



U.S. Department  
of Transportation  
**National Highway  
Traffic Safety  
Administration**



---

DOT HS 813 854

September 2026

# **CAFE Model Documentation for 2026**

## **For the Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule III for Model Years 2022 to 2031 Passenger Cars and Light Trucks (SAFE III) Final Rule**

***This page is intentionally left blank.***

## DISCLAIMER

This publication is distributed by the U.S. Department of Transportation, National Highway Traffic Safety Administration, in the interest of information exchange. The opinions, findings and conclusions expressed in this publication are those of the authors and not necessarily those of the Department of Transportation or the National Highway Traffic Safety Administration. The United States Government assumes no liability for its contents or use thereof. If trade or manufacturers' names are mentioned, it is only because they are considered essential to the object of the publication and should not be construed as an endorsement. The United States Government does not endorse products or manufacturers.

Suggested APA Format Citation:

Shaulov, M., Clinton, B., Garcia-Israel, K., Livant, V., Pickrell, D., and Sears, L. (2026, September). *CAFE Model documentation for 2026–For the Safer Affordable Fuel-Efficient (SAFE) vehicles rule III for model years 2022 to 2031 passenger cars and light trucks (SAFE III) final rule* (Report No. DOT HS 813 854). National Highway Traffic Safety Administration. <https://doi.org/10.21949/m2fa-x177>

***This page is intentionally left blank.***

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                                                             |                                                                                                                                                                                                                                           |                                                                      |                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|------------------|
| <b>1. Report No.</b><br>DOT HS 813 854                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  | <b>2. Government Accession No.</b>                          |                                                                                                                                                                                                                                           | <b>3. Recipient's Catalog No.</b>                                    |                  |
| <b>4. Title and Subtitle</b><br>CAFE Model Documentation for 2026 – For the Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule III for Model Years 2022 to 2031 Passenger Cars and Light Trucks (SAFE III) Final Rule                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |                                                             |                                                                                                                                                                                                                                           | <b>5. Report Date</b><br>September 2026                              |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                                                             |                                                                                                                                                                                                                                           | <b>6. Performing Organization Code</b>                               |                  |
| <b>7. Authors</b><br>Mark Shaulov, Ben Clinton, Katya Garcia-Israel, Vincent Livant, Donald Pickrell, and Louis Sears                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |                                                             |                                                                                                                                                                                                                                           | <b>8. Performing Organization Report No.</b>                         |                  |
| <b>9. Performing Organization Name and Address</b><br>CAFE Program Office<br>John A. Volpe National Transportation Systems Center<br>Cambridge, MA 02142                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |                                                             |                                                                                                                                                                                                                                           | <b>10. Work Unit No. (TRAIS)</b>                                     |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                                                             |                                                                                                                                                                                                                                           | <b>11. Contract or Grant No.</b>                                     |                  |
| <b>12. Sponsoring Agency Name and Address</b><br>National Highway Traffic Safety Administration<br>Fuel Economy Division<br>1200 New Jersey Avenue SE<br>Washington, DC 20590                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |                                                             |                                                                                                                                                                                                                                           | <b>13. Type of Report and Period Covered</b><br>Operational Handbook |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                                                             |                                                                                                                                                                                                                                           | <b>14. Sponsoring Agency Code</b>                                    |                  |
| <b>15. Supplementary Notes</b><br>Digital Object Identifier: <a href="https://doi.org/10.21949/m2fa-x177">https://doi.org/10.21949/m2fa-x177</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |                                                             |                                                                                                                                                                                                                                           |                                                                      |                  |
| <b>16. Abstract</b><br>DOT's Volpe National Transportation Systems Center has developed a modeling system to assist NHTSA in the evaluation of potential new Corporate Average Fuel Economy standards. Given externally developed inputs, the modeling system estimates how manufacturers could apply additional fuel-saving technologies in response to new CAFE standards and estimates how doing so would affect vehicle costs and fuel economy levels; vehicle sales volumes and fleet turnover; and national-scale automotive manufacturing employment, highway travel, fatalities, fuel consumption, and related emissions. Based on these impacts, the system calculates costs and benefits from private and social perspectives. This report documents CAFE Model documentation for 2026 final rulemaking for the Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule III for Model Years 2022 to 2031 Passenger Cars and Light Trucks (SAFE III) Final Rule. |  |                                                             |                                                                                                                                                                                                                                           |                                                                      |                  |
| <b>17. Key Words</b><br>Corporate Average Fuel Economy standards, CAFE, vehicles, fuel-saving technology, fuel savings, costs, effects, benefits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |                                                             | <b>18. Distribution Statement</b><br>Document is available to the public from the DOT, BTS, National Transportation Library, Repository & Open Science Access Portal, <a href="https://rosap.ntl.bts.gov">https://rosap.ntl.bts.gov</a> . |                                                                      |                  |
| <b>19. Security Classif. (of this report)</b><br>Unclassified                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  | <b>20. Security Classif. (of this page)</b><br>Unclassified |                                                                                                                                                                                                                                           | <b>21. No. of Pages</b><br>395                                       | <b>22. Price</b> |

*This page is intentionally left blank.*

## Table of Contents

|                                                                        |             |
|------------------------------------------------------------------------|-------------|
| <b>Table of Contents .....</b>                                         | <b>iii</b>  |
| <b>List of Tables .....</b>                                            | <b>vi</b>   |
| <b>List of Figures.....</b>                                            | <b>viii</b> |
| <b>Abbreviations and Acronyms .....</b>                                | <b>ix</b>   |
| <b>Preface.....</b>                                                    | <b>1</b>    |
| <b>Chapter One – Introduction .....</b>                                | <b>3</b>    |
| <b>Chapter Two – System Design .....</b>                               | <b>7</b>    |
| Section 1 Overall Structure (System Overview).....                     | 7           |
| Section 2 Representation of Market Data .....                          | 8           |
| S2.1 Initial State of the Fleet.....                                   | 8           |
| S2.2 Vehicle and Component Redesign and Refresh Cadences .....         | 14          |
| S2.3 Vehicle Classifications .....                                     | 16          |
| S2.4 Manufacturer-Specific Attributes .....                            | 19          |
| Section 3 Regulatory Scenario Definition .....                         | 21          |
| Section 4 Evaluation of Vehicle Technologies .....                     | 24          |
| S4.1 Technology Classes .....                                          | 28          |
| S4.2 Technology Pathways.....                                          | 31          |
| S4.3 Technology Applicability .....                                    | 41          |
| S4.4 Technology Evaluation and Inheriting .....                        | 42          |
| S4.5 Technology Constraints (Supersession and Mutual Exclusivity)..... | 43          |
| S4.6 Technology Fuel Economy Improvements.....                         | 49          |
| S4.7 Technology Cost Tables .....                                      | 52          |
| S4.8 Application of Mass Reduction Technology .....                    | 58          |
| Section 5 Compliance Simulation.....                                   | 62          |
| S5.1 CAFE Compliance Calculations.....                                 | 65          |
| S5.2 CO <sub>2</sub> Compliance Calculations .....                     | 76          |
| S5.3 Compliance Simulation Algorithm.....                              | 87          |
| S5.4 Cost of Compliance .....                                          | 97          |
| S5.5 Federal Incentives for Hybrid/Electric Vehicles .....             | 105         |
| S5.6 Hybrid/Electric “Burden” Cost.....                                | 107         |
| S5.7 Dynamic Fleet Share and Sales Response .....                      | 110         |
| S5.8 Credit Transfers and Carry Forward.....                           | 123         |
| S5.9 ZEV Credits and Compliance .....                                  | 128         |
| S5.10 U.S. Employment.....                                             | 131         |
| S5.11 Alternative Scenario Analysis .....                              | 133         |
| <b>Chapter Three – Calculation of Effects .....</b>                    | <b>135</b>  |
| Section 1 Vehicle Lifetimes.....                                       | 135         |
| S1.1 Dynamic Scrappage Model.....                                      | 137         |
| S1.2 Static Scrappage Model .....                                      | 141         |
| Section 2 Vehicle Use and Total Lifetime Mileage.....                  | 142         |
| S2.1 Dynamic VMT Model .....                                           | 152         |

|                                                           |            |
|-----------------------------------------------------------|------------|
| Section 3 Fuel Consumption .....                          | 159        |
| Section 4 Greenhouse Gas Emissions .....                  | 163        |
| Section 5 Air Pollutant Emissions .....                   | 170        |
| Section 6 Emission Health Impacts .....                   | 173        |
| Section 7 Vehicle Safety Effects .....                    | 177        |
| Section 8 Private Versus Social Costs and Benefits .....  | 180        |
| S8.1 Increases in New Vehicle Prices .....                | 181        |
| S8.2 Foregone Consumer Sales Surplus .....                | 181        |
| S8.3 The Value of Fuel Consumed .....                     | 183        |
| S8.4 Benefits from Additional Driving .....               | 184        |
| S8.5 The Value of Extended Refueling Range .....          | 185        |
| S8.6 Changes in Performance and Utility .....             | 188        |
| S8.7 Socially Valued Costs and Benefits .....             | 188        |
| S8.8 Consumer-Valued Costs and Benefits .....             | 199        |
| S8.9 Implicit Opportunity Cost .....                      | 208        |
| S8.10 Commercial Operator Implicit Opportunity Cost ..... | 212        |
| Section 9 Fleet Analysis Calculations .....               | 214        |
| <b>Appendix A. Model Inputs .....</b>                     | <b>A-1</b> |
| A.1 Market Data File .....                                | A-3        |
| A.1.1 Manufacturers Worksheet .....                       | A-3        |
| A.1.2 Credits and Adjustments Worksheet .....             | A-5        |
| A.1.3 Vehicles Worksheet .....                            | A-6        |
| A.1.4 Platforms Worksheet .....                           | A-11       |
| A.1.5 Engines Worksheet .....                             | A-13       |
| A.1.6 Transmissions Worksheet .....                       | A-15       |
| A.1.7 Vehicle and Component Code Assignment Guide .....   | A-17       |
| A.2 Technologies File .....                               | A-19       |
| A.3 Parameters File .....                                 | A-22       |
| A.3.1 Economic Values .....                               | A-22       |
| A.3.2 Vehicle Age Data .....                              | A-28       |
| A.3.3 Fuel Prices .....                                   | A-28       |
| A.3.4 DFS Model Values .....                              | A-28       |
| A.3.5 Sales Model Values .....                            | A-29       |
| A.3.6 Scrappage Model Values .....                        | A-31       |
| A.3.7 Historic Fleet Data .....                           | A-32       |
| A.3.8 Safety Values .....                                 | A-33       |
| A.3.9 Fatality Rates .....                                | A-34       |
| A.3.10 Credit Trading Values .....                        | A-34       |
| A.3.11 ZEV Credit Values .....                            | A-35       |
| A.3.12 Employment Values .....                            | A-36       |
| A.3.13 Fuel Properties .....                              | A-36       |
| A.3.14 Fuel Import Assumptions .....                      | A-37       |
| A.3.15 Emission Health Impacts .....                      | A-38       |
| A.3.16 Criteria Emission Costs .....                      | A-39       |



|                                                                               |            |
|-------------------------------------------------------------------------------|------------|
| A.3.17 Greenhouse Emission Costs.....                                         | A-41       |
| A.3.18 Upstream Emissions.....                                                | A-41       |
| A.3.19 Tailpipe Emissions.....                                                | A-43       |
| A.3.20 Brake and Tire Wear Emissions.....                                     | A-43       |
| A.4 Scenarios File.....                                                       | A-44       |
| A.4.1 Target Functions .....                                                  | A-49       |
| A.4.2 Test Weight Functions .....                                             | A-56       |
| <b>Appendix B. Model Outputs .....</b>                                        | <b>B-1</b> |
| B.1 Technology Utilization Report.....                                        | B-4        |
| B.2 Compliance Report.....                                                    | B-6        |
| B.3 Societal Effects and Societal Costs Reports.....                          | B-16       |
| B.4 Annual Societal Effects and Annual Societal Costs Reports .....           | B-31       |
| B.5 Annual Societal Effects and Annual Societal Costs Summary Reports .....   | B-45       |
| B.6 Consumer Costs Report.....                                                | B-59       |
| B.7 Annual Consumer Costs Report.....                                         | B-61       |
| B.8 Vehicles Report.....                                                      | B-64       |
| B.9 Vehicles Diagnostic Report.....                                           | B-72       |
| B.10 Vehicles Battery and Motor Report .....                                  | B-77       |
| B.11 Platforms, Engines, and Transmissions Reports .....                      | B-78       |
| <b>Appendix C. CAFE Model Software Manual.....</b>                            | <b>C-1</b> |
| C.1 Warnings .....                                                            | C-2        |
| C.2 Notice .....                                                              | C-2        |
| C.3 Installation and System Requirements .....                                | C-2        |
| C.4 CAFE Model Graphical User Interface.....                                  | C-3        |
| C.4.1 CAFE Model Window .....                                                 | C-5        |
| C.4.2 Modeling Settings Window.....                                           | C-6        |
| C.4.3 Session View .....                                                      | C-13       |
| C.4.4 Model Outputs.....                                                      | C-20       |
| C.5 CAFE Model Usage Examples .....                                           | C-22       |
| C.5.1 Example 1 – Configuring for Standard Compliance Modeling .....          | C-22       |
| C.5.2 Example 2 – Configuring for “CO <sub>2</sub> Compliance” Modeling ..... | C-26       |
| C.6 Known Issues .....                                                        | C-28       |

## List of Tables

|                                                                       |      |
|-----------------------------------------------------------------------|------|
| Table 1. Fuel Types.....                                              | 11   |
| Table 2. Regulatory Classes.....                                      | 16   |
| Table 3. Technology Classes Overview.....                             | 17   |
| Table 4. Safety Classes .....                                         | 18   |
| Table 5. Vehicle Classes .....                                        | 18   |
| Table 6. Designation of Manufacturer Parameters by Vehicle Style..... | 19   |
| Table 7. Target Functions .....                                       | 21   |
| Table 8. CO <sub>2</sub> Target Functions .....                       | 23   |
| Table 9. CAFE Model Technologies (Engine) .....                       | 25   |
| Table 10. CAFE Model Technologies (Transmission) .....                | 26   |
| Table 11. CAFE Model Technologies (Other) .....                       | 27   |
| Table 12. Vehicle Technology Classes.....                             | 29   |
| Table 13. Engine Technology Classes (Light Duty).....                 | 30   |
| Table 14. Engine Technology Classes (HDPUV).....                      | 31   |
| Table 15. Technology Pathways.....                                    | 32   |
| Table 16. Technology Pathway Compatibility Logic.....                 | 39   |
| Table 17. Technology Supersession Logic .....                         | 43   |
| Table 18. Technology Mutual Exclusivity Logic .....                   | 45   |
| Table 19. EPA Multiplier Modes.....                                   | 81   |
| Table 20. Credit Transfer Preference.....                             | 125  |
| Table 21. VMT Beta Coefficients.....                                  | 153  |
| Table 22. VMT Error Correction Function Coefficients .....            | 157  |
| Table 23. Input Files .....                                           | A-2  |
| Table 24. Manufacturers Worksheet.....                                | A-3  |
| Table 25. Credits and Adjustments Worksheet.....                      | A-5  |
| Table 26. Vehicles Worksheet .....                                    | A-6  |
| Table 27. Platforms Worksheet.....                                    | A-11 |
| Table 28. Engines Worksheet .....                                     | A-13 |
| Table 29. Transmissions Worksheet .....                               | A-16 |
| Table 30. Vehicle Code Assignment Guide.....                          | A-17 |
| Table 31. Platform Code Assignment Guide .....                        | A-17 |
| Table 32. Engine Code Assignment Guide.....                           | A-18 |
| Table 33. Transmission Code Assignment Guide.....                     | A-18 |
| Table 34. Manufacturer Subcode.....                                   | A-18 |
| Table 35. Parameters Worksheet .....                                  | A-19 |
| Table 36. Technologies Worksheet.....                                 | A-19 |
| Table 37. Technology Assumptions .....                                | A-20 |
| Table 38. Technology Costs .....                                      | A-21 |
| Table 39. Economic Values Worksheet.....                              | A-22 |
| Table 40. Vehicle Age Data Worksheet .....                            | A-28 |
| Table 41. Fuel Prices Worksheet .....                                 | A-28 |
| Table 42. DFS Model Values Worksheet .....                            | A-29 |
| Table 43. Sales Model Values Worksheet .....                          | A-30 |
| Table 44. Scrappage Model Values Worksheet.....                       | A-31 |
| Table 45. Historic Fleet Data Worksheet.....                          | A-32 |

|                                                                     |      |
|---------------------------------------------------------------------|------|
| Table 46. Safety Values Worksheet.....                              | A-33 |
| Table 47. Fatality Rates Worksheet.....                             | A-34 |
| Table 48. Credit Trading Values Worksheet .....                     | A-35 |
| Table 49. ZEV Credit Values Worksheet .....                         | A-36 |
| Table 50. Employment Values Worksheet .....                         | A-36 |
| Table 51. Fuel Properties Worksheet.....                            | A-37 |
| Table 52. Fuel Import Assumptions Worksheet .....                   | A-37 |
| Table 53. Emission Health Impacts Worksheet.....                    | A-38 |
| Table 54. Criteria Emission Costs Worksheet .....                   | A-40 |
| Table 55. Greenhouse Emission Costs Worksheet .....                 | A-41 |
| Table 56. Upstream Emissions Worksheets.....                        | A-42 |
| Table 57. Tailpipe Emissions Worksheets.....                        | A-43 |
| Table 58. BTW Emissions Worksheet.....                              | A-44 |
| Table 59. Scenarios Worksheet – Function Definition .....           | A-44 |
| Table 60. Scenarios Worksheet – Supplemental Options.....           | A-45 |
| Table 61. Target Functions (CAFE and CO <sub>2</sub> Programs)..... | A-49 |
| Table 62. Target Functions (CO <sub>2</sub> Program Only).....      | A-52 |
| Table 63. Test Weight Functions.....                                | A-56 |
| Table 64. Output Files.....                                         | B-2  |
| Table 65. Technology Utilization Report .....                       | B-5  |
| Table 66. Compliance Report .....                                   | B-6  |
| Table 67. “Reclassified” Compliance Report .....                    | B-12 |
| Table 68. Societal Effects Report .....                             | B-17 |
| Table 69. Societal Costs Report.....                                | B-27 |
| Table 70. Annual Societal Effects Report.....                       | B-31 |
| Table 71. Annual Societal Costs Report.....                         | B-41 |
| Table 72. Annual Societal Effects Summary Report.....               | B-45 |
| Table 73. Annual Societal Costs Summary Report .....                | B-54 |
| Table 74. Consumer Costs Report .....                               | B-59 |
| Table 75. Annual Consumer Costs Report .....                        | B-61 |
| Table 76. Vehicles Report.....                                      | B-65 |
| Table 77. Vehicles Diagnostic Report .....                          | B-72 |
| Table 78. Vehicles Battery and Motor Report.....                    | B-77 |
| Table 79. “Components” Report.....                                  | B-78 |
| Table 80. CAFE Model System Requirements.....                       | C-3  |

## List of Figures

|                                                                                  |      |
|----------------------------------------------------------------------------------|------|
| Figure 1. Basic Structure of Input File Defining the Fleet's Initial State ..... | 9    |
| Figure 2. Engine-Level Paths.....                                                | 34   |
| Figure 3. Transmission-Level Paths .....                                         | 35   |
| Figure 4. Vehicle-Level (Electrification & Hybrid/Electric) Paths .....          | 37   |
| Figure 5. Platform-Level and Vehicle-Level (Other) Paths.....                    | 38   |
| Figure 6. Technology Pathways Diagram.....                                       | 39   |
| Figure 7. Compliance Simulation .....                                            | 63   |
| Figure 8. Compliance Simulation Algorithm.....                                   | 88   |
| Figure 9. Determination of "Best Next" Technology Solution.....                  | 89   |
| Figure 10. Warnings Dialog Box .....                                             | C-4  |
| Figure 11. CAFE Model Splash Screen.....                                         | C-4  |
| Figure 12. CAFE Model Window.....                                                | C-5  |
| Figure 13. CAFE Model File Menu.....                                             | C-5  |
| Figure 14. CAFE Model Toolbar.....                                               | C-5  |
| Figure 15. General Compliance Settings Panel .....                               | C-7  |
| Figure 16. I/O Settings Panel (1) .....                                          | C-8  |
| Figure 17. I/O Settings Panel (2) .....                                          | C-9  |
| Figure 18. Runtime Settings Panel.....                                           | C-12 |
| Figure 19. CAFE Model Session View.....                                          | C-13 |
| Figure 20. Session View - Modeling Progress.....                                 | C-14 |
| Figure 21. Session View - Vehicle Scatter Plot.....                              | C-14 |
| Figure 22. Session View - Compliance Performance Chart .....                     | C-15 |
| Figure 23. Session View - Compliance Summary Chart .....                         | C-16 |
| Figure 24. Initiating Chart Filtering.....                                       | C-17 |
| Figure 25. Chart Filtering Activated.....                                        | C-17 |
| Figure 26. Chart Filtering Completed.....                                        | C-18 |
| Figure 27. Manufacturer Filtering Examples.....                                  | C-19 |
| Figure 28. Vehicle Scatter Plot - Zoomed View.....                               | C-19 |
| Figure 29. Select Standard Compliance Model .....                                | C-22 |
| Figure 30. Select Input Files .....                                              | C-23 |
| Figure 31. Save Modeling Settings.....                                           | C-23 |
| Figure 32. New Compliance Model Session Created .....                            | C-24 |
| Figure 33. Save New Session.....                                                 | C-24 |
| Figure 34. "Demo" Session Saved.....                                             | C-25 |
| Figure 35. Modeling Progress from the Compliance Model .....                     | C-25 |
| Figure 36. Compliance Model Completed.....                                       | C-26 |
| Figure 37. Open "Demo" Session.....                                              | C-27 |
| Figure 38. Enable Compliance with CO <sub>2</sub> Standards.....                 | C-27 |
| Figure 39. Modeling Progress for Compliance with CO <sub>2</sub> Standards.....  | C-28 |

## Abbreviations and Acronyms

|                 |                                                      |
|-----------------|------------------------------------------------------|
| AEO             | annual energy outlook                                |
| ALVW            | adjusted loaded vehicle weight                       |
| AMT             | automated manual (i.e., clutch) transmission         |
| ANL             | Argonne National Laboratory                          |
| AT              | automatic transmission                               |
| BEV             | battery electric vehicle                             |
| BTU             | British thermal unit                                 |
| CAFE            | Corporate Average Fuel Economy                       |
| CH <sub>4</sub> | methane                                              |
| CNG             | compressed natural gas fuel type                     |
| CO              | carbon monoxide                                      |
| CO <sub>2</sub> | carbon dioxide                                       |
| CPM             | cost-per-mile                                        |
| CVT             | continuously variable transmission                   |
| CW              | vehicle's curb weight                                |
| CY              | calendar year                                        |
| DC              | Domestic Car regulatory class                        |
| DCT             | dual-clutch transmission                             |
| DEM             | dynamic economic models                              |
| DFS             | Dynamic Fleet Share                                  |
| DFS/SR          | Dynamic Fleet Share and Sales Response model         |
| DOHC            | dual overhead camshaft engine                        |
| DPM10           | diesel particulate matter                            |
| E85             | ethanol/gasoline blend with up to 85 percent ethanol |
| EISA            | Energy Independence and Security Act                 |
| EPCA            | Energy Policy and Conservation Act                   |
| FCV             | fuel cell vehicle                                    |
| FE              | fuel economy rating of a vehicle                     |
| FFV             | flex-fuel vehicle                                    |
| FP              | vehicle's footprint                                  |
| FTP             | federal test procedure                               |
| GCWR            | gross combined weight rating                         |
| GDP             | gross domestic product                               |
| GGE             | gasoline gallon equivalent                           |
| GHG             | greenhouse gas                                       |
| gpm             | gallons per mile                                     |
| GUI             | graphical user interface                             |
| GVWR            | gross vehicle weight rating                          |
| GW              | glider weight                                        |
| HDPUV           | heavy-duty pickups and vans                          |
| HFET            | highway fuel economy test                            |
| HP              | vehicle's horsepower                                 |
| IC              | Imported Car regulatory class                        |
| ICE             | internal combustion engine                           |
| kWh             | kilowatt-hour                                        |

|                   |                                                         |
|-------------------|---------------------------------------------------------|
| LDT1              | class-1 light-duty truck (GVWR < 6,000 lb)              |
| LDT1/2a           | combination of class-1 and class-2a light-duty trucks   |
| LDT2a             | class-2a light-duty truck (6,001 lb < GVWR < 8,500 lb)  |
| LDT2b             | class-2b light-duty truck (8,501 lb < GVWR < 10,000 lb) |
| LDT2b/3           | combination of class-2b and class-3 light-duty trucks   |
| LDT3              | class-3 light-duty truck (10,001 lb < GVWR < 14,000 lb) |
| LDV               | light-duty passenger vehicle                            |
| LT                | Light Truck regulatory class                            |
| LVW               | loaded vehicle weight                                   |
| Mcf               | thousand standard cubic feet                            |
| MDPC              | minimum domestic passenger car                          |
| MSRP              | manufacturer suggested retail price                     |
| MT                | manual (i.e., clutch) transmission                      |
| MTBE              | methyl tertiary butyl ether                             |
| MWh               | megawatt-hour                                           |
| MY                | model year                                              |
| N <sub>2</sub> O  | nitrous oxide                                           |
| NO <sub>x</sub>   | oxides of nitrogen                                      |
| NPRM              | notice of proposed rulemaking                           |
| OHV               | overhead valve engine                                   |
| PC                | Passenger Car regulatory class                          |
| PEF               | petroleum equivalence factor                            |
| PHEV              | plug-in hybrid-electric vehicle                         |
| PM <sub>2.5</sub> | fine particulate matter                                 |
| Quads             | quadrillion British thermal units                       |
| RIA               | regulatory impact analysis                              |
| scf               | standard cubic foot                                     |
| SHEV              | strong hybrid-electric vehicle                          |
| SO <sub>2</sub>   | sulfur dioxide                                          |
| SOHC              | single overhead camshaft engine                         |
| SOX               | sulfur oxides                                           |
| SPR               | strategic petroleum reserve                             |
| TCO               | total cost of ownership                                 |
| TW                | test weight                                             |
| UDDS              | urban dynamometer driving schedule                      |
| VMT               | vehicle miles traveled                                  |
| VOC               | volatile organic compounds                              |
| ZEV               | zero emission vehicle                                   |

## Preface

The United States Department of Transportation's Volpe National Transportation Systems Center (Volpe Center) has developed and, since 2002, steadily applied, expanded, and refined a modeling system to assist the National Highway Traffic Safety Administration in the evaluation of potential new Corporate Average Fuel Economy standards. Given externally developed inputs, the modeling system estimates how manufacturers could apply additional fuel-saving technologies in response to new CAFE standards and estimates how doing so would impact vehicle costs and fuel economy levels; vehicle sales volumes and fleet turnover; and national-scale automotive manufacturing employment, highway travel, fatalities, fuel consumption, and related emissions. Based on these impacts, the system calculates costs and benefits from private and social perspectives.

This report documents the design and function of the CAFE Model as of June 2026; specifies the content, structure, and meaning of inputs and outputs; and provides instructions for the installation and use of the modeling system.

We acknowledge the technical contributions of NHTSA and Volpe Center staff who have been involved in guiding recent changes to the modeling system, model inputs, and analysis. They are Katherine Baird, Donald Baskin, Joseph Bayer, Bentley Clinton, Giulio Chiuini, Jack Chiu, Paul Connet, Reilly DeMoura, Jane Doherty, Kevin Ennis, Hannah Fish, Katya Garcia-Israel, Maurice Hicks, Frederick Lamance, Natalia Leszczyszyn, Brent Lignell, Vincent Livant, Travis Mast, Caitlin McKeighan, Claire McManus, Keith Meyers, Cheng Peng, Don Pickrell, Sean Puckett, Callie Roach, Louis Sears, Brian Seymour, Mark Shaulov, Jessica Suda, Christian Tatu, Mark Totten, Jacob Wishart, Stephanie Walters, Robin Wilkinson, Victoria Williams, and Seiar Zia.

We also acknowledge prior contributions to CAFE Model development from contractor Yefim Keselman, as well as current and former DOT executives and staff who guided and participated in the development of earlier versions of the modeling system, model inputs, and analysis, including Julie Abraham, Gregory Ayres, Jonathan Badgley, Rebecca Blatnica, Larry Blincoe, Dan Bogard, Noble Bowie, John Brewer, Ann Carlson, Shannon Chang, Steven Cliff, Coralie Cooper, Andrew Eilbert, Peter Feather, Christina Foreman, David Friedman, Walter Gazda, Stefanie Goodwin, Phil Gorney, Kevin Green, David Greene, Bahman Habibzadeh, Ryan Hagen, Carol Hammel-Smith, Ryan Harrington, Joshua Hassol, David Hyde, Brianna Jean, Thomas Kang, Ken Katz, Ryan Keefe, Matthew Keen, Heidi King, Steve Kratzke, Russell Krupen, Eikar Lai, Mason Leon, Shoshana Lew, Scott Lian, Katie Liu, Kristina Lopez-Bernal, Walter Lysenko, José Mantilla, Erin McCurry, Joe Mergel, Ron Medford, Kevin Morrison, Amandine Muskus, Vinay Nagabhushana, James Owens, David Pace, Sean Peirce, Ryan Posten, Gregory Powell, Sari Radin, Ross Rutledge, Arthur Rypinski, Gonzalo Saenz, Everett Sargent, Rebecca Schade, Dan Smith, Jim Tamm, Katie Thomson, John Van Schalkwyk, Ana Maria Vargas, Kevin Vincent, Kenneth William, Steve Wood, Lixin Zhao, Stephen Zoepf, and Alexis Zubrow.

We also acknowledge the technical contributions of people who have reviewed detailed results of the model (and/or earlier versions of the model) and/or provided specific suggestions regarding the model's design. They are Ayman Moawad, Steve Plotkin, Aymeric Rousseau, Ram Vijayagopal, and Michael Wang of the Department of Energy's Argonne National Laboratory; Michael McCarthy of the California Air Resources Board; Jeff Alson, Kevin Bolon, William Charmley, Ken Davidson, Ben Ellies, Neal Fann, Chet France, David Haugen, Lisa Heinzerling, Gloria Helfand, Ari Kahan, Robin Moran, Margo Oge, Richard Rykowski, and Todd Sherwood

of the U.S. Environmental Protection Agency (EPA); John Maples of DOE's Energy Information Administration; Gary Rogers of FEV Engine Technology, Inc.; David Boggs, Anrico Casadei, Scott Ellsworth, and Sandy Stojkovski of Ricardo, Inc.; Jamie Hulan of Transport Canada; Jonathan Rubin of the University of Maine; Alicia Birky of Energetics, Inc.; Howard Gruenspecht of Massachusetts Institute of Technology, John Graham of the Indiana University; Walter Kreucher of Environmental Consultants of Michigan; James Sallee of University of California at Berkeley; Nigel Clark of West Virginia University; and Wallace W. Wade of Ford Motor Co. (retired).



## Chapter One – Introduction

The Energy Policy and Conservation Act, as amended by the Energy Independence and Security Act of 2007, requires the U.S. Department of Transportation to issue and enforce Corporate Average Fuel Economy standards. DOT delegated this responsibility to the National Highway Traffic Safety Administration, which has been administering these standards since 1975.

The Volpe National Transportation Systems Center (Volpe Center) provided technical support to the DOT in connection with the establishment of the CAFE program in the 1970s and has continued to provide such support since that time. The Volpe Center is a Federal fee-for-service organization in DOT.

In 2002 the Volpe Center began developing a new modeling system to support NHTSA's analysis of options for future CAFE standards. Objectives included

- the ability to use detailed projections of light vehicle fleets to be produced for sale in the United States,
- the ability to efficiently estimate how manufacturers could apply available technologies in response to CAFE standards,
- the ability to quickly, systematically, and reproducibly evaluate various options for future CAFE standards, and
- the ability to estimate a range of outcomes (in particular, changes in fuel consumption and emissions) resulting from such standards.

Since 2002, the Volpe Center has made numerous changes to the modeling system. Some changes were made in response to comments submitted to NHTSA in connection with CAFE rulemakings, and in response to a formal peer review of the system. Some changes were made based on observations by NHTSA and Volpe Center technical staff. As NHTSA began evaluating attribute-based CAFE standards (i.e., standards under which CAFE requirements depend on the mix of vehicles produced for U.S. sale), significant changes were made to enable evaluation of such standards. At the same time, the system was expanded to provide the ability to perform uncertainty analysis by randomly varying many inputs. Later, the system was further expanded to provide automated statistical calibration of attribute-based standards, through implementation of Monte Carlo techniques, as well as automated estimation of stringency levels that meet specified characteristics (such as maximizing estimated net benefits to society).

In 2007 NHTSA and Volpe Center staff worked with technical staff of the U.S. Environmental Protection Agency on major changes to the range of fuel-saving technologies accommodated by the model, as well as the logical pathways for applying such technologies. In 2008 NHTSA and Volpe Center staff collaborated on further revisions, particularly with respect to the representation of available fuel-saving technologies, support for the reexamination provided by Ricardo plc.<sup>1</sup> In support of the 2010 rulemaking, a multi-year technology application feature was introduced into the modeling system. In 2011 a feature to evaluate voluntary overcompliance was also added.

In 2014 the system was adapted and expanded to allow NHTSA and Volpe Center staff to perform rulemaking analysis for the heavy-duty pickups and vans. As such, a new regulatory class, covering class 2b and class 3 vehicles, was introduced into the modeling system. To better

---

<sup>1</sup> Ricardo UK Limited, West Sussex, United Kingdom.

illustrate the behavior of the industry, a feature allowing technologies to be inherited between vehicle platforms, engines, and transmissions was reintroduced into the modeling system as the primary mode of operation. In 2016 the modeling system was further refined to allow simultaneous analysis of the light-duty and the HDPUV fleets, accounting for potential interaction between shared platforms, engines, and transmissions. In 2016, the modeling system underwent a major overhaul to allow for integration of vehicle simulation results from ANL's Autonomie model.

For the 2018 notice of proposed rulemaking, covering model years 2020 to 2025, the system was further enhanced to include additional modeling features. Principal among them were: the ability to simulate separate compliance by domestic and imported car fleet (an explicit EPCA requirement); the ability to dynamically adjust the sales forecast of the light-duty fleet and the passenger car to light-truck fleet share as part of compliance simulation; the ability to dynamically adjust the scrappage rates of on-road vehicle fleet for post-compliance calculations; and the ability to account for vehicle safety performance over time. The system was also modified to be able to simulate compliance with EPA carbon dioxide standards, including a number of programmatic elements specific to that program that do not exist under CAFE. Following up on the 2018 NPRM version of the model, the system was further revised and improved to support the 2019 final rule analysis. Among the changes were updates to the existing sales and scrappage models, as well as an added ability to dynamically adjust the vehicle miles traveled in response to market changes. Furthermore, with this version of the CAFE Model, the system has fully moved away from using incremental cost and fuel consumption accounting methodology, instead relying on "absolute" values defined for each technology or technology combination available for simulation.

Over the course of the analyses supporting the 2021 notice and the 2022 final rulemakings, covering MYs 2024 to 2026, further revisions and enhancements were made to the CAFE Model. Among these were: the ability to account for some States' previously promulgated zero emission vehicle standards; the ability to simulate and account for the standards defined by California's Framework Agreement (where some manufacturers have reached an agreement with California regarding the average CO<sub>2</sub> performance of new vehicles produced for sale in the United States); and the ability to simulate manufacturers' potential technology application in response to the combination of previously promulgated ZEV standards, the California Framework Agreement, EPA CO<sub>2</sub> standards, and NHTSA CAFE standards. The system was also modified with several minor enhancements to support the analysis, including: more detailed reporting of emissions from upstream processes and subsequent accounting of emission health impacts related to criteria air pollutants; the availability of long-range (e.g., 400-mile) battery electric vehicles (BEVs); refinements to methods for estimating highway safety impacts; and the addition of experimental "fleet share" models, which are used for estimating the portions of new vehicles sales that are attributed to the passenger car or light-truck fleets.

For the 2023 NPRM, which included analysis of the light-duty fleet (for MYs 2027 to 2032) and the HDPUV fleet (for MYs 2030 to 2035), the modeling system was expanded with additional functionality to support the ongoing rulemaking. A substantial overhaul of the system was conducted to improve compliance analysis of the fuel efficiency and CO<sub>2</sub> standards for the HDPUV fleet. As such, HDPUV-specific technologies, costs, and fuel efficiency improvements; vehicle and engine technology classes; vehicle styles and classifications; and HDPUV-specific CO<sub>2</sub> target function and coefficients were integrated into the CAFE Model (a fuel efficiency

target was previously defined in the system). Additional HDPUV enhancements included revisions to the compliance calculations and reporting to match the updated regulatory definitions, as well as integrating advanced modeling features available for the light-duty analysis into the HDPUV analysis (such as dynamic sales and scrappage models). Aside from the updates related specifically to the compliance analysis of the HDPUV fleet, additional new functionality was added to the system, impacting the analysis of both fleets. Some of the major changes were: the ability to estimate vehicular PM<sub>2.5</sub> emissions attributed to the brake and tire wear; integrating the Federal incentives (vehicle and battery tax credits) as outlined in the Inflation Reduction Act into the analysis (by including tax credits in the “effective-cost” metric, the fleet share and sales model, and the scrappage model); expanding and improving on the methods and procedures for simulating the manufacturers’ responses to ZEV standards; and the ability to rely on user-defined annual forecasts of light-duty and HDPUV vehicle sales and cars shares for the future MYs. Following up on the 2023 NPRM, the modeling system underwent further changes in support of the 2024 final rulemaking. Some of the more notable changes included: renaming the “Light Truck 2b/3” classification to “HDPUV” for the HDPUV regulatory class throughout the model inputs and outputs; additions of new work-factor functions for the HDPUV fleet; ability to optionally restrict technology application on BEVs during “standard setting” years; and minor expansion to the modeling of ZEV standards.

In support of the 2025 NPRM, covering MYs 2027 to 2031 of the light-duty fleet, the CAFE Model was modified with the ability to exclude BEVs and fuel cell vehicle (FCVs) from analysis, as well as an option to further exclude the electricity component of PHEVs from the calculation of energy use and emission effects. Support for reclassifying vehicle models during a given year (e.g., from Light Trucks to Domestic Cars) was also introduced into the modeling system. The system was further updated to include bracketing of mass reduction costs, expanding modeling reports, as well as various minor enhancements and fixes. For the 2026 final rulemaking, the modeling system was further revised to expand the labor analysis calculations to optionally consider only the innovative technologies, to compute the battery tax credits using the per-vehicle battery capacity based on the ANL simulation data, and to add support for differentiating between the “domestic” and “global” sources of petroleum feedstocks. Various enhancements to reporting were incorporated into the CAFE Model.

Throughout the development of the CAFE Model, some of the features introduced into the system during prior releases (as mentioned above) may have been removed from subsequent versions. The CAFE Model is typically tailored to the constraints of specific rulemakings, often including experimental and proposed features, with the intent of seeking comment from the public. As such, the functionality found in each specific version of the model is a reflection of the requirements that best match the rulemaking analysis that was being conducted at the time. Hence, some of the experimental features introduced into a given version of the model may be removed during a later one if they were not deemed vital to future analysis. Moreover, on occasion, integrating some of the required new enhancements into the system may conflict with some of the existing model features. If those existing features were not frequently used or are not critical to the core of the analysis, they will be removed from the modeling system. For example, support for Monte Carlo simulation and the ability to simultaneously evaluate light-duty and HDPUV fleets was temporarily removed from the system. While NHTSA no longer models joint compliance with CO<sub>2</sub> standards or previously promulgated ZEV standards, that functionality still exists in the model. Therefore, this documentation will still refer to CO<sub>2</sub> and ZEV functionality.

*This page is intentionally left blank.*

## Chapter Two – System Design

### Section 1 Overall Structure (System Overview)

The CAFE Model's basic design developed by the Volpe Center is as follows: the system first estimates how manufacturers might respond to a given regulatory scenario, and from that potential compliance solution, the system estimates what impact that response will have on fuel consumption, emissions, and economic externalities. A regulatory scenario involves specification of the form, or shape, of the standards (e.g., flat standards, or linear or logistic attribute-based standards), scope of passenger car and truck regulatory classes, and stringency of the CAFE and CO<sub>2</sub> standards for each MY to be analyzed.

Manufacturer compliance simulation and the ensuing effects estimation, collectively referred to as compliance modeling, encompass numerous subsidiary elements. Compliance simulation begins with a detailed initial forecast, provided by the user, of the vehicle models offered for sale during the simulation period. The compliance simulation then tries to bring each manufacturer into compliance with the standards defined by the regulatory scenario in an input file developed by the user; for example, a regulatory scenario may define CAFE or CO<sub>2</sub> standards that increase in stringency by 4 percent per year for 5 consecutive years. The model applies various technologies to different vehicle models in each manufacturer's product line to simulate how each manufacturer might make progress toward compliance with the specified standard. Subject to a variety of user-controlled constraints, the model applies technologies based on their relative cost-effectiveness, as determined by several input assumptions regarding the cost and effectiveness of each technology, the cost of compliance (determined by the change in CAFE or CO<sub>2</sub> credits, civil penalties for noncompliance with CAFE standards, or value of CO<sub>2</sub> credits, depending on the compliance program being evaluated and the effective-cost mode in use), and the value of avoided fuel expenses. For a given manufacturer, the compliance simulation algorithm applies technologies either until the manufacturer runs out of cost-effective technologies, until the manufacturer exhausts all available technologies, or, if the manufacturer is assumed to be willing to pay civil penalties, until paying civil penalties becomes more cost-effective than increasing vehicle fuel economy. At this stage, the system assigns an incurred technology cost and updated fuel economy to each vehicle model, as well as any civil penalties incurred by each manufacturer. This compliance simulation process is repeated for each MY available during the study period.

This point marks the system's transition between compliance simulation and effects calculations. At the conclusion of the compliance simulation for a given regulatory scenario, the system contains revisions of the updated fleet of vehicles, corresponding to each MY analyzed. For each MY, the vehicles' attributes, such as fuel types (e.g., diesel, electricity), fuel economy values, and curb weights, have all been updated to reflect the application of technologies in response to standards throughout the study period. For each vehicle in each of the MY specific fleets, the system then estimates the following: lifetime travel, fuel consumption, carbon dioxide and criteria pollutant emissions, the magnitude of various economic externalities related to vehicular travel (e.g., noise), and energy consumption (e.g., the economic costs of short-term increases in petroleum prices). The system then aggregates model-specific results to produce an overall representation of modeling effects for the entire industry.

Different categorization schemes are relevant to different types of effects. For example, while a fully disaggregated fleet is retained for purposes of compliance simulation, vehicles are grouped by type of fuel and regulatory class for the energy, carbon dioxide, criteria pollutant, and safety calculations. Therefore, the system uses model-by-model categorization and accounting when calculating most effects, and aggregates results only as required for efficient reporting.

## **Section 2 Representation of Market Data**

To evaluate a manufacturer's progress towards compliance, the CAFE Model reads in and stores various engineering characteristics and technology information attributable to each vehicle, platform, engine, and transmission produced by that manufacturer. This information provides the model with an overall view of the initial state of a manufacturer's fleet. The data that makes up this initial or "baseline" fleet is referred to as "market data" or "market forecast," and is entered into the modeling system as a user provided input file.<sup>2</sup>

Along with the engineering characteristics and technology information, the initial fleet includes classifications (discussed below) that the modeling system uses to properly "bin" (or categorize) vehicles for compliance simulation and effects calculations. For example, the input file includes a regulatory class column, which allows the CAFE Model to determine whether to apply a passenger car, light truck, or HDPUV standard to a vehicle.

Since compliance modeling in the system heavily relies on the initial fleet, which is defined by the user, and all other results flow from compliance modeling, the initial fleet may be properly considered the foundation of any modeling exercise. The next section is a general overview of the initial state of the fleet, highlighting some of the most significant inputs, while Appendix A's Section A.1 describes the suitable structure and content the user should use when developing a market data input file for CAFE Model analysis.

### **S2.1 Initial State of the Fleet**

The CAFE Model uses information contained in the *Manufacturers*, *Credits and Adjustments*, *Vehicles*, *Platforms*, *Engines*, and *Transmissions* worksheets in the market data input file to develop the fleet's initial state. The set of worksheets uses identification codes to link vehicle models with their corresponding platforms, engines, and transmissions. The model also uses a manufacturer's name to cross-link and associate all the worksheets in the market data file for that manufacturer. Figure 1 shows a simplified example illustrating the basic structure and inter-relationship of these six worksheets, focusing primarily on structurally important inputs. The identification codes make it possible to account for the use of specific vehicle components (i.e., platforms, engines, or transmissions)<sup>3</sup> across vehicle models.

Developing the CAFE Model to treat vehicles, platforms, engines, and transmissions as separate entities lets the modeling system to concurrently evaluate technology improvements on many vehicles that may share a common component. Sharing also enables realistic propagation, or

---

<sup>2</sup> As discussed below, when applying the Dynamic Fleet Share and Sales Response model, the CAFE Model makes use of the specified production volume inputs during the first model year only; for ensuing model years, production volumes are estimated endogenously using this initial set of estimates as a starting point.

<sup>3</sup> For the purposes of the CAFE Model, a vehicle component is defined as any major vehicle block that maintains its own production line and/or is used on several vehicles at a time. Vehicle platforms, engines, and transmissions are all considered to be vehicle components from the model's perspective.

“inheriting,” of previously applied technologies from an upgraded component down to the vehicle “users” of that component that have not yet realized the benefits of the upgrade.

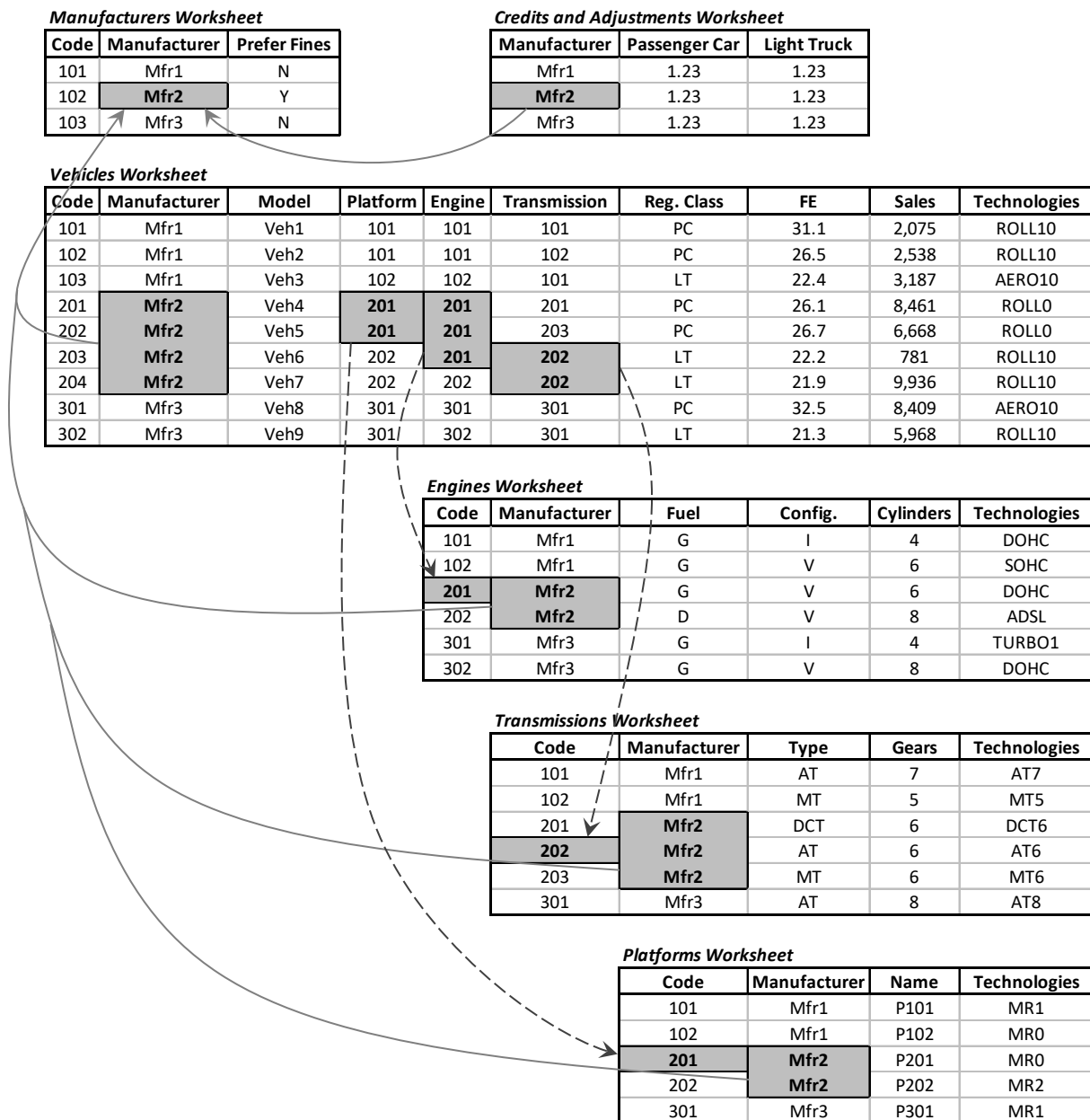


Figure 1. Basic Structure of Input File Defining the Fleet's Initial State<sup>4</sup>

In Figure 1, each vehicle model is shown as always having an engine and a transmission. However, this may not always be the case. Specifically, BEVs and fuel cell vehicles do not make use of a traditional combustion engine or transmission. Instead, both rely on electric powertrains that have electric motors packaged with advanced, custom-built transmissions. The system assumes that BEVs and FCVs are the sole users of their respective transmissions (i.e., the

<sup>4</sup> Note: For simplicity and illustration purposes, some column headers and data elements shown in Figure 1 were renamed, abbreviated, or combined.

transmissions are not shared by any other vehicle) and that no further improvements may be possible on those transmissions. As such, for modeling simplicity, the system assumes that these vehicles do not have an engine or a transmission, where the associated “Engine Code” and “Transmission Code” fields should be left blank in the input fleet. Similarly, plug-in hybrid-electric vehicles and strong hybrid-electric vehicles also assume the use of the custom-built engines and transmissions that are specific to the individual vehicle. For modeling simplicity, the system assumes that these vehicles do not have an engine or transmission assigned to them as well.<sup>5</sup>

Although Figure 1 displays the basic relationship between the different worksheets in a simplified manner, the structure and contents of the actual market data input file are significantly more involved. However, while the modeling system loads additional information provided in the market data input file (as outlined in Appendix A Section A.1), it does not use all of that information. The system only makes use of inputs essential for compliance simulation, such as vehicle’s fuel economy, curb weight, footprint, production volumes (i.e., sales), initial technology usage, etc. The CAFE Model uses fuel economy ratings to calculate the corresponding CO<sub>2</sub> ratings, which it uses as the basis for simulating compliance with CO<sub>2</sub> standards.<sup>6</sup>

When providing a vehicle’s fuel economy<sup>7</sup> for compliance purposes, the user must input the “rated” value, i.e., the vehicle’s fuel economy absent any adjustments, credits, special provisions for alternative fuels (including DOE’s petroleum equivalence factor [PEF] or any other factor, credit, or offset) that NHSTA may otherwise apply to adjust the vehicle’s fuel economy rating. That is, the vehicle’s rated fuel economy must represent the weighted harmonic average of the values measured on the Federal Test Procedure “city” and Highway Fuel Economy Test “highway” drive cycle tests,<sup>8</sup> as defined by the following equation:

$$FE = \frac{1}{\frac{0.55}{FE_{City}} + \frac{0.45}{FE_{Highway}}} \quad (1)$$

---

<sup>5</sup> The handling of engines and transmissions (definition and assignment) with regard to hybrid/electric vehicles may be updated in a future release of the CAFE Model.

<sup>6</sup> The conversion of a vehicle’s fuel economy to an equivalent CO<sub>2</sub> rating is discussed in Section S5.2.1 below.

<sup>7</sup> For the HDPUV fleet, per 40 CFR Chapter V part 535, the vehicle’s *fuel efficiency* is defined on a gallons per 100-mile basis, instead of being expressed as *fuel economy* on a miles per gallon basis. However, since a direct conversion between the two is possible without any loss of information (as in: **result** = 100 / **value**), in the CAFE Model and throughout this document (and to stay concurrent with the light-duty analysis), all associated data elements are loaded, processed, stored, and reported on a miles per gallon basis, with conversions being performed only when required for compliance purposes (e.g., when evaluating the HDPUV fleet’s credits and compliance positions) or to supplement the model’s reporting for clarity (e.g., showing manufacturer’s combined average fuel efficiency rating as gallons per 100-mile).

<sup>8</sup> FTP and HFET drive schedules are described in EPA. (n.d.). *Dynamometer drive schedules*. [Web page]. [www.epa.gov/vehicle-and-fuel-emissions-testing/dynamometer-drive-schedules](http://www.epa.gov/vehicle-and-fuel-emissions-testing/dynamometer-drive-schedules).



Where:

*0.55*: the portion of total miles a vehicle is assumed to travel under city driving conditions;

*0.45*: the portion of total miles a vehicle is assumed to travel under highway driving conditions;

*FE<sub>City</sub>*: the fuel economy rating of a vehicle as measured on the FTP cycle;

*FE<sub>Highway</sub>*:

the fuel economy rating of a vehicle as measured on the HWFET cycle; and

*FE*: the combined city and highway fuel economy rating of a vehicle.

The fuel economy rating must also be defined for each fuel type that the vehicle operates on. In the case of dual-fuel vehicles (i.e., flex-fuel vehicles and PHEVs), this indicates that the fuel economy rating must be specified for either gasoline and E85 fuel types, or gasoline and electricity fuel types concurrently. The associated fuel share, for each fuel type where a fuel economy value exists, must also be defined. For single-fuel vehicles, the accompanying fuel share should be specified at 100 percent. For dual-fuel vehicles, the fuel share represents the assumed portion of miles, on average, a vehicle is expected to travel when operating on a given fuel. For example, inputs could be set to indicate that a 20-mile plug-in hybrid-electric vehicle might be expected to travel 43 percent of its total miles using electricity and the remaining 57 percent using gasoline.

The fuel economy and fuel share values are assigned in the *Vehicles* worksheet under the “Fuel Economy” section, for each supported fuel type in the modeling system. Presently, the model supports six fuel types, as defined in Table 1, for specifying the vehicle and engine fueling options, for defining fuel-specific inputs (e.g., fuel prices and emission factors), and for estimating the various modeling effects (such as amount of fuel consumed and greenhouse gas and air pollutant emissions) attributed to a vehicle when operating on a specific type of fuel. As noted above, the individual fuel types appearing in Table 1 may be combined, in the case of dual-fuel vehicles, to be interpreted by the modeling system as flex-fuel vehicles (FFVs) or PHEVs.

*Table 1. Fuel Types*

| <b>Fuel Type</b> | <b>Abbr.</b> | <b>Description</b>                                                                      |
|------------------|--------------|-----------------------------------------------------------------------------------------|
| Gasoline         | G            | The vehicle operates on gasoline fuel                                                   |
| E85              | E85          | The vehicle operates on E85 fuel (ethanol/gasoline blend with up to 85 percent ethanol) |
| Diesel           | D            | The vehicle operates on diesel fuel                                                     |
| Electricity      | E            | The vehicle operates on electricity                                                     |
| Hydrogen         | H            | The vehicle operates on hydrogen fuel                                                   |
| CNG              | CNG          | The vehicle operates on compressed natural gas fuel                                     |

On the *Engines* worksheet, the user must also indicate the fuel type that an engine uses from among the choices described in Table 1. However, since a combustion engine cannot operate on electricity or hydrogen, those are not considered to be valid options for use on an engine.<sup>9</sup> Since, as shown by Figure 1, each of the vehicles references a particular engine, the fuel type used by an engine must be a subset of the fuel economies defined on a vehicle. That is, if an engine is listed as operating on gasoline, the vehicle that uses that engine would specify a fuel economy and fuel share values for gasoline fuel type as well. In the case of FFVs and PHEVs, the engine would still be listed as operating on gasoline, while for a vehicle itself, the fuel economies and fuel shares for gasoline and either E85 or electricity would need to be specified.

The modeling system uses a vehicle's fuel economy, footprint, curb weight, work-factor, and production volumes to calculate a manufacturer's required and achieved CAFE and CO<sub>2</sub> ratings. The production volumes – or, as they are referred to in the context of the model, vehicle sales<sup>10</sup> – are assumed to be defined for the initial fleet for the same MY for which all of the other vehicle, engine, and transmission attributes are specified. In other words, if the initial fleet covers vehicles from MY 2022, the sales volumes must also be defined for MY 2022. The initial vehicle sales are then extrapolated by the modeling system for a number of MYs, covering the intended study period a user wishes to analyze during compliance simulation. The default modelling settings rely on the system's built-in dynamic fleet share and sales response model, a component in the set of dynamic economic models. Disabling the use of DEMs (and, therefore, DFS/SR model) will revert to using a static forecast, where the future sales of individual vehicle models remain the same throughout the study period.

The vehicle curb weight and footprint values are input into the modeling system as inputs for each vehicle model available for simulation. Curb weight is measured in pounds (*lb*) and is defined as the actual or the manufacturer's vehicle estimated weight in operational status with all standard equipment, and weight of fuel at nominal tank capacity. Footprint is defined as the average of front and rear track widths (averaged, then rounded to the nearest tenth of an inch) multiplied by the vehicle's wheelbase (rounded to the nearest tenth of an inch), divided by 144, then rounded to nearest square foot, as demonstrated in the following equation:

$$FP = \text{ROUND} \left( \frac{\text{ROUND} \left( \frac{TW_{Front} + TW_{Rear}}{2}, 1 \right) \times Wheelbase}{144}, 1 \right) \quad (2)$$

Where:

$TW_{Front}$ :

the lateral distance between the centerlines of the front base tires at ground, including the camber angle, specified in inches, rounded to one decimal place (the front track width);

---

<sup>9</sup> Some users may find it helpful to define a “fake” engine entry (e.g., for tracing or cross-referencing purposes) to correspond to an electric or fuel cell vehicle. In such a case, a fuel type value of “E” or “H” may be used; however, the CAFE Model will ignore any such engines when reading in a market data input file.

<sup>10</sup> A manufacturer's compliance is based on production-weighted CAFE and CO<sub>2</sub> ratings. The system assumes every vehicle model produced for sale in the United States is sold in the same year it is produced.

*TW<sub>Rear</sub>*:

the lateral distance between the centerlines of the rear base tires at ground, including the camber angle, specified in inches, rounded to one decimal place (the rear track width);

*Wheelbase*:

the longitudinal distance between front and rear wheel centerlines, specified in inches, and rounded to one decimal place;

*I44*: the conversion factor from square inches to square feet; and

*FP*: the resultant vehicle footprint, specified in sq. ft., rounded to one decimal place.

While some of the early versions of the modeling system calculated vehicle footprints using inputs specifying vehicle track widths and wheelbase, the system currently makes use of inputs specifying footprint directly and does not rely on the inputs specifying these linear dimensions. Although the user may specify any value as the curb weight or the footprint, and the modeling system will not strictly enforce any specific guidelines (other than requiring both values be greater than 1), the definitions provided above should be used.

While the curb weight and footprint values are user provided inputs, the work-factor values are computed internally by the modeling system. The work-factor is calculated based on the weighted share of the vehicle's payload capacity (that is, the difference between its GVWR and curb weight) and the vehicle's towing capacity (that is, the difference between its GCWR and GVWR). In the case of all-wheel and four-wheel drive vehicles, an additional 500 lb is added to the vehicle's presumed payload. The vehicle's payload is then weighted at 75 percent of the resultant work-factor, while the towing capacity is weighted at 25 percent. The work-factor calculation is demonstrated by the following equation:

$$WF = \left( GVWR - CW + \begin{cases} 500, & \text{Drive} = AWD \text{ or } 4WD \\ 0, & \text{Drive} \neq AWD \text{ or } 4WD \end{cases} \right) \times 0.75 + (GCWR - GVWR) \times 0.25 \quad (3)$$

Where:

*Drive*: the drive type of the vehicle;

*AWD*: whether the vehicle uses all-wheel drive;

*4WD*: whether the vehicle uses four-wheel drive;

*CW*: the curb weight of the vehicle, is lb;

*GVWR*:

the gross vehicle weight rating of the vehicle, is lb;

*GCWR*:

the gross combined weight rating of the vehicle, is lb; and

*WF*: the resultant vehicle work-factor, specified in lb, rounded to a nearest whole lb.

Presently, the work-factors are only computed for vehicle models classified as HDPUV.

From here, the vehicles' curb weights, footprints, work-factors, and sales volumes may be used to calculate a manufacturer's standard (or the required CAFE value),<sup>11</sup> while the vehicles' fuel economies and sales are used to calculate a manufacturer's CAFE rating (or the achieved CAFE value) for each fleet (domestic cars, imported cars, light trucks, HDPUVs). The CAFE Model uses the same vehicles' attributes to calculate the accompanying CO<sub>2</sub> standard and rating for a manufacturer, applying the fuel economy to CO<sub>2</sub> conversions as necessary. The precise details of the way the modeling system calculates these values are discussed in Section 5 below.

In order for the modeling system to accurately account for the level of technological progression of the input fleet, and to gauge the potential for further fuel economy increases, the initial technology usage should be specified for each vehicle model, platform, engine, and transmission appearing in the market data input file. In the input file, technology usage may be identified by column names corresponding to specific technologies supported in the model. The user would assign the appropriate usage states based on the engineering characteristics of the accompanying vehicles, platforms, engines, and transmissions. A value of "USED" indicates that a particular technology is used in the input fleet, a value of "SKIP" designates a technology as unavailable, and blank (or unassigned) value specifies that a technology is available for application by the model. As stated above, some of the detailed information appearing in the market data file is not used for actual analysis; however, this information is useful when populating the state of technological progression of the initial fleet. For example, if an engine's "Valvetrain Design" column reads "DOHC" (dual overhead cam) for a specific engine, the corresponding "DOHC" column should be set to "USED." Similarly, if a value of "T" (implying a turbocharged engine) is shown in the engine's "Aspiration" column, at the least, the "TURBO0" column for that engine should be set to "USED." Likewise, on the transmission side, if the "Type" and "Num. Gears" columns are set to "A" and "8," the analogous "AT8" column for the transmission should be set to "USED." The technologies available for application, as well as the way these technologies are evaluated in the modeling system, is discussed in greater detail in Section 4 below.

As mentioned above, the user's translation of vehicle attributes and engineering characteristics to actual technology assignments specified as model inputs determine the model's treatment of vehicles' potential for further fuel economy increases. At present, other than simply checking for the presence of certain data, the CAFE Model does not perform any form of validation on technology inputs supplied by the user.

## **S2.2 Vehicle and Component Redesign and Refresh Cadences**

When defining the input fleet, the user must indicate the cadences of major design changes (i.e., redesigns) and minor alterations (i.e., refreshes) associated with each vehicle and component. As will be discussed in Section 4 further below, the CAFE Model may only consider technology improvements on a vehicle or a component during specific years designated as *Redesign Years* and *Refresh Years*. Hence, by providing separate lists of redesign and refresh years that sufficiently cover the range of MYs selected for the study period, the system provides each

---

<sup>11</sup> The vehicle curb weight or footprint may be used when calculating an attribute-based standard for a manufacturer (for example, when the standard is defined using a linear footprint based functional form). Under an attribute-based standard, the model first calculates vehicle specific targets, which differ based on the vehicles' attributes, then the system obtains a sales weighted average based on those calculated targets.

vehicle and component with the ability to upgrade to more advanced versions throughout the analysis.

While users must provide redesign and refresh years for each vehicle listed in the market data input file, they have the option to auto-populate them for the vehicle components. Rather than actual refresh or redesign years, a user may input “auto” for each component in the input fleet.<sup>12</sup> Entering “auto” allows the CAFE Model to automatically determine the appropriate redesign and refresh years based on the component’s candidate leader vehicle. When the “auto” option is used, the modeling system dynamically selects a candidate leader vehicle for each component during the initial loading and processing of the market data input file, based on the following methodology:

1. The CAFE Model creates a list of vehicles that share the same component.
2. The list is filtered by removing vehicles that were identified as “ZEV Candidates” in the input fleet.
  - a. If the resultant list is empty, the system adds the ZEV candidates back to the list.
3. The list of vehicles obtained in step (2) is grouped by the vehicle nameplates.
  - a. Production volumes and MSRPs are aggregated to the nameplate level.
4. Using the nameplate groups from step (3), a candidate leader nameplate is selected, as follows:
  - a. A nameplate with the highest production volume is chosen as the candidate leader nameplate;
  - b. If nameplates have the same production volume, the one with the highest sales-weighted average MSRP is chosen as the leader.
5. Using the candidate leader nameplate selected in step (4), a candidate leader vehicle is selected, as follows:
  - a. A vehicle model with the highest production volume is chosen as the candidate leader vehicle;
  - b. If vehicles have the same production volume, the one with the highest MSRP is chosen as the leader.

Once the CAFE Model selects the component’s candidate leader vehicle, it sets the component’s redesign and refresh years to be identical to the candidate leader’s redesign and refresh years. Note that, since platforms, engines, and transmissions do not always encompass the same set of vehicles, a vehicle chosen as a candidate leader of a platform may not necessarily be selected as a candidate leader of an engine or a transmission.

---

<sup>12</sup> A user must set both the *Redesign Years* and *Refresh Years* fields to “auto” for the auto-determine feature to function. If a user sets only of those fields to “auto,” the CAFE Model will produce an error when the market data input file is loaded.

## S2.3 Vehicle Classifications

The CAFE Model defines and uses various vehicle classification schemes necessary for compliance modeling. The different classifications may be used when performing compliance simulation or when calculating modeling effects. The vehicle classifications are specified by the user as part of the initial fleet preparation in the market data input file. Principal among them is the vehicle's regulatory class assignment. The modeling system supports regulatory classes necessary for performing compliance simulation of light-duty and HDPUV vehicles. The exact list of supported regulatory classes is outlined in the following table.

*Table 2. Regulatory Classes*

| Regulatory Class | Abbr. | Description                                              |
|------------------|-------|----------------------------------------------------------|
| Domestic Car     | DC    | Vehicles are regulated as domestic passenger automobiles |
| Imported Car     | IC    | Vehicles are regulated as imported passenger automobiles |
| Light Truck      | LT    | Vehicles are regulated as light-duty trucks              |
| HDPUV            | HDPUV | Vehicles are regulated as heavy-duty pickups and vans    |

When assigning regulatory classes to vehicles, the user would update the “Regulatory Class” column in the *Vehicles* worksheet using the abbreviations listed in Table 2 above. For vehicles that may undergo reclassification during the study period, the user may additionally specify an optional “Regulatory Class 2” column. During analysis, the CAFE Model would determine the appropriate regulatory classification to assign to each vehicle based on the compliance scenario and MY being evaluated. The vehicle's assigned class would then be used by the modeling system to determine which target function<sup>13</sup> to apply to a specific vehicle when calculating its target, and to “bin” vehicles together when evaluating a manufacturer's standard and CAFE rating (or fuel efficiency rating in the case of HDPUV) for each regulatory class. To represent actual CAFE and fuel efficiency regulations, regulatory classes should be assigned consistent with vehicle classification regulations.

In addition to the regulatory classes, the market data input file contains two other sets of classifications for linking vehicles to their respective vehicle technology and engine technology classes.<sup>14</sup> The technology classes allow the modeling system to identify an appropriate set of available technologies, along with their costs and improvements, for application on specific vehicle models. Section 4 below describes the technology classes and application of vehicle technologies in the model in greater detail. Conversely, this section provides a general overview and outlines the relationship between vehicle models and technology classes.

---

<sup>13</sup> Refer to Section 3 for more information on the target functions supported in the CAFE Model.

<sup>14</sup> Users may enter technology class assignments under the “Technology Class” and “Engine Technology Class” columns on the *Vehicles* worksheet of the market data input file.

Table 3. Technology Classes Overview

| Category                                            | Technology Classes                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Vehicle Technology Classes<br>(Light-Duty Vehicles) | SmallCar, SmallCarPerf, MedCar, MedCarPerf, SmallSUV, SmallSUVPerf, MedSUV, MedSUVPerf, Pickup, PickupHT                                                                                                                                                                                 |
| Vehicle Technology Classes<br>(HDPUV Vehicles)      | Pickup2b, Pickup3, Van2b, Van3                                                                                                                                                                                                                                                           |
| Engine Technology Classes<br>(Light-Duty Vehicles)  | 2C1B, 3C1B, 4C1B, 4C1B_L, 4C2B, 4C2B_L, 5C1B, 6C1B, 6C2B, 8C2B, 10C2B, 12C2B, 12C4B, 16C4B, 2C1B_SOHC, 3C1B_SOHC, 4C1B_SOHC, 4C1B_L_SOHC, 4C2B_SOHC, 5C1B_SOHC, 6C1B_SOHC, 6C2B_SOHC, 8C2B_SOHC, 10C2B_SOHC, 12C2B_SOHC, 12C4B_SOHC, 16C4B_SOHC, 6C1B_OHV, 6C2B_OHV, 8C2B_OHV, 10C2B_OHV |
| Engine Technology Classes<br>(HDPUV Vehicles)       | 4C1B_2b3, 4C2B_2b3, 5C1B_2b3, 6C1B_2b3, 6C2B_2b3, 8C2B_2b3, 10C2B_2b3, 4C1B_SOHC_2b3, 4C2B_SOHC_2b3, 5C1B_SOHC_2b3, 6C1B_SOHC_2b3, 6C2B_SOHC_2b3, 8C2B_SOHC_2b3, 10C2B_SOHC_2b3, 4C1B_OHV_2b3, 4C2B_OHV_2b3, 5C1B_OHV_2b3, 6C1B_OHV_2b3, 6C2B_OHV_2b3, 8C2B_OHV_2b3, 10C2B_OHV_2b3       |

In order for the modeling system to properly evaluate technologies for application on any given vehicle, the vehicle technology class and the engine technology class must both be assigned to a value listed in Table 3. The system would then use the vehicle’s “Technology Class” assignment to determine the applicability of various technologies on a vehicle, as well as to obtain the numerous logical assumptions and cost tables pertaining to specific technologies. To obtain the cost tables that cover only the cost of an engine upgrade associated with each technology, the model would use the vehicle’s “Engine Technology Class” assignment.

As with all values in the input fleet, technology class assignments are specified at the user’s discretion. However, in general, vehicle technology classes should be assigned based on the vehicle’s body style, size (footprint and curb weight), and performance characteristics, while engine technology classes should be assigned based on the number of cylinders, number of banks, and the degree of turbocharging and downsizing used by an engine assigned to the vehicle. For battery electric and fuel cell vehicles, since those vehicles do not include an engine, the engine technology class that is closest to the performance characteristics of a vehicle with an internal combustion engine (ICE) should be used.

The last vehicle classification assigned in the market data input file is the vehicle’s safety class. The safety class is used by the model during effects calculations when estimating the impact of

changes in vehicle’s curb weight, and reduction or increases in total vehicle travel, on vehicle-related fatal and non-fatal crashes. The user would update the “Safety Class” column in the *Vehicles* worksheet using the abbreviations listed in Table 4 below.

*Table 4. Safety Classes*

| <b>Safety Class</b> | <b>Abbr.</b> | <b>Description</b>                                                                   |
|---------------------|--------------|--------------------------------------------------------------------------------------|
| Passenger Car       | PC           | Vehicles use safety coefficients denoted for passenger automobiles                   |
| Light Truck/SUV     | LT           | Vehicles use safety coefficients denoted for light trucks, SUVs, and HDPUVs          |
| Minivan/CUV         | CM           | Vehicles use safety coefficients denoted for minivans and crossover utility vehicles |

The modeling system uses the vehicle safety class assignments in conjunction with the coefficients defined in the *Safety Values* worksheet of the parameters input file (described in Section A.3.8 of Appendix A) based, in part, on NHTSA’s staff analysis of vehicle mass, size, and safety, as documented in the 2024 preamble and Regulatory Impact Analysis (RIA) discussing CAFE and CO<sub>2</sub> standards. Therefore, safety class assignments should be defined in a way that match the original vehicle assignments used in NHTSA’s study.

Along with the aforementioned classes assigned to each vehicle as part of the initial input fleet, the modeling system defines an additional vehicle classification internally. Namely, the model assigns a general “vehicle class” to each vehicle model based on that vehicle’s style and GVWR as outlined in Table 5. For light-duty passenger vehicles (LDVs), the assignment is based strictly on the vehicle’s body style, where any vehicles that are identified in the market data input file as: convertible, coupe, hatchback, sedan, or wagon are assigned to the LDV class. For all *truck* classes (LDT1 to LDT3), the assignment is based on the gross vehicle weight rating (GVWR), as defined by the ranges shown in the table below, irrespective of the vehicle’s body style.

*Table 5. Vehicle Classes*

| <b>Vehicle Class</b> | <b>Description</b>                                                                                      |
|----------------------|---------------------------------------------------------------------------------------------------------|
| LDV                  | Vehicle is classified as a light-duty passenger vehicle                                                 |
| LDT1                 | Vehicle is classified as a class-1 light-duty truck, with its GVWR ranging from 0 to 6,000 pounds       |
| LDT2a                | Vehicle is classified as a class-2a light-duty truck, with its GVWR ranging from 6,001 to 8,500 pounds  |
| LDT2b                | Vehicle is classified as a class-2b light-duty truck, with its GVWR ranging from 8,501 to 10,000 pounds |
| LDT3                 | Vehicle is classified as a class-3 light-duty truck, with its GVWR ranging from 10,001 to 14,000 pounds |

During analysis, the modeling system may combine some of the classes listed in the table above when referencing certain input parameters to perform specific calculations on aggregate sets of vehicles. Specifically, vehicles belonging to the LDT1 and LDT2a classes may be binned



together, forming a single LDT1/2a class, while LDT2b and LDT3 classes are binned into LDT2b/3 class. The system uses the vehicle class assignments as part of the Dynamic Fleet Share and Sales Response modeling and during the effects calculations. Both topics are addressed in upcoming sections of this document.

## ***S2.4 Manufacturer-Specific Attributes***

While the *Vehicles*, *Platforms*, *Engines*, and *Transmissions* worksheets define various attributes and engineering characteristics of the input fleet, the *Manufacturers* and *Credits and Adjustments* worksheets define “global” parameters attributable to the specific manufacturer required for compliance simulation and effects calculations. Sections A.1.1 and A.1.2 of Appendix A describes the structure and content of the aforementioned worksheets, while this section provides details for the most significant portions necessary for compliance modeling.

For each manufacturer, a user-defined payback period is specified, which the modeling system may use when estimating the value of the reduction in fuel consumption (or value of fuel saved) attributable to application of vehicle technologies. The payback period is defined based on the varying styles of the vehicle and represents the number of years required for an initial investment to be repaid in the form of future benefits or cost savings, and is defined from the perspective of the manufacturer, based on the manufacturer’s assumption of consumer’s purchasing behavior. In particular, the payback period represents the maximum number of years of cumulative fuel savings that consumers are expected to consider in their initial purchasing decision – this is modeled as an offset to the technology costs outlaid by manufacturers to achieve the fuel savings, as it is the amount they can transfer to consumers without reducing demand for a specific vehicle model.

To distinguish between varying consumer behavior when purchasing different styles of vehicles (e.g., a new car vs a new pickup truck), the inputs are segregated into and defined separately by vehicle style. Table 6 correlates the column names used for defining the parameters in the market data input file with the body styles of vehicles that make use of those parameters for valuing fuel savings.

*Table 6. Designation of Manufacturer Parameters by Vehicle Style*

| <b>Column Name</b> | <b>Vehicle Styles</b>                                 |
|--------------------|-------------------------------------------------------|
| Cars               | Convertible, Coupe, Hatchback, Sedan, Wagon           |
| Vans/SUVs          | Sport Utility, Minivan, Van, Passenger Van, Cargo Van |
| Pickups            | Pickup                                                |
| 2b/3 Vehicles      | Fleet SUV, Work Van, Work Truck, Chassis Cab, Cutaway |

As stated, the inputs for the payback period are user-defined. Therefore, the modeling system exercises no control on the actual values supplied and simply makes use of them during compliance simulation. However, note that using larger input values for the payback period will generally lead to the system evaluating more technologies as cost effective, which in turn results in additional technologies (beyond what is necessary to attain compliance) being applied to vehicle models during analysis.

The *Manufacturers* worksheet also allows users to control a manufacturer's preference for paying CAFE civil penalties, instead of applying technologies deemed to be not cost-effective, for each MY analyzed during the study period. If fine preference option is enabled for a particular MY (set to "Y"), the system would only apply technology to a manufacturer as long as it is considered cost-effective. Conversely, if fine preference is disabled (set to "N"), the system would continue to apply technology until compliance is achieved, or the manufacturer runs out of viable technology solutions. Since the CO<sub>2</sub> program prohibited the use of civil penalties for compliance purposes, a manufacturer's fine preference is only applicable when evaluating compliance with CAFE standards.

Last, the user may define credit banks for each manufacturer, representing the compliance credits accrued for each regulatory class during MYs up to five years prior to the start of the study period. The current version of the CAFE Model, as well as the market data input file used for analysis, provides a section for including banked credits between MYs 2017 and 2021.<sup>15</sup> To allow for compliance flexibilities, the credit banks from the input fleet may implicitly incorporate trades between manufacturers.<sup>16</sup> Furthermore, the banks may also be adjusted for implicit fleet transfers and credit carry forward occurring in the same manufacturer. The current version of the modeling system does not explicitly simulate credit operations outside of the MYs covered during the study period. Hence, these inputs provide the means to simulate the potential that "older" credits may actually be available for application during the study period and should reflect proper estimated adjustments when assuming any transferring or trading of CAFE credits (i.e., adjustments necessary to preserve gallons) or CO<sub>2</sub> credits.

On the *Credits and Adjustments* worksheet, the user may specify the various credits and adjustments a manufacturer may claim toward compliance with a given regulatory class, for each MY evaluated during the study period. The values on this worksheet represent the amount of credits a manufacturer is expected to claim; however, the compliance scenario (described in Section 3 below) sets a cap on the maximum of each type of credit that a manufacturer is effectively allowed to use for compliance. As described further below (see Section 5), each of the defined credits and adjustments directly offsets the CAFE or CO<sub>2</sub> rating achieved by the manufacturer, thereby reducing that manufacturer's compliance burden.

---

<sup>15</sup> The market data input fleet, used for compliance modeling with the current version of the CAFE Model, includes a baseline vehicle fleet defined for MY 2022. The first model year evaluated during the study period is, therefore, 2022. Considering that the manufacturers may carry credits forward for up to 5 years, the earliest model year for which banked credits may be used is 2017.

<sup>16</sup> For example, for a trade involving manufacturer A's transfer of 1 million light-truck credits to manufacturer B in MY 2017, inputs should deduct 1 million credits from manufacturer A's MY 2017 light-truck balance and add these (after any required adjustment) to manufacturer B's MY 2017 light-truck balance.

### Section 3 Regulatory Scenario Definition

Each time the modeling system is used, it evaluates one or more regulatory scenarios, which are defined in the “scenarios” input file provided by the user. Each scenario describes the overall scope of the CAFE and CO<sub>2</sub> compliance programs in terms of each programs’ coverage, the functional form (or, target function) and stringency of the standards applicable to passenger cars, lights trucks, and HDPUVs, applicability of multi-fuel vehicles, reclassification of light-duty vehicles, as well as other miscellaneous settings that may have an impact on compliance. The system is normally used to examine and compare at least two scenarios, where the first scenario is identified as the baseline that provides a reference set of results to which results from all other scenarios are compared. The full details pertaining to the structure and content of the scenarios input file are described in Section A.4 of Appendix A. This section, however, focuses on the specification of the functional form of the standard, the calculation of the fuel economy and CO<sub>2</sub> targets, and additional parameters defined in the scenario that may influence the calculated required or achieved levels.

Considering that the standards are evaluated and set independently for a given class of vehicles, the regulatory scenario definition outlines the scope and applicability of the compliance program separately for each regulatory class. However, since vehicles that are regulated as domestic and imported passenger automobiles under the CAFE compliance program adhere to the same standard, the scenario provides a combined definition for both of these classes as “Passenger Car.” Since the CO<sub>2</sub> program does not distinguish between domestic and imported cars for compliance purposes, this combined definition of the passenger car standards is applicable as well.

For each regulatory class, the scenario definition specifies the function and coefficients in each MY, which the system may use when calculating the vehicle’s fuel economy and CO<sub>2</sub> targets. The CAFE Model supports target functions for use during analysis, as outlined in the following table.

*Table 7. Target Functions*

| Function | Description                                     | Coefficients |
|----------|-------------------------------------------------|--------------|
| 1        | Flat standard                                   | A            |
| 2        | Logistic area-based function                    | A - D        |
| 3        | Logistic weight-based function                  | A - D        |
| 4        | Exponential area-based function                 | A - C        |
| 5        | Exponential weight-based function               | A - C        |
| 6        | Linear area-based function                      | A - D        |
| 7        | Linear weight-based function                    | A - D        |
| 8        | Linear work-factor-based function <sup>17</sup> | A - D        |

<sup>17</sup> While the modeling system does not prohibit the use of a particular target function for any given regulatory class, the work-factor-based functions (8, 9, 10, and 208) are intended to only be used in conjunction with the HDPUV regulatory class.

| Function | Description                                                          | Coefficients |
|----------|----------------------------------------------------------------------|--------------|
| 9        | Linear work-factor-based function <sup>18</sup>                      | A - B        |
| 10       | Linear work-factor-based function with an upper bound. <sup>19</sup> | A - C        |
| 16       | Linear CARB-conditional area-based function                          | A - H        |
| 17       | Linear CARB-conditional weight-based function                        | A - H        |
| 206      | Dual linear area-based function                                      | A - H        |
| 207      | Dual linear weight-based function                                    | A - H        |
| 208      | Dual linear work-factor-based function <sup>20</sup>                 | A - E        |

The specification for all target functions may be found in Section A.4.1 of Appendix A. As an example, function 6, which has been used during the most recent light-duty analysis, is defined here for the reader's consideration:

$$T_{FE} = \max\left(\frac{1}{A}, \min\left(\frac{1}{B}, C \times FP + D\right)\right) \quad (4)$$

Where:

- A*: the *A* coefficient, specified in mpg, representing the ceiling or the lower bound asymptote of the target function;
- B*: the *B* coefficient, specified in mpg, representing the floor or the upper bound asymptote of the target function;
- C*: the *C* coefficient, specified as the change in gpm over change in square feet, representing the slope of the target function;
- D*: the *D* coefficient, specified in gpm, representing the y-intercept of the target function;
- FP*: the vehicle's footprint, specified in sq. ft., as defined in Equation (2) above; and
- T<sub>FE</sub>*: the calculated vehicle fuel economy target, in gpm.

Each function defined in Table 7 produces vehicle targets on a gpm, which are later used when calculating the value of the CAFE standard for compliance with the CAFE program. To support compliance with the CO<sub>2</sub> program, the modeling system calculates CO<sub>2</sub> vehicle targets from the gpm targets obtained in Equation (4). The CO<sub>2</sub> target calculation is, hence, defined by the following:

$$T_{CO2} = T_{FE} \times CO2Factor_{RC} + CO2Offset_{RC} \quad (5)$$

---

<sup>18</sup> *Ibid.*

<sup>19</sup> *Ibid.*

<sup>20</sup> *Ibid.*

Where:

$RC$ : the regulatory classification of a vehicle;

$T_{FE}$ : the calculated vehicle fuel economy target, in gallons per mile;

$CO2Factor_{RC}$ :

the CO<sub>2</sub> factor to use for converting between fuel economy values and CO<sub>2</sub> values;

$CO2Offset_{RC}$ :

the absolute amount, in grams per mile, by which to shift the CO<sub>2</sub> target after conversion from fuel economy; and

$T_{CO2}$ : the calculated vehicle CO<sub>2</sub> target, in grams per mile.

The  $CO2Factor$  and  $CO2Offset$  variables are specified in the scenario definition for each regulatory class. As mentioned above, for vehicles regulated as domestic or imported cars, scenario definition values associated with the combined Passenger Car class will be used.

The target functions specified in Table 7 above may be used to estimate vehicle CO<sub>2</sub> targets by applying a conversion factor as defined by the preceding equation. However, the CAFE Model also defines several functional forms applicable specifically for the CO<sub>2</sub> program. The additional functions are used by the modeling system to calculate the CO<sub>2</sub> targets directly, without the need of a conversion from gpm to grams/mile. The supported CO<sub>2</sub> specific functions are outlined in the following table, with the full specification provided in Section A.4.1 of Appendix A.

Table 8. CO<sub>2</sub> Target Functions

| Function | Description                                                         | Coefficients |
|----------|---------------------------------------------------------------------|--------------|
| 306      | Piecewise linear area-based function                                | A - F        |
| 307      | Piecewise linear weight-based function                              | A - F        |
| 308      | Linear work-factor-based function <sup>21</sup>                     | A - D        |
| 309      | Linear work-factor-based function <sup>22</sup>                     | A - B        |
| 310      | Linear work-factor-based function with an upper bound <sup>23</sup> | A - C        |
| 316      | Piecewise linear CARB-conditional area-based function               | A - J        |
| 317      | Piecewise linear CARB-conditional weight-based function             | A - J        |
| 406      | Dual piecewise linear area-based function                           | A - I        |
| 407      | Dual piecewise linear weight-based function                         | A - I        |

<sup>21</sup> While the modeling system does not prohibit the use of a particular target function for any given regulatory class, the work-factor-based functions (308, 309, and 310) are intended to only be used in conjunction with the HDPUV regulatory class.

<sup>22</sup> *Ibid.*

<sup>23</sup> *Ibid.*

In addition to the function and variable coefficients, the scenario definition includes additional parameters that may have an impact on compliance. When complying with the CAFE program, vehicles regulated as domestic passenger automobiles are subject to a minimum domestic passenger car (MDPC) standard that is no less than 92 percent<sup>24</sup> of the combined Passenger Car standard computed for the entire industry during a specific MY. Since the MDPC standards are calculated and established during analysis of future MYs, and since the fleet distribution may change by the time the standards take effect, during evaluation of standards set by the past rulemakings, these minimum standards are represented in absolute terms as miles per gallon, while for the future MYs, they are specified as percentages. To support this, the scenario definition includes the “Min (mpg)” and “Min (%)” variables, defining the lower bounds for the minimum domestic car standard.

When complying with the CO<sub>2</sub> program, the calculated CO<sub>2</sub> ratings may be adjusted by some amount during analysis, based on the mix of vehicles present in a manufacturer’s product line. The CO<sub>2</sub> compliance program includes manufacturer incentives to encourage adoption of alternative fuel and advanced vehicle technologies. Specifically, the CO<sub>2</sub> program defines production multipliers, which are used to scale the sales volumes of CNGs, PHEVs, BEVs, and FCVs when computing the manufacturer’s CO<sub>2</sub> rating and standard toward compliance with CO<sub>2</sub> standards. To accomplish this, the scenario definition includes the “EPA Multiplier 1” and “EPA Multiplier 2” variables, where the former applies to the production multipliers of CNGs and PHEVs, and the latter includes BEVs and FCVs.<sup>25</sup>

Lastly, the scenario definition specifies a series of air conditioning and off-cycle credit caps, defined separately for each compliance program, which influence the amount of adjustment or credit a manufacturer may claim toward compliance. The caps are specified in grams per mile of CO<sub>2</sub> and serve to limit the application of the associated value defined for each manufacturer in the input fleet.

