

## Department of Energy

## §611.2

the Secretary deems necessary to administer this section and any loans made by the Secretary pursuant to this section.

### §611.2 Definitions.

The definitions contained in this section apply to provisions contained in both subpart A and subpart B.

*Adjusted average fuel economy* means a harmonic production weighted average of the combined fuel economy of all vehicles in a fleet, which were subject to CAFE.

*Advanced technology vehicle* means a passenger automobile or light truck that meets—

(1) The Bin 5 Tier II emission standard established in regulations issued by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act (42 U.S.C. 7521(i)), as of the date of application, or a lower-numbered Bin emission standard;

(2) Any new emission standard in effect for fine particulate matter prescribed by the Administrator under that Act (42 U.S.C. 7401 *et seq.*), as of the date of application; and

(3) At least 125 percent of the harmonic production weighted average combined fuel economy, for vehicles with substantially similar attributes in model year 2005.

*Agreement* means the contractual loan arrangement between DOE and a Borrower for a loan made by and through the Federal Financing Bank with the full faith and credit of the United States government on the principal and interest.

*Applicant* means a party that submits a substantially complete application pursuant to this part.

*Application* means the compilation of the materials required by this part to be submitted to DOE by an Applicant. One Application can include requests for one or more loans and one or more projects. However, an Application covering more than one project must contain complete and separable information with respect to each project.

*Automobile* is used as that term is defined in 49 CFR part 523.

*Borrower* means an Applicant that receives a loan under this Program.

*CAFE* means the Corporate Average Fuel Economy program of the Energy Policy and Conservation Act, 49 U.S.C. 32901 *et seq.*

*Combined fuel economy* means the combined city/highway miles per gallon values, as are reported in accordance with section 32904 of title 49, United States Code. If CAFE compliance data is not available, the combined average fuel economy of a vehicle must be demonstrated through the use of a peer-reviewed model.

*DOE or Department* means the United States Department of Energy.

*Eligible Facility* means a manufacturing facility in the United States that produces qualifying advanced technology vehicles, or qualifying components.

*Eligible Project means:*

(1) Reequipping, expanding, or establishing a manufacturing facility in the United States to produce qualifying advanced technology vehicles, or qualifying components; or

(2) Engineering integration performed in the United States for qualifying advanced technology vehicles and qualifying components.

*Engineering integration costs* are the costs of engineering tasks relating to—

(1) Incorporating qualifying components into the design of advanced technology vehicles; and

(2) Designing tooling and equipment and developing manufacturing processes and material suppliers for production facilities that produce qualifying components or advanced technology vehicles.

*Equivalent vehicle* means a light-duty vehicle of the same vehicle classification as specified in 10 CFR part 523.

*Financially viable* means a reasonable prospect that the Applicant will be able to make payments of principal and interest on the loan as and when such payments become due under the terms of the loan documents, and that the applicant has a net present value that is positive, taking all costs, existing and future, into account.

*Grantee* means an entity awarded a grant made pursuant to section 136 and this Part.

*Light-duty vehicle* means passenger automobiles and light trucks.

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*Light truck* is used as that term is defined in 49 CFR part 523.

*Loan Documents* mean the Agreement and all other instruments, and all documentation among DOE, the borrower, and the Federal Financing Bank evidencing the making, disbursing, securing, collecting, or otherwise administering the loan [references to loan documents also include comparable agreements, instruments, and documentation for other financial obligations for which a loan is requested or issued].

*Model year* is defined as that term is defined in 49 U.S.C. 32901.

*Passenger automobile* is used as that term is defined in 49 CFR part 523.

*Qualifying components* means components that the DOE determines are

- (1) Designed for advanced technology vehicles; and
- (2) Installed for the purpose of meeting the performance requirements of advanced technology vehicles.

*Secretary* means the United States Secretary of Energy.

*Security* means all property, real or personal, tangible or intangible, required by the provisions of the Loan Documents to secure repayment of any indebtedness of the Borrower under the Loan Documents.

#### §611.3 Advanced technology vehicle.

In order to demonstrate that a vehicle is an “advanced technology vehicle”, an automobile manufacturer must provide the following:

(a) Emissions certification. An automobile manufacturer must written certify that the vehicle meets, or will meet, the emissions requirements specified in the definition of “advanced technology vehicle”; and

(b) Demonstration of fuel economy performance. An automobile manufacturer must demonstrate that the vehicle has a combined average fuel economy of at least 125 percent of the average combined fuel economy for vehicles with substantially similar attributes for model year 2005.

(1) A combined average fuel economy calculation required under this paragraph for a vehicle that is a dual fueled automobile for the purpose of CAFE is calculated as if the vehicle were not a dual fueled automobile.

(2) The average combined fuel economy for vehicles with substantially similar attributes is a harmonic production weighted average of the combined average fuel economy of all vehicles with substantially similar attributes in model year 2005, as published by DOE.

(3) In the case of an electric drive vehicle with the ability to recharge from an off-board source, an automobile manufacturer must provide DOE with a test procedure and sufficient data to demonstrate that the vehicle meets or exceeds the applicable average combined fuel economy of vehicles with substantially similar attributes.

#### Subpart B—Direct Loan Program

##### §611.100 Eligible applicant.

(a) In order to be eligible to receive a loan under this part, an applicant

(1) Must be either—

(i) An automobile manufacturer that can demonstrate an improved fuel economy as specified in paragraph (b) of this section, or

(ii) A manufacturer of a qualifying component; and

(2) Must be financially viable without receipt of additional Federal funding associated with the proposed eligible project.

(b) Improved fuel economy. (1) If the applicant is an automobile manufacturer that manufactured in model year 2005, vehicles subject to the CAFE requirements, the applicant must demonstrate that its adjusted average fuel economy for its light-duty vehicle fleet produced in the most recent year for which final CAFE compliance data is available, at the time of application, is greater than or equal to the adjusted average fuel economy of the applicant’s fleet for MY 2005, based on the MY 2005 final CAFE compliance data.

(2) If the applicant is an automobile manufacturer that did not manufacture in model year 2005, vehicles subject to the CAFE requirements, the applicant must demonstrate that the projected combined fuel economy for the relevant the advanced technology vehicle that is the subject of the application is greater than or equal to the industry adjusted average fuel economy