuel" means the same as defined in G.S. 143-58.4.
- (3) "B20" means the same as defined in G.S. 143-58.4.
- (4) "Biodiesel Fuel Use Credit" means an EPAct credit given by the U.S. Department of Energy (DOE) for each 450 gallons of pure biodiesel purchased for use in blends of 20% or higher. No credit shall be granted for the petroleum portion of biodiesel fuel blends, pursuant to 10 CFR 490.703.
- (5) "Department" means the same as defined in G.S. 143-58.4. [
- (6) "E85" means the same as defined in G.S. 143-58.4.
- (7) "Energy Policy Act" means the same as defined in G.S. 143-58.4.
- (8) "EPAct credit" means the same as defined in G.S. 143-58.4.
- (9) "FFV" means a flexible fuel vehicle that is capable of operating on both E85 and gasoline.
- (10) "LDV" means a light duty vehicle that has less than an 8,500 lb gross vehicle weight rating (GVWR).
- (11) "NC Alternative Fuel Consortium" means a voluntary group of State agencies, institutions, and interested entities that meet quarterly and is hosted by the State Energy Office to coordinate alternative fuel and petroleum displacement activities in North Carolina.
- (12) "OEM" means original equipment manufacturer.
- (13) "SEO" means the State Energy Office.
- (14) "U.S. DOE" means the United States Department of Energy.
- (15) "U.S. EPA" means the United States Environmental Protection Agency.

*History Note:* Authority G.S. 143-58.4; 143-58.5;  
Eff. May 1, 2007;  
Readopted Eff. June 1, 2021.

### SECTION .0200 - CREDIT BANKING AND SELLING PROGRAM PROVISIONS

#### 01 NCAC 41D .0201 BANKING

(a) EPActs credits shall be accrued and banked according to the following:

- (1) The U.S. DOE Alternative Fuel Transportation Program 10 CFR Part 490, which is incorporated by reference including subsequent amendments and editions and can be found at no charge at <https://www.ecfr.gov/cgi-bin/ECFR?page=browse>, requires that 75% of LDVs acquired by state fleets shall be FFVs, compressed natural gas vehicles, propane vehicles, or electric vehicles;
- (2) One credit shall be earned for each OEM or EPA certified retrofit FFV, compressed natural gas vehicle, propane vehicle, or electric vehicle purchased;
- (3) Credits that exceed the annual minimum State AFV acquisition requirements shall be banked through the U.S. Department of Energy's Alternative Fuel Transportation Program to meet future year requirements or traded;
- (4) State fleet cars can earn Biodiesel Fuel Use Credits to meet 50% of their annual AFV acquisition requirements by purchasing and using biodiesel; and
- (5) Biodiesel Fuel Use Credits cannot be traded or banked.

(b) Credits shall be determined by State agencies in cooperation with the State Energy Office in the following manner:

- (1) Each year by December 1<sup>st</sup>, every State department, institution, and agency subject to E Pact requirements shall provide the State Energy Office with the types of vehicles purchased, the vehicle identification numbers, and the dates of purchase to determine the number of E Pact credits generated by the State; and
  - (2) The SEO shall submit an annual E Pact credit report to the U.S. DOE by December 31st.
- (c) The following provisions shall be used in determining credits:
- (1) E Pact credits eligible for sale include FFVs if the FFVs are operating on E85;
  - (2) E Pact credits generated through the use of B20 are not eligible for sale or transfer; however, they shall be used by the State to meet 50% of Energy Policy Act requirements; and
  - (3) State agencies and institutions that purchase FFVs shall record the use of E85 for the FFVs.

*History Note:* Authority G.S. 143-58.4; 143-58.5;  
 Eff. May 1, 2007;  
 Readopted Eff. June 1, 2021.

**01 NCAC 41D .0202 SELLING**

- (a) The State Energy Office shall form a Credit Selling Work Group to determine the number of excess credits to be sold as follows:
- (1) The Credit Selling Work Group shall consist of:
    - (A) the Department of Administration Motor Fleet Management designee;
    - (B) the Department of Transportation Equipment Unit designee;
    - (C) the State Energy Office designee; and
    - (D) the Designees of other State agencies and institutions that generate E Pact credits; and
  - (2) The Credit Selling Work Group shall determine the asking price for credits.
- (b) The State Office shall obtain approval from the Energy Policy Council prior to selling E Pact credits, pursuant to G.S. 113B-6(3).
- (c) The State Office shall sell E Pact credits in accordance with the provisions of the Energy Policy Act.

*History Note:* Authority G.S. 143-58.4; 143-58.5;  
 Eff. May 1, 2007;  
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**SECTION .0300 - PROCEEDS AND DISTRIBUTION**

**01 NCAC 41D .0301 PROCEEDS AND DISTRIBUTION**

- (a) Funds generated by the sale or transfer of E Pact credits by the State Energy Office shall be deposited into the Alternative Fuel Revolving Fund.
- (b) The following shall be undertaken to determine the distribution of proceeds from the Alternative Fuel Revolving Fund:
- (1) The State Energy Office shall annually inform the NC Alternative Fuel Consortium of the amount of revenue accrued to the Alternative Fuel Revolving Fund and the percentage of these funds that were generated by participating State agencies, institutions, or entities;
  - (2) The State Energy Office shall organize meetings of the NC Alternative Fuel Consortium and the Credit Selling Work Group to discuss and prioritize distribution of funds;
  - (3) An annual plan for the dispersion of Alternative Fuel Revolving Funds shall be prepared by the State Energy Office based on recommendations of the Alternative Fuels Consortium and the Credit Selling Work Group; and
  - (4) The Energy Policy Council shall review and approve the annual plan, pursuant to G.S. 113B-6(3).

*History Note:* Authority G.S. 143-58.4; 143-58.5;  
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**01 NCAC 41D .0302 FUND DISBURSEMENTS**

*History Note:* Authority G.S. 143-58.4; 143-58.5;

*Eff. May 1, 2007;*  
*Repealed Eff. July 1, 2021.*

## **SECTION .0400 - REPORTS**

### **01 NCAC 41D .0401      REPORTS**

- (a) Progress reports shall be submitted biannually by State departments, agencies, and institutions that receive funds from the Alternative Fuel Revolving Fund.
- (b) The progress report shall include a description of the current project, number of gallons of alternative fuel or vehicles purchased, and forecast of expectation or deviation from the project schedule.

*History Note:*      *Authority G.S. 143-58.4; 143-58.5;*  
*Eff. May 1, 2007;*  
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