The calculation of the standards and ratings for CAFE and CO<sub>2</sub> compliance programs are described in Section 5, below.

## **Section 4 Evaluation of Vehicle Technologies**

A vehicle technologies input file provides a set of possible improvements available for the vehicle fleet in the modeling system. The inputs for vehicle technologies, referred to below simply as “technologies,” are defined by the user in the “technologies” input file for the modeling system. As part of the technology definition, the input file includes additional cost associated with application of the technology, the initial MY that the technology may be considered for application, whether it is applicable to a given class of vehicle, as well as other

---

<sup>24</sup> Note that the MDPC standard is a user-supplied input. While it is currently set at 92 percent, NHTSA may, on occasion, elect to simulate a lower value to better represent the state of the passenger car fleet in the future when the proposed standards take effect.

<sup>25</sup> For the analysis covering MY 2027 to 2032, the production multipliers, along with some other regulatory provisions, for the CO<sub>2</sub> compliance program have been sunset. However, these options are still present in the CAFE Model to adequately represent analysis of past model years and to allow for the potential changes during future regulations. Users may omit specifying these inputs (or, likewise, use the suggested “defaults”) to coincide with the regulatory action(s) being considered. For example, if the production multipliers are set to “1” or left blank, the model will interpret these inputs as having no direct impact on CO<sub>2</sub> compliance.

miscellaneous assumptions outlining additional technology characteristics. Section A.2 of Appendix A describes all technology attributes in greater detail.

The modeling system internally assigns additional properties, defining the application level and the application schedule for each technology. The three tables that follow (Table 9, Table 10, and Table 11) outline all technologies available in the modeling system, along with their descriptions, application levels, and application schedules. In the tables below, the application level defines the scope of technology applicability, where “Vehicle” signifies that a technology may be applied directly to a specific vehicle, while “Platform,” “Engine,” or “Transmission” indicate that a technology is applicable to one of those components and may be applied to vehicle models concurrently. The application schedule determines when a technology may be considered for application, where “Redesign Only” technologies are only applicable during a vehicle’s or component’s redesign year, “Refresh/Redesign” technologies may be applied during a refresh or redesign year, and “Baseline Only” technologies are defined as part of the baseline input fleet and cannot be applied during modeling.

*Table 9. CAFE Model Technologies (Engine)*

| <b>Technology</b> | <b>Application Level</b> | <b>Application Schedule</b> | <b>Description</b>                                                        |
|-------------------|--------------------------|-----------------------------|---------------------------------------------------------------------------|
| SOHC              | Engine                   | Baseline Only               | Single Overhead Camshaft Engine                                           |
| DOHC              | Engine                   | Baseline Only               | Dual Overhead Camshaft Engine                                             |
| VVL               | Engine                   | Redesign Only               | Variable Valve Lift                                                       |
| SGDI              | Engine                   | Redesign Only               | Stoichiometric Gasoline Direct Injection                                  |
| DEAC              | Engine                   | Redesign Only               | Cylinder Deactivation                                                     |
| TURBO0            | Engine                   | Redesign Only               | Turbocharging and Downsizing, Baseline Level                              |
| TURBOE            | Engine                   | Redesign Only               | Turbocharging and Downsizing with Cooled Exhaust Gas Recirculation (CEGR) |
| TURBOD            | Engine                   | Redesign Only               | Turbocharging and Downsizing with DEAC                                    |
| TURBO1            | Engine                   | Redesign Only               | Turbocharging and Downsizing, Level 1                                     |
| TURBO2            | Engine                   | Redesign Only               | Turbocharging and Downsizing, Level 2                                     |
| ADEACS            | Engine                   | Redesign Only               | SOHC Engine with Advanced Cylinder Deactivation                           |
| ADEACD            | Engine                   | Redesign Only               | DOHC Engine with Advanced Cylinder Deactivation                           |
| HCR               | Engine                   | Redesign Only               | High Compression Ratio Engine                                             |
| HCRE              | Engine                   | Redesign Only               | High Compression Ratio Engine with CEGR                                   |
| HCRD              | Engine                   | Redesign Only               | High Compression Ratio Engine with DEAC                                   |
| VCR               | Engine                   | Redesign Only               | Variable Compression Ratio Engine                                         |
| VTG               | Engine                   | Redesign Only               | Variable Turbo Geometry                                                   |
| VTGE              | Engine                   | Redesign Only               | Variable Turbo Geometry (Electric)                                        |
| TURBOAD           | Engine                   | Redesign Only               | Turbocharging and Downsizing with ADEACD                                  |

| <b>Technology</b> | <b>Application Level</b> | <b>Application Schedule</b> | <b>Description</b>            |
|-------------------|--------------------------|-----------------------------|-------------------------------|
| ADSL              | Engine                   | Redesign Only               | Advanced Diesel               |
| DSLI              | Engine                   | Redesign Only               | Diesel Engine Improvements    |
| CNG               | Engine                   | Baseline Only               | Compressed Natural Gas Engine |

In Table 9 note that SOHC and DOHC engine technologies are defined as baseline-only. These technologies are used to inform the modeling system of the input engine's configuration to correctly map an input vehicle model to an identically specified set of simulation results contained in the vehicle simulation database, which include a combination of simulation results produced by ANL (the vehicle simulation database and associated vehicle mappings are discussed in the sections that follow). Note that the CNG engine technology is defined as baseline-only as well. While it may be present in the input fleet, the CNG technology is not applicable in the modeling system.

*Table 10. CAFE Model Technologies (Transmission)*

| <b>Technology</b> | <b>Application Level</b> | <b>Application Schedule</b> | <b>Description</b>                       |
|-------------------|--------------------------|-----------------------------|------------------------------------------|
| AT5               | Transmission             | Baseline Only               | 5-Speed Automatic Transmission           |
| AT6               | Transmission             | Refresh/Redesign            | 6-Speed Automatic Transmission           |
| AT7L2             | Transmission             | Baseline Only               | 7-Speed Automatic Transmission, Level 2  |
| AT8               | Transmission             | Refresh/Redesign            | 8-Speed Automatic Transmission           |
| AT8L2             | Transmission             | Refresh/Redesign            | 8-Speed Automatic Transmission, Level 2  |
| AT8L3             | Transmission             | Refresh/Redesign            | 8-Speed Automatic Transmission, Level 3  |
| AT9L2             | Transmission             | Refresh/Redesign            | 9-Speed Automatic Transmission, Level 2  |
| AT10L2            | Transmission             | Refresh/Redesign            | 10-Speed Automatic Transmission, Level 2 |
| AT10L3            | Transmission             | Refresh/Redesign            | 10-Speed Automatic Transmission, Level 3 |
| DCT6              | Transmission             | Refresh/Redesign            | 6-Speed Dual Clutch Transmission         |
| DCT8              | Transmission             | Refresh/Redesign            | 8-Speed Dual Clutch Transmission         |
| CVT               | Transmission             | Baseline Only               | Continuously Variable Transmission       |
| CVTL2             | Transmission             | Refresh/Redesign            | CVT, Level 2                             |

In Table 10 note that AT5, AT7L2, and CVT transmission technologies are defined as baseline-only. As is the case with SOHC and DOHC engine technologies, the transmission variants appearing in Table 10 are present to allow the CAFE Model to correctly map an input vehicle to an equivalent option available in the vehicle simulation database.



Table 11. CAFE Model Technologies (Other)

| Technology | Application Level | Application Schedule | Description                                                |
|------------|-------------------|----------------------|------------------------------------------------------------|
| CONV       | Vehicle           | Baseline Only        | Conventional Powertrain (Non-Electric)                     |
| SS12V      | Vehicle           | Redesign Only        | 12V Micro-Hybrid (Stop-Start)                              |
| BISG       | Vehicle           | Redesign Only        | Belt Mounted Integrated Starter/Generator                  |
| P2S        | Vehicle           | Redesign Only        | P2 Strong Hybrid-Electric Vehicle With SOHC Engine         |
| P2SGDIS    | Vehicle           | Redesign Only        | P2 Strong Hybrid-Electric Vehicle With SOHC+SGDI Engine    |
| P2D        | Vehicle           | Redesign Only        | P2 Strong Hybrid-Electric Vehicle With DOHC Engine         |
| P2SGDID    | Vehicle           | Redesign Only        | P2 Strong Hybrid-Electric Vehicle With DOHC+SGDI Engine    |
| P2TRB0     | Vehicle           | Redesign Only        | P2 Strong Hybrid-Electric Vehicle With TURBO0 Engine       |
| P2TRBE     | Vehicle           | Redesign Only        | P2 Strong Hybrid-Electric Vehicle With TURBOE Engine       |
| P2TRB1     | Vehicle           | Redesign Only        | P2 Strong Hybrid-Electric Vehicle With TURBO1 Engine       |
| P2TRB2     | Vehicle           | Redesign Only        | P2 Strong Hybrid-Electric Vehicle With TURBO2 Engine       |
| P2HCR      | Vehicle           | Redesign Only        | P2 Strong Hybrid-Electric Vehicle With HCR Engine          |
| P2HCRE     | Vehicle           | Redesign Only        | P2 Strong Hybrid-Electric Vehicle With HCRE Engine         |
| SHEVPS     | Vehicle           | Redesign Only        | Power Split Strong Hybrid-Electric Vehicle                 |
| PHEV20T    | Vehicle           | Redesign Only        | 20-mile Plug-In Hybrid-Electric Vehicle With TURBO1 Engine |
| PHEV50T    | Vehicle           | Redesign Only        | 50-mile Plug-In Hybrid-Electric Vehicle With TURBO1 Engine |
| PHEV20H    | Vehicle           | Redesign Only        | 20-mile Plug-In Hybrid-Electric Vehicle With HCR Engine    |
| PHEV50H    | Vehicle           | Redesign Only        | 50-mile Plug-In Hybrid-Electric Vehicle With HCR Engine    |
| PHEV20PS   | Vehicle           | Redesign Only        | 20-mile Power Split Plug-In Hybrid-Electric Vehicle        |
| PHEV50PS   | Vehicle           | Redesign Only        | 50-mile Power Split Plug-In Hybrid-Electric Vehicle        |
| BEV1       | Vehicle           | Redesign Only        | Electric Vehicle, Level 1 (150-200-mile)                   |
| BEV2       | Vehicle           | Redesign Only        | Electric Vehicle, Level 2 (250-300-mile)                   |
| BEV3       | Vehicle           | Redesign Only        | Electric Vehicle, Level 3 (300-mile)                       |
| BEV4       | Vehicle           | Redesign Only        | Electric Vehicle, Level 4 (400-mile)                       |
| FCV        | Vehicle           | Redesign Only        | Fuel Cell Vehicle                                          |

| Technology | Application Level | Application Schedule | Description                                               |
|------------|-------------------|----------------------|-----------------------------------------------------------|
| ROLL0      | Vehicle           | Baseline Only        | Baseline Tires                                            |
| ROLL10     | Vehicle           | Refresh/Redesign     | Low Rolling Resistance Tires, Level 1 (10% Reduction)     |
| ROLL20     | Vehicle           | Refresh/Redesign     | Low Rolling Resistance Tires, Level 2 (20% Reduction)     |
| ROLL30     | Vehicle           | Refresh/Redesign     | Low Rolling Resistance Tires, Level 3 (30% Reduction)     |
| AERO0      | Vehicle           | Baseline Only        | Baseline Aero                                             |
| AERO5      | Vehicle           | Redesign Only        | Aero Drag Reduction, Level 1 (5% Reduction)               |
| AERO10     | Vehicle           | Redesign Only        | Aero Drag Reduction, Level 1 (10% Reduction)              |
| AERO15     | Vehicle           | Redesign Only        | Aero Drag Reduction, Level 1 (15% Reduction)              |
| AERO20     | Vehicle           | Redesign Only        | Aero Drag Reduction, Level 2 (20% Reduction)              |
| MR0        | Platform          | Baseline Only        | Baseline Mass                                             |
| MR1        | Platform          | Redesign Only        | Mass Reduction, Level 1 (5% Reduction in Glider Weight)   |
| MR2        | Platform          | Redesign Only        | Mass Reduction, Level 2 (7.5% Reduction in Glider Weight) |
| MR3        | Platform          | Redesign Only        | Mass Reduction, Level 3 (10% Reduction in Glider Weight)  |
| MR4        | Platform          | Redesign Only        | Mass Reduction, Level 4 (15% Reduction in Glider Weight)  |
| MR5        | Platform          | Redesign Only        | Mass Reduction, Level 5 (20% Reduction in Glider Weight)  |

As with the engine- and transmission-level technologies, of those shown in Table 11, CONV, ROLL0, AERO0, and MR0 technologies are listed as baseline-only as well.

The modeling system defines several technology classes and pathways for logically grouping all available technologies for application on a vehicle. Technology classes provide costs and improvement factors shared by all vehicles with similar body styles, curb weights, footprints, and engine types, while technology pathways establish a logical progression of technologies on a vehicle.

#### **S4.1 Technology Classes**

The modeling system defines two types of technology classes: vehicle technology classes and engine technology classes. The system uses vehicle technology classes as a means for specifying common technology input assumptions for vehicles that share similar characteristics. Primarily, these classes signify the degree of applicability of each of the available technologies to a specific class of vehicles, as well as correlate with the set of results from the vehicle simulation database

that is tailored for application on vehicles with a specific technology class. Furthermore, for each technology, the vehicle technology classes also define the amount by which the vehicle's weight may decrease (resulting from application of mass reducing technology), and the cost associated with non-engine components of specific technologies.

The CAFE model supports 14 vehicle technology classes as shown in Table 12, with the former 10 being defined for the light-duty fleet and the latter four applicable to the HDPUV fleet. All of the vehicle technology classes include simulation results produced by ANL. However, since the current version of the model evaluates a reduced set of technologies for HDPUV vehicles, it accordingly incorporates a reduced set of ANL simulation results.

*Table 12. Vehicle Technology Classes*

| <b>Class</b> | <b>Description</b>                                                   |
|--------------|----------------------------------------------------------------------|
| SmallCar     | Small Passenger Cars                                                 |
| SmallCarPerf | Small Performance Passenger Cars                                     |
| MedCar       | Medium to Large Passenger Cars                                       |
| MedCarPerf   | Medium to Large Performance Passenger Cars                           |
| SmallSUV     | Small SUVs and Station Wagons                                        |
| SmallSUVPerf | Small Performance SUVs and Station Wagons                            |
| MedSUV       | Medium to Large SUVs, Minivans, and Passenger Vans                   |
| MedSUVPerf   | Medium to Large Performance SUVs, Minivans, and Passenger Vans       |
| Pickup       | Light-Duty Pickups and Other Vehicles with Ladder Frame Construction |
| PickupHT     | Light-Duty Pickups with High Towing Capacity                         |
| Pickup2b     | Class 2b Pickups                                                     |
| Pickup3      | Class 3 Pickups                                                      |
| Van2b        | Class 2b Cargo Vans                                                  |
| Van3         | Class 3 Cargo Vans                                                   |

Since the costs attributed to upgrading an engine vary based upon that engine's configuration (i.e., the engine's valvetrain design and the number of engine cylinders and banks), the model defines separate engine classes for specifying input costs associated with only a vehicle's engine for each defined technology. The modeling system provides 52 engine technology classes as shown in Table 13 and Table 14, with 31 classes intended for use by the light-duty vehicles and another 21 classes for the HDPUV vehicle fleet.

Table 13. Engine Technology Classes (Light Duty)

| Class       | Description                                                 |
|-------------|-------------------------------------------------------------|
| 2C1B        | DOHC Engine With 2 Cylinders and 1 Bank                     |
| 3C1B        | DOHC Engine With 3 Cylinders and 1 Bank                     |
| 4C1B        | DOHC Engine With 4 Cylinders and 1 Bank                     |
| 4C1B_L      | DOHC Engine With 4 Cylinders and 1 Bank (Low Displacement)  |
| 4C2B        | DOHC Engine With 4 Cylinders and 2 Banks                    |
| 4C2B_L      | DOHC Engine With 4 Cylinders and 2 Banks (Low Displacement) |
| 5C1B        | DOHC Engine With 5 Cylinders and 1 Bank                     |
| 6C1B        | DOHC Engine With 6 Cylinders and 1 Bank                     |
| 6C2B        | DOHC Engine With 6 Cylinders and 2 Banks                    |
| 8C2B        | DOHC Engine With 8 Cylinders and 2 Banks                    |
| 10C2B       | DOHC Engine With 10 Cylinders and 2 Banks                   |
| 12C2B       | DOHC Engine With 12 Cylinders and 2 Banks                   |
| 12C4B       | DOHC Engine With 12 Cylinders and 4 Banks                   |
| 16C4B       | DOHC Engine With 16 Cylinders and 4 Banks                   |
| 2C1B_SOHC   | SOHC Engine With 2 Cylinders and 1 Bank                     |
| 3C1B_SOHC   | SOHC Engine With 3 Cylinders and 1 Bank                     |
| 4C1B_SOHC   | SOHC Engine With 4 Cylinders and 1 Bank                     |
| 4C1B_L_SOHC | SOHC Engine With 4 Cylinders and 1 Bank (Low Displacement)  |
| 4C2B_SOHC   | SOHC Engine With 4 Cylinders and 2 Banks                    |
| 5C1B_SOHC   | SOHC Engine With 5 Cylinders and 1 Bank                     |
| 6C1B_SOHC   | SOHC Engine With 6 Cylinders and 1 Bank                     |
| 6C2B_SOHC   | SOHC Engine With 6 Cylinders and 2 Banks                    |
| 8C2B_SOHC   | SOHC Engine With 8 Cylinders and 2 Banks                    |
| 10C2B_SOHC  | SOHC Engine With 10 Cylinders and 2 Banks                   |
| 12C2B_SOHC  | SOHC Engine With 12 Cylinders and 2 Banks                   |
| 12C4B_SOHC  | SOHC Engine With 12 Cylinders and 4 Banks                   |
| 16C4B_SOHC  | SOHC Engine With 16 Cylinders and 4 Banks                   |
| 6C1B_OHV    | OHV Engine With 6 Cylinders and 1 Bank                      |
| 6C2B_OHV    | OHV Engine With 6 Cylinders and 2 Banks                     |
| 8C2B_OHV    | OHV Engine With 8 Cylinders and 2 Banks                     |
| 10C2B_OHV   | OHV Engine With 10 Cylinders and 2 Banks                    |

Among the light-duty classes, 14 are defined for DOHC engines, 13 for SOHC engines, and 4 for OHV engines. For the HDPUV engine technology classes, the modeling system provides 7 classes for each of the DOHC, SOHC, and OHV engines.

*Table 14. Engine Technology Classes (HDPUV)*

| <b>Class</b>   | <b>Description</b>                        |
|----------------|-------------------------------------------|
| 4C1B_2b3       | DOHC Engine With 4 Cylinders and 1 Bank   |
| 4C2B_2b3       | DOHC Engine With 4 Cylinders and 2 Banks  |
| 5C1B_2b3       | DOHC Engine With 5 Cylinders and 1 Bank   |
| 6C1B_2b3       | DOHC Engine With 6 Cylinders and 1 Bank   |
| 6C2B_2b3       | DOHC Engine With 6 Cylinders and 2 Banks  |
| 8C2B_2b3       | DOHC Engine With 8 Cylinders and 2 Banks  |
| 10C2B_2b3      | DOHC Engine With 10 Cylinders and 2 Banks |
| 4C1B_SOHC_2b3  | SOHC Engine With 4 Cylinders and 1 Bank   |
| 4C2B_SOHC_2b3  | SOHC Engine With 4 Cylinders and 2 Banks  |
| 5C1B_SOHC_2b3  | SOHC Engine With 5 Cylinders and 1 Bank   |
| 6C1B_SOHC_2b3  | SOHC Engine With 6 Cylinders and 1 Bank   |
| 6C2B_SOHC_2b3  | SOHC Engine With 6 Cylinders and 2 Banks  |
| 8C2B_SOHC_2b3  | SOHC Engine With 8 Cylinders and 2 Banks  |
| 10C2B_SOHC_2b3 | SOHC Engine With 10 Cylinders and 2 Banks |
| 4C1B_OHV_2b3   | OHV Engine With 4 Cylinders and 1 Bank    |
| 4C2B_OHV_2b3   | OHV Engine With 4 Cylinders and 2 Banks   |
| 5C1B_OHV_2b3   | OHV Engine With 5 Cylinders and 1 Bank    |
| 6C1B_OHV_2b3   | OHV Engine With 6 Cylinders and 1 Bank    |
| 6C2B_OHV_2b3   | OHV Engine With 6 Cylinders and 2 Banks   |
| 8C2B_OHV_2b3   | OHV Engine With 8 Cylinders and 2 Banks   |
| 10C2B_OHV_2b3  | OHV Engine With 10 Cylinders and 2 Banks  |

Once the inputs for technology classes are defined, the user assigns each vehicle in the input fleet to the appropriate vehicle and engine technology classes. The model then uses the technology class assignments to obtain the applicability states and costs associated with each technology, as well as the relevant simulation results for each individual vehicle.

## **S4.2 Technology Pathways**

The modeling system defines technology pathways for grouping and establishing a logical progression of technologies on a vehicle. Technologies that share similar characteristics form cohorts that can be represented and interpreted in the CAFE Model as discrete entities. These entities are then laid out into pathways (or paths), which the system uses to define relations of mutual exclusivity between conflicting sets of technologies. For example, as presented in the

next section, technologies on the Turbo Engine path are incompatible with those on the HCR Engine or the Diesel Engine paths. As such, whenever a vehicle uses a technology from one pathway (e.g., turbo), the modeling system immediately disables the incompatible technologies from one or more of the other pathways (e.g., HCR and diesel).

Each path designates the direction in which vehicles are allowed to advance as the modeling system evaluates specific technologies for application. Enforcing this directionality in the model ensures that a vehicle that uses a more advanced technology (e.g., AT8) is not allowed to “downgrade” to a less advanced option (e.g., AT5). Visually, as portrayed in the charts in the sections that follow, this is represented by an arrow leading from a preceding technology to a succeeding one, where vehicles begin at the root of each path, and traverse to each successor technology in the direction of the arrows.

The modeling system incorporates 21 technology pathways for evaluation as shown in Table 15. Similar to individual technologies, each path carries an intrinsic application level that denotes the scope of applicability of all technologies present in that path, and whether the pathway is evaluated on one vehicle at a time, or on a collection of vehicles that share a common platform, engine, or transmission.

*Table 15. Technology Pathways*

| <b>Technology Pathway</b>                                           | <b>Application Level</b> |
|---------------------------------------------------------------------|--------------------------|
| Engine Configuration Path                                           | Engine                   |
| Basic Engine Path                                                   | Engine                   |
| Turbo Engine Path                                                   | Engine                   |
| Advanced Cylinder Deactivation (ADEAC) Engine Path                  | Engine                   |
| High Compression Ratio (HCR) Engine Path                            | Engine                   |
| Variable Compression Ratio (VCR) Engine Path                        | Engine                   |
| Variable Turbo Geometry (VTG) Engine Path                           | Engine                   |
| Advanced Turbo Engine Path                                          | Engine                   |
| Diesel Engine Path                                                  | Engine                   |
| Alternative Fuel Engine Path                                        | Engine                   |
| Automatic Transmission Path                                         | Transmission             |
| Electrification Path                                                | Vehicle                  |
| P2 Strong Hybrid-Electric Vehicle Path (Paired With a Basic Engine) | Vehicle                  |
| P2 Strong Hybrid-Electric Vehicle Path (Paired With a Turbo Engine) | Vehicle                  |
| P2 Strong Hybrid-Electric Vehicle Path (Paired With an HCR Engine)  | Vehicle                  |
| Power-split Strong Hybrid-Electric Vehicle Path                     | Vehicle                  |
| Plug-In Hybrid-Electric Vehicle Path                                | Vehicle                  |
| Electric Vehicle Path                                               | Vehicle                  |
| Low Rolling Resistance Tires (ROLL) Path                            | Vehicle                  |

| Technology Pathway                   | Application Level |
|--------------------------------------|-------------------|
| Aerodynamic Improvements (AERO) Path | Vehicle           |
| Mass Reduction (MR) Path             | Platform          |

Even though technology pathways outline a logical progression between related technologies, all technologies available to the system are evaluated concurrently and independently of each other. Once all technologies have been examined, the model selects a solution deemed to be most cost-effective for application on a vehicle. If the modeling system applies a technology that resides later in the pathway, it will subsequently disable all preceding technologies from further consideration to prevent a vehicle from potentially downgrading to a less advanced option. Consequently, the system skips any technology that is already present on a vehicle (either those that were available on a vehicle from the input fleet or those that were previously applied by the model). This “parallel technology” approach (which is a departure from the “parallel path” methodology used in some of the early versions of the model) allows the system to always consider the entire set of available technologies, instead of foregoing the application of potentially more cost-effective options that happen to reside further down the pathway.<sup>26</sup>

#### S4.2.1 Engine-Level Pathways

The technologies that make up the 10 Engine-Level paths available in the model are presented in Figure 2, below. Note that the baseline-only technologies (SOHC, DOHC, and CNG) are grayed out. As mentioned earlier, these technologies are used to inform the modeling system of the input engine’s configuration and are not otherwise applicable during the analysis. Note that the OHV technology is not supported in the model, even as a baseline-only technology. Considering that vehicles with OHV engines are rare in the input fleet, these vehicles were not included as part of Argonne’s simulation. In the absence of simulation data, to achieve the closest possible vehicle mapping, OHV engines should be identified as using the SOHC technology when setting up the input fleet.

As noted above, the DOHC and SOHC technologies, which are found on the Engine Configuration path, are not available during modeling, instead serving to define the initial configuration of the vehicle’s engine. Thus, the system begins its evaluation of the engine-level technologies starting with those found on the Basic Engine path. Specifically, the model may select one of VVL, SGDI, or DEAC, based on whichever is most cost-effective for application to a vehicle at the time of evaluation. Since these technologies are not mutually exclusive, the system may continue to examine the remainder of available Basic Engine technologies after applying the selected one to a vehicle. Thus, the order of application of VVL, SGDI, and DEAC is strictly based on their cost-effectiveness and may change from vehicle to vehicle, given the varying technology profiles of different vehicle models. However, whether the system picks one

---

<sup>26</sup> Some of the early versions of the CAFE Model followed a “low-cost” first approach, where the system would stop evaluating technologies residing in a given pathway, as soon as the first cost-effective option in that path was reached.

order of application (e.g., VVL, SGDI, DEAC) over another (e.g., DEAC, SGDI, VVL), the resulting net cost and fuel economy improvement will be the same.<sup>27</sup>

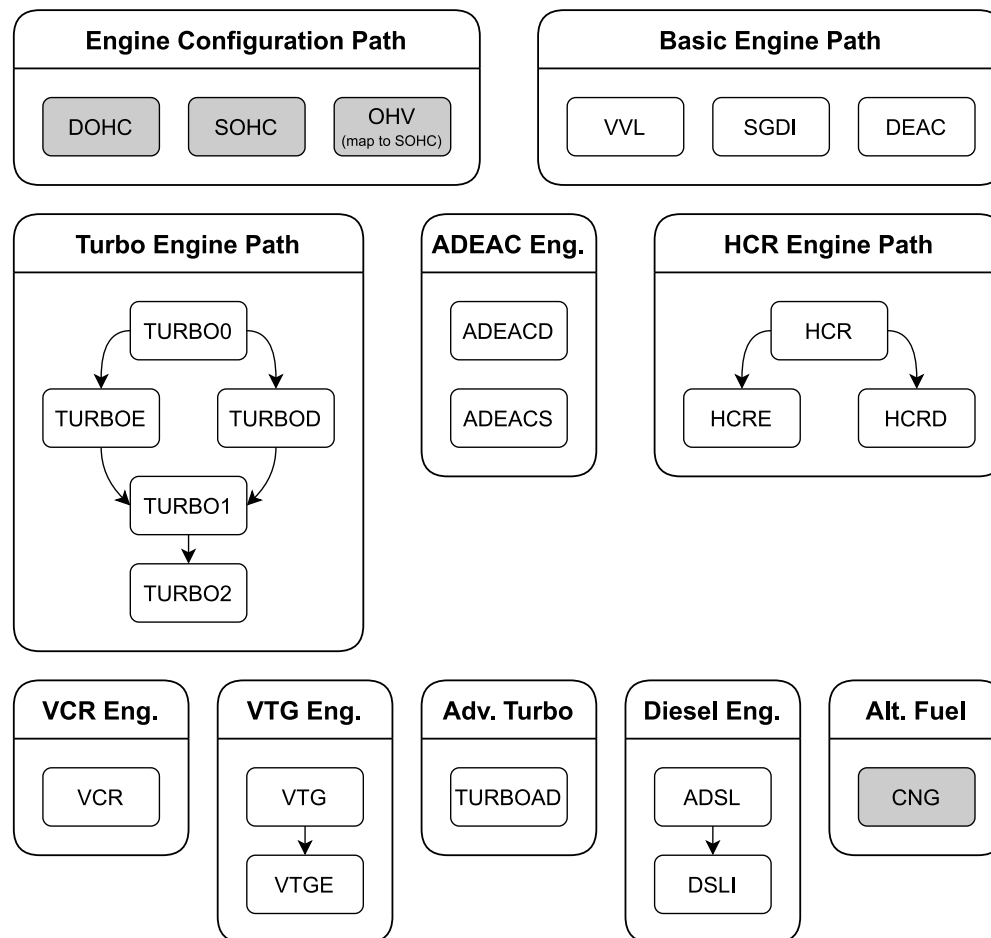


Figure 2. Engine-Level Paths

As with the Basic Engine path, the model may immediately consider any of the technologies for application from the remaining engine-level paths shown in Figure 2. However, as stated earlier, once a technology from the given pathway is applied on a vehicle, the preceding technologies, if any, are disabled (for that vehicle) from further evaluation. This means the modeling system may evaluate and apply any technology from any of the pathways (e.g., TURBO2 technology from the Turbo Engine path) prior to exhausting the Basic Engine path.

With the exception of the Basic Engine path, the majority of the engine-level pathways available in the model are mutually exclusive. This denotes that if a vehicle is using an engine technology from one of the paths (e.g., HCR), some or all of the other pathways will be disabled on that engine. Once the model transitions beyond the Basic Engine pathway, by applying one of the more advanced engine technologies, all unused technologies on the Basic Engine path will be

<sup>27</sup> The technology progression described here for the Basic Engine path is the *default* mode of operation in the current version of the CAFE Model, which directly applies when evaluating light-duty vehicles (i.e., those regulated as passenger cars or light trucks). For HDPUV vehicles, however, the modeling system only supports SGDI and DEAC technologies, with SGDI also being a prerequisite for DEAC.



permanently disabled from future applications. This ensures that the model retains proper mapping of vehicles to the vehicle simulation database and that it does not inadvertently downgrade a vehicle during analysis. The mutual exclusivity of the engine pathways, as well as the conflicting relations of other paths, is discussed further in Section S4.2.5 below.

Lastly, the ADEAC Engine path includes two technologies that represent an advanced level of cylinder deactivation for either the SOHC or the DOHC engine. These technologies are mutually exclusive, where the use of one disables the other from application. Furthermore, when a vehicle uses a basic engine, the ADEACS technology is only initially enabled for vehicles with a SOHC engine, while ADEACD is only enabled for vehicles with a DOHC engine.

### S4.2.2 Transmission-Level Pathway

The current version of the CAFE Model provides support for only a single Transmission-Level path. The technologies that make up this path are shown in Figure 3, below. The baseline-only technologies (AT5, AT7L2, and CVT) are shown as grayed out and are only used to signify the initial configuration of the vehicle's transmission. Note that the technologies for the manual transmissions are not explicitly supported in the model, even as baseline-only options. Since vehicles with manual transmissions make up only about 1 percent of the input fleet,<sup>28</sup> these vehicle configurations were not included as part of Argonne's simulation. In the absence of simulation data, to achieve the closest possible vehicle mapping, manual transmissions should be identified as using one of the available DCT technologies when setting up the input fleet.

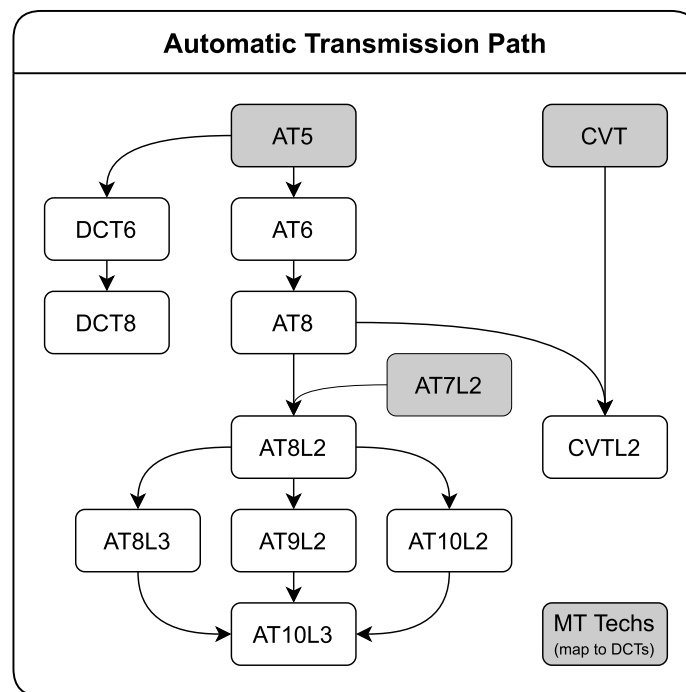


Figure 3. Transmission-Level Paths

<sup>28</sup> The MY 2020 input fleet, used in the 2022 Final Rule analysis, included 1.12 percent of vehicles with manual transmissions.

When setting up the initial mapping of technologies, all dual-clutch, auto-manual, and manual transmissions with five or six forward gears should be mapped to the DCT6 technology, and all DCTs, AMTs, and MTs with seven or more forward gears should be mapped to DCT8. All automatic transmissions with five forward gears or fewer should be assigned the AT5 technology. These transmission technology usage assignments provide the recommended guidance that users should follow when setting up the initial transmission technology mappings for the input fleet. However, while the modeling system adheres to the aforementioned assumptions during analysis of a given technology, these requirements are not strictly enforced by the system for the input fleet.

As with the engine pathways, all of the technologies on the transmission path are evaluated by the model concurrently, with the most cost-effective being selected for application. Likewise, the former transmission technologies, if any, will be disabled on a vehicle once one of the latter options are applied by the model.

As shown in Figure 3, above, the Automatic Transmission path incorporates various branch points (and conversions), defining the mutual exclusivity of technologies in the pathway. The arrows connecting the individual technologies may be followed to determine the possible progression options the modeling system may follow as it upgrades a vehicle's transmission. Traversing through the connecting arrows down one of the branches, however, will disable the conflicting technologies on one or more of the other branches. Since the Automatic Transmission path includes technologies that serve as conversion points, in some cases, only a portion of the branch may be disabled by the model. For example, if a vehicle starts with the AT5 transmission technology and continues to AT8L2, the DCT6 and DCT8 technologies will become unavailable. Since CVTL2 follows from AT8 (or from CVT), for this example, the CVTL2 technology is not otherwise reachable from AT8L2, and will thus be disabled from future applications as well.

Generally, a technology on any pathway only remains available for application if it may be reached from the highest technology being used on a vehicle, by following through the arrows in the same path. As another example, consider a vehicle that uses or upgrades to a CVTL2 transmission. Since no other technology on the Automatic Transmission path can be reached from CVTL2, the remaining automatic technologies will be disabled for that vehicle. Likewise, if either of the DCT technologies are applied or used on a vehicle, the rest of the automatic technologies are unreachable, and hence also become unavailable.

#### **S4.2.3 Vehicle-Level Electrification & Hybrid/Electric Pathways**

The technologies included on the seven Vehicle-Level paths relating to the electrification and hybrid/electric improvements defined in the modeling system are shown in Figure 4 below. As shown in the Electrification path, the baseline-only CONV technology is grayed out. This technology is used to denote whether a vehicle comes in with a conventional powertrain (i.e., a vehicle that does not include any level of hybridization) and to allow the model to properly map to simulation results found in the vehicle simulation database. As is the case with Engine- and Transmission-Level pathways, all technologies on the Vehicle-Level electrification paths are mutually exclusive and are evaluated in parallel, where, for example, the model may immediately evaluate PHEV50T technology prior to having to apply more basic technologies, such as SS12V or SHEVPS.

As shown in Figure 4, the HEV-P2 path includes two starting points, or root technologies, forming two distinct and mutually exclusive branches. The PHEV path includes three starting

points, while the Electric Vehicle path includes two. In each case, since the modeling system evaluates each and every technology concurrently, the starting points and branches bear no weight on the actual traversal or analysis of the pathways. Instead, as soon as a technology from one branch is installed on a vehicle, the conflicting branches are disabled from application. For example, if a vehicle uses the P2D technology, the P2S and P2SGDIS will be disabled from further consideration.

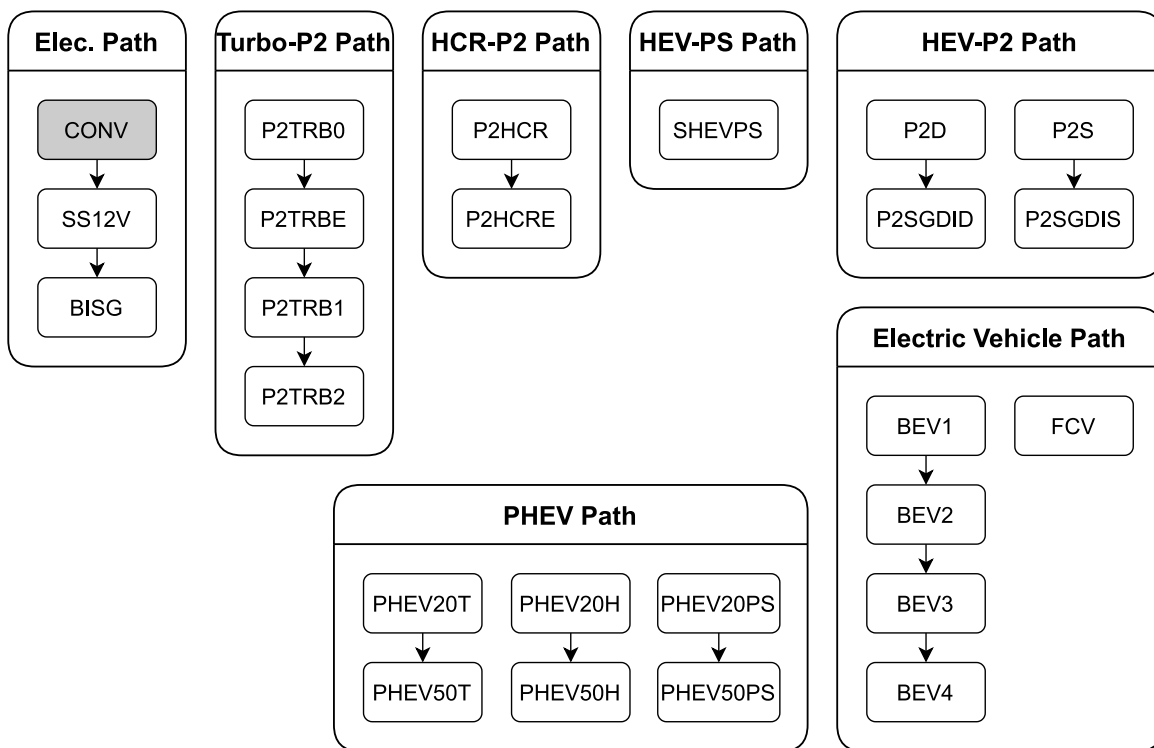


Figure 4. Vehicle-Level (Electrification & Hybrid/Electric) Paths

Although not explicitly shown in the diagram, technologies on the HEV-P2 path are applicable only when a compatible engine is present on a vehicle. That is, the “S” variants are enabled for vehicles with a SOHC or an ADEACS engine, while the “D” variants are enabled for vehicles with a DOHC or an ADEACD engine. Similarly, the technologies on the PHEV path may be further restricted based on the specific engine in use on a vehicle, or the level of hybridization technology that is installed on that vehicle. For example, if a vehicle uses an HCR engine, or is a P2 hybrid paired with an HCR engine, that vehicle may only advance to the “H” variants of the PHEV20 and PHEV50 technologies. The specifics of pathway relations and compatibility logic are discussed in Section S4.2.5, below.

#### S4.2.4 Platform-Level and Other Vehicle-Level Pathways

The technologies that are included on the single Platform-Level path as well as the two remaining Vehicle-Level paths provided by the model are displayed in Figure 5 below. The baseline-only technologies (MR0, AERO0, and ROLL0) are grayed out and are only used to signify the initial configuration of the vehicle. In each case, as with other baseline-only technologies, these are used to allow for appropriate vehicle mapping to the vehicle simulation database. All of the pathways shown in Figure 5 may be evaluated by the model independent of

one another, with the most cost-effective option being selected for application. Each of the Mass Reduction, AERO, and ROLL paths define a logical progression of technologies, where application of a latter technology disables all former ones.

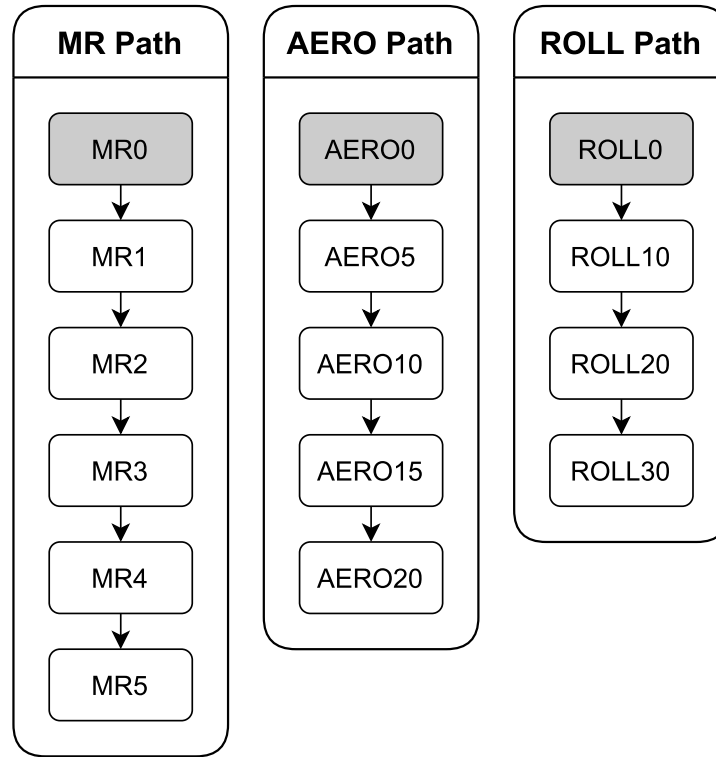


*Figure 5. Platform-Level and Vehicle-Level (Other) Paths*

#### **S4.2.5 Relationship Between Technology Pathways**

Similar to the way the individual technologies are grouped into pathways to define the logical progression in a given path, most of the pathways defined in the modeling system are interconnected, signifying additional logical progression between various pathways. As before, the connections between paths designate the direction in which vehicles are allowed to advance as the system evaluates technologies from these pathways for application. The directionality of the paths ensures that vehicles are only allowed to “upgrade” to a more advanced powertrain option with each successive technology application. Of the 21 technology pathways present in the model, almost all Engine paths, the Transmission path, the Electrification path, and all Hybrid/Electric paths are connected, as shown in Figure 6 below.

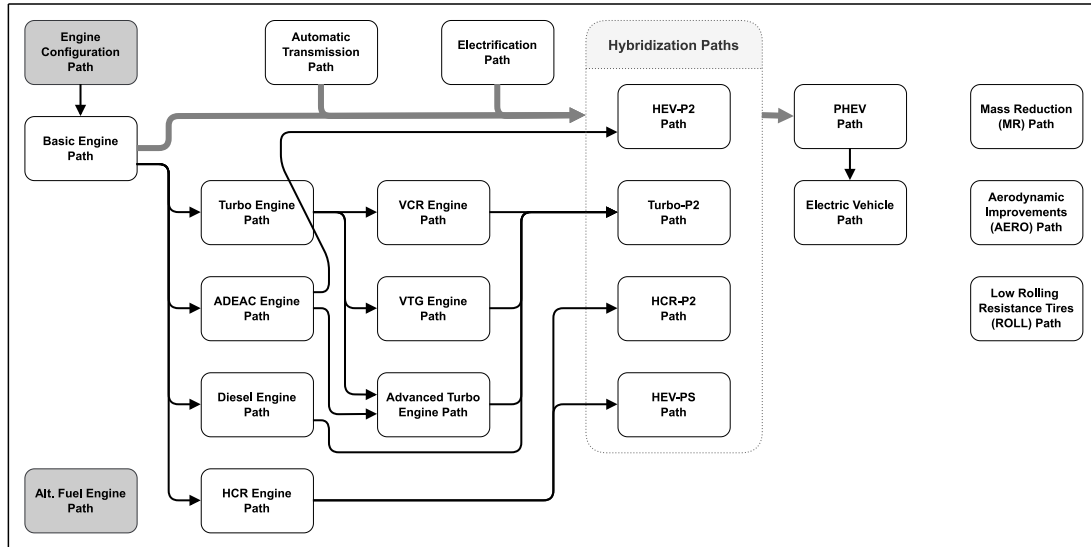


Figure 6. Technology Pathways Diagram

Some of the technology pathways, as defined in the CAFE Model and shown in the diagram above, may not be compatible with a vehicle given its state at the time of evaluation. For example, a vehicle with a turbocharged engine will not be able to get improvements from a HEV-P2, HCR-P2, or HEV-PS paths. For this reason, the system implements logic to explicitly disable certain paths whenever a constraining technology from another path is applied on a vehicle. On occasion, not all of the technologies present in a pathway may produce compatibility constraints with another path. In such a case, the system will selectively disable a conflicting pathway (or part of the pathway) as required by the incompatible technology. In the preceding sections, this was referred to as mutual exclusivity of paths. The full and precise logic for conflicting and mutually exclusive pathways defined in the model is shown in the table below.

Table 16. Technology Pathway Compatibility Logic

| Technology Pathway        | Conflicting Pathways Disabled in the Model                                                                                                                                                                                |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Engine Configuration Path | Technology-Specific Logic:<br>SOHC disables: ADEACS, P2D, P2SGDID<br>DOHC disables: ADEACD, P2S, P2SGDIS                                                                                                                  |
| Turbo Engine Path         | All Other Engine Paths (Except VCR, VTG, and Advanced Turbo Engine Paths)<br>All Strong Hybridization Paths (Except Turbo-P2 Path)<br>The Following Technologies from the PHEV Path: PHEV20H, PHEV50H, PHEV20PS, PHEV50PS |
| ADEAC Engine Path         | All Other Engine Paths (Except Advanced Turbo Engine Path)<br>The Following Strong Hybridization Paths: HCR-P2, HEV-PS<br>Technology-Specific Logic:<br>ADEACS disables: P2D, P2SGDID<br>ADEACD disables: P2S, P2SGDIS    |
| HCR Engine Path           | All Other Engine Paths<br>The Following Strong Hybridization Paths: HEV-P2, Turbo-P2<br>The Following Technologies from the PHEV Path: PHEV20T, PHEV50T                                                                   |

| Technology Pathway           | Conflicting Pathways Disabled in the Model                                                                                                                                                                                                                 |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| VCR Engine Path              | All Other Engine Paths<br>All Strong Hybridization Paths (Except Turbo-P2 Path)<br>The Following Technologies from the PHEV Path: PHEV20H, PHEV50H, PHEV20PS, PHEV50PS                                                                                     |
| VTG Engine Path              | All Other Engine Paths<br>All Strong Hybridization Paths (Except Turbo-P2 Path)<br>The Following Technologies from the PHEV Path: PHEV20H, PHEV50H, PHEV20PS, PHEV50PS<br>Technology-Specific Logic:<br>VTGE supersedes and disables: Electrification Path |
| Advanced Turbo Engine Path   | All Other Engine Paths<br>All Strong Hybridization Paths (Except Turbo-P2 Path)<br>The Following Technologies from the PHEV Path: PHEV20H, PHEV50H, PHEV20PS, PHEV50PS                                                                                     |
| Diesel Engine Path           | All Other Engine Paths<br>All Strong Hybridization Paths (Except Turbo-P2 Path)<br>The Following Technologies from the PHEV Path: PHEV20H, PHEV50H, PHEV20PS, PHEV50PS                                                                                     |
| Alternative Fuel Engine Path | All Paths Are Disabled <sup>29</sup>                                                                                                                                                                                                                       |
| HEV-P2 Path                  | All Engine, Transmission, and Electrification Paths<br>All Other Strong Hybridization Paths                                                                                                                                                                |
| Turbo-P2 Path                | All Engine, Transmission, and Electrification Paths<br>All Other Strong Hybridization Paths<br>The Following Technologies from the PHEV Path: PHEV20H, PHEV50H, PHEV20PS, PHEV50PS                                                                         |
| HCR-P2 Path                  | All Engine, Transmission, and Electrification Paths<br>All Other Strong Hybridization Paths<br>The Following Technologies from the PHEV Path: PHEV20T, PHEV50T, PHEV20PS, PHEV50PS                                                                         |
| HEV-PS Path                  | All Engine, Transmission, and Electrification Paths<br>All Other Strong Hybridization Paths<br>The Following Technologies from the PHEV Path: PHEV20T, PHEV50T, PHEV20H, PHEV50H                                                                           |

<sup>29</sup> If a vehicle uses any technology on the Alternative Fuel Engine path, which presently only includes CNG, the model prohibits any further technology application to that vehicle.

| Technology Pathway    | Conflicting Pathways Disabled in the Model                                            |
|-----------------------|---------------------------------------------------------------------------------------|
| PHEV Path             | All Engine, Transmission, Electrification, and Strong Hybridization Paths             |
| Electric Vehicle Path | All Engine, Transmission, Electrification, and Strong and Plug-In Hybridization Paths |

As the logic in Table 16 shows, for any interlinked technology pathways shown in Figure 6 above, the system additionally disables all preceding technology paths whenever a vehicle transitions to a succeeding pathway. For example, if the model applies SHEVPS technology on a vehicle, the system disables all of the Engine, Transmission, and Electrification paths, which precede the HEV-PS pathway, in addition to the HEV-P2, Turbo-P2, and HCR-P2 paths, which are simply incompatible.

The compatibility logic presented in this section outlines the interaction between the various pathways available in the modeling system, as well as highlights select technology-specific restrictions. However, individual technologies may incorporate additional constraints not listed here, which are described in greater detail in Section S4.5 further below.

### S4.3 Technology Applicability

The modeling system determines the applicability of each technology on a vehicle, platform, engine, or transmission using a combination of technology input assumptions, regulatory scenario definition, and technology usage settings defined in the input fleet (as specified in the market data input file).<sup>30</sup>

For each vehicle technology class (discussed above), the technology input assumptions provide the *Applicable*, *Year Available*, and *Year Retired* fields that control the scope of applicability of each technology. If the *Applicable* field is set to **FALSE** or is not specified (left as blank in the technologies input file) for a specific technology, that technology will not be available for evaluation. Conversely, if this field is set to **TRUE**, the technology will be available for application. Furthermore, the *Year Available* and *Year Retired* fields determine the minimum and maximum MYs during which the technology may be considered by the modeling system. If the *Year Retired* field is not specified (left as blank), the technology is assumed to be available indefinitely. Technology phase-in caps may limit the availability of technologies if a particular penetration rate is reached for a vehicle’s manufacturer in a MY being evaluated.

Each regulatory scenario definition includes a *Standard Setting Year* field, which specifies whether new standards are being set during a given year. Technologies that convert a vehicle to a plug-in hybrid-electric vehicle (e.g., PHEV20), to a battery-electric vehicle (e.g., BEV200), or to a fuel-cell vehicle (FCV) may be further restricted from application during these “standard setting” years for the light-duty fleet. However, this standard setting restriction does not apply if either of the following conditions are met: (1) the vehicle in question is designated as a “ZEV Candidate” by the user in the input fleet, or (2) the vehicle is regulated as HDPUV for compliance purposes.

In the market data input file, the worksheets describing each vehicle model, platform, engine, and transmission selected for simulation provide the *Technology Information* sections that are

<sup>30</sup> The technology usage settings are described in various sections of Appendix A.

used to define the initial technology usage state of the input fleet. Each of the technologies listed in Table 9, Table 10, and Table 11, above, are referenced on these worksheets, as appropriate for a particular application-level of a technology. The user determines which technologies are initially present in the input fleet, given the characteristics of each vehicle and vehicle component. Since the modeling system relies heavily on the *Technology Information* settings, these sections must accurately and completely represent the initial state of each vehicle, platform, engine, and transmission to avoid potential modeling errors.

The logical restrictions imposed by the technology pathways described above, as well as those applicable to individual technologies discussed in a later section, further restrict the applicability of technologies should any compatibility issues arise during modeling.

#### **S4.4 Technology Evaluation and Inheriting**

Once the system determines the applicability of all technologies, it begins evaluating them for application on a vehicle or a component.<sup>31</sup> As noted in Section S4.2, the CAFE Model examines all technologies concurrently and independently of one another. The model considers and applies redesign-based technologies whenever a vehicle or a component is at a redesign, while refresh-based technologies may be considered during refresh or redesign years.<sup>32</sup>

When the system evaluates vehicle-level technologies, it examines only one vehicle model at a time, with all technology improvements being applied directly to that vehicle during its next refresh or redesign year. However, since component-level technologies affect a component that may be shared by several vehicles, the system must consider the resultant improvements on all the vehicles that share that component and apply the upgrade when appropriate. During modeling, all improvements from technology application are initially realized on a component and then propagated (or inherited) down to the vehicles that share that component. As such, new component-level technologies are initially evaluated and applied to a platform, engine, or transmission during their respective redesign or refresh years. Any vehicles that share the same redesign and/or refresh schedule as the component apply these technology improvements during the same MY. The rest of the vehicles inherit technologies from the component during their refresh or redesign year (for engine- and transmission-level technologies), or during a redesign year only (for platform-level technologies).

The approach implemented for the current version of the CAFE Model is a slight departure from the logic that was previously used in the modeling system. In the preceding versions, technology adoption would first occur on a component's leader vehicle, rather than the component itself, before being inherited to the rest of the vehicle models (formerly referred to as "followers") that share the same platform, engine, or transmission. The technology inheritance from a leader vehicle to its followers would occur in the same manner that it currently does between a component and its shared vehicles. The current approach, however, affords more flexibility in the analysis than the previous one, as it allows for component-specific cadence to be explicitly defined, and it does not necessitate the recalculation of the candidate leader vehicle whenever the

---

<sup>31</sup> As discussed in Section S2.1, vehicle platforms, engines, and transmissions are all considered to be vehicle components from the CAFE Model's perspective.

<sup>32</sup> Refer to Table 9, Table 10, and Table 11 in the opening to Section 4 for a listing of technologies' "Redesign Only" or "Refresh/Redesign" application schedules.



existing leader moves to an incompatible technology state (such receiving a battery-electric vehicle upgrade).

#### ***S4.5 Technology Constraints (Supersession and Mutual Exclusivity)***

As the modeling system progresses through the various technology pathways, it may encounter technologies that serve the same function on a vehicle but represent upgraded or more advanced versions of one another. For example, TURBO2 technology is an upgraded version of TURBO1, however, both may not simultaneously exist on the same vehicle. The system may also encounter technologies that represent entirely different powertrain designs and may need to completely remove a large set of conflicting technologies that may already exist on a vehicle. For example, application of SHEVPS requires replacing the engine and transmission of a vehicle with a specific version optimized for a power-split hybrid. As discussed earlier, some technology pathways are defined as mutually exclusive and may not be concurrently applied to a vehicle.

In order for users to diagnose the various technology application choices the CAFE Model made during compliance modeling, and to allow for incremental evaluation and application of one or more vehicle technologies on a vehicle, the modeling system includes a logical concept of technology supersession. When a previously applied technology is superseded on a vehicle by the modeling system, it is removed from that vehicle and replaced by another, typically more advanced option. The system internally keeps tracks of each superseded technology, which is later reflected in the diagnostic reports produced by the model.<sup>33</sup>

The following table provides a list of technologies that may supersede one or more of the other technologies.

*Table 17. Technology Supersession Logic*

| <b>Technology</b> | <b>Superseded Technologies</b>                                                              |
|-------------------|---------------------------------------------------------------------------------------------|
| TURBO0            | SOHC, DOHC, VVL, SGDI, DEAC                                                                 |
| TURBOE            | SOHC, DOHC, VVL, SGDI, DEAC, TURBO0                                                         |
| TURBOD            | SOHC, DOHC, VVL, SGDI, DEAC, TURBO0                                                         |
| TURBO1            | SOHC, DOHC, VVL, SGDI, DEAC, TURBO0, TURBOE, TURBOD                                         |
| TURBO2            | SOHC, DOHC, VVL, SGDI, DEAC, TURBO0, TURBOE, TURBOD, TURBO1                                 |
| ADEACS            | SOHC, DOHC, VVL, SGDI, DEAC                                                                 |
| ADEACD            | SOHC, DOHC, VVL, SGDI, DEAC                                                                 |
| HCR               | SOHC, DOHC, VVL, SGDI, DEAC                                                                 |
| HCRE              | SOHC, DOHC, VVL, SGDI, DEAC, HCR                                                            |
| HCRD              | SOHC, DOHC, VVL, SGDI, DEAC, HCR                                                            |
| VCR               | SOHC, DOHC, VVL, SGDI, DEAC, TURBO0, TURBOE, TURBOD, TURBO1, TURBO2                         |
| VTG               | SOHC, DOHC, VVL, SGDI, DEAC, TURBO0, TURBOE, TURBOD, TURBO1, TURBO2                         |
| VTGE              | SOHC, DOHC, VVL, SGDI, DEAC, TURBO0, TURBOE, TURBOD, TURBO1, TURBO2, VTG, CONV, SS12V, BISG |
| TURBOAD           | SOHC, DOHC, VVL, SGDI, DEAC, TURBO0, TURBOE, TURBOD, TURBO1, TURBO2, ADEACS, ADEACD         |
| ADSL              | SOHC, DOHC, VVL, SGDI, DEAC                                                                 |
| DSL1              | SOHC, DOHC, VVL, SGDI, DEAC, ADSL                                                           |

<sup>33</sup> Modeling reports are discussed in greater detail in Appendix B.

| Technology | Superseded Technologies                                                                                        |
|------------|----------------------------------------------------------------------------------------------------------------|
| AT6        | AT5                                                                                                            |
| AT8        | AT5, AT6                                                                                                       |
| AT8L2      | AT5, AT6, AT7L2, AT8                                                                                           |
| AT8L3      | AT5, AT6, AT7L2, AT8, AT8L2                                                                                    |
| AT9L2      | AT5, AT6, AT7L2, AT8, AT8L2                                                                                    |
| AT10L2     | AT5, AT6, AT7L2, AT8, AT8L2                                                                                    |
| AT10L3     | AT5, AT6, AT7L2, AT8, AT8L2, AT8L3, AT9L2, AT10L2                                                              |
| DCT6       | AT5                                                                                                            |
| DCT8       | AT5, DCT6                                                                                                      |
| CVTL2      | AT5, AT6, AT8, CVT                                                                                             |
| SS12V      | CONV                                                                                                           |
| BISG       | CONV, SS12V                                                                                                    |
| P2S        | All Engine, Transmission, and Electrification Technologies                                                     |
| P2SGDIS    | All Engine, Transmission, and Electrification Technologies, P2S                                                |
| P2D        | All Engine, Transmission, and Electrification Technologies                                                     |
| P2SGDID    | All Engine, Transmission, and Electrification Technologies, P2D                                                |
| P2TRB0     | All Engine, Transmission, and Electrification Technologies                                                     |
| P2TRBE     | All Engine, Transmission, and Electrification Technologies, P2TRB0                                             |
| P2TRB1     | All Engine, Transmission, and Electrification Technologies, P2TRB0, P2TRBE                                     |
| P2TRB2     | All Engine, Transmission, and Electrification Technologies, P2TRB0, P2TRBE, P2TRB1                             |
| P2HCR      | All Engine, Transmission, and Electrification Technologies                                                     |
| P2HCRE     | All Engine, Transmission, and Electrification Technologies, P2HCR                                              |
| SHEVPS     | All Engine, Transmission, and Electrification Technologies                                                     |
| PHEV20T    | All Engine, Transmission, Electrification, and Strong Hybridization Technologies                               |
| PHEV50T    | All Engine, Transmission, Electrification, and Strong Hybridization Technologies, PHEV20T                      |
| PHEV20H    | All Engine, Transmission, Electrification, and Strong Hybridization Technologies                               |
| PHEV50H    | All Engine, Transmission, Electrification, and Strong Hybridization Technologies, PHEV20H                      |
| PHEV20PS   | All Engine, Transmission, Electrification, and Strong Hybridization Technologies                               |
| PHEV50PS   | All Engine, Transmission, Electrification, and Strong Hybridization Technologies, PHEV20PS                     |
| BEV1       | All Engine, Transmission, Electrification, and Strong and Plug-In Hybridization Technologies                   |
| BEV2       | All Engine, Transmission, Electrification, and Strong and Plug-In Hybridization Technologies, BEV1             |
| BEV3       | All Engine, Transmission, Electrification, and Strong and Plug-In Hybridization Technologies, BEV1, BEV2       |
| BEV4       | All Engine, Transmission, Electrification, and Strong and Plug-In Hybridization Technologies, BEV1, BEV2, BEV3 |
| FCV        | All Engine, Transmission, Electrification, and Strong and Plug-In Hybridization Technologies                   |
| ROLL10     | ROLL0                                                                                                          |
| ROLL20     | ROLL0, ROLL10                                                                                                  |
| ROLL30     | ROLL0, ROLL10, ROLL20                                                                                          |
| AERO5      | AERO0                                                                                                          |
| AERO10     | AERO0, AERO5                                                                                                   |
| AERO15     | AERO0, AERO5, AERO10                                                                                           |
| AERO20     | AERO0, AERO5, AERO10, AERO15                                                                                   |
| MR1        | MR0                                                                                                            |
| MR2        | MR0, MR1                                                                                                       |

| Technology | Superseded Technologies |
|------------|-------------------------|
| MR3        | MR0, MR1, MR2           |
| MR4        | MR0, MR1, MR2, MR3      |
| MR5        | MR0, MR1, MR2, MR3, MR4 |

Notice that the supersession logic for many technologies may be deduced by following through the Technology Pathways Diagram presented in Figure 6 of Section S4.2.5 above, as well as following through the arrows between technologies for the individual pathways.

In addition to the supersession logic applicable to individual technologies, the modeling system defines additional constraints, where some combinations of technologies may not be concurrently present on the same vehicle, and are thus considered to be mutually exclusive. Section S4.2, above, discusses such constraints as they apply to the technology pathways. However, the relationships of mutually exclusivity defined for individual paths translate and may be adopted to individual technologies found in those pathways as well. For example, since the Turbo and HCR Engine paths are defined to be mutually exclusive, each technology found on one of these paths (e.g., TURBO0) is automatically interpreted by the model as being mutually exclusive with all technologies from another path (i.e., HCR, HCRE, HCRD). Aside from the constraints carried over from the associated pathways, the individual technologies may include additional relations of mutually exclusivity that are not formalized by the rules governing the accompanying paths. For example, as detailed earlier, the branch points found in a pathway are mutually exclusive, requiring additional “disabling” logic to be defined in the CAFE Model to prevent a vehicle from simultaneously using incompatible technologies. The specifics of the technologies that are disabled whenever a conflicting technology is used or applied on a vehicle are represented in the following table.

*Table 18. Technology Mutual Exclusivity Logic*

| Technology | Disabled Technologies                                                                                                                                                                                                           |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SOHC       | ADEACD, P2D, P2SGDID                                                                                                                                                                                                            |
| DOHC       | ADEACS, P2S, P2SGDIS                                                                                                                                                                                                            |
| TURBO0     | All Other Engine Technologies (Except TURBO0, TURBOE, TURBOD, TURBO1, TURBO2, VCR, VTG, VTGE, and TURBOAD), All Strong Hybridization Technologies (Except P2TRB0, P2TRBE, P2TRB1, P2TRB2), PHEV20H, PHEV50H, PHEV20PS, PHEV50PS |
| TURBOE     | All Other Engine Technologies (Except TURBOE, TURBO1, TURBO2, VCR, VTG, VTGE, and TURBOAD), All Strong Hybridization Technologies (Except P2TRB0, P2TRBE, P2TRB1, P2TRB2), PHEV20H, PHEV50H, PHEV20PS, PHEV50PS                 |
| TURBOD     | All Other Engine Technologies (Except TURBOD, TURBO1, TURBO2, VCR, VTG, VTGE, and TURBOAD), All Strong Hybridization Technologies (Except P2TRB0, P2TRBE, P2TRB1, P2TRB2), PHEV20H, PHEV50H, PHEV20PS, PHEV50PS                 |
| TURBO1     | All Other Engine Technologies (Except TURBO1, TURBO2, VCR, VTG, VTGE, and TURBOAD), All Strong Hybridization Technologies (Except P2TRB0, P2TRBE, P2TRB1, P2TRB2), PHEV20H, PHEV50H, PHEV20PS, PHEV50PS                         |

| <b>Technology</b> | <b>Disabled Technologies</b>                                                                                                                                                                    |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TURBO2            | All Other Engine Technologies (Except TURBO2, VCR, VTG, VTGE, and TURBOAD), All Strong Hybridization Technologies (Except P2TRB0, P2TRBE, P2TRB1, P2TRB2), PHEV20H, PHEV50H, PHEV20PS, PHEV50PS |
| ADEACS            | All Other Engine Technologies (Except ADEACS and TURBOAD), P2HCR, P2HCRE, SHEVPS, P2D, P2SGDID                                                                                                  |
| ADEACD            | All Other Engine Technologies (Except ADEACD and TURBOAD), P2HCR, P2HCRE, SHEVPS, P2S, P2SGDIS                                                                                                  |
| HCR               | All Other Engine Technologies (Except HCR, HCRE, HCRD), All Strong Hybridization Technologies (Except P2HCR, P2HCRE, SHEVPS), PHEV20T, PHEV50T                                                  |
| HCRE              | All Other Engine Technologies (Except HCRE), All Strong Hybridization Technologies (Except P2HCR, P2HCRE, SHEVPS), PHEV20T, PHEV50T                                                             |
| HCRD              | All Other Engine Technologies (Except HCRD), All Strong Hybridization Technologies (Except P2HCR, P2HCRE, SHEVPS), PHEV20T, PHEV50T                                                             |
| VCR               | All Other Engine Technologies (Except VCR), All Strong Hybridization Technologies (Except P2TRB0, P2TRBE, P2TRB1, P2TRB2), PHEV20H, PHEV50H, PHEV20PS, PHEV50PS                                 |
| VTG               | All Other Engine Technologies (Except VTG and VTGE), All Strong Hybridization Technologies (Except P2TRB0, P2TRBE, P2TRB1, P2TRB2), PHEV20H, PHEV50H, PHEV20PS, PHEV50PS                        |
| VTGE              | All Other Engine Technologies (Except VTGE), All Electrification and Strong Hybridization Technologies (Except P2TRB0, P2TRBE, P2TRB1, P2TRB2), PHEV20H, PHEV50H, PHEV20PS, PHEV50PS            |
| TURBOAD           | All Other Engine Technologies (Except TURBOAD), All Strong Hybridization Technologies (Except P2TRB0, P2TRBE, P2TRB1, P2TRB2), PHEV20H, PHEV50H, PHEV20PS, PHEV50PS                             |
| ADSL              | All Other Engine Technologies (Except ADSL and DSLI), All Strong Hybridization Technologies (Except P2TRB0, P2TRBE, P2TRB1, P2TRB2), PHEV20H, PHEV50H, PHEV20PS, PHEV50PS                       |
| DSLI              | All Other Engine Technologies (Except DSLI), All Strong Hybridization Technologies (Except P2TRB0, P2TRBE, P2TRB1, P2TRB2), PHEV20H, PHEV50H, PHEV20PS, PHEV50PS                                |
| CNG               | All Other Technologies                                                                                                                                                                          |
| AT5               | CVT                                                                                                                                                                                             |
| AT6               | AT5, CVT, DCT6, DCT8                                                                                                                                                                            |
| AT7L2             | AT5, AT6, CVT, CVTL2, DCT6, DCT8, AT8                                                                                                                                                           |
| AT8               | AT5, AT6, CVT, DCT6, DCT8, AT7L2                                                                                                                                                                |
| AT8L2             | AT5, AT6, AT7L2, AT8, CVT, CVTL2, DCT6, DCT8                                                                                                                                                    |
| AT8L3             | AT5, AT6, AT7L2, AT8, AT8L2, CVT, CVTL2, DCT6, DCT8, AT9L2, AT10L2                                                                                                                              |

| <b>Technology</b> | <b>Disabled Technologies</b>                                                                                                                                       |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AT9L2             | AT5, AT6, AT7L2, AT8, AT8L2, CVT, CVTL2, DCT6, DCT8, AT8L3, AT10L2                                                                                                 |
| AT10L2            | AT5, AT6, AT7L2, AT8, AT8L2, CVT, CVTL2, DCT6, DCT8, AT8L3, AT9L2                                                                                                  |
| AT10L3            | AT5, AT6, AT7L2, AT8, AT8L2, AT8L3, AT9L2, AT10L2, CVT, CVTL2, DCT6, DCT8                                                                                          |
| DCT6              | AT5, CVT, CVTL2, AT6, AT7L2, AT8, AT8L2, AT8L3, AT9L2, AT10L2, AT10L3                                                                                              |
| DCT8              | AT5, DCT6, CVT, CVTL2, AT6, AT7L2, AT8, AT8L2, AT8L3, AT9L2, AT10L2, AT10L3                                                                                        |
| CVT               | AT5, DCT6, DCT8, AT6, AT7L2, AT8, AT8L2, AT8L3, AT9L2, AT10L2, AT10L3                                                                                              |
| CVTL2             | AT5, AT6, AT8, CVT, DCT6, DCT8, AT7L2, AT8L2, AT8L3, AT9L2, AT10L2, AT10L3                                                                                         |
| SS12V             | CONV                                                                                                                                                               |
| BISG              | CONV, SS12V                                                                                                                                                        |
| P2S               | All Engine, Transmission, Electrification, and Strong Hybridization Technologies (Except P2S and P2SGDIS)                                                          |
| P2SGDIS           | All Engine, Transmission, Electrification, and Strong Hybridization Technologies (Except P2SGDIS)                                                                  |
| P2D               | All Engine, Transmission, Electrification, and Strong Hybridization Technologies (Except P2D and P2SGDID)                                                          |
| P2SGDID           | All Engine, Transmission, Electrification, and Strong Hybridization Technologies (Except P2SGDID)                                                                  |
| P2TRB0            | All Engine, Transmission, Electrification, and Strong Hybridization Technologies (Except P2TRB0, P2TRBE, P2TRB1, and P2TRB2), PHEV20H, PHEV50H, PHEV20PS, PHEV50PS |
| P2TRBE            | All Engine, Transmission, Electrification, and Strong Hybridization Technologies (Except P2TRBE, P2TRB1, and P2TRB2), PHEV20H, PHEV50H, PHEV20PS, PHEV50PS         |
| P2TRB1            | All Engine, Transmission, Electrification, and Strong Hybridization Technologies (Except P2TRB1 and P2TRB2), PHEV20H, PHEV50H, PHEV20PS, PHEV50PS                  |
| P2TRB2            | All Engine, Transmission, Electrification, and Strong Hybridization Technologies (Except P2TRB2), PHEV20H, PHEV50H, PHEV20PS, PHEV50PS                             |
| P2HCR             | All Engine, Transmission, Electrification, and Strong Hybridization Technologies (Except P2HCR and P2HCRE), PHEV20T, PHEV50T, PHEV20PS, PHEV50PS                   |
| P2HCRE            | All Engine, Transmission, Electrification, and Strong Hybridization Technologies (Except P2HCRE), PHEV20T, PHEV50T, PHEV20PS, PHEV50PS                             |
| SHEVPS            | All Engine, Transmission, Electrification, and Strong Hybridization Technologies (Except SHEVPS), PHEV20T, PHEV50T, PHEV20H, PHEV50H                               |
| PHEV20T           | All Engine, Transmission, Electrification, and Strong Hybridization Technologies                                                                                   |

| Technology | Disabled Technologies                                                                                                |
|------------|----------------------------------------------------------------------------------------------------------------------|
| PHEV50T    | All Engine, Transmission, Electrification, and Strong Hybridization Technologies, PHEV20T                            |
| PHEV20H    | All Engine, Transmission, Electrification, and Strong Hybridization Technologies                                     |
| PHEV50H    | All Engine, Transmission, Electrification, and Strong Hybridization Technologies, PHEV20H                            |
| PHEV20PS   | All Engine, Transmission, Electrification, and Strong Hybridization Technologies                                     |
| PHEV50PS   | All Engine, Transmission, Electrification, and Strong Hybridization Technologies, PHEV20PS                           |
| BEV1       | All Engine, Transmission, Electrification, and Strong and Plug-In Hybridization Technologies, FCV                    |
| BEV2       | All Engine, Transmission, Electrification, and Strong and Plug-In Hybridization Technologies, BEV1, FCV              |
| BEV3       | All Engine, Transmission, Electrification, and Strong and Plug-In Hybridization Technologies, BEV1, BEV2, FCV        |
| BEV4       | All Engine, Transmission, Electrification, and Strong and Plug-In Hybridization Technologies, BEV1, BEV2, BEV3, FCV  |
| FCV        | All Engine, Transmission, Electrification, and Strong and Plug-In Hybridization Technologies, BEV1, BEV2, BEV3, BEV4 |
| ROLL10     | ROLL0                                                                                                                |
| ROLL20     | ROLL0, ROLL10                                                                                                        |
| ROLL30     | ROLL0, ROLL10, ROLL20                                                                                                |
| AERO5      | AERO0                                                                                                                |
| AERO10     | AERO0, AERO5                                                                                                         |
| AERO15     | AERO0, AERO5, AERO10                                                                                                 |
| AERO20     | AERO0, AERO5, AERO10, AERO15                                                                                         |
| MR1        | MR0                                                                                                                  |
| MR2        | MR0, MR1                                                                                                             |
| MR3        | MR0, MR1, MR2                                                                                                        |
| MR4        | MR0, MR1, MR2, MR3                                                                                                   |
| MR5        | MR0, MR1, MR2, MR3, MR4                                                                                              |

In the table above, notice that any superseded technology is also disabled whenever a succeeding technology is applied to a vehicle, even if a specific superseded technology was not previously used on that vehicle. As previously emphasized, this requirement exists so that the modeling system does not downgrade technologies during analysis.

## S4.6 Technology Fuel Economy Improvements

The fuel economy improvements for the technologies analyzed in the CAFE Model were derived from a database containing detailed vehicle simulation results, analyzed at ANL using the Autonomie model. The Argonne simulated database was then externally processed into a dataset of simulation results (from here on referred to as *vehicle simulation database*, or simply, *database*) and integrated into the modeling system. Since the system accepts this database as an input, the way through which these technologies were processed is beyond the scope of this document and is instead addressed in the Preamble.

In order to incorporate the results of the Argonne simulated technologies, while still preserving the basic structure of the CAFE Model's technology subsystem, it was necessary to translate the points in this database into corresponding locations defined by the technology pathways, described in Section S4.2 above. By recognizing that most of the pathways are unrelated and are only logically linked to designate the direction in which technologies are allowed to progress, it is possible to condense the paths into a smaller number of groups based on the specific technology. To allow for technologies present on the Basic Engine path to be evaluated and applied in any given combination, a unique group was established for each of these technologies.

As such, the following technology groups are defined in the modeling system: engine cam configuration (CONFIG), VVL engine technology (VVL), SGDI engine technology (SGDI), DEAC engine technology (DEAC), non-basic engine technologies (ADVENG),<sup>34</sup> transmission technologies (TRN), electrification and hybridization (ELEC), low rolling resistance tires (ROLL), aerodynamic improvements (AERO), and mass reduction (MR). The combination of technologies along each of these groups forms a unique technology state vector (also referred to as *technology key*), where each state vector corresponds to a single point in the database for each technology class evaluated in the modeling system. Using these technology state vectors; the CAFE Model can then assign each vehicle in the analysis fleet an initial state that corresponds to a point in the database.

Once a vehicle is assigned (or mapped) to an appropriate technology state vector (from one of approximately 150 thousand unique combinations, which are defined in the vehicle simulation database as CONFIG;VVL;SGDI;DEAC;ADVENG;TRN;ELEC;ROLL;AERO;MR), adding a new technology to the vehicle simply represents progress from a *previous state vector* to a *new state vector*. The previous state vector simply refers to the technologies that are currently in use on a vehicle. The new state vector, however, is computed in the modeling system by adding a new technology to the combination of technologies represented by the previous state vector, while simultaneously removing any other technologies that are superseded by the newly added one.

For example, consider a vehicle with a SOHC and VVL engine, 6-speed automatic transmission, belt-integrated starter generator, low rolling resistance tires (level 2), aerodynamic improvements (level 1), and mass reduction (level 1). An associated technology state vector describing this

---

<sup>34</sup> The ADVENG group includes all technologies found in the following pathways: Turbo, ADEAC, HCR, VCR, VTG, Adv. Turbo, Alt. Fuel, and Diesel.

vehicle would be specified as: SOHC;VVL;;;AT6;BISG;ROLL20;AERO5;MR1.<sup>35</sup> Assume the system is evaluating PHEV20T as a candidate technology for application on this vehicle. As was presented in Table 17, PHEV20T supersedes all engine, transmission, electrification, and strong hybridization technologies. The new state vector for this vehicle is, hence, computed by removing SOHC, VVL, AT6, and BISG technologies from the previous state vector, before adding PHEV20, resulting in the following: PHEV20;ROLL20;AERO5;MR1.

From here, it is relatively simple to obtain a fuel economy improvement factor for any new combination of technologies and apply that factor to the fuel economy of a vehicle in the analysis fleet. As such, the formula for calculating a vehicle's fuel economy after application of each successive technology represented in the database is defined as:

$$FE_{New} = FE \times \frac{F_{Prev}}{F_{New}} \quad (6)$$

Where:

- $FE$ : the original fuel economy for the vehicle, in mpg;
- $F_{Prev}$ : the fuel economy improvement factor (on a gpm basis) associated with the technology state vector before application of a candidate technology;
- $F_{New}$ : the fuel economy improvement factor (in gpm) associated with the technology state vector after application of a candidate technology; and
- $FE_{New}$ : the resulting fuel economy for the same vehicle, in mpg.

The fuel economy improvement factor is defined in a way that captures the incremental improvement of moving between points in the database, where each point is defined uniquely as a combination of up to 10 distinct technologies describing, as mentioned above, the engine's cam configuration, distinct combinations of engine technologies, transmission, electrification type, and various vehicle body level technologies.

For some technologies, the modeling system may convert a vehicle or a vehicle's engine from operating on one type of fuel to another. For example, application of Advanced Diesel (ADSL) technology converts a vehicle from gasoline operation to diesel operation. In such a case, the aforementioned Equation (6) still applies, however, the  $FE_{New}$  value is assigned to the vehicle's new fuel type, while the fuel economy on the original fuel is discarded.

Moreover, whenever the modeling system converts a vehicle model to one of the available Plug-In Hybrid-Electric vehicles (e.g., PHEV20T), that vehicle is assumed to operate simultaneously on gasoline and electricity fuel types. In this case, the model obtains two sets of fuel economy improvement factors,  $F_{New}$  and  $F_{2New}$ , from the vehicle simulation database for estimating the  $FE_{New}$  values on gasoline and electricity, respectively. In the case of gasoline, Equation (6) is used to obtain the new fuel economy on gasoline. For electricity, since no reference fuel economy exists prior to conversion to PHEV20T, the  $F_{2New}$  value is defined as an improvement over  $FE_{Prev}$  value on gasoline. That is, for calculating the fuel economy on electricity when upgrading a vehicle to PHEV20T, Equation (6) becomes:

---

<sup>35</sup> In the example technology state vector, the series of semicolons between VVL and AT6 correspond to the engine technologies which are not included as part of the combination. The extra semicolons for omitted technologies are preserved in this example for clarity and emphasis and will not be included in future examples.



$$FE_{New,E} = FE_G \times \frac{F_{Prev}}{F2_{New}} \quad (7)$$

Where:

$FE_G$ : the original fuel economy for the vehicle, in mpg, when operating on gasoline;

$F_{Prev}$ : the fuel economy improvement factor (in gpm) associated with the technology state vector before application of a candidate technology;

$F2_{New}$ : the fuel economy improvement factor (in gpm) associated with the technology state vector after application of a candidate technology; and

$FE_{New,E}$ :

the resulting fuel economy for the same vehicle, in mpg, when operating on electricity.

Just as no reference fuel economy on electricity exists on a vehicle prior to application of the PHEV20T technology, a reference fuel economy improvement factor would not exist in the database either. For this reason, Equation (7) above uses  $F_{Prev}$  factor when calculating the new vehicle fuel economy on electricity. Since both  $FE_G$  and  $F_{Prev}$  refer to the same reference state, Equation (7) mathematically applies and produces accurate results with regard to the vehicle simulation database.<sup>36</sup>

Additionally for PHEVs, the *Secondary FS* field, defined in the technologies input file, specifies the assumed amount of miles driven by the vehicle when operating on electricity. The vehicle's overall rated fuel economy is then defined as the average of the fuel economies on gasoline and electricity, weighted by the fuel shares.<sup>37</sup> If the system transitions, as an example, from PHEV20T to PHEV50T, the same calculation applies, however, this time,  $F2_{Prev}$  is used and the  $F2_{New}$  value is defined as a fuel economy improvement factor over  $FE_E$  (or, fuel economy on electricity):

$$FE_{New,E} = FE_E \times \frac{F2_{Prev}}{F2_{New}} \quad (8)$$

Where:

$FE_E$ : the original fuel economy for the vehicle, in mpg, when operating on electricity;

$F2_{Prev}$ : the fuel economy improvement factor (in gpm) associated with the technology state vector before application of a candidate technology;

$F2_{New}$ : the fuel economy improvement factor (in gpm) associated with the technology state vector after application of a candidate technology; and

---

<sup>36</sup> Readers are invited to validate the calculations presented by this and other equations for accuracy.

<sup>37</sup> The overall fuel economy for PHEVs is the rated value achieved by the vehicle assuming on-road operation specified by the *Secondary FS* field. For compliance purposes, the vehicle's overall fuel economy is determined by the *Multi-Fuel* and the *PHEV Share* parameters defined in the scenarios input file. The scenarios input file is further discussed in Section A.4 of Appendix A.

$FE_{New,E}$ :

the resulting fuel economy for the same vehicle, in mpg, when operating on electricity.

Whenever the system further improves an existing PHEV, for example, converting it from a PHEV50T to a Level 1 Electric Vehicle (BEV1), the gasoline fuel component is removed, while the electric-operated portion remains. However, since the model may transition to a BEV1 from any vehicle state (including gasoline-only or diesel-only operation), the calculation relies on the gasoline component of the PHEV50T as the basis, rather than its electricity component. As such, the  $F_{Prev}$  value, obtained from the simulation database, represents a fuel economy improvement factor over  $FE_G$  on PHEV50T's gasoline component, with the  $FE_{New}$  value being assigned to the vehicle's electricity fuel type. Hence, Equation (6) defined earlier is used whenever a vehicle is converted to any BEV technology. Similarly, when a vehicle is converted to a Fuel Cell Vehicle (FCV) instead of BEV1, the same conversion logic applies, except the final fuel economy,  $FE_{New}$ , is defined on hydrogen fuel type.

#### **S4.6.1 Fuel Economy Adjustments**

Unlike the earlier versions of the modeling system, the current version of the CAFE Model relies entirely on the vehicle simulation database for calculating fuel economy improvements resulting from all technologies available to the system. The fuel economy improvements are derived from the factors defined for each unique technology combination or state vector. As defined in Equation (6) above, each time the improvement factor for a new state vector is added to a vehicle's existing fuel economy, the factor associated with the old technology combination is entirely removed. In that sense, application of technologies obtained from the Argonne database is "self-correcting" in the model. As such, special-case adjustments defined by some of the earlier versions of the model are not applicable to this one.

#### **S4.7 Technology Cost Tables**

The technology input assumptions, as defined in the technologies input file, provide a fully "learned-out" table of year-by-year technology costs, as specified by the *Cost Table* section. The technology costs associated with a vehicle's engine are specified for each engine technology class, while the costs that are associated with non-engine components of a technology are defined for each vehicle technology class. When evaluating a given technology for application on a vehicle, the modeling system, hence, combines the engine and the non-engine cost components to form the overall cost of that technology.

For almost all technologies available in the modeling system, the costs are defined in the technologies input file on an absolute basis over some reference technology state, usually in the same technology path. For example, AERO0 is the reference technology state for the Aerodynamic Improvements path, with all succeeding AERO technologies being defined in terms of absolute cost (and improvement) over AERO0. In most cases, when the CAFE Model computes the incremental cost of a successor technology, the cost of a predecessor technology (if one exists) will be negated. Furthermore, if the vehicle being upgraded from a reference technology state (for example, AERO0), to simplify the internal accounting process, the system will still negate the cost of AERO0, even though that technology is designated as a reference state. In some cases, however, a predecessor does not exist, and the technology is applied without negating any other. Specifically, the following technologies do not have a predecessor

state defined and are applied by the modeling system directly (or on an incremental basis): VVL, SGDI, and DEAC. In other cases (i.e., all technologies on the Hybrid/Electric path), predecessor technologies exist, the costs of which must be negated before a new technology may be applied. Furthermore, for all technologies on the Mass Reduction path, the input costs are “bracketed” (as discussed below) and are specified on a per pound basis, where the base cost value is multiplied by the amount of pounds by which a vehicle’s glider weight is reduced, to obtain the full cost of applying the technology.

Generally, the technology supersession logic, as defined in Table 17, dictates the predecessor technologies for which the costs will be negated when a successor technology is applied. However, note that if a technology on a superseded list was previously superseded, its cost will not be negated for a second time. As an example, consider a vehicle with a DOHC engine that also uses VVL and SGDI engine technologies (the rest of the technologies are not relevant for this example). Assume the same vehicle transitions to TURBO1 technology. From Table 17, it can be seen that when the model applies TURBO1, it also supersedes: SOHC, DOHC, VVL, SGDI, DEAC, TURBO0, TURBOE, and TURBOD technologies. Of those on the superseded list, the costs of DOHC, VVL, and SGDI are negated prior to adding the cost of TURBO2, as those technologies are currently in use on a vehicle in the example. If the same vehicle later upgrades to VTG, following the same logic (and referring back to Table 17), the cost of TURBO1 is negated prior to adding the cost of VTG. Note that, even though DOHC, VVL, and SGDI were used on the example vehicle, these technologies have previously been superseded (and accounted for) when the vehicle was upgraded to TURBO2. Thus, they are not counted for a second time.

