



## **2026 Alternative Fuels Federal Policy Agenda**

*Prepared for Congressional Stakeholders | February 2026*

### **Overview**

Transportation Energy Partners (TEP) urges Congress to continue stable, predictable investment in the Department of Energy's **Clean Cities and Communities (CC&C) Program**, the federal government's primary on-the-ground delivery system for alternative fuels and clean transportation technologies. This continued investment is critical to sustaining the national coalition network that is essential for converting bipartisan policy support into tangible deployment.

Through more than **75 regional coalitions**, CC&C engages **20,000+ stakeholders**, including fleets, utilities, manufacturers, fuel providers, and state and local energy offices, to ensure federal transportation energy investments translate into real-world deployment, lower fuel costs, and strengthened domestic energy security.

Congress has consistently recognized the value of this model. In FY2026, bipartisan and bicameral support resulted in:

- **\$85 million** for Vehicle Technology Integration and Deployment, and
- **\$60 million** for Clean Cities deployment activities, including:
  - \$20 million in cooperative agreements with coalitions, and
  - \$40 million in competitive deployment grants.

TEP urges Congress to **maintain this level of investment in FY2027**, recognizing that CC&C is not duplicative of other programs, it is the infrastructure that allows them to succeed.

### **FY2027 Appropriations Priorities**

#### **1. Sustain the Clean Cities and Communities Program**

##### **\$65 million for DOE Clean Cities**

CC&C provides Congress with a uniquely cost-effective return on federal investment by leveraging long-standing regional partnerships to deliver results quickly and responsibly.

TEP urges Congress to provide:

- **\$20M** for coalition operations and technical assistance to maintain national coverage and program continuity.
- **\$40M** for competitive grants accelerating clean vehicle and fueling infrastructure deployment in high-impact sectors.



- **\$5M** for DOE and national laboratory support.

Without stable funding, the 75 regional coalitions risk fragmentation. This directly undermines the efficient deployment of BIL and future infrastructure funds, delaying energy security gains and increasing project costs.

## **2. Reduce Diesel Emissions Where Communities Feel Them Most**

### **\$100 million for the Diesel Emissions Reduction Act (DERA)**

TEP urges Congress to fund DERA at **\$100 million in FY2027** to accelerate replacement of aging diesel engines in school buses, transit fleets, freight corridors, and ports.

DERA delivers:

- Immediate emissions reductions,
- Measurable public health benefits, and
- Strong bipartisan support in urban and rural districts alike.

## **3. Provide Market Certainty Through Clean Fuel Tax Incentives**

Stable tax policy is essential to domestic manufacturing, fleet planning, and fuel supply chain investment. TEP urges Congress to extend the following incentives for **at least five years**:

- Clean Vehicle Tax Credit
- Previously Owned Clean Vehicles Credit
- Qualified Commercial Clean Vehicles Credit
- Clean Fuel Production Credits
- Alternative Fuel Excise Tax Credit
- Alternative Fuel Refueling Property Credit
- Advanced Energy Production Credit

These incentives anchor U.S. manufacturing, support American workers, and reduce risk for fleet operators adopting alternative fuels.

## **4. Ensure Effective Implementation of the Bipartisan Infrastructure Law**

To maximize BIL's impact, TEP urges Congress to:

- Maintain an **all-of-the-above approach** to domestic transportation fuels, including electricity, biofuels, hydrogen, natural gas, renewable natural gas, propane, and renewable propane.



- Prioritize **fuel-neutral, cost-effective solutions**, particularly in programs like Clean School Bus.
- Direct updates to **CMAQ Cost Effectiveness Tables** to reflect the full range of domestically available alternative fuels, consistent with GAO recommendations and FY27 THUD guidance.

### **Conclusion**

Clean Cities and Communities is the essential implementation network that turns Congressional intent into community reality. As demonstrated at the 2026 Energy Independence Summit, our coalitions are organized, united, and ready to deploy. Sustained funding is the commitment needed to realize this American future, powered by American energy, American workers, and American innovation.

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