For another example, consider the vehicle from above also uses AT8 and BISG. This time, assume it is converted to SHEVPS. Again, referring back to Table 17, it can be seen that SHEVPS supersedes all engine, transmission, and electrification technologies. Thus, the costs of engine technologies DOHC, VVL, and SGDI (as before) are negated, along with the costs of AT8 and BISG, before the cost of SHEVPS may be added.

As discussed in Section S4.6 above, application of a new candidate technology on a vehicle is a transition from a previous state vector to a new state vector. Taking this into account, the procedure outlined above, where incremental cost attributed to a specific technology is calculated by adjusting for superseded technologies, may be greatly simplified. This is achieved by computing the cumulate absolute costs for the technology combinations represented by the previous and the new state vectors, then taking the difference to obtain the net incremental cost. This calculation is conducted in two stages, where the modeling system first computes the incremental cost of the non-battery components of a technology, then adding in the incremental cost of battery components where applicable. Hence, the calculation of incremental non-battery technology cost for a given vehicle during a specific MY is outlined by the following equation:

$$NonBatteryCost_{MY} = Cost_{New,MY} - Cost_{Prev,MY} \quad (9)$$

Where:

*MY*: the MY for which to calculate incremental cost attributed to application of a candidate technology on a specific vehicle;

$Cost_{Prev,MY}$ :

the cumulate cost of the non-battery components associated with the technology state vector before application of a candidate technology on a specific vehicle in model year  $MY$ ;

$Cost_{New,MY}$ :

the cumulate cost of the non-battery components associated with the technology state vector after application of a candidate technology on a specific vehicle in model year  $MY$ ; and

$NonBatteryCost_{MY}$ :

the resulting incremental cost of the non-battery components attributed to application of a candidate technology on a specific vehicle in model year  $MY$ .

In Equation (9),  $Cost_{Prev,MY}$  and  $Cost_{New,MY}$  are the sums of non-battery costs across individual technologies defined by the respective state vectors. The calculation of both of these costs is given by the following equation:

$$Cost_{TechState,MY} = \sum_{i=0}^n \left( \begin{cases} (Cost_{MY,i}^{Veh} + Cost_{MY,i}^{Eng}), & i \neq MR \\ Cost_{MY,i}^{MR}, & i = MR \end{cases} \right) \quad (10)$$

Where:

$MY$ : the  $MY$  for which to calculate the cumulative cost associated with a specific technology state vector and a specific vehicle;

$TechState$ :<sup>38</sup>

the technology state vector (previous or new) for which to calculate the cumulative cost;

$n$ :

the total number of technologies that comprise the state vector  $TechState$ ;

$Cost_{MY,i}^{Veh}$ :

the base cost of non-engine components, if applicable, attributed to application of the  $i$ -th technology defined in the state vector  $TechState$ , on a specific vehicle in model year  $MY$ ;

$Cost_{MY,i}^{Eng}$ :

the base cost of engine-specific components, if applicable, attributed to application of the  $i$ -th technology defined in the state vector  $TechState$ , on a specific vehicle in model year  $MY$ ;

---

<sup>38</sup> In model outputs, the  $TechState$  term may also be referred to as  $TechKey$ . However, both terms refer to a combination of technologies in use on a vehicle and may be used interchangeably.

$Cost_{MY,i}^{MR}$ :

the cumulative cost of a mass reduction technology, if applicable, attributed to application of the  $i$ -th technology defined in the state vector  $TechState$ , on a specific vehicle in model year  $MY$ ;

$i = MR$ :

indicates whether the  $i$ -th technology is a mass reduction technology;

$i \neq MR$ :

indicates whether the  $i$ -th technology is not a mass reduction technology; and

$Cost_{TechState,MY}$ :

the resulting cumulate cost of the non-battery components associated with the technology state vector  $TechState$ , for a specific vehicle in model year  $MY$ .

As noted earlier, the input costs of mass reduction technologies are defined as bracketed and on a per pound basis. For each mass reduction technology, the number of additional pounds by which the vehicle's glider weight is reduced is multiplied by the per pound cost associated with that technology. By further employing cost bracketing, the full cost of mass reduction is derived by accumulating the costs of individual technologies between the reference technology level (i.e., MR0) and the *current* technology level being considered. This procedure, and, hence, the  $Cost_{MY,i}^{MR}$  term specified in Equation (10) above, is represented by the following equation:

$$Cost_{MY,i}^{MR} = \sum_{j=1}^i \left( GW_{Ref} \times (\Delta W_j - \Delta W_{j-1}) \times (Cost_{MY,j}^{Veh} + Cost_{MY,j}^{Eng}) \right) \quad (11)$$

Where:

$MY$ : the MY for which to calculate the cumulative cost associated with a specific mass reduction technology for a specific vehicle;

$i$ : the  $i$ -th technology from the state vector  $TechState$ , as defined by Equation (10), corresponding to the mass reduction technology for which to calculate the cumulative cost;

$GW_{Ref}$ : the estimated *reference* weight of the vehicle's glider;<sup>39</sup>

$\Delta W_j$ : the percent reduction of the vehicle's reference glider weight,  $GW_{Ref}$ , attributed to application of the  $j$ -th mass reduction technology;<sup>40</sup>

<sup>39</sup> The reference glider weight,  $GW_{Ref}$ , for a vehicle is defined as the vehicle's reference curb weight multiplied by the average share of the vehicle's total curb weight attributable to its glider. The reference curb weight of the vehicle is specified as a parameter in the input fleet and is estimated by backing out any mass reduction technology that may be present on that vehicle. The calculation of the *reference* glider weight is further discussed in Section S4.8 below.

<sup>40</sup> The percent reduction of vehicle's glider weight,  $\Delta W_j$ , is specified for each mass reduction technology in the input assumptions.

$\Delta W_{j-1}$ : the percent reduction of the vehicle's reference glider weight,  $GW_{Ref}$ , attributed to application of the mass reduction technology immediately preceding the  $j$ -th technology;

$Cost_{MY,j}^{Veh}$ :

the base cost of non-engine components, if applicable, attributed to application of the  $j$ -th mass reduction technology on a specific vehicle in model year  $MY$ ;

$Cost_{MY,j}^{Eng}$ :

the base cost of engine-specific components, if applicable, attributed to application of the  $j$ -th mass reduction technology on a specific vehicle in model year  $MY$ ; and

$Cost_{MY,i}^{MR}$ :

the resulting cumulate cost of the  $i$ -th mass reduction technology associated with the technology state vector  $TechState$ , for a specific vehicle in model year  $MY$ .

Note that the costs computed by Equations (9), (10), and (11) above are defined strictly for the non-battery components of a technology. As discussed in Section S4.7.1 that follows, for some technologies (or technology combinations), the modeling system additionally accounts for costs related to varying battery sizes.

Along with the base *Cost Table*, the input assumptions also define the *Maintenance and Repair Cost Table*, which is also specified for each MY and accounts for the learning effect, wherever applicable. The *Maintenance and Repair Cost Table* identifies the changes in the amount buyers are expected to pay for maintaining a new vehicle,<sup>41</sup> as well as the increases in non-warranty repair costs attributed to application of additional technology. Further discussion of the technology cost input assumptions can be found in Section A.2 of Appendix A.

#### S4.7.1 Battery Costs

For some of the technologies evaluated in the CAFE Model, the system provides the ability to separately account for costs related to varying vehicle battery sizes, depending on the overall configuration of the vehicle (i.e., engine, transmission, electrification/hybridization, and other various body level improvements). As with fuel economy improvement factors (discussed earlier), the battery costs are obtained from the vehicle simulation database, which includes technologies simulated using the Autonomie model at ANL. Thus, the system relies on the same unique technology state vector assignment of a vehicle (as defined in Section S4.6 above) when progressing from one technology to the next.

The CAFE Model includes discrete accounting of battery costs during analysis whenever a vehicle evaluates for application or already includes a technology from either the Electrification or Hybrid/Electric paths. Even though VTGE is an engine-level technology, the modeling system

---

<sup>41</sup> The maintenance costs may lead to increases in cost to consumers, such as for advanced diesel engines, or in cost saving to consumers, such as for electric vehicles. In the case of electric vehicles, the cost savings result from avoiding traditional vehicle maintenance such as engine oil changes. However, as with all other inputs entered into the CAFE Model, the maintenance and repair costs are user-supplied values, which may not necessarily correlate with the stated assumptions.

assumes that this technology explicitly includes the cost, improvement, and full utility attributable to BISG. Therefore, the system also needs to account for battery costs whenever a vehicle evaluates or includes VTGE technology.

As an example, consider a vehicle that uses a combination of technologies defined by the state vector: DOHC;VVL;AT6;**CONV**;ROLL0;AERO0;MR1. When this vehicle progresses to **BISG** technology (from the Electrification path), the model calculates battery costs for the resulting combination, which now includes the Belt-integrated Starter/Generator. Alternatively, consider a vehicle with a technology state vector that already includes a Plug-In Hybrid-Electric technology as: PHEV20T;ROLL20;AERO10;**MR2**. When the vehicle applies **MR3** technology, the model still calculates battery costs attributed to the new technology state vector, since the resulting combination also includes PHEV20T. In the latter example, however, the model would produce an incremental change in cost to capture the effect of different battery size requirements between a 20-mile plug-in hybrid-electric vehicle with a level-2 mass reduction and a level-3 mass reduction.

Since the vehicle simulation database provides a single cost value for each technology state vector, the modeling system accommodates an additional table of annual learning rate multipliers defined in the technologies input file. Together, the two combine to produce a fully learned-out value for the battery costs associated with each technology state vector during each MY, as shown in the following equation:

$$BatteryCost_{MY} = BatteryCost_{New} \times LR_{MY,New} - BatteryCost_{Prev} \times LR_{MY,Prev} \quad (12)$$

Where:

*MY*: the MY for which to calculate the incremental battery cost of a candidate technology;

*BatteryCost<sub>Prev</sub>*:

the base battery cost associated with the technology state vector before application of a candidate technology;

*LR<sub>MY,Prev</sub>*:

the learning rate multiplier associated with the technology state vector before application of a candidate technology in model year *MY*;

*BatteryCost<sub>New</sub>*:

the base battery cost associated with the technology state vector after application of a candidate technology;

*LR<sub>MY,New</sub>*:

the learning rate multiplier associated with the technology state vector after application of a candidate technology in model year *MY*; and

*BatteryCost<sub>MY</sub>*:

the resulting incremental battery cost associated with the technology state vector attributed to application of a candidate technology in model year *MY*.

The learning rate multipliers,  $LR_{MY,New}$  and  $LR_{MY,Prev}$ , are defined in the technology input assumptions for each applicable technology.

Once the model obtains the battery cost associated with a specific candidate technology, the total cost from application of that technology may be calculated by combining the results of Equations (9) and (12) as:

$$TechCost_{MY} = NonBatteryCost_{MY} + BatteryCost_{MY} \quad (13)$$

Where:

$MY$ : the MY for which to calculate the total cost of a candidate technology;

$NonBatteryCost_{MY}$ :

the non-battery cost attributed to application of a candidate technology in model year  $MY$ ;

$BatteryCost_{MY}$ :

the battery cost associated with the technology state vector attributed to application of a candidate technology in model year  $MY$ ; and

$TechCost_{MY}$ :

the resulting total incremental cost (for non-battery and battery components) attributed to application of a candidate technology in model year  $MY$ .

#### **S4.8 Application of Mass Reduction Technology**

Each time the modeling system evaluates a mass reduction technology for application, the curb weight of a vehicle is reduced by some percentage, as defined in the technology input assumptions, with respect to that vehicle's *reference* glider weight. Within the model, the glider weight is defined as the portion of the vehicle's curb weight that is eligible for mass reduction and does not include engine, transmission, or interior safety systems.<sup>42</sup> The calculation for the reference glider weight is then defined by the following:

$$GW_{Ref} = CW_{Ref} \times \Delta GS \quad (14)$$

Where:

$CW_{Ref}$ : the reference curb weight of the vehicle, as defined in the input fleet, assuming that any mass reduction technology present on that vehicle has been negated;

$\Delta GS$ : the assumed average share of the vehicle's total curb weight attributable to its glider, as defined in the technology input assumptions for each technology class; and

$GW_{Ref}$ : the calculated reference glider weight of the vehicle.<sup>43</sup>

---

<sup>42</sup> The definition of the glider weight in the CAFE Model is specified in a way that matches the vehicle simulation results from ANL's Autonomie model.

<sup>43</sup> The CAFE Model necessitates the use of a reference glider weight to correlate to the simulation results found in the Argonne database, where all vehicle sizing for mass reduction application is based on the glider weight using the



Once the reference glider weight has been determined for each vehicle, the system may calculate the changes in vehicles' curb weights attributed to application of mass reduction technology. Since the progression of all technologies available in modeling system is specified on an absolute basis (i.e., the preceding technology is removed when a new one is added, as described in Sections S4.2.4 and S4.7), the system calculates the change in curb weight as the difference between percent reduction attributed to the new candidate technology and the percent reduction of the greatest mass reduction technology in use on a vehicle. This calculation is better demonstrated by the following equation:

$$\Delta CW = GW_{Ref} \times (\Delta W_{New} - \Delta W_{Prev}) \quad (15)$$

Where:

$GW_{Ref}$ : the reference glider weight of the vehicle, as calculated in Equation (14) above;

$\Delta W_{New}$ : the percent reduction of the vehicle's reference glider weight,  $GW_{Ref}$ , attributed to application of the new mass reduction technology;

$\Delta W_{Prev}$ : the percent reduction of the vehicle's reference glider weight,  $GW_{Ref}$ , attributed to the previously used mass reduction technology; and

$\Delta CW$ : the amount (in lb) by which a vehicle's curb weight is reduced as a result of applying new mass reduction technology.

From here, the vehicle's new curb weight is obtained by subtracting the change in weight from its original curb weight, as:

$$CW_{New} = CW - \Delta CW \quad (16)$$

Where:

$CW$ : the original curb weight of the vehicle before application of new mass reduction technology;

$\Delta CW$ : the amount by which a vehicle's curb weight is reduced as a result of applying new mass reduction technology; and

$CW_{New}$ :  
the resulting curb weight of the vehicle after application of new mass reduction technology.

In addition to affecting the vehicle's curb weight, application of mass reduction technology may also influence the vehicle's new payload and towing capacities by way of adjusting the gross vehicle weight rating (GVWR) and the gross combined weight rating values. With the exception of pickups (the vehicles for which the vehicle style column in the input fleet is set to "Pickup"), the GVWR and GCWR changes are presently not calculated in the model for all light-duty vehicles (i.e., vehicles regulated as passenger cars or light trucks). For light-duty pickups, however, the GVWR value is reduced by the same amount as the curb weight (as shown in Equation (17) below), while GCWR does not change.

---

same methodology as defined in Equation (12). In other words, since Argonne modeling assumes each vehicle simulated begins with a base weight without any mass reduction, the vehicles analyzed by the CAFE Model must also be brought back to a pre-mass reduction state.

$$GVWR_{New} = GVWR - \Delta CW \quad (17)$$

Where:

$GVWR$ :

the original gross vehicle weight rating before application of new mass reduction technology;

$\Delta CW$ : the amount by which a vehicle's GVWR is reduced as a result of applying new mass reduction technology; and

$GVWR_{New}$ :

the resulting GVWR of the vehicle after application of new mass reduction technology.

For HDPUV vehicles (i.e., vehicles regulated under HDPUV class), the degree by which GVWR and GCWR are affected is controlled in the scenarios input file through the *Payload Return* and *Towing Return* parameters. The modeling system uses these parameters when calculating changes in vehicle's GVWR and GCWR as shown in the following formulas:

$$\Delta GVWR = \max \left( GVWR_{Min}, \min \left( GVWR - (1 - P) \times \Delta CW, \right. \right. \\ \left. \left. CW_{New} \times \left( \frac{GVWR}{CW} \right)_{MAX} \right) \right) \quad (18)$$

Where:

$GVWR$ :

the original GVWR of the vehicle before application of new mass reduction technology;

$\Delta CW$ : the amount by which a vehicle's curb weight is reduced as a result of applying new mass reduction technology, as defined in Equations (15) above;

$CW_{New}$ :

the curb weight of the vehicle after application of new mass reduction technology, as defined in Equations (16) above;

$P$ : the percentage of curb weight reduction returned to payload capacity;

$\left( \frac{GVWR}{CW} \right)_{MAX}$ :

the limiting factor, defined for each input vehicle, preventing GVWR from increasing beyond levels observed among the majority of similar vehicles;

$GVWR_{Min}$ :

the minimum GVWR, defined as 8,501 lb for class 2b vehicles and 10,001 lb for class 3 vehicles, that is used to prevent a class 2b/3 vehicle from crossing into the adjacent category; and

$\Delta GVWR$ :

the amount by which a vehicle's GVWR is reduced as a result of applying new mass reduction technology.

$$\Delta GCWR = \min \left( GCWR - (1 - T) \times \Delta GVWR, \right. \\ \left. GVWR_{new} \times \left( \frac{GCWR}{GVWR} \right)_{MAX} \right) \quad (19)$$

Where:

$GCWR$ :

the original GCWR of the vehicle before application of new mass reduction technology;

$\Delta GVWR$ :

the amount by which a vehicle's GVWR is reduced as a result of applying new mass reduction technology, as defined in Equations (18) above;

$GVWR_{New}$ :

the GVWR of the vehicle after application of new mass reduction technology, as defined in Equations (20) below;

$T$ : the percentage of GVWR reduction returned to towing capacity;

$\left( \frac{GCWR}{GVWR} \right)_{MAX}$ :

the limiting factor, defined for each input vehicle, preventing GCWR from increasing beyond levels observed among the majority of similar vehicles; and

$\Delta GCWR$ :

the amount by which a vehicle's GCWR is reduced as a result of applying new mass reduction technology.

As with the calculation of the vehicle's new curb weight, the new GVWR and GCWR are obtained by subtracting  $\Delta GVWR$  and  $\Delta GCWR$  from the vehicle's original GVWR and GCWR, as:

$$GVWR_{New} = GVWR - \Delta GVWR \quad (20)$$

Where:

$GVWR$ :

the original GVWR of the vehicle before application of new mass reduction technology;

$\Delta GVWR$ :

the amount by which a vehicle's GVWR is reduced as a result of applying new mass reduction technology; and

$GVWR_{New}$ :

the resulting GVWR of the vehicle after application of new mass reduction technology.

$$GCWR_{New} = GCWR - \Delta GCWR \quad (21)$$

Where:

$GCWR$ :

the original GCWR of the vehicle before application of new mass reduction technology;

$\Delta GCWR$ :

the amount by which a vehicle's GCWR is reduced as a result of applying new mass reduction technology; and

$GCWR_{New}$ :

the resulting GCWR of the vehicle after application of new mass reduction technology.

## **Section 5 Compliance Simulation**

Having determined the applicability of technologies on each vehicle model, platform, engine, and transmission, the modeling system begins compliance simulation processing, iteratively evaluating each of the defined scenarios, MYs, and manufacturers. As shown in Figure 7 below, compliance simulation follows a series of nested loops, or stages, progressing from one stage to the next, performing the necessary tasks, and then returning back to the previous stage for further processing. This process concludes when all available manufacturers, MYs, iterations, and scenarios have been analyzed.

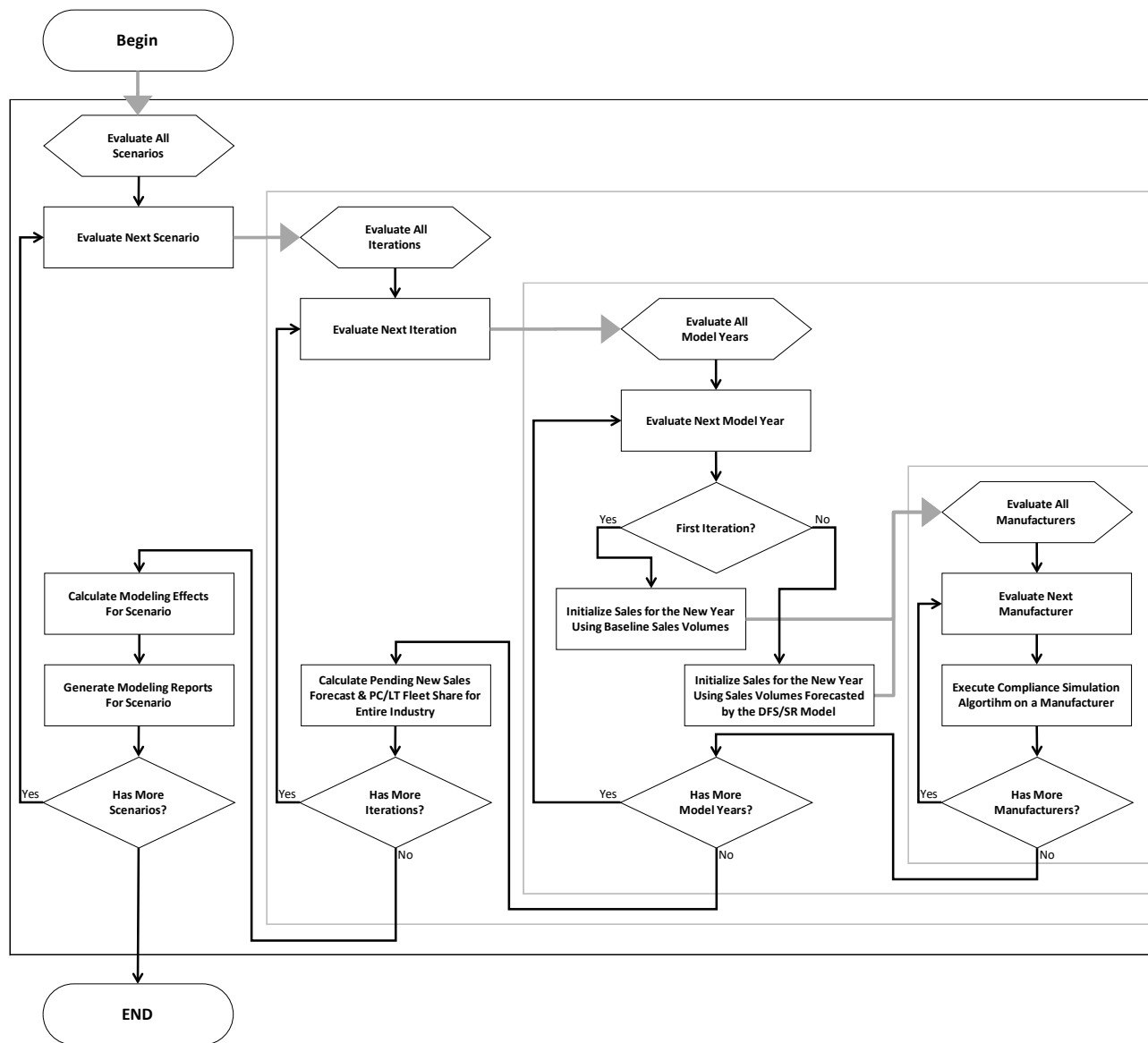


Figure 7. Compliance Simulation

Compliance simulation begins with evaluation of all of the regulatory scenarios defined in the scenarios input file. For each scenario, the system executes several iterations to achieve a stable outcome (i.e., reach convergence), given the slightly varying sales forecasts between iterations. The first iteration is run as a reference case, relying on the sales volumes defined in the input fleet, while all subsequent iterations use the *output* of a preceding iteration to determine the *input* for the new one. The number of iterations that the modeling system considers during analysis is specified as a user input, which is available as a runtime switch in the model's user interface. However, testing conducted internally concluded that a stable solution may be achieved after four iterations.

For each iteration, the system continues by examining all MYs available during the study period. In each MY, the modeling system prepares the input fleet for analysis in one of two ways, depending on which iteration is being evaluated. For the first iteration, the system initializes

vehicle sales for the current year based on the initial sales volumes specified in the input fleet. For all iterations after the first, the vehicle sales are initialized using the sales volumes forecasted by the Dynamic Fleet Share and Sales Response model (or, DFS/SR model), based on the outcome of a preceding iteration. Once the new sales forecast is updated for each vehicle, compliance simulation proceeds to analyze all manufacturers defined in the input fleet. For each manufacturer, the *compliance simulation algorithm* (discussed below) is executed to determine a manufacturer's compliance state and, if necessary, apply additional technology to bring the manufacturer into compliance. After evaluating all manufacturers for a given MY, compliance simulation repeats the process with the next MY. Once all MYs are exhausted, the system finalizes the evaluation of the current iteration by executing the DFS/SR model to obtain a forecast of new vehicle sales for each year evaluated, as discussed in Section S5.4 below. At the conclusion of the last iteration, the model completes the active scenario by calculating modeling effects (discussed in Chapter Three below) and generating modeling reports. This process then repeats for the next available scenario. After the system evaluates all scenarios, the compliance simulation process concludes.

In order to ascertain the compliance state of a manufacturer during compliance simulation, the modeling system continuously calculates the required and achieved levels attained by the manufacturer during each MY being evaluated. The CAFE Model supports analysis of compliance with standards defined by either the CAFE or the CO<sub>2</sub> program. So, the manufacturer's required and achieved levels computed by the model translate to either CAFE standard and rating or CO<sub>2</sub> standard and rating. In order to gauge the impact of one program upon another, the modeling system always calculates all compliance metrics simultaneously during analysis (as applicable to each program), even in cases when the system was configured to evaluate compliance against only one program at a time.

In addition to calculating the required and achieved CAFE and CO<sub>2</sub> levels, the system also calculates credits earned by a manufacturer, where positive values represent overcompliance with a given standard, while negative values indicate a shortfall, or noncompliance. During analysis, the model may offset negative credits earned by transferring credits from a different regulatory class or carrying credits forward from an earlier MY. Likewise, if positive credits are earned, they may be transferred to a different regulatory class or carried forward to some later MY. To allow for this, the model maintains separate accounting of *credits in* and *credits out* values, where each value is updated (as necessary) when a credit transaction is executed.<sup>44</sup> Collectively the credits earned, transferred or carried in, and transferred or carried out represent the net credits attributed to a manufacturer.

Lastly, for credits earned under the CAFE and CO<sub>2</sub> programs, the model calculates the valuation of those credits using the respective credit values defined in the regulatory scenario and the net credits accumulated by the manufacturer. When evaluating compliance with the CAFE program, the model also calculates civil penalties (or fines) incurred by a manufacturer for noncompliance based on the fine rate defined in the regulatory scenario and the manufacturer's net credits.<sup>45</sup> For

---

<sup>44</sup> Credit transfers and carry forward are discussed in greater detail in Section S5.8 below.

<sup>45</sup> For calculating the value of CAFE and CO<sub>2</sub> credits and the CAFE civil penalties, the model uses net credits accrued by the manufacturer, whenever it evaluates that manufacturer's compliance state. However, when the system calculates the impact and effective cost attributed to application of a candidate technology, it instead relies on the credits earned metric for the same credit valuation and civil penalty calculations.

the HDPUV fuel efficiency standards, however, while the system computes and reports civil penalties for the HDPUV regulatory class, these penalties are based on the CAFE fine rate, which are not otherwise applicable to the HDPUV fleet. In the case of the HDPUV fleet, the fines are merely computed as a proxy measure of noncompliance as well as for the purposes of gauging the cost-effectiveness of new candidate technology applications.

The calculation of all aforementioned compliance metrics (standard, rating, credits, credit value, and fines) for both compliance programs are described in detail in the following two sections.

### ***S5.1 CAFE Compliance Calculations***

When evaluating compliance with the CAFE program, the modeling system calculates the values for the standard (or the required CAFE value), CAFE rating (or the achieved CAFE value), credits earned (or for noncompliance, credit shortfall), value of net credits (or the value of credits earned adjusted by credits transferred in/out), and civil penalties (or fines) for each manufacturer. To determine the impact of technology application on a manufacturer's fleet, the model repeatedly performs all of the calculations before, during, and after each successive technology application. Since manufacturers are required to attain compliance independently in each class of vehicles, the standard, CAFE rating, credits, credit value, and fines are computed separately for each regulatory class.

Before the modeling system may begin compliance calculations for a manufacturer, an updated fuel economy target and fuel economy value (or rating) must be obtained for each vehicle model defined in the manufacturer's product line. The fuel economy target is calculated based on the user-supplied functional form, as described in Section 3 above, and is applicable irrespective of the fuel source the vehicle uses.<sup>46</sup> The fuel economy rating, however, may be composed of one or more values corresponding to the different fuel types the vehicle operates on (i.e., FFVs or PHEVs). Prior to calculating the CAFE rating, the model computes a "combined" or average fuel economy value by harmonically averaging the individual components. Furthermore, as discussed in Section S2.1, the vehicle fuel economy value provided in the input fleet excludes all forms of external credits and adjustments. When evaluating a manufacturer's compliance, to account for the credits accrued from vehicles that make use of alternative fuels, the system applies a petroleum equivalence factor for any fuel type wherever appropriate. The calculation of the vehicle's "rated" and "compliance" fuel economy values is described in the next section.

To fully capture the incremental effect arising from technology application, the modeling system maintains the full precision of the vehicle's fuel economy target and rating values (i.e., both are kept unrounded). The unrounded values are used "as is" when evaluating the effect of new technologies on a manufacturer's compliance and are only rounded when determining the final compliance state of that manufacturer. Similarly, some of the aggregate manufacturer-level measures may be kept unrounded for the duration of the analysis. Specifically, the achieved CAFE value remains unrounded during technology evaluation but is rounded later to compute the final compliance state of a manufacturer. However, rounding is always applied to the final value of the CAFE standard.

---

<sup>46</sup> While it is generally true that the fuel economy target does not depend on the fuel type that a vehicle operates on, under the HDPUV program, a target function that would typically be used for compliance differentiates between the functional coefficients depending on a vehicle's fuel.

When the standard is calculated (as specified by Equations (30) and (31) below), if rounding is being used during the final compliance calculations, the fuel economy target value is rounded prior to use to two decimal places in *mpg* space (for light-duty vehicles) or *gallons/100-miles* space (for HDPUV vehicles). However, since the target is computed, tracked, and reported as *gpm*, the target value is transformed to the appropriate units, rounded, and then transformed back to *gpm*. For the light-duty regulatory classes (DC, IC, LT), rounding is demonstrated by the following equation:

$$T_{FE} = \frac{1}{\text{ROUND}\left(\frac{1}{T_{FE}}, 2\right)} \quad (22)$$

While for the HDPUV regulatory class, rounding of the target value is applied as:

$$T_{FE} = \frac{\text{ROUND}(T_{FE} * 100, 3)}{100} \quad (23)$$

Afterwards, the resultant vehicle fuel economy targets (rounded or unrounded) are used to compute the value of the CAFE standard, with the final standard being rounded to one decimal place (for light-duty vehicles) or three decimal places (for HDPUV vehicles). Similarly, for the achieved CAFE value (as shown in Equations (34) and (35) further below), when rounding is considered, the individual vehicle fuel economy ratings and the resultant CAFE value are rounded to either one or three decimal places. The rounding of any *mpg* values (vehicle fuel economy, achieved CAFE value, or CAFE standard) for compliance purposes is applied according to the following two equations. For light-duty regulatory classes, the equation is:

$$mpg = \text{ROUND}(mpg, 1) \quad (24)$$

While for the HDPUV regulatory class, rounding is applied as:

$$mpg = \frac{100}{\text{ROUND}\left(\frac{100}{mpg}, 3\right)} \quad (25)$$

For light-duty regulatory classes, the fuel economy standards are set and regulated on a mile-per-gallon basis (mpg). Thus, with the exception of the vehicle target (which is specified as gpm), all fuel economy related calculations are computed in mpg as well. However, for the HDPUV regulatory class, the standards are set on a gallon per 100-mile basis. To display a comparable unit of measure for all fuel economy related values produced in the model's outputs, the modeling system converts and stores the standard and CAFE values for the HDPUV fleet as mpg. Therefore, as shown in Equation (25) the *mpg* value is first converted from miles/gallon to gallons/100-miles, rounded to three decimal places, and then converted back to miles/gallon. The resulting value adheres to the rounding precision required when setting the standards for the HDPUV vehicles on a gallon per 100-mile basis. However, in each case, the mpg value reported by the system will appear as unrounded.



### S5.1.1 Calculation of Vehicle's Fuel Economy

As discussed in Section S2.1, the vehicle fuel economy value defined in the manufacturer's input fleet represents a "rated" value, which is specified for any fuel type the vehicle operates on. All fuel economy improvements associated with technology application are initially applied to this rated value. Then, when determining the compliance state of a manufacturer, the rated value is converted to a "compliance" value by applying a petroleum equivalence factor to select fuel types. During analysis, the modeling system uses the rated and compliance fuel economy values to produce the associated CAFE ratings for a manufacturer – one without the use of credits and adjustments, and the other with all credits and adjustments taken into account. At the end of the analysis, the system outputs both sets of the fuel economy values in the modeling reports.

The fuel economy rating may be comprised of one or more subcomponents. Before it can be used for calculating the CAFE rating, an average value must be obtained. For single-fuel vehicles (i.e., vehicles operating exclusively on a single source of fuel), this equates to the fuel economy rating on the specific fuel, while for dual-fuel vehicles, the fuel economy value is computed by harmonically averaging the individual components from the different fuel types, subject to the "Multi-Fuel," "FFV Share," and "PHEV Share" settings specified in the scenario definition. For all vehicles, the average fuel economy calculation may be generalized by the following equation:

$$FE = \frac{1}{\sum_{FT} \frac{FS_{FT}}{FE_{FT}}} \quad (26)$$

Where:

- $FT$ : the fuel type the vehicle operates on;
- $FS_{FT}$ : the percent share of miles driven by a vehicle when operating on fuel type  $FT$ ;
- $FE_{FT}$ : the fuel economy rating of the vehicle when operating on fuel type  $FT$ ; and
- $FE$ : the average fuel economy rating of the vehicle, aggregated across all fuel types the vehicle operates on.

In Equation (26), when evaluating dual-fuel vehicles, the "Multi-Fuel" setting specified in the scenario definition may be configured to have the model ignore secondary fuel economy components when calculating the average fuel economy value.<sup>47</sup> In such a case, the system assumes that the vehicle operates exclusively on gasoline fuel for compliance purposes only. Additionally for dual-fuel vehicles, the fuel share value,  $FS_{FT}$ , represents the maximum of a vehicle's "on-road" share of miles and a specific regulatory value applicable for compliance purposes, as defined by the "FFV Share" and "PHEV Share" settings. Refer to Section A.4 of Appendix A for definitions of each of these scenario settings.

The value obtained from Equation (26) represents the average rated fuel economy of a vehicle. To obtain the average fuel economy value to use for compliance purposes for the light-duty fleet, the above equation is modified as in the following:

---

<sup>47</sup> Within the context of the modeling system, for FFVs and PHEVs, gasoline is always assumed to be the primary fuel source for the vehicle, regardless of the actual on-road use.

$$FE' = \frac{1}{\sum_{FT} \frac{FS_{FT}}{(FE_{FT} \times PEF_{FT})}} \quad (27)$$

Where:

- $FT$ : the fuel type the vehicle operates on;
- $FS_{FT}$ : the percent share of miles driven by a vehicle when operating on fuel type  $FT$ ;
- $FE_{FT}$ : the fuel economy rating of the vehicle when operating on fuel type  $FT$ ;
- $PEF_{FT}$ : the petroleum equivalence factor of fuel type  $FT$ ; and
- $FE'$ : the average fuel economy rating of the vehicle, adjusted by the petroleum equivalence factor and aggregated across all fuel types the vehicle operates on.

In Equation (27), the petroleum equivalence factor,  $PEF_{FT}$ , varies depending on the associated fuel type and regulatory class. Generally, the PEF is appropriate for use with the light-duty vehicle fleet, but not for the HDPUV fleet.<sup>48</sup> When used with the light-duty vehicles, for gasoline and diesel fuels, this value is not applicable and is thus interpreted as “1” in the equation above. For E85, hydrogen, and CNG fuel types, the  $PEF_{FT}$  is defined as:  $1 / 0.15$ . For electricity fuel type,  $PEF_{FT}$  varies depending on whether the vehicle is a BEV or a PHEV and is calculated as a “reference scalar” multiplied by the ratio of energy densities of electricity to gasoline, as shown in the equation below:

$$PEF_E = \frac{Scalar}{1000} \times \frac{ED_E}{ED_G} \quad (28)$$

Where:

- $Scalar$ : the reference scalar for computing the petroleum equivalence factor of electricity, specified in W-h/gallon, which is defined in the scenarios input file as “PEF 1” for BEVs and “PEF 2” for PHEVs;
- $ED_E$ : the energy density of electricity, specified in BTU/kWh, as defined in the parameters input file;
- $ED_G$ : the energy density of gasoline, specified in BTU/gallon, as defined in the parameters input file; and
- $PEF_E$ : the petroleum equivalence factor of electricity.

While the PEF is not typically applicable to the HDPUV fleet (unless overridden by a setting in the scenarios input file), the HDPUV fuel efficiency standards employ a different methodology for representing petroleum equivalence of some alternative fuels for compliance purposes. When computing the average fuel economy rating for compliance for the HDPUV vehicles, the fuel consumption rating on electricity and hydrogen fuel types is assumed to be 0 (zero) in *gallons/100-miles* space, or (when expressed as fuel economy) “infinity” in *mpg* space. Hence, Equation (26) from earlier is modified as follows:

---

<sup>48</sup> However, users may elect to modify the settings in the scenarios input file to toggle the applicability of PEFs to vehicles that operate on electricity, for both the light-duty and the HDPUV fleets.

$$FE' = \frac{1}{\sum_{FT} \left\{ \frac{FS_{FT}}{FE_{FT}, FT \neq E \text{ or } H} \right.} \quad (29)$$

Where:

- $FT$ : the fuel type the vehicle operates on;
- $E$ : the electricity fuel type;
- $H$ : the hydrogen fuel type;
- $FS_{FT}$ : the percent share of miles driven by a vehicle when operating on fuel type  $FT$ ;
- $FE_{FT}$ : the fuel economy rating of the vehicle when operating on fuel type  $FT$ ;
- $FE'$ : the average fuel economy rating of the vehicle, adjusted for compliance purposes and aggregated across all fuel types the vehicle operates on.

Note that in Equation (29), the “infinity” fuel economy value in *mpg* space is interpreted by the CAFE Model as 0 (zero) when converted into either *gpm* or *gallons/100-mile* space. However, when the PEF option is set as applicable for HDPUV vehicles that operate on electricity, the compliance fuel economy rating on electricity is instead computed as shown by Equations (27) and (28), while the remainder of the fuel types continue to be computed as in Equation (29).

### S5.1.2 Calculation of the CAFE Standard

The modeling system calculates the value of the CAFE standard using a sales-weighted harmonic average of the fuel economy targets applicable to each vehicle model of a specific regulatory class. This defines the manufacturer’s required fuel economy standard for regulatory class,  $RC$ , and is represented by the following equation:

$$STD_{RC} = \frac{\sum_{i \in V_{RC}} Sales_i}{\sum_{i \in V_{RC}} (Sales_i \times T_{FE,i})} \quad (30)$$

Where:

- $V_{RC}$ : a vector containing all vehicle models in regulatory class  $RC$ ;
- $Sales_i$ : the sales volume for a vehicle model  $i$ ;
- $T_{FE,i}$ : the fuel economy target (in *gpm*) applicable to a vehicle model  $i$ ; and
- $STD_{RC}$ : the calculated fuel economy standard attributable to a manufacturer in regulatory class  $RC$ .

Equation (30) universally applies to an attribute-based standard (i.e., a functional form where a different fuel economy target is computed for each vehicle based on, for example, its footprint) as well as a flat standard (i.e., a functional form where each vehicle model has the same fuel economy target). However, for a flat standard, since with a common target the sales volumes of individual vehicle models cancel out, Equation (30) is reduced to the following:

$$STD_{RC} = \frac{1}{T_{FE}} \quad (31)$$

As stated in Section 3 above, vehicles regulated as domestic passenger automobiles are subject to a minimum domestic car standard, as specified in the scenario definition. Thus, for the Domestic Car class, the calculation of the standard is further refined as:

$$STD'_{DC} = \max(Min_{Mpg}, Min_{\%} \times STD_{PCAvg}, STD_{DC}) \quad (32)$$

Where:

$Min_{Mpg}$ :

the minimum CAFE standard that each manufacturer must attain, specified as a flat-standard in miles per gallon;

$Min_{\%}$ : the minimum CAFE standard that each manufacturer must attain, specified as a percentage of the combined Passenger Car standard,  $STD_{PCAvg}$ ;

$STD_{PCAvg}$ :

the average Passenger Car standard (for the DC and IC classes) calculated across all manufacturers defined in the input fleet;

$STD_{DC}$ :

the fuel economy standard attributable to a manufacturer in the Domestic Car regulatory class, before adjusting for the minimum domestic car standard; and

$STD'_{DC}$ :

the calculated fuel economy standard attributable to a manufacturer in the Domestic Car regulatory class, after adjusting for the minimum domestic car standard.

Since the minimum domestic car standard is applicable to vehicles regulated as domestic passenger automobiles, the  $Min_{Mpg}$  and  $Min_{\%}$  variables are specified in the scenario definition for the Passenger Car class only. The  $STD_{PCAvg}$  value from Equation (32) is calculated by harmonically averaging the standards for the Domestic Car and Imported Car regulatory classes across all manufacturers defined in the input fleet, as shown in the following equation:

$$STD_{PCAvg} = \frac{\sum_{i \in M} (Sales_{i,DC} + Sales_{i,IC})}{\sum_{i \in M} \left( \frac{Sales_{i,DC}}{STD_{i,DC}} + \frac{Sales_{i,IC}}{STD_{i,IC}} \right)} \quad (33)$$

Where:

$M$ : a vector containing all manufacturers defined in the input fleet;

$Sales_{i,DC}$ :

the sales volume for all vehicle models regulated as domestic passenger automobiles for a manufacturer  $i$ ;

$Sales_{i,IC}$ :

the sales volume for all vehicle models regulated as imported passenger automobiles for a manufacturer  $i$ ;

$STD_{i,DC}$ :

the fuel economy standard attributable to a manufacturer  $i$  in the Domestic Car regulatory class, before adjusting for the alternative minimum standard;

$STD_{i,IC}$ :

the fuel economy standard attributable to a manufacturer  $i$  in the Imported Car regulatory class; and

$STD_{PCAvg}$ :

the average Passenger Car standard (for the DC and IC classes) calculated across all manufacturers defined in the input fleet.

As described above, the values calculated by Equations (30), (31), and (32) are rounded to produce the final standard for a manufacturer. Although not explicitly shown, the  $T_{FE,i}$  and  $T_{FE}$  in the same equations may also be rounded prior to use as was shown by Equations (22) and (23).

### S5.1.3 Calculation of the CAFE Rating

Similar to the calculation of the standard, the CAFE rating is computed by taking a sales-weighted harmonic average of the individual fuel economies attained by each vehicle model for a specific regulatory class. The system first calculates the achieved CAFE value without any adjustments or credits that are supplied for each manufacturer in the input fleet or the off-cycle credits accrued through technology application. In the context of the modeling system, and as reported in the model outputs, this value is referred to as the “2-cycle” CAFE rating, and is calculated for each regulatory class,  $RC$ , as:

$$CAFE_{RC} = \frac{\sum_{i \in V_{RC}} Sales_i}{\sum_{i \in V_{RC}} Sales_i / FE_i} \quad (34)$$

Where:

$V_{RC}$ : a vector containing all vehicle models in regulatory class  $RC$ ;

$Sales_i$ : the sales volume for a vehicle model  $i$ ;

$FE_i$ : the “rated” average fuel economy (in mpg) attained by a vehicle model  $i$ ; as calculated by Equation (26); and

$CAFE_{RC}$ :

the calculated CAFE rating (for light-duty) or fuel efficiency rating (for HDPUV), expressed in mpg, achieved by a manufacturer in regulatory class  $RC$ , before application of FFV credits, off-cycle credits, or adjustments for improvements in air conditioning efficiency.

In addition to the 2-cycle CAFE rating, the modeling system also calculates the CAFE rating to use for compliance by applying any credit or adjustment available to the manufacturer. For each regulatory class, this calculation is defined by the following equation:

$$CAFE'_{RC} = \frac{CO2Factor_{RC}}{\frac{\sum_{i \in V_{RC}} Sales_i}{\sum_{i \in V_{RC}} Sales_i / FE'_i} + FFVCredits_{RC}} - CrAdj_{RC} \quad (35)$$

Where:

$CO2Factor_{RC}$ :

the CO<sub>2</sub> factor to use for converting between fuel economy and CO<sub>2</sub> values;

$V_{RC}$ : a vector containing all vehicle models in regulatory class  $RC$ ;

$Sales_i$ : the sales volume for a vehicle model  $i$ ;

$FE'_i$ : the “compliance” average fuel economy (in mpg) attained by a vehicle model  $i$ , as calculated by Equation (27) or (29);

$FFVCredits_{RC}$ :

the credits associated with production of flex-fuel vehicles in regulatory class  $RC$ ;

$CrAdj_{RC}$ :

the total amount of credits and adjustments, specified in grams per mile of CO<sub>2</sub>, a manufacturer is able to claim toward compliance with the CAFE standard in regulatory class  $RC$ , subject to the applicable caps; and

$CAFE'_{RC}$ :

the CAFE rating (for light-duty) or fuel efficiency rating (for HDPUV), expressed in mpg, achieved by a manufacturer in regulatory class  $RC$ , after application of FFV credits, off-cycle credits, or adjustments for improvements in air conditioning efficiency.

In the above equation,  $CrAdj_{RC}$  is further defined by the following:

$$CrAdj_{RC} = \left( \begin{array}{l} \min(ACEffAdj_{RC}, ACEffCap_{RC,NonBEV}) \\ + \min(OffCycleCredits_{RC}, OffCycleCap_{RC,NonBEV}) \end{array} \right) \times \frac{Sales_{RC,NonBEV}}{Sales_{RC}} + \left( \begin{array}{l} \min(ACEffAdj_{RC}, ACEffCap_{RC,BEV}) \\ + \min(OffCycleCredits_{RC}, OffCycleCap_{RC,BEV}) \end{array} \right) \times \frac{Sales_{RC,BEV}}{Sales_{RC}} + FSPCredits_{RC} \times Sales_{RC} \quad (36)$$

Where:

$ACEffAdj_{RC}$ :

the amount of adjustments associated with improvements in air conditioning efficiency, specified in grams per mile of CO<sub>2</sub>, a manufacturer has accumulated toward compliance with the CAFE standard in regulatory class  $RC$ ;

$ACEffCap_{RC,NonBEV}$ :

the maximum amount of AC efficiency adjustments, specified in grams per mile of CO<sub>2</sub>, a manufacturer may claim toward compliance with the CAFE standard in regulatory class  $RC$  for non-BEVs;

$ACEffCap_{RC,BEV}$ :

the maximum amount of AC efficiency adjustments, specified in grams per mile of CO<sub>2</sub>, a manufacturer may claim toward compliance with the CAFE standard in regulatory class  $RC$  for BEVs;

$OffCycleCredits_{RC}$ :

the amount of off-cycle credits, specified in grams per mile of CO<sub>2</sub>, a manufacturer has accumulated toward compliance with the CAFE standard in regulatory class  $RC$ ;

$OffCycleCap_{RC,NonBEV}$ :

the maximum amount of off-cycle credits, specified in grams per mile of CO<sub>2</sub>, a manufacturer may claim toward compliance with the CAFE standard in regulatory class  $RC$  for non-BEVs;

$OffCycleCap_{RC,BEV}$ :

the maximum amount of off-cycle credits, specified in grams per mile of CO<sub>2</sub>, a manufacturer may claim toward compliance with the CAFE standard in regulatory class  $RC$  for BEVs;

$FSPCredits_{RC}$ :

the maximum amount of full-size light-duty pickup truck credits, specified in grams per mile of CO<sub>2</sub>, a manufacturer may claim toward compliance with the CAFE standard in regulatory class  $RC$ ;

$Sales_{RC,NonBEV}$ :

the sales volume of all non-BEV models attributable to a manufacturer in regulatory class  $RC$ ;

$Sales_{RC,BEV}$ :

the sales volume of all BEV models attributable to a manufacturer in regulatory class  $RC$ ;

$Sales_{RC}$ :

the sales volume of all vehicle models attributable to a manufacturer in regulatory class  $RC$ ; and

$CrAdj_{RC}$ :

the total amount of credits and adjustments, specified in grams per mile of CO<sub>2</sub>, a manufacturer is able to claim toward compliance with the CAFE standard in regulatory class  $RC$ , subject to the applicable caps.

In Equations (35), the  $CO2Factor_{RC}$  variable, as well as the various  $AC$  and  $OffCycle$  “cap” variables from Equation (36) are specified in the scenario definition for each regulatory class. The  $FFVCredits_{RC}$ ,  $ACEffAdj_{RC}$ ,  $OffCycleCredits_{RC}$ , and  $FSPCredits_{RC}$  variables are specified in the input fleet for each manufacturer, and for each regulatory class.

Although not explicitly shown, in Equations (34) and (35), the  $FE_i$  and  $FE'_i$  values may be rounded as described in Equations (24) and (25) above, before they are used to calculate the associated CAFE ratings, with the CAFE ratings also being rounded when appropriate.

#### S5.1.4 Calculation of the CAFE Credits, Credit Value, and Fines

Once the standard and CAFE values have been computed, the model may proceed to determine the degree of noncompliance for a manufacturer by first calculating the CAFE credits, then using these credits to obtain the value of these credits and the amount of CAFE civil penalties owed by a manufacturer. Within each regulatory class, the amount of CAFE credit created<sup>49</sup> is calculated by taking the difference between the standard and the CAFE value attributable to a specific regulatory class, then multiplying the result by the number of vehicles in that class. The calculation of credits earned differs depending on the regulatory class being evaluated by the model. For the light-duty regulatory classes, the calculation of CAFE credits is expressed as follows:

$$Credits_{RC} = (CAFE'_{RC} - STD_{RC}) \times Sales_{RC} \times 10 \quad (37)$$

And for the HDPUV regulatory class, credits are computed as:

$$Credits_{RC} = \left( \frac{1}{STD_{RC}} - \frac{1}{CAFE'_{RC}} \right) \times VMT_{RC} \times Sales_{RC} \quad (38)$$

Where:

$Sales_{RC}$ :

the sales volume of all vehicle models attributable to a manufacturer in regulatory class  $RC$ ;

$VMT_{RC}$ :

the assumed average lifetime vehicle miles traveled by typical vehicle models in regulatory class  $RC$  (the average lifetime vehicle miles traveled may also be referred to as the useful life value of a vehicle);

$STD_{RC}$ :

the standard, in mpg, attributable to a manufacturer in regulatory class  $RC$ ;

$CAFE'_{RC}$ :

the CAFE (or, for HDPUV, fuel efficiency) rating, in mpg, achieved by a manufacturer in regulatory class  $RC$ ; and

$Credits_{RC}$ :

the calculated amount of credits earned by a manufacturer in regulatory class  $RC$ , where for the light-duty fleet 1 credit is equal to one-tenth of a vehicle mpg and for the HDPUV fleet 1 credit is equal to one gallon of fuel.

The credits produced by Equations (37) and (38) may be positive or negative, where positive values represent overcompliance with a given standard, while negative values indicate a shortfall, or noncompliance. If a manufacturer is at a shortfall in specific regulatory class, the modeling system may transfer available credits from a different regulatory class in the same MY or carry credits forward from an earlier MY in the same regulatory class. As mentioned earlier,

---

<sup>49</sup> Note that noncompliance causes credit creation to be negative, which implies the use of previously earned CAFE credits or the payment of civil penalties.



the modeling system keeps track of credits transferred or carried into or out of a specific regulatory class. A combination of credits earned, transferred or carried in, and transferred or carried out form the net credits attributed to a manufacturer, which are then used to calculate the value of CAFE credits and civil penalties, as well as to assess the degree of noncompliance (or if the net credits are positive, signify that the manufacturer has attained compliance).

In addition to the credits earned, as outlined by the above equation, the system also computes an alternative representation of generated credits, which are denominated in thousands of gallons and are defined as follows:

$$CreditsKGal_{RC} = \left( \frac{1}{STD_{RC}} - \frac{1}{CAFE'_{RC}} \right) \times \frac{VMT_{RC}}{1,000} \times Sales_{RC} \quad (39)$$

Where:

$Sales_{RC}$ :

the sales volume of all vehicle models attributable to a manufacturer in regulatory class  $RC$ ;

$VMT_{RC}$ :

the assumed average lifetime vehicle miles traveled by typical vehicle models in regulatory class  $RC$  (the average lifetime vehicle miles traveled may also be referred to as the useful life value of a vehicle);

$1,000$ : the conversion factor from gallons to thousands of gallons;

$STD_{RC}$ :

the standard attributable to a manufacturer in regulatory class  $RC$ ;

$CAFE'_{RC}$ :

the CAFE rating achieved by a manufacturer in regulatory class  $RC$ ; and

$CreditsKGal_{RC}$ :

the calculated amount of credits earned by a manufacturer in regulatory class  $RC$ , where 1 credit is equal to one thousand gallons of fuel.

As with Equations (37) and (38), the credits produced by Equation (39) may be positive or negative. The magnitude of the credits obtained by the different equations will differ, however the directionality will remain the same. That is, in all cases, positive values represent overcompliance, while negative signify a shortfall. The  $CreditsKGal_{RC}$  calculated above is later used when calculating the effective cost of a technology application (as discussed in a section below) and are not otherwise recorded in modeling reports. As such, the CAFE standard and rating, when used by the equation above, remain unrounded.

Lastly, the value of the net CAFE credits accumulated by a manufacturer in each regulatory class is calculated as shown in the following equation:

$$ValueCredits_{RC} = (Credits_{RC} + CreditsIn_{RC} - CreditsOut_{RC}) \times CreditValue_{RC} \quad (40)$$

Where:

$Credits_{RC}$ :

the amount of credits earned by a manufacturer in regulatory class  $RC$ ;

$CreditsIn_{RC}$ :

the amount of credits transferred or carried into regulatory class  $RC$ ;

$CreditsOut_{RC}$ :

the amount of credits transferred or carried out of regulatory class  $RC$ ;

$CreditValue_{RC}$ :

the valuation of CAFE credits, specified in dollars, to apply per one credit of shortfall; and

$ValueCredits_{RC}$ :

the calculated value of the net CAFE credits attributable to a manufacturer in regulatory class  $RC$ .

The calculation for CAFE civil penalties, or fines, in each regulatory class is given by the following:

$$Fines_{RC} = \min(Credits_{RC} + CreditsIn_{RC} - CreditsOut_{RC}, 0) \times FineRate_{RC} \quad (41)$$

Where:

$Credits_{RC}$ :

the amount of credits earned by a manufacturer in regulatory class  $RC$ ;

$CreditsIn_{RC}$ :

the amount of credits transferred or carried into regulatory class  $RC$ ;

$CreditsOut_{RC}$ :

the amount of credits transferred or carried out of regulatory class  $RC$ ;

$FineRate_{RC}$ :

the fine rate, specified in dollars, to apply per one credit of shortfall; and

$Fines_{RC}$ :

the calculated amount of CAFE civil penalties owed by a manufacturer in regulatory class  $RC$ .

In the Equations (40) and (41) above, the  $CreditValue_{RC}$  and the  $FineRate_{RC}$  variables are both specified in the scenario definition, separately for each regulatory class and MY.

## **S5.2 CO<sub>2</sub> Compliance Calculations**

When the CAFE Model is configured to evaluate compliance with the CO<sub>2</sub> program, it calculates the values for the CO<sub>2</sub> standard and rating, the CO<sub>2</sub> credits earned, as well as the value of net CO<sub>2</sub> credits for each manufacturer. As with the CAFE compliance calculations, the model repeatedly performs all of the CO<sub>2</sub> computations before, during, and after each successive technology application, independently for each regulatory class. Since the CO<sub>2</sub> compliance program does not differentiate between domestic and imported passenger automobiles, all

compliance calculations are performed on the: Passenger Car (combined DC and IC), Light Truck, and HDPUV regulatory classes.

During analysis, the modeling system evaluates and applies all technology improvements on a vehicle's fuel economy rating. The system maintains (keeps track of and updates) the fuel economies for each vehicle model, converting them the equivalent CO<sub>2</sub> ratings, only as required for compliance calculations. Likewise, the model first calculates the vehicle's fuel economy target before converting it to an equivalent CO<sub>2</sub> target, as defined by Equation (5), described in Section 3 above. Thus, before the system may carry out the CO<sub>2</sub> compliance calculations, it obtains the updated CO<sub>2</sub> target and CO<sub>2</sub> value (or rating) for each vehicle model in the manufacturer's fleet. Similar to the vehicle's fuel economy target and rating values, as well as the manufacturer's CAFE rating value, the model calculates CO<sub>2</sub> values unrounded when evaluating impact of new technologies on compliance, only rounding to a whole gram-per-mile (or a tenth of a gram-per-mile) when establishing the final compliance state of a manufacturer. Specifically, when rounding is used, the vehicle-level CO<sub>2</sub> rating is rounding to a whole gram-per-mile prior to use, with the resultant manufacturer-level CO<sub>2</sub> rating being rounded to whole grams as well. Likewise, the vehicle's CO<sub>2</sub> target may be rounded as required as well, but to a tenth of a gram-per-mile. However, as was the case with CAFE compliance calculations, rounding is always applied to the final value of the CO<sub>2</sub> standard.

### S5.2.1 Calculation of Vehicle's CO<sub>2</sub> Rating

The modeling system uses a vehicle's fuel economy value to calculate a corresponding CO<sub>2</sub> rating for each fuel type the vehicle operates on. Since battery-electric and fuel-cell vehicles do not release CO<sub>2</sub> emissions during operation, the CO<sub>2</sub> rating for these vehicles is assumed to be zero for all MYs where the *CO<sub>2</sub> Include Upstream* scenario setting is not set to **TRUE**. Similarly, for PHEVs, the CO<sub>2</sub> rating when operating on electricity is assumed to be zero as well, while the CO<sub>2</sub> rating on gasoline is computed from the associated fuel economy value. For MYs where the *CO<sub>2</sub> Include Upstream* setting is **TRUE**, however, the CO<sub>2</sub> rating of a vehicle when operating on electricity or hydrogen is computed by taking into account the differences between the upstream emissions associated with electric operation and gasoline operation of a comparable vehicle. Thus, for MYs that consider upstream emissions, the vehicle's CO<sub>2</sub> rating when operating on electricity or hydrogen fuel types is calculated as follows:

$$CO2Rating_{FT} = \left( \frac{1}{FE_{FT}} \times \frac{ED_G \times 1000 \times 0.534}{ED_E \times 0.935} \right) - \left( T_{CO2} \times \frac{2478}{CO2Factor_{RC}} \right) \quad (42)$$

Where:

- FT*: the fuel type the vehicle operates on (for this case, either electricity or hydrogen);
- RC*: the regulatory class of the vehicle;
- FE<sub>FT</sub>*: the fuel economy rating of the vehicle, specified in miles per gallon, when operating on fuel type *FT*;
- ED<sub>G</sub>*: the energy density of gasoline, specified in BTU/gallon, as defined in the parameters input file;
- ED<sub>E</sub>*: the energy density of electricity, specified in BTU/kWh, as defined in the parameters input file;

*1000*: the conversion factor from kilowatt-hours (kWh) to watt-hours;  
*0.534*: the assumed average upstream emissions rate of electricity (in grams/watt-hour), used for regulatory purposes;  
*0.935*: the assumed electricity transmission losses between a generation source and the wall;  
*T<sub>CO2</sub>*: the calculated vehicle CO<sub>2</sub> target, in grams per mile;  
*2478*: the assumed upstream CO<sub>2</sub> emissions of a gallon of gasoline, used for regulatory purposes;  
*CO2Factor<sub>RC</sub>*:  
     the CO<sub>2</sub> factor to use for converting between fuel economy and CO<sub>2</sub> values; and  
*CO2Rating<sub>FT</sub>*:  
     the CO<sub>2</sub> rating of the vehicle, specified in grams per mile, when operating on fuel type *FT*.

For all other fuel types, the vehicle's CO<sub>2</sub> rating in all MYs is defined by the following equation:

$$CO2Rating_{FT} = \frac{CO2Content_{FT}}{FE_{FT}} \quad (43)$$

Where:

*FT*: the fuel type the vehicle operates on;  
*CO2Content<sub>FT</sub>*:  
     the mass (in grams) of CO<sub>2</sub> released by using a gallon of fuel type *FT*;  
*FE<sub>FT</sub>*: the fuel economy rating of the vehicle, specified in miles per gallon, when operating on fuel type *FT*; and  
*CO2Rating<sub>FT</sub>*:  
     the CO<sub>2</sub> rating of the vehicle, specified in grams per mile, when operating on fuel type *FT*.

For vehicles operating on compressed natural gas, since the model assumes the fuel economy rating is specified as gasoline gallon equivalent, the *CO2Content<sub>FT</sub>* in the equation above refers to the mass of CO<sub>2</sub> released by using a gallon of gasoline. For each applicable fuel type, the modeling system calculates the *CO2Content<sub>FT</sub>* using the inputs specified in the parameters file as:

$$CO2Content_{FT} = MD_{FT} \times CC_{FT} \times (44/12) \quad (44)$$

Where:

*FT*: the fuel type the vehicle operates on;  
*MD<sub>FT</sub>*: the mass density of a fuel type *FT*, specified in grams per gallon in the parameters input file;

$CC_{FT}$ : the percentage of each fuel type's mass that represents carbon, specified in the parameters input file;

$(^{44}/_{12})$ : the ratio of the molecular weight of carbon dioxide to that of elemental carbon; and

$CO2Content_{FT}$ :

the mass (in grams) of CO<sub>2</sub> released by using a gallon of fuel type  $FT$ .

Similar to a vehicle's fuel economy value, the CO<sub>2</sub> rating as calculated in Equations (42) and (43) may be comprised of one or more subcomponents corresponding to each fuel type the vehicle uses (specifically for FFVs and PHEVs). Before it can be used for calculating a manufacturer's CO<sub>2</sub> rating, a combined or average CO<sub>2</sub> rating for each vehicle must be obtained. For single-fuel vehicles, this equates to the CO<sub>2</sub> rating on the specific fuel, while for dual-fuel vehicles, the combined CO<sub>2</sub> value is computed by averaging the individual components from the different fuel types. For all vehicles, the average CO<sub>2</sub> calculation may be generalized by the following equation:

$$CO2Rating = \sum_{FT} (FS_{FT} \times CO2Rating_{FT}) \quad (45)$$

Where:

$FT$ : the fuel type the vehicle operates on;

$FS_{FT}$ : the percent share of miles driven by a vehicle when operating on fuel type  $FT$ ;

$CO2Rating_{FT}$ :

the CO<sub>2</sub> rating of the vehicle when operating on fuel type  $FT$ ; and

$CO2Rating$ :

the average CO<sub>2</sub> rating of the vehicle, aggregated across all fuel types the vehicle operates on.

As with the calculation of the average fuel economy rating (defined in Equation (26) above), the average CO<sub>2</sub> rating for dual-fuel vehicles depends on the "Multi-Fuel," "FFV Share," and "PHEV Share" settings specified in the scenario definition. Using these settings, the model may be optionally configured to assume that dual-fuel vehicles (FFVs and PHEVs) operate exclusively on gasoline fuel for compliance purposes, and to also tune the assumed fuel share,  $FS_{FT}$ , to use when calculating the average CO<sub>2</sub> rating.

While the CAFE compliance program makes provisions for including the petroleum equivalence factor when computing the fuel economy rating to use for compliance purposes (see Section S5.1.1 above), the CO<sub>2</sub> program does not include such adjustments. Therefore, the CO<sub>2</sub> rating produced by Equation (45) may be used directly when calculating a manufacturer's sales-weighted average CO<sub>2</sub> rating.

### S5.2.2 Calculation of the CO<sub>2</sub> Standard

The CAFE Model calculates the value of the CO<sub>2</sub> standard using a sales-weighted average of the CO<sub>2</sub> targets applicable to each vehicle model of a specific regulatory class. However, the calculation of the CO<sub>2</sub> standard varies depending on the *EPA Multiplier Mode* used by the

manufacturer, as specified in the market data input file. Thus, the manufacturer's required CO<sub>2</sub> standard for regulatory class,  $RC$ , is represented by the following equation:

$$CO2STD_{RC} = \frac{\sum_{i \in V_{RC}} (EPASales_i \times T_{CO2,i})}{\sum_{i \in V_{RC}} EPASales_i} \quad (46)$$

Where:

$V_{RC}$ : a vector containing all vehicle models in regulatory class  $RC$ ;

$EPASales_i$ :

the EPA adjusted sales volume for a vehicle model  $i$ ;

$T_{CO2,i}$ : the CO<sub>2</sub> target (in grams per mile) applicable to a vehicle model  $i$ ; and

$CO2STD_{RC}$ :

the calculated CO<sub>2</sub> standard attributable to a manufacturer in regulatory class  $RC$ .

In equation (46) above,  $EPASales_i$  is calculated according to the *EPA Multiplier Mode* specified for a vehicle's manufacturer, and represents either a vehicle's actual sales volume, or the sales volume adjusted by the production multiplier. When calculating the CO<sub>2</sub> standard,  $EPASales$  for a given vehicle,  $veh$ , is computed according to the following:

$$EPASales_{veh} = \begin{cases} EPAMultiplier_{RC} \times Sales_{veh}, & EPAMode = 2 \text{ or } 3 \\ Sales_{veh}, & EPAMode = 0 \text{ or } 1 \end{cases} \quad (47)$$

Where:

$Sales_{veh}$ :

the sales volume for a vehicle model  $veh$ ;

$RC$ : the regulatory class of a vehicle model  $veh$ ;

$EPAMultiplier_{RC}$ :

a production multiplier used to scale the sales volumes of CNGs, PHEVs, BEVs, and FCVs;

$EPAMode$ :

an EPA multiplier mode defining the applicability of EPA production multipliers; and

$EPASales_{veh}$ :

the EPA adjusted sales volume for a vehicle model  $veh$ .

The  $EPAMultiplier_{RC}$  variable in the above equation is specified in the scenario definition for each regulatory class. As described in Section 3,  $EPAMultiplier_{RC}$  corresponds to the "EPA Multiplier 1" or "EPA Multiplier 2" variable, where the former applies to the production multipliers of CNGs and PHEVs, while the latter includes BEVs and FCVs. The  $EPAMode$  (as defined in the input fleet for each manufacturer) is then used to determine which of the CO<sub>2</sub> compliance metrics are adjusted by the production multipliers, as outlined in the following table.

Table 19. EPA Multiplier Modes

| EPA Mode | Applies to                                            |
|----------|-------------------------------------------------------|
| 0        | Disabled (do not consider production multipliers)     |
| 1        | CO2 Rating Calculation                                |
| 2        | CO2 Standard and CO2 Rating Calculation               |
| 3        | CO2 Standard, CO2 Rating, and CO2 Credits Calculation |

Equation (46) universally applies to an attribute-based standard (i.e., a functional form where a different CO<sub>2</sub> target is computed for each vehicle based on, for example, its footprint) as well as a flat standard (i.e., a functional form where each vehicle model has the same CO<sub>2</sub> target). However, for a flat standard, since with a common target the sales volumes of individual vehicle models cancel out, Equation (46) is reduced to the following:

$$CO2STD_{RC} = T_{CO2} \quad (48)$$

Since under the CO<sub>2</sub> compliance program, all passenger automobiles are regulated under a single class, the calculation of the CO<sub>2</sub> standard is not subject to a minimum domestic car standard. Lastly, the values calculated by Equations (46) and (48) are rounded to a whole number to produce the final CO<sub>2</sub> standard for a manufacturer, as discussed above. Although not explicitly shown, the  $T_{CO2,i}$  and  $T_{CO2}$  in the same equations may also be rounded prior to use.

### S5.2.3 Calculation of the CO<sub>2</sub> Rating

Similar to the calculation of the standard, the CAFE Model calculates the manufacturer's CO<sub>2</sub> rating by taking a sales-weighted average of the individual CO<sub>2</sub> ratings attained by each vehicle model for a specific regulatory class. As with the CO<sub>2</sub> standard, calculation of the CO<sub>2</sub> rating varies depending on the *EPA Multiplier Mode*. During calculation, the modeling system additionally applies any credit or adjustment available to the manufacturer. Hence, the calculation for a manufacturer's CO<sub>2</sub> rating for each regulatory class is defined by the following equation:

$$CO2Rating_{RC} = \frac{\sum_{i \in V_{RC}} (EPASales_i \times CO2Rating_i)}{\sum_{i \in V_{RC}} EPASales_i} - CrAdj_{RC} \quad (49)$$

Where:

$V_{RC}$ : a vector containing all vehicle models in regulatory class  $RC$ ;

*EPASales<sub>i</sub>*:

the EPA adjusted sales volume for a vehicle model *i*;

*CO2Rating<sub>i</sub>*:

the average CO<sub>2</sub> rating (in grams per mile) attained by a vehicle model *i*, as calculated by Equation (45);

*CrAdj<sub>RC</sub>*:

the total amount of credits and adjustments, specified in grams per mile of CO<sub>2</sub>, a manufacturer is able to claim toward compliance with the CO<sub>2</sub> standard in regulatory class *RC*, subject to the applicable caps; and

*CO2Rating<sub>RC</sub>*:

the CO<sub>2</sub> rating achieved by a manufacturer in regulatory class *RC*, taking into consideration the application of EPA multipliers, off-cycle credits, and adjustments for improvements in air conditioning efficiency and leakage.

As with the calculation of the CO<sub>2</sub> standard, *EPASales<sub>i</sub>* from Equation (49) is calculated based on the *EPA Multiplier Mode*. However, as specified in Table 19 above, different *EPAModes* are applicable when calculating a manufacturer's rating then its standard. When calculating the CO<sub>2</sub> rating, *EPASales* for a given vehicle, *veh*, is computed as follows:

$$EPASales_{veh} = \begin{cases} EPAMultiplier_{RC} \times Sales_{veh}, & EPAMode \neq 0 \\ Sales_{veh}, & EPAMode = 0 \end{cases} \quad (50)$$

Where:

*Sales<sub>veh</sub>*:

the sales volume for a vehicle model *veh*;

*RC*: the regulatory class of a vehicle model *veh*;

*EPAMultiplier<sub>RC</sub>*:

a production multiplier used to scale the sales volumes of CNGs, PHEVs, BEVs, and FCVs;

*EPAMode*:

a mode defining the applicability of EPA production multipliers; and

*EPASales<sub>veh</sub>*:

the EPA adjusted sales volume for a vehicle model *veh*.

In Equation (49) above, *CrAdj<sub>RC</sub>* is further defined by the following:



$$CrAdj_{RC} = \left( \begin{array}{l} \min(ACEffAdj_{RC}, ACEffCap_{RC,NonBEV}) \\ + \min(ACLeakageAdj_{RC}, ACLeakageCap_{RC,NonBEV}) \\ + \min(OffCycleCredits_{RC}, OffCycleCap_{RC,NonBEV}) \end{array} \right) \times \frac{Sales_{RC,NonBEV}}{Sales_{RC}} \\ + \left( \begin{array}{l} \min(ACEffAdj_{RC}, ACEffCap_{RC,BEV}) \\ + \min(ACLeakageAdj_{RC}, ACLeakageCap_{RC,BEV}) \\ + \min(OffCycleCredits_{RC}, OffCycleCap_{RC,BEV}) \end{array} \right) \times \frac{Sales_{RC,BEV}}{Sales_{RC}} \\ + FSPCredits_{RC} \times Sales_{RC} \quad (51)$$

Where:

*ACEffAdj<sub>RC</sub>*:

the amount of adjustments associated with improvements in air conditioning efficiency, specified in grams per mile of CO<sub>2</sub>, a manufacturer has accumulated toward compliance with the CO<sub>2</sub> standard in regulatory class *RC*;

*ACEffCap<sub>RC,NonBEV</sub>*:

the maximum amount of AC efficiency adjustments, specified in grams per mile of CO<sub>2</sub>, a manufacturer may claim toward compliance with the CO<sub>2</sub> standard in regulatory class *RC* for non-BEVs;

*ACEffCap<sub>RC,BEV</sub>*:

the maximum amount of AC efficiency adjustments, specified in grams per mile of CO<sub>2</sub>, a manufacturer may claim toward compliance with the CAFE standard in regulatory class *RC* for BEVs;

*ACLeakageAdj<sub>RC</sub>*:

the amount of adjustments associated with improvements in air conditioning leakage, specified in grams per mile of CO<sub>2</sub>, a manufacturer has accumulated toward compliance with the CO<sub>2</sub> standard in regulatory class *RC*;

*ACLeakageCap<sub>RC,NonBEV</sub>*:

the maximum amount of AC leakage adjustments, specified in grams per mile of CO<sub>2</sub>, a manufacturer may claim toward compliance with the CO<sub>2</sub> standard in regulatory class *RC* for non-BEVs;

*ACLeakageCap<sub>RC,BEV</sub>*:

the maximum amount of AC leakage adjustments, specified in grams per mile of CO<sub>2</sub>, a manufacturer may claim toward compliance with the CO<sub>2</sub> standard in regulatory class *RC* for BEVs;

*OffCycleCredits<sub>RC</sub>*:

the amount of off-cycle credits, specified in grams per mile of CO<sub>2</sub>, a manufacturer has accumulated toward compliance with the CO<sub>2</sub> standard in regulatory class *RC*;

$FSPCredits_{RC}$ :

the maximum amount of full-size light-duty pickup truck credits, specified in grams per mile of CO<sub>2</sub>, a manufacturer may claim toward compliance with the CO<sub>2</sub> standard in regulatory class  $RC$ ;

$OffCycleCap_{RC,NonBEV}$ :

the maximum amount of off-cycle credits, specified in grams per mile of CO<sub>2</sub>, a manufacturer may claim toward compliance with the CO<sub>2</sub> standard in regulatory class  $RC$  for non-BEVs;

$OffCycleCap_{RC,BEV}$ :

the maximum amount of off-cycle credits, specified in grams per mile of CO<sub>2</sub>, a manufacturer may claim toward compliance with the CAFE standard in regulatory class  $RC$  for BEVs;

$EPASales_{RC,NonBEV}$ :

the EPA adjusted sales volume of all non-BEV models attributable to a manufacturer in regulatory class  $RC$  (determined in a similar manner to what is shown in Equation (50) above);

$EPASales_{RC,BEV}$ :

the EPA adjusted sales volume of all BEV models attributable to a manufacturer in regulatory class  $RC$  (determined in a similar manner to what is shown in Equation (50) above);

$EPASales_{RC}$ :

the EPA adjusted sales volume of all vehicle models attributable to a manufacturer in regulatory class  $RC$  (determined in a similar manner to what is shown in Equation (50) above); and

$CrAdj_{RC}$ :

the total amount of credits and adjustments, specified in grams per mile of CO<sub>2</sub>, a manufacturer is able to claim toward compliance with the CO<sub>2</sub> standard in regulatory class  $RC$ , subject to the applicable caps.

In Equation (49), the  $EPAMultiplier_{RC}$  variable, as well as the various  $AC$  and  $OffCycle$  “cap” variables from Equation (51) are specified in the scenario definition for each regulatory class. At the same time, the  $ACEffAdj_{RC}$ ,  $ACLeakageAdj_{RC}$ ,  $OffCycleCredits_{RC}$ , and  $FSPCredits_{RC}$  variables are specified in the input fleet for each manufacturer, in each regulatory class.

Although not explicitly shown, in Equation (49), the  $CO2Rating_i$  value may be rounded to a whole number before it is used to calculate the manufacturer’s  $CO2Rating_{RC}$ , with the CO<sub>2</sub> rating also being rounded when appropriate.

#### **S5.2.4 Calculation of the CO<sub>2</sub> Credits and Credit Value**

Using the CO<sub>2</sub> standard and rating values computed in the preceding sections, the CAFE Model calculates the amount of CO<sub>2</sub> credits earned by a manufacturer. The CO<sub>2</sub> credits may then be used to determine the degree of noncompliance for a manufacturer. Within each regulatory class,

the amount of CO<sub>2</sub> credit created<sup>50</sup> is calculated by taking the difference between the standard and the CO<sub>2</sub> rating attributable to a specific regulatory class, then multiplying the result by the number of vehicles and the assumed lifetime VMT in that class. For each regulatory class,  $RC$ , the calculation of CO<sub>2</sub> credits is expressed as follows:

$$CO2Credits_{RC} = \frac{(CO2STD_{RC} - CO2Rating_{RC}) \times VMT_{RC}}{1,000,000} \times EPASales_{RC} \quad (52)$$

Where:

$EPASales_{RC}$ :

the EPA adjusted sales volume of all vehicle models attributable to a manufacturer in regulatory class  $RC$ ;

$VMT_{RC}$ :

the assumed average lifetime vehicle miles traveled by typical vehicle models in regulatory class  $RC$  (the average lifetime vehicle miles traveled may also be referred to as the useful life value of a vehicle);

$CO2STD_{RC}$ :

the CO<sub>2</sub> standard attributable to a manufacturer in regulatory class  $RC$ ;

$CO2Rating_{RC}$ :

the CO<sub>2</sub> rating achieved by a manufacturer in regulatory class  $RC$ ; and

$1,000,000$ :

the conversion factor from grams to metric tons;

$CO2Credits_{RC}$ :

the calculated amount of CO<sub>2</sub> credits earned by a manufacturer in regulatory class  $RC$ , where 1 credit is equal to one metric ton.

In Equation (52),  $EPASales_{RC}$  is calculated based on the *EPA Multiplier Mode*, similar to the way the CO<sub>2</sub> standard and rating values were computed in prior sections. When calculating the CO<sub>2</sub> credits, however,  $EPASales_{RC}$  are accumulated from individual vehicle models, using either a vehicle's unadjusted sales volume, or the sales volume adjusted by the production multiplier. Hence, for each regulatory class,  $RC$ , the calculation is given by:

$$EPASales_{RC} = \sum_{i \in V_{RC}} \begin{cases} EPAMultiplier_{RC} \times Sales_i, & EPAMode = 3 \\ Sales_i, & EPAMode \neq 3 \end{cases} \quad (53)$$

Where:

$V_{RC}$ : a vector containing all vehicle models in regulatory class  $RC$ ;

$Sales_{veh}$ :

the sales volume for a vehicle model  $i$ ;

---

<sup>50</sup> Note that noncompliance causes credit creation to be negative, which implies the use of previously earned CO<sub>2</sub> credits.

*EPAMultiplier<sub>RC</sub>*:

a production multiplier used to scale the sales volumes of CNGs, PHEVs, BEVs, and FCVs;

*EPAMode*:

an EPA multiplier mode defining the applicability of EPA production multipliers; and

*EPASales<sub>RC</sub>*:

the EPA adjusted sales volume of all vehicle models attributable to a manufacturer in regulatory class *RC*;

The credits produced by Equation (52) above may be positive or negative, where positive values represent overcompliance with a given standard, while negative values indicate a shortfall, or noncompliance. If a manufacturer is at a shortfall in specific regulatory class, the modeling system may transfer available credits from a different regulatory class in the same MY or carry credits forward from an earlier MY in the same regulatory class. As mentioned earlier, the modeling system keeps track of credits transferred or carried into or out of a specific regulatory class. A combination of credits earned, transferred or carried in, and transferred or carried out form the net credits attributed to a manufacturer, which are used to assess the degree of noncompliance (or if the net credits are positive, signify that the manufacturer has attained compliance). Even though the CO<sub>2</sub> compliance program does not allow the use of civil penalties to offset shortfalls, instead mandates that all manufacturers must attain compliance, the modeling system may still produce results where some manufacturers are shown as noncompliant. This situation is more likely to arise under particularly stringent regulatory scenarios, if a manufacturer runs out of available technologies for application prior to reaching compliance.

In addition to the CO<sub>2</sub> credits earned, the modeling system also calculates the value of the net credits accumulated by a manufacturer as shown in the following equation:

$$\begin{aligned} ValueCO2Credits_{RC} = & (CO2Credits_{RC} + CO2CreditsIn_{RC} - CO2CreditsOut_{RC}) \\ & \times CO2CreditValue_{RC} \end{aligned} \quad (54)$$

Where:

*CO2Credits<sub>RC</sub>*:

the amount of CO<sub>2</sub> credits earned by a manufacturer in regulatory class *RC*;

*CO2CreditsIn<sub>RC</sub>*:

the amount of CO<sub>2</sub> credits transferred or carried into regulatory class *RC*;

*CO2CreditsOut<sub>RC</sub>*:

the amount of CO<sub>2</sub> credits transferred or carried out of regulatory class *RC*;

*CO2CreditValue<sub>RC</sub>*:

the valuation of CO<sub>2</sub> credits, specified in dollars, to apply per one credit of shortfall; and

*ValueCO2Credits<sub>RC</sub>*:

the calculated value of the net CO<sub>2</sub> credits attributable to a manufacturer in regulatory class *RC*.

In the equation above, the *CO2CreditValue<sub>RC</sub>* is specified in the scenario definition, separately for each regulatory class and MY. The *ValueCO2Credits<sub>RC</sub>*, as calculated for a manufacturer in each regulatory class, is later used when computing the effective cost of a technology application whenever the CAFE Model is configured to evaluate compliance with the CO<sub>2</sub> program.

### **S5.3 Compliance Simulation Algorithm**

As the modeling system evaluates a manufacturer for compliance, the compliance simulation algorithm begins the process of applying technologies based on the CAFE or CO<sub>2</sub> standards applicable during the current MY. This involves repeatedly evaluating the degree of noncompliance, identifying and selecting the “best next” technology (described in the following section) from a set of available technologies for application. Figure 8 (below) provides an overview of this process.

The algorithm first evaluates all technologies defined in the modeling system. For any technology that resulted in a valid solution (that is, may be applicable to at least one vehicle model), the algorithm selects best next option for application. For any technology solution determined to be cost-effective (as defined below), the modeling system applies the selected technology to the affected vehicles, regardless of whether the manufacturer is in compliance. After exhausting all cost-effective solutions, the algorithm reevaluates the manufacturer’s degree of noncompliance and applies available credits (CAFE, CO<sub>2</sub>, or both, depending on the compliance programs being evaluated), which were generated during preceding MYs, and which are due to expire during the analysis year.<sup>51</sup> After applying expiring credits, if a manufacturer has not attained compliance, the algorithm proceeds to evaluate and apply non-cost-effective (*aka*, ineffective) technologies on an as-needed basis. If a manufacturer is assumed to be unwilling to pay fines, the algorithm finds and applies additional technology solutions until compliance is achieved, reevaluating the manufacturer’s degree of noncompliance after every successive technology application. Conversely, if a manufacturer is assumed to prefer to pay fines, the algorithm stops applying additional technology to this manufacturer’s product line once no more cost-effective solutions are encountered. In either case, once all viable technology solutions have been exhausted, if a manufacturer still has not reached compliance, the algorithm uses the remainder of available credits, before generating fines for noncompliance.

In the case of the CAFE compliance program, “fines” refer to the CAFE civil penalties. However, since the CO<sub>2</sub> compliance program does not allow fine payment, the algorithm assumes that every manufacturer is unwilling to pay fines and continues to apply technology until compliance is achieved or the manufacturer exhausts all technologies during the analysis year.

---

<sup>51</sup> Within the context of the CAFE Model, analysis year refers to the model year currently being evaluated by the modeling system.

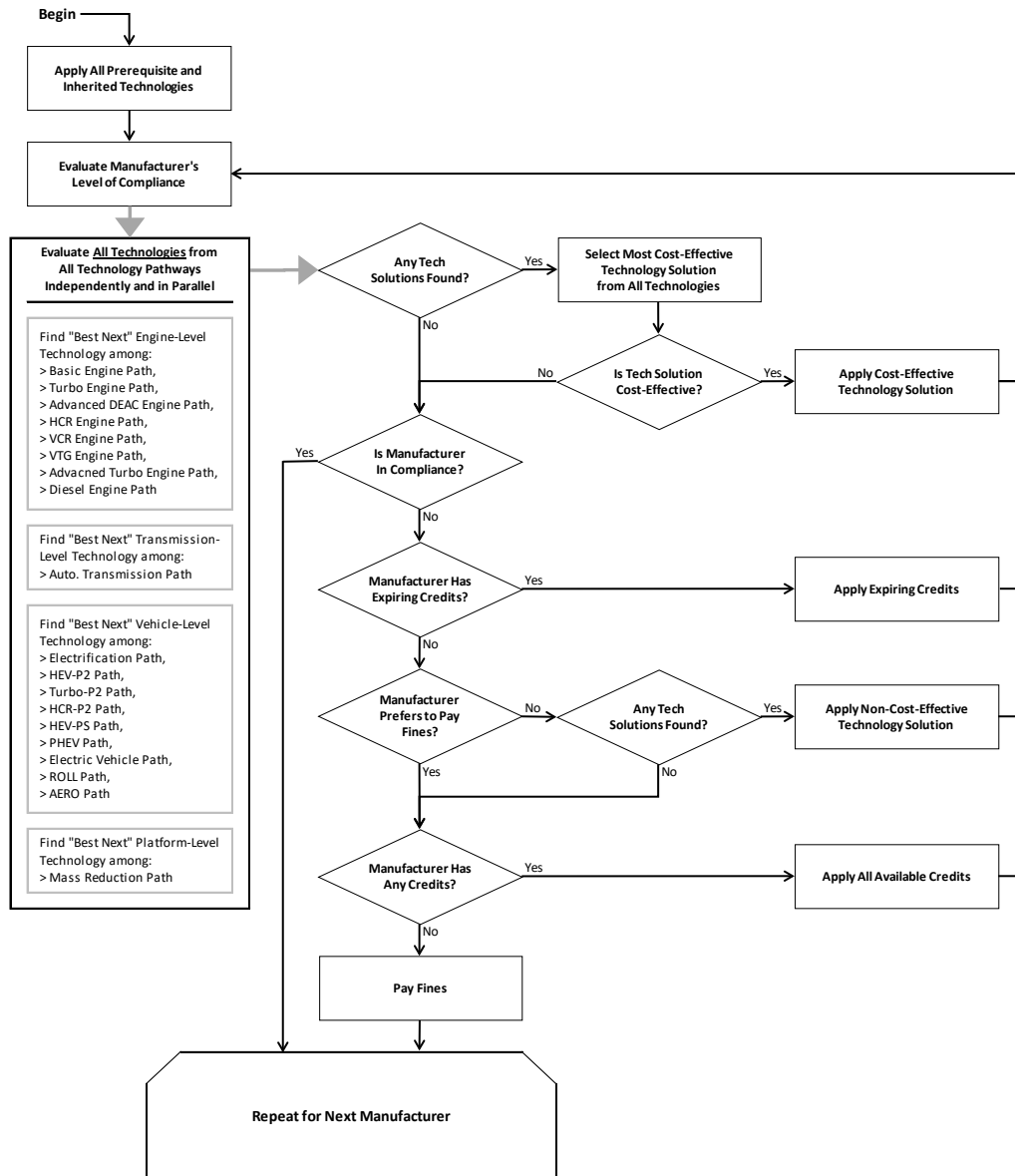


Figure 8. Compliance Simulation Algorithm

At the root of the compliance simulation algorithm is the way the modeling system determines the best next technology solution and the way it calculates the effective cost of that solution. These topics are addressed in the following two sections.

### S5.3.1 Determination of “Best Next” Technology Solution

As discussed in preceding sections, the modeling system concurrently evaluates all available technologies for application. As such, when selecting the “best next” technology solution, the algorithm simultaneously considers all technologies, regardless of their ordering in pathways. If the phase-in limit for a specific technology has been reached during some MY, the algorithm halts application of that technology for that year. If the phase-in limit has not been reached, the algorithm determines whether or not the technology remains applicable to any sets of vehicles,

evaluates the effective cost of applying the technology to each such set, and identifies the application that would yield the lowest effective cost.

As shown in Figure 9 below, the algorithm repeats this process for each technology and then selects the technology application resulting in the lowest effective cost. As discussed above, the algorithm operates subject to expectations of each manufacturer's preference to pay fines in the MY being evaluated. However, the effective cost is calculated, as described in the following section, irrespective of the fine payment settings.

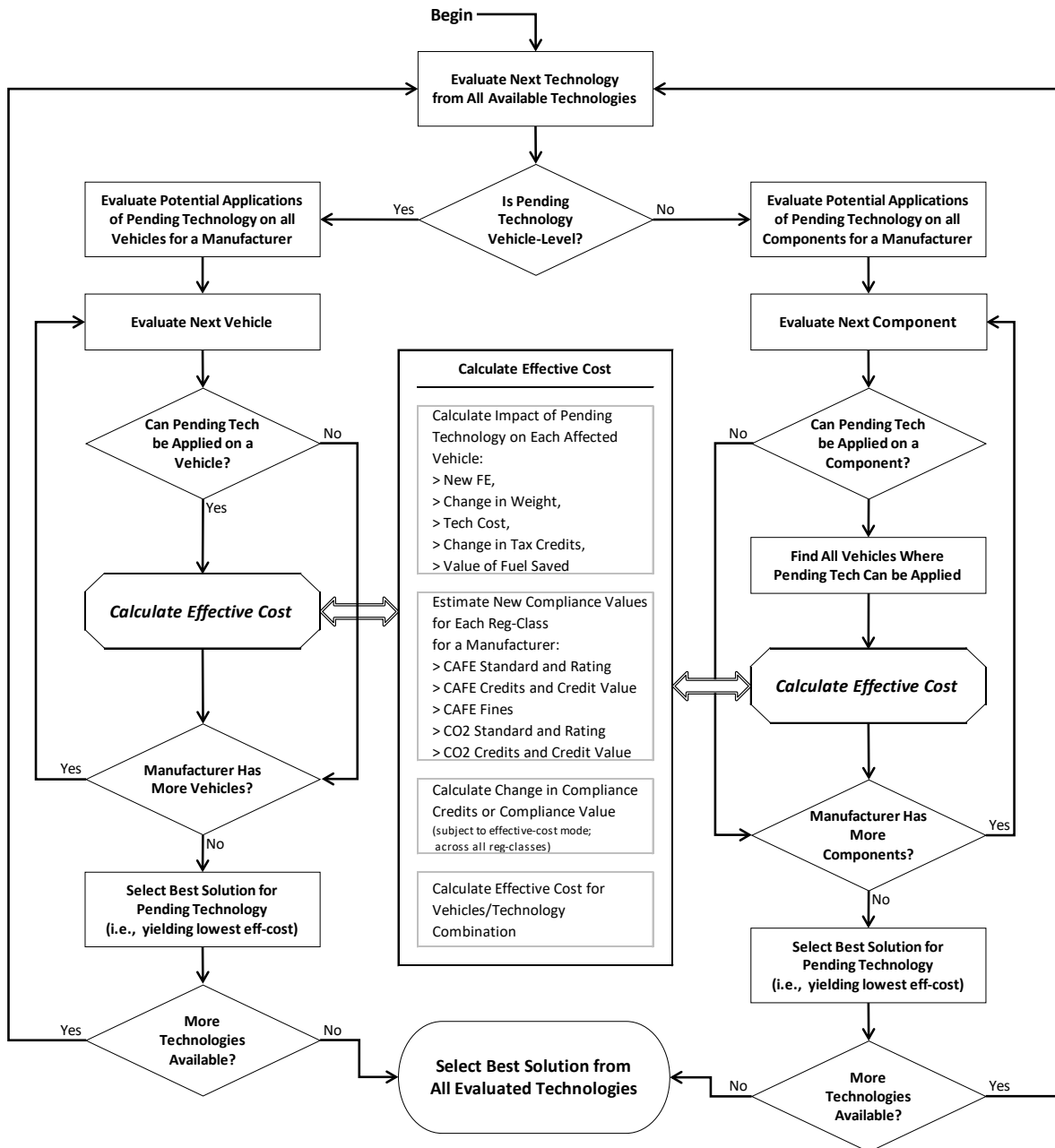


Figure 9. Determination of “Best Next” Technology Solution

Note, in the diagram above, a “component” is any platform, engine, or transmission produced by a manufacturer, where application of a candidate technology is evaluated during that component’s redesign or refresh cycle. Any vehicle models that use the same component, and for which a candidate technology is available for application in the same analysis step as the component itself, will also be evaluated during technology application.

### S5.3.2 Calculation of Effective Cost

Whenever the compliance simulation algorithm evaluates the potential application of candidate technologies, it considers the effective cost of applying those technologies on a subset (or group) of vehicles selected by the algorithm, and chooses the option that yields the lowest effective cost.<sup>52</sup> The effective cost, however, is only used for evaluating the relative attractiveness of different technology applications, and not for actual cost accounting. This calculation can span MYs, if the algorithm selects a candidate technology that was left unused on a vehicle during its last redesign or refresh cycle. For example, if the technology was enabled for application in a previous year and was not used, then it can remain as a candidate to be applied and then carried forward to the current MY.

The current version of the CAFE Model uses the “Cost/Credit” methodology for computing the effective cost of new technology application, as outlined by the equations that follow:

$$EffCost = \frac{TechCost_{Total} - TaxCredits_{Total} - FuelSavings_{Total} - \Delta Fines}{\Delta ComplianceCredits} \quad (55)$$

Where:

*TechCost<sub>Total</sub>*:

the total cost of a candidate technology evaluated on a group of selected vehicles;

*TaxCredits<sub>Total</sub>*:

the cumulative value of additional vehicle and battery tax credits (or, Federal Incentives) resulting from application of a candidate technology evaluated on a group of selected vehicles;

*FuelSavings<sub>Total</sub>*:

the value of the reduction in fuel consumption (or, fuel savings) resulting from application of a candidate technology evaluated on a group of selected vehicles;

*ΔFines*:

the change in manufacturer’s fines in the analysis year if the CAFE compliance program is being evaluated, or zero if evaluating compliance with CO<sub>2</sub> standards;

*ΔComplianceCredits*:

---

<sup>52</sup> Such groups can span regulatory classes. For example, if the algorithm is evaluating a potential upgrade to a given engine, that engine might be used by a station wagon, which is regulated as a passenger car, and a minivan, which is regulated as a light truck. If the manufacturer’s passenger car fleet complies with the corresponding standard, the algorithm accounts for the fact that upgrading this engine will incur costs and realize fuel savings for both of these vehicle models but will only yield a change in compliance for the light truck fleet.



the change in manufacturer's compliance credits in the analysis year, which depending on the compliance program being evaluated, corresponds to the change in CAFE credits (denominated in thousands of gallons) or the change in CO<sub>2</sub> credits (denominated in metric tons); and

*EffCost*:

the calculated effective cost attributed to application of a candidate technology evaluated on a group of selected vehicles.

In the above equation, the technology cost, tax credits, and fuel savings may span vehicle models if the algorithm chooses, e.g., to apply an engine-level technology to vehicles that share the same engine. As stated above, if a candidate technology that was left unused from a vehicle's last redesign or refresh is selected for application, the technology cost, tax credits, and the fuel savings values will include MYs ranging from the vehicle model's last redesign or refresh year to the analysis year being evaluated. Furthermore, when vehicles are selected for evaluation, with the varying redesign and refresh schedules, the range of MYs may differ for each vehicle model. For example, consider that the modeling system is evaluating a manufacturer's compliance during MY 2025. The algorithm proceeds to select an engine-level technology for application on an engine that is being redesigned in MY 2020.<sup>53</sup> Any vehicle model that uses the same engine and is redesigned or refreshed between MYs 2020 and 2025 (inclusive) may be selected for application by the algorithm, starting with the respective vehicle's last redesign or refresh year (whichever is greater).<sup>54</sup>

Hence, for all selected vehicle models, covering a given range of MYs, the total cost of technology application, *TechCost<sub>Total</sub>*, is calculated as shown in the following equation:

$$TechCost_{Total} = \sum_{i \in V} \left( \sum_{j=BaseMY}^{MY} (TechCost_{i,j} \times Sales_{i,j}) \right) \quad (56)$$

Where:

*V*: a vector containing a subset of vehicle models selected by the compliance simulation algorithm from a manufacturer's entire product line, on which to evaluate the potential application of a candidate technology;

*BaseMY*:

the first MY of the potential application of a candidate technology, which represents the latest redesign or refresh year of vehicle model *i* occurring on or before the MY being analyzed for compliance;

*MY*: the MY being analyzed for compliance, corresponding to the last MY for which to evaluate the potential application of a candidate technology;

<sup>53</sup> As shown in Table 9 above, all engine-level technologies are initially applicable during a vehicle's redesign year.

<sup>54</sup> As discussed in Section S4.4, engine-level technologies are applicable to a vehicle during that vehicle's redesign or refresh year.

$Sales_{i,j}$ :

the sales volume of a vehicle model  $i$  during model year  $j$ ;

$TechCost_{i,j}$ :

the net cost attributed to a candidate technology selected for application on a vehicle model  $i$  during model year  $j$ , as defined by Equations (9) through (13) in Section S4.7 above; and

$TechCost_{Total}$ :

the total cost of a candidate technology aggregated for a subset of selected vehicle models.

The amount of additional vehicle and battery tax credits,  $TaxCredits_{Total}$ , from Equation (56), is computed using two individual tax credit (or, Federal Incentive) components that are attributed to the sale of new vehicle models that feature a hybrid/electric technology. In the CAFE Model, tax credits are computed for all SHEV, PHEV, BEV, and FCV technologies, all of which are also defined in Table 11 above. For the purposes of the effective cost calculation, the tax credits are considered from the perspective of a manufacturer, rather than a vehicle buyer. As such, the vehicle tax credit component represents a portion of consumer tax incentives that an auto manufacturer would receive during the sale of a particular vehicle model. Meanwhile, the battery tax credit component represents a portion of battery tax incentives passed through from a battery supplier to an automobile manufacturer as a consequence of selling the same vehicle. In both cases, the additional vehicle and battery tax credits are calculated by taking the difference between the respective components attributed to each vehicle immediately before and after application of the candidate technology, then aggregating across all vehicle models as follows:

$$TaxCredits_{Total} = \sum_{i \in V} \left( \sum_{j=BaseMY}^{MY} \left( (TaxCredit_{i,j} - TaxCredit'_{i,j}) \times (1 - TaxScale_{i,j}) \times Sales_{i,j} \right) + (BatCredit_{i,j} - BatCredit'_{i,j}) \times (1 - BatScale_{i,j}) \times Sales_{i,j} \right) \quad (57)$$

Where:

$V$ ,  $BaseMY$ ,  $MY$ :

variables as defined in Equation (56) above;

$Sales_{i,j}$ :

the sales volume of a vehicle model  $i$  during model year  $j$ ;

$TaxCredit_{i,j}$ :

the amount of vehicle tax credits attributed to a vehicle model  $i$  during model year  $j$ , before application of a candidate technology;

$TaxCredit'_{i,j}$ :

the amount of vehicle tax credits attributed to a vehicle model  $i$  during model year  $j$ , after application of a candidate technology;

$1 - TaxScale_{i,j}$ :

the amount by which to scale the vehicle tax credits attributed to a vehicle model  $i$  during model year  $j$ , where the tax scale is defined from a consumer's perspective, while the inverse of the scale (i.e.,  $1-scale$ ) is defined from a manufacturer's perspective;

$BatCredit_{i,j}$ :

the amount of battery tax credits attributed to a vehicle model  $i$  during model year  $j$ , before application of a candidate technology;

$BatCredit'_{i,j}$ :

the amount of battery tax credits attributed to a vehicle model  $i$  during model year  $j$ , after application of a candidate technology; and

$1-BatScale_{i,j}$ :

the amount by which to scale the battery tax credits attributed to a vehicle model  $i$  during model year  $j$ , where the tax scale is defined from a consumer's perspective, while the inverse of the scale (i.e.,  $1-scale$ ) is defined from a manufacturer's perspective;

$TaxCredits_{Total}$ :

the cumulative value of additional vehicle and battery tax credits resulting from application of a candidate technology evaluated on a group of selected vehicle models.

In Equation (57), the amounts of vehicle tax credits ( $TaxCredit_{i,j}$  and  $TaxCredit'_{i,j}$ ) and battery tax credits ( $BatCredit_{i,j}$  and  $BatCredit'_{i,j}$ ) are defined in the scenario definition for each model year, based on a specific hybrid/electric technology being used on each vehicle model. As described in Appendix A.4 below, the scenario definition provides different tax credit assumptions as applicable to each type of hybrid/electric vehicle. Furthermore, the modeling system may be optionally configured to consider these tax credit provisions for individual MYs by setting the *Apply Tax Credits* (for the vehicle tax credit component) and *Apply Battery Tax Credits* (for the battery tax credit component) settings to **TRUE** in each of the scenario definitions. If either of these settings are disabled (left blank or set to **FALSE**), the CAFE Model will not consider the associated tax credit component during the effective cost calculation.<sup>55</sup> If, however, both of these settings are disabled, the result of the calculation for  $TaxCredits_{Total}$  from Equation (57) will be zero.

When calculating the vehicle tax credit components ( $TaxCredit_{i,j}$  and  $TaxCredit'_{i,j}$ ), the modeling system also accounts for the MSRP cap, which limits the eligibility of vehicles that qualify for the consumer tax incentive. If the MSRP of a specific vehicle during a given MY is above the predetermined cap, that vehicle will be considered ineligible to receive the tax incentive, with the system computing the associated vehicle tax credit value as zero.<sup>56</sup> When calculating the

---

<sup>55</sup> For example, if *Apply Tax Credits* is set to **FALSE** for a given scenario and model year, the system will assume that the additional vehicle tax credits are zero for the purposes of effective cost calculation in the affected scenario and model year combination.

<sup>56</sup> Currently, the CAFE Model applies an MSRP cap of \$80,000 for SUVs, vans, pickups, and HDPUVs, and a cap of \$55,000 for passenger automobiles starting in MY 2023.

effective cost of a candidate technology for a subset of vehicle models, the MSRP cap will be evaluated on each vehicle prior to and immediately following the application of the given technology, taking into account any differences in costs resulting from that technology. Consequently, it is possible that, by incurring additional costs and raising its MSRP above the accompanying cap, a given vehicle model may lose the consumer tax incentive that was ascribed to that vehicle prior to application of a specific candidate technology.<sup>57</sup>

The value for the fuel savings,  $FuelSavings_{Total}$ , in Equation (56), is calculated by taking the difference between the fuel cost attributed to each vehicle model immediately before and after application of the candidate technology, aggregated across all vehicle models as follows:<sup>58</sup>

$$FuelSavings_{Total} = \sum_{i \in V} \left( \sum_{j=BaseMY}^{MY} ((FuelCost_{i,j} - FuelCost'_{i,j}) \times Sales_{i,j}) \right) \quad (58)$$

Where:

$V$ ,  $BaseMY$ ,  $MY$ :

variables as defined in Equation (56) above;

$Sales_{i,j}$ :

the sales volume of a vehicle model  $i$  during model year  $j$ ;

$FuelCost_{i,j}$ :

the “fuel cost” for a vehicle model  $i$  during model year  $j$ , before application of a candidate technology;

$FuelCost'_{i,j}$ :

the “fuel cost” for a vehicle model  $i$  during model year  $j$ , after application of a candidate technology; and

$FuelSavings_{Total}$ :

the value of the reduction in fuel consumption (or fuel savings) resulting from application of a candidate technology aggregated for a subset of selected vehicle models.

In Equation (58), the  $FuelCost_{i,j}$  and  $FuelCost'_{i,j}$  values refer to an assumed cost a typical vehicle purchaser expects to spend on refueling a new vehicle model over a specific number of years, which is defined from the manufacturer’s perspective in the input fleet as the “payback period.” In each case, the fuel cost is given by the following equation:

---

<sup>57</sup> Note that the candidate technology in this case does not necessarily need to be one of the hybrid/electric vehicle technologies. For example, consider a pickup that starts as a BEV with a MSRP of \$79,900. If the CAFE Model is evaluating a body-level technology (e.g., AERO20) that has an additional cost of \$200, application of that technology will result in the vehicle’s new MSRP becoming \$80,100. This places the vehicle above the \$80,000 cap for pickups, and results in the vehicle losing its consumer tax incentive.

<sup>58</sup> This is not necessarily the actual value of the fuel savings, but rather the increase in vehicle price a manufacturer is assumed to expect to be able to impose without losing sales.

$$FuelCost_{veh,MY} = \sum_{FT} \left( \sum_{a=0}^{PB} \left( \frac{VMT_{veh,a} \times FS_{veh,FT} \times Price_{FT,MY}}{(1 - GAP_{FT}) \times FE_{veh,FT}} \right) \right) \quad (59)$$

Where:

*veh*: the vehicle for which to calculate the fuel cost;

*MY*: the MY being evaluated for compliance;

*FT*: the fuel type the vehicle operates on (refer to Table 1 above for fuel types supported by the model);

*PB*: a “payback period,” or number of years in the future the consumer is assumed to take into account when considering fuel savings;

*VMT<sub>veh,a</sub>*:

the average number of miles driven in a year by a vehicle at a given age *a*;

*Price<sub>FT,MY</sub>*:

the price of the specific fuel type in model year *MY*;

*GAP<sub>FT</sub>*:

the relative difference between on-road and laboratory fuel economy for a specific fuel type;

*FS<sub>veh,FT</sub>*:

the percent share of miles driven by a vehicle when operating on fuel type *FT*;

*FE<sub>veh,FT</sub>*:

the fuel economy rating of the vehicle when operating on fuel type *FT*, excluding any credits, adjustments, and the petroleum equivalence factors; and

*FuelCost<sub>veh,MY</sub>*:

the fuel cost attributed to a vehicle during model year *MY*.

As discussed in Section A.3 of Appendix A, *VMT<sub>veh,a</sub>*, *Price<sub>FT,MY</sub>*, and *GAP<sub>FT</sub>* are all specified in the parameters input file, while the value for *PB* is specified in the market data input file (see Section A.1.1 in Appendix A). For electricity, hydrogen, and CNG fuel types, the price of fuel is specified in either \$/kWh or \$/scf, as appropriate. For use with the equation above, however, the prices of these fuel types are converted to gasoline gallon equivalent (GGE) by multiplying the input price value by the ratio of the energy densities between gasoline and that of the affected fuel type.

Since the CO<sub>2</sub> program does not allow the use of civil penalties to offset a manufacturer’s compliance shortfall, the  $\Delta Fines$  component in Equation (55) above is only applicable when evaluating compliance with the CAFE program. When the CAFE Model is configured to evaluate CO<sub>2</sub> compliance, the  $\Delta Fines$  value is interpreted as zero by the system. However, in the case of the CAFE program, or when the modeling system is configured to seek compliance with both programs simultaneously, this value represents the change in CAFE civil penalties (or fines), aggregated for each affected regulatory class, corresponding to the subset of vehicles

selected by the compliance simulation algorithm. The calculation for this change in fines is defined as follows:

$$\Delta Fines = \sum_{RC \in V} (Fines_{RC,MY} - Fines'_{RC,MY}) \quad (60)$$

Where:

$V, MY$ : variables as defined in Equation (56) above;

$RC$ : the regulatory class obtained from a subset of vehicle models selected for evaluation;

$Fines_{RC,j}$ :

the fines owed by a manufacturer in regulatory class  $RC$  during model year  $MY$ , before application of a candidate technology;

$Fines'_{RC,j}$ :

the fines owed by a manufacturer in regulatory class  $RC$  during model year  $MY$ , after application of a candidate technology; and

$\Delta Fines$ :

the change in manufacturer's fines during model year  $MY$ , resulting from application of a candidate technology on a subset of selected vehicles.

In the above equation, the fines owed (before and after application of technologies) are calculated as defined by Equation (41) in Section S5.1.4.

The last component of the effective cost calculation,  $\Delta ComplianceCredits$ , varies depending on the compliance program being evaluated by the modeling system. When the system is configured to evaluate compliance with the CAFE program or CAFE and CO<sub>2</sub> programs simultaneously, this value represents the change in CAFE credits, denominated in thousands of gallons, aggregated for each affected regulatory class, corresponding to the subset of vehicles selected by the compliance simulation algorithm. This calculation is then defined by the following:

$$\Delta CreditsKGal = \sum_{RC \in V} (CreditsKGal'_{RC,MY} - CreditsKGal_{RC,MY}) \quad (61)$$

Where:

$V, MY$ : variables as defined in Equation (56) above;

$RC$ : the regulatory class obtained from a subset of vehicle models selected for evaluation;

$CreditsKGal_{RC,MY}$ :

the credits earned by a manufacturer in regulatory class  $RC$  during model year  $MY$ , before application of a candidate technology;

$CreditsKGal'_{RC,MY}$ :

the credits earned by a manufacturer in regulatory class  $RC$  during model year  $MY$ , after application of a candidate technology; and

$\Delta Credits_{KGal}$ :

the change in manufacturer's credits earned during model year  $MY$ , resulting from application of a candidate technology on a subset of selected vehicles.

In the above equation, credits earned (before and after application of technologies) are calculated as defined by Equation (39) in Section S5.1.4.

When the model is evaluating the CO<sub>2</sub> compliance program (by itself),  $\Delta ComplianceCredits$  from Equation (55) specifies the change in the CO<sub>2</sub> credits, aggregated for each affected regulatory class, and is calculated as follows:

$$\Delta CO_2Credits = \sum_{RC \in V} (CO_2Credits'_{RC,MY} - CO_2Credits_{RC,MY}) \quad (62)$$

Where:

$V, MY$ : variables as defined in Equation (56) above;

$RC$ : the regulatory class obtained from a subset of vehicles selected for evaluation;

$CO_2Credits_{RC,MY}$ :

the CO<sub>2</sub> credits earned by a manufacturer in regulatory class  $RC$  during model year  $MY$ , before application of a candidate technology;

$CO_2Credits'_{RC,MY}$ :

the CO<sub>2</sub> credits earned by a manufacturer in regulatory class  $RC$  during model year  $MY$ , after application of a candidate technology; and

$\Delta CO_2Credits$ :

the change in manufacturer's CO<sub>2</sub> credits earned during model year  $MY$ , resulting from application of a candidate technology on a subset of selected vehicles.

In the above equation, the CO<sub>2</sub> credits earned (before and after application of technologies) are calculated as defined by Equation (52) in Section S5.2.4.

#### **S5.4 Cost of Compliance**

Upon completing compliance simulation for a given manufacturer, the CAFE Model computes a number of compliance-related cost metrics for each vehicle model produced by the manufacturer, as well as the aggregate costs for the manufacturer as a whole. The various compliance costs are calculated based on each vehicle's accrued technology cost (resulting from application of additional technology), the manufacturer's civil penalties (resulting from noncompliance), and any adjustments associated with improvements in air conditioning efficiency or leakage, or other off-cycle technology credits claimed by the manufacturer toward compliance (subject to the maximum cap defined by the compliance program being evaluated). For each vehicle, the system calculates and reports the "total" technology cost, which is comprised of the cost of credits and adjustments added to the technology cost accrued by the vehicle. The system calculates the estimated price increases, which further includes the manufacturer's civil penalties (if applicable). For the manufacturer's cost of compliance, the system then proceeds to accumulate the individual vehicle-level costs by regulatory class.

For each vehicle model produced and sold by a manufacturer, the total vehicle-level technology cost is computed as shown in the following equation:

$$TechCost'_{veh} = TechCost_{veh} + ACEffCost_{veh} + ACLeakageCost_{veh} + OffCycleCost_{veh} \quad (63)$$

Where:

*TechCost<sub>veh</sub>*:

the technology cost accumulated by a vehicle model, *veh*, from application of additional technology, as described in Section S4.7 above;

*ACEffCost<sub>veh</sub>*:

the cost attributed to a vehicle model, *veh*, associated with the AC efficiency adjustments that a manufacturer claimed toward compliance with either NHTSA's CAFE or CO<sub>2</sub> standards;

*ACLeakageCost<sub>veh</sub>*:

the cost attributed to a vehicle model, *veh*, associated with the AC leakage adjustments that a manufacturer claimed toward compliance with CO<sub>2</sub> standards;

*OffCycleCost<sub>veh</sub>*:

the cost attributed to a vehicle model, *veh*, associated with the off-cycle credits that a manufacturer claimed toward compliance with either NHTSA's CAFE or CO<sub>2</sub> standards; and

*TechCost'<sub>veh</sub>*:

the total technology cost attributed to a vehicle model, *veh*, from application of additional technology and manufacturer's credits and adjustments.

In Equation (63), the vehicle costs associated with the AC efficiency adjustments, AC leakage adjustments, and off-cycle credits are computed based on the specific adjustment or credit value that a manufacturer has accumulated, capped by the maximum allowable amount for that credit or adjustment. These values are calculated according to the following three equations:

$$ACEffCost_{veh} = \left( \begin{array}{l} \min(ACEffAdj_{RC}, ACEffCap_{RC}) \\ - \min(ACEffAdj_{RC, MinMY}, ACEffCap_{RC, MinMY}) \end{array} \right) \times ACEffCost_{RC} \quad (64)$$

Where:

*RC*: the regulatory class of a vehicle model *veh*;

*MinMY*:

the minimum (or first) MY evaluated during the study period;

*ACEffAdj<sub>RC</sub>*:

the amount of AC efficiency adjustments, specified in grams per mile of CO<sub>2</sub>, a manufacturer has accumulated toward compliance with either the CAFE or CO<sub>2</sub> standard in regulatory class *RC*;

*ACEffCap<sub>RC</sub>*:



the maximum amount of AC efficiency adjustments, specified in grams per mile of CO<sub>2</sub>, a manufacturer may claim toward compliance with either the CAFE or CO<sub>2</sub> standard in regulatory class  $RC$ , using either a non-BEV or a BEV cap as appropriate for a vehicle  $veh$ ;

$ACEffAdj_{RC,MinMY}$ :

the amount of AC efficiency adjustments, specified in grams per mile of CO<sub>2</sub>, a manufacturer has accumulated toward compliance with either the CAFE or CO<sub>2</sub> standard in regulatory class  $RC$ , during the first model year ( $MinMY$ ) evaluated during the study period;

$ACEffCap_{RC,MinMY}$ :

the maximum amount of AC efficiency adjustments, specified in grams per mile of CO<sub>2</sub>, a manufacturer may claim toward compliance with either the CAFE or CO<sub>2</sub> standard in regulatory class  $RC$ , during the first model year ( $MinMY$ ) evaluated during the study period, using either a non-BEV or a BEV cap as appropriate for a vehicle  $veh$ ;

$ACEffCost_{RC}$ :

the estimated cost of each AC efficiency adjustment, specified in \$/grams per mile of CO<sub>2</sub>; and

$ACEffCost_{veh}$ :

the resulting cost attributed to a vehicle model,  $veh$ , associated with the AC efficiency adjustments that a manufacturer claimed toward compliance with either NHTSA's CAFE or CO<sub>2</sub> standards.

$$\begin{aligned}
 ACLeakageCost_{veh} &= \left( \min(ACLeakageAdj_{RC}, ACLeakageCap_{RC}) \right. \\
 &\quad \left. - \min(ACLeakageAdj_{RC,MinMY}, ACLeakageCap_{RC,MinMY}) \right) \\
 &\quad \times ACLeakageCost_{RC}
 \end{aligned} \tag{65}$$

Where:

$RC$ : the regulatory class of a vehicle model  $veh$ ;

$MinMY$ :

the minimum (or first) MY evaluated during the study period;

$ACLeakageAdj_{RC}$ :

the amount of AC leakage adjustments, specified in grams per mile of CO<sub>2</sub>, a manufacturer has accumulated toward compliance with the CO<sub>2</sub> standard in regulatory class  $RC$ ;

$ACLeakageCap_{RC}$ :

the maximum amount of AC leakage adjustments, specified in grams per mile of CO<sub>2</sub>, a manufacturer may claim toward compliance with the CO<sub>2</sub> standard in regulatory class  $RC$ , using either a non-BEV or a BEV cap as appropriate for a vehicle  $veh$ ;

$ACLeakageAdj_{RC,MinMY}$ :

the amount of AC leakage adjustments, specified in grams per mile of CO<sub>2</sub>, a manufacturer has accumulated toward compliance with the CO<sub>2</sub> standard in regulatory class  $RC$ , during the first model year ( $MinMY$ ) evaluated during the study period;

$ACLeakageCap_{RC,MinMY}$ :

the maximum amount of AC leakage adjustments, specified in grams per mile of CO<sub>2</sub>, a manufacturer may claim toward compliance with the CO<sub>2</sub> standard in regulatory class  $RC$ , during the first model year ( $MinMY$ ) evaluated during the study period, using either a non-BEV or a BEV cap as appropriate for a vehicle  $veh$ ;

$ACLeakageCost_{RC}$ :

the estimated cost of each AC leakage adjustment, specified in \$/grams per mile of CO<sub>2</sub>; and

$ACLeakageCost_{veh}$ :

the resulting cost attributed to a vehicle model,  $veh$ , associated with the AC leakage adjustments that a manufacturer claimed toward compliance with CO<sub>2</sub> standards.

$$\begin{aligned} OffCycleCost_{veh} &= \left( \begin{array}{l} \min(OffCycleCredits_{RC}, OffCycleCap_{RC}) \\ - \min(OffCycleCredits_{RC,MinMY}, OffCycleCap_{RC,MinMY}) \end{array} \right) \quad (66) \\ &\times OffCycleCost_{RC} \end{aligned}$$

Where:

$RC$ : the regulatory class of a vehicle model  $veh$ ;

$MinMY$ :

the minimum (or first) MY evaluated during the study period;

$OffCycleCredits_{RC}$ :

the amount of off-cycle credits, specified in grams per mile of CO<sub>2</sub>, a manufacturer has accumulated toward compliance with either the CAFE or CO<sub>2</sub> standard in regulatory class  $RC$ ;

*OffCycleCap<sub>RC</sub>*:

the maximum amount of off-cycle credits, specified in grams per mile of CO<sub>2</sub>, a manufacturer may claim toward compliance with either the CAFE or CO<sub>2</sub> standard in regulatory class *RC*, using either a non-BEV or a BEV cap as appropriate for a vehicle *veh*;

*OffCycleCredits<sub>RC,MinMY</sub>*:

the amount of off-cycle credits, specified in grams per mile of CO<sub>2</sub>, a manufacturer has accumulated toward compliance with either the CAFE or CO<sub>2</sub> standard in regulatory class *RC*, during the first model year (*MinMY*) evaluated during the study period;

*OffCycleCap<sub>RC,MinMY</sub>*:

the maximum amount of off-cycle credits, specified in grams per mile of CO<sub>2</sub>, a manufacturer may claim toward compliance with either the CAFE or CO<sub>2</sub> standard in regulatory class *RC*, during the first model year (*MinMY*) evaluated during the study period, using either a non-BEV or a BEV cap as appropriate for a vehicle *veh*;

*OffCycleCost<sub>RC</sub>*:

the estimated cost of each off-cycle credit, specified in \$/grams per mile of CO<sub>2</sub>; and

*OffCycleCost<sub>veh</sub>*:

the resulting cost attributed to a vehicle model, *veh*, associated with the off-cycle credits that a manufacturer claimed toward compliance with either NHTSA's CAFE or CO<sub>2</sub> standards.

In the three equations above [(64), (65), and (66)], the various “cap” and “cost” variables are specified in the scenario definition for each regulatory class, while the AC adjustment and off-cycle credit variables are specified in the input fleet for each manufacturer, in each regulatory class. Since the manufacturers may not claim AC leakage adjustments when complying with the CAFE standards, the associated terms for AC leakage are not applicable during calculation of the total vehicle technology cost when the system is configured to evaluate the CAFE compliance program by itself. When the modeling system is configured to simultaneously evaluate both compliance programs (CAFE and CO<sub>2</sub>), all AC and off-cycle caps are applicable based on whichever is the maximum between the two. Furthermore, when the modeling system is configured to apply a cap to the costs<sup>59</sup> of the AC adjustments and off-cycle credits (via a runtime setting), the individual AC adjustment and off-cycle cost variables are prevented from decreasing below zero, with Equations (64), (65), and (66) being modified as in the following:

---

<sup>59</sup> Not to be confused with the cap applied to the actual AC adjustment and off-cycle credit value.

$$\begin{aligned}
ACEffCost_{veh} &= \max \left( 0, \left( \frac{\min(ACEffAdj_{RC}, ACEffCap_{RC})}{-\min(ACEffAdj_{RC,MinMY}, ACEffCap_{RC,MinMY})} \right) \right. \\
&\quad \left. \times ACEffCost_{RC} \right) \quad (67)
\end{aligned}$$

$$\begin{aligned}
ACLeakageCost_{veh} &= \max \left( 0, \left( \frac{\min(ACLeakageAdj_{RC}, ACLeakageCap_{RC})}{-\min(ACLeakageAdj_{RC,MinMY}, ACLeakageCap_{RC,MinMY})} \right) \right. \\
&\quad \left. \times ACLeakageCost_{RC} \right) \quad (68)
\end{aligned}$$

$$\begin{aligned}
OffCycleCost_{veh} &= \max \left( 0, \left( \frac{\min(OffCycleCredits_{RC}, OffCycleCap_{RC})}{-\min(OffCycleCredits_{RC,MinMY}, OffCycleCap_{RC,MinMY})} \right) \right. \\
&\quad \left. \times OffCycleCost_{RC} \right) \quad (69)
\end{aligned}$$

Afterwards, the manufacturer's total technology cost is computed as simply the sales-weighted sum of individual vehicle costs, aggregated for each regulatory class. Likewise, the manufacturer's costs attributed to AC efficiency and leakage adjustments, and to off-cycle credits are computed by aggregating the vehicle specific values, for each regulatory class, based on the sales-weighted sum of the individual costs. For example, for the total manufacturer's technology costs, this aggregation is performed as follows:

$$TechCost_{mfr,RC} = \sum_{i \in V_{RC}} (Sales_i \times TechCost'_i) \quad (70)$$

Where:

$V_{RC}$ : a vector containing all vehicle models in regulatory class  $RC$ ;

$Sales_i$ : the sales volume for a vehicle model  $i$ ;

$TechCost'_i$ :

the total technology cost accumulated by a vehicle model  $i$  from application of additional technology and manufacturer's credits and adjustments, as defined by Equation (63); and

$TechCost_{mfr,RC}$ :

the total technology cost attributed to a manufacturer,  $mfr$ , from application of additional technology, in regulatory class  $RC$ .

### S5.4.1 Regulatory Costs

Once the final vehicle technology costs are determined, the system proceeds to calculate the estimated price increases for each vehicle model. The individual vehicle's price increases are then aggregated for each manufacturer, per each regulatory class, signifying that manufacturer's overall cost of compliance, or its regulatory cost. Since fine payment is not allowed under the CO<sub>2</sub> program, when the modeling system is configured to comply with CO<sub>2</sub> standards, the price increases attributed to individual vehicles are simply defined as the technology costs accumulated on those vehicles. When evaluating compliance with the CAFE program (or CAFE and CO<sub>2</sub> concurrently), however, the system apportions the total fines owed by a manufacturer (combined from all regulatory classes in a specific fleet) to each individual vehicle model, based on the relative fuel economy shortfall attributed to each affected vehicle with respect to a manufacturer's standard. The system performs this allocation of fines separately for the light-duty and the HDPUV fleets. In the case of the light-duty fleet, the cumulative fines owed from the Domestic Car, the Imported Car, and the Light Truck regulatory classes are distributed over the entire fleet. For the HDPUV fleet, the fines accrued by the HDPUV regulatory class are spread across those vehicles. This is represented by the series of equations that follow.

First, the system computes the sales weighted *pseudo-fine*<sup>60</sup> associated with each vehicle model, for any vehicle where its fuel economy rating is lower than the manufacturer's standard, as follows:

$$PseudoFine_{veh} = \max(0, (STD_{RC} - FE'_{veh}) \times FineRate_{RC}) \quad (71)$$

Where:

$RC$ : the regulatory class of a vehicle model  $veh$ ;

$STD_{RC}$ : the standard attributable to a manufacturer in regulatory class  $RC$ ;

$FE'_{veh}$ : the average fuel economy rating of the vehicle, adjusted by the petroleum equivalence factor, as defined by Equation (27) above;

$FineRate_{RC}$ :

the fine rate, specified in dollars, to apply per one credit of shortfall; and

$PseudoFine_{veh}$ :

the resulting pseudo-fine for a vehicle model  $veh$ .

Afterwards, the associated pseudo-fine value for the manufacturer is aggregated from that of the individual vehicles, as:

$$PseudoFine_{mfr} = \sum_{i \in V} (PseudoFine_i \times Sales_i) \quad (72)$$

---

<sup>60</sup> The *pseudo-fine* is defined as a "proxy" for the portion of the overall civil penalties paid by the manufacturer that are attributed to a specific vehicle model due to noncompliance.

Where:

$V$ : a vector containing all vehicle models produced by a manufacturer;

$Sales_i$ : the sales volume for a vehicle model  $i$ ;

$PseudoFine_i$ :

the pseudo-fine for a vehicle model  $i$ ; and

$PseudoFine_{mfr}$ :

the resulting pseudo-fine for a manufacturer  $mfr$ .

From here, the model proceeds to compute the regulatory costs, or prices increases, for individual vehicle models, as specified by the following equation:

$$RegCost_{veh} = TechCost'_{veh} + PseudoFine_{veh} \times \frac{Fines_{mfr,C}}{PseudoFine_{mfr,C}} \quad (73)$$

Where:

$C$ : the category of a vehicle model  $veh$ , for which to compute the regulatory costs, which is taken from one of the following: the aggregate light-duty fleet or the HDPUV fleet;

$Fines_{mfr,C}$ :

the amount of CAFE civil penalties owed by a manufacturer  $mfr$ , in a given category  $C$ ;

$PseudoFine_{mfr,C}$ :

the pseudo-fine attributed to a manufacturer  $mfr$ , for a given category  $C$ ;

$PseudoFine_{veh}$ :

the pseudo-fine attributed to a vehicle model  $veh$ ;

$TechCost'_{veh}$ :

the total technology cost accumulated by a vehicle model  $veh$  from application of additional technology and manufacturer's credits and adjustments; and

$RegCost_{veh}$ :

the resulting regulatory cost, or price increase, for a vehicle model  $veh$ .

In the equation above, note that  $TechCost'_{veh}$  and  $RegCost_{veh}$  are both calculated and specified for a single vehicle unit (i.e., not cumulative total across all vehicle sales).

Lastly, the manufacturer's cost of compliance, in each regulatory class, is computed by summing across regulatory costs of individual vehicles, as follows:

$$RegCost_{mfr,RC} = \sum_{i \in V_{RC}} (RegCost_i \times Sales_i) \quad (74)$$

Where:

$V_{RC}$ : a vector containing all vehicle models in regulatory class  $RC$ ;

$Sales_i$ : the sales volume for a vehicle model  $i$ ;

$RegCost_i$ :

the regulatory cost, or price increase, for a vehicle model  $i$ ; and

$RegCost_{mfr,RC}$ :

the resulting regulatory cost, or cost of compliance, for a manufacturer  $mfr$ , in regulatory class  $RC$ .

### **S5.5 Federal Incentives for Hybrid/Electric Vehicles**

In addition to calculating the cost of compliance for each vehicle model and the manufacturer as a whole, the CAFE Model also computes the vehicle and battery tax credits (or, Federal Incentives) that are attributed to the use of the hybrid/electric technology on a vehicle. The system computes these incentives for any model that entered the analysis as a hybrid/electric vehicle (i.e., from the input fleet) or was converted to one by the compliance simulation algorithm. As with the compliance costs, the tax credits are first estimated at the vehicle level, then aggregated to the overall manufacturer.

As was described for the effective cost calculation in Section S5.3.2, the tax credit calculations are broken down into two components: (1) vehicle tax credits that represent consumer tax incentives associated with the purchase of a new vehicle, and (2) battery tax credits that are assumed to be passed through from a battery supplier to an automobile manufacturer. As discussed in Chapter 2.5.2 of the Final TSD the value of these credits is ultimately split between consumers and manufacturers. For the effective cost calculation, the value of the tax credits are computed from the manufacturer's perspective, while elsewhere in the CAFE Model they are calculated and reported from the consumer's perspective. Therefore, the vehicle tax credit component is the portion of tax incentives claimed by a consumer for purchasing a hybrid/electric vehicle, net of the portion of the credit that manufacturers claim through higher sticker prices, while the battery tax credit component is the portion of battery tax incentives that are assumed to be additionally passed through to a vehicle buyer from a manufacturer in the form of lower sticker prices. As noted previously, these tax credits are computed by the system for all vehicles that use any of the SHEV, PHEV, BEV, or FCV technologies.<sup>61</sup>

The inclusion and amounts of tax credits that may be attributed to a vehicle in a given MY are controlled by the appropriate settings in the scenario definition (refer to Appendix A.4 for more details). When the *Apply Tax Credits* (for the vehicle tax credit component) and *Apply Battery Tax Credits* (for the battery tax credit component) settings are set to **TRUE**, the CAFE Model would compute the accompanying tax incentive values for each affected vehicle model. In each case, the system would use a tax credit input that is relevant for the hybrid/electric technology

---

<sup>61</sup> However, the actual vehicle and battery tax credit amounts, their applicability during specific model years, as well as the proportions of credits claimed by manufacturers versus being passed through to the consumers are all user-defined inputs.

that is being used on a vehicle. Hence, the vehicle tax credits and battery tax credits for individual vehicle models are calculated as shown in the following two equations:

$$TaxCredits_{veh} = \begin{cases} TaxCredit_{veh} \times TaxScale, & MSRP_{veh} \leq MSRP_{veh}^{Cap} \\ 0, & MSRP_{veh} > MSRP_{veh}^{Cap} \end{cases} \quad (75)$$

$$BatCredits_{veh} = BatCapacity_{veh} \times BatCreditRate_{veh} \times BatScale \quad (76)$$

Where:

*TaxCredit<sub>veh</sub>*:

the amount of vehicle tax credits attributed to a vehicle model *veh*;

*TaxScale*:

the amount by which to scale the vehicle tax credits attributed to a vehicle model *veh*, where the tax scale is defined from a consumer's perspective;

*BatCapacity<sub>veh</sub>*:

the battery capacity, as defined by the Argonne simulation database in *kWh*, attributed to a vehicle model *veh*;

*BatCreditRate<sub>veh</sub>*:

the battery tax credit rate, in *\$/kWh*, attributed to a vehicle model *veh*;

*BatScale*:

the amount by which to scale the battery tax credits attributed to a vehicle model *veh*, where the tax scale is defined from a consumer's perspective;

*MSRP<sub>veh</sub>*:

the final manufacturer's suggested retail price for a vehicle model *veh*, accounting for price increases incurred on a vehicle due to application of additional technology;

*MSRP<sub>veh</sub><sup>Cap</sup>*:

the MSRP cap associated with a vehicle model *veh*, above which the vehicle may no longer claim vehicle tax credits; and

*TaxCredits<sub>veh</sub>*:

the resulting amount of vehicle tax credits claimed by a consumer for purchasing a vehicle model *veh*;

*BatCredits<sub>veh</sub>*:

the resulting amount of battery tax credits that are passed through to a consumer that purchases a vehicle model *veh*.

In the equation above, note that *TaxCredits<sub>veh</sub>*, *BatCredits<sub>veh</sub>*, and *MSRP<sub>veh</sub>* are calculated and specified for a single vehicle unit (i.e., not cumulative total across all vehicle sales). When computing vehicle tax credits, *TaxCredits<sub>veh</sub>*, the *MSRP<sub>veh</sub><sup>Cap</sup>* value applies starting in MY 2023



and is set to \$80,000 for SUVs, vans, pickups, and HDPUVs, and to \$55,000 for passenger automobiles.

From here, the vehicle and battery tax credit components are accumulated to the manufacturer, for each regulatory class, by summing across the individual vehicle models as shown in the following two equations:

$$TaxCredits_{mfr,RC} = \sum_{i \in V_{RC}} (TaxCredits_i \times Sales_i) \quad (77)$$

$$BatCredits_{mfr,RC} = \sum_{i \in V_{RC}} (BatCredits_i \times Sales_i) \quad (78)$$

Where:

$V_{RC}$ : a vector containing all vehicle models in regulatory class  $RC$ ;

$Sales_i$ : the sales volume for a vehicle model  $i$ ;

$TaxCredits_i$ :

the amount of vehicle tax credits claimed by a consumer for purchasing a vehicle model  $i$ ;

$BatCredits_i$ :

the amount of battery tax credits that are passed through to a consumer that purchases a vehicle model  $i$ ; and

$TaxCredits_{mfr,RC}$ :

the resulting total amount of vehicle tax credits claimed by the consumers for purchasing hybrid/electric vehicles produced by a manufacturer  $mfr$ , in regulatory class  $RC$ ;

$BatCredits_{mfr,RC}$ :

the resulting total amount of battery tax credits that are passed through to the consumers that purchase hybrid/electric vehicles produced by a manufacturer  $mfr$ , in regulatory class  $RC$ .

### **S5.6 Hybrid/Electric “Burden” Cost**

At the conclusion of each MY, the CAFE Model calculates several supplemental cost values, including the “burden” cost attributed to each vehicle model as a result of applying any hybrid/electric technology (i.e., any SHEV, PHEV, BEV, or FCV technology) – that is, the cost borne by the manufacturer and not modeled as being recovered from vehicle buyers. For each vehicle, the system begins by computing the costs of: (1) the hybrid/electric component of a vehicle, (2) the vehicle and battery tax credits associated with a purchase of a new hybrid/electric vehicle, and (3) the consumer’s willingness to pay for a hybrid/electric vehicle. From there, the technology burden cost associated with a vehicle model due to the presence of a hybrid/electric powertrain is computed as the difference between the cost of an HEV technology, and the sum of the tax credits and consumer’s willingness to pay for an HEV. Afterwards, each of the

aforementioned cost values are aggregated to the manufacturer (by regulatory class), denoting, for example, the total burden cost incurred by a given fleet for upgrading to a hybrid/electric powertrain, in part or in full.

The cost values outlined here are only applicable to vehicles that end the simulation during a given year with some form of a hybrid/electric technology. Furthermore, these values represent the incremental costs attributed to the HEV technology used on a vehicle at the end of analysis of a specific MY, as compared to the HEV technology (if any) that was in use on the same vehicle at the start of modeling. As such, the associated costs are computed by the system on an incremental basis as well. Consequently, if a vehicle model begins and ends simulation of a given MY without a hybridized powertrain, the costs noted above, including the burden cost, will all be zero during that year.

Since the battery cost of an HEV technology differs based on the configuration of the vehicle, and since the intention is to isolate the added cost associated with hybridization, the system computes the incremental cost of the hybrid/electric powertrain present on a vehicle with respect to the final technology configuration of that vehicle during a specific MY, but substituting the initial HEV technology as appropriate. For example, if a vehicle enters the CAFE Model with the following technology configuration: SHEVPS;ROLL10;AERO10;MR0, but is later upgraded to: BEV2;ROLL20;AERO20;MR0, the incremental cost attributed to HEV technology would be the difference between the BEV2;ROLL20;AERO20;MR0 and SHEVPS;ROLL20;AERO20;MR0 states. Likewise, if a vehicle's initial state includes some hybrid/electric technology (e.g., SHEVPS) and it concludes simulation during a given year with the same HEV technology, that vehicle will not incur any additional tax credits or consumer's willingness to pay costs, but the HEV technology and burden costs will be a reflection of the small difference attributed to changes in the cost of the hybrid battery (if any).

For each vehicle model produced and sold by a manufacturer, the burden cost associated with application of hybrid/electric technology on vehicle is calculated as follows:

$$TechBurden_{veh} = \left( \begin{array}{l} \Delta HEV Cost_{veh} - \Delta TaxCredits_{veh} \\ -\Delta BatCredits_{veh} - \Delta ConsumerWTP_{veh} \end{array} \right) \quad (79)$$

Where:

$\Delta HEV Cost_{veh}$ :

the change in cost associated with the hybrid/electric powertrain of a vehicle model *veh*;

$\Delta TaxCredits_{veh}$ :

the change in vehicle tax credits claimed by a consumer for purchasing a vehicle model *veh* with an upgraded hybrid/electric powertrain;

$\Delta BatCredits_{veh}$ :

the change in battery tax credits that are passed through to a consumer that purchases a vehicle model *veh* with an upgraded hybrid/electric powertrain;

$\Delta ConsumerWTP_{veh}$ :

the change in cost that consumers are willing to pay for a vehicle model *veh* with an upgraded hybrid/electric powertrain; and

$\Delta TechBurden_{veh}$ :

the resulting technology burden cost associated with application of hybrid/electric technology on a vehicle model *veh*.

In the equation above, the  $\Delta TaxCredits_{veh}$ ,  $\Delta BatCredits_{veh}$ , and  $\Delta ConsumerWTP_{veh}$  are computed as the differences between the associated cost values based on the HEV technology in use on a vehicle at the end of the MY, and the one (if any) that was used on a vehicle prior to start of analysis. If the vehicle initially used a conventional powertrain, the tax credits and consumer's willingness to pay, after upgrading to an HEV, will consist of the full value applicable to the technology. The inputs for each of these values are defined, per technology, in the scenarios and the technologies input files, with the calculations of the tax credits (for a given vehicle state) being presented by Equations (75) and (76).

The  $\Delta HEV Cost_{MY}$  value in Equation (79) is computed as the difference of the base HEV technology costs (defined in the technologies input file), plus the incremental battery cost, between the *new* HEV technology used on a vehicle and the *initial* HEV technology that the vehicle had at the start of the analysis. The calculation of  $\Delta HEV Cost_{MY}$  is, hence, given by the following equation:

$$\Delta HEV Cost_{veh} = \left( \begin{array}{l} (Cost_{veh,NewHEV}^{Veh} + Cost_{veh,NewHEV}^{Eng}) \\ -(Cost_{veh,InitHEV}^{Veh} + Cost_{veh,InitHEV}^{Eng}) \end{array} \right) + BatteryCost_{MY} \quad (80)$$

Where:

$Cost_{veh,NewHEV}^{Veh}$ :

the base cost of non-engine components attributed to the new HEV technology found on a vehicle model *veh* at the end of a specific MY;

$Cost_{veh,NewHEV}^{Eng}$ :

the base cost of engine-specific components attributed to the new HEV technology found on a vehicle model *veh* at the end of a specific MY;

$Cost_{veh,InitHEV}^{Veh}$ :

the base cost of non-engine components attributed to the HEV technology that was initially in use on a vehicle model *veh* at the start of analysis, or zero, if the vehicle did not have any HEV technology present;

$Cost_{veh,InitHEV}^{Eng}$ :

the base cost of engine-specific components attributed to the HEV technology that was initially in use on a vehicle model *veh* at the start of analysis, or zero, if the vehicle did not have any HEV technology present;

$BatteryCost_{veh}$ :

the incremental battery cost associated with application of a new HEV technology on a vehicle model *veh*; and

$\Delta HEVCost_{MY}$ :

the resultant change in cost associated with the hybrid/electric powertrain of a vehicle model *veh* at the end of a specific MY.

The incremental battery cost in the above equation,  $BatteryCost_{veh}$ , is calculated as demonstrated by Equation (12) in Section S4.7.1. However, when using Equation (12) for calculation of incremental HEV costs, the “New” technology state corresponds to the final configuration of the vehicle, while the “Prev” technology state is a combination of the previously used HEV technology (if applicable), but using the final non-HEV technology configuration of the same vehicle (as demonstrated in the example above).

After the technology burden and the rest of the cost “deltas” are computed for each vehicle model, those values are also accumulated to the manufacturer for each regulatory class. For each value, the calculations remain the same, regardless of the cost that is being computed. For example, the technology burden cost from Equation (79) is aggregated to the manufacturer as in the following:

$$TechBurden_{mfr,RC} = \sum_{i \in V_{RC}} (TechBurden_i \times Sales_i) \quad (81)$$

Where:

$V_{RC}$ : a vector containing all vehicle models in regulatory class *RC*;

$Sales_i$ : the sales volume for a vehicle model *i*;

$TechBurden_i$ :

the technology burden cost associated with application of hybrid/electric technology on a vehicle model *i*; and

$TechBurden_{mfr,RC}$ :

the resulting total technology burden cost associated with the cumulative applications of hybrid/electric technology on vehicle models produced by a manufacturer *mfr*, in regulatory class *RC*.

## **S5.7 Dynamic Fleet Share and Sales Response**

When evaluating a manufacturer’s fleet for compliance, the CAFE Model may be configured to rely on a user-supplied static fleet forecast, which may be based on a combination of manufacturer compliance data, public data sources, and proprietary forecasts. In such a case, the modeling system uses predefined sales volumes for each vehicle model available in the input fleet, carrying forward the same volumes for each MY analyzed during the study period. During analysis, any increases in vehicle costs, and associated fuel economy levels, resulting from technology application will not yield changes in the volume or mix of vehicles available for sale. Hence, the model assumes that there is no associated growth in vehicles’ sales volumes between MYs.

As an alternative to the static forecast, users may elect to use the Dynamic Fleet Share and Sales Response model (or, DFS/SR model), by enabling the “Dynamic Economic Modeling” option in the CAFE Model’s user interface. When this option is enabled, the DFS/SR model may be

configured to dynamically adjust the fleet forecast during modeling for each analysis year by controlling for the annual growth of the total vehicle sales, the changes in fleet composition (i.e., mix or share of passenger cars vs light trucks), or a combination of sales growth and fleet share.<sup>62</sup> The purpose of the Sales Response component of the DFS/SR model is to allow the CAFE Model to estimate new vehicle sales in a given future MY, by accounting for the impact of a regulatory scenario's stringency on new vehicle prices and associated fuel savings. The Dynamic Fleet Share (DFS) component may further modify the share of passenger cars and light trucks with respect to the overall light-duty vehicle market, in view of the changes to the vehicles' curb weights, fuel economy ratings, and regulatory costs resulting from application of additional technologies. Note, however, that at present the CAFE Model does not simulate fleet share adjustments between the light-duty and the HDPUV vehicle fleets.

Considering that the attributed-based standards defined for the CAFE and CO<sub>2</sub> compliance programs used in the modeling system rely upon a fixed forecast, the DFS/SR model needs to calculate the new vehicle sales for any future MY prior to performing compliance calculations on that year. Furthermore, as the modeling system progresses through the individual years, multiyear planning feature integrated into the system may necessitate application of additional technologies in one or more of the preceding years, thereby changing the achieved CAFE and CO<sub>2</sub> ratings, as well as potentially increasing the cost of compliance during those years. This, in turn, would require the recalculation of the forecast for the affected MYs to accurately reflect the impact of changing vehicle costs and fuel economies on the new vehicle sales. Thus, when the DFS/SR model is used, after completing analysis for all MYs available during the study period, the system forecasts the pending new sales volumes of all vehicles defined in the input fleet for each MY evaluated. The model achieves this by calculating the new total vehicles sales (via the Sales Response portion of the DFS/SR model), computing the shares of the passenger car and light-truck fleets (using the DFS component of the model), keeping the HDPUV fleet shares fixed, then combining these results to produce the updated vehicle fleet. Since the system executes the DFS/SR model after evaluation of all MYs, the pending new forecast (for each year) must be fed back into the system for another pass through the compliance simulation algorithm. In order to achieve a stable solution, several passes (or iterations) are required, where at the conclusion of each iteration, the DFS/SR model recalculates a new forecast, which is then available for use during the next iteration. This procedure is generally shown by the diagram shown in Figure 7, at the opening of Section 5, above.

Since the first MY available in the study period is considered to define the production year of the vehicles being simulated, where the vehicle configurations and sales forecast are predetermined, the system is typically configured to not impose application of additional fuel-improving technologies during analysis of that year. So, the DFS/SR model assumes that no action is taken for the first year of simulation, or that any such action will be inconsequential. Therefore, the DFS/SR model only begins computing new vehicle sales starting with the MY after the first.

The CAFE Model provides options for dynamically adjusting the vehicle sales forecasts in each future MY evaluated during the study period. However, the specifics for some of the options may differ depending on whether the system is evaluating the baseline scenario or the action alternatives (i.e., alternative scenarios). For the baseline scenario, the modeling system begins by

---

<sup>62</sup> Refer to the CAFE Model's software manual (available from the model's Help menu and in Appendix C below) for instruction on how to toggle the "dynamic economic modeling" and related options.

estimating a “nominal forecast,” from where it proceeds to compute the passenger car and light-truck shares. When evaluating the action alternatives, the system uses the nominal forecast (obtained during the estimation of the baseline) to optionally compute relative changes in new vehicle sales, based on the relative variances in costs and fuel economies projected for the different scenarios. Afterwards, the car and truck shares are estimated by either using the same methodology as in the baseline, or by adjusting the alternative scenario fleet shares with reference to those obtained in the baseline. The sections that follow describe the various available options and the application of the DFS/SR model to the baseline scenario and the action alternatives.

### S5.7.1 Sales Estimators in the Baseline Scenario

When analyzing the baseline scenario, the CAFE Model begins the process of adjusting the vehicle sales volumes by using the Sales Response portion of the DFS/SR model to establish a reference forecast for each MY. The reference sales forecast produces the same outcome for any given year, irrespective of the standards defined by the baseline scenario (though the sales volumes may still change between MYs). As such, the calculation of the sales forecast in the baseline does not depend on the changing vehicle prices or fuel consumption improvements.

The system defines three methods for estimating a reference forecast in the baseline scenario: (1) a “fixed” forecast, which projects a constant light-duty and HDPUV sales forecast into each future MY, based on the initial sales volumes obtained from the market-data input file; (2) a user-defined annual forecast of sales, which employs the total light-duty and HDPUV sales volumes specified in the parameters input file for each future MY evaluated during the study period; and (3) a “dynamic” nominal forecast estimator, which relies on the pre-specified inputs describing the overall size of the new vehicle fleet in preceding MYs, the various macroeconomic assumptions, as well as the user supplied model coefficients. When the dynamic estimator is employed, the system separately accounts for and creates independent forecasts for the overall light-duty and the HDPUV vehicle fleets.<sup>63</sup> All three Sales Response estimator options may be selected in the CAFE Model’s graphical user interface (GUI), with the accompanying inputs described in Section A.3.5 of Appendix A.

When using the dynamic nominal forecast estimator, the reference forecast in the baseline scenario, for either the light-duty or the HDPUV fleet, is calculated for each MY as follows:

$$Sales_{Base,MY} = \left( \begin{array}{c} C \\ +\beta_1 \times SalesPerHH_{MY-1} \\ +\beta_2 \times 3YrSumPerHH_{MY-1} \\ +\beta_3 \times \ln(GDP_{MY}) \\ +\beta_4 \times \ln(GDP_{MY-1}) \\ +\beta_5 \times Sentiment_{MY} \\ +\beta_6 \times Sentiment_{MY-1} \end{array} \right) \times \beta_7 \times HH_{MY} \times 1000 \quad (82)$$

Where:

---

<sup>63</sup> The current version of the DFS/SR model, and the CAFE Model in general, does not attempt to simulate the interaction between the light-duty and the HDPUV market segments. As such, the system avoids attributing any impacts of new standards from, e.g., the light-duty fleet onto the HDPUV fleet (and vice-versa). Hence, the system keeps the accounting of the fleets separate to avoid any unintended crosspollination between the two.

$C, \beta_1 - \beta_7$ :

the intercept term (constant) and a set of beta coefficients, as defined by Table 43 in Section A.3.5 of Appendix A;

$SalesPerHH_{MY-1}$ :

the number of new vehicle sales per household in the year immediately preceding model year  $MY$ ;

$3YrSumPerHH_{MY-1}$ :

the sum of new vehicle sales over the three years prior to model year  $MY$ , divided by the number of households in the year immediately preceding model year  $MY$ ;

$\ln(GDP_{MY})$ :

the natural log of the Gross Domestic Product in model year  $MY$ ;

$\ln(GDP_{MY-1})$ :

the natural log of the Gross Domestic Product in the year immediately preceding model year  $MY$ ;

$Sentiment_{MY}$ :

the consumer sentiment in model year  $MY$ ;

$Sentiment_{MY-1}$ :

the consumer sentiment in the year immediately preceding model year  $MY$ ;

$HH_{MY}$ : the number of U.S. households, in thousands, during model year  $MY$ ;

$1000$ : the conversion factor from thousands of households to units; and

$Sales_{Base,MY}$ :

the resulting nominal forecast, representing the total new vehicle sales in the baseline scenario for model year  $MY$ .

In Equation (82), the values for GDP, consumer sentiment, and the number of households, are specified in the parameters input file. The  $SalesPerHH_{MY-1}$  and  $3YrSumPerHH_{MY-1}$  values are computed as defined by the following two equations:

$$SalesPerHH_{MY-1} = \frac{Sales_{MY-1}}{HH_{MY-1} \times 1000} \quad (83)$$

$$3YrSumPerHH_{MY-1} = \frac{Sales_{MY-3} + Sales_{MY-2} + Sales_{MY-1}}{HH_{MY-1} \times 1000} \quad (84)$$

Where:

$Sales_{MY-3}$ :

the total new vehicle sales in the year three years prior to model year  $MY$ ;

$Sales_{MY-2}$ :

the total new vehicle sales in the year two years prior to model year  $MY$ ;

$Sales_{MY-1}$ :

the total new vehicle sales in the year immediately preceding model year  $MY$ ;

$HH_{MY-1}$ :

the number of U.S. households, in thousands, in the year immediately preceding model year  $MY$ ;

$1000$ : the conversion factor from thousands of households to units; and

$SalesPerHH_{MY-1}$ :

the resulting number of new vehicle sales per household in the year immediately preceding model year  $MY$ ;

$3YrSumPerHH_{MY-1}$ :

the resulting sum of new vehicle sales over the three years prior to model year  $MY$ , divided by the number of households in the year immediately preceding model year  $MY$ .

In the equations above, for the new vehicle sales for the MYs that are outside the study period, the system relies on the observed total industry sales as defined in the “Historic Fleet Data” sheet of the parameters input file (see Section A.3.7 of Appendix A). Once the modeling system evaluates and generates the nominal forecast for the first few years, the sales volumes from the preceding MYs correspond to those that were produced by the system itself.

### **S5.7.2 DFS Models in the Baseline Scenario**

Once the system computes the overall new vehicle sales for a given MY, the Dynamic Fleet Share component of the DFS/SR model is used to apportion those sales into individual passenger car and light-truck fleets. For the baseline scenario, the system provides three options for estimating the fleet share adjustments: (1) a “fixed” fleet shares option, which projects constant light-duty and HDPUV shares into each future MY, based on the initial fleet shares obtained from the market-data input file; (2) a user-defined annual forecast of car shares for each future MY, where a “car” denotes a cohort of vehicles that were regulated as Passenger Cars during the first MY of the study period; and (3) an “experimental” model, which responds to the differences in fuel economies, vehicle powers, and curb weights occurring between the passenger car and light-truck fleets, based on what the regulatory class assignments of the vehicles were during the first MY of the study period. All DFS model options may be selected in the CAFE Model GUI, with the accompanying inputs for the experimental DFS model described in Section A.3.4 of Appendix A. However, since the CAFE Model does not currently simulate fleet share adjustments between the HDPUV vehicles and any other vehicle markets, the DFS model has no bearing on the HDPUV vehicle fleet.



### S5.7.2.1 “Experimental” DFS Model

The experimental DFS model is defined by the differences in fuel economies, horsepower values, and curb weights between the passenger car and light-truck fleets, as well as annual measures such as the price of gasoline and average household income. Since the scenario definition may be configured to change the regulatory classification of a vehicle during a future MY, to preserve the efficacy of the estimated fleet shares the experimental DFS model is configured to rely on the regulatory class assignment of the vehicles from the first MY of the study period. The coefficients used by the DFS model are defined in the parameters input file. However, any of them may be disabled (zeroed out) by the user in order to ignore the associated variable during estimation. Section A.3.4 of Appendix A further describes the coefficients available to the experimental DFS model.

The experimental fleet share model begins by calculating the natural log of the new share for the passenger car fleet during each MY, as specified by the following equation:

$$\ln(\text{Share}_{PC,MY}) = \left( \begin{array}{l} C \\ +FE \times (FE_{PC,MY} - FE_{LT,MY}) \\ +Price \times Price_{Gas,MY} \\ +Inc \times \frac{RDPI_{MY}}{USPopulation_{MY}} \\ +HPWT \times \left( \frac{HP_{PC,MY}}{CW_{PC,MY}/1000} - \frac{HP_{LT,MY}}{CW_{LT,MY}/1000} \right) \\ +HP \times (HP_{PC,MY} - HP_{LT,MY}) \\ +WT \times \left( \frac{CW_{PC,MY}}{1000} - \frac{CW_{LT,MY}}{1000} \right) \\ +Rec \times \begin{cases} 0, & MY \neq 2009 \text{ and } 2010 \\ 1, & MY = 2009 \text{ or } 2010 \end{cases} \\ +Trend \times (MY - TrendStart + 1) \end{array} \right) \quad (85)$$

Where:

$C, FE, Price, Inc, HPWT, HP, WT, Rec$ :

set of coefficients used with the experimental DFS model, as defined in Section A.3.4 of Appendix A;

$FE_{PC,MY}$ ,  $FE_{LT,MY}$ :

the average fuel economy rating (excluding credits, adjustments, and petroleum equivalence factors) of all vehicle models in model year  $MY$ , which were classified as Passenger Car ( $PC$  subscript) or Light Truck ( $LT$  subscript) during the first MY of the study period;

$HP_{PC,MY}$ ,  $HP_{LT,MY}$ :

the average horsepower of all  $PC$  or  $LT$  vehicle models in model year  $MY$ ;

$CW_{PC,MY}$ ,  $CW_{LT,MY}$ :

the average curb weight of all  $PC$  or  $LT$  vehicle models in model year  $MY$ ;

$Price_{Gas,MY}$ :

the fuel price of gasoline fuel in model year  $MY$ ;

$RDPI_{MY}$ :

the real disposable personal income, in billions of dollars, associated with model year  $MY$  (specified on the “Economic Values” tab of the parameters input file);

$USPopulation_{MY}$ :

the U.S. population, in millions, associated with model year  $MY$  (specified on the “Economic Values” tab of the parameters input file);

*Trend*: the annual trend to use for augmenting the share of the passenger car fleet;

*TrendStart*:

the MY to begin applying the annual trend coefficient; and

$\ln(Share_{PC,MY})$ :

the natural log of the calculated share of the passenger car fleet in model year  $MY$ .

From here, the result obtained in Equation (85) is exponentiated to produce the new share for the passenger car fleet in each MY as follows:

$$Share_{PC,MY} = \frac{e^{\ln(Share_{PC,MY})}}{1 + e^{\ln(Share_{PC,MY})}} \quad (86)$$

In some cases, the value produced by Equation (86) may result in a very aggressive decline of the passenger car share. In such a case, users may optionally apply a bounding function, by specifying appropriate values on the *DFS Model Values* tab in the parameters input file, to curtail the reduction in the car fleet share. The bounding function is defined by the following equation:

$$BoundShare_{PC,MY} = \begin{cases} Slope \times MY + Intercept, & MY \geq StartYear \\ 0, & MY < StartYear \end{cases} \quad (87)$$

Where:

$MY$ : the MY during which the bounding share is calculated;

$Slope$ : the slope of the bounding function;

$Intercept$ :

the intercept of the bounding function;

*StartYear*:

the first MY when the bounding function applies; and

*BoundShare<sub>PC,MY</sub>*:

the calculated bounded share of the passenger car fleet in model year *MY*.

Finally, applying the result of the bounding function to the passenger car share obtained from Equation (86) yields:

$$Share_{PC,MY} = \max (Share_{PC,MY}, BoundShare_{PC,MY}) \quad (88)$$

Once the final passenger car fleet share is calculated, the light-truck fleet share may be obtained by attributing the remainder of the total fleet as follows:

$$Share_{LT,MY} = 1 - Share_{PC,MY} \quad (89)$$

### S5.7.2.2 Finalizing Vehicle Sales

The last step of the DFS model correlates with the last step of the overall DFS/SR model, which involves combining the results previously obtained from the Sales Response portion with those obtained from Dynamic Fleet Share portion. This involves scaling the sales volumes of each individual vehicle model present in the input fleet in order to obtain the final vehicle sales in each future MY, as demonstrated by the following equation:

$$Sales_{veh,MY} = Sales_{veh,MY-1} \times \frac{Share_{C,MY} \times Sales_{MY}}{Sales_{C,MY-1}} \quad (90)$$

Where:

*C*: the fleet or vehicle classification, which is based on the vehicle's regulatory class assignment during the first MY of the study period;

*Sales<sub>veh,MY-1</sub>*:

the sales volume of vehicle model *veh* in the year immediately preceding model year *MY*;

*Sales<sub>C,MY-1</sub>*:

total industry sales of vehicles classified as class *C*, for the year immediately preceding model year *MY*;

*Share<sub>C,MY</sub>*:

the share of the total industry fleet classified as class *C*, in model year *MY*;

*Sales<sub>MY</sub>*:

total industry sales (aggregated across all manufacturers and vehicle models) for model year *MY*, which are computed by the Sales Response model; and

*Sales<sub>veh,MY</sub>*:

the resulting sales volume of vehicle model *veh* in model year *MY*.

### S5.7.3 Sales Response in the Action Alternatives

When evaluating the action alternatives, the modeling system may be configured to use the same three sales estimation methods that were used by the baseline scenario (as described in Section S5.7.1). With each of these three methods, the overall sales volumes projected for each alternative will be identical to the reference forecast computed during analysis of the baseline. However, for the alternative scenarios, the system may also be configured to apply a price elasticity effect, where the reference forecast from the baseline is adjusted with regard to the incremental differences of regulatory costs, tax credits, and fuel savings occurring between the baseline and the action alternative scenarios. The outcome of this calculation produces two forecasts of the total new vehicle sales in a given MY for the action alternative scenario being evaluated. As was the case when estimating the reference forecast in the baseline, the system continues to separately account for the new vehicle sales in the light-duty and the HDPUV vehicle fleets. For the light-duty fleet, the newly calculated forecast is further adjusted to split the total sales into resulting car and truck fleets, as demonstrated in the next section.

Hence, when the price elasticity sales estimation methodology is used for the action alternative, the total new vehicle sales, for each fleet and MY being evaluated, are computed as follows:

$$Sales_{Scen,MY} = Sales_{Base,MY} + Sales_{Base,MY} \times \varepsilon_{Price} \times \left( \frac{\Delta RegCost_{MY} - \Delta TaxCredits_{MY} - \Delta BatCredits_{MY} - FuelSavings_{MY}}{Price_{StartMY-1} + RegCost_{Base,MY} - TaxCredits_{Base,MY} - BatCredits_{Base,MY}} \right) \quad (91)$$

Where:

$Sales_{Base,MY}$ :

the new vehicle sales in the baseline scenario for model year  $MY$ , as calculated by Equation (82) above;

$\varepsilon_{Price}$ : the price elasticity multiplier (a runtime setting defined in the CAFE Model's GUI);

$\Delta RegCost_{MY}$ :

the incremental difference of average regulatory cost, or price increase, of new vehicle models sold during model year  $MY$ , occurring between the action alternative and the baseline scenarios;

$\Delta TaxCredit_{MY}$ :

the incremental difference of average additional vehicle tax credits<sup>64</sup> claimed by the consumers for purchasing new vehicle models with the upgraded hybrid/electric powertrains sold during model year  $MY$ , occurring between the action alternative and the baseline scenarios;

$\Delta BatCredit_{MY}$ :

---

<sup>64</sup> Here, the term *additional* with respect to the vehicle and battery tax credits denotes that the tax credits are computed based on the differences in applicable HEV technologies that are present on the vehicles at the end of the model year versus their initial states. The same terminology for additional tax credits was employed during the calculation of HEV burden cost. Refer to Section S5.6 for more information.

the incremental difference of average additional battery tax credits<sup>64</sup> that are passed through to the consumers for purchasing new vehicle models with the upgraded hybrid/electric powertrains sold during model year *MY*, occurring between the action alternative and the baseline scenarios;

*FuelSavings<sub>MY</sub>*:

the incremental fuel savings realized by new vehicle models sold during model year *MY*, as a result of increasing standards in the action alternative scenario versus the baseline scenario, based on the assumed number of miles during which an added investment in fuel-improving technology is expected to pay back;

*Price<sub>StartMY-1</sub>*:

the sales-weighted average transaction price of new vehicle models sold during the *MY* immediately preceding the first analysis year evaluated during the study period;

*RegCost<sub>Base,MY</sub>*:

the average regulatory cost of new vehicle models sold during model year *MY*, in response to standards defined by the baseline scenario;

*TaxCredits<sub>Base,MY</sub>*:

the average additional vehicle tax credits<sup>64</sup> claimed by the consumers for purchasing new vehicle models with the upgraded hybrid/electric powertrains sold during model year *MY*, in response to standards defined by the baseline scenario;

*BatCredits<sub>Base,MY</sub>*:

the average additional battery tax credits<sup>64</sup> that are passed through to the consumers for purchasing new vehicle models with the upgraded hybrid/electric powertrains sold during model year *MY*, in response to standards defined by the baseline scenario; and

*Sales<sub>Scen,MY</sub>*:

the resulting total new vehicle sales for the action alternative scenario for model year *MY*.

The average transaction price, *Price<sub>StartMY-1</sub>*, is defined by vehicle style in the *Historic Fleet Data* sheet of the parameters input file, using the same designation defined in Table 6. For use with the equation above, however, the values from individual vehicle styles are weighted<sup>65</sup> to obtain an industry average transaction price, based on the initial production volumes of the associated *MY*, also defined on the “Historic Fleet Data” sheet. The  $\Delta RegCost_{MY}$ ,  $\Delta TaxCredit_{MY}$ , and  $\Delta BatCredit_{MY}$  are defined as a given cost value in the action alternative scenario minus that of the baseline scenario. For example, for the average price increase of new vehicle models, this can be represented by the following equation:

$$\Delta RegCost_{MY} = RegCost_{Scen,MY} - RegCost_{Base,MY} \quad (92)$$

<sup>65</sup> Though, the average transaction prices are still accounted for separately for the light-duty and the HDPUV fleets.

In the above equation, the average regulatory cost for the baseline and action alternative scenarios is computed as a sales-weighted average of the price increases of individual vehicle models, aggregated over the entire light-duty or HDPUV fleets, as:

$$RegCost_{MY} = \frac{\sum_{i \in V_{MY}} (RegCost_{i,MY} \times Sales_{i,MY})}{Sales_{MY}} \quad (93)$$

Where:

$V_{MY}$ : a vector containing all vehicle models produced for sale during model year  $MY$ ;

$Sales_{i,MY}$ :

the sales volume for a vehicle model  $i$ , during model year  $MY$ ;

$RegCost_{i,MY}$ :

the regulatory cost for a vehicle model  $i$ , during model year  $MY$ ;

$Sales_{MY}$ :

the total volume of all vehicle models sold during model year  $MY$ ; and

$RegCost_{MY}$ :

the resulting average regulatory cost of new vehicle models sold during model year  $MY$ .

Similarly, the incremental fuel savings,  $FuelSavings_{MY}$ , in Equation (91) above is calculated by subtracting the average fuel cost per mile of new vehicle models resulting from the standards imposed by the action alternative from the average CPM associated with the baseline scenario, with the difference being multiplied by the assumed number of payback miles. The specifics pertaining to the calculation of fuel cost per mile are detailed in the following chapter. Those calculations, however, are typically ascribed to individual vehicles, whereas for the purposes of estimating the total new vehicle sales during a specific  $MY$ , an aggregate measure of fuel economies across all vehicle models is used. Hence, the incremental fuel savings in each  $MY$ , for use in Equation (91), are calculated as:

$$FuelSavings_{MY} = (CPM_{Base,MY} - CPM_{Scen,MY}) \times PB^{Miles} \quad (94)$$

Where:

$CPM_{Base,MY}$ :

the fuel cost per mile of new vehicle models sold during model year  $MY$ , based on the average fuel economy attained by those vehicles in response to standards defined by the baseline scenario;

$CPM_{Scen,MY}$ :

the fuel cost per mile of new vehicle models sold during model year  $MY$ , based on the average fuel economy attained by those vehicles in response to standards defined by the action alternative scenario;

$PM^{Miles}$ :

the assumed number of miles during which an added investment in fuel-improving technology is expected to pay back (a runtime setting defined in the CAFE Model's GUI); and

$FuelSavings_{MY}$ :

the resulting incremental fuel savings realized by new vehicle models sold during model year  $MY$ , as a result of increasing standards in the action alternative scenario versus the baseline scenario.

#### S5.7.4 DFS Model in the Action Alternatives

As was the case for the baseline scenario, after the overall sales forecast has been established for the action alternatives, the DFS component of the DFS/SR model is run to adjust the shares of the light-duty car and truck fleets. The same three fleet share options applicable in the baseline (discussed in Section S5.7.2) are available here as well. However, for the alternative scenarios, users may additionally elect to begin with the light-duty fleet shares previously computed during the baseline scenario and apply a price elasticity effect based on the differences in relative vehicle value. This additional price elasticity DFS model option is selectable from the CAFE Model GUI's runtime settings window. As noted before, however, the system does not perform fleet share adjustments for the HDPUV vehicle fleet.

When employing the price elasticity DFS model for the alternative scenarios, the system adjusts the baseline's passenger car shares based on the differences in average costs, tax credits, and fuel savings that occur between the alternative and the baseline scenarios in each fleet, as well as the differences that occur between the car and truck fleets. This results in new passenger car shares for the action alternative. The new shares of the light-truck fleet are then derived from the remainder of the overall light-duty fleet. The system performs these adjustments based on what the regulatory class assignments of vehicles were during the first MY of the study period.

The calculation of the new share for the passenger car fleet during each MY for the action alternatives is defined by the following:

$$Share_{PC,Scen,MY} = \frac{1}{1 + e^{\left(\ln\left(\frac{1}{Share_{PC,Base,MY}} - 1\right) + C_{Price} \times Value_{PC/LT,MY}\right)}} \quad (95)$$

Where:

$Share_{PC,Base,MY}$ :

the share of the total industry fleet classified as Passenger Car, in model year  $MY$ , in the baseline scenario, as defined by Equation (86) above;

$C_{Price}$ : a coefficient on the price difference between cars and trucks (a runtime setting defined in the CAFE Model's GUI);

$Value_{PC/LT,MY}$ :

the difference in relative value between passenger cars and light trucks sold during model year  $MY$ , based on the incremental difference occurring between the action alternative and the baseline scenarios; and

$Share_{PC,Scen,MY}$ :

the resulting share of the total industry fleet classified as Passenger Car, in model year  $MY$ , in the action alternative.

The relative value component,  $Value_{PC/LT,MY}$ , in the above equation is computed from the individual differences in average regulatory costs, tax credits, and fuel savings, each of which is defined on an incremental basis between the alternative and the baseline scenarios. The calculation for the relative value is quantified by the following equation:

$$\begin{aligned} Value_{PC/LT,MY} = & (\Delta RegCost_{LT,MY} - \Delta TaxCredits_{LT,MY} - \Delta BatCredits_{LT,MY} \\ & - FuelSavings_{LT,MY}) \\ & - (\Delta RegCost_{PC,MY} - \Delta TaxCredits_{PC,MY} - \Delta BatCredits_{PC,MY} \\ & - FuelSavings_{PC,MY}) \end{aligned} \quad (96)$$

Where:

$\Delta RegCost_{LT,MY}$ ,  $\Delta RegCost_{PC,MY}$ :

the incremental difference of average regulatory cost, or price increase, of new vehicle models sold during model year  $MY$ , occurring between the action alternative and the baseline scenarios, specified for vehicles classified as either Passenger Car ( $PC subscript$ ) or Light Truck ( $LT subscript$ );

$\Delta TaxCredit_{LT,MY}$ ,  $\Delta TaxCredit_{PC,MY}$ :

the incremental difference of average additional vehicle tax credits<sup>66</sup> claimed by the consumers for purchasing new vehicle models with the upgraded hybrid/electric powertrains sold during model year  $MY$ , occurring between the action alternative and the baseline scenarios, specified for vehicles classified as either Passenger Car or Light Truck;

$\Delta BatCredit_{LT,MY}$ ,  $\Delta BatCredit_{PC,MY}$ :

the incremental difference of average additional battery tax credits<sup>66</sup> that are passed through to the consumers for purchasing new vehicle models with the upgraded hybrid/electric powertrains sold during model year  $MY$ , occurring between the action alternative and the baseline scenarios, specified for vehicles classified as either Passenger Car or Light Truck;

---

<sup>66</sup> As was previously noted (footnote 64), here, the term *additional* denotes that the tax credits are computed based on the differences in applicable HEV technologies between the vehicles' final and initial states.



$FuelSavings_{LT,MY}$ ,  $FuelSavings_{LT,MY}$ :

the incremental fuel savings realized by new vehicle models sold during model year  $MY$ , as a result of increasing standards in the action alternative scenario versus the baseline scenario, based on the assumed number of miles during which an added investment in fuel-improving technology is expected to pay back, specified for vehicles classified as either Passenger Car or Light Truck;

$Value_{PC/LT,MY}$ :

the resulting difference in relative value between passenger cars and light trucks sold during model year  $MY$ , based on the incremental difference occurring between the action alternative and the baseline scenarios.

The individual components for the average regulatory costs, tax credits, and fuel savings for the car and truck fleets are computed similarly to what was discussed for the Sales Response model in Section S5.7.3. Though, here, they are accumulated based on the Passenger Car and Light Truck regulatory classification of vehicles instead of being combined for the overall light-duty fleet.

Once the final passenger car fleet share is calculated, the light-truck fleet share may be obtained by attributing the remainder of the total fleet as follows:

$$Share_{LT,MY} = 1 - Share_{PC,MY} \quad (97)$$

From here, the final car and truck shares for the action alternatives are combined with the results of the Sales Response estimator to produce the final vehicle sales volumes for each model year. This calculation for the action alternatives is carried out in the same manner as it was for the baseline scenario, which was previously described in Section S5.7.2.2 above.

### **S5.8 Credit Transfers and Carry Forward**

During analysis, the compliance simulation algorithm may, as necessary, apply credits generated by a manufacturer in some compliance category to offset a shortfall of another compliance category. Here, a compliance category is defined as a combination of a manufacturer,  $MY$ , and regulatory class in which credits may be earned or used. The current version of the CAFE Model supports two forms credit usage:

1. Credit carry forward: where credits earned by a manufacturer during some previous  $MY$  are carried forward into the analysis year, in the same regulatory class, for up to five years;
2. Credit transfers: where credits earned by a manufacturer in one regulatory class are transferred to another regulatory class, during the same  $MY$ , subject to a maximum transfer cap for any given year.

Whenever the modeling system initiates a credit transfer or credit carry forward operation for a manufacturer, that operation forms a new “credit transaction” for the affected compliance categories. Each transaction is subsequently recorded in a model log file upon successful completion. The modeling system performs these credit transactions regardless of whether the system is configured to evaluate compliance with the CAFE program or the CO<sub>2</sub> program. However, since the denomination and applicability of credits is specific to each compliance

program, the system accumulates and maintains CAFE and CO<sub>2</sub> credits independent of one another.

The CAFE Model relies on the configuration options found in the *Credit Trading Values* sheet of the parameters input file for controlling the behavior of credit carry forward and credit transfer operations. For example, a user may elect to increase the caps for credit transfers in any of the listed MYs, allowing the modeling system to transfer additional credits into a specific compliance category. A user may disable one or both of the credit usage options in the parameters file, to have the model ignore a specific form of credit usage during analysis altogether. Although options for enabling credit trades between manufacturers and carrying credits backward into the preceding MYs are listed in the parameters file, the modeling system currently does not support those options during analysis. Section A.3.9 of Appendix A provides additional information on the available credit trading configuration options.

Some of the credit usage options defined in the parameters file may not be applicable when the CAFE Model is configured to evaluate CO<sub>2</sub> standards. Specifically, since the CO<sub>2</sub> program allows for unlimited amount of fleet transfers, the transfer caps defined in the input file are ignored during CO<sub>2</sub> credit transfers. Likewise, since the CO<sub>2</sub> credits are denominated as metric tons and may be carried forward and transferred without requiring any form of fuel-preserving adjustment, the assumed lifetime VMT parameter is not considered when evaluating the CO<sub>2</sub> compliance program as well.<sup>67</sup>

Lastly, when the modeling system is evaluating compliance of the light-duty fleet with the CAFE program, credit transfers and credit carry forward are not considered during the years that are identified as “standard setting” (though, credit use is still permitted for the HDPUV fleet). The *Standard Setting Year* field in a regulatory scenario definition specifies which years are designated as “standard setting” years.

### **S5.8.1 Evaluation and Application of Credits**

As described in Section S5.3, if a manufacturer is noncompliant after exhausting all cost-effective technology solutions, the compliance simulation algorithm carries forward and transfers as much expiring credits as available to attain compliance. If the amount of expiring credits carried forward into the analysis year does not cover the entire shortfall of one or more regulatory classes, the algorithm proceeds to apply additional ineffective technologies, then carries forward and transfers the remainder of available credits. As it examines credit deficits in each compliance category attributable to a manufacturer (i.e., regulatory class and analysis year), the algorithm carries forward and transfers credits from other compliance categories in a specific order of precedence. The algorithm completes each step, described in the list below, for all regulatory classes, before moving on to the next step:

1. The algorithm begins by carrying forward credits into the analysis year, within the same regulatory class (e.g., LT-2017 to LT-2021), starting with oldest generated credits first;
2. The algorithm then carries forward and transfers credits earned in a previous MY of one regulatory class, into the analysis year of another regulatory class (e.g., DC-2017 to LT-2021), again, starting with the oldest available credits first; however, since direct credit

---

<sup>67</sup> Note, however, that the assumed lifetime VMT is still used when computing the amount of CO<sub>2</sub> credits earned by a manufacturer.

carry forward is restricted to within the same regulatory class only, this step results in two credit transactions, where credits are first carried forward into the analysis year for the originating regulatory class, then transferred into the final destination class (e.g., carry forward: DC-2017 to DC-2021, then transfer: DC-2021 to LT-2021);

3. Lastly, if one or more of the regulatory classes has a surplus of credits during the analysis year, while some other regulatory classes are at a deficit, the algorithm concludes with transferring credits between regulatory classes (e.g., DC-2021 to LT-2021).

The modeling system follows the same logical evaluation of credits whether it is configured to evaluate compliance with the CAFE standards or the CO<sub>2</sub> standards. With the CAFE compliance program, however, fleet transfers may occur between DC and IC, DC and LT, or IC and LT classes, while for the CO<sub>2</sub> program, fleet transfers are defined as simply between PC and LT regulatory classes. In the case of the CAFE program, the algorithm has a predefined preference for the source regulatory class (where credits are earned) when transferring into a destination regulatory class (where credits are used). The model's credit transfer preference for each class is summarized by the following table.

*Table 20. Credit Transfer Preference*

| <b>Regulatory Class</b> | <b>Source Regulatory Class</b>    |
|-------------------------|-----------------------------------|
| Domestic Car            | Imported Car, Light Truck         |
| Imported Car            | Light Truck, Domestic Car         |
| Light Truck             | Imported Car, Domestic Car        |
| HDPUV                   | N/A (fleet transfers not allowed) |

When transferring credits into the Imported Car or Light Truck regulatory class, the algorithm considers credits originating in the Domestic Car class only after exhausting credits from the other classes. Considering that the minimum domestic car standard cannot be met via fleet transfers (though, credit carry forward is allowed), the algorithm prefers to bank as much credits earned by the domestic car fleet during the analysis year, to be able to use those credits for carry forward during later years. When transferring credits into the Domestic Car regulatory class, the algorithm prefers to begin by transferring credits earned in the Imported Car fleet, then if needed, transferring credits from the light-truck fleet. Fleet transfers under the CAFE program require the use of an adjustment factor to preserve total gallons consumed. Since the calculated DC/IC adjustment factor is likely to be closer to one than the DC/LT factor, the model favors using Imported Car credits first.

The adjustment factor used by the algorithm when transferring credits between regulatory classes under the CAFE compliance program is calculated by using the assumed lifetime VMT, the CAFE standard, and the CAFE rating attributed to compliance categories where credits are earned and where credits are used, according to the following equation:

$$AdjFactor = \text{ROUND} \left( \frac{VMT_{C_{Used}} \times CAFE_{C_{Earned}} \times STD_{C_{Earned}}}{VMT_{C_{Earned}} \times CAFE_{C_{Used}} \times STD_{C_{Used}}}, 4 \right) \quad (98)$$

Where:

$C_{Earned}$ : the compliance category where credits are earned;

$C_{Used}$ : the compliance category where credits are used;

$VMT_{C_{Earned}}$ :

the assumed average lifetime vehicle miles traveled by typical vehicle models in a regulatory class corresponding to the compliance category where credits are earned;

$VMT_{C_{Used}}$ :

the assumed average lifetime vehicle miles traveled by typical vehicle models in a regulatory class corresponding to the compliance category where credits are used;

$CAFE_{C_{Earned}}$ :

the CAFE rating achieved by a manufacturer in a regulatory class corresponding to the compliance category where credits are earned;

$CAFE_{C_{Used}}$ :

the CAFE rating achieved by a manufacturer in a regulatory class corresponding to the compliance category where credits are used;

$STD_{C_{Earned}}$ :

the calculated fuel economy standard attributable to a manufacturer in a regulatory class corresponding to the compliance category where credits are earned;

$STD_{C_{Used}}$ :

the calculated fuel economy standard attributable to a manufacturer in a regulatory class corresponding to the compliance category where credits are used;  
and

$AdjFactor$ :

the adjustment factor to use when transferring credits between compliance categories with different regulatory classes.

As stated above, the purpose of the adjustment factor defined by Equation (98) is to preserve total gallons when transferring credits between compliance categories of different regulatory classes.

As described in previous sections, the modeling system keeps track of total credits carried forward or transferred into a regulatory class and carried forward or transferred out of a regulatory class during each MY. Each time a credit transaction is executed by the compliance simulation algorithm, the total amount of credits carried forward or transferred out of a compliance category (where credits were earned) will be added to an associated “credits out” variable, while credits carried forward or transferred into a compliance category (where credits are used) will be added to an accompanying “credits in” variable. During each credit transaction, the amount of “out” credits will not exceed the amount of credits earned by a manufacturer; likewise, the amount of “in” credits will not exceed the minimum of the amount of credits earned

by a manufacturer in a “source” compliance category or the amount of credits required in a “destination” compliance category. Collectively, the credits earned, “in,” and “out” form the “net credits” which will be used to by the algorithm to determine the degree of a manufacturer’s noncompliance in each regulatory class, whether the net credits result in the fines owed (under the CAFE program) or the value of CO<sub>2</sub> credits (under the CO<sub>2</sub> program).<sup>68</sup>

When carrying forward credits, the compliance simulation algorithm may equally rely upon the credit banks defined in the input fleet as well as the credits generated as part of compliance modeling. Thus, for earlier MYs evaluated during the study period, credits carried forward into the analysis year are likely to originate prior to the first year analyzed. If a manufacturer is able to achieve compliance for several consecutive MYs without requiring the use of credits, it is likely that “banked” or earned credits will remain unused and may expire.

### **S5.8.2 Credit Usage Strategy**

When generating and using credits, the CAFE Model anticipates that, with each successive MY, the standards (or the required levels) for CAFE and CO<sub>2</sub> would typically become more stringent, while the potential for meeting these standards through technology application would generally become more difficult. This difficulty in meeting the standards arises since, considering the vehicle redesign and refresh schedules, manufacturers have a limited set of vehicles available for improvement during each MY. Using credits aggressively in earlier years, instead of improving vehicle fuel economies, and thereby foregoing the improvements to a manufacturer’s CAFE or CO<sub>2</sub> rating, results in higher shortfalls in all subsequent years, while simultaneously reducing the overall amount of “banked” credits. The higher shortfalls, in turn, force a manufacturer to apply additional technologies (to a set of vehicles being redesigned or refreshed) in a future MY, or use even more credits, further reducing the credit bank. In the later years, the more aggressive the model is with using the credits, the more challenging compliance for a manufacturer becomes. While multiyear modeling alleviates some of these concerns, by allowing the compliance simulation algorithm to “look back” to a preceding year and applying a technology that was left as a candidate, doing so may not always result in a cost-optimal solution. This occurs since, once the algorithm uses credits in an earlier year, further application of technology during the same year leads to a “loss” of credits, while the compliance state of a manufacturer remains the same.

For this reason, the model employs a more conservative strategy of applying technology solutions for compliance in the earlier years (when doing so is more like to decrease the shortfall of future MYs) and only using credits as necessary (when a manufacturer runs out of available technology solutions). This credit use strategy varies slightly, depending on the compliance program and the manufacturer the model is presently evaluating. Under the CAFE compliance program, for manufacturers that are willing to pay civil penalties, the model would only apply technologies if it were cost-effective to do so, and consume existing credits more aggressively. Alternatively, for manufacturers that are unwilling to pay CAFE civil penalties, or if the CAFE Model is evaluating compliance with the CO<sub>2</sub> program (where fine payment is not an option), the

---

<sup>68</sup> Refer to Equations (38) and (50) above for calculations of CAFE fines and value of CO<sub>2</sub> credits.

model would apply as much technology as possible, only using credits that will expire during the analysis year or if a manufacturer has run out of available technology solutions.<sup>69</sup>

When the CAFE Model is configured to evaluate compliance with the CO<sub>2</sub> standards, since the CO<sub>2</sub> program allows for unlimited credit transfers between fleets, the modeling system attempts to achieve compliance with the passenger car and light-truck fleets simultaneously. To accomplish this, the CAFE Model allows for CO<sub>2</sub> credits to be transferred, from a fleet that is in compliance to another that is at a deficit, during the same year that the credits are earned. The system, then, reevaluates and transfers CO<sub>2</sub> credits, each time and on an as-needed basis, after each successive application of technologies to a group of vehicles. This implementation allows the system to more realistically simulate a manufacturer's response to a cumulative CO<sub>2</sub> standard at each year, which while being defined independently for passenger cars and light trucks, is likely to be interpreted by manufacturers as a de facto single standard.

### ***S5.9 ZEV Credits and Compliance***

In addition to evaluating compliance with CAFE and CO<sub>2</sub> standards, the CAFE Model also provides limited ability for calculating Zero Emission Vehicle (ZEV) credits and targets. This allows the modeling system to estimate a manufacturer's ability to attain compliance with ZEV programs (if applicable). Since the ZEV program is applicable to the entire light-duty fleet (as opposed to individual passenger car or light truck classes), the ZEV credits and targets are calculated and reported for the aggregate fleet as well. The CAFE Model estimates and reports the ZEV credits and targets for the HDPUV fleet separately. However, the system does not actively seek compliance with the ZEV mandate. That is, the modeling system does not evaluate or optimize the selection of specific vehicles for potential conversion to ZEV. Instead, it simply estimates the outcome by relying on the user-specified input values. Among other things, these values include the ZEV requirement percentage and assumptions about ZEV sales and are defined in the market data and the parameters input files. Sections A.1.1 and A.3.11 of Appendix A below further describe these inputs.

When the aforementioned inputs are provided to the system, the CAFE Model will estimate the ZEV credits and targets for each manufacturer based on the volume of PHEVs, BEVs, and FCVs that are present in a manufacturer's fleet. The system performs these ZEV-related calculations at the end of each MY. Hence, the cumulative volume of all PHEVs, BEVs, and FCVs that were either in the input fleet or converted during analysis is considered.

In addition to the PHEVs, BEVs, and FCVs that the model may organically build as part of the CAFE or CO<sub>2</sub> compliance strategy, users may identify additional vehicles as "candidates" for conversion. The "ZEV Candidate" column in the input fleet is used to designate a vehicle as a candidate for upgrading to one of the PHEV, BEV, or FCV technologies listed in Table 11 in Section 4 above, while the "ZEV Application Year" column indicates the earliest MY during which a vehicle may receive these upgrades. Users may also optionally designate a "ZEV Reference Vehicle" that points to another vehicle defined in the input fleet. During analysis, a

---

<sup>69</sup> Credit usage will be revisited in a future release of the CAFE Model to optimize the compliance simulation algorithm's decision between applying technologies and using credits with respect to lowering the total cost of compliance.

portion of the sales volume from a reference vehicle will be shifted to a paired ZEV candidate vehicle to match the specific ZEV targets defined for a manufacturer.<sup>70</sup>

At the start of each MY, and prior to beginning compliance analysis, the system will iterate each vehicle identified as a ZEV candidate and upgrade it to a designated ZEV technology, provided the associated ZEV application year occurs on or before the MY being evaluated. The upgrade will occur even if a vehicle is not normally scheduled for a redesign during a specific MY, unless prohibited by other engineering restrictions (such as a vehicle is already a BEV or FCV). Effectively, this “ZEV upgrade” process bypasses the *normal* logic followed by the modeling system, in some cases overriding the availability criteria of a technology.<sup>71</sup> However, the modeling system does place certain restrictions on which vehicles may receive ZEV-related upgrades. Specifically, the following ZEV upgrade paths are defined in the model: (1) conventional vehicles are able to upgrade to any PHEV, BEV, or FCV technology; (2) PHEVs are not allowed to upgrade to any other PHEV, but are able to upgrade to any BEV or FCV technology; and (3) BEVs and FCVs are not allowed any further upgrades, even if it is to a more advanced version of the technology (e.g., from a 200-mile BEV to a 400-mile BEV). As an example, consider a vehicle in the input fleet that initially uses the PHEV20T technology. If the user also specifies the “ZEV Candidate” setting for the same vehicle to be BEV2, the system will upgrade that vehicle during the ZEV application year. However, if the user specifies PHEV50T as a candidate technology, the modeling system will not upgrade the vehicle strictly due to ZEV compliance.<sup>72</sup>

After upgrading all of the ZEV candidate vehicles to an appropriate technology, the system proceeds to evaluate any candidate that also defines a ZEV reference vehicle. From among the pool of all ZEV candidate/reference vehicle pairs, the system estimates the proportion of additional sales that is necessary to shift from the reference vehicles to the associated candidates to meet the ZEV requirement defined during the MY being evaluated. For simplicity, the proportion of sales shifted on a percentage basis is computed to be the same for the entire fleet of ZEV candidate/reference pairs. However, since the requirements differ between light-duty and HDPUV fleets, the system estimates and performs the sales shifting separately.

As mentioned above, the CAFE Model computes and reports the ZEV target and credits for each manufacturer. The calculation of the ZEV target is given by the following equation:

$$T_{ZEV,C} = Sales_C \times ZEVSalesShare_C \times ZEVRequirement_C \quad (99)$$

Where:

---

<sup>70</sup> To ensure accurate operation of the modeling system, the “ZEV Reference Vehicle” should not be a PHEV, BEV, or FCV, and may not itself be a ZEV candidate. Moreover, a ZEV candidate vehicle that defines a ZEV reference vehicle should be a direct “clone” of that ZEV reference, but with the ZEV candidate specifying a separate specific code and having its sales zeroed out.

<sup>71</sup> Normally, PHEV, BEV, and FCV technologies are disabled during the model years identified as “standard setting” years in the scenario input file. However, for vehicles that are designated as a ZEV candidate, these technology upgrades would still be permitted.

<sup>72</sup> However, the system may still upgrade the vehicle to a PHEV50T during regular compliance simulation.

$C$ : the category of vehicles for which to compute the ZEV target, which is taken from one of the following: the aggregate light-duty fleet, the HDPUV fleet, or the entire manufacturer's fleet;

$Sales_C$ :

the manufacturer's total sales volume for vehicle models belonging to a specific category,  $C$ ;

$ZEVShare_C$ :

the percentage of a manufacturer's total fleet belonging to a specific category,  $C$ , assumed to be sold in ZEV states;

$ZEVRequirement_C$ :

the minimum percentage of ZEV credits that a manufacturer must generate with a specific category,  $C$ , to meet the ZEV requirement; and

$T_{ZEV,C}$ : the calculated ZEV credit target attributable to a manufacturer's fleet belonging to a specific category,  $C$ .

While the calculation of the ZEV credits for each manufacturer is defined as:

$$Credits_{ZEV,C} = \sum_{i \in V_{BEV/FCV,C}} (Sales_i \times ZEVCredits_i) + \min \left( \sum_{i \in V_{PHEV,C}} (Sales_i \times ZEVCredits_i), Sales_C \times ZEVShare_C \times MaxPHEVShare \right) \quad (100)$$

Where:

$C$ : the category of vehicles for which to compute the ZEV credits, which is taken from one of the following: the aggregate light-duty fleet, the HDPUV fleet, or the entire manufacturer's fleet;

$V_{BEV/FCV,C}$ :

a vector containing all BEV and FCV vehicle models, belonging to a specific category,  $C$ , produced by a manufacturer;

$V_{PHEV,C}$ :

a vector containing all PHEV models, belonging to a specific category,  $C$ , produced by a manufacturer;

$Sales_i$ : the sales volume for a vehicle model  $i$ ;



*ZEVCredits<sub>i</sub>*:

the amount of ZEV credits attributed to vehicle model *i* for using one of PHEV, BEV, or FCV technologies;<sup>73</sup>

*Sales<sub>C</sub>*: the manufacturer's total sales volume for vehicle models belonging to a specific category, *C*;

*ZEVSalesShare<sub>C</sub>*:

the percentage of a manufacturer's fleet belonging to a specific category, *C*, assumed to be sold in California and S177 States;

*MaxPHEVShare*:

the maximum percentage of ZEV credits that a manufacturer may generate from PHEVs to meet the ZEV requirement; and

*Credits<sub>ZEV,C</sub>*:

the calculated ZEV credits associated with a manufacturer's fleet belonging to a specific category, *C*.

In Equations (99) and (100), the *ZEVSalesShare<sub>C</sub>* variable is defined in the input fleet for each manufacturer (separately for the light-duty and the HDPUV fleets), while the *ZEVRequirement<sub>C</sub>* and *MaxPHEVShare* variables are specified in the parameters input file. When computing the ZEV credits, some manufacturers may be configured by the user in the input fleet to ignore the PHEV cap (*MaxPHEVShare*), and to use all of the PHEVs found in a manufacturer's fleet for ZEV compliance purposes. In such a case, the *MaxPHEVShare* variable in Equation (100) above is considered to be 100 percent. However, ignoring the PHEV cap setting is only applicable to the light-duty fleet for the MYs up to and including MY 2025.

### **S5.10 U.S. Employment**

At the conclusion of compliance simulation, the CAFE Model estimates the effect of new standards on the U.S. automotive employment sector. The modeling system calculates the amount of domestic labor hours associated with the production and sale of each new vehicle model, as well as the total number of U.S. jobs attributed to each manufacturer. In the case of vehicle production, the system measures the amount of per-vehicle labor hours required to manufacture parts for a vehicle, in addition to the amount of hours required to assemble a final product. Moreover, the system also measures the number of hours required to sell each new vehicle model at U.S. dealerships.

Higher standards typically lead to rising vehicle prices, which in turn may result in an increase of manufacturer's revenue and profit. Increases in revenue afford manufacturers the ability to invest some of the profits toward research and development of new vehicle models. Consequently, these investments may bring about new employment opportunities for the manufacturer. The modeling system assumes that the portion of technology costs accrued by each vehicle may be used for the creation of additional jobs (or labor hours) by the manufacturers and their suppliers, based on the share of their respective revenues per employee. However, the model can be

---

<sup>73</sup> The amount of ZEV credits associated with each technology are defined by the user in the technologies input file. The amounts may vary depending on the fleet (light-duty or HDPUV) and the model year being evaluated.

configured to limit consideration of technology costs to only those designated as “innovative” in the technology input file by adjusting the appropriate runtime setting in the CAFE Model’s GUI.<sup>74</sup> Taken together with the base number of hours required to build and sell existing models, these additional hours resulting from manufacturer and supplier revenue form the overall labor hours or jobs attributed to the manufacturer. Hence, the combined labor hours associated with the production and sale of a single unit of a given vehicle model is computed as follows:

$$\begin{aligned} LaborHrs_{veh} = & AssemblyHrs_{veh} \times AssemblyMult + DealerHrs_{veh} \\ & + \left( \frac{TechCost_{veh}}{OEMRevenue} + \frac{TechCost_{veh}}{SupplierRevenue \times RPE} \right) \times USContent_{veh} \quad (101) \\ & \times AnnualLaborHrs \end{aligned}$$

Where:

*AssemblyHrs<sub>veh</sub>*:

the average employment hours associated with U.S. assembly and manufacturing of a single unit of vehicle model *veh*;

*AssemblyMult*:

a multiplier to apply to U.S. final assembly to obtain U.S. direct automotive manufacturing labor hours;

*DealerHrs<sub>veh</sub>*:

the average employment hours originating at U.S. dealerships for a single unit of vehicle model *veh*;

*TechCost<sub>veh</sub>*:

the technology cost accumulated by a vehicle model *veh* from application of additional technology, as described in Section S4.7 above;

*USContent<sub>veh</sub>*:

the percentage of vehicle’s content (parts and labor) originating in the U.S. for vehicle model *veh*;

*OEMRevenue*:

the manufacturer’s average revenue per employee;

*SupplierRevenue*:

the manufacturer supplier’s average revenue per employee;

*RPE*: retail price estimate markup applied to technology costs;

*AnnualLaborHrs*:

annual labor hours per employee in the U.S.; and

---

<sup>74</sup> Refer to Appendix C.4.2.3 for more information on the runtime settings available with the CAFE Model.

*LaborHrs<sub>veh</sub>*:

the resulting labor hours attributed to the production and sale of a single unit of vehicle model *veh*.

The labor hours of individual vehicles models are then combined to estimate the total number of U.S. jobs ascribed to a manufacturer as follows:

$$Jobs_{RC} = \frac{\sum_{i \in V_{RC}} LaborHrs_i \times Sales_i}{AnnualLaborHrs} \quad (102)$$

Where:

*V<sub>RC</sub>*: a vector containing all vehicle models in regulatory class *RC*;

*LaborHrs<sub>i</sub>*:

the labor hours attributed to the production and sale of a single unit of vehicle model *i*;

*Sales<sub>i</sub>*: the sales volume for a vehicle model *i*;

*AnnualLaborHrs*:

annual labor hours per employee in the U.S.; and

*Jobs<sub>RC</sub>*:

the resulting number of U.S. jobs attributed to the production and sale of all vehicles of a given manufacturer in regulatory class *RC*.

### **S5.11 Alternative Scenario Analysis**

The scenarios input file may specify one or more compliance scenarios at a time. If the input file contains more than one scenario, the first is identified as the “baseline,” while the rest are treated as the “action alternatives” (also referred to as alternative scenarios). When evaluating these alternative scenarios, the CAFE Model may be configured to preserve the solution obtained under the baseline for a specific set of MYs, and “carry” that *baseline* solution into the action alternatives. This behavior is controlled by the “*Begin alternative scenario analysis in*” runtime setting found in the CAFE Model’s GUI. When the MY specified in this setting differs from the first MY when compliance analysis is generally set to begin, the application levels of technologies (along with the associated fuel economy improvements, costs, and sales volumes) for each vehicle model will remain unchanged in the alternative scenarios (as compared to the baseline) up until the MY that is defined by this setting.

For example, if the modeling begins with MY 2017 and “*Begin alternative scenario analysis in*” is set at MY 2021, the CAFE Model will carry over vehicle technology improvements through MY 2020 from the baseline scenario into the action alternative. For the same timeframe, the system will also recompute the standards, ratings, credits earned, and fines for both compliance programs (CAFE and CO<sub>2</sub>), and will subsequently carry out any credit transactions (carry forward or transfers) as necessary. Beginning with MY 2021, the system will resume regular compliance simulation and evaluation of vehicle technologies for the alternative scenario.

*This page is intentionally left blank.*

## Chapter Three – Calculation of Effects

This chapter describes the way the CAFE Model estimates the effects of potential new CAFE or CO<sub>2</sub> standards on energy use, as well as on emissions of greenhouse gases and other air pollutants. These effects on energy use and emissions are calculated based on the fuel economy of individual vehicle models that manufacturers make in response to the standards. The modeling system estimates all effects separately for each individual vehicle model and vintage (or MY) over its expected life span in the U.S. vehicle fleet. A vehicle model's life span extends from the initial MY when it is produced and sold, through the year when vehicles produced during that MY have reached the maximum age assumed in the CAFE Model.<sup>75</sup> This chapter also describes the way these energy use and environmental impacts are translated into estimates of economic benefits or costs, and identifies which of these economic impacts are borne privately by vehicle owners and by society as a whole.

Although these effects are calculated for individual vehicle models, vintages, and future CYs over their respective lifetimes, they are typically reported at the aggregate level for all vehicle models in a regulatory class produced during each MY affected by a proposed standard. Cumulative impacts for each regulatory class and MY over its expected life span are reported both in undiscounted terms and as their present value discounted to the CY defined in the parameters input file. Virtually all effects calculated for the regulatory scenario considered to be the “baseline” are reported by the modeling system on an absolute basis (e.g., total amount of fuel consumed or total miles driven), while for scenarios considered to be the “action alternatives,” all of the modeling effects are reported as incremental and are specified as the difference between the action alternative and the baseline scenario.

### Section 1 Vehicle Lifetimes

The number of vehicles of a specific model and vintage that remain in service during each subsequent CY is calculated by multiplying the number originally produced by estimates of the proportion expected to remain in service at each age up to an assumed maximum lifetime. The modeling system applies survival rates in two different ways, depending upon whether the user elects to use the Dynamic Scrappage model (described below) or the static survival rates that appear in the parameters input file. The static survival rates vary by age of vehicle and differentiate between cars, vans and SUVs, light-duty pickups, and HDPUVs. The categories used to specify the survival rates (as provided in the parameters input file) are based on the same designation of vehicle styles as was defined by Table 6 in Section S2.4.

The number of vehicles of a given model produced during a specific MY that remain in use during a future CY is defined by the following equation:

$$N_{MY,CY} = SURV_{MY,C,a} \times Sales_{MY} \quad (103)$$

---

<sup>75</sup> We adopt the simplifications that, for the purposes of vehicle production and sale, vehicle model years and calendar years are identical, and that all vehicles produced during a model year are sold and placed into service during the corresponding calendar year.

Where:

*MY*: the production year of the vehicle for which to calculate the number of surviving units of that vehicle model;

*CY*: the CY during which to calculate the number of surviving vehicles;

*C*: the category of the vehicle, as shown in Table 6, for which to calculate the number of surviving units of that vehicle model;

$SURV_{MY,C,a}$ :

the probability that vehicles of category *C*, produced in model year *MY*, will remain in service at a given age *a*;

$Sales_{MY}$ :

the forecast number of new vehicles of a specific vehicle model produced and sold during model year *MY*; and

$N_{MY,CY}$ : the resultant number of vehicles produced during model year *MY* that remain in use during a future calendar year *CY*.

The age, *a*, of a vehicle model produced in model year *MY*, during calendar year *CY*, is defined as:

$$a = CY - MY.^{76} \quad (104)$$

Although the modeling system calculates the number of surviving vehicles for each individual vehicle model, it aggregates these results for reporting purposes to obtain the total on-road fleet that remains in service in each CY, for each MY of production. Since all effects calculated by the model are reported by fuel type (as discussed in Sections B.3 through B.5 of Appendix B) the model further separates the on-road fleet for a given MY based on the individual fuel types represented in the input fleet. Hence, the total surviving fleet apportioned to each type of fuel used by all vehicle models produced in a specific MY during each CY is calculated by summing the number of each individual vehicle model that remains in service during a specific CY as follows:

$$Fleet_{MY,CY,FT} = \sum_{i \in V} (FS_{i,MY,FT} \times N_{i,MY,CY}) \quad (105)$$

Where:

*V*: a vector containing all vehicle models produced during model year *MY*;

*MY*: the production year of all vehicles for which to calculate the surviving on-road fleet;

*CY*: the CY during which to calculate the surviving on-road fleet;

*FT*: the fuel type that all vehicles produced in model year *MY* operate on;

---

<sup>76</sup> We define a vehicle's age to be 0 during the year when it is produced and sold; that is, when  $CY=MY$ . Thus, for example, a model year 2005 vehicle is defined to be 10 years old during calendar year 2015.

$FS_{i,MY,FT}$ :

the percent share of miles driven by vehicle model  $i$ , produced in model year  $MY$ , when operating on fuel type  $FT$ ;

$N_{i,MY,CY}$ :

the number of vehicles, of vehicle model  $i$ , produced during model year  $MY$  that remain in use during a future calendar year  $CY$ ; and

$Fleet_{MY,CY,FT}$ :

the resultant number of all vehicle models produced during model year  $MY$  that remain in use during calendar year  $CY$ , allotted to fuel type  $FT$ .

Lastly, the total on-road fleet of all surviving vehicle models, attributed to each specific fuel type,  $FT$ , produced in model year,  $MY$ , over their expected lifetimes is calculated by summing the number of surviving vehicle models across the individual CYs as follows:

$$Fleet_{MY,FT} = \sum_{CY} Fleet_{MY,CY,FT} \quad (106)$$

The calendar year,  $CY$ , in the equation above ranges between the model year,  $MY$ , when the vehicle model was produced until  $MY$  plus the maximum survival age of that vehicle. In addition to the static survival schedules that are specified in the parameters input file, the CAFE Model also accommodates a way to dynamically estimate the vehicle survival rates by using a Dynamic Scrappage model, which allows vintage, new vehicle price, relative cost per mile, and the GDP growth rate to affect retirement rates. In contrast, the static schedules presume constant scrappage rates for all vintages under all new vehicle prices, new vehicle fuel economies, and macroeconomic conditions. The application of both survival rates follow the logic described above, despite the different origin of the rates themselves. The Dynamic Scrappage model is discussed in Section S1.1 that follows, while a description of the static survival rates used is presented in Section S1.2 further below.

### **S1.1 Dynamic Scrappage Model**

The Dynamic Scrappage model was developed from a series of registration counts by vehicle classification, vintage, and age under certain economic conditions. As with the Dynamic Fleet Share and Sales Response model discussed above, the Dynamic Scrappage model is enabled by toggling the “Dynamic Economic Modeling” option in the CAFE Model’s GUI. The model predicts historical values well, but given the sparseness of data for older vehicles, it does not project remaining fleet shares that align with historical values beyond a certain age. For this reason, an exponential decay function is used to ensure that the projected final fleet share converges to the observed historical final fleet share for vehicles of a given classification. It is assumed that vehicles remain in use for up to 40 years, before a vehicle of a specific MY is completely scrapped. Hence, the share of each vehicle model of vintage  $MY$  and category  $C$ , surviving at age  $a$ , is defined by the following:

$$SURV_{MY,C,a} = \frac{(1 - SCRAP_{MY,C,a-1}) \times Fleet_{MY,C,a-1}}{Sales_{MY,C}} \quad (107)$$

Where:

- MY*: the production year for which to estimate the survival rate;
- C*: the category of the vehicle, as shown in Table 6, for which to estimate the survival rate;
- SCRAP<sub>MY,C,a-1</sub>*:  
the probability that vehicles of category *C*, produced and sold in model year *MY*, will be scrapped by a given age *a*, conditional on survival to preceding age, *a-1*;
- Fleet<sub>MY,C,a-1</sub>*:  
the total number of vehicles of category *C*, produced and sold during model year *MY*, that remained in use during the preceding age, *a-1*;
- Sales<sub>MY,C</sub>*:  
the total new vehicle sales of category *C*, produced and sold during model year *MY*; and
- SURV<sub>MY,C,a</sub>*:  
the calculated probability that vehicles of category *C*, produced and sold during model year *MY*, will remain in service at a given age *a*.

In Equation (107) above, if the decay function has not taken effect, *SCRAP<sub>MY,C,a</sub>* is obtained based on the following two equations:

$$SCRAP_{MY,C,a} = \frac{e^{CV_{MY,C,a}}}{1 + e^{CV_{MY,C,a}}} \quad (108)$$

$$CV_{MY,C,a} = \left( \begin{array}{l} (\beta_0 \times a + \beta_1 \times a^2 + \beta_2 \times a^3) \\ + (\beta_3 + \beta_4 \times a) \times \frac{Fleet_{MY,C,a}}{Sales_{MY,C}} \\ + (\beta_5 + \beta_6 \times a + \beta_7 \times a^2 + \beta_8 \times a^3) \\ \times (Price_{CY} - FuelSav_{CY} - Price_{CY-1} + FuelSav_{CY-1}) \\ + \beta_9 \times (FuelPrice_{MY,CY,C} - FuelPrice_{MY,CY-1,C}) \\ + \beta_{10} \times (CPM_{MY,CY,C} - CPM_{MY,CY-1,C}) \\ + \beta_{11} \times \frac{GDP_{CY}}{GDP_{CY-1}} \times 100 \\ + \beta_{12} + \beta_{13} \times \min(MY, \beta_{14}) \end{array} \right) \quad (109)$$

For:

$$a \geq 0 \text{ and } a < 39;$$

Where:

- MY*: the production year for which to estimate the probability of scrappage;
- CY*: the CY during which to estimate the probability of scrappage;
- a*: the age of the fleet produced during model year *MY* that remains in services during calendar year *CY*;



$C$ : the category of vehicles for which to estimate the probability of scrappage;

$\beta_0 - \beta_{14}$ :

a set of beta coefficients for a given vehicle category  $C$ , as defined in the parameters input file (refer to Section A.3.4 of Appendix A for more);

$Fleet_{MY,C,a}$ :

the total number of vehicles of category  $C$ , produced and sold during model year  $MY$ , that remain in use during age,  $a$ ;

$Sales_{MY,C}$ :

the total new vehicle sales of category  $C$ , produced and sold during model year  $MY$ ;

$Price_{CY}$ :

the sales-weighted average transaction price of all new vehicles produced and sold during a MY equivalent to calendar year  $CY$ , where the transaction price of new vehicles for MYs covered during the study period further negates the changes in vehicle and battery tax credits, that are associated with vehicle models upgraded to a hybrid/electric powertrain;

$FuelSav_{CY}$ :

the incremental fuel savings realized by all new vehicles produced and sold during a MY equivalent to calendar year  $CY$ , versus the historic vehicles that were produced and sold in 1975, based on the assumed number of miles during which an added investment in fuel-improving technology is expected to pay back;

$Price_{CY-I}$ :

the sales-weighted average transaction price of all new vehicles produced and sold during a MY equivalent to calendar year  $CY-I$ , where the transaction price of new vehicles for MYs covered during the study period also negates the changes in vehicle and battery tax credits;

$FuelSav_{CY-I}$ :

the incremental fuel savings realized by all new vehicles produced and sold during a MY equivalent to calendar year  $CY-I$ , versus the historic vehicles that were produced and sold in 1975, based on the assumed number of miles during which an added investment in fuel-improving technology is expected to pay back;

$FP_{MY,CY,C}$ :

the average retail price of fuel in calendar year  $CY$ , weighted by fuel shares of vehicles of category  $C$ , produced and sold during model year  $MY$ ;

$FP_{MY,CY-I,C}$ :

the average retail price of fuel in calendar year  $CY-I$ , weighted by fuel shares of vehicles of category  $C$ , produced and sold during model year  $MY$ ;

$CPM_{MY,CY,C}$ :

the fuel cost per mile, denominated in cents, during calendar year  $CY$ , of new vehicles of category  $C$ , produced and sold during model year  $MY$ ;

$CPM_{MY,CY-I,C}$ :

the fuel cost per mile, denominated in cents, during calendar year  $CY-I$ , of new vehicles of category  $C$ , produced and sold during model year  $MY$ ;

$GDP_{CY}$ :

the Gross Domestic Product in calendar year  $CY$ ;

$GDP_{CY-I}$ :

the Gross Domestic Product in calendar year  $CY-I$ ;

$CV_{MY,C,a}$ :

the resultant covariate used to determine the probability that vehicles of category  $C$ , produced and sold during model year  $MY$ , will be scrapped by a given age  $a$ ; and

$SCRAP_{MY,C,a}$ :

the resultant probability that vehicles of category  $C$ , produced and sold during model year  $MY$ , will be scrapped by a given age  $a$ .

The incremental fuel savings,  $FuelSav_{CY}$  and  $FuelSav_{CY-I}$ , in the above equation are computed by taking the difference in the average fuel costs per mile (CPMs) between the associated new vehicle models and their historic counterparts, then multiplying that difference by the assumed number of total miles necessary for the added cost of fuel-improving technology to pay back. The general form of the fuel savings calculation is detailed by Equation (94) in Section S5.7.3 of the preceding chapter. The CPM values listed in Equation (94), however, are substituted with the ones defined here to adapt the calculation for use with Equation (109) above. The modified fuel savings calculation is presented here for the reader's consideration:

$$FuelSav_{CY} = (CPM_{1975,CY} - CPM_{New,CY}) \times PB^{Miles} \quad (110)$$

Equations (108) and (109) above are applicable to the earlier vehicle ages, before the decay function is employed to estimate the tail end of the probabilities that vehicles will be scrapped at a specific age. The Dynamic Scrappage model switches to a decay function whenever a given age  $a$  is greater than or equal to the "Decay Age" parameter defined in the parameters input file, unless the survival rate,  $SURV_{MY,C,a}$ , for a preceding  $CY$  and age, as calculated by Equation (107), is less than the "Final Survival Rate" value also defined in the parameters input file. When the decay function is used,  $SCRAP_{MY,C,a}$  from Equation (107) above is calculated as follows:

$$SCRAP_{MY,C,a} = e^{\ln\left(\frac{FinalSurv_C}{Fleet_{MY,C,a}/Sales_{MY,C}}\right)/(39-a)} \quad (111)$$

For:

$$a \geq DecayAge_C \text{ and } a < 39;$$

Where:

- MY*: the production year for which to estimate the probability of scrappage;  
*CY*: the CY during which to estimate the probability of scrappage;  
*a*: the age of the fleet produced during model year *MY* that remains in services during calendar year *CY*;

*DecayAge<sub>C</sub>*:

the age when the decay function begins for vehicles of category *C*;

*FinalSurv<sub>C</sub>*:

the final share of the fleet applicable to vehicles of category *C*;

*Fleet<sub>MY,C,a</sub>*:

the total number of vehicles of category *C*, produced and sold during model year *MY*, that remain in use during age, *a*;

*Sales<sub>MY,C</sub>*:

the total new vehicle sales of category *C*, produced and sold during model year *MY*; and

*SCRAP<sub>MY,C,a</sub>*:

the resultant probability that vehicles of category *C*, produced and sold during model year *MY*, will be scrapped by a given age *a*.

In all of the preceding equations, note that the Dynamic Scrappage model estimates probability of surviving vehicles for ages ranging from 1 through 39 (inclusive), by using the previous fleet information from ages 0 (zero) through 38. For each MY, the surviving fleet occurring at age zero represents the initial fleet of vehicles produced and sold during that year, all of which are expected to remain on the road during the first age. Therefore, the model does not attempt to estimate the initial survival rates, instead assuming that the probability that vehicles of category *C*, produced and sold during model year *MY*, that remain in service at age zero will be 100 percent.

The inputs to the scrappage model are further described in Section A.3.4 of Appendix A. This includes a description of the independent variable set used in the Dynamic Scrappage Model, the final survival share, and the age at which the decay function begins.

### **S1.2 Static Scrappage Model**

The static survival rates are explicitly defined by vehicle age and for each vehicle category (as shown in Table 6) in the parameters input file.<sup>77</sup> These values are assumed to be constant for all MYs. Thus, when using static survival rates during analysis, Equation (103) above simplifies as follows:

---

<sup>77</sup> The static survival rates applicable to different vehicle categories are further discussed in Section A.3.2 of Appendix A.

$$N_{MY,CY} = SURV_{C,a} \times Sales_{MY} \quad (112)$$

## Section 2 Vehicle Use and Total Lifetime Mileage

Similar to the way the vehicle lifetimes are calculated, the modeling system uses two different methodologies for estimating vehicle mileage accumulation, depending on whether the Dynamic VMT model is enabled by the user. As is the case with other dynamic models available in the system, the Dynamic VMT model is enabled by turning on the “Dynamic Economic Modeling” setting in the CAFE Model’s GUI. However, the current version of the modeling system does not support dynamic estimation of vehicle miles traveled (VMT) for the heavy-duty pickups and vans (HDPUVs). Therefore, when lifetime mileage for HDPUV vehicle models are computed, the system relies on the user supplied static VMT schedules.

When the “Dynamic Economic Modeling” option is disabled, the system relies on the static schedules of the average annual vehicle miles traveled, as defined in the parameters input file. Separate static VMT schedules, by vehicle age, were developed for cars, vans and SUVs, pickups, and HDPUVs, as discussed in Section A.3.2 of Appendix A. Similar to the survival rates described in the preceding section, the categories used to specify the mileage schedules are based on the style of the vehicle defined in Table 6.

Whether the modeling system is configured to dynamically estimate the annual mileage or use the predefined static schedules, the system computes the annual miles driven by each vehicle at each age by starting with the static VMT schedules, then applying the estimated elasticity of vehicle use to the difference in CPM between the historic fleet used during the base CY when the VMT survey was taken, and the new vehicle fleet remaining on-road during each subsequent CY. This adjustment employs a combination of actual historic fuel prices for the CYs prior to start of the modeling analysis, forecasts for CYs as reported in the U.S. Energy Information Administration’s Annual Energy Outlook (AEO), and extrapolations of gasoline prices beyond the last year provided by AEO. The elasticity (or the fuel economy rebound effect) as well as the VMT growth assumptions are provided as inputs to the model and are further described in Section A.3.1 of Appendix A.

In addition to calculating annual miles driven by each vehicle model based on the elasticity relating to the changes in fuel cost per mile or referred herein as the vehicle’s “with-rebound” miles, the system also computes per-vehicle annual miles, absent the aforementioned elasticity. These “non-rebound” miles are later used by the CAFE Model for estimating ancillary modeling effects, such as the value of additional travel and incremental fatalities arising from said additional travel. As before, whether the system is configured to rely on dynamic or static VMT, it begins the calculation of non-rebound miles by using static schedules. Since the elasticity is not included in this calculation, the average annual non-rebound miles driven by a given vehicle model is defined simply as the initial VMT schedule multiplied by the share of miles driven by that vehicle.

As previously stated, when the Dynamic VMT model is turned off, the modeling system computes non-rebound and rebound annual miles driven by a vehicle model using the static VMT schedules. If, however, the Dynamic VMT model is employed during analysis, these calculations are further extended to incorporate a dynamically estimated mileage offset, representing an adjustment necessary to preserve the total fleet-wide demand for travel. Thus, by means of the static schedules, the average number of non-rebound and rebound miles driven by a

vehicle model produced in a specific MY that survives during each CY, when operating on each individual fuel type, are calculated as shown in the following two equations:

$$MI_{MY,CY,FT}^{NonRebound} = FS_{MY,FT} \times VMT_{C,a} \quad (113)$$

$$MI_{MY,CY,FT} = FS_{MY,FT} \times VMT_{C,a} \times \left( 1 + \varepsilon \times \left( \frac{CPM_{MY,CY}}{CPM_{BaseCY-a,C}} - 1 \right) \right) \quad (114)$$

Where:

*MY*: the production year of the vehicle for which to calculate the miles driven;

*CY*: the CY during which to calculate the vehicle's miles driven;

*FT*: the fuel type that the vehicle produced in model year *MY* operates on (refer to Table 1 in Section S2.1 for fuel types supported by the model);

*C*: the category of the vehicle, as shown in Table 6, for which to calculate the miles driven;

*FS<sub>MY,FT</sub>*:

the percent share of miles driven by the vehicle, produced in model year *MY*, when operating on fuel type *FT*;

*VMT<sub>C,a</sub>*:

the average annual miles that vehicles belonging to a specific category *C* drive at a given age *a*, based on the static VMT schedule;

*BaseCY*:

the base CY for static VMT usage data corresponding to the year when the VMT survey was taken;

*BaseCY – a*:

the MY during which the historic vehicles were produced when they were age *a* in the base calendar year *BaseCY*;

*CPM<sub>BaseCY-a,C</sub>*:

the fuel cost per mile attributed to a typical historic vehicle, belonging to category *C*, produced in model year *BaseCY – a*, using fuel prices from *fBaseCY*;

*CPM<sub>MY,CY</sub>*:

the fuel cost per mile attributed to the vehicle produced in model year *MY*, using fuel prices from calendar year *CY*;

$\varepsilon$ : the elasticity of annual vehicle use with respect to fuel cost per mile; and

$MI_{MY,CY,FT}^{NonRebound}$ :

the resultant average number of annual non-rebound miles driven in a year by the vehicle produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ ;

$MI_{MY,CY,FT}$ :

the resultant average number of annual with rebound miles driven in a year by the vehicle produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ .

When the Dynamic VMT model is used with the system, Equations (113) and (114) above are extended to include the fleet-wide mileage offset as follows:

$$MI_{MY,CY,FT}^{NonRebound} = FS_{MY,FT} \times \left( VMT_{C,a} \times \left( 1 + (-0.0850293) \times \left( \frac{CPM_{HistMY,CY,C}}{CPM_{BaseCY-a,C}} - 1 \right) \right) + \Delta Miles_{C,CY,a} \right) \quad (115)$$

$$MI_{MY,CY,FT} = FS_{MY,FT} \times \left( \left( VMT_{C,a} + \Delta Miles_{C,CY,a} \right) \times \left( 1 + \varepsilon \times \left( \frac{CPM_{MY,CY}}{CPM_{BaseCY-a,C}} - 1 \right) \right) - \Delta Miles_{C,CY,a} \times \left( -0.0850293 \times \left( \frac{CPM_{HistMY,CY,C}}{CPM_{BaseCY-a,C}} - 1 \right) \right) \right) \quad (116)$$

Where:

$MY, CY, FT, C$ :

variables as defined in Equation (114) above;

$FS_{MY,FT}$ :

the percent share of miles driven by the vehicle, produced in model year  $MY$ , when operating on fuel type  $FT$ ;

$VMT_{C,a}$ :

the average annual miles that vehicles belonging to a specific category  $C$  drive at a given age  $a$ , based on the static VMT schedule;

$HistMY$ :

the production year of a typical historic vehicle from which to calculate the elasticity of miles driven due to changes in fuel prices, defined as the minimum of  $BaseCY$  and  $MY$ ;

$BaseCY$ :

the base  $CY$  for static VMT usage data corresponding to the year when the VMT survey was taken;

$BaseCY - a$ :

the MY during which the historic vehicles were produced when they were age  $a$  in the base calendar year  $BaseCY$ ;

$CPM_{HistMY,CY,C}$ :

the fuel cost per mile attributed to a typical historic vehicle, belonging to category  $C$ , produced in model year  $HistMY$ , using fuel prices from calendar year  $CY$ ;

$CPM_{BaseCY-a,C}$ :

the fuel cost per mile attributed to a typical historic vehicle, belonging to category  $C$ , produced in model year  $BaseCY - a$ , using fuel prices from calendar year  $BaseCY$ ;

$CPM_{MY,CY}$ :

the fuel cost per mile attributed to the vehicle produced in model year  $MY$ , using fuel prices from calendar year  $CY$ ;

$\varepsilon$ : the elasticity of annual vehicle use with respect to fuel cost per mile (a model input specified in the parameters input file);

$-0.0850293$ :

the elasticity value used to adjust for the differences in fuel prices between the  $CY$  being evaluated ( $CY$ ) and the base  $CY$  during which the VMT survey taken ( $BaseCY$ );

$\Delta Miles_{C,CY,a}$ :

the estimated mileage offset, representing an adjustment necessary to preserve the total fleet-wide demand for travel for vehicles of age  $a$ , belonging to category  $C$ , during calendar year  $CY$  (calculation of  $\Delta Miles$  is discussed in Section S2.1 below); and

$MI_{MY,CY,FT}^{NonRebound}$ :

the resultant average number of annual non-rebound miles driven in a year by the vehicle produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ ;

$MI_{MY,CY,FT}$ :

the resultant average number of annual with rebound miles driven in a year by the vehicle produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ .

For the “ $CPM$ ” terms that appear in the above equations, the calculation varies slightly, depending on what the cost per mile is intended to represent. For example, fuel cost per mile may be computed for an individual vehicle model during some future  $CY$ , or for an aggregate historic fleet during some reference  $CY$ . In each case, however, the calculation depends on both the price per gallon of fuel during a given  $CY$  (or gasoline gallon equivalent, GGE, in the case of electricity, hydrogen, and CNG), as well as the actual fuel economy that either an individual vehicle or the entire fleet achieves in on-road driving. When considering vehicles that operate

exclusively on a single fuel type (typically, gasoline, diesel, or electricity), the cost per mile is calculated from just that one fuel component. However, for dual fuel vehicles (such as PHEVs and FFVs), the cost per mile is a weighted sum of individual fuel components on which the vehicle operates. In general, the calculation of fuel cost per mile takes the following form:

$$CPM_{CY} = \sum_{FT} \left( FS_{FT} \times \frac{Price_{FT,CY}}{OnRoadFE_{FT}} \right) \quad (117)$$

Where:

*CY*: the CY during which to calculate CPM;

*FT*: the fuel type for which the fuel share,  $FS_{FT}$ , and on-road fuel economy,  $OnRoadFE_{FT}$ , values are defined;

$FS_{FT}$ : the percent share of miles driven attributed to the specific fuel type *FT*;

$OnRoadFE_{FT}$ :

the on-road fuel economy rating attributed to the specific fuel type *FT*;

$Price_{FT,CY}$ :

the price per gallon (or GGE) of the specific fuel type in calendar year *CY*; and

$CPM_{CY}$ :

the resultant fuel cost per mile calculated based on the specified fuel share,  $FS_{FT}$ , and on-road fuel economy rating,  $OnRoadFE_{FT}$ , using fuel prices from calendar year *CY*.

The CPM calculation presented in the above equation is modified for use in Equations (114), (115), and (116), by substituting the relevant values for those in Equation (117). For example, by using fuel share and fuel economy rating of a vehicle model, the cost per mile for each vehicle produced in model year *MY*, during calendar year *CY* is defined as:

$$CPM_{MY,CY} = \sum_{FT} \left( FS_{MY,FT} \times \frac{Price_{FT,CY}}{FE_{MY,FT} \times (1 - GAP_{FT})} \right) \quad (118)$$

Where:

*MY*: the production year of the vehicle for which to calculate the cost per mile;

*CY*: the CY during which to calculate the vehicle's cost per mile;

*FT*: the fuel type that the vehicle produced in model year *MY* operates on;

$FS_{MY,FT}$ :

the percent share of miles driven by the vehicle, produced in model year *MY*, when operating on fuel type *FT*;

$FE_{MY,FT}$ :

the fuel economy rating of the vehicle, produced in model year *MY*, when operating on fuel type *FT*;

$GAP_{FT}$ :



the relative difference between on-road and laboratory fuel economy for a specific fuel type;

$Price_{FT,CY}$ :

the price per gallon (or GGE) of the specific fuel type in calendar year  $CY$ ; and

$CPM_{MY,CY}$ :

the resultant fuel cost per mile attributed to the vehicle produced in model year  $MY$ , using fuel prices from calendar year  $CY$ .

Each vehicle's fuel economy rating is assumed to be determined during the  $MY$  when it is produced, and to remain fixed throughout its lifetime. However, its actual on-road fuel economy is assumed to fall short of that rating by the on-road fuel economy "gap" (a model input specified in the parameters input file).

Similar to the cost per mile equation for the vehicle produced during model year  $MY$ , the value of fuel cost per mile attributed to a typical historic vehicle that was age  $a$  during the calendar year  $BaseCY$ , the  $CY$  when the VMT survey was taken, is given by the following equation:

$$CPM_{BaseCY-a,C} = \sum_{FT} \left( FS_{MY,FT} \times \frac{Price_{FT,BaseCY}}{FE_{BaseCY-a,C,FT}} \right) \quad (119)$$

Where:

$MY$ : the production year of the vehicle for which the miles driven from Equations (114), (115), and (116) are being calculated;

$FT$ : the fuel type that the vehicle produced in model year  $MY$  operates on, for which the miles driven from Equations (114), (115), and (116) are being calculated;

$C$ : the category of the vehicle for which the miles driven from Equations (114), (115), and (116) are being calculated;

$FS_{MY,FT}$ :

the percent share of miles driven by the vehicle, produced in model year  $MY$ , when operating on fuel type  $FT$ , for which the miles driven from Equations (114), (115), and (116) are being calculated;

$BaseCY$ :

the base  $CY$  for static VMT usage data corresponding to the year when the VMT survey was taken;

$BaseCY - a$ :

the  $MY$  during which the historic vehicles were produced when they were age  $a$  in the base calendar year  $BaseCY$ ;

$FE_{BaseCY-a,C,FT}$ :

the sales-weighted average on-road fuel economy rating that all historic vehicles, belonging to category  $C$ , achieved in model year  $BaseCY - a$ , when operating on fuel type  $FT$ , as defined on the “Historic Fleet Data” tab of the parameters input file;<sup>78</sup>

$Price_{FT,BaseCY}$ :

the price per gallon (or GGE) of the specific fuel type in calendar year  $BaseCY$ ; and

$CPM_{BaseCY-a,C}$ :

the resultant fuel cost per mile attributed to a typical historic vehicle, belonging to category  $C$ , produced in model year  $BaseCY - a$ , using fuel prices from calendar year  $BaseCY$ .

Since the mileage accumulation schedule used in Equations (114) and (116) is based on the VMT survey that was conducted during the calendar year  $BaseCY$ , the elasticity of annual vehicle use correlates the cost per mile of a new vehicle model of age  $a$  during each calendar year  $CY$  to the cost per mile of a typical historic vehicle that was of the same age during the base calendar year  $BaseCY$ . The CPM of a historic vehicle is, therefore, calculated using the fuel prices of the base VMT CY, while the CPM of a new vehicle model is obtained using the fuel price forecasts in the CYs corresponding to the vehicle’s MY and age. Furthermore, to ensure that the resultant CPMs of the historic and new vehicles are comparable, when calculating CPM of a typical historic vehicle, the system uses percent share of miles driven by the new vehicle for which the miles driven are being calculated. This relationship between the new and existing vehicles reflects the fuel economy rebound effect, which occurs because buyers of new vehicles respond to the reduction in their operating costs – resulting from higher fuel economy of new vehicles – by driving slightly more during a particular CY.

Lastly, to isolate the elasticity of miles driven due to changes in fuel prices alone, Equations (115) and (116) incorporate the value of cost per mile attributed to a typical historic vehicle, however, using the same fuel prices from the future CYs that are used when calculating the CPM of new vehicle models. Therefore, the fuel cost per mile for a typical historic vehicle produced in model year  $HistMY$ , during calendar year  $CY$  is calculated as follows:

$$CPM_{HistMY,CY,C} = \sum_{FT} \left( FS_{MY,FT} \times \frac{Price_{FT,CY}}{FE_{HistMY,C,FT}} \right) \quad (120)$$

Where:

$MY$ : the production year of the vehicle for which the miles driven from Equations (115) and (116) are being calculated;

$CY$ : the CY during which to calculate the vehicle’s cost per mile;

---

<sup>78</sup> The “Historic Fleet Data” tab in the parameters input file defines on-road fuel economies for each historic model year, rather than the associated “rated” fuel economy values. As such, application of the on-road fuel economy “gap” is not required when computing fuel cost per mile for a historic vehicle.

*FT*: the fuel type that the vehicle produced in model year *MY* operates on, for which the miles driven from Equations (115) and (116) are being calculated;

*C*: the category of the vehicle for which the miles driven from Equations (115) and (116) are being calculated;

*FS<sub>MY,FT</sub>*:

the percent share of miles driven by the vehicle, produced in model year *MY*, when operating on fuel type *FT*, for which the miles driven from Equations (115) and (116) are being calculated;

*HistMY*:

the production year of a typical historic vehicle from which to calculate the elasticity of miles driven due to changes in fuel prices, defined as the minimum of *BaseCY* and *MY*;

*BaseCY*:

the base CY for static VMT usage data corresponding to the year when the VMT survey was taken;

*FE<sub>HistMY,C,FT</sub>*:

the sales-weighted average on-road fuel economy rating that all historic vehicles, belonging to category *C*, achieved in model year *HistMY*, when operating on fuel type *FT*, as defined on the “Historic Fleet Data” tab of the parameters input file;

*Price<sub>FT,CY</sub>*:

the price per gallon (or GGE) of the specific fuel type in calendar year *CY*; and

*CPM<sub>HistMY,CY,C</sub>*:

the resultant fuel cost per mile attributed to a typical historic vehicle, belonging to category *C*, produced in model year *HistMY*, using fuel prices from calendar year *CY*.

Similar to the CPM calculation for historic vehicles produced during model year *BaseCY* – *a*, defined by Equation (119) as *CPM<sub>BaseCY-a,C</sub>*, the fuel cost per mile from equation above is also used to correlate the cost per mile of a new vehicle model to that of a typical historic vehicle. However, since in this case the elasticity of changing fuel prices is being captured, absent any fuel economy improvements, the CPM calculation for a typical historic vehicle model uses fuel prices from the same calendar year, *CY*, as used by the vehicle model for which the miles driven are being computed. Additionally, with the same consideration that was outlined for Equation (119), the percent share of miles driven by new vehicle models is used for computing CPM of vehicles during historic model year *HistMY*.

Equations (113) through (116) specify the average number of miles driven by a single surviving vehicle produced in model year *MY*, during calendar year *CY*, when operating on fuel type *FT*. The total number of miles driven by all vehicles of that model is calculated by multiplying the average annual miles driven by the number of vehicles produced in model year *MY*, which remain in service during calendar year *CY*. Thus, the total non-rebound and rebound miles driven

on each fuel type by all surviving vehicles that were originally produced during a specific MY are calculated as in the following two equations:

$$MI'_{MY,CY,FT}^{NonRebound} = N_{MY,CY} \times MI_{MY,CY,FT}^{NonRebound} \quad (121)$$

$$MI'_{MY,CY,FT} = N_{MY,CY} \times MI_{MY,CY,FT} \quad (122)$$

Where:

*MY*: the production year of the vehicle for which to calculate the miles driven;

*CY*: the CY during which to calculate the vehicle's miles driven;

*FT*: the fuel type that the vehicle produced in model year *MY* operates on;

$N_{MY,CY}$ : the number of vehicles produced during model year *MY* that remain in use during a future calendar year *CY* as defined in Equation (103) above;

$MI_{MY,CY,FT}^{NonRebound}$ :

the number of non-rebound miles driven in a year by a single vehicle model produced in model year *MY*, during calendar year *CY*, when operating on fuel type *FT*, as defined in Equations (113) and (115) above;

$MI_{MY,CY,FT}$ :

the number of with rebound miles driven in a year by a single vehicle model produced in model year *MY*, during calendar year *CY*, when operating on fuel type *FT*, as defined in Equations (114) and (116) above; and

$MI'_{MY,CY,FT}^{NonRebound}$ :

the resultant number of non-rebound miles driven in a year by all surviving vehicles, of a specific vehicle model, produced in model year *MY*, during calendar year *CY*, when operating on fuel type *FT*;

$MI'_{MY,CY,FT}$ :

the resultant number of with rebound miles driven in a year by all surviving vehicles, of a specific vehicle model, produced in model year *MY*, during calendar year *CY*, when operating on fuel type *FT*.

Although the modeling system calculates the number of miles driven for each individual vehicle model, it aggregates these results across all vehicles for reporting purposes. The total miles driven on each type of fuel by all vehicle models produced in a specific MY during each CY is calculated by summing the mileage calculated for each individual vehicle model as shown, for non-rebound and rebound miles, in the following two equations:

$$Miles_{MY,CY,FT}^{NonRebound} = \sum_{i \in V} MI'_{i,MY,CY,FT}^{NonRebound} \quad (123)$$

$$Miles_{MY,CY,FT} = \sum_{i \in V} MI'_{i,MY,CY,FT} \quad (124)$$

Where:

$V$ : a vector containing all vehicle models produced during model year  $MY$ ;

$MY$ : the production year of all vehicles for which to calculate the miles driven;

$CY$ : the CY during which to calculate the miles driven by all vehicle models;

$FT$ : the fuel type that all vehicles produced in model year  $MY$  operate on;

$MI'^{NonRebound}_{MY,CY,FT}$ :

the number of non-rebound miles driven in a year by all surviving vehicles, of vehicle model  $i$ , produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ , as defined in Equation (121) above;

$MI'_{i,MY,CY,FT}$ :

the number of rebound miles driven in a year by all surviving vehicles, of vehicle model  $i$ , produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ , as defined in Equation (122) above; and

$Miles^{NonRebound}_{MY,CY,FT}$ :

the resultant number of non-rebound miles driven in a year by all surviving vehicles (for all vehicle models) produced in model year  $MY$ , during calendar year  $CY$ , when operating on a specific fuel type  $FT$ ;

$Miles_{MY,CY,FT}$ :

the resultant number of with rebound miles driven in a year by all surviving vehicles (for all vehicle models) produced in model year  $MY$ , during calendar year  $CY$ , when operating on a specific fuel type  $FT$ .

From here, the subtotals across all MYs, CYs, or fuel types may be obtained by aggregating across the individual variables defined by the  $MY$ ,  $CY$ , or  $FT$  subscripts. For example, the total number of non-rebound or rebound miles driven on each type of fuel by all surviving vehicle models produced in model year  $MY$  over their expected lifetimes is calculated by summing the number of miles across the individual CYs as show in the equation that follows:

$$Miles_{MY,FT} = \sum_{CY} Miles_{MY,CY,FT} \quad (125)$$

## **S2.1 Dynamic VMT Model**

When the Dynamic VMT model is employed, the CAFE Model switches from using static VMT schedules defined in the parameters input file, to dynamically calculating these schedules, based on the outcomes of the Dynamic Fleet Share and Sales Response (DFS/SR) model as well as the Dynamic Scrappage model.<sup>79</sup> The forecast of new vehicle sales for each MY (obtained from DFS/SR model) and the estimated surviving vehicle population for each associated CY (resulting from the Dynamic Scrappage model) combine to produce the overall “reference fleet” that remains on road during each of the CYs that correspond to the MYs evaluated during the study period. This reference fleet is constructed in the CAFE Model by simulating and capturing the manufacturers’ response to the standards defined in the baseline scenario, however, disallowing application of fuel-improving technologies. Effectively, the input fleet is projected over the study period, with modifications made to the forecasts of sales and scrappage volumes in response to potential changes in vehicles prices (arising from fine payment due to noncompliance). Afterwards, using the reference fleet, the Dynamic VMT model computes the associated “reference MPG,” which is an average of fuel economy values weighted based on the on-road reference fleet, for the same range of years.

Once the reference fleet and MPG are computed, the model proceeds to calculate the “reference VMT,” which serves as the total non-rebound miles traveled by all vehicles that are intended to remain constant across all regulatory alternatives. By comparing the reference fleet and VMT to the corresponding estimates produced when using the static VMT schedules, the system calculates the “ $\Delta$ Miles” between the reference and the expected actual miles traveled, based on each vehicle category. This  $\Delta$ Miles value represents an adjustment necessary to preserve the total fleet-wide demand for travel, and is used in the equations discussed in the preceding section. The specifics of these and all intermediate calculations are outlined in this section in the text that follows.

The Dynamic VMT model begins by calculating the difference between the observed and predicted VMT per capita component (in log form) occurring during the time periods that precede each of the CYs for which the reference VMT is being calculated. From there, the model applies an error correction function to the initial differences to obtain the true differences in the VMT per capita (also in log form) occurring during the current CY. Afterwards, the true difference and the observed components are combined, exponentiated, and scaled by the U.S. population, resulting in the estimate of the total reference vehicle miles traveled during each CY.

However, the value of the true difference in VMT per capita, for the CY being evaluated, depends on the estimated differences between the observed and predicted values occurring during a preceding year. Meanwhile, the computed true difference is then used to inform the observed values (and hence the estimated differences), which are used for calculating the new true difference in VMT per capita during a subsequent CY. Therefore, these calculations are conducted recursively, with the outcome of each preceding CY serving as the basis for each successive one.

---

<sup>79</sup> Note, however, that the current version of the CAFE Model does not support dynamic VMT estimation for the HDPUV fleet, and will instead use static schedules when presented with the HDPUV vehicle models.

The calculation of the estimated difference between the observed and predicted VMT per capita component during the CY for which the reference VMT is being computed is, hence, demonstrated by the following equation:

$$Z_{CY-1} = \ln(VMT_{PerCapita})_{CY-1} - \left( \begin{array}{l} \beta_1 \times \ln\left(\frac{RDPI_{CY-1}}{USPopulation_{CY-1}}\right) \\ + \beta_2 \times \ln\left(\frac{RDPI_{CY-1}}{USPopulation_{CY-1}}\right)^2 \\ + \beta_3 \times \ln(CPM_{Gas,CY-1}) \end{array} \right) \quad (126)$$

Where:

$CY$ : the CY during which the reference VMT is being calculated;

$\beta_1 - \beta_3$ :

a set of beta coefficients, as defined by Table 21 below;

$RDPI_{CY-1}$ :

the real disposable personal income for the calendar year  $CY-1$ ;

$USPopulation_{CY-1}$ :

the U.S. population, in millions, for the calendar year  $CY-1$ ;

$CPM_{Gas,CY-1}$ :

the average on-road fleet-wide cost of travel, based on price of gasoline and specified in \$/mi, for the calendar year  $CY-1$ ;

$\ln(VMT_{PerCapita})_{CY-1}$ :

the observed VMT per capita (in log form) occurring during the time period,  $CY-1$ , that precedes the calendar year  $CY$  for which the reference VMT is being calculated; and

$Z_{CY-1}$ : the resultant difference between the observed and predicted VMT per capita component (in log form) occurring during the time period that precedes the calendar year  $CY$  for which the reference VMT is being calculated.

In the equation above, the values for RDPI and U.S. population are specified on the *Economic Values* tab of the parameters input file. The beta coefficients,  $\beta_1$  through  $\beta_3$ , are provided in the following table.

Table 21. VMT Beta Coefficients

| Coefficient | Value      |
|-------------|------------|
| $\beta_1$   | 3.5672140  |
| $\beta_2$   | -0.4346586 |
| $\beta_3$   | -0.0850293 |

The calculation of the observed VMT per capita component,  $\ln(VMT_{PerCapita})_{CY-I}$ , in Equation (126) differs based on whether the preceding calendar year,  $CY-I$ , represents a historic year or one of the years covered during the study period. However, the system will begin predicting new VMT estimates after the last CY for which the *Historic VMT* and the *Historic MPG* values are defined.<sup>80</sup> For example, if the historic values are defined through CY-2021, while the study period begins in MY 2020, the system will use historic data through CY-2021, and start forecasting with CY 2022. For the historic CY, the observed VMT per capita component is computed based on the historic values for VMT and U.S. population, while for the CYs corresponding to the analysis years, the VMT per capita is computed by using the previously observed value, and adjusting for the difference computed by Equation (126) based on the preceding year. The calculation for observed VMT per capita during the CY for which the reference VMT is being computed is summarized by the following equation:

$$\ln(VMT_{PerCapita})_{CY-1} = \begin{cases} \ln\left(\frac{VMT_{CY-1}}{USPopulation_{CY-1}}\right), & CY = MaxCY \\ \ln(VMT_{PerCapita})_{CY-2} + \ln(\Delta VMT_{PerCapita})_{CY-1}, & CY > MaxCY \end{cases} \quad (127)$$

Where:

$CY$ : the CY during which the reference VMT is being calculated;

$MaxCY$ :

the maximum CY for which the historic VMT and MPG values are defined;

$VMT_{CY-I}$ :

the total VMT of the on-road fleet, in millions of miles, during the calendar year  $CY-I$ ;

$USPopulation_{CY-I}$ :

the U.S. population, in millions, for the calendar year  $CY-I$ ;

$\ln(VMT_{PerCapita})_{CY-2}$ :

the observed VMT per capita (in log form) occurring during the time period,  $CY-2$ , that precedes the calendar year  $CY$  for which the reference VMT is being calculated by two years;

$\ln(\Delta VMT_{PerCapita})_{CY-I}$ :

the true difference between the observed and estimated VMT per capita occurring during the time period,  $CY-I$ , that precedes the calendar year  $CY$  for which the reference VMT is being calculated, as defined by Equation (129) below; and

---

<sup>80</sup> The Historic VMT and Historic MPG values are specified on the *Economic Values* tab in the parameters input file.



$\ln(VMT_{PerCapita})_{CY-2}$ :

the resultant observed VMT per capita (in log form) occurring during the time period,  $CY-1$ , that precedes the calendar year  $CY$  for which the reference VMT is being calculated.

Equation (126) defined above also uses a  $CPM_{Gas,CY-1}$  term, which is a measure of the average on-road fleet-wide cost of travel. However, the calculation of cost per mile here differs slightly from the equations defined in the preceding section, since the difference between the observed and predicted VMT per capita computed here is benchmarked based on the price of gasoline using  $CY-2012$  dollars. Hence, a deflator is applied to the base fuel price as shown in the following equation:

$$CPM_{Gas,CY} = \frac{Price_{Gas,CY} / Deflator_{2012}}{RefMPG_{CY}} \quad (128)$$

Where:

$CY$ : the  $CY$  during which to calculate the gasoline fuel cost per mile;

$Price_{Gas,CY}$ :

the price per gallon of gasoline in calendar year  $CY$ ;

$Deflator_{2012}$ :

the deflator value, specified on the “Economic Values” tab of the parameters input file, to apply to the current U.S. dollars to convert to the 2012-USD;

$RefMPG_{CY}$ :

the weighted reference MPG (or fuel economy) of the on-road fleet in calendar year  $CY$ , as described in the opening paragraph of this section; and

$CPM_{Gas,CY}$ :

the resultant average on-road fleet-wide cost of travel, based on price of gasoline and specified in \$/mi, for the calendar year  $CY$ .

Once the difference between the observed and predicted VMT per capita has been established, the VMT model applies an error correction function to obtain the true differences in the VMT per capita (in log form) occurring during the  $CY$  for which the reference VMT is being estimated. For a given  $CY$ , this error correction function is given by the following:

$$\ln(\Delta VMT_{PerCapita})_{CY} = \begin{pmatrix} \alpha \\ +\gamma_1 \times z_{CY-1} \\ +\gamma_2 \times \left( \ln\left(\frac{RDPI_{CY}}{USPopulation_{CY}}\right) - \ln\left(\frac{RDPI_{CY-1}}{USPopulation_{CY-1}}\right) \right) \\ +\gamma_3 \times \left( \ln\left(\frac{RDPI_{CY-1}}{USPopulation_{CY-1}}\right) - \ln\left(\frac{RDPI_{CY-2}}{USPopulation_{CY-2}}\right) \right) \\ +\gamma_4 \times \left( \ln\left(\frac{RDPI_{CY-2}}{USPopulation_{CY-2}}\right) - \ln\left(\frac{RDPI_{CY-3}}{USPopulation_{CY-3}}\right) \right) \\ +\gamma_5 \times \left( \ln\left(\frac{RDPI_{CY}}{USPopulation_{CY}}\right)^2 - \ln\left(\frac{RDPI_{CY-1}}{USPopulation_{CY-1}}\right)^2 \right) \\ +\gamma_6 \times \ln(Sentiment_{CY}) \end{pmatrix} \quad (129)$$

Where:

$CY$ : the CY during which the reference VMT is being calculated and for which to calculate the true difference between the observed and estimated VMT per capita;

$\alpha, \gamma_1$  to  $\gamma_6$ :

the alpha term and a set of gamma coefficients, as defined by Table 22 below;

$Z_{CY-1}$ : the difference between the observed and predicted VMT per capita component (in log form) occurring during the time period that precedes the calendar year  $CY$  for which the reference VMT is being calculated;

$RDPI_{CY}$ :

the real disposable personal income for the calendar year  $CY$ ;

$RDPI_{CY-1}$ :

the real disposable personal income for the calendar year  $CY-1$ ;

$RDPI_{CY-2}$ :

the real disposable personal income for the calendar year  $CY-2$ ;

$USPopulation_{CY}$ :

the U.S. population, in millions, for the calendar year  $CY$ ;

$USPopulation_{CY-1}$ :

the U.S. population, in millions, for the calendar year  $CY-1$ ;

$USPopulation_{CY-2}$ :

the U.S. population, in millions, for the calendar year  $CY-2$ ;

$Sentiment_{CY}$ :

the consumer sentiment in calendar year  $CY$ ; and

$\ln(\Delta VMT_{PerCapita})_{CY}$ :

the resultant true difference between the observed and estimated VMT per capita occurring during calendar year  $CY$ .

In the above equation, the values for RDPI, U.S. population, and consumer sentiment are specified on the *Economic Values* tab of the parameters input file. The alpha term,  $\alpha$ , and the gamma coefficients,  $\gamma_1$  through  $\gamma_6$ , are provided in the following table.

Table 22. VMT Error Correction  
Function Coefficients

| Coefficient | Value      |
|-------------|------------|
| $\alpha$    | 0.3992312  |
| $\gamma_1$  | -0.3584071 |
| $\gamma_2$  | 3.6607830  |
| $\gamma_3$  | -0.3096410 |
| $\gamma_4$  | -0.2494935 |
| $\gamma_5$  | -0.5465123 |
| $\gamma_6$  | 0.0458378  |

After establishing the true difference in VMT per capita, the VMT model proceeds to calculate the reference fleet-wide VMT, which is the total non-rebound miles traveled by all vehicles. For calendar year  $CY$ , the reference VMT is computed as shown in the following equation:

$$RefVMT_{CY} = e^{(\ln(VMT_{PerCapita})_{CY-1} + \ln(\Delta VMT_{PerCapita})_{CY})} \times USPopulation_{CY} \times 1e6 \quad (130)$$

Where:

$CY$ : the  $CY$  for which to calculate the reference VMT;

$USPopulation_{CY-1}$ :

the U.S. population, in millions, for the calendar year  $CY$ ;

$1e6$ : the adjustment factor from millions of miles to unit miles;

$\ln(VMT_{PerCapita})_{CY-1}$ :

the observed VMT per capita (in log form) occurring during the time period,  $CY-1$ , that precedes the calendar year  $CY$  for which the reference VMT is being calculated;

$\ln(\Delta VMT_{PerCapita})_{CY}$ :

the true difference between the observed and estimated VMT per capita occurring during the time period,  $CY$ , for which the reference VMT is being calculated, as defined by Equation (129) above; and

$RefVMT_{CY}$ :

the resultant reference VMT attributed to the on-road fleet during calendar year  $CY$ .

Once the reference VMT is determined, the system proceeds to compute the mileage offset,  $\Delta Miles_{C,CY,a}$ , that is used by Equations (115) and (116), as follows:

$$\Delta Miles_{C,CY,a} = \frac{(RefVMT_{CY} - ActualVMT_{CY})}{ActualVMT_{CY}} \times \frac{ActualVMT_{CY,C,a}}{Fleet_{CY,C,a}} \quad (131)$$

Where:

*C*: the category of the vehicles for which to calculate the mileage offset;

*CY*: the CY for which to calculate the mileage offset;

*a*: the vehicle age for which to calculate the mileage offset;

*RefVMT<sub>CY</sub>*:

the reference VMT attributed to the on-road fleet during calendar year *CY*;

*ActualVMT<sub>CY</sub>*:

the estimate of the actual VMT attributed to the on-road fleet during calendar year *CY*, calculated similar as in Equations (115) and (121) above, but aggregating across fuel types and MYs, and omitting the “ $\Delta Miles_{C,CY,a}$ ” term;

*ActualVMT<sub>CY,C,a</sub>*:

the estimate of the actual VMT attributed to the on-road fleet of age *a*, belong to category *C*, during calendar year *CY*, calculated similar as in Equations (115) and (121) above, but aggregating across fuel types and MYs, and omitting the “ $\Delta Miles_{C,CY,a}$ ” term;

*Fleet<sub>CY,C,a</sub>*:

the on-road fleet of age *a*, belong to category *C*, during calendar year *CY*; and

$\Delta Miles_{C,CY,a}$ :

the resultant mileage offset, representing an adjustment necessary to preserve the total fleet-wide demand for travel for vehicles of age *a*, belonging to category *C*, during calendar year *CY*.

The  $\Delta Miles_{C,CY,a}$  obtained in above equation may then be used in the equations presented earlier for calculating the number of annual non-rebound and “with rebound” miles driven by vehicles produced in a specific MY, during a given CY.

### Section 3 Fuel Consumption

Fuel consumption by vehicles of each model and vintage during a future year depends on the total mileage that the surviving vehicles are driven during that year, as well as on the fuel efficiency they obtain in actual driving. The fuel economy levels that new vehicles achieve in real-world driving fall significantly short of the rated fuel economy levels that are used to assess manufacturers' compliance with CAFE or CO<sub>2</sub> standards.

The average number of gallons of each type of fuel (or GGE for electricity, hydrogen, and CNG) consumed by a vehicle produced in a specific MY that survives during each CY is calculated as shown in the following equation:

$$G_{MY,CY,FT} = \frac{MI_{MY,CY,FT}}{FE_{MY,FT} \times (1 - GAP_{FT})} \quad (132)$$

Where:

*MY*: the production year of the vehicle for which to calculate the number of gallons (or GGE) of fuel consumed;

*CY*: the CY during which to calculate the number of gallons (or GGE) of fuel consumed by the vehicle;

*FT*: the fuel type that the vehicle produced in model year *MY* operates on;

*FE<sub>MY,FT</sub>*:

the fuel economy rating of the vehicle, produced in model year *MY*, when operating on fuel type *FT*;

*GAP<sub>FT</sub>*:

the relative difference between on-road and laboratory fuel economy for a specific fuel type;

*MI<sub>MY,CY,FT</sub>*:

the average number of miles driven in a year by a vehicle produced in model year *MY*, during calendar year *CY*, when operating on fuel type *FT*, as defined in Equation (114) above; and

*G<sub>MY,CY,FT</sub>*:

the resultant average amount of gallons (or GGE) of fuel consumed in a year by the vehicle produced in model year *MY*, during calendar year *CY*, when operating on fuel type *FT*.

Similar to the mileage accumulation equations discussed in the previous section, the fuel consumption equation above estimates the average number of gallons consumed by a single surviving vehicle model produced in model year *MY* during calendar year *CY*. The total number of gallons (or GGE) consumed by all surviving vehicles of that model is defined as follows:

$$G'_{MY,CY,FT} = N_{MY,CY} \times G_{MY,CY,FT} \quad (133)$$

Where:

$MY$ : the production year of the vehicle for which to calculate the number of gallons (or GGE) of fuel consumed;

$CY$ : the CY during which to calculate the number of gallons (or GGE) of fuel consumed by the vehicle;

$FT$ : the fuel type that the vehicle produced in model year  $MY$  operates on;

$N_{MY,CY}$ : the number of vehicles produced during model year  $MY$  that remain in use during a future calendar year  $CY$  as defined in Equation (103) above;

$G_{MY,CY,FT}$ :

the amount of gallons of fuel consumed in a year by a single vehicle model produced in model year  $MY$ , during calendar year  $CY$  as defined in Equation (132) above; and

$G'_{MY,CY,FT}$ :

the resultant amount of gallons (or GGE) of fuel consumed in a year by all surviving vehicles, of a specific vehicle model, produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ .

Although the modeling system calculates fuel consumption for each individual vehicle model, it aggregates these results across all vehicle models for reporting purposes. The total consumption of each type of fuel by all vehicle models produced in a specific  $MY$  during each  $CY$  is calculated by summing the fuel consumptions of each individual vehicle model as shown in the following equation:

$$Gallons_{MY,CY,FT} = \sum_{i \in V} G'_{i,MY,CY,FT} \quad (134)$$

Where:

$V$ : a vector containing all vehicle models produced during model year  $MY$ ;

$MY$ : the production year of all vehicles for which to calculate the number of gallons (or GGE) of fuel consumed;

$CY$ : the CY during which to calculate the number of gallons (or GGE) of fuel consumed by all vehicle models;

$FT$ : the fuel type that all vehicles produced in model year  $MY$  operate on;

$G'_{i,MY,CY,FT}$ :

the amount of gallons (or GGE) of fuel consumed in a year by all surviving vehicles, of vehicle model  $i$ , produced in model year  $MY$ , during calendar year  $CY$ , when operating on a specific fuel type  $FT$  as defined in Equation (133) above; and

$Gallons_{MY,CY,FT}$ :

the resultant amount of gallons (or GGE) of fuel consumed in a year by all surviving vehicles (for all vehicle models) produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ .

From here, the total consumption of each type of fuel by all surviving vehicle models produced in model year  $MY$  over their expected lifetimes (as an example) is calculated by summing the amount of gallons consumed across the individual CYs as follows:

$$Gallons_{MY,FT} = \sum_{CY} Gallons_{MY,CY,FT} \quad (135)$$

The total annual consumption of each fuel by all vehicle models will differ depending on the standard that prevailed during the MY when they were originally produced. This is reflected in the outputs produced by the model, when comparing the differences of total gallons of fuel consumed between various regulatory scenarios.

In addition to calculating fuel consumption in terms of amount of gallons (or GGE) consumed for each fuel type, the modeling system also calculates corresponding energy consumption in quadrillion British thermal units (Quads) attributable to each fuel type analyzed in the model, reporting these quantities on a total and incremental basis. For non-liquid fuel types (electricity, hydrogen, and CNG), the CAFE Model also estimates energy consumption in native units of that fuel type (kWh for electricity and scf for hydrogen and CNG).<sup>81</sup>

For liquid fuel types (gasoline, E85, and diesel), the conversion of energy consumption to quadrillion BTUs is calculated in the model by simply multiplying the amount of gallons of the specific fuel consumed by the energy density of that fuel type and scaling the result from BTUs to Quads. The system computes amount of Quads consumed by each individual vehicle model as well as overall consumption across all surviving vehicle models, for any given CY and/or MY. Thus, the equation for calculating Quads takes general form as shown:

$$Quads_{FT} = \frac{Gallons_{FT} \times ED_{FT}}{1e15} \quad (136)$$

Where:

$FT$ : the fuel type that one or more vehicles produced in a specific MY operate on;

$Gallons_{FT}$ :

the amount of gallons of fuel type  $FT$  consumed by one or more vehicle models;

$ED_{FT}$ : the energy density of fuel type  $FT$ ; and

$Quads_{FT}$ :

the energy consumption expressed as quadrillion BTUs for fuel type  $FT$ .

---

<sup>81</sup> When reporting amounts of fuel and energy consumption, the system converts all units into thousands. Thus, liquid fuel consumed is reported in thousands of gallons, electricity in MWh, and hydrogen and CNG in Mcf.

For electricity, hydrogen, and CNG fuel types, since their consumption is measured in gasoline gallon equivalents, the conversion to Quads is calculated by multiplying the amount of GGE by the energy density of gasoline. Equation (136) above then becomes:

$$Quads_{FT} = \frac{Gallons_{FT} \times ED_{Gasoline}}{1e15} \quad (137)$$

Where:

*FT*: the fuel type that one or more vehicles produced in a specific MY operate on;

*Gallons<sub>FT</sub>*:

the amount of gallons of fuel type *FT* consumed by one or more vehicle models;

*ED<sub>Gasoline</sub>*:

the energy density of gasoline; and

*Quads<sub>FT</sub>*:

the energy consumption expressed as quadrillion BTUs for fuel type *FT*.

Additionally for electricity, hydrogen, and CNG, the conversion from GGE to native units (kWh or scf) is calculated by multiplying the amount of gallons consumed by the ratio of the energy density of gasoline to the energy density of a specific fuel type. As with the calculation of energy use in Quads, the system computes consumption of kilowatt-hours and standard cubic feet for each individual vehicle model and total consumption for all surviving vehicle models. Hence, for electricity, the equation is defined as:

$$kWh = Gallons_{FT} \times \frac{ED_{Gasoline}}{ED_{FT}} \quad (138)$$

While for hydrogen and CNG, the equation is as follows:

$$SCF = Gallons_{FT} \times \frac{ED_{Gasoline}}{ED_{FT}} \quad (139)$$

Where:

*Gallons<sub>FT</sub>*:

the amount of gasoline gallon equivalent of *Electricity*, *Hydrogen*, or *CNG* fuel types (denoted by the *FT* subscript) consumed by one or more vehicle models;

*ED<sub>Gasoline</sub>*:

the energy density of gasoline fuel;

*ED<sub>FT</sub>*: the energy density of *Electricity*, *Hydrogen*, or *CNG* fuel types; and

*kWh*: the amount of kilowatt-hours of *Electricity* fuel type consumed by one or more vehicle models (Equation (138));

*SCF*: the amount of standard cubic feet of *Hydrogen* or *CNG* fuel types consumed by one or more vehicle models (Equation (139)).



## Section 4 Greenhouse Gas Emissions

Fuel consumption changes attributed to imposing new standards result in the associated changes in emissions of carbon dioxide (CO<sub>2</sub>), the primary greenhouse gas (GHG) emitted during the refining, distribution, and combustion of transportation fuels. Lowering overall fuel consumption reduces total carbon dioxide emissions directly, while increasing the amount of fuel consumed naturally leads to increases in quantity of carbon dioxide emitted into the atmosphere. This occurs given that the largest source of these emissions from transportation activity is fuel used by the internal combustion engines.

The CAFE Model calculates CO<sub>2</sub> emissions from vehicle operation (also referred to as “tailpipe” or “downstream” emissions) by multiplying the number of gallons of a specific fuel consumed by the carbon content per gallon of that fuel type, and then applying the ratio of carbon dioxide emissions generated per unit of carbon consumed during the combustion process.<sup>82</sup> Hence, the total emissions of carbon dioxide resulting from fuel consumption by all surviving vehicle models produced in a specific MY during each CY, attributed to vehicle operation on each fuel type, are calculated as:

$$CO2_{MY,CY,FT}^{DS} = \frac{Gallons_{MY,CY,FT} \times MD_{FT} \times CC_{FT} \times ({}^{44}/_{12})}{1e6} \quad (140)$$

Where:

- MY*: the production year of all vehicles for which to calculate downstream carbon dioxide emissions;
- CY*: the CY during which to calculate the amount of carbon dioxide emitted by all vehicle models during operation;
- FT*: the fuel type that all vehicles produced in model year *MY* operate on;
- Gallons<sub>MY,CY,FT</sub>*:  
the amount of gallons of fuel consumed in a year by all surviving vehicle models produced in model year *MY* during calendar year *CY*, when operating on fuel type *FT*;
- MD<sub>FT</sub>*: the mass density of a fuel type *FT* (an input parameter specified in grams per unit of fuel type, which is either gallons, kWh, or scf);
- CC<sub>FT</sub>*: the fraction of each fuel type’s mass that represents carbon;
- (<sup>44</sup>/<sub>12</sub>): the ratio of the molecular weight of carbon dioxide to that of elemental carbon;<sup>83</sup>
- 1e6*: the conversion factor from grams to metric tons; and

<sup>82</sup> The carbon content for each type of fuel is specified as an input to the model in the parameters input file (further discussed in Section A.3.11 of Appendix A). Although the model does not explicitly account for incomplete conversion of carbon to carbon dioxide, input values specifying carbon content can be adjusted accordingly (i.e., reduced to 99 to 99.5 percent of actual carbon content). Since electricity and hydrogen fuel types do not cause CO<sub>2</sub> emissions to be emitted during vehicle operation, the carbon content for these fuel types should be set to zero in the input file.

<sup>83</sup> This ratio measures the mass of carbon dioxide that is produced by complete combustion of mass of carbon contained in each gallon of fuel.

$CO2_{MY,CY,FT}^{DS}$ :

the total downstream emissions of carbon dioxide (denominated in metric tons) resulting from fuel consumption by all surviving vehicle models produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ .

Vehicles operating on electricity or hydrogen are assumed to generate no  $CO_2$  emissions during vehicle use. For vehicles operating on CNG, since mass density is specified in grams per scf, the generated  $CO_2$  emissions are calculated using amount of scf of CNG instead of amount of gallons consumed by all vehicle models. Thus, Equation (140) above becomes:

$$CO2_{MY,CY,CNG}^{DS} = \frac{SCF_{MY,CY,CNG} \times MD_{CNG} \times C_{CNG} \times (44/12)}{1e6} \quad (141)$$

In addition to the  $CO_2$  emissions, the CAFE Model also calculates downstream emissions from two other sources of greenhouse gases – specifically, methane ( $CH_4$ ) and nitrous oxide ( $N_2O$ ). However, the modeling system estimates these two emissions based on the number of miles driven by individual vehicle models, rather than the amount of fuel consumed by those vehicles. The  $CH_4$  and  $N_2O$  emissions from vehicle operation are calculated by multiplying the vehicle miles driven, during each  $CY$  that the vehicles remain in service, by the per-mile tailpipe emission rates for each pollutant. The tailpipe emission rates, which are listed in the parameters input file, are specified for each  $MY$  and vehicle age, and differ among the various classes of vehicles (as defined by Table 5 in Section S2.2 above). The modeling system accepts emission rate tables defined for gasoline and diesel fuel types, where the gasoline rates are also used for vehicles operating on E85.<sup>84</sup> For vehicles operating on electricity (PHEVs and BEVs), hydrogen (FCVs), and CNG, the system assumes that no additional emissions are produced during vehicle operation. Hence, the system does not define tailpipe emission rates inputs for those fuel sources. Therefore, the total downstream  $CH_4$  or  $N_2O$  emissions from the use of all surviving vehicle models produced in a specific  $MY$  during each  $CY$ , attributed to vehicle operation on each type of fuel, are defined in the following equation:

$$E_{MY,CY,FT}^{DS} = \frac{\sum_{i \in V} (MI'_{i,MY,CY,FT} \times E_{i,MY,a,FT})}{1e6} \quad (142)$$

Where:

- $V$ : a vector containing all vehicle models produced during model year  $MY$ ;
- $MY$ : the production year of all vehicles for which to calculate downstream emissions of a given pollutant;
- $CY$ : the  $CY$  during which to calculate the amount of a given pollutant emitted by all vehicle models during operation;
- $FT$ : the fuel type that all vehicles produced in model year  $MY$  operate on;

---

<sup>84</sup> Given that no reliable sources of information for criteria emissions resulting from vehicle operation are available for E85 fuel, and since overall usage of E85 by all vehicle models is insignificant when compared to overall vehicle fuel consumption, the modeling system assumes a simplification that emissions generated from vehicle operation on E85 fuel are equivalent to that of gasoline.

$a$ : the age of the vehicle produced in model year  $MY$  during calendar year  $CY$  (as defined by Equation (104) above);

$MI'_{i,MY,CY,FT}$ :

the number of miles driven in a year by all surviving vehicles of model  $i$  produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ ;

$E_{i,MY,a,FT}$ :

the per-mile rate at which vehicles of model  $i$  and model year  $MY$  emit a given pollutant at age  $a$ , when operating on a specific fuel type  $FT$ ;

$1e6$ : the conversion factor from grams to metric tons; and

$E_{MY,CY,FT}^{DS}$ :

the total downstream emissions of a specific pollutant (denominated in metric tons) resulting from the use by all surviving vehicle models produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ .

As with the model's calculations of miles driven and fuel consumption, estimates of annual downstream emissions of each greenhouse gas are summed over the  $CY$ s to obtain estimates of their total lifetime emissions. Specifically, lifetime  $CO_2$  and other GHG emissions from fuel consumption by vehicle models produced during model year  $MY$  when operating on fuel type  $FT$  are given by the following two equations:

$$CO2_{MY,FT}^{DS} = \sum_{CY} CO2_{MY,CY,FT}^{DS} \quad (143)$$

$$E_{MY,FT}^{DS} = \sum_{CY} E_{MY,CY,FT}^{DS} \quad (144)$$

The total volume of fuel consumed also affects greenhouse gas emissions from refining and distributing liquid fuels (gasoline, diesel, and E85). These emissions occur during the production of petroleum-based fuels as a result of energy use for petroleum extraction, transportation, storage, and refining, as well as during storage and distribution of refined fuel. Producing the chemical feedstocks or agricultural products from which non-petroleum fuels such as ethanol are derived also entails energy use and generates GHG emissions, as does refining, storing, and distributing those fuels. Generating electricity for use by PHEVs and BEVs, or hydrogen for use by FCVs, using fossil energy sources such as coal or natural gas also produces GHG emissions. In addition, extracting natural gas from wells, as well as production (consisting of compression, cooling, and dehydration) and storage of CNG, leads to GHG emissions as well.

For liquid fuel types, the modeling system calculates the amount of greenhouse gases emitted at each stage of fuel production and distribution (which are also referred to as "upstream" emissions) using the estimates of emission rates from each stage of these processes per unit of fuel energy supplied. For the main portion of the analysis, the system calculates vehicular GHG emissions based on the average emission rate estimates occurring at global petroleum producing facilities and refineries. These estimates are first converted to grams per quadrillion BTUs (Quads), then multiplied by the amount of Quads of each fuel type consumed to estimate carbon

dioxide emissions from production and distribution of various fuel types. The modeling system first estimates emissions resulting from each stage independently, then combines the individual results to obtain the total amount of each GHG pollutant emitted from various fuel types. Hence, the emissions of any given GHG pollutant resulting from production and distribution of liquid fuel sources consumed by all surviving vehicles of a specific MY for each CY and fuel type are given by the following series of equations:

$$E_{MY,CY,FT}^{US,FuelTSD} = \frac{Quads_{MY,CY,FT} \times E_{CY,FT}^{FuelTSD} \times 1e9}{1e6} \quad (145)$$

$$E_{MY,CY,FT}^{US,Refining} = \frac{Quads_{MY,CY,FT} \times E_{CY,FT}^{Refining} \times 1e9}{1e6} \quad (146)$$

$$E_{MY,CY,FT}^{US,Extraction} = \frac{Quads_{MY,CY,FT} \times E_{CY,FT}^{Extraction} \times 1e9}{1e6} \quad (147)$$

$$E_{MY,CY,FT}^{US,Transport} = \frac{Quads_{MY,CY,FT} \times E_{CY,FT}^{Transport} \times 1e9}{1e6} \quad (148)$$

Where:

*MY*: the production year of all vehicles for which to calculate upstream carbon dioxide emissions;

*CY*: the CY during which to calculate carbon dioxide upstream emissions attributed to the fuel consumption of vehicle models;

*FT*: the fuel type that all vehicles produced in model year *MY* operate on;

$Quads_{MY,CT,FT}$ :

the amount of quadrillion BTUs of energy consumed in a year by all surviving vehicle models produced in model year *MY*, during calendar year *CY*, when operating on fuel type *FT*;

$E_{CY,FT}^{FuelTSD}$ ,  $E_{CY,FT}^{Refining}$ ,  $E_{CY,FT}^{Extraction}$ ,  $E_{CY,FT}^{Transport}$ :

emissions of a given pollutant from fuel transportation, storage, and distribution (fuel TSD), as well as petroleum refining, extraction, and transportation, occurring during calendar year *CY*, for fuel type *FT* (these are input parameters specified in grams per million-Btu; the input values are multiplied by 1e9 to convert into grams per Quad);

*1e6*: the conversion factor from grams to metric tons; and

$$E_{MY,CY,FT}^{US,FuelTSD}, E_{MY,CY,FT}^{US,Refining}, E_{MY,CY,FT}^{US,Extraction}, E_{MY,CY,FT}^{US,Transport}:$$

the upstream emissions of a specific pollutant (denominated in metric tons) resulting from each individual stage of fuel production and distribution of each fuel type  $FT$ , used by all surviving vehicle models produced in model year  $MY$ , during calendar year  $CY$ .

When used in conjunction with the global emission rates, the above equations estimate the amount of each GHG pollutant emitted globally from fuel that was supplied for vehicular use by domestic and international petroleum producers and refineries. In addition to these global GHG emissions, the CAFE Model also estimates domestic GHG emissions by using one of two methodologies. The system may be configured to compute domestic GHG emissions using either: (1) the emission rate estimates from only the domestic petroleum producers and refineries, or (2) the emission rates from the global producers and refineries, but with the fuel import assumptions applied.<sup>85</sup> If the modeling system is configured to use domestic emission rates, the calculations shown in Equations (145) to (148) above will be performed, however, substituting the estimates of domestic emissions for each stage of fuel production and distribution. Alternatively, if the model is configured to apply fuel import assumptions, the global rates will still be used, but with the individual stages of petroleum production scaled by the appropriate import assumption. Since the transportation, storage, and distribution of the refined fuel product is assumed to occur entirely within the U.S., the calculation of the *FuelTSD* component of the upstream GHG emissions, given by Equation (145), remains unchanged. For the remaining stages of fuel production, Equations (146) to (148) are scaled down to estimate domestic values based on the fuel import assumptions defined in the parameters input file. Thus, the amount of domestic GHG emissions resulting from refining, extraction, and transportation of liquid fuel sources consumed by all surviving vehicles of a specific MY for each CY and fuel type is given by the following series of equations:

$$E_{MY,CY,FT}^{US,Refining} = \frac{Quads_{MY,CY,FT} \times E_{CY,FT}^{Refining} \times 1e9}{1e6} \times S_{CY,FT}^l \quad (149)$$

$$E_{MY,CY,FT}^{US,Extraction} = \frac{Quads_{MY,CY,FT} \times E_{CY,FT}^{Extraction} \times 1e9}{1e6} \times S_{CY,FT}^l \times S_{CY,FT}^2 \quad (150)$$

$$E_{MY,CY,FT}^{US,Transport} = \frac{Quads_{MY,CY,FT} \times E_{CY,FT}^{Transport} \times 1e9}{1e6} \times S_{CY,FT}^l \times S_{CY,FT}^2 \quad (151)$$

Where:

$MY$ : the production year of all vehicles for which to calculate upstream carbon dioxide emissions;

---

<sup>85</sup> The methodology for estimating domestic GHG emissions may be toggled via a runtime setting available in the CAFE Model's GUI. Refer to Appendix C.4.2.3 for more information on all runtime settings available with the CAFE Model.

*CY*: the CY during which to calculate carbon dioxide upstream emissions attributed to the fuel consumption of vehicle models;

*FT*: the fuel type that all vehicles produced in model year *MY* operate on;

$Quads_{MY,CY,FT}$ :

the amount of quadrillion BTUs of energy consumed in a year by all surviving vehicle models produced in model year *MY*, during calendar year *CY*, when operating on fuel type *FT*;

$E_{CY,FT}^{Refining}$ ,  $E_{CY,FT}^{Extraction}$ ,  $E_{CY,FT}^{Transport}$ :

emissions of a given pollutant from petroleum refining, extraction, and transportation, occurring during calendar year *CY*, for fuel type *FT* (these are input parameters specified in grams per million-Btu; the input values are multiplied by  $1e9$  to convert into grams per Quad);

$S_{CY,FT}^1$ :

the assumed value for share of fuel savings leading to reduced domestic fuel refining for fuel type *FT*, during calendar year *CY*;

$S_{CY,FT}^2$ :

the assumed value for share of reduced domestic refining from domestic crude for fuel type *FT*, during calendar year *CY*;

$1e6$ : the conversion factor from grams to metric tons; and

$E_{MY,CY,FT}^{US,Refining}$ ,  $E_{MY,CY,FT}^{US,Extraction}$ ,  $E_{MY,CY,FT}^{US,Transport}$ :

the upstream emissions of a specific pollutant (denominated in metric tons) resulting from each individual stage of fuel production and distribution of each fuel type *FT*, used by all surviving vehicle models produced in model year *MY*, during calendar year *CY*.

From here, the results obtained by above equations are summed to compute the total upstream emissions of each GHG (denominated in metric tons) resulting from production and distribution of each fuel type *FT*, used by all surviving vehicle models produced in model year *MY*, during calendar year *CY*. This calculation is represented by the following equation:

$$E_{MY,CY,FT}^{US} = E_{MY,CY,FT}^{US,FuelTSD} + E_{MY,CY,FT}^{US,Refining} + E_{MY,CY,FT}^{US,Extraction} + E_{MY,CY,FT}^{US,Transport} \quad (152)$$

In the case of gasoline gallon equivalent (GGE) fuel types, only a single aggregate value is defined in place of the different stages of fuel production and distribution (which consists of generation, production, and storage as was described above). Thus, for these fuel types, the upstream emissions are estimated using that one aggregate measure. The total emissions of each GHG resulting from generation and production of GGE fuel consumed by all surviving vehicles of a specific MY for each CY and fuel type are, hence, given by:

$$E_{MY,CY,FT}^{US} = \frac{Quads_{MY,CY,FT} \times E_{CY,FT} \times 1e9}{1e6} \quad (153)$$

Where:

*MY*: the production year of all vehicles for which to calculate upstream carbon dioxide emissions;

*CY*: the CY during which to calculate carbon dioxide upstream emissions attributed to the fuel consumption of vehicle models;

*FT*: the fuel type that all vehicles produced in model year *MY* operate on;

*Quads<sub>MY,CT,FT</sub>*:

the amount of quadrillion BTUs of energy consumed in a year by all surviving vehicle models produced in model year *MY*, during calendar year *CY*, when operating on fuel type *FT*;

*E<sub>CY,FT</sub>*:

overall emissions of a given pollutant from production of electricity, H2, or CNG, during calendar year *CY*, for fuel type *FT* (an input parameter specified in grams per million-Btu; the input value is multiplied by *1e9* to convert it into grams per Quad);

*1e6*: the conversion factor from grams to metric tons; and

*E<sub>MY,CY,FT</sub><sup>US</sup>*:

the total upstream emissions of a specific pollutant (denominated in metric tons) resulting from production and distribution of each fuel type *FT* used by all surviving vehicle models produced in model year *MY*, during calendar year *CY*.

Annual GHG emissions generated by production and distribution of each fuel type *FT* are then summed over the lifetimes of all vehicle models produced during each model year *MY* as such:

$$E_{MY,FT}^{US} = \sum_{CY} E_{MY,CY,FT}^{US} \quad (154)$$

Finally, downstream GHG emissions from fuel consumption are combined with upstream emissions generated during the fuel supply process to yield the total emissions of each GHG from fuel production and consumption by vehicles produced in a specific *MY*, during each *CY*, as well as summed over their expected lifetimes. For each fuel type the surviving vehicle models operate on, the calculation for total GHG emissions of each pollutant can be generalized as:

$$E_{MY,FT} = E_{MY,FT}^{DS} + E_{MY,FT}^{US} \quad (155)$$

## Section 5 Air Pollutant Emissions

Imposing new standards can result in higher or lower emissions of criteria air pollutants, by-products of fuel combustion that are also emitted during the production and distribution of fuel. Criteria pollutants that are emitted in significant quantities by motor vehicles include carbon monoxide, various hydrocarbon compounds, nitrogen oxides, sulfur dioxide, and fine particulate matter.

As discussed in the sections above, changes in vehicle fuel economies and fuel prices may lead to associated changes in the total number of miles driven and the total amount of fuel consumed during each CY. Typically, reduction in the cost per mile of travel will lead to additional vehicle miles driven (as a consequence of the rebound effect) while also decreasing the overall fuel consumption. In contrast, increasing the cost per single mile driven will generally produce the opposite effect. The amount of emissions of most criteria pollutants produced during vehicle operation (or, “tailpipe” or “downstream” emissions) directly correlates to the number of miles driven by vehicle models, since federal standards regulate permissible emissions of these pollutants on a per-mile basis. The emissions of fine particulate matter (PM<sub>2.5</sub>) resulting from the brake and tire wear during vehicle operation are likewise computed based on the number of miles driven. In addition, similar to GHG emissions, the overall volume of fuel consumed by vehicle models influences the total emissions of criteria air pollutants resulting from production and distribution of a given fuel. Thus, increases in vehicle fuel economies as a result of imposing more stringent standards is likely to result in higher downstream and lower upstream emissions, while deregulation leading to less stringent standards may produce lower downstream and higher upstream emissions.

While for most of the criteria pollutants the amount of downstream emissions are computed on a per-mile basis, the sulfur dioxide emissions are measured in terms of grams per million BTUs. As such, the modeling system calculates SO<sub>2</sub> emissions from vehicle use by multiplying the amount of quadrillion BTUs of energy consumed on each type of fuel by the quantity of SO<sub>2</sub> produced during consumption of a single unit of energy during operation on that fuel. Hence, the total emissions of sulfur dioxide resulting from fuel consumption by all surviving vehicle models produced in a specific MY during each CY, attributed to vehicle operation on each fuel type, are calculated as:

$$E_{MY,CY,FT}^{DS} = \frac{Quads_{MY,CY,FT} \times SO2_{FT} \times 1e9}{1e6} \quad (156)$$

Where:

*MY*: the production year of all vehicles for which to calculate downstream sulfur dioxide emissions;

*CY*: the CY during which to calculate the amount of sulfur dioxide emitted by all vehicle models during operation;

*FT*: the fuel type that all vehicles produced in model year *MY* operate on;

*Quads<sub>MY,CY,FT</sub>*:

the amount of quadrillion BTUs of energy consumed in a year by all surviving vehicle models produced in model year *MY*, during calendar year *CY*, when operating on fuel type *FT*;



$SO_{2FT}$ : the quantity of SO<sub>2</sub> emitted by vehicles when operating on a specific fuel type  $FT$  (an input parameter specified in grams per million-Btu; the input value is multiplied by 1e9 to convert it into grams per Quad);

$1e6$ : the conversion factor from grams to metric tons; and

$E_{MY,CY,FT}^{DS}$ :

the total downstream emissions of sulfur dioxide (denominated in metric tons) resulting from fuel consumption by all surviving vehicle models produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ .

The CAFE Model calculates emissions for the rest of the criteria pollutants resulting from vehicle operation using the per-mile tailpipe emission rates, defined for each pollutant in the parameters input file, in the same manner that it estimates downstream emissions of CH<sub>4</sub> and N<sub>2</sub>O, as described in Section 4 above and given by Equation (142). However, in addition to the downstream emissions calculated using the tailpipe emission rates inputs, the modeling system also accounts for the fine particulate matter (PM<sub>2.5</sub>) emissions that are produced as a result of brake and tire wear from vehicle use. The brake and tire wear emission rates are specified as two sets of inputs into the model (one set for brake wear and another set for tire wear), and are further differentiated based on  $MY$ , fuel type, and vehicle class.<sup>86</sup> Using these inputs, the modeling system calculates the emissions attributed to vehicle brake and tire wear by multiplying the number of miles driven by individual vehicles, during each  $CY$  they remain in service, by the per-mile rate of PM<sub>2.5</sub> brake and tire wear emission rates, as demonstrated by the following:

$$E_{MY,CY,FT}^{BTW} = \frac{\sum_{i \in V} (MI'_{i,MY,CY,FT} \times (E_{i,MY,Brake,FT} + E_{i,MY,Tire,FT}))}{1e6} \quad (157)$$

Where:

$V$ : a vector containing all vehicle models produced during model year  $MY$ ;

$MY$ : the production year of all vehicles for which to calculate the PM<sub>2.5</sub> brake and tire wear emissions;

$CY$ : the  $CY$  during which to calculate the PM<sub>2.5</sub> brake and tire wear emissions attributed to all surviving vehicle models;

$FT$ : the fuel type that all vehicles produced in model year  $MY$  operate on;

$MI'_{i,MY,CY,FT}$ :

the number of miles driven in a year by all surviving vehicles of model  $i$  produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ ;

$E_{i,MY,Brake,FT}$ :

the per-mile rate at which vehicles of model  $i$  and model year  $MY$  produce PM<sub>2.5</sub> emissions due to brake wear, when operating on a specific fuel type  $FT$ ;

---

<sup>86</sup> Refer to Appendix A.3.20 for more information on brake and tire wear inputs.

$E_{i,MY,Tire,FT}$ :

the per-mile rate at which vehicles of model  $i$  and model year  $MY$  produce  $PM_{2.5}$  emissions due to tire wear, when operating on a specific fuel type  $FT$ ;

$1e6$ : the conversion factor from grams to metric tons; and

$E_{MY,CY,FT}^{BTW}$ :

the total brake and tire wear emissions of a  $PM_{2.5}$  pollutant (denominated in metric tons) resulting from the use by all surviving vehicle models produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ .

As with GHG emissions, annual downstream emissions of each criteria air pollutant and the  $PM_{2.5}$  brake and tire wear emissions are summed across all CYs, to produce estimates of their total lifetime emissions, as given by Equation (144) in the preceding section.

Emissions of criteria air pollutants that occur during production and distribution of various liquid fuel types are estimated using the same methodology employed for calculating GHG emissions, as discussed in Section 4 above and defined by Equations (145) through (151) above. The modeling system first estimates emissions resulting from each stage independently, then combines the individual results to obtain the total amount of criteria air pollutants emitted for various fuel types. For the main portion of the analysis, the system calculates emissions of criteria pollutants based on the average emission rate estimates occurring at global petroleum producing facilities and refineries but scaled by the fuel import assumptions to obtain their domestic impacts. For these domestic upstream emissions, the CAFE Model uses Equation (145) from above, for computing the *FuelTSD* component, and Equations (149) through (151), for calculating the rest of the fuel production stages.

The modeling system may also be optionally configured to estimate the domestic upstream impacts of criteria pollutants based on the emission rate estimates from only the domestic petroleum producers and refineries. In this case, the fuel import assumptions are not used, and the resulting emissions are not scaled down. As such, Equations (145) through (148) from above are used when calculating the emissions for each criteria pollutant, paired with the appropriate domestic emission rates.

In addition to the domestic impacts, the CAFE Model also produces global upstream emission estimates of criteria air pollutants. These global criteria emissions are computed using the emission rates based on the global producers and refineries and without scaling the results by the fuel import assumptions. Here, Equations (145) through (148) are used once again, but with the global upstream rates substituted in place of the domestic rates.

As was the case for GHG emissions, the individual stages of criteria emissions are combined to compute the total upstream emissions of a specific pollutant (denominated in metric tons) resulting from production and distribution of each type of fuel type used by all surviving vehicle models produced in a given MY, during each CY. This calculation is given by Equation (152) defined in the previous section. For GGE fuel types, the calculation for criteria pollutants follows the same methodology that was employed for greenhouse gases, where only a single aggregate value is defined and used instead of the different stages of fuel production and distribution. Hence, for these fuel types, the total emissions of each pollutant resulting from generation and production of GGE fuel is given by Equation (153) from above.

From here, emissions of each criteria pollutant attributable to producing and distributing each fuel type  $FT$ , consumed over the lifetimes of all vehicle models produced during model year  $MY$ , are summed as shown in Equation (154) defined in Section 4 above.

Finally, total emissions of each criteria pollutant over the lifetimes of all vehicles of model year  $MY$  are the sum of the downstream emissions that occur as a result of their lifetime use, the upstream emissions from producing and distributing the fuel they consume during each CY or over their lifetimes, and emissions attributed to the wear of vehicles' brakes and tires (as applicable to the  $PM_{2.5}$  pollutant only). Hence, the equation for total criteria pollutants attributed to all surviving vehicle models when operating on a given fuel type, in a specific model year, is generalized as follows:

$$E_{MY,FT} = E_{MY,FT}^{DS} + E_{MY,FT}^{US} + E_{MY,FT}^{BTW} \quad (158)$$

## Section 6 Emission Health Impacts

Emissions resulting from various criteria air pollutants, as described in Section 5 above, lead to numerous health-related incidents attributed to environmental damage caused by those pollutants. Specifically, the CAFE Model estimates health impacts caused by atmospheric damage from nitrogen oxides, sulfur dioxide, and fine particulate matter. Since emissions from these pollutants are produced during vehicle operation as well as during the refining process of crude oil, the system apportions health-related impacts to downstream and upstream categories, before combining the two to obtain the total count of each type of incident.

The input values for the various health impacts are specified as incidents per short ton in the parameters input file. Separate values are defined for the vehicle-level (downstream) emissions and the upstream emissions for the three affected pollutants. Since the number of health impacts attributed to emission damage may change over time, these inputs may be specified for CYs.<sup>87</sup> For each of the defined inputs, the CAFE Model calculates the estimated total number of resultant health impacts in each CY, by multiplying the amount of emissions from each affected pollutant by the associated input assumption.

For vehicle-level emissions, the inputs are defined separately for light-duty and HDPUV vehicles and are also subdivided into health impacts attributed to gasoline and diesel operation. In the case of light-duty vehicles that operate on gasoline, the health impact inputs are further split into passenger cars and trucks/SUVs. For both light-duty and HDPUV vehicles, the CAFE Model also uses the gasoline inputs to estimate health-related impacts arising from the use of E85 fuel. Considering that the vehicles which operate on electricity, hydrogen, or CNG are assumed to generate no emissions of criteria air pollutants during vehicle use, the modeling system accordingly does not estimate any downstream health-related impacts for those fuel types.<sup>88</sup>

<sup>87</sup> When specifying input values for emission health impacts, the modeling system allows for calendar years to be intermittently defined. For example, at writing these inputs are defined for the following calendar years: 2020, 2025, and 2030. When calculating the associated emission health impact outputs for each calendar year, the system applies a nearest-neighbor interpolation method to obtain an input value for a specific calendar year.

<sup>88</sup> Note that the modeling system currently estimates fine particulate matter ( $PM_{2.5}$ ) emissions due to brake and tire wear occurring during vehicle use. These emissions are generated irrespective of the fuel type used by a vehicle and may be attributed to health-related impacts arising from vehicle operation. However, the original source data for emission health impacts and emission damage costs associated with downstream effects of criteria air pollutants do

Thus, the emission health impacts attributed to vehicle use for all surviving vehicle models produced in a specific MY during each CY, when operating on gasoline, diesel, or E85 fuels, are calculated as shown in the two equations that follow. Here, Equation (159) computes health impacts for the light-duty vehicle fleet, while Equation (160) applies to the HDPUV fleet.

$$EHI_{MY,CY,FT}^{DS} = \sum_{P \in \{NO_x, SO_2, PM\}} \left( (E_{MY,CY,FT,LDV}^{P,DS} + E_{MY,CY,FT,LDV}^{P,BTW}) \times EHI_{CY,FT,LDV}^{P,DS} + (E_{MY,CY,FT,LDT}^{P,DS} + E_{MY,CY,FT,LDT}^{P,BTW}) \times EHI_{CY,FT,LDT}^{P,DS} \right) \times 1.10231 \quad (159)$$

$$EHI_{MY,CY,FT}^{DS} = \sum_{P \in \{NO_x, SO_2, PM\}} (E_{MY,CY,FT,HDPUV}^{P,DS} + E_{MY,CY,FT,HDPUV}^{P,BTW}) \times EHI_{CY,FT,HDPUV}^{P,DS} \times 1.10231 \quad (160)$$

Where:

*MY*: the production year of all vehicles for which to calculate emission health impacts;

*CY*: the CY during which to calculate emission health impacts;

*FT*: the fuel type that all vehicles produced in model year *MY* operate on;

$EHI_{CY,FT,LDV}^{P,DS}$ ,  $EHI_{CY,FT,LDT}^{P,DS}$ ,  $EHI_{CY,FT,HDPUV}^{P,DS}$ :

the number of health-related incidents per short ton resulting from emissions generated by NO<sub>x</sub>, SO<sub>2</sub>, or PM<sub>2.5</sub> pollutants during vehicle use in calendar year *CY*, by light-duty passenger cars (LDV), by light-duty trucks and SUVs (LDT), or by heavy-duty pickups and vans (HDPUV) when operating on fuel type *FT*;

$E_{MY,CY,FT,LDV}^{P,DS}$ ,  $E_{MY,CY,FT,LDT}^{P,DS}$ ,  $E_{MY,CY,FT,HDPUV}^{P,DS}$ :

the total downstream emissions of NO<sub>x</sub>, SO<sub>2</sub>, or PM<sub>2.5</sub> generated by light-duty passenger cars (LDV), by light-duty trucks and SUVs (LDT), or by heavy-duty pickups and vans (HDPUV) when operating on fuel type *FT*, as calculated by Equations (156) or (142);

$E_{MY,CY,FT,LDV}^{P,BTW}$ ,  $E_{MY,CY,FT,LDT}^{P,BTW}$ ,  $E_{MY,CY,FT,HDPUV}^{P,BTW}$ :

the total brake and tire wear emissions of PM<sub>2.5</sub> generated by light-duty passenger cars (LDV), by light-duty trucks and SUVs (LDT), or heavy-duty pickups and vans (HDPUV) when operating on fuel type *FT*, as calculated by Equation (157); note that for NO<sub>x</sub> and SO<sub>2</sub> pollutants, this value will be zero;

*1.10231*:

the conversion factor from metric tons to short tons; and

---

not include incident rates or damage costs for alternative fuel sources, and are thus omitted from calculation in the CAFE Model.

$EHI_{MY,CY,FT}^{DS}$ :

the total number of downstream-related incidents of a specific emission-related health impact resulting from fuel consumption by all surviving vehicle models produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ .

In the case of upstream emissions, the health impact input values are divided based on each stage of fuel production and distribution, with an additional set of inputs defining the health impacts associated with electricity generation. However, since these inputs do not explicitly define health-related incidents arising from the use of hydrogen or CNG fuel types, the system uses upstream inputs for electricity to estimate health impacts arising from those fuel sources. For liquid fuel types (gasoline, diesel, and E85), the modeling system computes health-related incidents based on the amount of criteria air pollutants emitted at each stage of fuel production and distribution. Meanwhile, for GGE fuel types (electricity, hydrogen, and CNG), the system uses the aggregate measure of total emissions attributed to the generation or production of a particular fuel source. Hence, the emission health impacts associated with the production of various fuel sources that are consumed by all surviving vehicle models produced in a specific  $MY$  during each  $CY$ , when operating on each type of fuel, are computed as shown in the two equations that follow. For liquid fuel types, the calculation is:

$$EH I_{MY,CY,FT}^{US} = \sum_{P \in NOX, SO_2, PM} \left( \sum_{Stage} (E_{MY,CY,FT}^{P,US,Stage} \times EHI_{CY}^{P,US,Stage}) \right) \times 1.10231 \quad (161)$$

And for GGE fuel types:

$$EH I_{MY,CY,FT}^{US} = \sum_{P \in NOX, SO_2, PM} (E_{MY,CY,FT}^{P,US} \times EHI_{CY}^{P,US,Elec}) \times 1.10231 \quad (162)$$

Where:

$MY, CY, FT, DR$ :

variables as defined in Equation (159) and (160) above;

*Stage*: the various stages of feedstock production and distribution (referred to as *FuelTSD*, *Refining*, *Extraction*, and *Transport* in Equations (145). through (148). above);

$EHI_{CY}^{P,US,Stage}$ :

the number of health-related incidents per short ton resulting from emissions generated by  $NOx$ ,  $SO_2$ , or  $PM$  pollutants from the various stages of feedstock production and distribution, during calendar year  $CY$ ;

$EHI_{CY}^{P,US,Elec}$ :

the number of health-related incidents per short ton resulting from emissions generated by  $NOx$ ,  $SO_2$ , or  $PM$  pollutants during generation of electricity;

$E_{MY,CY,FT}^{P,US,Stage}$ :

the total upstream emissions of  $NO_x$ ,  $SO_2$ , or  $PM$  attributed to production and distribution of each liquid fuel type  $FT$ , as calculated by Equations (145) through (148).;

$E_{MY,CY,FT}^{P,US}$ :

the total upstream emissions of  $NO_x$ ,  $SO_2$ , or  $PM$  attributed to production of each GGE fuel type, as calculated by Equation (153).;

1.10231:

the conversion factor from metric tons to short tons; and

$EHI_{MY,CY,FT}^{US}$ :

the total number of incidents of a specific emission-related health impact resulting from production and distribution of each fuel type  $FT$  used by all surviving vehicle models produced in model year  $MY$ , during calendar year  $CY$ .

The cumulative health impacts over the lifetimes of all vehicle models produced during model year  $MY$ , and for each fuel type  $FT$ , may be obtained for the downstream and upstream components by aggregating the results from the above equations as follows:

$$EHI_{MY,FT}^{DS} = \sum_{CY} EHI_{MY,CY,FT}^{DS} \quad (163)$$

$$EHI_{MY,FT}^{US} = \sum_{CY} EHI_{MY,CY,FT}^{US} \quad (164)$$

Finally, the total number of incidents, resulting from a combination of downstream, brake and tire wear, and upstream emissions attributed to vehicle use and upstream emissions from producing and distributing the various types of fuel, are calculated by summing the results obtained from any of the above equations, and is generalized as follows:

$$EHI_{MY,FT} = EHI_{MY,FT}^{DS} + EHI_{MY,FT}^{US} \quad (165)$$

## Section 7 Vehicle Safety Effects

As discussed in Section 2 above, vehicle miles traveled may increase or decrease due to the fuel economy rebound effect, resulting from changes in vehicle fuel efficiency and cost of fuel, as well as the assumed future growth in average vehicle use. The number of total lifetime miles traveled by all vehicle models has direct correlation to vehicle-related crashes, including those that result in fatalities. Since the use of mass reducing technology is present in the model, safety impacts may also be observed whenever a vehicle's curb weight decreases with respect to some reference point. Thus, in addition to computing total fatalities related to vehicle use, the modeling system also estimates changes in fatalities due to potential reduction in a vehicle's curb weight. Consequently, the modeling system computes total fatalities attributed to vehicle use of all surviving vehicle models produced in a specific MY during each CY, when operating on each type of fuel, as follows:

$$F_{MY,CY,FT} = \sum_{i \in V} \left( MI'_{i,MY,CY,FT} \times \frac{FR_{MY,CY}}{1e9} \times \left( 1 + Effect_{SC_i,CW_i} \times \frac{T_{SC_i} - CW_i}{100} \right) \right) \quad (166)$$

Where:

- $V$ : a vector containing all vehicle models produced during model year  $MY$ ;
- $MY$ : the production year of all vehicles for which to calculate vehicle-related fatalities;
- $CY$ : the CY during which to calculate the vehicle-related fatalities;
- $FT$ : the fuel type that all vehicles produced in model year  $MY$  operate on;
- $SC_i$ : the safety class that a vehicle model  $i$  belongs to;
- $CW_i$ : the curb weight of a vehicle model  $i$ , produced in model year  $MY$ ;
- $MI'_{i,MY,CY,FT}$ :  
the number of miles driven in a year by all surviving vehicles, of vehicle model  $i$ , produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ , as defined in Equation (122) above;
- $FR_{MY,CY}$ :  
the estimated number of vehicle-related fatalities per billion miles traveled attributed to vehicles produced in model year  $MY$ , during calendar year  $CY$ ;
- $1e9$ : the conversion factor from miles to billion miles;
- $Effect_{SC_i,CW_i}$ :  
the percentage by which fatalities change for every 100 lb that a vehicle's curb weight is reduced for vehicles in a safety class  $SC_i$  and with a curb weight  $CW_i$ ;
- $T_{SC_i}$ : the boundary, in lb, between small and large weight effects associated with vehicle model  $i$ ;
- $100$ : the conversion factor from lb to hundreds of lb; and

$FR_{MY,CY,FT}$ :

the resultant fatalities associated with all surviving vehicles (for all vehicle models) produced in model year  $MY$ , during calendar year  $CY$ , when operating on a specific fuel type  $FT$ .

The  $FR_{MY,CY}$ ,  $Effect_{SC_i,CW_i}$ , and  $T_{SC_i}$  variables are specified as inputs to the model, which are defined in the parameters input file, while the safety class categorizations of vehicle models,  $SC_i$ , are specified in the input fleet.

In addition to computing the total fatalities for each vehicle, the modeling system also estimates the fatalities due to rebound miles traveled as well as due to changes in vehicle's curb weight. These "rebound" and " $\Delta$  curb weight" fatalities are intended to isolate and represent the impact on vehicle's safety resulting from the standards that prevailed during the action alternative over those that were in effect during the baseline scenario. The fatalities attributed to the additional miles traveled by surviving vehicles produced in a specific  $MY$  during each  $CY$ , when operating on a given fuel type, are calculated as:

$$F_{MY,CY,FT}^{Rebound} = \sum_{i \in V} \left( MI_{i,MY,CY,FT}^{ReboundOnly} \times \frac{FR_{MY,CY}}{1e9} \times \left( 1 + Effect_{SC_i,CW_i} \times \frac{T_{SC_i} - CW_i}{100} \right) \right) \quad (167)$$

While the fatalities attributed to changes in vehicles' curb weights for the same  $MY$ ,  $CY$ , and fuel type, are calculated as:

$$F_{MY,CY,FT}^{DeltaCW} = \sum_{i \in V} \left( MI_{i,Base,MY,CY,FT}^{NonRebound} \times \frac{FR_{MY,CY}}{1e9} \times \left( Effect_{SC_i,CW_i} \times \frac{T_{SC_i} - CW_i}{100} - Effect_{SC_i,CW_{i,Init}} \times \frac{T_{SC_i} - CW_{i,Init}}{100} \right) \right) \quad (168)$$

Where:

$V, MY, CY, FT$ :

variables as defined in Equation (166) above;

$SC_i$ : the safety class that a vehicle model  $i$  belongs to;

$CW_i$ : the curb weight of a vehicle model  $i$ , produced in model year  $MY$ ;

$CW_{i,Init}$ :

the curb weight of a vehicle model  $i$ , at its initial state, as read from the market data input file;

$MI_{i,MY,CY,FT}^{ReboundOnly}$ :

the number of annual "rebound-only" miles driven in a year by the vehicle produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ , defined as the difference between with rebound and non-rebound miles;



$MI'_{i,Base,MY,CY,FT}^{NonRebound}$ :

the number of non-rebound miles driven in a year by all surviving vehicles, of a specific vehicle model, produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ , as defined in Equation (121) above;

$FR_{MY,CY}$ :

the estimated number of vehicle-related fatalities per billion miles traveled attributed to vehicles produced in model year  $MY$ , during calendar year  $CY$ ,

$1e9$ : the conversion factor from miles to billion miles;

$Effect_{SC_i,CW_i}$ :

the percentage by which fatalities change for every 100 lb that a vehicle's curb weight is reduced for vehicles in a safety class  $SC_i$  and with a curb weight  $CW_i$ ;

$Effect_{SC_i,CW_i,Init}$ :

the percentage by which fatalities change for every 100 lb that a vehicle's curb weight is reduced for vehicles in a safety class  $SC_i$  and with a curb weight  $CW_i$ , as applicable to a vehicle at its initial state, as read from the market data input file;

$T_{SC_i}$ : the boundary, in lb, between small and large weight effects associated with vehicle model  $i$ ;

$100$ : the conversion factor from lb to hundreds of lb; and

$F_{MY,CY,FT}^{Rebound}$ :

the resultant additional fatalities due to rebound miles traveled by all surviving vehicles (for all vehicle models) produced in model year  $MY$ , during calendar year  $CY$ , when operating on a specific fuel type  $FT$ ;

$F_{MY,CY,FT}^{DeltaCW}$ :

the resultant additional fatalities due to changes in curb weights associated with all surviving vehicles (for all vehicle models) produced in model year  $MY$ , during calendar year  $CY$ , when operating on a specific fuel type  $FT$ .

In Equations (167) and (168), the three terms for the “rebound-only” miles are computed as the differences between the rebound and non-rebound miles traveled by vehicles, as defined by the various equations presented in Section 2 above. The rebound-only miles may, then, be generally expressed by the following:

$$MI^{ReboundOnly} = MI - MI^{NonRebound} \quad (169)$$

As in the previous sections, for each calculation of fatalities defined in the above equations, the cumulative values of fatalities may be obtained by aggregating across MYs, CYs, or fuel types. For example, total fatalities attributed to all surviving vehicle models produced during model year  $MY$  over their expected lifetimes are accumulated across the individual CYs as follows:

$$F_{MY,FT} = \sum_{CY} F_{MY,CY,FT} \quad (170)$$

In addition to using inputs to estimate the future involvement of modeled vehicles in crashes involving fatalities, the modeling system also calculates incidents resulting in non-fatal injuries as well as crashes related to property damages only. These non-fatal injuries and crashes are estimated in the same manner as the vehicle-related fatalities defined by the equations above, except that the non-fatal injury rates and property damage crash rates are substituted in place of the fatality rates,  $FR_{MY,CY}$ , as appropriate. Along with the fatality rates, these injury/crash rates are also specified in the parameters input file. Furthermore, the CAFE Model also applies inputs defining other accident-related externalities estimated on a dollar per mile basis, as discussed below in S8.7.2.

## **Section 8 Private Versus Social Costs and Benefits**

Improving the fuel efficiency of new vehicles produces a wide range of benefits and costs, many of which affect buyers of those vehicles directly. Depending upon how manufacturers attempt to recoup the costs they incur for improving the fuel efficiency of selected models, buyers are likely to face higher prices for some – and perhaps even most – new vehicle models. Purchasers of models whose fuel economy is improved benefit from lower fuel expenditures, from any increase in the range they can travel before needing to refuel, and from the added driving they do as a result of the rebound effect. Depending on the technology manufacturers use to improve fuel economy and its consequences for vehicle power and weight, these benefits may be partly offset by a slight decline in the performance of some new models.

At the same time, the reduction in fuel production and use resulting from improved fuel economy produces certain additional benefits and costs to society as a whole. Potential social benefits from reduced fuel use include any value that society or the U.S. economy attaches to saving fuel over and above its private value to new vehicle buyers, lower emissions of air pollutants and greenhouse gases generated from fuel production, distribution, and consumption, and reduced economic costs associated with U.S. imports of crude petroleum and refined fuel. By causing some additional driving through the rebound effect, improving fuel economy can also increase a variety of social costs, including the economic value of health effects and property damages caused by increased air pollution, the value of time delays to motorists from added traffic congestion, added costs of injuries and property damage resulting from more frequent traffic accidents, and economic costs from higher levels of traffic noise.

As with the calculation of modeling effects, the CAFE Model estimates and reports all private and social costs and benefits on an absolute basis for the scenario identified as the baseline. Hence, in almost all cases, all of the reported values for the baseline scenario should be interpreted as “costs” resulting from final vehicle fuel economy levels. For the action alternatives, the system calculates these values on an absolute basis as well, however, reporting the results as incremental changes over the baseline scenario. These incremental changes may be, in most cases, interpreted as “benefits” (e.g., reduction in lifetime fuel costs correlates to fuel savings) whenever the fuel economy values of vehicle models go up, on average, due to the action alternative standards being more stringent than the baseline. Conversely, the same incremental changes may be interpreted as “disbenefits” (or costs borne privately or by society, such as increases in fuel costs are reflected in added fuel expenditures) if, on average, the vehicle fuel economy decreases from the reduced stringency of the action alternative standards with respect to the baseline scenario.

For simplicity, we assume that new regulations typically increase in stringency and therefore lead to higher fuel economy levels. Thus, the following sections discuss the way each of the benefits and costs can result from potentially improving the fuel economy of new vehicles, while also presenting all calculations on an absolute basis (i.e., assuming the full amount of gallons consumed and miles traveled, which results from vehicle's final fuel economy, rather than using incremental fuel consumption or increases in VMT). Section A.3 of Appendix A provides examples of specific unit economic values and other parameters used to estimate the aggregate value of these various benefits and costs.

### ***S8.1 Increases in New Vehicle Prices***

Depending upon how manufacturers attempt to recover the costs they incur in complying with ensuing standards, purchase prices for some new models are likely to increase. Since we assume that manufacturers fully recover all costs they incur for installing fuel economy technologies in the form of higher prices for some models, the total increase in vehicle sales prices has already been accounted for in estimating technology costs to manufacturers. Nevertheless, the total value of these price increases represents a cost of the regulation from the viewpoint of buyers of vehicle models whose prices rise.

### ***S8.2 Foregone Consumer Sales Surplus***

Manufacturers' attempt to improve the efficiency of their fleets in response to the ensuing standards results not only in higher fuel economies but also leads to increased vehicle prices. As a consequence of more expensive vehicles, some consumers may defer their purchasing decision until sometime in the future. This, in turn, leads to lower over sales recognized by manufacturers during the given years. The modeling system may be configured to use static sales forecast during analysis, in which case the production volumes (or sales) will be the same in the baseline scenario and the action alternatives. However, when the Dynamic Fleet Share and Sales Response model is enabled in the system, the resultant production volumes obtained in each action alternative may differ from those in the baseline scenario. The system measures this difference in the form of the foregone consumer sales surplus, signifying the collective loss of benefits (or "dis-benefits") attributed to all buyers who would have otherwise purchased new vehicles, if the prices of those vehicles have not increased.

In the modeling system the foregone consumer sales surplus is computed as the absolute difference between the average regulatory costs, less any incurred vehicle and battery tax credits, and the average fuel savings, multiplied by vehicle sales. Unlike most other social and consumer costs discussed in this section, which are incurred on a per-vehicle basis, the foregone consumer sales surplus is computed over the entire vehicle fleet, where each term is specified as an incremental difference between the action alternative and the baseline scenarios. Furthermore, the system assumes that these costs and benefits occur entirely during vehicle age zero, when the purchasing decision by vehicle buyers is made, with the lifetime costs having the same value as that at age zero. The calculation of the foregone consumer sales surplus is, hence, demonstrated by the following equation:

$$Surplus_{MY} = \frac{|\Delta RegCost_{MY} - \Delta TaxCredits_{MY} - FuelSavings_{MY}|}{2} \times \Delta Sales_{MY} \quad (171)$$

Where:

*MY*: the production year of all vehicles for which to calculate the foregone consumer sales surplus;

$\Delta RegCost_{MY}$ :

the incremental difference of average regulatory cost, or price increase, of new vehicle models sold during model year *MY*, occurring between the action alternative and the baseline scenarios, as given by Equations (92) and (93);

$\Delta TaxCredits_{MY}$ :

the incremental difference of vehicle and battery tax credits (or, Federal Incentives), of new vehicle models sold during model year *MY*, occurring between the action alternative and the baseline scenarios,

$FuelSavings_{MY}$ :

the incremental average fuel savings realized by new vehicle models sold during model year *MY*, as a result of increasing standards in the action alternative scenario versus the baseline scenario, based on the assumed number of miles during which an added investment in fuel-improving technology is expected to pay back, as given by Equation (94);

$\Delta Sales_{MY}$ :

the difference of the overall industry fleet produced for sale during model year *MY*, occurring between the action alternative and the baseline scenarios, computed as baseline sales minus action alternative sales; and

$Surplus_{MY}$ :

the resultant lost consumer surplus due to reduced vehicle sales attributed to all surviving vehicle models produced in model year *MY*.

Since the modeling system outputs costs and benefits by regulatory class, the foregone consumer sales surplus calculated by the equation above needs to be further disaggregated into specific regulatory classes. This is achieved by multiplying the result from above by the proportion of sales from each specific regulatory class. Thus, the consumer sales surplus for each regulatory class is computed as follows:

$$Surplus_{MY,RC} = Surplus_{MY} \times \frac{Sales_{MY,RC}}{Sales_{MY}} \quad (172)$$

### S8.3 The Value of Fuel Consumed

The modeling system estimates the economic value of fuel consumed by new vehicles based on the total amount of gallons that each surviving vehicle model consumes at a given age as well as over its entire lifetime. The value of fuel consumed from the buyer's perspective, or the retail fuel costs, is computed by multiplying the forecast of future retail fuel prices at a specific CY by the number of gallons of fuel consumed at that year. Thus, the retail fuel costs associated with the total consumption of a particular type of fuel by all vehicle models produced in a specific MY that survive during each CY is given by the following:

$$FuelCost_{MY,CY,FT} = Gallons_{MY,CY,FT} \times Price_{FT,CY} \times Scale \quad (173)$$

Where:

*MY*: the production year of all vehicles for which to calculate the private value of fuel consumed;

*CY*: the calendar year during which to calculate the private value of fuel consumed by all vehicle models;

*FT*: the fuel type that all vehicles produced in model year *MY* operate on;

*Gallons<sub>MY,CY,FT</sub>*:

the amount of gallons (or GGE) of fuel consumed in a year by all surviving vehicle models produced in model year *MY*, during calendar year *CY*, when operating on fuel type *FT*;

*Price<sub>FT,CY</sub>*:

the inflation-adjusted retail price per gallon (or GGE) of the specific fuel type in calendar year *CY*;

*Scale*: the percentage by which to scale the private consumer benefits (a runtime option defined in the CAFE Model's GUI); and

*FuelCost<sub>MY,CY,FT</sub>*:

the resultant private value of fuel consumed (or the retail fuel costs) in a year by all surviving vehicle models produced in model year *MY*, during calendar year *CY*, when operating on fuel type *FT*.

In addition to the retail fuel costs, the modeling system also estimates the fuel tax costs paid by the purchasers of new vehicle models during each CY. For all vehicle models produced in a specific MY that survive during each CY, the calculation of fuel taxes for each fuel type is defined by the following:

$$FuelTax_{MY,CY,FT} = Gallons_{MY,CY,FT} \times Tax_{FT,CY} \times Scale \quad (174)$$

Where:

*MY*: the production year of all vehicles for which to calculate the fuel tax costs;

*CY*: the CY during which to calculate the fuel tax costs;

*FT*: the fuel type that all vehicles produced in model year *MY* operate on;

$Gallons_{MY,CY,FT}$ :

the amount of gallons (or GGE) of fuel consumed in a year by all surviving vehicle models produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ ;

$Tax_{FT,CY}$ :

the inflation-adjusted fuel tax per gallon (or GGE) of the specific fuel type in calendar year  $CY$ ;

$Scale$ : the percentage by which to scale the private consumer; and

$FuelTax_{MY,CY,FT}$ :

the resultant fuel tax costs associated with the total fuel consumed in a year by all surviving vehicle models produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ .

#### **S8.4 Benefits from Additional Driving**

The fuel economy rebound effect results in additional benefits to new vehicle buyers in the form of consumer surplus from the increased driving it produces. These benefits arise from the value to drivers and passengers of the social and economic opportunities made available to them by additional traveling. As evidenced by the fact that they elect to make more frequent or longer trips when improved fuel economy reduces the cost of driving, the benefits from this additional travel exceed the costs drivers and their passengers incur in making more frequent or longer trips. The amount by which these benefits from additional travel exceed its cost to them, which has been reduced by improved fuel economy, represents the increase in consumer surplus associated with additional rebound effect driving. The full “Drive Value” described below includes both this consumer surplus and the cost of driving those additional miles.

The system estimates the consumer surplus using the conventional approximation of one half of the product of the decline in fuel cost per mile driven and the resulting change in the annual number of miles traveled, with respect to the fuel cost and mileage associated with a typical historical vehicle of the same age. The cost of travel for those miles is simply the cost of the gallons consumed. For all vehicle models produced in a specific  $MY$  that survive during each  $CY$ , when operating on a specific type of fuel, the value of the benefits from additional driving is calculated as:

$$DriveValue_{MY,CY,FT} = \sum_{i \in V} \left( \times \left( \frac{(MI'_{i,MY,CY,FT} - MI'^{NonRebound}_{i,MY,CY,FT})}{2} \right) \right) \quad (175)$$

Where:

- $V$ : a vector containing all vehicle models produced during model year  $MY$ ;
- $MY$ : the production year of all vehicles for which to calculate the value of additional driving;
- $CY$ : the  $CY$  during which to calculate the value of additional driving by all vehicle models;

$FT$ : the fuel type that all vehicles produced in model year  $MY$  operate on;

$MI'_{i,MY,CY,FT}$ :

the number of with rebound miles driven in a year by all surviving vehicles, of vehicle model  $i$ , produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ , as defined in Equation (122) above;

$MI'^{NonRebound}_{i,MY,CY,FT}$ :

the number of non-rebound miles driven in a year by all surviving vehicles, of vehicle model  $i$ , produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ , as defined in Equation (121) above;

$BaseCY$ :

the base  $CY$  for VMT usage data corresponding to the year when the VMT survey was taken;

$CPM_{a,BaseCY}$ :

the average fuel cost per mile of all historic vehicles that were age  $a$  during the base calendar year  $BaseCY$ ;

$CPM_{i,MY,CY}$ :

the fuel cost per mile attributed to the vehicle model  $i$ , produced in model year  $MY$ , during calendar year  $CY$ ; and

$DriveValue_{MY,CY,FT}$ :

the resultant value of the benefits from additional driving attributed to all surviving vehicle models produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ .

When the Dynamic VMT model is used in the CAFE Model, the system computes and applies a mileage offset to the “with rebound” and the “non-rebound” miles driven by a vehicle. As discussed in Section 2, this offset is necessary to preserve the total fleet-wide demand for travel for vehicles of a given vintage, during a specific  $CY$ . However, the mileage offset varies for each scenario analyzed, with the per-vehicle differences between the action alternative and the baseline representing the amount of additional miles that each vehicle travels over the baseline scenario. The drive value defined in Equation (175), however, does not fully account for the benefits resulting from these additional miles, when viewed from the consumer’s perspective. Section S8.8.2 below provides further details as well as defines the calculations for the benefits of the additional miles.

### **S8.5 The Value of Extended Refueling Range**

Manufacturers’ efforts to improve the fuel economy of selected new vehicle models will also increase their driving range per tank of fuel. By reducing the frequency with which drivers typically refuel their vehicles, and by extending the upper limit of the range they can travel before requiring refueling, improving fuel economy thus provides some additional benefits to

their owners.<sup>89</sup> No direct estimates of the value of extended vehicle range are readily available, hence the CAFE Model calculates the reduction in the annual number of required refueling events that results from improved fuel economy. The change in required refueling frequency for vehicle models with improved fuel economy reflects the increased driving associated with the rebound effect, as well as the increased driving range stemming from higher fuel economy.

For vehicles that operate on some non-liquid fuel types (i.e., hydrogen and CNG) as well as those that operate partially on electricity (i.e., PHEVs), the modeling system adopts a simplification that there is no benefit or penalty associated with refueling those vehicles. Thus, the refuel value is assumed to be zero for those fuel types.<sup>90</sup> For vehicles that operate on gasoline, diesel, or E85, the modeling system estimates the refueling value based on the assumed amount of time required for vehicle owners to detour to a fueling station, pay for fuel, and return to route, and the amount of time necessary to refuel a portion of the vehicle's fuel tank. For all vehicle models produced in a specific MY that survive during each CY, when operating on a specific type of fuel, the refuel value is calculated as follows:

$$RefuelValue_{MY,CY,FT} = \sum_{i \in V} \left( \frac{\left( \frac{G'_{i,MY,CY,FT}}{FuelTank_i \times RefuelVolume} \right)}{\left( \frac{RefuelTime_{FT} + \frac{FuelTank_i \times RefuelVolume}{7.5}}{60} \right)} \right) \times TravelValue \times RefuelScale \quad (176)$$

Where:

$V$ : a vector containing all vehicle models produced during model year  $MY$ ;

$MY$ : the production year of all vehicles for which to calculate the refueling value;

$CY$ : the CY during which to calculate the refueling value of vehicle models;

$FT$ : the fuel type that all vehicles produced in model year  $MY$  operate on;

$G'_{i,MY,CY,FT}$ :

the amount of gallons of fuel consumed in a year by all surviving vehicles, of vehicle model  $i$ , produced in model year  $MY$ , during calendar year  $CY$ , when operating on a specific fuel type  $FT$  as defined in Equation (133) above;

$RefuelTime_{FT}$ :

the fixed component of average refueling time in minutes, which includes the time required for vehicle owners to detour to a fueling station, pay for fuel of type  $FT$ , and return to route;

<sup>89</sup> If manufacturers instead respond to improved fuel economy by reducing the size of fuel tanks to maintain a constant driving range, the resulting savings in costs will presumably be reflected in lower sales prices.

<sup>90</sup> Note, however, that in the case of PHEVs, the refuel value is assumed to be zero only for the vehicle's electric operation. The CAFE Model still computes a refueling benefit for the portion of miles that are assumed to be driven on gasoline.



*RefuelVolume*:

the average tank volume refilled during a refueling stop;

*FuelTank<sub>i</sub>*:

the fuel tank capacity of vehicle model  $i$ ;

7.5: the average refueling rate, in gallons per minute, at the pumping station;

60: the conversion factor from minutes to hours;

*TravelValue*:

the amount that the driver of a vehicle would be willing to pay to reduce the time required to make a trip;

*RefuelScale*:

the share of total refueling events to consider for benefits calculation, as defined in the parameters input file; and

*RefuelValue<sub>MY,CY,FT</sub>*:

the resultant value of refueling attributed to all surviving vehicle models produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ .

For vehicles that operate exclusively on electricity (i.e., BEVs), the system estimates the refueling value based on the number of recharge events, and the share of miles recharged at each event, that is necessary to travel a predetermined distance. For all vehicle models that operate on electricity, which were produced in a specific  $MY$  that survive during each  $CY$ , the refuel value is calculated as follows:

$$RefuelValue_{MY,CY,E} = \sum_{i \in V} \left( \left( \frac{MI'_{i,MY,CY,E}}{ChargeFreq} \times \frac{RefuelTime_E}{60} + \frac{MI'_{i,MY,CY,E} \times ShareCharged}{ChargeRate} \right) \times TravelValue \right) \quad (177)$$

Where:

$V$ : a vector containing all vehicle models produced during model year  $MY$ ;

$MY$ : the production year of all vehicles for which to calculate the refueling value;

$CY$ : the  $CY$  during which to calculate the refueling value of vehicle models;

$MI'_{i,MY,CY,E}$ :

the number of with rebound miles driven in a year by all surviving vehicles, of vehicle model  $i$ , produced in model year  $MY$ , during calendar year  $CY$ , when operating on electricity, as defined in Equation (122) above;

*ChargeFreq*:

the assumed charge frequency of an electric vehicle, that is the cumulative number of miles driven before a mid-trip charging event is triggered;

*ChargeRate:*

the typical recharge rate for an electric vehicle, specified in miles/hour;

*ShareCharged:*

the percent share of miles that will be recharged mid-trip;

*RefuelTime<sub>E</sub>:*

the fixed component of average refueling time in minutes, which includes the time required for vehicle owners to detour to a fueling station, pay for fuel, and return to route;

*60:* the conversion factor from minutes to hours;

*TravelValue:*

the amount that the driver of a vehicle would be willing to pay to reduce the time required to make a trip; and

*RefuelValue<sub>MY,CY,E</sub>:*

the resultant value of refueling attributed to all surviving vehicle models produced in model year *MY*, during calendar year *CY*, when operating on electricity.

In the equation above, the *ChargeFreq*, *ChargeRate*, and *ShareCharged* are specified in the parameters input file. However, since the modeling system supports BEVs with varying ranges (between 200 and 400 miles), and the assumed number of recharge events will be different between the various options, the system accordingly accommodates separate inputs for each variant of the battery-electric vehicle models. The computation of refuel values is the same for all types of vehicles (as shown in equation above), however, the parameter input values are substituted by the system during calculations as required.

## **S8.6 Changes in Performance and Utility**

The system currently assumes that the costs and effects of fuel-saving technologies reflect the application of these technologies in a manner that holds vehicle performance and utility constant. Therefore, the system currently does not estimate changes in vehicle performance or utility.

## **S8.7 Socially Valued Costs and Benefits**

### **S8.7.1 Social Costs of Market Externalities**

Importing petroleum into the United States is widely believed to impose significant costs on households and businesses that are not reflected in the market price for imported oil and thus are not borne by consumers of refined petroleum products. These costs, also referred to as “market externalities,” include three components: (1) higher costs for oil imports resulting from the combined effect of U.S. import demand and OPEC market power on the world oil price; (2) the risk of reductions in U.S. economic output and disruption of the domestic economy caused by sudden reductions in the supply of imported oil; and (3) costs for maintaining a U.S. military

presence to secure imported oil supplies from unstable regions, and for maintaining the Strategic Petroleum Reserve (SPR) to cushion against price increases.<sup>91</sup>

The social costs of market externalities resulting from imposing new standards is estimated by assuming that the total volume of fuel consumed by new vehicle models during each future year is translated directly into a corresponding amount of U.S. oil imports during that same year. The market externalities associated with the total consumption of a given type of fuel by all vehicle models produced in a specific MY that survive during each calendar year are calculated as follows:

$$\begin{aligned} \text{Externalities}_{MY,CY,FT} &= \text{Gallons}_{MY,CY,FT} \times \text{ImportAssumptions}_{CY,FT} \\ &\times (\text{Monopsony}_{CY} + \text{PriceShock}_{CY} + \text{MilitarySecurity}_{CY}) \end{aligned} \quad (178)$$

Where:

*MY*: the production year of all vehicles for which to calculate the market externalities;

*CY*: the CY during which to calculate the market externalities associated with fuel consumption of all vehicle models;

*FT*: the fuel type that all vehicles produced in model year *MY* operate on;

*Gallons<sub>MY,CY,FT</sub>*:

the amount of gallons (or GGE) of fuel consumed in a year by all surviving vehicle models produced in model year *MY* during calendar year *CY*, when operating on fuel type *FT*;

*ImportAssumptions<sub>CY,FT</sub>*:

the fuel import assumptions for fuel type *FT*, during calendar year *CY*, as defined by Equation (179) below;

*Monopsony<sub>CY</sub>*:

the “monopsony” component of economic costs of oil imports, specified in \$/gallon in the parameters input file;

*PriceShock<sub>CY</sub>*:

the price shock component of economic costs of oil imports, specified in \$/gallon in the parameters input file;

*MilitarySecurity<sub>CY</sub>*:

the military security component of economic costs of oil imports, specified in \$/gallon in the parameters input file; and

---

<sup>91</sup> Note, however, that these three market externality components are supplied by the user in the parameters input file, with the option to omit one or more of these estimates from the analysis altogether.

*Externalities<sub>MY,CY,FT</sub>*:

the resultant social costs of market externalities associated with all surviving vehicle models produced in model year *MY*, during calendar year *CY*, when operating on fuel type *FT*.

The fuel import assumptions used in the equation above are specified in the parameters input file, separately by various categories, for each type of fuel and for a subset of CYs. The fuel import assumption categories define the shares of savings or reductions of crude oil imports and domestic refining of imported crude resulting from the potential reductions of total consumption of fuel by new vehicle models. The CYs may be defined at specific intervals (e.g., at increments of 5, such as 2015, 2020, 2025), with the modeling system using the closet available year for any calendar year that is not explicitly defined in the inputs. For example, import assumptions specified in the inputs for CY 2020 would be used when estimating social costs of market externalities during CYs 2018 to 2022.

$$ImportAssumptions_{CY,FT} = \begin{pmatrix} ReducedImports_{CY,FT} \\ + ReducedRefining_{CY,FT} \\ \times ReducedRefImports_{CY,FT} \end{pmatrix} \quad (179)$$

Where:

*CY*: the CY during which to calculate the market externalities associated with fuel consumption of all vehicle models;

*FT*: the fuel type for which to calculate the market externalities associated with fuel consumption of all vehicle models;

*ReducedImports<sub>CY,FT</sub>*:

the assumed value for share of fuel savings leading to lower fuel imports for fuel type *FT*, during calendar year *CY*;

*ReducedRefining<sub>CY,FT</sub>*:

the assumed value for share of fuel savings leading to reduced domestic fuel refining for fuel type *FT*, during calendar year *CY*;

*ReducedRefImports<sub>CY,FT</sub>*:

the assumed value for share of reduced domestic refining from imported crude for fuel type *FT*, during calendar year *CY*; and

*ImportAssumptions<sub>CY,FT</sub>*:

the calculated import assumptions for fuel type *FT*, during calendar year *CY*.

### S8.7.2 Social Costs of Added Driving

The CAFE Model estimates the way that additional driving associated with the fuel economy rebound effect may contribute to increased traffic congestion and highway noise. Additional vehicle use can contribute to traffic congestion and delays partly by increasing recurring congestion on heavily traveled facilities during peak travel periods, depending on how the additional travel is distributed over the day and on where it occurs. Added vehicle use from the rebound effect may also increase traffic noise, which causes inconvenience, irritation, and potentially even discomfort to occupants of other vehicles, pedestrians and other bystanders, and residents or occupants of surrounding property.

The modeling system calculates the total congestion and noise costs (or, collectively referred to as external costs) by multiplying the total miles driven by new vehicle models during each CY by the assumed amount of dollar per vehicle-mile associated with each of these external “vehicle usage” costs. While the form of the calculation remains the same, each of these variables is estimated and reported separately by the modeling system. The external costs associated with the total miles traveled by all vehicle models produced in a specific MY that survive during each CY, when operating on a given fuel type, are calculated as follows:

$$ExternalCosts_{MY,CY,FT} = Miles_{MY,CY,FT} \times ExternalCost \quad (180)$$

Where:

*MY*: the production year of all vehicles for which to calculate the congestion or noise costs;

*CY*: the CY during which to calculate the congestion or noise costs associated with total miles driven by all vehicle models;

*FT*: the fuel type that all vehicles produced in model year *MY* operate on;

*Miles<sub>MY,CY,FT</sub>*:

the number of miles driven in a year by all surviving vehicles produced in model year *MY*, during calendar year *CY*, when operating on a specific fuel type *FT*;

*ExternalCost*:

the congestion or noise components of external costs associated with additional vehicle use due to the “rebound” effect, specified in \$/vehicle-mile in the parameters input file; and

*ExternalCosts<sub>MY,CY,FT</sub>*:

the resultant congestion or noise costs associated with all surviving vehicle models produced in model year *MY*, during calendar year *CY*, when operating on fuel type *FT*.

Then, each of the lifetime external costs attributed to all surviving vehicle models produced in model year *MY* over their expected lifetimes, when operating on each type of fuel, are aggregated as follows:

$$ExternalCosts_{MY,FT} = \sum_{CY} ExternalCosts_{MY,CY,FT} \quad (181)$$

In addition to the aforementioned external vehicle usage costs, the modeling system also computes costs associated with the cleanup of fatal and non-fatal crashes, attributed to increases in total miles driven and application of mass reduction technology. The system computes these costs based on the total fatalities attributed to surviving vehicle models, as was defined by Equation (166) earlier, as well as incremental costs based on the additional fatalities due to rebound miles traveled by surviving vehicle models and due to changes in curb weights of those vehicles, as defined by Equations (167) and (168) of a previous section. Thus, for each MY and CY, the social costs associated with one of these types of fatal crashes for all surviving vehicle models, when operating on a specific fuel type, are calculated according to the following equations:

$$FatalityCosts_{MY,CY,FT} = F_{MY,CY,FT} \times FatalityCost \times (1 + r)^{CY - BaseCY} \quad (182)$$

$$FatalityCosts_{MY,CY,FT}^{Rebound} = F_{MY,CY,FT}^{Rebound} \times FatalityCost \times (1 + r)^{CY - BaseCY} \quad (183)$$

$$FatalityCosts_{MY,CY,FT}^{DeltaCW} = F_{MY,CY,FT}^{DeltaCW} \times FatalityCost \times (1 + r)^{CY - BaseCY} \quad (184)$$

Where:

*MY*: the production year of all vehicles for which to calculate the social costs of fatal crashes;

*CY*: the CY during which to calculate the social costs of fatal crashes associated with all vehicle models;

*FT*: the fuel type that all vehicles produced in model year *MY* operate on;

$F_{MY,CY,FT}$ :

the fatalities associated with all surviving vehicles produced in model year *MY*, during calendar year *CY*, when operating on a specific fuel type *FT*, as calculated in Equation (166) above;

$F_{MY,CY,FT}^{Rebound}$ :

the additional fatalities due to rebound miles traveled by all surviving vehicles produced in model year *MY*, during calendar year *CY*, when operating on a specific fuel type *FT*, defined incrementally over the baseline scenario, as calculated in Equation (167) above;

$F_{MY,CY,FT}^{DeltaCW}$ :

the additional fatalities due to changes in curb weights associated with all surviving vehicles produced in model year *MY*, during calendar year *CY*, when operating on a specific fuel type *FT*, defined incrementally over the baseline scenario, as calculated in Equation (168) above;

*FatalityCost*:

the social costs arising from vehicle fatalities, specified in \$/fatality in the parameters input file;

*r*: the annual growth rate of fatality costs;

*BaseCY*:

the base year for annual growth rate of fatality costs; and

*FatalityCosts<sub>MY,CY,FT</sub>*:

the resultant fatality costs associated with travel by all surviving vehicle models produced in model year *MY*, during calendar year *CY*, when operating on fuel type *FT*;

*FatalityCosts<sub>MY,CY,FT</sub><sup>Rebound</sup>*:

the resultant fatality costs associated with additional fatalities due to rebound miles traveled by all surviving vehicle models produced in model year *MY*, during calendar year *CY*, when operating on fuel type *FT*;

*FatalityCosts<sub>MY,CY,FT</sub><sup>DeltaCW</sup>*:

the resultant fatality costs associated with additional fatalities due to changes in curb weights of all surviving vehicle models produced in model year *MY*, during calendar year *CY*, when operating on fuel type *FT*.

Similar to the various fatality costs, the accompanying non-fatal injury costs and costs arising from property damage only crashes due to added driving and mass reduction are calculated using the same Equations (182), (183), and (184) as shown above. However, in each case, the appropriate estimates of non-fatal injuries, property damage crashes, and/or input costs are substituted in place of the fatality-related values.

Lastly, using the results obtained by Equation (183), the CAFE Model estimates the fatality risk internalized by the driver for traveling the additional miles due to the rebound effect. In addition to the fatality risk, the system also computes the accompanying risk internalized by the driver due to non-fatal injury and property damage related crash incidents. These risk values are computed as demonstrated by the following two equations:

$$FatalityRiskValue_{MY,CY,FT} = FatalityCosts_{MY,CY,FT}^{Rebound} \times FatalityRisk \quad (185)$$

$$NonFatalRiskValue_{MY,CY,FT} = \left( \begin{array}{l} NonFatalInjuryCosts_{MY,CY,FT}^{Rebound} \\ + PropertyDamageCosts_{MY,CY,FT}^{Rebound} \end{array} \right) \times FatalityRisk \quad (186)$$

Where:

*FatalityCosts<sub>MY,CY,FT</sub><sup>Rebound</sup>*:

the fatality costs associated with additional fatalities due to rebound miles traveled by all surviving vehicle models produced in model year *MY*, during calendar year *CY*, when operating on fuel type *FT*;

$NonFatalInjuryCosts_{MY,CY,FT}^{Rebound}$ :

the non-fatal injury costs associated with additional non-fatal injuries due to rebound miles traveled by all surviving vehicle models produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ ;<sup>92</sup>

$PropertyDamageCosts_{MY,CY,FT}^{Rebound}$ :

the non-fatal property damage crash costs associated with additional non-fatal property damage crashes due to rebound miles traveled by all surviving vehicle models produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ ;<sup>92</sup>

$FatalityRisk$ :

fatality risk internalized by the driver, attributed to the additional miles driven due to rebound; and

$FatalityRiskValue_{MY,CY,FT}$ :

the resultant risk value of fatal incidents internalized by the driver, associated with additional fatalities due to rebound miles traveled by all surviving vehicle models produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ ;

$NonFatalRiskValue_{MY,CY,FT}$ :

the resultant risk value of non-fatal incidents internalized by the driver, associated with additional fatalities due to rebound miles traveled by all surviving vehicle models produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ .

### S8.7.3 Social Costs of Environmental Impacts

The modeling system estimates the economic costs associated with emissions of criteria pollutants, including nitrogen oxides, sulfur dioxide, and fine particulates, using estimates of the economic damage costs per short ton of emissions of each of these pollutants.<sup>93</sup> As indicated previously, emissions of criteria pollutants can rise or fall whenever vehicle's fuel economy

---

<sup>92</sup> In Equation (176), although the  $NonFatalInjuryCosts_{MY,CY,FT}^{Rebound}$  and  $PropertyDamageCosts_{MY,CY,FT}^{Rebound}$  terms are not explicitly defined in prior equations, as was previously stated these are computed using Equation (173), though with appropriate substitutions of fatality-related parameters for their non-fatal counterparts.

<sup>93</sup> The EPA analysis that is the source of estimates of health impacts and damage costs from criteria air pollutants used in the current version of the CAFE Model considers only health damages caused by exposure to fine particulate matter (PM<sub>2.5</sub>), and does not specify health impacts or damage costs resulting from exposure to carbon monoxide or volatile organic compounds (including pollutants formed in the atmosphere from chemical reactions involving VOCs). Thus, the modeling system estimates only health impacts and damage costs from direct emissions of PM<sub>2.5</sub> and chemical compounds that can form fine particulates in the atmosphere, including oxides of nitrogen and sulfur.

See EPA, Technical Support Document: Estimating the Benefit per Ton of Reducing PM<sub>2.5</sub> Precursors From 17 Sectors, Office of Air and Radiation, Office of Air Quality Planning and Standards, February 2018 (available at: [www.epa.gov/sites/production/files/2018-02/documents/sourceapportionmentbpttsd\\_2018.pdf](http://www.epa.gov/sites/production/files/2018-02/documents/sourceapportionmentbpttsd_2018.pdf)).



changes. Thus, the economic costs of these emissions can increase or decline in response to new fuel economy or CO<sub>2</sub> standards.

The input values for emission damage costs of criteria pollutants are specified in the parameters input file, with cost values being pre-discounted at 3 percent and 7 percent.<sup>94</sup> Separate values are defined for the vehicle-level (downstream) emissions and the upstream emissions, for the three affected pollutants. Since the economic costs attributed to emission damage may change over time, these inputs may be specified for multiple CYs.<sup>95</sup> Using the appropriate discount rate and CY, the modeling system computes the individual damage costs, associated with downstream-related and upstream-related emissions, before adding the two values to obtain the total economic cost of a particular pollutant.

As with the calculations of emission health impacts discussed in Section 6 above, the input costs of vehicle-level criteria pollutants are defined separately for light-duty and HDPUV vehicles, as well as separated into gasoline and diesel operation. For the light-duty fleet that operates on gasoline, the inputs are further split into passenger car and truck/SUV fleets. The emission damage costs attributed to gasoline use are also used by the CAFE Model to estimate emission damage from vehicle operation on E85 fuel. In the case of electricity, hydrogen, and CNG, since no emissions of criteria air pollutants are assumed to be generated during vehicle use, the modeling system does not estimate downstream damage costs for these three fuel types.<sup>96</sup> Hence, the emission damage costs attributed to vehicle use for all surviving vehicle models produced in a specific MY during each CY, when operating on gasoline, diesel, or E85 fuels, are calculated as shown in the following two equations. For light-duty vehicles, this calculation is defined as:

$$\begin{aligned} &EmissionCost_{MY,CY,FT}^{DS} \\ &= \left( (E_{MY,CY,FT,LDV}^{DS} + E_{MY,CY,FT,LDV}^{BTW}) \times EmissionCost_{CY,DR,FT,LDV}^{DS} \right. \\ &\quad \left. + (E_{MY,CY,FT,LDT}^{DS} + E_{MY,CY,FT,LDT}^{BTW}) \times EmissionCost_{CY,DR,FT,LDT}^{DS} \right) \\ &\quad \times 1.10231 \end{aligned} \quad (187)$$

And for HDPUV vehicles:

$$EmissionCosts_{MY,CY,FT}^{DS} = \left( (E_{MY,CY,FT,HDPUV}^{DS} + E_{MY,CY,FT,HDPUV}^{BTW}) \times EmissionCost_{CY,DR,FT,HDPUV}^{DS} \right) \times 1.10231 \quad (188)$$

<sup>94</sup> The EPA analysis (see footnote 93) that is the source of estimates for criteria air pollutant damage costs includes values that are pre-discounted at 3 percent and 7 percent.

<sup>95</sup> When specifying input values for emission damage costs, the modeling system allows for calendar years to be intermittently defined. For example, at writing these inputs are defined for the following calendar years: 2020, 2025, and 2030. When calculating the associated emission health impact outputs for each calendar year, the system applies a nearest-neighbor interpolation method to obtain an input value for a specific calendar year.

<sup>96</sup> As noted earlier, even though the CAFE Model computes emissions due to brake and tire wear for all fuel types, the original source data for emission health impacts and emission damage costs associated with criteria air pollutants do not include incident rates or damage costs for alternative fuel sources. Therefore, downstream emission damage costs for these fuel types are omitted from calculation in the CAFE Model.

Where:

*MY*: the production year of all vehicles for which to calculate the emission damage costs;

*CY*: the CY during which to calculate the emission damage costs;

*FT*: the fuel type that all vehicles produced in model year *MY* operate on;

*DR*: the rate at which the input emission damage costs are discounted;

$EmissionCost_{CY,DR,FT,LDV}^{DS}$ ,  $EmissionCost_{CY,DR,FT,LDT}^{DS}$ ,  $EmissionCost_{CY,DR,FT,HDPUV}^{DS}$ :

the economic costs arising from downstream emission damage for a given pollutant (specified in \$/short-ton in the parameters input file), pre-discounted at a specific discount rate *DR*, during calendar year *CY*, attributed to light-duty passenger cars (LDV), to light-duty trucks and SUVs (LDT), or to heavy-duty pickups and vans (HDPUV) when operating on fuel type *FT*;

$E_{MY,CY,FT,LDV}^{DS}$ ,  $E_{MY,CY,FT,LDT}^{DS}$ ,  $E_{MY,CY,FT,HDPUV}^{DS}$ :

the total downstream emissions of a specific pollutant generated by light-duty passenger cars (LDV), by light-duty trucks and SUVs (LDT), or by heavy-duty pickups and vans (HDPUV) when operating on fuel type *FT*, as calculated by Equations (156) or (142).;

$E_{MY,CY,FT,LDV}^{BTW}$ ,  $E_{MY,CY,FT,LDT}^{BTW}$ ,  $E_{MY,CY,FT,HDPUV}^{BTW}$ :

the total brake and tire wear emissions of PM<sub>2.5</sub> generated by light-duty passenger cars (LDV), by light-duty trucks and SUVs (LDT), or by heavy-duty pickups and vans (HDPUV) when operating on fuel type *FT*, as calculated by Equation (157); note that for NOx and SO<sub>2</sub> pollutants, this value will be zero;

1.10231:

the conversion factor from metric tons to short tons; and

$EmissionCost_{MY,CY,FT}^{DS}$ :

the resultant social costs of downstream emission damage caused by a given pollutant, attributed to all surviving vehicle models produced in model year *MY*, during calendar year *CY*, when operating on fuel type *FT*.

For the upstream emissions arising from criteria air pollutants, the emission damage costs are divided based on each stage of fuel production and distribution, with separate costs accounting for damage associated with electricity generation. Since no costs are explicitly defined for hydrogen and CNG fuel types, the modeling system uses electricity inputs for computing damage attributed to these two fuel sources. For liquid fuel types (gasoline, diesel, and E85), the modeling system monetizes emissions damage based on the amount of criteria air pollutants emitted at each stage of fuel production and distribution. For GGE fuel types (electricity, hydrogen, and CNG), the system uses the aggregate measure of total emissions attributed to the generation or production of a particular fuel source. Hence, the emission health impacts associated with the production of various fuel sources that are consumed by all surviving vehicle

models produced in a specific MY during each CY, when operating on each type of fuel, are computed as shown in the two equations that follow. For liquid fuel types, the calculation is:

$$EmissionCosts_{MY,CY,FT}^{US} = \sum_{Stage} (E_{MY,CY,FT}^{US,Stage} \times EmissionCosts_{CY,DR}^{US,Stage}) \times 1.10231 \quad (189)$$

And for GGE fuel types:

$$EmissionCosts_{MY,CY,FT}^{US} = (E_{MY,CY,FT}^{US} \times EmissionCosts_{CY,DR}^{US,Elec}) \times 1.10231 \quad (190)$$

Where:

$MY, CY, FT, DR$ :

variables as defined in Equation (187) and (188) above;

$Stage$ : the various stages of feedstock production and distribution (referred to as *FuelTSD*, *Refining*, *Extraction*, and *Transport* in Equations (145). through (148). above);

$EmissionCost_{CY,DR}^{US,Stage}$ :

the economic costs arising from upstream emission damage for a given pollutant from the various stages of feedstock production and distribution, pre-discounted at a specific discount rate  $DR$ , during calendar year  $CY$ , specified in \$/short ton in the parameters input file;

$EmissionCost_{CY,DR}^{US,Elec}$ :

the economic costs arising from upstream emission damage for a given pollutant during generation of electricity, pre-discounted at a specific discount rate  $DR$ , during calendar year  $CY$ , specified in \$/short ton in the parameters input file;

$E_{MY,CY,FT}^{US,Stage}$ :

the total upstream emissions of a specific pollutant attributed to production and distribution of each liquid fuel type  $FT$ , as calculated by Equations (145). through (148).;

$E_{MY,CY,FT}^{US}$ :

the total upstream emissions of a specific pollutant attributed to production of each GGE fuel type, as calculated by Equation (153).;

$1.10231$ :

the conversion factor from metric tons to short tons; and

$EmissionCosts_{MY,CY,FT}^{US}$ :

the resultant social costs of upstream emission damage caused by a given pollutant, attributed to all surviving vehicle models produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ .

From here, the total emission damage costs arising from criteria air pollutants from a combination of downstream and upstream emissions attributed to all vehicle models produced in

a specific MY that survive during each CY, when operating on a given fuel type are computed by summing the results from the above equations as follows:

$$EmissionCosts_{MY,CY,FT} = EmissionCosts_{MY,CY,FT}^{DS} + EmissionCosts_{MY,CY,FT}^{US} \quad (191)$$

In addition to the emission damage costs arising from criteria pollutants, the CAFE Model also estimates the social costs of damage caused by greenhouse gases, including carbon dioxide, methane, and nitrous oxide. The system estimates emission damage resulting from greenhouse gases by multiplying the total amount of a particular pollutant emitted by surviving vehicle models by the estimated value of damages per unit of emissions during each CY. The damage costs caused by greenhouse gases, attributed to all vehicle models produced in a specific MY that survive during each CY, when operating on a given fuel type, are calculated as follows:

$$EmissionCosts_{MY,CY,FT} = E_{MY,CY,FT} \times Cost_{CY} \quad (192)$$

Where:

*MY, CY, FT*:

variables as defined in Equation (187) and (188) above;

*E<sub>MY,CY,FT</sub>*:

the total upstream and downstream emissions of a specific pollutant (denominated in metric tons) attributed to all surviving vehicle models produced in model year *MY*, during calendar year *CY*, when operating on fuel type *FT*, as calculated by equations defined in Section 4 and Section 5 above;

*Cost<sub>CY</sub>*:

the economic costs arising from emission damage for a given pollutant, during calendar year *CY*, specified in \$/metric-ton in the parameters input file; and

*EmissionCosts<sub>MY,CY,FT</sub>*:

the resultant social costs of emission damage caused by a given pollutant, attributed to all surviving vehicle models produced in model year *MY*, during calendar year *CY*, when operating on fuel type *FT*.

#### S8.7.4 Discounting of Social Costs and Benefits

Along with calculating the “undiscounted” social costs and benefits described in the preceding sections, the CAFE Model also estimates discounted annual and lifetime valuations of these variables, measured from the perspective of society as a whole. The modeling system applies present year discounting, using one or more discount rates defined in the parameters input file, with all costs and benefits being discounted to a user-specified CY (also defined in the parameters file).<sup>97</sup> Hence, the discounted costs or benefits, of each variable, attributed to all vehicle models produced in a specific MY that survive during each CY, when operating on a given fuel type, are calculated as follows:

---

<sup>97</sup> With the exception of CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O costs, for discounting of all social costs and benefits, the CAFE Model uses the discount rates specified on the *Economic Values* worksheet, as discussed in Section A.3.1 of Appendix A. For discounting of CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O costs, the system uses a separate discount rate value, which is also defined on the *Economic Values* worksheet.

$$DiscCosts_{MY,CY,FT} = Cost_{MY,CY,FT} \times (1 + DR)^{-\max(CY-BaseCY,0)} \quad (193)$$

Where:

*MY*: the production year of all vehicles for which to calculate the discounted social costs;

*CY*: the CY during which to calculate the discounted social costs associated with all vehicle models;

*FT*: the fuel type that all vehicles produced in model year *MY* operate on;

*BaseCY*:

the CY where all costs and benefits are discounted to;

*DR*: the discount rate to apply to future costs and benefits;

*Cost<sub>MY,CY,FT</sub>*:

the costs or benefits, as calculated in the preceding sections, to discount; and

*DiscCost<sub>MY,CY,FT</sub>*:

the resultant discounted costs or benefits, attributed to all surviving vehicle models produced in model year *MY*, during calendar year *CY*, when operating on fuel type *FT*.

As shown in the equation above, if the base calendar year, *BaseCY*, used for discounting is greater than the calendar year, *CY*, for which the costs are being discounted, the modeling system assumes that those costs and benefits remain undiscounted.

## **S8.8 Consumer-Valued Costs and Benefits**

### **S8.8.1 The Value of “Rebound Miles”**

Along with the value of additional driving, discussed in Section S8.4 above, the CAFE Model also estimates the value of “rebound miles,” which is based on the final cost per mile associated with a vehicle and the change in the annual number of miles traveled between the analysis vehicle and a typical historical vehicle of the same age. For all vehicle models produced in a specific MY that survive during each CY, when operating on a specific type of fuel, the value of the benefits from the rebound miles is calculated as:

$$ReboundCost_{MY,CY,FT} = \sum_{i \in V} \left( \frac{(MI'_{i,MY,CY,FT} - MI'^{NonRebound}_{i,MY,CY,FT})}{CPM_{i,MY,CY} \times Scale} \right) \quad (194)$$

Where:

- $V$ : a vector containing all vehicle models produced during model year  $MY$ ;
- $MY$ : the production year of all vehicles for which to calculate the value of rebound miles;
- $CY$ : the CY during which to calculate the value of rebound miles by all vehicle models;
- $FT$ : the fuel type that all vehicles produced in model year  $MY$  operate on;

$MI'_{i,MY,CY,FT}$ :

the number of with rebound miles driven in a year by all surviving vehicles, of vehicle model  $i$ , produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ , as defined in Equation (122) above;

$MI'^{NonRebound}_{i,MY,CY,FT}$ :

the number of non-rebound miles driven in a year by all surviving vehicles, of vehicle model  $i$ , produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ , as defined in Equation (121) above;

$CPM_{i,MY,CY}$ :

the fuel cost per mile attributed to the vehicle model  $i$ , produced in model year  $MY$ , during calendar year  $CY$ ;

*Scale*: the percentage by which to scale the private consumer benefits (a runtime option defined in the CAFE Model's GUI); and

$ReboundCost_{MY,CY,FT}$ :

the resultant value of the rebound miles attributed to all surviving vehicle models produced in model year  $MY$ , during calendar year  $CY$ , when operating on fuel type  $FT$ .

### S8.8.2 The Value of “Reallocated Miles”

The value of additional driving discussed in Section S8.4 represent the benefits to new vehicle buyers resulting from the fuel economy rebound effect, with respect to the difference between the “with rebound” and the “non-rebound” miles. When the Dynamic VMT model is used for analysis, the system also applies a mileage offset, described in Section S2.1, to both of these mileage metrics. However, by taking the difference between the “with rebound” and the “non-rebound” values, as in Equation (175), the majority of the mileage offset component is canceled out, with only the rebound portion remaining. When considering the value of additional driving in the action alternatives on an incremental basis versus the baseline scenario, this offset would mostly cancel out as well, since the “non-rebound” miles are expected to remain constant between scenarios during each CY. However, this offset only remains constant when accounting for the entire on-road fleet, but differs on a per-vehicle basis, due to fluctuating per-vehicle model sales between each scenario analyzed. When taking the difference in the per-vehicle mileage offsets between the alternative and the baseline scenarios, the resultant value corresponds to the additional miles that each vehicle travels over the baseline scenario. These

additional, or reallocated, miles represent the number of miles that are *reallocated* from the older on-road fleet to the new vehicle models, as a result of reduced new vehicle sales in the action alternative with respect to the baseline scenario (or, conversely, the opposite effect may also be observed during some MYs due to the impacts of the scrappage model on the historic and new vehicle population).

The CAFE Model defines the benefits arising from the additional miles as the value of reallocated miles and computes it as the difference between the mileage offsets occurring in the action alternative and the baseline scenarios, multiplied by the fuel cost per mile associated with each vehicle model. For all vehicle models produced in a specific MY that survive during each CY, when operating on a specific type of fuel, the value of the benefits from the reallocated miles is calculated as:

$$ReallocatedValue_{MY,CY,FT} = \sum_{i \in V} \left( FS_{i,MY,FT} \times N_{i,MY,CY} \times (\Delta Miles_{C,CY,a} - \Delta Miles_{C,CY,a}^{Base}) \times CPM_{i,MY,CY} \right) \quad (195)$$

Where:

- $V$ : a vector containing all vehicle models produced during model year  $MY$ ;
- $MY$ : the production year of all vehicles for which to calculate the value of reallocated miles;
- $CY$ : the CY during which to calculate the value of reallocated miles from all vehicle models;
- $FT$ : the fuel type that the vehicles produced in model year  $MY$  operate on (refer to Table 1 in Section S2.1 for fuel types supported by the model);
- $C$ : the category of the vehicle for which to calculate the value of reallocated miles;
- $FS_{i,MY,FT}$ :  
the percent share of miles driven by vehicle model  $i$ , produced in model year  $MY$ , when operating on fuel type  $FT$ ;
- $N_{i,MY,CY}$ :  
the number of vehicles of model  $i$ , produced during model year  $MY$ , that remain in use during a future calendar year  $CY$ , as defined by Equation (103) in Section 1;
- $CPM_{i,MY,CY}$ :  
the fuel cost per mile attributed to the vehicle model  $i$ , produced in model year  $MY$ , using fuel prices from calendar year  $CY$ ;
- $\Delta Miles_{C,CY,a}$ :  
the estimated mileage offset for vehicles of age  $a$ , belonging to category  $C$ , during calendar year  $CY$ , as defined by Equation (131) in Section S2.1;
- $\Delta Miles_{C,CY,a}^{Base}$ :  
the estimated mileage offset for vehicles of age  $a$ , belonging to category  $C$ , during calendar year  $CY$ , as applicable to the baseline scenario; and

*ReallocatedValue<sub>MY,CY,FT</sub>*:

the resultant value of reallocated miles attributed to all surviving vehicle models produced in model year *MY*, during calendar year *CY*, when operating on fuel type *FT*.

### S8.8.3 Ownership Costs

The CAFE Model estimates additional ownership costs that consumers incur either as part of a new vehicle purchase or during the lifetime of a vehicle model. Depending on the variable being calculated, the ownership costs may occur entirely at the point of sale (i.e., during the *MY* the vehicle was purchased), over some number of years after purchase, or during the lifetime of the vehicle. In each case, however, these costs are computed relative to the MSRP of a new vehicle. Since a purchaser of a new vehicle model does not expect their vehicle to be scrapped prior to the end of its useful life (or, likewise, before reselling it for a different model), the modeling system does not apply survival weighting when calculating ownership costs. Instead, the system computes these costs under the assumption that the entire number of units initially produced during a specific *MY* remain in use during each future *CY*.

When computing taxes and fees attributed to the sale of a new vehicle model, we assume that all costs to the buyer of that vehicle are borne upfront. Therefore, the system apportions these costs to vehicle age 0 (zero), with the lifetime costs having the same value as that at age zero. The total taxes and fees for a given vehicle model produced during a specific *MY* are calculated as in the following equation:

$$TaxesAndFees_{MY} = \sum_{i \in V} (Sales_{i,MY} \times MSRP_{i,MY} \times TaxesAndFees) \quad (196)$$

Where:

*V*: a vector containing all vehicle models produced during model year *MY*;

*MY*: the production year of all vehicles for which to calculate the taxes and fees;

*Sales<sub>i,MY</sub>*:

the number of units of vehicle model *i* produced for sale during model year *MY*;

*MSRP<sub>i,MY</sub>*:

the MSRP of a vehicle model *i* that is produced for sale during model year *MY*;

*TaxesAndFees*:

the average percentage of the vehicle's MSRP the consumer pays in taxes and fees when purchasing a new vehicle (an input value specified in the parameters input file); and

*TaxesAndFees<sub>MY</sub>*:

the resultant total taxes and fees paid by purchasers of new vehicle models during model year *MY*.



The modeling system estimates the costs that buyers incur for financing new vehicle purchases during each CY, extending up to the length of the financing term (as defined in the parameters input file). We assume that some of the new vehicle models will be financed at the time of sale and that purchasers will finance a certain percentage of the value of the MSRP. For simplicity, we apply a single estimate that represents a weighted combination of consumers that elect to finance their new vehicles and the amount of the MSRP they are willing to finance. Thus, the financing costs attributed to all vehicle models produced in a specific MY that survive during each CY (up to the length of the term), are calculated as:

$$Financing_{MY,CY} = \sum_{i \in V} \left( \begin{aligned} &Sales_{i,MY} \times MSRP_{i,MY} \\ &\times \left( \frac{r \times Share}{1 - \left(1 + \frac{r}{12}\right)^{-Term}} - \frac{Share}{\frac{Term}{12}} \right) \\ &\times \min\left(\frac{Term}{12} - a, 1\right) \end{aligned} \right) \quad (197)$$

Where:

- $V$ : a vector containing all vehicle models produced during model year  $MY$ ;
- $MY$ : the production year of all vehicles for which to calculate the financing cost;
- $CY$ : the CY during which to calculate the financing cost attributed to all vehicle models;
- $Sales_{i,MY}$ :  
the number of units of vehicle model  $i$  produced for sale during model year  $MY$ ;
- $MSRP_{i,MY}$ :  
the MSRP of a vehicle model  $i$  that is produced for sale during model year  $MY$ ;
- $Term$ : the average length of time (in months) used by consumers to finance a new vehicle purchase;
- $r$ : the average interest rate used by consumers to finance a new vehicle purchase;
- $Share$ : the percentage of consumers that choose to finance a new vehicle purchase; and
- $Financing_{MY,CY}$ :  
the resultant total financing costs paid by purchasers of new vehicle models in model year  $MY$ , during calendar year  $CY$ .

The financing term,  $Term$ , interest rate,  $r$ , and percent share financed,  $Share$ , in the equation above are all values specified in the parameters input file.

Since no additional costs occur after the loan amount is repaid in full, the system assigns a cost of zero to each CY beyond the length of the term. Since the input value for the financing term is specified in months, the system makes the determination of whether to calculate financing costs at a given CY based on the whether a vehicle's age,  $a$ , at a corresponding CY exceeds the number of whole years required to pay back the loan amount. This decision can be expressed by the following:

$$a < \left\lceil \frac{Term}{12} \right\rceil \quad (198)$$

Here,  $a$  is the vehicle age corresponding to the CY during which the costs of financing are calculated, while  $Term$  is the financing term as defined in the preceding equation.

The financing costs calculated at each vehicle age for all vehicle models produced in model year  $MY$  are summed over the individual CYs to obtain the cumulative financing costs paid by purchasers of new vehicle models. Since the modeling system only computes the annual financing costs up to the length of the term, the later CYs in the summation have a value of zero and have no impact on the computation of the lifetime costs of financing. Hence, this calculation is expressed by the following:

$$Financing_{MY} = \sum_{CY} Financing_{MY,CY} \quad (199)$$

More expensive vehicles will require more expensive collision and comprehensive (e.g., fire and theft) car insurance. Actuarially fair insurance premiums for these components of value-based insurance will be the amount an insurance company will pay out in the case of an incident type, weighted by the risk of that type of incident occurring. A given driver operating the same vehicle type is expected to have the same risk of occurrence for the entirety of a vehicle's life, such that the share of the value of a vehicle paid out should remain constant over the life of that vehicle. However, since the value of vehicle models is expected to decline at some depreciation rate with each subsequent CY, the absolute amount paid in value-related insurance also declines as the vehicle depreciates. Furthermore, since insurance payments are expected to stop once a vehicle is scrapped, the calculation is weighted based on the number of vehicles that remain in service. Thus, the cost to insure all vehicle models produced in a specific MY that survive during each CY, is given by the following equation:

$$Insurance_{MY,CY} = \sum_{i \in V} \left( Fleet_{i,MY,CY} \times \frac{MSRP_{i,MY} \times 0.0183 \times 0.8}{(1 + Depreciation)^a} \right) \quad (200)$$

Where:

- $V$ : a vector containing all vehicle models produced during model year  $MY$ ;
- $MY$ : the production year of all vehicles for which to calculate the insurance cost;
- $CY$ : the CY during which to calculate the insurance cost attributed to all vehicle models;
- $Fleet_{i,MY,CY}$ :  
the number of units of vehicle *model*  $i$ , produced during model year  $MY$ , that remain in use during calendar year  $CY$ ;
- $MSRP_{i,MY}$ :  
the MSRP of a vehicle model  $i$ , produced for sale during model year  $MY$ ;
- $0.0183$ :  
the share of MSRP paid on collision and comprehensive insurance;
- $0.8$ : an adjustment to remove costs associated with totaled vehicles;

*Depreciation:*

the typical depreciation rate of a new vehicle (an input value specified in the parameters input file); and

*Insurance<sub>MY,CY</sub>:*

the resultant total insurance costs paid by purchasers of new vehicle models in model year *MY*, during calendar year *CY*.

The lifetime financing costs accrued by consumers for purchasing new vehicle models produced during model year *MY* are aggregated across each *CY* as follows:

$$Insurance_{MY} = \sum_{CY} Insurance_{MY,CY} \quad (201)$$

In order to estimate whether increases in total cost of ownership (TCO) to vehicle buyers are repaid over some number of years, the CAFE Model computes all of the aforementioned ownership costs using the vehicle's initial and final MSRPs. The initial MSRP is based on what is provided to the system in the input fleet (before application of any technologies), while the final MSRP is calculated during analysis, considering the regulatory costs incurred by each vehicle model. In either case, the initial or final vehicle MSRP is substituted into each of the above equations to obtain the associated ownership cost. From here, the vehicle's payback and payback TCO, as discussed in the following section, may be calculated.

#### **S8.8.4 Calculating Vehicle Payback**

Using the various consumer-valued costs and benefits calculated during analysis, the CAFE Model estimates the number of years required for additional investments in fuel economy improving technologies to be paid back in the form of fuel savings realized by purchasers of new vehicle models. The system estimates the payback period for each vehicle model independently, as well as computing the average industry-wide payback using the accumulated totals for costs and fuel savings across all vehicles.

Two methodologies are employed in calculating the payback periods: in the first, the payback calculation only considers the accumulated regulatory costs versus the associated fuel savings; while for the second, the modeling system estimates the payback period based on the total cost of ownership, which also takes into account additional maintenance and repair costs associated with new technology application, as well as changes in ownership costs related to potential increases in a vehicle's MSRP. In both cases, the CAFE Model assumes that all costs stemming from application of vehicle technologies (along with fine payments for noncompliance, wherever applicable) are borne in the first year of a vehicle's life (designated by vehicle age zero), with the annual changes to the fuel and ownership costs, occurring during each ensuing *CY*, being iteratively aggregated until their net sum reaches or exceeds the costs of the original technology investment. The *CY* or, equivalently, the vehicle age at which the "sum of changes" outweighs the technology-related costs is then interpreted as the length of time necessary for payback to occur. For each vehicle model, the payback periods may be obtained based on the following two equations, where the payback is determined from:

$$\begin{pmatrix} RegCost_{MY} \\ +TaxCredits_{ref} \\ -TaxCredits_{MY} \end{pmatrix} \leq \sum_{CY} (FuelCost_{ref,CY} - FuelCost_{MY,CY}) \quad (202)$$

And payback TCO is computed as:

$$\begin{pmatrix} RegCost_{MY} \\ +MRCost_{MY} \\ +TaxCredits_{ref} \\ -TaxCredits_{MY} \end{pmatrix} \leq \sum_{CY} \begin{pmatrix} TaxesAndFees_{ref,CY} - TaxesAndFees_{MY,CY} \\ +Financing_{ref,CY} - Financing_{MY,CY} \\ +Insurance_{ref,CY} - Insurance_{MY,CY} \\ +FuelCost_{ref,CY} - FuelCost_{MY,CY} \end{pmatrix} \quad (203)$$

Where:

*MY*: the production year of a vehicle for which to calculate the payback periods;

*CY*: the range of CYs, extending from the model year, *MY*, during which the vehicle was produced and up to 40 years;

*FuelCost<sub>ref,CY</sub>*:

the value of fuel consumed in a year by a vehicle model at its “initial” or reference state, during calendar year *CY*;

*FuelCost<sub>MY,CY</sub>*:

the value of fuel consumed in a year by a vehicle model at its “final” state, which was produced in model year *MY*, during calendar year *CY*;

*ReboundCost<sub>MY,CY</sub>*:

the value of the rebound miles attributed to a vehicle model produced in model year *MY*, during calendar year *CY*;

*TaxesAndFees<sub>ref,CY</sub>*:

the taxes and fees paid for a vehicle model at its “initial” or reference state, during calendar year *CY*;

*TaxesAndFees<sub>MY,CY</sub>*:

the taxes and fees paid for a vehicle model at its “final” state, which was produced during model year *MY*, during calendar year *CY*;

*Financing<sub>ref,CY</sub>*:

the financing costs paid for a vehicle model at its “initial” or reference state, during calendar year *CY*;

*Financing<sub>MY,CY</sub>*:

the financing costs paid for a vehicle model at its “final” state, which was produced during model year *MY*, during calendar year *CY*;

*Insurance<sub>ref,CY</sub>*:

the insurance costs paid for a vehicle model at its “initial” or reference state, during calendar year *CY*;

*Insurance<sub>MY,CY</sub>*:

the insurance costs paid for a vehicle model at its “final” state, which was produced during model year *MY*, during calendar year *CY*; and

*RegCost<sub>MY</sub>*:

the regulatory cost incurred by a vehicle, from application of technologies and fine payment, in model year *MY*;

*MRCost<sub>MY</sub>*:

the additional maintenance and repair cost attributed to all technologies applied to a vehicle in model year *MY*;

*TaxCredits<sub>ref</sub>*:

the vehicle and battery tax credits (or, Federal Incentives) attributed to a vehicle model at its “initial” or reference state;

*TaxCredits<sub>MY</sub>*:

the vehicle and battery tax credits (or, Federal Incentives) attributed to a vehicle model at its “final” state, which was produced during model year *MY*.

In the two equations above, the fuel costs (for initial and final vehicle) are calculated similar to what is shown in Equation (173) in Section S8.2 above. While Equation (173) defines the fuel costs for all vehicles in aggregate, it may easily be adapted for an individual vehicle model, by using the amount of gallons of fuel consumed by that vehicle. Likewise, all other variables that make up Equations (202) and (203) were previously computed for the industry as a whole (for all vehicle models), and may be modified to instead represent the associated costs for a single vehicle model. For the variables based on the “initial” vehicle state (shown with the *ref* subscript), the values were calculated based on the vehicle configuration (e.g., fuel economy) as was read in from the input fleet, before application of new technologies by the CAFE Model. Conversely, the values calculated for the “final” vehicle state were based on the vehicle configuration after application of any new technologies during analysis. Lastly, some of the annual values were estimated for a limited range of CYs (e.g., *TaxesAndFees<sub>MY,CY</sub>*, as discussed in the preceding section). For those variables, a value of zero would be used for CYs during which the calculation is not applicable.

In Equations (202) and (203), as previously stated, the regulatory and maintenance and repair costs (appearing on the left hand side of the equations) occur during the first year of a vehicle’s life. The changes in ownership costs and expenditures related to fuel use (right hand side of the equations) are accumulated over the life of a vehicle model, by summing their values over the individual CYs. The CAFE Model estimates that the payback and payback TCO occur at the first CY where the cumulative sum of ownership and fuel costs (right hand side) reaches or surpasses the regulatory and maintenance/repair costs (left hand side). Then, the payback period is the difference between the resulting calendar year, *CY*, and the *MY* being evaluated, *MY*. If the changes in ownership and fuel costs, aggregated over the entire life of the vehicle model, do not outweigh the regulatory and maintenance/repair costs incurred by the vehicle at its first year, the system assumes that the initial investment in fuel-improving technologies does not payback. In such a case, the CAFE Model produces a payback value of “99” in the modeling reports.

Along with calculating the payback periods for each vehicle model, the modeling system also estimates the associated values for the industry as a whole. In the case of the industry, the methodology employed by Equations (202) and (203) applies; however, the system uses aggregate measures of each variable (e.g., total fuel cost for all vehicle models) during the calculation of the payback and payback TCO.

### **S8.8.5 Discounting of Consumer Costs and Benefits**

The CAFE Model estimates discounted annual and lifetime costs and benefits calculated during analysis, measuring their valuations from the perspective of a vehicle buyer. The system applies discounting to the MY during which a new vehicle model was produced for sale, using one or more discount rates defined in the parameters input file. Thus, the discounted costs or benefits, of each variable, attributed to all vehicle models produced in a specific MY that survive during each CY are calculated as:

$$DiscCosts_{MY,CY} = Cost_{MY,CY} \times (1 + DR)^{-a} \quad (204)$$

Where:

*MY*: the production year of all vehicles for which to calculate the discounted consumer costs;

*CY*: the CY during which to calculate the discounted consumer costs associated with all vehicle models;

*DR*: the discount rate to apply to future costs and benefits;

*Cost<sub>MY,CY</sub>*:

the costs or benefits, as calculated in the preceding sections, to discount; and

*DiscCost<sub>MY,CY</sub>*:

the resultant discounted costs or benefits, attributed to all surviving vehicle models produced in model year *MY*, during calendar year *CY*.

### **S8.9 Implicit Opportunity Cost**

As discussed in the preceding chapter, the CAFE Model operates under the voluntary overcompliance methodology, where the system continues to apply technologies to vehicles, beyond what is necessary to attain compliance, as long as such technology applications are considered to be cost-effective. However, since manufacturers may instead elect to use some portion of these additional technologies toward improving performance or utility of the vehicle, choosing to instead improve fuel economy conveys an opportunity cost that provides an implicit benefit to consumers in the form of additional fuel savings. Thus, the CAFE Model computes the implied opportunity cost resulting from applying the additional technologies such that all efficiency gains improve fuel economy rather than also increasing the performance or utility of the vehicle.

Although the implicit opportunity cost captures changes in fuel savings occurring over multiple vehicle ages, the resulting net sum of these changes in fuel savings is attributed to and calculated at the time of vehicle purchase (i.e., age zero). Accordingly, the lifetime opportunity cost computed for a vehicle has the same value as that of age zero. The calculation for the implicit

opportunity cost attributed to each vehicle model produced in a specific MY is given by the following:

$$OppCost_{MY} = \max \left( 0, Sales_{MY} \times (1 - CommercialShare) \times (FuelSav_{MY,ExtPB} - FuelSav_{MY,MfrPB}) \right) \quad (205)$$

Where:

*MY*: the production year of the vehicle for which to calculate the implicit opportunity cost;

*MfrPB*: the manufacturer-specific payback period, as defined for each manufacturer in the market data input file;

*FuelSav<sub>MY,MfrPB</sub>*: the fuel savings realized by a vehicle produced in model year *MY*, with respect to that vehicle's initial fuel economy, based on the total number of miles the vehicle is expected to travel over the payback period defined by that vehicle's manufacturer;

*ExtPB*: the extended payback period corresponding to the average resale time of a vehicle, defined more explicitly in the following equation;

*FuelSav<sub>MY,ExtPB</sub>*: the fuel savings realized by a vehicle produced in model year *MY*, with respect to that vehicle's initial fuel economy, based on the total number of miles the vehicle is expected to travel before being resold;

*CommercialShare*: the percentage of consumers that purchase a particular vehicle for commercial use (a runtime option defined in the CAFE Model's GUI, separately for light-duty and HDPUV vehicles);

*Sales<sub>MY</sub>*: the forecast number of new vehicles of a specific vehicle model produced and sold during model year *MY*; and

*OppCost<sub>MY</sub>*: the resultant implicit opportunity cost associated with the vehicle model produced in model year *MY*.

The extended payback period, *ExtPB*, from the preceding equation is expressed as:

$$ExtPB = \max \left( MfrPB, \frac{AverageResaleTime}{12} \right) \quad (206)$$

Where:

*MfrPB*:

the manufacturer-specific payback period, as defined for each manufacturer in the market data input file;

*AverageResaleTime*:

the average number of months during which the vehicle is expected to be resold, as defined in the parameters input file; and

*ExtPB*: the extended payback period corresponding to the average resale time of a vehicle.

In Equation (205) above, the  $FuelSav_{MY,MfrPB}$  and  $FuelSav_{MY,ExtPB}$  values represent the fuel savings attributed to a given vehicle model, calculated from the cumulative miles a vehicle is expected to travel over a number of years given by either the *MfrPB* or *ExtPB* payback periods. In each case, the fuel savings calculated for a vehicle model produced in a specific MY is given by the following equation:

$$FuelSav_{MY,PB} = (CPM_{ref,MY} - CPM_{MY}) \times \left( \sum_{a=0}^{[PB-1]} (VMT_{C,a} \times \begin{cases} 1, & PB - a \geq 1 \\ PB - a, & PB - a < 1 \end{cases}) \right) \quad (207)$$

Where:

*MY*: the production year of the vehicle for which to calculate the implicit opportunity cost;

*PB*: a “payback period,” or number of years in the future the consumer is assumed to take into account when considering fuel savings, which may either be the *MfrPB* or the *ExtPB* presented above;

$CPM_{MY}$ :

the fuel cost per mile attributed to the vehicle produced in model year *MY*, using fuel prices from CY equivalent to model year *MY*, as defined by Equation (118) above;

$CPM_{ref,MY}$ :

the fuel cost per mile attributed to the vehicle produced in model year *MY*, using fuel prices from CY equivalent to model year *MY*, based on that vehicle’s initial fuel economy, similar to what is defined by Equation (118) above;

$VMT_{C,a}$ :

the average annual miles that vehicles belonging to a specific category *C* drive at a given age *a*, based on the static VMT schedule; and



$FuelSav_{MY,PB}$ :

the fuel savings realized by a vehicle produced in model year  $MY$ , with respect to that vehicle's initial fuel economy, based on the total number of miles the vehicle is expected to travel within the payback period  $PB$ .

For all social costs and benefits produced by the modeling system, the CAFE Model first calculates a given value without any discounting applied. Afterwards, the system discounts each cost or benefit using the rates defined in the parameters input file, from either the societal or the consumer perspective (as outlined in Sections S8.7.4 and S8.8.5 above). The implicit opportunity cost, however, is an aggregate measure of fuel savings that occur over a number of vehicle ages, which is summed into a single value and attributed to a vehicle at its point of sale. Therefore, to implement proper discounting of the opportunity cost, the system first pre-discounts the fuel savings at each vehicle age, before summing it into a cumulative value and discounting it. When pre-discounting each vehicle age, the modeling system applies the same set of discount rates (social and consumer) that are defined in the parameters input file, and which it would otherwise use during discounting of costs and benefits. However, since the consumer bears the opportunity cost, each age is pre-discounted to the production year of the vehicle (i.e., pre-discounting is performed from the consumer's perspective).

When computing the pre-discounted implicit opportunity cost, Equation (205) defined earlier still applies. However, the  $FuelSav_{MY,ExtPB}$  value is modified to incorporate the aforementioned pre-discounting (conversely, the  $FuelSav_{MY,MfrPB}$  value still remains undiscounted). Thus, the calculation of fuel savings given by Equation (207) above is adapted to include vehicle age discounting as follows:

$$\begin{aligned}
 FuelSav_{MY,ExtPB} = & (CPM_{ref,MY} - CPM_{MY}) \\
 & \times \left( \sum_{a=0}^{[ExtPB-1]} ((1 + DR)^a \times VMT_{C,a} \right. \\
 & \left. \times \begin{cases} 1, & ExtPB - a \geq 1 \\ ExtPB - a, & ExtPB - a < 1 \end{cases} \right)
 \end{aligned} \tag{208}$$

Where:

$MY$ : the production year of the vehicle for which to calculate the implicit opportunity cost;

$ExtPB$ : the extended payback period corresponding to the average resale time of a vehicle, as defined by Equation (206);

$CPM_{MY}$ :

the fuel cost per mile attributed to the vehicle produced in model year  $MY$ , using fuel prices from CY equivalent to model year  $MY$ , as defined by Equation (118) above;

$CPM_{ref,MY}$ :

the fuel cost per mile attributed to the vehicle produced in model year  $MY$ , using fuel prices from CY equivalent to model year  $MY$ , based on that vehicle's initial fuel economy, similar to what is defined by Equation (118) above,

$DR$ : the discount rate to apply to future costs and benefits;

$VMT_{C,a}$ :

the average annual miles that vehicles belonging to a specific category  $C$  drive at a given age  $a$ , based on the static VMT schedule; and

$FuelSav_{MY,PB}$ :

the fuel savings realized by a vehicle produced in model year  $MY$ , with respect to that vehicle's initial fuel economy, based on the total number of miles the vehicle is expected to travel within the payback period  $PB$ .

### **S8.10 Commercial Operator Implicit Opportunity Cost**

Some portion of the vehicle fleet sold in the U.S. may be purchased by buyers with the intent to use their vehicles for commercial applications rather than for personal use. As with the implicit opportunity cost discussed in the preceding section, using additional technologies entirely toward improving vehicle fuel efficiency, instead of using a portion of the benefit to improve performance or utility of that vehicle, conveys an implicit opportunity cost (or benefit) to commercial buyers in the form of additional fuel savings. Though this behavior is less likely to occur in the light-duty fleet, it is more prevalent in the HDPUV market segment. Nevertheless, the modeling system incorporates options (via the runtime settings with the CAFE Model's GUI) to define the percentage of consumers that may purchase a vehicle for commercial use, separately for the light-duty and the HDPUV vehicle fleets.

The CAFE Model calculates the commercial operator implicit opportunity cost by weighing the net private benefits attributed to a commercial buyer by the proportion of consumers that are assumed to purchase a given vehicle model for commercial use. Unlike most other social and consumer costs discussed in this section, which are calculated on a per-vehicle basis then aggregated to the overall industry, the commercial operator implicit opportunity cost is computed over the entire vehicle fleet, where each term that composes the net private benefits is specified as an incremental difference between the action alternative and the baseline scenarios. Hence, the commercial operator implicit opportunity cost attributed to all new vehicle models produced and sold during a specific  $MY$  is calculated as follows:

$$\begin{aligned} CommercialOppCost_{MY} &= ((\Delta DriveValue_{MY} - \Delta RefuelValue_{MY} - \Delta FuelCost_{MY}) \\ &\quad - (\Delta TechCost_{MY} + \Delta MRCost_{MY} + \Delta OppCost_{MY} + Surplus_{MY})) \\ &\quad \times CommercialShare \end{aligned} \tag{209}$$

Where:

$MY$ : the production year of all vehicles for which to calculate the commercial operator implicit opportunity cost;

$\Delta DriveValue_{MY}$ :

the incremental difference in value of the benefits from additional driving attributed to all surviving vehicle models produced in model year  $MY$ , occurring between the action alternative and the baseline scenarios;

$\Delta RefuelValue_{MY}$ :

the incremental difference in value of refueling attributed to all surviving vehicle models produced in model year  $MY$ , occurring between the action alternative and the baseline scenarios;

$\Delta FuelCost_{MY}$ :

the incremental difference of private value of fuel consumed (or the retail fuel costs) by all surviving vehicle models produced in model year  $MY$ , occurring between the action alternative and the baseline scenarios;

$\Delta TechCost_{MY}$ :

the incremental difference of technology cost of all new vehicle models produced and sold during model year  $MY$ , occurring between the action alternative and the baseline scenarios;

$MRCost_{MY}$ :

the incremental difference of additional maintenance and repair cost attributed all vehicle models produced in model year  $MY$ , occurring between the action alternative and the baseline scenarios;

$OppCost_{MY}$ :

the incremental difference of implicit opportunity cost attributed all vehicle models produced in model year  $MY$ , occurring between the action alternative and the baseline scenarios;

$Surplus_{MY}$ :

the lost consumer surplus due to reduced vehicle sales attributed to all surviving vehicle models produced in model year  $MY$  (defined incrementally as the difference between the action alternative and the baseline scenarios);

$CommercialShare$ :

the percentage of consumers that purchase a particular vehicle for commercial use (a runtime option defined in the CAFE Model's GUI, separately for light-duty and HDPUV vehicles); and

$CommercialOppCost_{MY}$ :

the resultant commercial operator implicit opportunity cost attributed to all vehicle models produced in model year  $MY$ .

## Section 9 Fleet Analysis Calculations

In addition to calculating modeling effects associated with new standards for the MYs covered during the study period, the CAFE Model also estimates these effects for the “historic” MYs, up to 40 years prior to the first MY evaluated, such that the fleet’s age of a specific vintage was at most 39 during that same initial MY analyzed. For example, if the first MY evaluated by the modeling system during analysis is 2022, the effects of historic years evaluated include MYs 1983 to 2021. Extending the effects calculations to include historic MYs allows the system to produce a complete overview of effects and social costs and benefits resulting from the entire on-road vehicle population over a substantial number of CYs.<sup>98</sup>

When estimating the effects and social costs and benefits attributed to historic MYs, the modeling system uses the average on-road fuel economy ratings and the on-road fleet distribution as the starting point for calculations. Both of these sets of data are provided as inputs to the CAFE Model in the parameters input file (refer to Section A.3.7 of Appendix A for more information). From here, the system estimates all effects as previously described in the above sections. However, since the historic fleet does not include fuel economy and sales volumes at the vehicle-level, the system follows a simplified approach for estimating historic effects by using aggregate values for all calculations.

---

<sup>98</sup> With the current revision of the CAFE Model, the system no longer computes modeling effects of some future model years by approximating a fleet during those years. Instead, the system may be explicitly configured by the user to perform full simulation (compliance and effects calculations) on future years extending to, e.g., model year 2050. Doing so allows the modeling system to more accurately estimate the state of the industry in the out years, rather than simply growing sales and fuel economies by some constant factor.

## **Appendix A. Model Inputs**

The CAFE Model uses a set of data files used as input to the analysis. All input files are specified in Microsoft Excel format and are outline in Table 23 below. The user can define and edit all inputs to the system.

*Table 23. Input Files*

| <b>Input File</b>                                  | <b>Contents</b>                                                                                                                                                                                                                                                          |
|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Market Data<br>(Manufacturers Worksheet)           | Contains an indexed list of manufacturers available during the study period, along with manufacturer's willingness to pay fines and other manufacturer-specific modeling settings.                                                                                       |
| Market Data<br>(Credits and Adjustments Worksheet) | Contains various credits and adjustments that a manufacturer may use toward compliance with either NHTSA's CAFE standards or CO <sub>2</sub> standards, for all regulatory classes and MYs.                                                                              |
| Market Data<br>(Vehicles Worksheet)                | Contains an indexed list of vehicle models available during the study period, along with sales volumes, fuel economy levels, prices, regulatory classification, references to specific engines and transmissions used, and settings related to technology applicability. |
| Market Data<br>(Platforms Worksheet)               | Contains an indexed list of platforms available during the study period, along with the name of the platform and settings related to technology applicability.                                                                                                           |
| Market Data<br>(Engines Worksheet)                 | Contains an indexed list of engines available during the study period, along with various engine attributes and settings related to technology applicability.                                                                                                            |
| Market Data<br>(Transmissions Worksheet)           | Contains an indexed list of transmissions available during the study period, along with various transmission attributes and settings related to technology applicability.                                                                                                |
| Technologies                                       | Specifies estimates of the availability and cost of various technologies, specific to various vehicle and engine categories.                                                                                                                                             |
| Parameters                                         | Provides inputs used to calculate travel demand, fuel consumption, carbon dioxide and criteria pollutant emissions (upstream and downstream), and economic externalities related to highway travel and petroleum consumption.                                            |
| Scenarios                                          | Specifies coverage, structure, and stringency of CAFE and CO <sub>2</sub> standards for scenarios to be simulated.                                                                                                                                                       |

## A.1 Market Data File

The market data input file contains six worksheets: *Manufacturers*, *Credits and Adjustments*, *Vehicles*, *Platforms*, *Engines*, and *Transmissions*. Taken together, the data on these worksheets define the “initial state” of the vehicle fleet for use by the CAFE Model. The sections below describe each worksheet in greater detail. The market data input file may contain additional information, which was used as a reference for building the input fleet, but may not necessarily be loaded or used by the modeling system.

### A.1.1 Manufacturers Worksheet

The *Manufacturers* input worksheet contains a list of all manufacturers that produce vehicle models offered for sale during the study period. Each manufacturer has a unique code and is represented by a unique manufacturer name. For each manufacturer, the manufacturer code, name, payback period, CO<sub>2</sub> multiplier mode, and whether the manufacturer prefers to pay CAFE fines must all be specified, as these affect the model’s ability to evaluate the manufacturer for compliance. The banked credits are not required for compliance; however, omitting these is likely to produce higher cost of compliance for each manufacturer.

Table 24. Manufacturers Worksheet

| Category       | Column                   | Units   | Definition/Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------|--------------------------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General        | Manufacturer Code        | integer | Unique number assigned to each manufacturer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                | Manufacturer Name        | text    | Name of the manufacturer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Prefer Fines   | ...                      | text    | Whether the manufacturer prefers to pay civil penalties instead of applying non-cost-effective technologies in each of the specified MYs. The MYs must be listed in ascending order. During analysis, if a given year is not defined in the inputs, the system will use the first available year for all preceding MYs, and the last available year for all succeeding MYs.<br>- Y = pay fines instead of applying ineffective technologies<br>- N = apply ineffective technologies instead of paying fines |
|                | 2026                     | text    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                | 2027                     | text    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                | 2028                     | text    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                | ...                      | text    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Payback Period | Cars                     | number  | The number of years required for an initial investment to be repaid in the form of future benefits or cost savings. The payback periods can be specified separately for each of the indicated vehicle types.                                                                                                                                                                                                                                                                                                |
|                | Vans/SUVs                | number  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                | Pickups                  | number  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                | 2b/3 Vehicles            | number  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| ZEV Credits    | ...                      | ZEVs    | The percentage of manufacturer's total light-duty fleet assumed to be sold in ZEV states in each of the specified MYs.                                                                                                                                                                                                                                                                                                                                                                                      |
|                | CA+S177 Sales (%) – 2026 | ZEVs    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                | CA+S177 Sales (%) – 2027 | ZEVs    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

| Category            | Column                       | Units   | Definition/Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------|------------------------------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                     | CA+S177 Sales (%) - 2028     | ZEVs    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                     | ...                          | ZEVs    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                     | Ignore ZEV PHEV Cap          | text    | <p>Whether the PHEV cap (as defined in the parameters inputs) should be ignored when computing the amount of ZEV credits a manufacturer may generate from PHEVs for complying with the ZEV program. This setting is only applicable to the light-duty fleet up to and including MY 2025.</p> <ul style="list-style-type: none"> <li>- Y = PHEV cap is ignored; that is, a manufacturer may generate unlimited ZEV credits from PHEVs</li> <li>- N = PHEV cap applies; that is, a manufacturer may generate a limited amount of credits using PHEVs</li> </ul>                                                                                                                                                                                                      |
|                     | CA+S177 HDPUV Sales (%)      | ZEVs    | The percentage of manufacturer's total HDPUV fleet assumed to be sold in ZEV states.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| EPA Multiplier Mode | Passenger Car                | integer | <p>Applicability of EPA production multipliers for computing a manufacturer's CO<sub>2</sub> standard, rating, and credits earned, when evaluating compliance under EPA's CO<sub>2</sub> program.</p> <ul style="list-style-type: none"> <li>- 0 = do not apply production multipliers during calculations</li> <li>- 1 = apply multipliers to CO<sub>2</sub> rating only (achieved CO<sub>2</sub>)</li> <li>- 2 = apply multipliers to CO<sub>2</sub> rating and standard (achieved and required CO<sub>2</sub>)</li> <li>- 3 = apply multipliers to CO<sub>2</sub> rating, standard, and credits</li> </ul> <p>This setting controls the applicability of production multipliers only. The actual multiplier values are defined in the scenarios input file.</p> |
|                     | Light Truck                  | integer |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                     | HDPUV                        | integer |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| CARB                | CARB Agreement               | boolean | <p>Whether the manufacturer is subject to the CARB agreement.</p> <ul style="list-style-type: none"> <li>- TRUE = the manufacturer is subject to the CARB agreement and will comply with the higher standards (if an appropriate function is used in the scenario definition)</li> <li>- FALSE = the manufacturer is not subject to the CARB agreement and will comply with the national standards</li> </ul>                                                                                                                                                                                                                                                                                                                                                      |
|                     | DC-Bank-2019 to DC-Bank-2023 | credits | Represents the manufacturer's available credits, banked from MYs preceding the start of analysis,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |



| Category                                           | Column                                                               | Units   | Definition/Notes                                                                                                                                                                                            |
|----------------------------------------------------|----------------------------------------------------------------------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CAFE Credit Bank (credits)                         | IC-Bank-2019 to IC-Bank-2023                                         | credits | specified for each regulatory class between MYs 2019 and 2023.                                                                                                                                              |
|                                                    | LT-Bank-2019 to LT-Bank-2023                                         | credits |                                                                                                                                                                                                             |
|                                                    | HDPUV-Bank-2019 to HDPUV-Bank-2023                                   | credits |                                                                                                                                                                                                             |
| CO <sub>2</sub> Credit Bank (credits; metric-tons) | PC-CO <sub>2</sub> -Bank-2019 to PC-CO <sub>2</sub> -Bank-2023       | credits | Represents the manufacturer's available CO <sub>2</sub> credits (specified as metric-tons), banked from MYs preceding the start of analysis, specified for each regulatory class between MYs 2019 and 2023. |
|                                                    | LT-CO <sub>2</sub> -Bank-2019 to LT-CO <sub>2</sub> -Bank-2023       | credits |                                                                                                                                                                                                             |
|                                                    | HDPUV-CO <sub>2</sub> -Bank-2019 to HDPUV-CO <sub>2</sub> -Bank-2023 | credits |                                                                                                                                                                                                             |

### A.1.2 Credits and Adjustments Worksheet

For each manufacturer defined on the *Manufacturers* worksheet, the *Credits and Adjustments* worksheet defines the AC efficiency and leakage adjustments, the off-cycle credits, and the FFV credits that a manufacturer claims toward compliance with the CAFE or the CO<sub>2</sub> standards. The credits and adjustments are defined by MY, for each regulatory class. The MY columns must be continuous (e.g., 2017, 2018, 2019, ...), however, the supplied input years do not necessarily need to cover the range of MYs evaluated during the study period. For any future MYs that are not explicitly listed in the inputs, the values defined for the last year will be used for all subsequent MYs.

Table 25. Credits and Adjustments Worksheet

| Category                         | Column/Row        | Units      | Definition/Notes                                                                                                                                                                                                                                                                      |
|----------------------------------|-------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General                          | Manufacturer      | text       | Manufacturer for which the credits and adjustments subsection is defined.                                                                                                                                                                                                             |
| Regulatory Class (by Model Year) | AC Efficiency     | grams/mile | The adjustment factor associated with improvements in air conditioning efficiency a manufacturer may claim toward compliance with either CO <sub>2</sub> standards or NHTSA's CAFE standards. The adjustment factor is specified in and is applied as grams/mile of CO <sub>2</sub> . |
|                                  | AC Leakage        | grams/mile | The adjustment factor associated with improvements in air conditioning leakage a manufacturer may claim toward compliance with CO <sub>2</sub> standards. The adjustment factor is specified in and is applied as grams/mile of CO <sub>2</sub> .                                     |
|                                  | Off-Cycle Credits | grams/mile | The amount of initial off-cycle credits a manufacturer may claim toward compliance with either CO <sub>2</sub> standards or NHTSA's CAFE standards. The credit value is specified in and is applied as grams/mile of CO <sub>2</sub> .                                                |

| Category | Column/Row  | Units      | Definition/Notes                                                                                                                                                                                                                             |
|----------|-------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|          | FSP Credits | grams/mile | The amount of full-sized pickup credits a manufacturer may claim toward compliance with either NHTSA's CAFE standards or EPA's CO <sub>2</sub> standards. The credit value is specified in and is applied as grams/mile of CO <sub>2</sub> . |
|          | FFV Credits | mpg        | The amount of FFV credit (in mpg) available for a manufacturer to use toward compliance with NHTSA's CAFE standards.                                                                                                                         |

### A.1.3 Vehicles Worksheet

The *Vehicles* worksheet contains information regarding each vehicle model offered for sale during the study period. Each vehicle model is represented as a single row of input data. Data in Table 26 lists the different columns of information specified in the *Vehicles* worksheet. The vehicle code must be a unique number assigned to each vehicle model.

Table 26. *Vehicles Worksheet*

| Category     | Column                                     | Units      | Definition/Notes                                                                                                                                                                                                     |
|--------------|--------------------------------------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General      | Vehicle Code                               | integer    | Unique number assigned to each vehicle.                                                                                                                                                                              |
|              | Manufacturer                               | text       | The manufacturer of the vehicle.                                                                                                                                                                                     |
|              | Brand                                      | text       | The brand name of the vehicle.                                                                                                                                                                                       |
|              | Model                                      | text       | Name of the vehicle model.                                                                                                                                                                                           |
|              | Nameplate                                  | text       | The nameplate of the vehicle.                                                                                                                                                                                        |
|              | Platform Code                              | integer    | The platform code of the platform that the vehicle uses.                                                                                                                                                             |
|              | Engine Code                                | integer    | The engine code of the engine that the vehicle uses.                                                                                                                                                                 |
|              | Transmission Code                          | integer    | The transmission code of the transmission that the vehicle uses.                                                                                                                                                     |
| Fuel Economy | Fuel Economy (by Fuel Type <sup>99</sup> ) | mpg        | The CAFE fuel economy rating of the vehicle for each fuel type.                                                                                                                                                      |
|              | Fuel Share (by Fuel Type <sup>99</sup> )   | percentage | The percentage share that the vehicle runs on each fuel type. This value indicates the amount of miles driven by the vehicle on each fuel type. The sum of all fuel shares for any given vehicle must add up to one. |

<sup>99</sup> For each vehicle, fuel economies and fuel shares are reported independently for each fuel type defined in Table 1. If the vehicle does not use a specific fuel type, the associated fuel economy and fuel share values will be zero.

| Category                  | Column                                            | Units   | Definition/Notes                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------|---------------------------------------------------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sales & MSRP              | Sales                                             | units   | Vehicle's production for sale in the United States.                                                                                                                                                                                                                                                                                                                                                                                 |
|                           | MSRP                                              | dollars | Vehicle's average MSRP (sales-weighted, including options).                                                                                                                                                                                                                                                                                                                                                                         |
| Regulatory Classification | Regulatory Class                                  | text    | The regulatory assignment of the vehicle.<br>- DC = the vehicle should be regulated as a Domestic Car<br>- IC = the vehicle should be regulated as an Imported Car<br>- LT = the vehicle should be regulated as a Light Truck<br>- HDPUV = the vehicle should be regulated as an HDPUV                                                                                                                                              |
|                           | Regulatory Class 2                                | text    | The secondary regulatory assignment of the vehicle to be used if the vehicle is reclassified.                                                                                                                                                                                                                                                                                                                                       |
|                           | Technology Class                                  | text    | The technology class assignment of the vehicle.                                                                                                                                                                                                                                                                                                                                                                                     |
|                           | Engine Technology Class                           | text    | The engine technology class assignment of the vehicle.                                                                                                                                                                                                                                                                                                                                                                              |
|                           | Engine Technology Class (Observed) <sup>100</sup> | text    | The observed engine technology class assignment of the vehicle, backing out the effect of engine downsizing.                                                                                                                                                                                                                                                                                                                        |
|                           | Safety Class                                      | text    | The safety class assignment of the vehicle.<br>- PC = the vehicle belongs to a passenger car safety class<br>- LT = the vehicle belongs to a light truck/SUV safety class<br>- CM = the vehicle belongs to a light CUV/minivan safety class                                                                                                                                                                                         |
|                           | ZEV Candidate                                     | text    | Indicates whether a vehicle is a preferred candidate for ZEV technology application. The modeling system will attempt to upgrade ZEV candidates to a PHEV, BEV, or FCV to meet the ZEV requirement. Any of the PHEV, BEV, or FCV technologies listed in Table 11 may be specified as a ZEV Candidate for a vehicle, provided that vehicle's initial configuration is of a lesser technology state (refer to Section S5.9 for more). |

<sup>100</sup> Some vehicle configuration columns are specified for reference and are not used by the modeling system. Instead, the values in these columns may be used to inform the initial usage of vehicle-level technologies as specified in the *Technology Information* section.

| Category            | Column                   | Units      | Definition/Notes                                                                                                                                                                                                                                                                                  |
|---------------------|--------------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                     | ZEV Application Year     | model year | The earliest MY during which a vehicle that is a preferred candidate for ZEV technology application may be converted to a specific ZEV technology.                                                                                                                                                |
|                     | ZEV Reference Vehicle    | integer    | The code of the vehicle that serves as the reference vehicle for shifting sales as part of complying with the ZEV requirements. During analysis, a portion of sales from the ZEV reference vehicle may be shifted to this vehicle. Note: The reference vehicle may not itself be a ZEV candidate. |
| Vehicle Information | Origin                   | text       | D = domestic; I = imported (if column left blank, domestic is assumed)                                                                                                                                                                                                                            |
|                     | Style                    | text       | Vehicle style. Supported values are: Convertible, Coupe, Hatchback, Sedan, Wagon, Sport Utility, Minivan, Van, Passenger Van, Cargo Van, Pickup, Fleet SUV, Work Van, Work Truck, Chassis Cab, Cutaway.                                                                                           |
|                     | Structure <sup>100</sup> | text       | Vehicle structure (ladder or unibody).                                                                                                                                                                                                                                                            |
|                     | Drive                    | text       | Vehicle drive (A=all-wheel drive, F=front-wheel, R=rear-wheel, 4=four-wheel drive).                                                                                                                                                                                                               |
|                     | Footprint                | sq. feet   | The vehicle footprint; wheelbase times average track width.                                                                                                                                                                                                                                       |
|                     | Curb Weight              | lb         | Total weight of the vehicle, including batteries, lubricants, and other expendable supplies, but excluding the driver, passengers, and other payloads (SAE J1100).                                                                                                                                |
|                     | Curb Weight (MR0)        | lb         | "Reference" curb weight of the vehicle (negating any mass reduction technology). This value is used when estimating effect of application of mass reduction technology.                                                                                                                           |
|                     | GVWR                     | lb         | Gross Vehicle Weight Rating; weight of loaded vehicle, including passengers and cargo.                                                                                                                                                                                                            |
|                     | GCWR                     | lb         | Gross Combined Weight Rating; weight of loaded vehicle, including passengers and cargo, as well as the mass of the trailer and cargo in the trailer.                                                                                                                                              |
|                     | Max GVWR/CW              | proportion | Maximum ratio of GVWR to Curb Weight allowed for the vehicle. During application of mass reduction technology, vehicle's GVWR will be adjusted such that its GVWR/CW ratio does not exceed this value.                                                                                            |

| Category               | Column                              | Units      | Definition/Notes                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------|-------------------------------------|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                        | Max GCWR/GVWR                       | proportion | Maximum ratio of GCWR to GVWR allowed for the vehicle. During application of mass reduction technology, vehicle's GVWR will be adjusted such that its GVWR/CW ratio does not exceed this value.                                                                                                                                                                                                     |
|                        | Fuel Capacity                       | gallons    | The capacity of the vehicle's fuel tank in gallons of gasoline, E85, or diesel fuel.                                                                                                                                                                                                                                                                                                                |
| Vehicle Powertrain     | Vehicle Power                       | hp         | Maximum combined power produced by the vehicle's engine and/or motor.                                                                                                                                                                                                                                                                                                                               |
|                        | Vehicle Power (RPM) <sup>100</sup>  | rpm        | The rpm at which vehicle's maximum power is attained.                                                                                                                                                                                                                                                                                                                                               |
|                        | Vehicle Torque <sup>100</sup>       | lb-ft      | Maximum combined torque produced by the vehicle's engine and/or motor.                                                                                                                                                                                                                                                                                                                              |
|                        | Vehicle Torque (RPM) <sup>100</sup> | rpm        | The RPM at which vehicle's maximum torque is attained.                                                                                                                                                                                                                                                                                                                                              |
| Planning & Assembly    | Refresh Years                       | model year | The previous and future refresh years of the vehicle specified either as a semicolon-delimited list, or as an ordered pair of an initial year and refresh interval separated by a ' ' (vertical bar) character.<br>When specified as an ordered pair, the refresh years will be emitted up to MY 2127. For example, "2015 5" is equivalent to refresh years of "2015; 2020; 2025; ...; 2120; 2125". |
|                        | Redesign Years                      | model year | The previous and future redesign years of the vehicle specified either as a semicolon-delimited list, or as an ordered pair of an initial year and redesign interval separated by a ' ' (vertical bar) character.                                                                                                                                                                                   |
|                        | Dealership Employment Hours         | hours      | The average employment hours originating at U.S. dealerships for a single vehicle unit of a specific model.                                                                                                                                                                                                                                                                                         |
|                        | U.S. Assembly Employment Hours      | hours      | The average employment hours associated with U.S. assembly and manufacturing of a single vehicle unit of a specific model.                                                                                                                                                                                                                                                                          |
|                        | Percent U.S. Content                | percentage | The percentage (as a fraction, such that 75% = 0.75) of vehicle's content (parts and labor) originating in the United States.                                                                                                                                                                                                                                                                       |
| Technology Information | CONV                                | text       | <blank> = the technology is not used on the vehicle<br>USED = the technology is used on the vehicle                                                                                                                                                                                                                                                                                                 |
|                        | SS12V                               | text       |                                                                                                                                                                                                                                                                                                                                                                                                     |
|                        | BISG                                | text       |                                                                                                                                                                                                                                                                                                                                                                                                     |

| Category | Column   | Units | Definition/Notes                                       |
|----------|----------|-------|--------------------------------------------------------|
|          | P2S      | text  | SKIP = the technology is not applicable to the vehicle |
|          | P2SGDIS  | text  |                                                        |
|          | P2D      | text  |                                                        |
|          | P2SGDID  | text  |                                                        |
|          | P2TRB0   | text  |                                                        |
|          | P2TRBE   | text  |                                                        |
|          | P2TRB1   | text  |                                                        |
|          | P2TRB2   | text  |                                                        |
|          | P2HCR    | text  |                                                        |
|          | P2HCRE   | text  |                                                        |
|          | SHEVPS   | text  |                                                        |
|          | PHEV20T  | text  |                                                        |
|          | PHEV50T  | text  |                                                        |
|          | PHEV20H  | text  |                                                        |
|          | PHEV50H  | text  |                                                        |
|          | PHEV20PS | text  |                                                        |
|          | PHEV50PS | text  |                                                        |
|          | BEV1     | text  |                                                        |
|          | BEV2     | text  |                                                        |
|          | BEV3     | text  |                                                        |
|          | BEV4     | text  |                                                        |
|          | FCV      | text  |                                                        |
|          | ROLL0    | text  |                                                        |
|          | ROLL10   | text  |                                                        |
|          | ROLL20   | text  |                                                        |
|          | ROLL30   | text  |                                                        |
|          | AERO0    | text  |                                                        |
|          | AERO5    | text  |                                                        |
|          | AERO10   | text  |                                                        |
|          | AERO15   | text  |                                                        |
|          | AERO20   | text  |                                                        |

When defining a vehicle's fuel economy, for single fuel vehicles, only one fuel economy value, along with the analogous fuel share, must be specified. For multi-fuel vehicles (i.e., FFVs and PHEVs), the fuel economy and fuel share values on each fuel must be specified. The fuel share should correspond to the on-road miles traveled by a vehicle when operating on a given fuel, and the sum of fuel shares across all used fuel types must add up to 100 percent.

The applicability of technologies considered on a vehicle model basis (as opposed to, for example, on an engine basis) can be controlled for each vehicle model by using the *Technology Information* category. Since the modeling system relies heavily on these settings when determining the initial usage and availability of technology to a vehicle, this section must be complete and accurate to avoid modeling errors.

#### A.1.4 Platforms Worksheet

Similar to the *Vehicles* input sheet, the *Platforms* worksheet contains a list of all platforms used in vehicle models offered for sale during the study period. The platform code is a unique number assigned to each such vehicle platform, which is referenced in the *Platform Code* field on the vehicles worksheet. As in the vehicles worksheet, the *Technology Information* for any platform-level technology must be complete and accurate for any specific platform. Table 27 lists all columns available on the *Platforms* worksheet.

Table 27. Platforms Worksheet

| Category               | Column         | Units      | Definition/Notes                                                                                                                                                                                                             |
|------------------------|----------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General                | Platform Code  | integer    | Unique number assigned to each platform.                                                                                                                                                                                     |
|                        | Manufacturer   | text       | The manufacturer of the platform.                                                                                                                                                                                            |
|                        | Name           | text       | The unique name of the platform.                                                                                                                                                                                             |
|                        | Family Name    | text       | The name of the family that the platform belongs to. This column is reserved for future expansion and should be left blank.                                                                                                  |
| Planning & Assembly    | Refresh Years  | model year | The platform-specific refresh years (see <i>Vehicles Worksheet</i> for specification). Specify "auto" to let the model automatically determine the appropriate refresh years from the platform's candidate leader vehicle.   |
|                        | Redesign Years | model year | The platform-specific redesign years (see <i>Vehicles Worksheet</i> for specification). Specify "auto" to let the model automatically determine the appropriate redesign years from the platform's candidate leader vehicle. |
| Technology Information | MR0            | text       | <blank> = the technology is not used on the platform<br>USED = the technology is used on the platform<br>SKIP = the technology is not applicable to the platform                                                             |
|                        | MR1            | text       |                                                                                                                                                                                                                              |
|                        | MR2            | text       |                                                                                                                                                                                                                              |
|                        | MR3            | text       |                                                                                                                                                                                                                              |
|                        | MR4            | text       |                                                                                                                                                                                                                              |

| Category | Column | Units | Definition/Notes |
|----------|--------|-------|------------------|
|          | MR5    | text  |                  |



### A.1.5 Engines Worksheet

The *Engines* worksheet contains a list of all engines used in vehicle models offered for sale during the study period. The engine code is a unique number assigned to each such engine. This code is referenced in the *Engine Code* field on the *Vehicles* worksheet. As in the *Vehicles* and *Platforms* worksheets, the *Technology Information* for any engine technology must be complete and accurate for each engine. Table 28 lists all columns available on the *Engines* worksheet.

Table 28. *Engines Worksheet*

| Category | Column            | Units   | Definition/Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------|-------------------|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General  | Engine Code       | integer | Unique number assigned to each engine.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|          | Manufacturer      | text    | The manufacturer of the engine.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|          | Family Name       | text    | The name of the family that the engine belongs to. This column is reserved for future expansion and should be left blank.                                                                                                                                                                                                                                                                                                                                                                                                   |
|          | Fuel              | text    | One or more fuel types with which the engine is compatible.<br>- G = gasoline<br>- D = diesel<br>- G+E85 = flex fuel engine, running on gasoline and E85<br>- CNG = compressed natural gas<br>- E = electricity (applicable to BEVs only; this value is for informational purposes, and if specified on an engine, that engine will be ignored by the model)<br>- H = hydrogen (applicable to FCVs only; this value is for informational purposes, and if specified on an engine, that engine will be ignored by the model) |
|          | Valvetrain Design | text    | Design of the total mechanism from camshaft to valve of an engine that actuates the lifting and closing of a valve (per SAE Glossary of Automotive Terms).                                                                                                                                                                                                                                                                                                                                                                  |
|          | Displacement      | liters  | Total volume displaced by a piston in a single stroke.                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|          | Configuration     | text    | Configuration of the engine.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|          | Cylinders         | integer | Number of engine cylinders.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|          | Aspiration        | text    | Breathing or induction process of the engine (per SAE Glossary of Automotive Terms).<br>- NA = naturally aspirated<br>- S = supercharged<br>- T = turbocharged<br>- T2 = twin-turbocharged<br>- T4 = quad-turbocharged<br>- ST = supercharged and turbocharged                                                                                                                                                                                                                                                              |

| Category               | Column                                    | Units      | Definition/Notes                                                                                                                                                                                                             |
|------------------------|-------------------------------------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                        | Cycle <sup>101</sup>                      | text       | Combustion cycle of the engine.                                                                                                                                                                                              |
|                        | Air/Fuel Ratio <sup>101</sup>             | number     | Weighted (FTP+highway) air/fuel ratio (mass).                                                                                                                                                                                |
|                        | Fuel Delivery System <sup>101</sup>       | text       | The mechanism that delivers fuel to the engine.                                                                                                                                                                              |
|                        | Valve Actuation/<br>Timing <sup>101</sup> | text       | Valve opening and closing points in the operating cycle (SAE J604).<br>- F = fixed<br>- VVT = variable valve timing<br>- ICP = intake cam phasing VVT<br>- DCP = dual cam phasing VVT<br>- CCP = coupled cam phasing VVT     |
|                        | Valve Lift <sup>101</sup>                 | text       | The manner in which the valve is raised during combustion (per SAE Glossary of Automotive Terms).<br>- F = fixed<br>- VVL = variable valve lift<br>- DVVL = discrete VVL<br>- CVVL = continuous VVL                          |
|                        | Valves/Cylinder <sup>101</sup>            | integer    | Number of valves per cylinder.                                                                                                                                                                                               |
|                        | Deactivation <sup>101</sup>               | text       | Indicates whether the engine includes a cylinder deactivation mechanism.<br>- Y = cylinder deactivation applied<br>- N = cylinder deactivation not applied                                                                   |
|                        | Compression Ratio (Min) <sup>101</sup>    | number     | Minimum compression ratio of an engine.                                                                                                                                                                                      |
|                        | Compression Ratio (Max) <sup>101</sup>    | number     | Maximum compression ratio of an engine.                                                                                                                                                                                      |
| Planning &<br>Assembly | Refresh Years                             | model year | The engine-specific refresh years (see <i>Vehicles Worksheet</i> for specification). Specify "auto" to let the model automatically determine the appropriate refresh years based on the engine's candidate leader vehicle.   |
|                        | Redesign Years                            | model year | The engine-specific redesign years (see <i>Vehicles Worksheet</i> for specification). Specify "auto" to let the model automatically determine the appropriate redesign years based on the engine's candidate leader vehicle. |

<sup>101</sup> Some of the engine configuration columns are specified for reference and are not used by the modeling system. Instead, the values in these columns may be used to inform the initial usage of engine-level technologies as specified in the *Technology Information* section.

| Category                 | Column  | Units | Definition/Notes                                                                                                                                                                                                                                                                                   |
|--------------------------|---------|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Technology Applicability | SOHC    | text  | <p>&lt;blank&gt; = the technology is not used on the engine<br/> USED = the technology is used on the engine<br/> SKIP = the technology is not applicable to the engine</p> <p>*Note: "DD" technology is for informational purposes only and is not otherwise defined in or used by the model.</p> |
|                          | DOHC    | text  |                                                                                                                                                                                                                                                                                                    |
|                          | VVL     | text  |                                                                                                                                                                                                                                                                                                    |
|                          | SGDI    | text  |                                                                                                                                                                                                                                                                                                    |
|                          | DEAC    | text  |                                                                                                                                                                                                                                                                                                    |
|                          | TURBO0  | text  |                                                                                                                                                                                                                                                                                                    |
|                          | TURBOE  | text  |                                                                                                                                                                                                                                                                                                    |
|                          | TURBOD  | text  |                                                                                                                                                                                                                                                                                                    |
|                          | TURBO1  | text  |                                                                                                                                                                                                                                                                                                    |
|                          | TURBO2  | text  |                                                                                                                                                                                                                                                                                                    |
|                          | ADEACS  | text  |                                                                                                                                                                                                                                                                                                    |
|                          | ADEACD  | text  |                                                                                                                                                                                                                                                                                                    |
|                          | HCR     | text  |                                                                                                                                                                                                                                                                                                    |
|                          | HCRE    | text  |                                                                                                                                                                                                                                                                                                    |
|                          | HCRD    | text  |                                                                                                                                                                                                                                                                                                    |
|                          | VCR     | text  |                                                                                                                                                                                                                                                                                                    |
|                          | VTG     | text  |                                                                                                                                                                                                                                                                                                    |
|                          | VTGE    | text  |                                                                                                                                                                                                                                                                                                    |
|                          | TURBOAD | text  |                                                                                                                                                                                                                                                                                                    |
|                          | ADSL    | text  |                                                                                                                                                                                                                                                                                                    |
|                          | DSLI    | text  |                                                                                                                                                                                                                                                                                                    |
|                          | CNG     | text  |                                                                                                                                                                                                                                                                                                    |
|                          | DD*     | text  |                                                                                                                                                                                                                                                                                                    |

### A.1.6 Transmissions Worksheet

The *Transmissions* worksheet contains a list of all transmissions used in vehicle models offered for sale during the study period. The transmission code is a unique number assigned to each such transmission, and it is referenced in the *Transmission Code* field on the *Vehicles* worksheet. As with the other worksheets, the *Technology Information* for any transmission technology must be complete and accurate for each transmission. Data in Table 29 lists all of the columns defined on the *Transmissions* worksheet.

Table 29. Transmissions Worksheet

| Category                 | Column                  | Units      | Definition/Notes                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------|-------------------------|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General                  | Transmission Code       | integer    | Unique number assigned to each transmission.                                                                                                                                                                                                                                                                                                                                                                                                              |
|                          | Manufacturer            | text       | The manufacturer of the transmission.                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                          | Family Name             | text       | The name of the family that the transmission belongs to. This column is reserved for future expansion and should be left blank.                                                                                                                                                                                                                                                                                                                           |
|                          | Type                    | text       | Type of the transmission.<br>- M or MT = manual transmission<br>- A or AT = automatic transmission (torque converter)<br>- AMT = automated manual transmission (single clutch w/ torque interrupt)<br>- DCT = dual clutch transmission<br>- CVT = belt or chain CVT<br>- DD = direct drive (applicable to HEVs and greater; this value is for informational purposes, and if specified on a transmission, that transmission will be ignored by the model) |
|                          | Number of Forward Gears | integer    | Number of forward gears the transmission has. Typical values are between 5 and 10.                                                                                                                                                                                                                                                                                                                                                                        |
| Planning & Assembly      | Refresh Years           | model year | The transmission-specific refresh years (see <i>Vehicles Worksheet</i> for specification). Specify "auto" to let the model automatically determine the appropriate refresh years based on the transmission's candidate leader vehicle.                                                                                                                                                                                                                    |
|                          | Redesign Years          | model year | The transmission-specific redesign years (see <i>Vehicles Worksheet</i> for specification). Specify "auto" to let the model automatically determine the appropriate redesign years based on the transmission's candidate leader vehicle.                                                                                                                                                                                                                  |
| Technology Applicability | AT5                     | text       | <blank> = the technology is not used on the transmission<br>USED = the technology is used on the transmission<br>SKIP = the technology is not applicable to the transmission<br><br>*Note: "DD" technology is for informational purposes only, and is not otherwise defined in or used by the model.                                                                                                                                                      |
|                          | AT6                     | text       |                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                          | AT7L2                   | text       |                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                          | AT8                     | text       |                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                          | AT8L2                   | text       |                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                          | AT8L3                   | text       |                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                          | AT9L2                   | text       |                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                          | AT10L2                  | text       |                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                          | AT10L3                  | text       |                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                          | DCT6                    | text       |                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                          | DCT8                    | text       |                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                          | CVT                     | text       |                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

| Category | Column | Units | Definition/Notes |
|----------|--------|-------|------------------|
|          | CVTL2  | text  |                  |
|          | DD*    | text  |                  |

### **A.1.7 Vehicle and Component Code Assignment Guide**

The above sections summarize the worksheets and data columns that the CAFE Model expects to be defined in the market data input file. However, other than imposing restrictions on and defining requirements for certain types of data (e.g., mpg inputs for fuel economy values), the content of the market data file is entirely user defined.

This section provides guidance on how NHTSA and Volpe staff assigned the vehicle and component codes for each vehicle, platform, engine, and transmission. These definitions are based on the MY 2024 initial fleet, used to support the 2025 NPRM, and are likely to change if a different input fleet is used for future rulemakings. However, other than enforcing the unique code used for each vehicle and component (in a specific worksheet), the CAFE Model does not restrict or require the vehicle or component codes to be entered by users in a manner described in the tables below. Hence, the guidance provided herein is strictly for the convenience of the reader when interpreting the coding used in the market data input file for the 2025 NPRM.

The following tables provide the assignment guides for the vehicle, platform, engine, and transmission codes found in each of the respective worksheets of the market data input file.

*Table 30. Vehicle Code Assignment Guide*

| Vehicle Code Digit        | Meaning         | Values                                  |
|---------------------------|-----------------|-----------------------------------------|
| First and Second          | Manufacturer    | See Table 34 below                      |
| Third and Fourth          | Nameplate       | Serial Digits (brand-specific; 2-digit) |
| Fifth, Sixth, and Seventh | Vehicle Variant | Serial Digits (3-digit)                 |

*Table 31. Platform Code Assignment Guide*

| Platform Code Digit | Meaning          | Values                             |
|---------------------|------------------|------------------------------------|
| First and Second    | Manufacturer     | See Table 34 below                 |
| Third               | Layout           | 1 – Transverse<br>3 – Longitudinal |
| Fourth              | Class            | 1 – Light Duty                     |
| Fifth and Sixth     | Platform Variant | Serial Digits (2-digit)            |

Table 32. Engine Code Assignment Guide

| Engine Code Digit | Meaning        | Values                                 |
|-------------------|----------------|----------------------------------------|
| First and Second  | Manufacturer   | See Table 34 below                     |
| Third and Fourth  | Displacement   | Liters of Displacement X 10            |
| Fifth             | Boost          | 0 – Naturally Aspirated<br>1 – Boosted |
| Sixth             | Engine Variant | Serial Digit                           |

Table 33. Transmission Code Assignment Guide

| Transmission Code Digit | Meaning              | Values                                                                                                                               |
|-------------------------|----------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| First and Second        | Manufacturer         | See Table 34 below                                                                                                                   |
| Third                   | Drive Configuration  | 1 – Front-Wheel Drive<br>2 – All-Wheel Drive (Transverse)<br>3 – Rear-Wheel Drive<br>4 – 4-Wheel Drive (Longitudinal)                |
| Fourth                  | Transmission Type    | 0 – Direct Drive<br>2 – Automatic<br>3 – Continuously Variable<br>4 – Manual or Dual-Clutch                                          |
| Fifth                   | Number of Gears      | 0 – Direct Drive<br>1 – 10-speed or Continuously Variable<br>5 – 5-speed<br>6 – 6-speed<br>7 – 7-speed<br>8 – 8-speed<br>9 – 9-speed |
| Sixth                   | Transmission Variant | Serial Digit                                                                                                                         |

Table 34. Manufacturer Subcode

| Region  | Manufacturer                                                                                                                 | Region          | Manufacturer                                                                             | Region     | Manufacturer                                                                                                            |
|---------|------------------------------------------------------------------------------------------------------------------------------|-----------------|------------------------------------------------------------------------------------------|------------|-------------------------------------------------------------------------------------------------------------------------|
| 1 – USA | 11 – General Motors<br>12 – Stellantis<br>13 – Ford<br>14 – Tesla<br>15 – Fisker<br>16 – Rivian<br>17 – Lucid<br>18 – Mullen | 2 – Japan       | 21 – Honda<br>22 – Nissan<br>23 – Toyota<br>24 – Mazda<br>25 – Mitsubishi<br>26 – Subaru | 4 – Europe | 41 – BMW<br>42 – Volkswagen<br>43 – Mercedes-Benz<br>44 – Jaguar Land Rover<br>45 – Volvo<br>46 – Ferrari<br>47 – Ineos |
|         |                                                                                                                              | 3 – South Korea | 31 – Hyundai<br>32 – Kia<br>33 – VinFast                                                 |            |                                                                                                                         |

## A.2 Technologies File

The technologies input file contains assumptions regarding the cost and applicability of different vehicle, platform, engine, and transmission-level technologies available during the study period. As described in Section S4.1 above, input assumptions are defined for the 14 vehicle technology classes listed in Table 12 and 52 engine technology classes listed in Table 13 and Table 14.

In addition to the inputs defined for each technology, the input file also includes a *Parameters* worksheet defining global settings that affect applicability of all technologies. Presently, this worksheet contains limited settings, and not all of the parameters defined therein are used directly by the CAFE Model. Table 35 shows the contents of the *Parameters* worksheet.

Table 35. *Parameters Worksheet*

| Category          | Column              | Units   | Definition/Notes                                                                                                                                                                           |
|-------------------|---------------------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Global Parameters | Model Years Covered | integer | Defines a range of MYs for which various technology related cost fields are defined. These values are only used internally in the technologies input file and are not loaded by the model. |
| Other             | Tech Class          | text    | Technology class for which a parameter is specified.                                                                                                                                       |
|                   | Glider Share        | number  | Assumed average glider share (as a fraction) for each technology class.                                                                                                                    |

Input assumptions that are common for all technology classes are listed on a separate *Technologies* worksheet. Table 36 shows the contents of a *Technologies* sheet for all classes while Table 37 and Table 38 show the contents of the technology assumptions worksheets.

Table 36. *Technologies Worksheet*

| Category               | Column                                | Units      | Definition/Notes                                                                  |
|------------------------|---------------------------------------|------------|-----------------------------------------------------------------------------------|
| Technology Definitions | Index <sup>102</sup>                  | integer    | Unique index assigned to each technology.                                         |
|                        | Name                                  | text       | Name of the technology.                                                           |
|                        | Technology Description <sup>102</sup> | text       | Description of the technology.                                                    |
|                        | Technology Pathway <sup>102</sup>     | text       | The path in which the technology progresses.                                      |
|                        | Innovative                            | bool       | Whether the technology is considered as innovative or advanced.                   |
| Phase-in Parameters    | Phase-in Cap                          | percentage | Percentage of the entire fleet to which the technology may be applied.            |
|                        | Phase-in Start Year                   | model year | Reference year for accumulating phase-in caps.                                    |
| ZEV Credit Parameters  | ZEV Credits (2025 and Earlier)        | ZEVs       | Amount of ZEV credits a vehicle will generate upon application of the technology, |

<sup>102</sup> Some of the technology-specific attributes are hard-coded into the model and listed in the technologies input file for reference. These values are not loaded by the model.

| Category | Column                       | Units | Definition/Notes                                                                                                                             |
|----------|------------------------------|-------|----------------------------------------------------------------------------------------------------------------------------------------------|
|          |                              |       | applicable to the light-duty fleet up to and including MY 2025.                                                                              |
|          | ZEV Credits (2026 and Later) | ZEVs  | Amount of ZEV credits a vehicle will generate upon application of the technology, applicable to the light-duty fleet up starting in MY 2026. |
|          | HDPUV ZEV Credits            | ZEVs  | Amount of ZEV credits a vehicle will generate upon application of the technology, applicable to the HDPUV fleet in all MYs.                  |

The technology assumptions listed in Table 37 are specified for each technology and are replicated for each of the defined vehicle technology classes as individual worksheets.

*Table 37. Technology Assumptions*

| Category         | Column                            | Units      | Definition/Notes                                                                                                                                                                                                        |
|------------------|-----------------------------------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General          | Index <sup>102</sup>              | integer    | Unique index assigned to each technology.                                                                                                                                                                               |
|                  | Name                              | text       | Name of the technology.                                                                                                                                                                                                 |
|                  | Technology Pathway <sup>102</sup> | text       | The path in which the technology progresses.                                                                                                                                                                            |
| Availability     | Applicable                        | boolean    | TRUE = the technology is available for applicability in a technology class<br>FALSE = the technology is not available for applicability in a technology class                                                           |
|                  | Year Avail.                       | model year | First year the technology is available for applicability.                                                                                                                                                               |
|                  | Year Retired                      | model year | Last year the technology is available for applicability.                                                                                                                                                                |
| Misc. Attributes | Secondary FS                      | percentage | Percentage of miles a vehicle is expected to travel on its secondary fuel after applying a dual-fuel technology (applicable when a vehicle is being converted into a plug-in HEV or another form of dual fuel vehicle). |
|                  | Electric Range                    | number     | Indicates what the range, in miles, of an electric vehicle would be when operating on a battery, as a result of applying the technology (applies to PHEV and EV technologies only).                                     |
|                  | Electric Power                    | hp         | Indicates what the power of an electric vehicle would be when operating on a battery, as a result of applying the technology (applies to PHEV and EV technologies only).                                                |
|                  | Delta Weight (%)                  | percentage | Percentage by which the vehicle's weight changes as a result of applying the technology.                                                                                                                                |



| Category | Column                        | Units   | Definition/Notes                                                                                                            |
|----------|-------------------------------|---------|-----------------------------------------------------------------------------------------------------------------------------|
|          | Delta Weight (lb)             | number  | Amount of pounds by which the vehicle's weight changes as a result of applying the technology.                              |
|          | Consumer's Willingness to Pay | dollars | Amount of extra cost that consumers are willing to pay for a technology. Applicable to SHEV/PHEV/BEV/FCV technologies only. |

The technology costs inputs shown in Table 38 are specified for each technology, for each of the defined vehicle technology classes as well as each of the defined engine technology classes. As discussed in Section S4.7 above, the CAFE Model defines technology costs separately for the vehicle's engine and for the non-engine components of the vehicle. Therefore, the technology costs that are associated with a vehicle's engine are defined on separate worksheets corresponding to the engine technology classes, while the costs associated with non-engine components of a technology are listed on the same worksheets as the technology assumptions.

*Table 38. Technology Costs*

| Category                          | Column                            | Units   | Definition/Notes                                                                                                                                                                                                                                           |
|-----------------------------------|-----------------------------------|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General                           | Index <sup>102</sup>              | integer | Unique index assigned to each technology.                                                                                                                                                                                                                  |
|                                   | Name                              | text    | Name of the technology.                                                                                                                                                                                                                                    |
|                                   | Technology Pathway <sup>102</sup> | text    | The path in which the technology progresses.                                                                                                                                                                                                               |
| Cost Table                        | C-2020                            | dollars | Table of cost estimates for the technology, per MY, and after accounting for cost learning effects.                                                                                                                                                        |
|                                   | C-2021                            | dollars |                                                                                                                                                                                                                                                            |
|                                   | ...                               |         |                                                                                                                                                                                                                                                            |
|                                   | C-2049                            | dollars |                                                                                                                                                                                                                                                            |
|                                   | C-2050                            | dollars |                                                                                                                                                                                                                                                            |
| Battery Cost Learning Rates Table | BCL-2020                          | dollars | Learning rate factors to be applied to battery cost estimates associated with the current technology, per MY.<br><br>This section is not applicable to the vehicle's engine costs and is, thus, not specified on worksheets for engine technology classes. |
|                                   | BCL-2021                          | dollars |                                                                                                                                                                                                                                                            |
|                                   | ...                               |         |                                                                                                                                                                                                                                                            |
|                                   | BCL-2049                          | dollars |                                                                                                                                                                                                                                                            |
|                                   | BCL-2050                          | dollars |                                                                                                                                                                                                                                                            |

| Category                          | Column   | Units   | Definition/Notes                                                                                                           |
|-----------------------------------|----------|---------|----------------------------------------------------------------------------------------------------------------------------|
| Maintenance and Repair Cost Table | M/R-2020 | dollars | Table of maintenance and repair cost estimates for the technology, per MY, and after accounting for cost learning effects. |
|                                   | M/R-2021 | dollars |                                                                                                                            |
|                                   | ...      |         |                                                                                                                            |
|                                   | M/R-2049 | dollars |                                                                                                                            |
|                                   | M/R-2050 | dollars |                                                                                                                            |

To ensure accuracy of results, all cost values defined in Table 38 should sufficiently cover the number of MYs evaluated during the study period. For the current analysis, the minimum range of MYs is from 2024 to 2050.

### A.3 Parameters File

The parameters input file contains a variety of input data and assumptions used to estimate various impacts of the simulated response of the industry to CAFE or CO<sub>2</sub> standards. This file contains a series of worksheets, the contents of which are summarized below.

#### A.3.1 Economic Values

The *Economic Values* worksheet contains an estimate of the magnitude of the “rebound effect,” the rates used to compute the economic value of various direct and indirect impacts of CAFE and CO<sub>2</sub> standards, as well as the various discount rates to apply when calculating the discounted cost and benefits from the social and consumer perspectives. As stated on several occasions throughout this document, the user is free to define and edit all inputs supplied to the CAFE Model. For example, although the economic values in Table 39 were obtained from various sources of information, the system does not require that the user rely on these sources. As can be seen in Table 39, inputs defined on the *Economic Values* sheet are separated into sections for discount rates, inputs by vehicle class, and inputs by CY.

Table 39. *Economic Values Worksheet*

| Category                         | Model Characteristic      | Units      | Definition/Notes                                                                                                                                                                                                                                                                                       |
|----------------------------------|---------------------------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Economic Values (Discount Rates) | Social Discount Rates     | percentage | A semicolon separated list of one or more social discount rates, which is the percent rate by which the dollar value of a benefit or cost is reduced when its receipt or payment is postponed by one additional year into the future.                                                                  |
|                                  | Base Year for Discounting | percentage | The CY to use for "present year" discounting. If a base year value is used, social discounting is assumed, with all costs and benefits being discounted to that year. If no value is specified, private discounting is implied, with all costs and benefits being discounted to the MY being analyzed. |

| Category                           | Model Characteristic                                                | Units          | Definition/Notes                                                                                                                                                                                                     |
|------------------------------------|---------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                    | Consumer Discount Rates                                             | percentage     | A semicolon separated list of one or more consumer discount rates.                                                                                                                                                   |
|                                    | CO <sub>2</sub> Discount Rates                                      | percentage     | Discount rates to apply to low, average, high, or very high estimates of the social cost of CO <sub>2</sub> emissions.                                                                                               |
| Misc. Economic Values              | 2012 Dollars Deflator                                               | number         | The deflator to apply to the current U.S. dollars to convert to the 2012-USD.<br>This value is used by the VMT model for benchmarking the cost per mile values.                                                      |
| Economic Values (By Vehicle Class) | Rebound Effect                                                      | percentage     | Average elasticity of demand for travel. That is, the percent change (as a fraction) in average annual VMT per vehicle resulting from a percent change in fuel cost per mile driven.                                 |
|                                    | Base Year for Average Annual Usage Data                             | model year     | Base year for average annual VMT usage data.                                                                                                                                                                         |
|                                    | "Gap" between Test and On-Road MPG (by Fuel Type)                   | percentage     | Difference between a vehicle's EPA fuel economy rating and its actual on-road fuel economy.                                                                                                                          |
|                                    | Fixed Component of Average Refueling Time in Minutes (by Fuel Type) | minutes        | Average refueling time a spent by a consumer refueling the vehicle tank or recharging the vehicle electric battery.                                                                                                  |
|                                    | Average Tank Volume Refueled                                        | percentage     | Average tank volume refilled during a refueling stop.                                                                                                                                                                |
|                                    | Share of Refueling Events to Consider                               | percentage     | Share of total refueling events to consider for benefits calculation.                                                                                                                                                |
|                                    | Value of Travel Time per Vehicle                                    | \$/hour        | Amount that the driver of a vehicle would be willing to pay to reduce the time required to make a trip.                                                                                                              |
|                                    | <b><i>Electric Vehicle Recharge Thresholds (BEV1)</i></b>           | <i>various</i> | Recharging threshold parameters applicable to vehicles that use the BEV1 technology. The effective range is: 200 miles for light-duty vehicles; 200 miles for heavy-duty pickups; and 150 miles for heavy-duty vans. |

| Category | Model Characteristic                                      | Units                 | Definition/Notes                                                                                                                                                                                                     |
|----------|-----------------------------------------------------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|          | Miles Until Mid-Trip Charging Event                       | miles                 | Assumed charge frequency of an electric vehicle, that is, the cumulative number of miles driven before a mid-trip charging event is triggered.                                                                       |
|          | Share of Miles Charged Mid-Trip                           | percentage            | Percent share of miles that will be recharged mid-trip.                                                                                                                                                              |
|          | Charge Rate (miles/hour)                                  | miles/hour            | Typical recharge rate for an electric vehicle.                                                                                                                                                                       |
|          | <b><i>Electric Vehicle Recharge Thresholds (BEV2)</i></b> | <b><i>various</i></b> | Recharging threshold parameters applicable to vehicles that use the BEV2 technology. The effective range is: 250 miles for light-duty vehicles; 300 miles for heavy-duty pickups; and 250 miles for heavy-duty vans. |
|          | Miles Until Mid-Trip Charging Event                       | miles                 | Assumed charge frequency of an electric vehicle, that is, the cumulative number of miles driven before a mid-trip charging event is triggered.                                                                       |
|          | Share of Miles Charged Mid-Trip                           | percentage            | Percent share of miles that will be recharged mid-trip.                                                                                                                                                              |
|          | Charge Rate (miles/hour)                                  | miles/hour            | Typical recharge rate for an electric vehicle.                                                                                                                                                                       |
|          | <b><i>Electric Vehicle Recharge Thresholds (BEV3)</i></b> | <b><i>various</i></b> | Recharging threshold parameters applicable to vehicles that use the BEV3 technology. The effective range is 300 miles for light-duty vehicles. The BEV3 technology is not applicable for HDPUV vehicles.             |
|          | Miles Until Mid-Trip Charging Event                       | miles                 | Assumed charge frequency of an electric vehicle, that is, the cumulative number of miles driven before a mid-trip charging event is triggered.                                                                       |
|          | Share of Miles Charged Mid-Trip                           | percentage            | Percent share of miles that will be recharged mid-trip.                                                                                                                                                              |
|          | Charge Rate (miles/hour)                                  | miles/hour            | Typical recharge rate for an electric vehicle.                                                                                                                                                                       |
|          | <b><i>Electric Vehicle Recharge Thresholds (BEV4)</i></b> | <b><i>various</i></b> | Recharging threshold parameters applicable to vehicles that use the BEV4 technology. The effective range is 400 miles for light-duty vehicles. The BEV4 technology is not applicable for HDPUV vehicles.             |

| Category | Model Characteristic                                                      | Units                  | Definition/Notes                                                                                                                                                                                     |
|----------|---------------------------------------------------------------------------|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|          | Miles Until Mid-Trip Charging Event                                       | miles                  | Assumed charge frequency of an electric vehicle, that is, the cumulative number of miles driven before a mid-trip charging event is triggered.                                                       |
|          | Share of Miles Charged Mid-Trip                                           | percentage             | Percent share of miles that will be recharged mid-trip.                                                                                                                                              |
|          | Charge Rate (miles/hour)                                                  | miles/hour             | Typical recharge rate for an electric vehicle.                                                                                                                                                       |
|          | <b>External Costs From Additional Vehicle Use Due to "Rebound" Effect</b> | <b>\$/vehicle-mile</b> | Estimates intended to represent costs per vehicle-mile of increased travel compared to approximately current levels, assuming current distribution of travel by hours of the day and facility types. |
|          | Congestion                                                                | \$/vehicle-mile        | Congestion component of external costs from additional vehicle use.                                                                                                                                  |
|          | Noise                                                                     | \$/vehicle-mile        | Noise component of external costs from additional vehicle use.                                                                                                                                       |
|          | <b>Ownership and Operating Costs</b>                                      | <b>various</b>         | Ownership and operating costs associated with purchase of new vehicles.                                                                                                                              |
|          | Taxes and Fees (% of final vehicle MSRP)                                  | percentage             | Average percentage of the vehicle's final MSRP the consumer pays in taxes and fees when purchasing a new vehicle.                                                                                    |
|          | Financing Term (months)                                                   | months                 | Average length of time used by consumers to finance a new vehicle purchase.                                                                                                                          |
|          | Financing Interest (%)                                                    | percentage             | Average interest rate used by consumers to finance a new vehicle purchase.                                                                                                                           |
|          | Share Financed (%)                                                        | percentage             | Percentage of consumers that choose to finance their new vehicle purchase.                                                                                                                           |
|          | Vehicle Depreciation (%)                                                  | percentage             | Typical depreciation rate of a new vehicle.                                                                                                                                                          |
|          | Average Age at First                                                      | months                 | Average number of months during which the vehicle is expected to be resold.                                                                                                                          |

| Category | Model<br>Characteristic | Units | Definition/Notes |
|----------|-------------------------|-------|------------------|
|          | Resale<br>(months)      |       |                  |

| Category                              | Model Characteristic                        | Units                   | Definition/Notes                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------|---------------------------------------------|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Economic Values<br>(By Calendar Year) | <b><i>Economic Costs of Oil Imports</i></b> | <b><i>\$/gallon</i></b> | Economic costs of oil imports attributed to various market externalities, specified per CY.                                                                                                                                                                                                                                                       |
|                                       | "Monopsony"<br>" Component                  | \$/gallon               | Demand cost for imported oil, determined by various factors, including the relative importance of U.S. imports in the world oil market and demand to its world price among other participants in the international oil market.                                                                                                                    |
|                                       | Price Shock<br>Component                    | \$/gallon               | Expected value of cost to U.S. economy from reduction in potential output resulting from risk of significant increases in world petroleum price. This includes costs resulting from inefficiencies in resource use caused by incomplete adjustments to industry output levels and mixes of production input when world oil price changes rapidly. |
|                                       | Military<br>Security<br>Component           | \$/gallon               | Cost to taxpayers for maintaining a military presence to secure the supply of oil imports from potentially unstable regions of the world and protect the nation against their interruption.                                                                                                                                                       |
|                                       | <b><i>Macroeconomic Parameters</i></b>      | <b><i>number</i></b>    | Defines various additional macroeconomic parameters, specified per CY.                                                                                                                                                                                                                                                                            |
|                                       | GDP                                         | number                  | Gross domestic product in the specific CY.                                                                                                                                                                                                                                                                                                        |
|                                       | Number of<br>Households<br>(thousands)      | number                  | Number of households in thousands in the specific CY.                                                                                                                                                                                                                                                                                             |
|                                       | Consumer<br>Sentiment                       | number                  | Consumer sentiment in the specific CY.                                                                                                                                                                                                                                                                                                            |
|                                       | U.S.<br>Population<br>(millions)            | number                  | U.S. population in millions in the specific CY.                                                                                                                                                                                                                                                                                                   |
|                                       | Real<br>Disposable<br>Personal<br>Income    | number                  | Real disposable personal income in the specific CY.                                                                                                                                                                                                                                                                                               |
|                                       | <b><i>VMT Model Parameters</i></b>          | <b><i>number</i></b>    | Defines parameters for the VMT model.                                                                                                                                                                                                                                                                                                             |
|                                       | Historic VMT                                | number                  | Total historic VMT of the on-road fleet in the specific CY.                                                                                                                                                                                                                                                                                       |
|                                       | Historic MPG                                | mpg                     | Average historic mpg rating of the on-road fleet in the specific CY.                                                                                                                                                                                                                                                                              |

### A.3.2 Vehicle Age Data

The *Vehicle Age Data* worksheet contains age-specific (i.e., vintage-specific) estimates of the static survival rates and annual accumulated mileage schedules applicable to different vehicle categories. The values on this worksheet are used whenever the Dynamic Economic models are disabled during analysis or when the system is evaluating HDPUV vehicle models. When the Dynamic Economic models are enabled, the system estimates survival rates and VMT schedules as described in Sections S1.1 and S2.1 above.

Separate static survival fractions and annual miles driven are used for different categories of vehicles. These categories include cars, vans/SUVs, pickups, and class 2b/3 trucks (i.e., HDPUVs). The survival fractions measure the proportion of vehicles originally produced during a MY that remain in service at each age. By the end of the vehicles' projected lifetime, only a small portion vehicle models typically remain in service.

Table 40. *Vehicle Age Data Worksheet*

| Model Characteristic | Units      | Definition/Notes                                                                         |
|----------------------|------------|------------------------------------------------------------------------------------------|
| Survival Rates       | proportion | The baseline proportion of original vehicle sales that remain in service by vehicle age. |
| Miles Driven         | miles      | The baseline average annual miles driven by surviving vehicles by vehicle age.           |

### A.3.3 Fuel Prices

The *Fuel Prices* worksheet contains historic and estimates of future fuel prices, which are used when calculating pre-tax fuel outlays and fuel tax revenues. The fuel price and fuel tax inputs are defined for each of the types of fuel that are currently supported in the CAFE Model. These include gasoline, E85, diesel, electricity, hydrogen, and CNG fuel types.

Table 41. *Fuel Prices Worksheet*

| Model Characteristic | Units        | Definition/Notes                                                                                                                                                                                                                                  |
|----------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Retail Fuel Prices   | \$/fuel unit | Forecast of retail fuel prices by CY starting with CY-1975, specified for each fuel type in dollars per applicable fuel unit. For gasoline, diesel, and E85, fuel prices are in \$/gallon; for electricity, \$/kWh; for hydrogen and CNG, \$/scf. |
| Fuel Taxes           | \$/fuel unit | Forecast of fuel taxes by CY starting with CY-1975, specified for each fuel type in dollars per applicable fuel unit.                                                                                                                             |

### A.3.4 DFS Model Values

The *DFS Model Values* worksheet presents coefficients required by some of the variants of the Dynamic Fleet Share (DFS) models defined in the system. The first is an experimental version that responds to differences in fuel economy between passenger car and light truck regulatory classes. The second is a set of user-defined annual forecasts of passenger car shares. For the experimental DFS model, two sets of coefficients are included: (1) the coefficients for the model



itself; and (2) the coefficients to bound the passenger car fleet in the event the DFS model results in a very aggressive decline of the car shares. Both of these sets of coefficients, as well as an annual forecast of car shares for the static DFS model, are described in the table that follows.

*Table 42. DFS Model Values Worksheet*

| <b>Model Characteristic</b>                 | <b>Units</b> | <b>Definition/Notes</b>                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><i>Coefficient</i></b>                   | number       | Coefficients to use for estimating fleet share when the experimental DFS model is enabled.                                                                                                                                                                                                                                                                                   |
| C                                           | number       | Constant term; represents the base passenger car share.                                                                                                                                                                                                                                                                                                                      |
| FE (mpg)                                    | number       | A coefficient on the average vehicle fuel economy.                                                                                                                                                                                                                                                                                                                           |
| Price                                       | number       | A coefficient on the price of gasoline.                                                                                                                                                                                                                                                                                                                                      |
| Inc                                         | number       | A coefficient on the average household real disposable personal income.                                                                                                                                                                                                                                                                                                      |
| HPWT                                        | number       | A coefficient on the average vehicle horsepower-to-weight ratio.                                                                                                                                                                                                                                                                                                             |
| HP                                          | number       | A coefficient on the average vehicle horsepower.                                                                                                                                                                                                                                                                                                                             |
| WT                                          | number       | A coefficient on the average vehicle curb weight.                                                                                                                                                                                                                                                                                                                            |
| Rec                                         | number       | A coefficient on the recession indicator.<br>A recession indicator is "enabled" for MYs 2009 and 2010 only. This coefficient was used when fitting the model. However, since the study period covers MYs beyond 2010, this value has no effect on analysis and is included for completeness.                                                                                 |
| Trend Start Year                            | number       | The MY to begin applying the annual trend coefficient.                                                                                                                                                                                                                                                                                                                       |
| Time Trend                                  | number       | The annual trend to use for augmenting the share of the passenger car fleet.                                                                                                                                                                                                                                                                                                 |
| <b><i>Bounding Coefficient</i></b>          | number       | Bounding coefficients to use for estimating the "floor" of the DFS model.                                                                                                                                                                                                                                                                                                    |
| Start Year                                  | number       | The first MY when the bounding function applies.                                                                                                                                                                                                                                                                                                                             |
| Intercept                                   | number       | The intercept of the bounding function.                                                                                                                                                                                                                                                                                                                                      |
| Slope                                       | number       | The slope of the bounding function.                                                                                                                                                                                                                                                                                                                                          |
| <b><i>Annual Forecast of Car Shares</i></b> | percentage   | User-supplied annual forecast of car shares, where "car" denotes the Passenger Car regulatory class, to use when the static DFS model is enabled. The car shares must be specified for the entire range of MYs evaluated during the study period. If a specific MY is not present, the modeling system will interpret the percentage of the car fleet for that year as zero. |

### **A.3.5 Sales Model Values**

The *Sales Model Values* worksheet contains coefficients and sales forecast information that the CAFE Model uses when estimating the total light-duty and HDPUV vehicle sales in the future MYs. The values on this worksheet are used for estimating the sales volumes during the baseline scenario only. For the action alternatives, however, the new vehicle sales are computed with reference to the baseline scenario as was described in Section S5.7.

The modeling system supports two variations for the baseline sales estimation: (1) a “dynamic” Sales Response model, which considers the changes in new vehicle sales per household between MYs, the gross domestic product, and the consumer sentiment; and (2) a user-defined annual forecast of total vehicle sales. Table 43 presents additional definitions for the dynamic model coefficients and the annual sales forecast variables.

*Table 43. Sales Model Values Worksheet*

| <b>Model Characteristic</b>                                       | <b>Units</b> | <b>Definition/Notes</b>                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><i>Nominal Forecast Coefficients<br/>(Baseline-Only)</i></b>   | number       | Coefficients to use for estimating the total light-duty and HDPUV vehicle sales in each future MY for the baseline scenario when the dynamic sales model is enabled.                                                                                                                                                                                                                                            |
| Constant                                                          | number       | Constant term ( $C$ ).                                                                                                                                                                                                                                                                                                                                                                                          |
| Lag(New Vehicles per HH <sub>t-1</sub> )                          | number       | A coefficient on the new vehicle sales per household from a preceding year ( $\beta_1$ ).                                                                                                                                                                                                                                                                                                                       |
| Lag(3 Year Sum per HH <sub>t-1</sub> )                            | number       | A coefficient on the sum of new vehicle sales per household from the preceding three years ( $\beta_2$ ).                                                                                                                                                                                                                                                                                                       |
| LN(GDP <sub>t</sub> )                                             | number       | A coefficient on the Gross Domestic Product for the new year ( $\beta_3$ ).                                                                                                                                                                                                                                                                                                                                     |
| LN(GDP <sub>t-1</sub> )                                           | number       | A coefficient on the Gross Domestic Product for the preceding year ( $\beta_4$ ).                                                                                                                                                                                                                                                                                                                               |
| Consumer Sentiment <sub>t</sub>                                   | number       | A coefficient on the consumer sentiment for the new year ( $\beta_5$ ).                                                                                                                                                                                                                                                                                                                                         |
| Consumer Sentiment <sub>t-1</sub>                                 | number       | A coefficient on the consumer sentiment for the preceding year ( $\beta_6$ ).                                                                                                                                                                                                                                                                                                                                   |
| Adjustment Factor                                                 | number       | The adjustment factor by which to scale the resultant total vehicle sales in the new year ( $\beta_7$ ).                                                                                                                                                                                                                                                                                                        |
| <b><i>Annual Forecast of Sales<br/>(Units, Baseline-Only)</i></b> | units        | User-supplied annual forecast of light-duty and HDPUV vehicle sales to use in each future MY for the baseline scenario when the static sales model is enabled. The sales forecast must be specified for the entire range of MYs evaluated during the study period. If a specific MY is not present for a given fleet, the modeling system will interpret the total sales for that fleet and year as being zero. |

### A.3.6 Scrappage Model Values

The *Scrappage Model Values* worksheet defines parameters and coefficients that are used for dynamically calculating the proportion of vehicles scrapped during each CY. When the Dynamic Scrappage model is used in the modeling system, the system replaces the survival rates defined on the *Vehicle Age* worksheet with the ones obtained using the Dynamic Scrappage model. The coefficients used by the Scrappage model, as shown in Table 44, are defined separately for each category of vehicles, using the same aggregation as was used on the *Vehicle Age Data* worksheet (that is: cars, vans/SUVs, pickups, and 2b/3 trucks).

Table 44. Scrappage Model Values Worksheet

| Model Characteristic               | Units  | Definition/Notes                                                                               |
|------------------------------------|--------|------------------------------------------------------------------------------------------------|
| Age                                | number | $\beta_0$                                                                                      |
| Age^2                              | number | $\beta_1$                                                                                      |
| Age^3                              | number | $\beta_2$                                                                                      |
| Share Remaining                    | number | $\beta_3$                                                                                      |
| Share Remaining *Age               | number | $\beta_4$                                                                                      |
| Diff(New Price-Fuel Savings)       | number | $\beta_5$                                                                                      |
| Diff(New Price-Fuel Savings)*Age   | number | $\beta_6$                                                                                      |
| Diff(New Price-Fuel Savings)*Age^2 | number | $\beta_7$                                                                                      |
| Diff(New Price-Fuel Savings)*Age^3 | number | $\beta_8$                                                                                      |
| Diff(Real Fuel Prices)             | number | $\beta_9$                                                                                      |
| Diff(CPM)                          | number | $\beta_{10}$                                                                                   |
| GDP Growth Rate                    | number | $\beta_{11}$                                                                                   |
| Intercept                          | number | $\beta_{12}$                                                                                   |
| MY                                 | number | $\beta_{13}$                                                                                   |
| MY Durability Cap                  | number | $\beta_{14}$                                                                                   |
| Decay Age                          | number | Age when the decay function takes over the scrappage estimates.                                |
| Final Survival Rate                | number | The observed historical final survival rate, ensured by the decay function to occur at age 40. |

### A.3.7 Historic Fleet Data

The *Historic Fleet Data* worksheet provides information about a historic fleet based on a specific reference CY. This reference CY should be equivalent to the first MY evaluated during the study period. For the current analysis, the first MY evaluated is 2022. The historic fleet data is defined for the same category of vehicles as specified on the *Vehicle Age Data* worksheet (specifically: cars, vans/SUVs, pickups, and 2b/3 trucks). Historic information about the initial fleet, the average transaction price, fuel economy levels, and the associated fuel shares are provided. The surviving on-road fleet during the reference CY is specified. To facilitate accurate functionality of the CAFE Model, historic fleet information must be defined starting with MY 1975 and extending through the year before the first MY evaluated during the study period (or, the year before the reference calendar year). For the current analysis, since the reference CY is 2022, the range of historic fleet data values must be defined for MYs 1975 to 2021.

Table 45. *Historic Fleet Data Worksheet*

| Model Characteristic                                                         | Units                 | Definition/Notes                                                                                                                                                                                                                                  |
|------------------------------------------------------------------------------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Model Year                                                                   | model year            | Model year for which historic fleet data is defined.                                                                                                                                                                                              |
| Vehicle Age                                                                  | age                   | Age of the historic fleet during CY 2020 (the reference calendar year). For reference only.                                                                                                                                                       |
| <b><i>Historic Fleet Data by Model Year and Vehicle Style in CY-2022</i></b> | <b><i>various</i></b> | Historic fleet information, which serves as the "seed" data for the various dynamic economic models and the effects model. The historic fleet data is defined for the fleet of a specific MY, with some values specified for a given vehicle age. |
| Initial Fleet                                                                | units                 | Initial production (the on-road fleet at age 0) for all vehicles of a specific historic MY.                                                                                                                                                       |
| On-Road Fleet                                                                | units                 | Surviving on-road fleet of all vehicles produced during a specific historic MY that are still on-road during CY 2022.                                                                                                                             |
| PC Share                                                                     | percentage            | Share of the on-road fleet that is regulated as passenger car. The remaining share is regulated as light truck.                                                                                                                                   |
| Fuel Economy (by Fuel Type)                                                  | mpg                   | Average on-road fuel economy for vehicles produced during a specific historic MY.                                                                                                                                                                 |
| Fuel Share (by Fuel Type)                                                    | percentage            | Average fuel economy shares for vehicles produced during a specific historic MY.                                                                                                                                                                  |
| Horsepower                                                                   | hp                    | Average horsepower for vehicles produced during a specific historic MY.                                                                                                                                                                           |
| Curb Weight                                                                  | lb                    | Average curb weight for vehicles produced during a specific historic MY.                                                                                                                                                                          |
| Fuel Capacity                                                                | gallons               | Average fuel tank capacity for vehicles produced during a specific historic MY.                                                                                                                                                                   |
| Transaction Price                                                            | dollars               | Average transaction price for vehicles produced during a specific historic MY.                                                                                                                                                                    |

### A.3.8 Safety Values

The *Safety Values* worksheet contains parameters for estimating fatalities and non-fatal injuries and crashes attributed to the changes in vehicle curb weights, as well as parameters for monetizing the safety effects related to fatal crashes, non-fatal crashes, and crashes related to property damages only. The parameters for weight-related safety effects are specified based on the safety class assignment of a vehicle, which are currently categorized as: passenger car, light truck/SUV, and minivan/CUV (as defined by Table 4 above). The *Safety Values* worksheet also includes a parameter for estimating the fatality risk internalized by the driver due to the rebound miles driven.

Table 46. *Safety Values Worksheet*

| Model Characteristic                   | Units                 | Definition/Notes                                                                                                                  |
|----------------------------------------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| <b><i>Values by Safety Class</i></b>   | <b><i>various</i></b> | Parameters used to calculate the change in fatalities per 100 lb reduction in curb weight, defined for each safety class.         |
| Threshold                              | lb                    | Boundary between "small" and "large" weight effects by safety class.                                                              |
| Change per 100 lb (Below Threshold)    | percentage            | Effect of weight reduction for vehicles below the weight threshold (aka, "small" effect).                                         |
| Change per 100 lb (At/Above Threshold) | percentage            | Effect of weight reduction for vehicles at or above the weight threshold (aka, "large" effect).                                   |
| <b><i>Safety Costs</i></b>             | <b><i>various</i></b> | Safety related costs.                                                                                                             |
| <b><i>Costs (by Category)</i></b>      | <b><i>various</i></b> | The costs are specified separately for vehicle-related fatalities, non-fatal injuries, and property damage only crashes.          |
| Cost                                   | dollars               | Social costs arising from vehicle fatalities, non-fatal injuries, or property damage only crashes.                                |
| Annual Growth Rate                     | percentage            | Annual growth rate to apply to social costs arising from vehicle fatalities, non-fatal injuries, or property damage only crashes. |
| <b><i>Other Values</i></b>             | <b><i>various</i></b> | Additional parameters for safety effects modeling.                                                                                |
| Base Year for Annual Growth            | model year            | Base year for annual growth rate for fatality costs per vehicle.                                                                  |
| Internalized Rebound Fatality Risk     | percentage            | Fatality risk internalized by the driver, attributed to the additional miles driven due to rebound.                               |

### A.3.9 Fatality Rates

The *Fatality Rates* worksheet contains actual and projected estimates of average fatality rates, non-fatal injury rates, and property damage only rates by MY and vehicle age. In the table below, “low,” “average,” and “high” correspond to the effectiveness of safety technology (e.g., low technology effectiveness) rather than low, average, or high-rate estimates. The rate values from this worksheet are used for computing the base incidence of fatal and non-fatal crashes, which are then scaled by the weight-related safety effects from the *Safety Values* worksheet to obtain the total amounts of fatal crashes, non-fatal crashes, and crashes related to property damages.

Table 47. *Fatality Rates Worksheet*

| Model Characteristic                 | Units         | Definition/Notes                                                                                                                                         |
|--------------------------------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Model Year                           | model year    | MY for which the fatality rates are defined.                                                                                                             |
| Calendar Year                        | calendar year | Calendar year for which the fatality rates are defined. For reference only.                                                                              |
| Vehicle Age                          | age           | Vehicle age for which the fatality rates are defined.                                                                                                    |
| Fatality Rate (Low)                  | number        | Fixed amount by which vehicle-related fatality incidents are offset for a specific MY and vehicle age, specified as incidents per billion VMT.           |
| Fatality Rate (Average)              | number        |                                                                                                                                                          |
| Fatality Rate (High)                 | number        |                                                                                                                                                          |
| Non-Fatal Injury Rate (Low)          | number        | Fixed amount by which vehicle-related non-fatal injuries are offset for a specific MY and vehicle age, specified as incidents per billion VMT.           |
| Non-Fatal Injury Rate (Average)      | number        |                                                                                                                                                          |
| Non-Fatal Injury Rate (High)         | number        |                                                                                                                                                          |
| Property Damage Crash Rate (Low)     | number        | Fixed amount by which vehicle-related property damage only crashes are offset for a specific MY and vehicle age, specified as incidents per billion VMT. |
| Property Damage Crash Rate (Average) | number        |                                                                                                                                                          |
| Property Damage Crash Rate (High)    | number        |                                                                                                                                                          |

### A.3.10 Credit Trading Values

The *Credit Trading Values* worksheet contains parameters for enabling credit transfers and credit carry forward in the CAFE Model. Although settings for credit trading and credit carry back are listed on this worksheet, the modeling system does not currently support either option. To facilitate fuel preserving adjustments when transferring credits between compliance categories (as required under the CAFE compliance program), the assumed lifetime VMT setting is included on the *Credit Trading Values* worksheet. However, this setting is additionally used by the model when estimating CAFE credits (denominated in thousands of gallons) and CO<sub>2</sub> credits

(denominated in metric tons) for the purposes of computing and ranking the effectiveness of new technology application. Furthermore, since the CAFE credits for the HDPUV regulatory class are measured in terms of gallons of fuel consumed over the useful life of a vehicle, the assumed lifetime VMT values are used when calculating the CAFE compliance credits earned by the manufacturer's HDPUV fleet.

Table 48. Credit Trading Values Worksheet

| Model Characteristic                          | Units   | Definition/Notes                                                                                                                                                                                     |
|-----------------------------------------------|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><i>Credit Trading Options</i></b>          |         |                                                                                                                                                                                                      |
| Trade credits between manufacturers           | boolean | This option is not used in this version of the model.                                                                                                                                                |
| Transfers credits between regulatory classes  | boolean | Whether to allow credit transfers between regulatory classes within the same manufacturer and MY.                                                                                                    |
| Carry credits forward into future model years | boolean | Whether to allow carrying of credits forward into the analysis year from earlier MYs within the same manufacturer and compliance category.                                                           |
| Maximum number of years to carry forward      | integer | Maximum number of MYs to look forward.                                                                                                                                                               |
| Carry credits backward into past model years  | boolean | This option is not used in this version of the model.                                                                                                                                                |
| Maximum number of years to carry backward     | integer | This option is not used in this version of the model.                                                                                                                                                |
| Transfer Caps (mpg)                           | mpg     | Transfer caps corresponding to the maximum amount of credits that may be transferred into a compliance category for each MY. The cap from the latest MY is carried forward for all subsequent years. |
| Assumed Lifetime VMT by Regulatory Class      | miles   | Assumed lifetime VMT to use when credits are transferred between compliance categories.                                                                                                              |
| <b><i>Additional Runtime Options</i></b>      |         |                                                                                                                                                                                                      |
| Maximum Expiring Credit Years to Consider     | integer | The modeling system will attempt to use available credits before they expire. This setting indicates maximum number of MYs to consider when using expiring credits.                                  |

### A.3.11 ZEV Credit Values

The *ZEV Credit Values* worksheet contains parameters allowing the modeling system to target ZEV requirements during compliance simulation. The ZEV parameters are defined separately for the light-duty and the HDPUV vehicle fleets.

Table 49. ZEV Credit Values Worksheet

| Model Characteristic            | Units      | Definition/Notes                                                                                                                                                        |
|---------------------------------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ZEV Requirement (%)             | percentage | Minimum percentage of zero emission vehicle (ZEV) credits that a manufacturer must generate to meet the ZEV requirement in each specified MY, for the light-duty fleet. |
| Max Credits from PHEV (%)       | percentage | Maximum percentage of ZEV credits that a manufacturer may generate from PHEVs to meet the ZEV requirement in each specified MY, for the light-duty fleet.               |
| HDPUV ZEV Requirement (%)       | percentage | Minimum percentage of zero emission vehicle (ZEV) credits that a manufacturer must generate to meet the ZEV requirement in each specified MY, for the HDPUV fleet.      |
| HDPUV Max Credits from PHEV (%) | percentage | Maximum percentage of ZEV credits that a manufacturer may generate from PHEVs to meet the ZEV requirement in each specified MY, for the HDPUV fleet.                    |

### A.3.12 Employment Values

The *Employment Values* worksheet is used for defining input assumptions necessary for calculating total U.S. labor hours for each vehicle model, as well as changes in U.S. labor years (or jobs) resulting from additional manufacturer revenue.

Table 50. Employment Values Worksheet

| Model Characteristic                        | Units   | Definition/Notes                                                                                    |
|---------------------------------------------|---------|-----------------------------------------------------------------------------------------------------|
| OEM Revenue per Employee                    | dollars | Manufacturer's revenue per employee.                                                                |
| Supplier Revenue per Employee               | dollars | Manufacturer supplier's revenue per employee.                                                       |
| RPE Markup                                  | number  | Retail price estimate markup applied to technology costs.                                           |
| Annual Labor Hours                          | hours   | Annual labor hours per employee.                                                                    |
| U.S. Assembly/Manufacturing Jobs Multiplier | number  | Multiplier to apply to U.S. final assembly to get U.S. direct automotive manufacturing labor hours. |
| Global Multiplier                           | number  | Multiplier to apply to all labor hours.                                                             |

### A.3.13 Fuel Properties

The *Fuel Properties* worksheet contains estimates of the physical properties of gasoline, diesel, and other types of fuels. The fuel properties are used to calculate the changes in vehicular carbon dioxide emissions that are likely to result from reduced motor fuel use. Energy density, mass density, and sulfur dioxide emissions related to each fuel type are also defined.



Table 51. Fuel Properties Worksheet

| Model Characteristic      | Units                | Definition/Notes                                                |
|---------------------------|----------------------|-----------------------------------------------------------------|
| Energy Density            | BTU/unit             | BTU per reported physical unit of fuel, specified by fuel type. |
| Mass Density              | grams/unit           | Mass per physical unit of fuel, specified by fuel type.         |
| Carbon Content            | percentage by weight | Average share of carbon in fuel, specified by fuel type.        |
| SO <sub>2</sub> Emissions | grams/unit           | Sulfur Oxides emissions rate of gasoline and diesel fuels.      |

### A.3.14 Fuel Import Assumptions

The *Fuel Import Assumptions* worksheet contains certain assumptions about the effects of reduced fuel use on different sources of petroleum feedstocks and on imports of refined fuels. These assumptions about the response of petroleum markets to reduced fuel use are used to calculate the changes in “upstream” emissions (from petroleum extraction and refining and from fuel storage and distribution) that are likely to result from reduced motor fuel use. The import assumptions are defined for select CYs evaluated by the model and are typically specified at five-year increments.

Table 52. Fuel Import Assumptions Worksheet

| Model Characteristic                                            | Units         | Definition/Notes                                                                   |
|-----------------------------------------------------------------|---------------|------------------------------------------------------------------------------------|
| Calendar Year (2022-2050)                                       | calendar year | The CY for which fuel import assumptions are defined.                              |
| Share of Fuel Savings Leading to Lower Fuel Imports             | percentage    | Assumed value for share of fuel savings leading to lower fuel imports.             |
| Share of Fuel Savings Leading to Reduced Domestic Fuel Refining | percentage    | Assumed value for share of fuel savings leading to reduced domestic fuel refining. |
| Share of Reduced Domestic Refining from Domestic Crude          | percentage    | Assumed value for share of reduced domestic refining from domestic crude oil.      |
| Share of Reduced Domestic Refining from Imported Crude          | percentage    | Assumed value for share of reduced domestic refining from imported crude oil.      |

### A.3.15 Emission Health Impacts

The *Emission Health Impacts* worksheet contains various health impacts attributed to upstream and downstream emissions associated with vehicle use. A count of incidents per short ton is defined, for select CYs, for NO<sub>x</sub>, SO<sub>x</sub>, and PM<sub>2.5</sub> criteria pollutants. The modeling system accepts and calculates incidents for the following health impacts.

|                                   |                                |                                      |
|-----------------------------------|--------------------------------|--------------------------------------|
| Premature deaths (Krewski)        | Upper respiratory symptoms     | Cardiovascular hospital admissions   |
| Respiratory emergency room visits | Minor restricted activity days | Respiratory hospital admissions      |
| Acute bronchitis                  | Work loss days                 | Non-fatal heart attacks (Peters)     |
| Lower respiratory symptoms        | Asthma exacerbation            | Non-fatal heart attacks (All others) |

Table 53. Emission Health Impacts Worksheet

| Model Characteristic                                                   | Units                   | Definition/Notes                                                                                                                                                                                                                         |
|------------------------------------------------------------------------|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Calendar Year<br>(2020, 2025, and 2030)                                | calendar year           | The CY for which emission health impacts are defined.                                                                                                                                                                                    |
| Upstream Emissions<br>(Refineries Sector)                              | incidents per short ton | Health impacts associated with upstream emissions of NO <sub>x</sub> , SO <sub>x</sub> , and PM <sub>2.5</sub> criteria pollutants that are emitted during petroleum refining.                                                           |
| Upstream Emissions<br>(Petroleum Extraction Sector)                    | incidents per short ton | Health impacts associated with upstream emissions of NO <sub>x</sub> , SO <sub>x</sub> , and PM <sub>2.5</sub> criteria pollutants that are emitted during extraction of crude oil.                                                      |
| Upstream Emissions<br>(Petroleum Transportation Sector)                | incidents per short ton | Health impacts associated with upstream emissions of NO <sub>x</sub> , SO <sub>x</sub> , and PM <sub>2.5</sub> criteria pollutants that are emitted during transportation of crude oil.                                                  |
| Upstream Emissions<br>(Fuel TS&D Sector)                               | incidents per short ton | Health impacts associated with upstream emissions of NO <sub>x</sub> , SO <sub>x</sub> , and PM <sub>2.5</sub> criteria pollutants that are emitted during transportation, storage, and distribution of refined fuel.                    |
| Upstream Emissions<br>(Electricity Generation Sector)                  | incidents per short ton | Health impacts associated with upstream emissions of NO <sub>x</sub> , SO <sub>x</sub> , and PM <sub>2.5</sub> criteria pollutants that are emitted during generation of electricity.                                                    |
| Vehicle Emissions (On-road light-duty gas cars and motorcycles sector) | incidents per short ton | Health impacts associated with downstream emissions of NO <sub>x</sub> , SO <sub>x</sub> , and PM <sub>2.5</sub> criteria pollutants that are produced by the light-duty passenger cars and motorcycles when operating on gasoline fuel. |

| Model Characteristic                                        | Units                   | Definition/Notes                                                                                                                                                                    |
|-------------------------------------------------------------|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Vehicle Emissions<br>(On-road light-duty gas trucks sector) | incidents per short ton | Health impacts associated with downstream emissions of NOx, SOx, and PM2.5 criteria pollutants that are produced by the light-duty trucks and SUVs when operating on gasoline fuel. |
| Vehicle Emissions<br>(On-road light-duty diesel sector)     | incidents per short ton | Health impacts associated with downstream emissions of NOx, SOx, and PM2.5 criteria pollutants that are produced by the light-duty fleet when operating on diesel fuel.             |
| Vehicle Emissions<br>(2b3 gas trucks)                       | incidents per short ton | Health impacts associated with downstream emissions of NOx, SOx, and PM2.5 criteria pollutants that are produced by the HDPUV fleet when operating on gasoline fuel.                |
| Vehicle Emissions<br>(2b3 diesel trucks)                    | incidents per short ton | Health impacts associated with downstream emissions of NOx, SOx, and PM2.5 criteria pollutants that are produced by the HDPUV fleet when operating on diesel fuel.                  |

The EPA analysis that is the source of estimates of health impacts and damage costs from criteria air pollutants used in the current version of the CAFE Model considers only health damages caused by exposure to fine particulate matter (PM<sub>2.5</sub>), and does not specify health impacts or damage costs resulting from exposure to carbon monoxide or volatile organic compounds (including pollutants formed in the atmosphere from chemical reactions involving VOCs). Thus, the modeling system estimates only health impacts and damage costs from direct emissions of PM<sub>2.5</sub> and chemical compounds that can form fine particulates in the atmosphere, including oxides of nitrogen and sulfur.<sup>103</sup>

### **A.3.16 Criteria Emission Costs**

The *Criteria Emission Costs* worksheet contains emission damage costs attributed to various criteria pollutants. As with the *Emission Health Impacts* worksheet, the greenhouse emission damage costs are defined for the same subset of CYs, separately for upstream and downstream emissions. Furthermore, the input costs associated with criteria pollutants are pre-discounted at 3 percent and 7 percent. As stated above, the EPA analysis from which the health impacts and emission damage costs of criteria pollutants are derived does not provide estimates for carbon monoxide or volatile organic compounds. Therefore, the inputs are only defined for NOx, SOx, and PM<sub>2.5</sub> criteria pollutants.

<sup>103</sup> See EPA, Technical Support Document: Estimating the Benefit per Ton of Reducing PM<sub>2.5</sub> Precursors From 17 Sectors, Office of Air and Radiation, Office of Air Quality Planning and Standards, February 2018 (available at [www.epa.gov/sites/production/files/2018-02/documents/sourceapportionmentbptsd\\_2018.pdf](http://www.epa.gov/sites/production/files/2018-02/documents/sourceapportionmentbptsd_2018.pdf)).

Table 54. Criteria Emission Costs Worksheet

| Model Characteristic                                                      | Units         | Definition/Notes                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Calendar Year<br>(2020, 2025, and 2030)                                   | calendar year | The CY for which criteria emission costs are defined.                                                                                                                                                                                                                                            |
| Upstream Emissions<br>(Refineries Sector)                                 | \$/short-ton  | Pre-discounted economic costs arising from upstream emission damage of NOx, SOx, and PM2.5 criteria pollutants that are emitted during petroleum refining. Tables of estimates pre-discounted at 3 percent and 7 percent are provided.                                                           |
| Upstream Emissions<br>(Petroleum Extraction Sector)                       | \$/short-ton  | Pre-discounted economic costs arising from upstream emission damage of NOx, SOx, and PM2.5 criteria pollutants that are emitted during extraction of crude oil. Tables of estimates pre-discounted at 3 percent and 7 percent are provided.                                                      |
| Upstream Emissions<br>(Petroleum Transportation Sector)                   | \$/short-ton  | Pre-discounted economic costs arising from upstream emission damage of NOx, SOx, and PM2.5 criteria pollutants that are emitted during transportation of crude oil. Tables of estimates pre-discounted at 3 percent and 7 percent are provided.                                                  |
| Upstream Emissions<br>(Fuel TS&D Sector)                                  | \$/short-ton  | Pre-discounted economic costs arising from upstream emission damage of NOx, SOx, and PM2.5 criteria pollutants that are emitted during transportation, storage, and distribution of refined fuel. Tables of estimates pre-discounted at 3 percent and 7 percent are provided.                    |
| Upstream Emissions<br>(Electricity Generation Sector)                     | \$/short-ton  | Pre-discounted economic costs arising from upstream emission damage of NOx, SOx, and PM2.5 criteria pollutants that are emitted during generation of electricity. Tables of estimates pre-discounted at 3 percent and 7 percent are provided.                                                    |
| Vehicle Emissions<br>(On-road light-duty gas cars and motorcycles sector) | \$/short-ton  | Pre-discounted economic costs arising from downstream emission damage of NOx, SOx, and PM2.5 criteria pollutants that are produced by the light-duty passenger cars and motorcycles when operating on gasoline fuel. Tables of estimates pre-discounted at 3 percent and 7 percent are provided. |
| Vehicle Emissions<br>(On-road light-duty gas trucks sector)               | \$/short-ton  | Pre-discounted economic costs arising from downstream emission damage of NOx, SOx, and PM2.5 criteria pollutants that are produced by the light-duty trucks and SUVs when operating on gasoline fuel. Tables of estimates pre-discounted at 3 percent and 7 percent are provided.                |

| Model Characteristic                                    | Units        | Definition/Notes                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Vehicle Emissions<br>(On-road light-duty diesel sector) | \$/short-ton | Pre-discounted economic costs arising from downstream emission damage of NO <sub>x</sub> , SO <sub>x</sub> , and PM <sub>2.5</sub> criteria pollutants that are produced by the light-duty fleet when operating on diesel fuel. Tables of estimates pre-discounted at 3 percent and 7 percent are provided. |
| Vehicle Emissions<br>(2b3 gas trucks)                   | \$/short-ton | Pre-discounted economic costs arising from downstream emission damage of NO <sub>x</sub> , SO <sub>x</sub> , and PM <sub>2.5</sub> criteria pollutants that are produced by the HDPUV fleet when operating on gasoline fuel. Tables of estimates pre-discounted at 3 percent and 7 percent are provided.    |
| Vehicle Emissions<br>(2b3 diesel trucks)                | \$/short-ton | Pre-discounted economic costs arising from downstream emission damage of NO <sub>x</sub> , SO <sub>x</sub> , and PM <sub>2.5</sub> criteria pollutants that are produced by the HDPUV fleet when operating on diesel fuel. Tables of estimates pre-discounted at 3 percent and 7 percent are provided.      |

### A.3.17 Greenhouse Emission Costs

The *Greenhouse Emission Costs* worksheet contains emission damage costs attributed to various greenhouse gases. Annual estimates of emission damage costs are provided at low, average, high, and very high assumptions. The modeling system uses these emission costs, along with the CO<sub>2</sub> discount rates specified on the *Economic Values* worksheet, when calculating lifetime fleetwide emission damage costs attributed to carbon dioxide, methane, and nitrous oxide greenhouse gases.

Table 55. *Greenhouse Emission Costs Worksheet*

| Model Characteristic                             | Units         | Definition/Notes                                                    |
|--------------------------------------------------|---------------|---------------------------------------------------------------------|
| Calendar Year                                    | calendar year | The CY for which greenhouse emission costs are defined.             |
| CO <sub>2</sub> (low, average, high, very high)  | \$/metric-ton | Economic costs arising from carbon dioxide damage in a specific CY. |
| CH <sub>4</sub> (low, average, high, very high)  | \$/metric-ton | Economic costs arising from methane damage in a specific CY.        |
| N <sub>2</sub> O (low, average, high, very high) | \$/metric-ton | Economic costs arising from nitrous oxide damage in a specific CY.  |

### A.3.18 Upstream Emissions

The *Upstream Emissions* worksheets contain emission factors for greenhouse gases and criteria pollutants associated with the production and distribution of the six fuel types supported in the model. In the case of gasoline, E85, and diesel fuels, the emission factors are separated into two sets representing the average emission estimates occurring at either the global or domestic petroleum producing facilities and refineries. For these fuel types, the emission factors are defined for select CYs evaluated by the model, typically specified at five-year increments, and

are further subdivided by stages of production and distribution representing emissions arising from petroleum extraction, transportation, and refining, and from transportation, storage, and distribution of refined fuel.

For electricity, hydrogen, and CNG, the production and distribution of a particular fuel type is assumed to occur entirely at domestic facilities. Hence, only a single set of emission estimates is included in the analysis. As with gasoline, E85, and diesel fuels, emission factors for electricity, hydrogen, and CNG fuel types are also specified for select CYs. However, for these fuel types, estimates of different stages of production and distribution are not applicable, with only the aggregate emission factor being defined for each CY.

*Table 56. Upstream Emissions Worksheets*

| Category                                                              | Model Characteristic         | Units            | Definition/Notes                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------|------------------------------|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| UE_Gasoline,<br>UE_Ethanol85,<br>UE_Diesel                            | Calendar Year<br>(2022-2050) | grams/mil<br>BTU | The CY for which upstream emissions attributable to a particular fuel type are defined.<br>The emissions in this group are defined to represent the average emission estimates from global petroleum producing facilities and refineries.            |
|                                                                       | Petroleum Extraction         | grams/mil<br>BTU | Total emissions by stage of fuel production and distribution from petroleum extraction, specified by pollutant and fuel type.                                                                                                                        |
|                                                                       | Petroleum Transportation     | grams/mil<br>BTU | Total emissions by stage of fuel production and distribution from petroleum transportation, specified by pollutant and fuel type.                                                                                                                    |
|                                                                       | Petroleum Refining           | grams/mil<br>BTU | Total emissions by stage of fuel production and distribution from petroleum refining, specified by pollutant and fuel type.                                                                                                                          |
|                                                                       | Fuel TS&D                    | grams/mil<br>BTU | Total emissions by stage of fuel production and distribution from refined fuel transportation, storage, and delivery, specified by pollutant and fuel type.                                                                                          |
| UE_Gasoline_Domestic,<br>UE_Ethanol85_Domestic,<br>UE_Diesel_Domestic | Calendar Year<br>(2022-2050) | grams/mil<br>BTU | The CY for which upstream emissions attributable to a particular fuel type are defined.<br>The emissions in this group are defined to represent the average emission estimates from only the domestic petroleum producing facilities and refineries. |
|                                                                       | Petroleum Extraction         | grams/mil<br>BTU | Total emissions by stage of fuel production and distribution from petroleum extraction, specified by pollutant and fuel type.                                                                                                                        |
|                                                                       | Petroleum Transportation     | grams/mil<br>BTU | Total emissions by stage of fuel production and distribution from petroleum transportation, specified by pollutant and fuel type.                                                                                                                    |
|                                                                       | Petroleum Refining           | grams/mil<br>BTU | Total emissions by stage of fuel production and distribution from petroleum refining, specified by pollutant and fuel type.                                                                                                                          |

| Category                                  | Model Characteristic         | Units            | Definition/Notes                                                                                                                                                                                                                                                        |
|-------------------------------------------|------------------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                           | Fuel TS&D                    | grams/mil<br>BTU | Total emissions by stage of fuel production and distribution from refined fuel transportation, storage, and delivery, specified by pollutant and fuel type.                                                                                                             |
| UE_Electricity,<br>UE_Hydrogen,<br>UE_CNG | Calendar Year<br>(1975-2050) | grams/mil<br>BTU | The CY for which upstream emissions attributable to a particular fuel type are defined. The values in this field also represent the average upstream emission estimates associated with the production of a specific fuel type at domestic energy producing facilities. |

### A.3.19 Tailpipe Emissions

The *Tailpipe Emissions* worksheets contain emission factors for greenhouse gas and criteria pollutant emissions resulting from vehicle operation. The tailpipe emissions are defined for gasoline and diesel fuel types only, and are specified for each MY, vehicle age, and vehicle class (LDV, LDT1/2a, and LDT2b/3). For simplicity, vehicles operating on gasoline and E85 fuels use the tailpipe emissions provided on the TE\_Gasoline worksheet, vehicles operating on diesel fuel use the emissions specified on the TE\_Diesel worksheet, while vehicles operating on the remainder of the fuel types (e.g., electricity) are assumed not to generate any emissions during on-road use.

Table 57. Tailpipe Emissions Worksheets

| Model Characteristic                          | Units      | Definition/Notes                                                                                                                                                                          |
|-----------------------------------------------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Emission Rates<br>(by Fuel Type<br>and Fleet) | grams/mile | Vehicle emission rates from gasoline or diesel operation. Emission rates are specified for each fleet (LDV, LDT1/2a, and LDT2b/3), for historic and future MYs, and for each vehicle age. |

### A.3.20 Brake and Tire Wear Emissions

The *BTW Emissions* worksheet defines fine particulate matter (PM<sub>2.5</sub>) emission factors attributed to the wear of vehicle brakes and tires that occur during vehicle operation. Unlike tailpipe emissions, which are captured from the gasoline, E85, and diesel fuels only, the brake and tire wear emissions occur irrespective of the fuel type that the vehicle operates on. Therefore, these emission factors may be defined independently for each type of fuel. Furthermore, two sets of brake and tire wear inputs are available to the modeling system: (1) emission rates for vehicles that were produced in MY 2010 and earlier, and (2) emission rates for vehicles that were produced in MY 2011 and later.

Table 58. BTW Emissions Worksheet

| Model Characteristic               | Units      | Definition/Notes                                                                                                                                 |
|------------------------------------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| PM2.5 Brake Wear<br>(by Fuel Type) | grams/mile | Vehicle emissions rates of PM2.5 associated with brake wear. Brake wear emission rates are specified for each fleet (LDV, LDT1/2a, and LDT2b/3). |
| PM2.5 Tire Wear<br>(by Fuel Type)  | grams/mile | Vehicle emissions rates of PM2.5 associated with tire wear. Tire wear emission rates are specified for each fleet (LDV, LDT1/2a, and LDT2b/3).   |

#### A.4 Scenarios File

The scenarios file provides one or more worksheets that begin with “SCEN\_” and are identified as CAFE regulatory scenarios, which are defined in terms of the design and stringency of the CAFE program. Internally, the system numbers these scenarios as 0, 1, 2 ..., based on the order in which they appear in the input file. The first worksheet is assigned to “Scenario 0,” and is identified as the baseline scenario to which all others are compared. While the CAFE Model evaluates domestic and imported passenger automobiles as separate regulatory classes (as defined in Table 2 above), since NHTSA defines a common standard for Domestic Car and Imported Car regulatory classes, the scenario definition provides a common “Passenger Car” sub-section describing the regulatory requirements applicable to those classes. As discussed above, the “Regulatory Class” column on the vehicles worksheet is used to indicate whether the vehicle is regulated as a Domestic Car (DC), Imported Car (IC), Light Truck (LT), or HDPUV, where DC and IC vehicles would use the “Passenger Car” portion of the scenario definition. In each *Scenario* worksheet, the specifications for each regulatory class are defined separately, using the parameters described in the two tables below, with the exception of the “Reclassify Vehicles” option, which is defined in a global “Light Duty” section. The “Reclassify Vehicles” is a boolean value that indicates whether to assign secondary regulatory classification to the light-duty vehicles during a given year, based on the assignment in the “Regulatory Class 2” column of the *Vehicles* worksheet in the market data input file.

Table 59. Scenarios Worksheet – Function Definition

| Row                              | Units      | Definition/Notes                                                                                                                                                                                                                                                                          |
|----------------------------------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Function                         | integer    | Functional form to use for computing the vehicle fuel economy target.                                                                                                                                                                                                                     |
| A – J<br>(function coefficients) | number     | Coefficients associated with the functional form to use for computing the vehicle fuel economy target.                                                                                                                                                                                    |
| Min (mpg)                        | mpg        | Alternative minimum CAFE standard that each manufacturer must attain within the DC regulatory class, specified as a flat-standard in miles/gallon, or 0 or <blank> if not applicable. The <i>Min (mpg)</i> and <i>Min (%)</i> values may only be defined for the “Passenger Car” section. |
| Min (%)                          | percentage | Alternative minimum CAFE standard that each manufacturer must attain within the DC regulatory class, specified as a                                                                                                                                                                       |



| Row                              | Units   | Definition/Notes                                                                                                                                                                                                                                                                    |
|----------------------------------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                  |         | percentage of the average requirement under the function-based standard, or 0 or <blank> if not applicable. The <i>Min (mpg)</i> and <i>Min (%)</i> values may only be defined for the “Passenger Car” section.                                                                     |
| CO <sub>2</sub> Function         | integer | Functional form to use for computing the vehicle CO <sub>2</sub> target.                                                                                                                                                                                                            |
| A – J<br>(function coefficients) | number  | Coefficients associated with the functional form to use for computing the vehicle CO <sub>2</sub> target.                                                                                                                                                                           |
| CO <sub>2</sub> Factor           | g/gal   | The multiplicative factor (in grams of CO <sub>2</sub> per gallon of fuel) to use for converting between fuel consumption targets and CO <sub>2</sub> targets. If not specified, this setting will default to a value of 8887.                                                      |
| CO <sub>2</sub> Offset           | g/mi    | The amount (in grams of CO <sub>2</sub> per mile) by which to shift the CO <sub>2</sub> targets after conversion from fuel economy.                                                                                                                                                 |
| CO <sub>2</sub> Include Upstream | boolean | Whether to include upstream emissions when calculating the CO <sub>2</sub> rating for electricity and hydrogen fuel types. If not specified, this setting will default to a value of false.                                                                                         |
| EPA Multiplier 1                 | number  | Production multiplier, used to scale the sales volumes of CNGs and PHEVs when computing the manufacturer CO <sub>2</sub> rating toward compliance with CO <sub>2</sub> standards. This value must be between 1 and 10. If not specified, this setting will default to a value of 1. |
| EPA Multiplier 2                 | number  | Production multiplier, used to scale the sales volumes of BEVs and FCVs when computing the manufacturer CO <sub>2</sub> rating toward compliance with CO <sub>2</sub> standards. This value must be between 1 and 10. If not specified, this setting will default to a value of 1.  |

Table 60. Scenarios Worksheet – Supplemental Options

| Row                          | Units     | Definition/Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Standard Setting Year        | boolean   | Whether new standards are being set during a given year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Fine Rate                    | \$/credit | The CAFE fine rate for noncompliance in dollars per one credit of shortfall.                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Credit Value                 | \$/credit | Value of a single CAFE credit.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| CO <sub>2</sub> Credit Value | \$/credit | Value of a single CO <sub>2</sub> credit.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Multi-Fuel                   | integer   | The applicability of multi-fuel vehicles for compliance calculations (does not apply to single-fuel vehicles):<br>0 = only gasoline fuel economy value is considered (gasoline fuel share is assumed to be 100%); this mode is not applicable when calculating combined CO <sub>2</sub> rating of vehicles, and if specified, will default to mode 1 instead;<br>1 = for Gasoline/Ethanol-85 vehicles, only the gasoline fuel economy value is considered (gasoline fuel share is assumed to be 100%); for Gasoline/Electricity vehicles, |

| Row                          | Units      | Definition/Notes                                                                                                                                                                                                                                                                                                                             |
|------------------------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                              |            | both fuel economy values are considered;<br>2 = for Gasoline/Ethanol-85 and Gasoline/Electricity vehicles, both fuel economy values are considered.                                                                                                                                                                                          |
| Non-Electric PHEVs           | boolean    | Whether to exclude the electricity component from PHEVs for effects calculations.                                                                                                                                                                                                                                                            |
| FFV Share                    | percentage | The statutory fuel share to use for compliance for flex-fuel vehicles (FFVs), whenever the Multi-Fuel mode is 2. This fuel share applies only to vehicles operating on gasoline and ethanol-85 fuel types. The maximum of this setting and the vehicle's assumed on-road fuel share will be used for compliance.                             |
| PHEV Share                   | percentage | The statutory fuel share to use for compliance for plug-in hybrid-electric vehicles (PHEVs), whenever the Multi-Fuel mode is either 1 or 2. This fuel share applies only to vehicles operating on gasoline and electricity fuel types. The maximum of this setting and the vehicle's assumed on-road fuel share will be used for compliance. |
| Apply PEF                    | boolean    | Whether the petroleum equivalence factors (PEFs) are applicable during a given year, for vehicles that operate on electricity (i.e., PHEVs and BEVs).                                                                                                                                                                                        |
| PEF 1                        | W-h/gallon | The PEF applicable to the battery electric vehicles (BEVs).                                                                                                                                                                                                                                                                                  |
| PEF 2                        | W-h/gallon | The PEF applicable to the plug-in hybrid-electric vehicles (PHEVs).                                                                                                                                                                                                                                                                          |
| CAFE - AC Efficiency Cap     | grams/mile | Maximum amount of credits, in grams/mile of CO <sub>2</sub> , associated with improvements in air conditioning efficiency a manufacturer may claim toward compliance with NHTSA's CAFE standards for non-battery-electric vehicles (non-BEVs).                                                                                               |
| CAFE - Off-Cycle Cap         | grams/mile | Maximum amount of off-cycle credits, in grams/mile of CO <sub>2</sub> , a manufacturer may claim toward compliance with NHTSA's CAFE standards for non-battery-electric vehicles (non-BEVs).                                                                                                                                                 |
| CAFE - AC Efficiency BEV Cap | grams/mile | Maximum amount of credits, in grams/mile of CO <sub>2</sub> , associated with improvements in air conditioning efficiency a manufacturer may claim toward compliance with NHTSA's CAFE standards for battery-electric vehicles (BEVs).                                                                                                       |
| CAFE - Off-Cycle BEV Cap     | grams/mile | Maximum amount of off-cycle credits, in grams/mile of CO <sub>2</sub> , a manufacturer may claim toward compliance with NHTSA's CAFE standards for battery-electric vehicles (BEVs).                                                                                                                                                         |

| Row                                     | Units          | Definition/Notes                                                                                                                                                                                                                                  |
|-----------------------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CO <sub>2</sub> - AC Efficiency Cap     | grams/mile     | Maximum amount of credits, in grams/mile of CO <sub>2</sub> , associated with improvements in air conditioning efficiency a manufacturer may claim toward compliance with CO <sub>2</sub> standards for non-battery-electric vehicles (non-BEVs). |
| CO <sub>2</sub> - AC Leakage Cap        | grams/mile     | Maximum amount of credits, in grams/mile of CO <sub>2</sub> , associated with improvements in air conditioning leakage a manufacturer may claim toward compliance with CO <sub>2</sub> standards for non-battery-electric vehicles (non-BEVs).    |
| CO <sub>2</sub> - Off-Cycle Cap         | grams/mile     | Maximum amount of off-cycle credits, in grams/mile of CO <sub>2</sub> , a manufacturer may claim toward compliance with CO <sub>2</sub> standards for non-battery-electric vehicles (non-BEVs).                                                   |
| CO <sub>2</sub> - AC Efficiency BEV Cap | grams/mile     | Maximum amount of credits, in grams/mile of CO <sub>2</sub> , associated with improvements in air conditioning efficiency a manufacturer may claim toward compliance with CO <sub>2</sub> standards for battery-electric vehicles (BEVs).         |
| CO <sub>2</sub> - AC Leakage BEV Cap    | grams/mile     | Maximum amount of credits, in grams/mile of CO <sub>2</sub> , associated with improvements in air conditioning leakage a manufacturer may claim toward compliance with CO <sub>2</sub> standards for battery-electric vehicles (BEVs).            |
| CO <sub>2</sub> - Off-Cycle BEV Cap     | grams/mile     | Maximum amount of off-cycle credits, in grams/mile of CO <sub>2</sub> , a manufacturer may claim toward compliance with CO <sub>2</sub> standards for battery-electric vehicles (BEVs).                                                           |
| AC Efficiency Costs                     | \$/credit      | Estimated cost of each AC Efficiency credit that a manufacturer claims toward compliance. This value is specified in \$/credit, where each credit is in turn denominated in grams/mile of CO <sub>2</sub> .                                       |
| AC Leakage Costs                        | \$/credit      | Estimated cost of each AC Leakage credit that a manufacturer claims toward compliance. This value is specified in \$/credit, where each credit is in turn denominated in grams/mile of CO <sub>2</sub> .                                          |
| Off-Cycle Costs                         | \$/credit      | Estimated cost of each Off-Cycle credit that a manufacturer claims toward compliance. This value is specified in \$/credit, where each credit is in turn denominated in grams/mile of CO <sub>2</sub> .                                           |
| SHEV Tax Credit                         | dollar/vehicle | Maximum amount of vehicle tax credits (aka, Federal Incentives) attributed to the purchase of a strong hybrid-electric vehicle (SHEV).                                                                                                            |
| PHEV Tax Credit                         | dollar/vehicle | Maximum amount of vehicle tax credits (aka, Federal Incentives) attributed to the purchase of a plug-in hybrid-electric vehicle (PHEV).                                                                                                           |

| Row                       | Units          | Definition/Notes                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BEV Tax Credit            | dollar/vehicle | Maximum amount of vehicle tax credits (aka, Federal Incentives) attributed to the purchase of a battery electric vehicle (BEV).                                                                                                                                                                                                                                                                                                        |
| FCV Tax Credit            | dollar/vehicle | Maximum amount of vehicle tax credits (aka, Federal Incentives) attributed to the purchase of a fuel cell vehicle (FCV).                                                                                                                                                                                                                                                                                                               |
| Tax Credit Scale          | percentage     | Amount by which to scale the vehicle tax credits attributed to the purchase of a hybrid/electric vehicle.<br>Note: This value is defined from the consumer's perspective, which results in the amount of vehicle tax credits claimed by a vehicle buyer. Conversely, the inverse of the scale (i.e., 1 - scale) is defined from the manufacturer's perspective, which results in the amount of credits apportioned to a manufacturer.  |
| Apply Tax Credits         | boolean        | Whether to consider vehicle tax credits when estimating technology cost effectiveness as well as when evaluating the Dynamic Economic Models.                                                                                                                                                                                                                                                                                          |
| SHEV Battery Tax Credit   | dollar/kwh     | Amount of battery tax credits (aka, Federal Incentives) attributed to the purchase of a strong hybrid-electric vehicle (SHEV).                                                                                                                                                                                                                                                                                                         |
| PHEV Battery Tax Credit   | dollar/kwh     | Amount of battery tax credits (aka, Federal Incentives) attributed to the purchase of a plug-in hybrid-electric vehicle (PHEV).                                                                                                                                                                                                                                                                                                        |
| BEV Battery Tax Credit    | dollar/kwh     | Amount of battery tax credits (aka, Federal Incentives) attributed to the purchase of a battery electric vehicle (BEV).                                                                                                                                                                                                                                                                                                                |
| FCV Battery Tax Credit    | dollar/kwh     | Amount of battery tax credits (aka, Federal Incentives) attributed to the purchase of a fuel cell vehicle (FCV).                                                                                                                                                                                                                                                                                                                       |
| Battery Tax Credit Scale  | percentage     | Amount by which to scale the battery tax credits attributed to the purchase of a hybrid/electric vehicle.<br>This value is defined from the consumer's perspective, which results in the amount of battery tax credits passed through to a vehicle buyer. Conversely, the inverse of the scale (i.e., 1 - scale) is defined from the manufacturer's perspective, which results in the amount of credits apportioned to a manufacturer. |
| Apply Battery Tax Credits | boolean        | Whether to consider battery tax credits when estimating technology cost effectiveness as well as when evaluating the Dynamic Economic Models.                                                                                                                                                                                                                                                                                          |
| Payload Return            | percentage     | Percentage of curb weight reduction returned to payload capacity. This setting applies whenever mass reduction technology is installed to a vehicle. For example, if payload return is 0 percent, the vehicle's payload                                                                                                                                                                                                                |

| Row           | Units      | Definition/Notes                                                                                                                                                                                                                                                                                                                   |
|---------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               |            | capacity remains the same; if payload return is 100 percent, the vehicle's reduction in curb weight goes entirely to payload.                                                                                                                                                                                                      |
| Towing Return | percentage | Percentage of GVWR reduction returned to towing capacity. This setting applies whenever mass reduction technology is installed to a vehicle. For example, if towing return is 0 percent, the vehicle's towing capacity remains the same; if towing return is 100 percent, the vehicle's reduction in GVWR goes entirely to towing. |

#### A.4.1 Target Functions

The CAFE Model supports various function types for defining the fuel economy target function (as well as the associated CO<sub>2</sub> target function) for use during analysis, as outlined by Table 7 in Section 3 above. Equation (4) (also in Section 3) provides the detailed description of the functional form commonly used during the most recent analysis. Table 61 and Table 62 below, however, present summarized descriptions of all functional forms supported in the modeling system. For the functions defined by Table 61, the CAFE Model first calculates the fuel economy target for a given vehicle model, then converts it to an associated CO<sub>2</sub> target, as described by Equation (5) in Section 3. Conversely, the functions in Table 62 are applicable to the CO<sub>2</sub> program only, with the CO<sub>2</sub> targets being computed directly.

Table 61. Target Functions (CAFE and CO<sub>2</sub> Programs)

| Function | Description                                                                                                                        | Specification                                                                                                                                            |
|----------|------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1        | Flat standard.<br>A: mpg                                                                                                           | $T_{FE} = \frac{1}{A}$                                                                                                                                   |
| 2        | Logistic area-based function.<br>A: mpg ("ceiling")<br>B: mpg ("floor")<br>C: square feet ("midpoint")<br>D: square feet ("width") | $T_{FE} = \frac{1}{A} + \left( \frac{1}{B} - \frac{1}{A} \right) \times \frac{e^{\left( \frac{FP-C}{D} \right)}}{1 + e^{\left( \frac{FP-C}{D} \right)}}$ |
| 3        | Logistic weight-based function.<br>A: mpg ("ceiling")<br>B: mpg ("floor")<br>C: pounds ("midpoint")<br>D: pounds ("width")         | $T_{FE} = \frac{1}{A} + \left( \frac{1}{B} - \frac{1}{A} \right) \times \frac{e^{\left( \frac{CW-C}{D} \right)}}{1 + e^{\left( \frac{CW-C}{D} \right)}}$ |
| 4        | Exponential area-based function.<br>A: mpg ("ceiling")<br>B: mpg (should be > A)<br>C: square feet (determines "height")           | $T_{FE} = \frac{1}{A} - \frac{e^{\left( \frac{1-FP}{C} \right)}}{B}$                                                                                     |

| Function | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Specification                                                                                                                                                               |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5        | Exponential weight-based function.<br><b>A:</b> mpg ("ceiling")<br><b>B:</b> mpg (should be > A)<br><b>C:</b> pounds (determines "height")                                                                                                                                                                                                                                                                                                                                 | $T_{FE} = \frac{1}{A} - \frac{e^{\left(\frac{1-CW}{C}\right)}}{B}$                                                                                                          |
| 6        | Linear area-based function.<br><b>A:</b> mpg ("ceiling")<br><b>B:</b> mpg ("floor")<br><b>C:</b> change in gpm / change in square feet ("slope" of the function)<br><b>D:</b> gpm ("y-intercept")                                                                                                                                                                                                                                                                          | $T_{FE} = \max\left(\frac{1}{A}, \min\left(\frac{1}{B}, C \times FP + D\right)\right)$                                                                                      |
| 7        | Linear weight-based function.<br><b>A:</b> mpg ("ceiling")<br><b>B:</b> mpg ("floor")<br><b>C:</b> change in gpm / change in pounds ("slope" of the function)<br><b>D:</b> gpm ("y-intercept")                                                                                                                                                                                                                                                                             | $T_{FE} = \max\left(\frac{1}{A}, \min\left(\frac{1}{B}, C \times CW + D\right)\right)$                                                                                      |
| 8        | Linear work-factor-based function.<br><br><b><i>Coefficients for gasoline and CNG vehicles, SHEVs, and PHEVs</i></b><br><b>A:</b> change in gal/100-miles / change in work-factor ("slope" of the function)<br><b>B:</b> gallons per 100-miles ("y-intercept")<br><b><i>Coefficients for diesel vehicles, BEVs, and FCVs</i></b><br><b>C:</b> change in gal/100-miles / change in work-factor ("slope" of the function)<br><b>D:</b> gallons per 100-miles ("y-intercept") | $T_{FE} = \left(\frac{C \times WF + D}{A \times WF + B}\right)$<br><br>The target function uses different coefficients, depending on the fuel type the vehicle operates on. |
| 9        | Linear work-factor-based function.<br><b>A:</b> change in gal/100-miles / change in work-factor ("slope" of the function)<br><b>B:</b> gallons per 100-miles ("y-intercept")                                                                                                                                                                                                                                                                                               | $T_{FE} = (A \times WF + B)$                                                                                                                                                |
| 10       | Linear work-factor-based function with an upper bound.<br><b>A:</b> change in gal/100-miles / change in work-factor ("slope" of the function)<br><b>B:</b> gallons per 100-miles ("y-intercept")<br><b>C:</b> gallons per 100-miles ("ceiling")                                                                                                                                                                                                                            | $T_{FE} = \min(A \times WF + B, C)$                                                                                                                                         |

| Function | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Specification                                                                                                                                                                                                                                                                                                                                                                          |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 16       | <p>Linear CARB-conditional area-based function</p> <p><b>Coefficients for non-CARB manufacturers</b><br/> <b>A:</b> mpg ("ceiling")<br/> <b>B:</b> mpg ("floor")<br/> <b>C:</b> change in gpm / change in square feet<br/> <b>D:</b> gpm ("y-intercept")</p> <p><b>Coefficients for CARB manufacturers</b><br/> <b>E:</b> mpg ("ceiling")<br/> <b>F:</b> mpg ("floor")<br/> <b>G:</b> change in gpm / change in square feet<br/> <b>H:</b> gpm ("y-intercept")</p> | <p>If the manufacturer <u>does not</u> subscribe to the CARB agreement, the following function applies:</p> $T_{FE} = \max\left(\frac{1}{A}, \min\left(\frac{1}{B}, C \times FP + D\right)\right)$ <p>If the manufacturer subscribes to the CARB agreement, the following function applies:</p> $T_{FE} = \max\left(\frac{1}{E}, \min\left(\frac{1}{F}, G \times FP + H\right)\right)$ |
| 17       | <p>Linear CARB-conditional weight-based function</p> <p><b>Coefficients for non-CARB manufacturers</b><br/> <b>A:</b> mpg ("ceiling")<br/> <b>B:</b> mpg ("floor")<br/> <b>C:</b> change in gpm / change in pounds<br/> <b>D:</b> gpm ("y-intercept")</p> <p><b>Coefficients for CARB manufacturers</b><br/> <b>E:</b> mpg ("ceiling")<br/> <b>F:</b> mpg ("floor")<br/> <b>G:</b> change in gpm / change in pounds<br/> <b>H:</b> gpm ("y-intercept")</p>         | <p>If the manufacturer <u>does not</u> subscribe to the CARB agreement, the following function applies:</p> $T_{FE} = \max\left(\frac{1}{A}, \min\left(\frac{1}{B}, C \times CW + D\right)\right)$ <p>If the manufacturer subscribes to the CARB agreement, the following function applies:</p> $T_{FE} = \max\left(\frac{1}{E}, \min\left(\frac{1}{F}, G \times CW + H\right)\right)$ |
| 206      | <p>Dual linear area-based function.</p> <p><b>Primary function coefficients</b><br/> <b>A:</b> mpg ("ceiling")<br/> <b>B:</b> mpg ("floor")<br/> <b>C:</b> change in gpm / change in square feet<br/> <b>D:</b> gpm ("y-intercept")</p> <p><b>Secondary function coefficients</b><br/> <b>E:</b> mpg ("ceiling")<br/> <b>F:</b> mpg ("floor")<br/> <b>G:</b> change in gpm / change in square feet<br/> <b>H:</b> gpm ("y-intercept")</p>                          | $T_{FE} = \min\left(\max\left(\frac{1}{A}, \min\left(\frac{1}{B}, C \times FP + D\right)\right), \max\left(\frac{1}{E}, \min\left(\frac{1}{F}, G \times FP + H\right)\right)\right)$                                                                                                                                                                                                   |

| Function | Description                                                                                                                                                                                                                                                                                                                                                                                                                       | Specification                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 207      | <p>Dual linear weight-based function.</p> <p><b>Primary function coefficients</b><br/> <b>A:</b> mpg ("ceiling")<br/> <b>B:</b> mpg ("floor")<br/> <b>C:</b> change in gpm / change in pounds<br/> <b>D:</b> gpm ("y-intercept")</p> <p><b>Secondary function coefficients</b><br/> <b>E:</b> mpg ("ceiling")<br/> <b>F:</b> mpg ("floor")<br/> <b>G:</b> change in gpm / change in pounds<br/> <b>H:</b> gpm ("y-intercept")</p> | $T_{FE} = \min \left( \max \left( \frac{1}{A}, \min \left( \frac{1}{B}, C \times CW + D \right) \right), \max \left( \frac{1}{E}, \min \left( \frac{1}{F}, G \times CW + H \right) \right) \right)$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 208      | <p>Dual linear work-factor-based function.</p> <p><b>Primary function coefficients</b><br/> <b>A-D:</b> refer to function 8 above</p> <p><b>Secondary function coefficients</b><br/> <b>E:</b> the model year whose function serves as the "floor" for this function</p>                                                                                                                                                          | <p>For this target function, the CAFE Model calculates the target function in a series of steps.</p> <ol style="list-style-type: none"> <li>(1) The model uses supplied coefficients <b>A-D</b> and target function 8 defined above to calculate the initial target for the vehicle,</li> <li>(2) Then, a secondary "floor" target for the vehicle is calculated based on the function defined in the MY given by coefficient <b>E</b> (typically, the target function defined for MY <b>E</b> should be 1, 8, or 208),</li> <li>(3) Lastly, the model takes the minimum of the targets calculated in steps (1) and (2) to obtain the final target for a given vehicle model.</li> </ol> <p>The above steps can be summarized by the following equation:</p> $T_{FE} = \min(f(8, A \dots D), f(E))$ |

Table 62. Target Functions (CO<sub>2</sub> Program Only)

| Function | Description                                                                                                                                                                                                                                                                                                                                                                                                 | Specification                                                                                                    |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| 306      | <p>Piecewise linear area-based function (applicable to CO<sub>2</sub> program only)</p> <p><b>A:</b> grams/mile at lower bound ("floor")<br/> <b>B:</b> grams/mile at upper bound ("ceiling")<br/> <b>C:</b> change in grams/mile / change in square feet ("slope" of the function)<br/> <b>D:</b> grams/mile ("y-intercept")<br/> <b>E:</b> footprint lower bound<br/> <b>F:</b> footprint upper bound</p> | $T_{CO2} = \begin{cases} A, & FP \leq E \\ B, & FP > F \\ \min(B, C \times FP + D), & E < FP \leq F \end{cases}$ |



| Function | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Specification                                                                                                    |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| 307      | <p>Piecewise linear weight-based function (applicable to CO<sub>2</sub> program only)</p> <p><b>A:</b> grams/mile at lower bound ("floor")<br/> <b>B:</b> grams/mile at upper bound ("ceiling")<br/> <b>C:</b> change in grams/mile / change in pounds<br/> ("slope" of the function)<br/> <b>D:</b> grams/mile ("y-intercept")<br/> <b>E:</b> curb weight lower bound<br/> <b>F:</b> curb weight upper bound</p>                                                                                                    | $T_{CO2} = \begin{cases} A, & CW \leq E \\ B, & CW > F \\ \min(B, C \times CW + D), & E < CW \leq F \end{cases}$ |
| 308      | <p>Linear work-factor-based function (applicable to CO<sub>2</sub> program only)</p> <p><b><i>Coefficients for gasoline and CNG vehicles, SHEVs, and PHEVs</i></b><br/> <b>A:</b> change in grams/mile / change in work-factor<br/> ("slope" of the function)<br/> <b>B:</b> grams/mile ("y-intercept")<br/> <b><i>Coefficients for diesel vehicles, BEVs, and FCVs</i></b><br/> <b>C:</b> change in grams/mile / change in work-factor<br/> ("slope" of the function)<br/> <b>D:</b> grams/mile ("y-intercept")</p> | $T_{CO2} = \begin{pmatrix} C \times WF + D, \\ A \times WF + B \end{pmatrix}$                                    |
| 309      | <p>Linear work-factor-based function (applicable to CO<sub>2</sub> program only).</p> <p><b>A:</b> change in grams/mile / change in work-factor<br/> ("slope" of the function)<br/> <b>B:</b> grams/mile ("y-intercept")</p>                                                                                                                                                                                                                                                                                         | $T_{CO2} = (A \times WF + B)$                                                                                    |

| Function | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Specification                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 310      | <p>Linear work-factor-based function with an upper bound<br/>(applicable to CO<sub>2</sub> program only).</p> <p><b>A:</b> change in grams/mile / change in work-factor<br/>("slope" of the function)<br/><b>B:</b> grams/mile ("y-intercept")<br/><b>C:</b> grams/mile ("ceiling")</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | $T_{CO2} = \min(A \times WF + B, C)$                                                                                                                                                                                                                                                                                                                                                                                                       |
| 316      | <p>Piecewise linear CARB-conditional area-based function<br/>(applicable to CO<sub>2</sub> program only)</p> <p><b><i>Coefficients for non-CARB manufacturers</i></b><br/> <b>A:</b> grams/mile at lower bound ("floor")<br/> <b>B:</b> grams/mile at upper bound ("ceiling")<br/> <b>C:</b> change in grams/mile / change in square feet<br/> <b>D:</b> grams/mile ("y-intercept")</p> <p><b><i>Bounding function coefficients</i></b><br/> <b>E:</b> footprint lower bound<br/> <b>F:</b> footprint upper bound</p> <p><b><i>Coefficients for CARB manufacturers</i></b><br/> <b>G:</b> grams/mile at lower bound ("floor")<br/> <b>H:</b> grams/mile at upper bound ("ceiling")<br/> <b>I:</b> change in grams/mile / change in square feet<br/> <b>J:</b> grams/mile ("y-intercept")</p> | <p>If the manufacturer <u>does not</u> subscribe to the CARB agreement, the following function applies:</p> $T_{CO2} = \begin{cases} A, & FP \leq E \\ B, & FP > F \\ \min(B, C \times FP + D), & E < FP \leq F \end{cases}$ <p>If the manufacturer subscribes to the CARB agreement, the following function applies:</p> $T_{CO2} = \begin{cases} G, & FP \leq E \\ H, & FP > F \\ \min(H, I \times CW + J), & E < FP \leq F \end{cases}$ |

| Function | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Specification                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 317      | <p>Piecewise linear CARB-conditional weight-based function<br/>(applicable to CO<sub>2</sub> program only)</p> <p><b><i>Coefficients for non-CARB manufacturers</i></b><br/> <b>A:</b> grams/mile at lower bound ("floor")<br/> <b>B:</b> grams/mile at upper bound ("ceiling")<br/> <b>C:</b> change in grams/mile / change in pounds<br/> <b>D:</b> grams/mile ("y-intercept")</p> <p><b><i>Bounding function coefficients</i></b><br/> <b>E:</b> curb weight lower bound<br/> <b>F:</b> curb weight upper bound</p> <p><b><i>Coefficients for CARB manufacturers</i></b><br/> <b>G:</b> grams/mile at lower bound ("floor")<br/> <b>H:</b> grams/mile at upper bound ("ceiling")<br/> <b>I:</b> change in grams/mile / change in pounds<br/> <b>J:</b> grams/mile ("y-intercept")</p> | <p>If the manufacturer <u>does not</u> subscribe to the CARB agreement, the following function applies:</p> $T_{CO_2} = \begin{cases} A, & CW \leq E \\ B, & CW > F \\ \min(B, C \times CW + D), & E < CW \leq F \end{cases}$ <p>If the manufacturer subscribes to the CARB agreement, the following function applies:</p> $T_{CO_2} = \begin{cases} G, & CW \leq E \\ H, & CW > F \\ \min(H, I \times CW + J), & E < CW \leq F \end{cases}$ |
| 406      | <p>Dual piecewise linear area-based function<br/>(applicable to CO<sub>2</sub> program only)</p> <p><b>A:</b> grams/mile at lower bound ("floor")<br/> <b>B:</b> grams/mile at upper bound ("ceiling")<br/> <b>C:</b> change in grams/mile / change in square feet<br/> ("slope" of the function)<br/> <b>D:</b> grams/mile ("y-intercept")<br/> <b>E:</b> change in grams/mile / change in square feet<br/> ("slope" of the function)<br/> <b>F:</b> grams/mile ("y-intercept")<br/> <b>G:</b> footprint lower bound<br/> <b>H:</b> footprint mid bound<br/> <b>I:</b> footprint upper bound</p>                                                                                                                                                                                        | $T_{CO_2} = \begin{cases} A, & FP \leq G \\ B, & FP > I \\ \min(B, C \times FP + D), & G < FP \leq H \\ \min(B, E \times FP + F), & H < FP \leq I \end{cases}$                                                                                                                                                                                                                                                                               |

| Function | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Specification                                                                                                                                                  |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 407      | <p>Dual piecewise linear weight-based function<br/>(applicable to CO<sub>2</sub> program only)</p> <p><b>A:</b> grams/mile at lower bound ("floor")<br/> <b>B:</b> grams/mile at upper bound ("ceiling")<br/> <b>C:</b> change in grams/mile / change in pounds<br/> ("slope" of the function)<br/> <b>D:</b> grams/mile ("y-intercept")<br/> <b>E:</b> change in grams/mile / change in pounds<br/> ("slope" of the function)<br/> <b>F:</b> grams/mile ("y-intercept")<br/> <b>G:</b> curb weight lower bound<br/> <b>H:</b> curb weight mid bound<br/> <b>I:</b> curb weight upper bound</p> | $T_{CO_2} = \begin{cases} A, & CW \leq G \\ B, & CW > I \\ \min(B, C \times CW + D), & G < CW \leq H \\ \min(B, E \times CW + F), & H < CW \leq I \end{cases}$ |

#### A.4.2 Test Weight Functions

The CAFE Model additionally supports several functions for computing the vehicles' test weights. The test weight functions are based on either the loaded vehicle weight (LVW) or the adjusted loaded vehicle weight (ALVW), where LVW is computed as the vehicle's curb weight plus 300 lb, while ALVW is computed as the average of vehicle's curb weight and GVWR (i.e., [Curb Weight + GVWR] / 2). Table 63 presents descriptions of all test weight functions supported in the modeling system. Currently, the CAFE Model automatically determines the appropriate function to use based on the vehicle's regulatory class. For Domestic Cars and Imported Cars, the system selects test weight function "1," while for Light Trucks and HDPUVs, the system selects test weight function "3."

Table 63. Test Weight Functions

| Function | Description                                                                                    | Specification                                                                                                                                                                                                                 |
|----------|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1        | Default LVW-based function with a lower bound cap of 1000 lb and an upper bound cap of 5500 lb | $TW = \min \left( \max \left( 1000, \left\lceil \frac{LVW}{R} - 0.5 \right\rceil \times R \right), 5500 \right)$ <p>Where:</p> $R = \begin{cases} 500, & LVW > 5500 \\ 250, & LVW > 4000 \\ 125, & LVW \leq 4000 \end{cases}$ |

| Function | Description                                                   | Specification                                                                                                                                                                                        |
|----------|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2        | Default LVW-based function with a lower bound cap of 1000 lb  | $TW = \max\left(1000, \left\lceil \frac{LVW}{R} - 0.5 \right\rceil \times R\right)$ <p>Where:</p> $R = \begin{cases} 500, & LVW > 5500 \\ 250, & LVW > 4000 \\ 125, & LVW \leq 4000 \end{cases}$     |
| 3        | Default ALVW-based function with a lower bound cap of 1000 lb | $TW = \max\left(1000, \left\lceil \frac{ALVW}{R} - 0.5 \right\rceil \times R\right)$ <p>Where:</p> $R = \begin{cases} 500, & ALVW > 5500 \\ 250, & ALVW > 4000 \\ 125, & ALVW \leq 4000 \end{cases}$ |

## **Appendix B. Model Outputs**

The system produces up to 16 modeling reports in comma separated values (CSV) format. Depending on the options the user selected in the CAFE Model’s GUI, some optional reports may not be generated during runtime. In addition, the CAFE Model may be optionally configured to produce “reclassified” versions of the required reports, as well as split some of the larger files by scenario. The system places all modeling reports into the “reports-csv” folder, located in the user selected output path (for example: **C:\CAFE Model\test-run\reports-csv**). Table 64 lists the available reports and a brief summary of their contents. All of the modeling reports are stored as plain text (without any additional formatting), in a “database-like” style, for each scenario and MY examined during analysis.

As discussed earlier, the first scenario appearing in the scenarios file is assigned to Scenario 0 and is treated as the baseline. The action alternatives are then assigned to Scenario 1, 2, and so on, in order of appearance. For all modeling reports, the baseline scenario shows results as absolute values (with a few exceptions), while, in some cases, the results for the action alternatives include relative changes compared to the baseline, as discussed in the sections below.

*Table 64. Output Files*

| <b>Output File</b>            | <b>Contents</b>                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Technology Utilization Report | Contains manufacturer-level and industry-wide technology application and penetration rates for each technology, MY, and scenario analyzed. The results are disaggregated by regulatory class, as well as combined over the entire fleet. The system may be configured to optionally generate an additional “reclassified” version of this report.                                                              |
| Compliance Report             | Contains manufacturer-level and industry-wide summary of compliance model results for each MY and scenario analyzed. The results are disaggregated by regulatory class, as well as combined over the entire fleet. The system generates an “incremental” and an “absolute” version of this report and may be configured to optionally generate an additional “reclassified” version.                           |
| Consumer Costs Report         | Contains industry-wide summary of consumer-related costs for each MY and scenario analyzed, using discounting from the consumer’s perspective. The results are disaggregated by regulatory class, as well as combined over the entire fleet. The system generates an “incremental” and an “absolute” version of this report and may be configured to optionally generate an additional “reclassified” version. |
| Societal Effects Report       | Contains industry-wide summary of energy and emissions effects for each MY and scenario analyzed. The results are disaggregated by regulatory class and fuel type, as well as combined across all fuels and over the entire fleet. The system generates an “incremental” and an “absolute” version of this report and may be configured to optionally generate an additional “reclassified” version.           |
| Societal Costs Report         | Contains industry-wide summary of consumer and social costs for each MY and scenario analyzed, using discounting from the social perspective. The results are disaggregated by regulatory class, as well as combined over the entire fleet. The system generates an “incremental” and an “absolute” version of this report and may be configured to optionally generate an additional “reclassified” version.  |

| Output File                            | Contents                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Annual Consumer Costs Report           | This output file is similar to the <i>Consumer Costs Report</i> , except it further disaggregates the results by vehicle age.<br>This is an optional report.                                                                                                                                                                                                                                     |
| Annual Societal Effects Report         | This output file is similar to the <i>Societal Effects Report</i> , except it further disaggregates the results by vehicle age.<br>This is an optional report.                                                                                                                                                                                                                                   |
| Annual Societal Costs Report           | This output file is similar to the <i>Societal Costs Report</i> , except it further disaggregates the results by vehicle age.<br>This is an optional report.                                                                                                                                                                                                                                     |
| Annual Societal Effects Summary Report | This output file is similar to the <i>Annual Societal Effects Report</i> , except it aggregates the results by CY. Note, the <i>Societal Effects Report</i> produces results for each <u>MY</u> considered during analysis. Conversely, the summary report summarizes the annual results by <u>CY</u> .<br>This is an optional report.                                                           |
| Annual Societal Costs Summary Report   | This output file is similar to the <i>Annual Societal Costs Report</i> , except it aggregates the results by CY. Note, the <i>Societal Costs Report</i> produces results for each <u>MY</u> considered during analysis. Conversely, the summary report summarizes the annual results by <u>CY</u> .<br>This is an optional report.                                                               |
| Vehicles Report                        | Contains disaggregate vehicle-level summary of compliance model results, providing a detailed view of the final state of each vehicle examined by the model, for each MY and scenario analyzed. The system may be configured to optionally generate additional versions of this report that are split by scenario.<br>This is an optional report.                                                |
| Vehicles Diagnostic Report             | Contains extensive diagnostic information for each vehicle model, including usage, costs, and fuel economy improvements of each technology or a combination of technologies, as it applies to the specific vehicles. The system may be configured to optionally generate additional versions of this report that are split by scenario.<br>This is an optional report.                           |
| Vehicles Battery and Motor Report      | Contains information from the Argonne Simulation Database input values in relation to battery and motor information, attributed to each vehicle model and associated with the technology class and combination of technologies of the vehicle. The system may be configured to optionally generate additional versions of this report that are split by scenario.<br>This is an optional report. |



| Output File          | Contents                                                                                                                                                                                                                    |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Platforms Report     | Contains platform-level summary of compliance model results, providing a detailed view of the final state of each platform examined by the model, for each MY and scenario analyzed.<br>This is an optional report.         |
| Engines Report       | Contains engine-level summary of compliance model results, providing a detailed view of the final state of each engine examined by the model, for each MY and scenario analyzed.<br>This is an optional report.             |
| Transmissions Report | Contains transmission-level summary of compliance model results, providing a detailed view of the final state of each transmission examined by the model, for each MY and scenario analyzed.<br>This is an optional report. |

As noted in Table 64, for the various vehicle-level reports, the modeling system may be configured to produce additional output files, where the original report is split by scenario. In this case, a subfolder for each vehicle-level report being generated (e.g., “vehicles\_report\_by\_sn”) will be placed into the “reports-csv” folder, containing one or more output files matching the number of scenarios evaluated by the model.

If the CAFE Model is configured to generate reclassified versions of modeling reports, the system will add a “reclassified” subfolder containing the five non-optional reports that are listed in Table 64. The reclassified versions will be produced for both the absolute and incremental version of each report, wherever applicable. With the exception of the *Compliance Report*, reclassified report variants are identical to their non-reclassified versions in every aspect except for the regulatory classes being reported on. For the reclassified reports, vehicles that have a secondary regulatory assignment<sup>104</sup> will be aggregated into an additional “Reclassified” category for all MYs evaluated during the study period, irrespective of whether the settings in a given regulatory scenario allow for reclassification during those years.

The remainder of this section discusses the contents of each of the modeling reports.

## B.1 Technology Utilization Report

The *Technology Utilization Report* contains manufacturer-level and industry-wide technology application and penetration rates for each technology. The application rates represent the amount of technology that was applied by the modeling system during analysis while the penetration rates represent the amount of technology that was either on the vehicle initially at the start of the analysis or applied by the modeling system during analysis. If a technology was present on or applied to a vehicle but later superseded during the modeling process by another technology (for example, AT8 superseding AT6), the superseded technology on that vehicle will not count toward the penetration or application rates. The system may be configured to optionally generate an additional “reclassified” version of this report.

<sup>104</sup> The secondary regulatory class assignment for each vehicle model may be entered on the *Vehicles* worksheet of the market-data input file.

The following table lists the contents of the *Technology Utilization Report*.

*Table 65. Technology Utilization Report*

| Column                           | Units      | Contents                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scenario                         | integer    | Unique index of the scenario, where 0 represents the baseline, while 1 and above represent the action alternatives.                                                                                                                                                                                                                                                                                                                                                        |
| Scenario Name                    | text       | A short name describing the key features of the scenario.                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Model Year                       | model year | MYs analyzed during the study period.                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Manufacturer                     | text       | Manufacturers analyzed during the study period. A value of "TOTAL" is used to represent industry-wide results.                                                                                                                                                                                                                                                                                                                                                             |
| Reg-Class                        | text       | The regulatory class for which the application and penetration rates are reported. When multiple regulatory classes are present in the output, a value of "TOTAL" is used to represent the sum across all classes.                                                                                                                                                                                                                                                         |
| Param Type                       | text       | The type of parameter for which usage data is reported. The parameter types reported in this column include one of the following:                                                                                                                                                                                                                                                                                                                                          |
|                                  |            | <b>App-Rate:</b> The application rate of the technology, which is the amount of technology that was applied by the modeling system during analysis. If a technology was applied to a vehicle but later superseded during the modeling process by another technology (for example, AT6 superseding AT5), the superseded technology on that vehicle will not count toward the application rate.                                                                              |
|                                  |            | <b>Pen-Rate:</b> The penetration rate of the technology, which is the amount of technology that was either on the baseline vehicle at the start of the analysis or applied by the modeling system during analysis. If a technology was present on or applied to a vehicle but later superseded during the modeling process by another technology (for example, AT6 superseding AT5), the superseded technology on that vehicle will not count toward the penetration rate. |
|                                  |            | <b>Incr.AR:</b> The incremental application rate of the technology, which represents the difference between the action alternative and the baseline scenario, where the application rate from the baseline scenario is subtracted from that of the action alternative.                                                                                                                                                                                                     |
|                                  |            | <b>Incr.PR:</b> The incremental penetration rate of the technology, which represents the difference between the action alternative and the baseline scenario, where the application rate from the baseline scenario is subtracted from that of the action alternative.                                                                                                                                                                                                     |
| Technology (two or more columns) | number     | The application or penetration rate of the technology, specified as a proportion of total sales, for the associated parameter type.                                                                                                                                                                                                                                                                                                                                        |

## B.2 Compliance Report

The *Compliance Report* contains manufacturer-level and industry-wide summary of compliance model results for each model year and scenario analyzed. The results are reported by regulatory class, as well as aggregated for the entire fleet. The report provides various cost values associated with the rule, represented as “totals” across all vehicle models, as well as “averages” per single vehicle unit. The system generates an “incremental” and an “absolute” version of this report and may be configured to optionally generate a “reclassified” version. For the incremental version: in the baseline scenario, all the cost metrics are specified as absolutes. For the action alternatives, all costs are incremental and are specified as the difference between the action alternative and the baseline scenario, where the value from the baseline scenario is subtracted from that of the action alternative. For the absolute version: all cost metrics are specified as absolutes, in both the baseline scenario and all action alternatives. The following table lists the contents of the *Compliance Report*.

Table 66. *Compliance Report*

| Column                         | Units      | Contents                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scenario                       | integer    | Unique index of the scenario, where 0 represents the baseline, while 1 and above represent the action alternatives.                                                                                                                                                                                                                                         |
| Scenario Name                  | text       | A short name describing the key features of the scenario.                                                                                                                                                                                                                                                                                                   |
| Model Year                     | model year | Model years analyzed during the study period.                                                                                                                                                                                                                                                                                                               |
| Manufacturer                   | text       | Manufacturers analyzed during the study period. A value of "TOTAL" is used to represent industry-wide results.                                                                                                                                                                                                                                              |
| Reg-Class                      | text       | The regulatory class for which the compliance results are reported. When multiple regulatory classes are present in the output, a value of "TOTAL" is used to represent the sums (or averages) across all regulatory classes for some of the outputs, where applicable.                                                                                     |
| Sales                          | units      | Total production of vehicles for sale for a specific MY, manufacturer, and regulatory class (as well as sum across any of the attributes, where applicable).                                                                                                                                                                                                |
| Jobs                           | units      | Total U.S. jobs associated with the sale of all units of a specific vehicle model in a specific MY. This includes jobs required for vehicle manufacture and assembly originating at U.S. plants, jobs associated with the sale of new vehicle models at U.S. dealerships, and additional direct U.S. jobs resulting from vehicle fuel economy improvements. |
| U.S. Assembly/ Dealership Jobs | units      | Total U.S. jobs required for vehicle manufacture and assembly originating at U.S. plants associated with the sale of all units of a specific vehicle model in a specific MY.                                                                                                                                                                                |
| Innovation Jobs                | units      | Total additional U.S. jobs resulting from vehicle fuel economy improvements associated with the sale of all units of a specific vehicle model in a specific MY.                                                                                                                                                                                             |
| CAFE in Compliance             | text       | Yes/No. Whether a manufacturer is in compliance with CAFE standards.                                                                                                                                                                                                                                                                                        |

| Column                        | Units         | Contents                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CO <sub>2</sub> in Compliance | text          | Yes/No. Whether a manufacturer is in compliance with CO <sub>2</sub> standards.                                                                                                                                                                                                                                                                                                                                                  |
| ZEV in Compliance             | text          | Yes/No. Whether a manufacturer is in compliance with zero emission vehicle standards.                                                                                                                                                                                                                                                                                                                                            |
| Prelim-Stnd                   | mpg           | Preliminary value of the required CAFE standard (before the "alternative minimum CAFE standard," as outlined in the scenarios input section, is applied).                                                                                                                                                                                                                                                                        |
| MDPC-Stnd                     | mpg           | Alternative minimum CAFE standard that each manufacturer must attain within the DC regulatory class.                                                                                                                                                                                                                                                                                                                             |
| Standard                      | mpg           | The value of the required CAFE standard, after accounting for the alternative minimum CAFE standard.                                                                                                                                                                                                                                                                                                                             |
| Standard (gal/100mi)          | gal/100-miles | The value of the required CAFE standard, specified in gallons per 100 miles. This value is applicable to the HDPUV regulatory class; however, it is also computed and reported for light-duty classes for informational purposes.                                                                                                                                                                                                |
| CAFE (2-cycle)                | mpg           | The value of the achieved CAFE standard, using a "2-bag" test cycle, not including any adjustments for improvements in air conditioning efficiency or off-cycle credits, as well as excluding the petroleum equivalence factor (PEF) adjustments.                                                                                                                                                                                |
| CAFE                          | mpg           | The value of the achieved CAFE standard, including any adjustments for improvements in air conditioning efficiency and off-cycle credits, as well as any applicable PEF adjustments. This value determines whether a manufacturer is in compliance with the CAFE standards.                                                                                                                                                      |
| CAFE (gal/100mi)              | gal/100-miles | The value of the achieved CAFE standard, including any adjustments for improvements in air conditioning efficiency and off-cycle credits, as well as any applicable PEF adjustments. This value determines whether a manufacturer is in compliance with the CAFE standards. This value is applicable to the HDPUV regulatory class; however, it is also computed and reported for light-duty classes for informational purposes. |
| AC Efficiency                 | grams/mile    | Adjustment factor associated with improvements in air conditioning efficiency accrued by a manufacturer toward compliance with NHTSA's CAFE standards. This value is specified in grams/mile of CO <sub>2</sub> and represents the maximum adjustment aggregated from all AC efficiency improvement technologies used by the manufacturer in its fleet.                                                                          |
| Off-Cycle Credits             | grams/mile    | Amount of off-cycle credits accrued by a manufacturer toward compliance with NHTSA's CAFE standards. This value is specified in grams/mile of CO <sub>2</sub> and represents the cumulative adjustment aggregated from all technologies used by the manufacturer in its fleet for which the fuel economy and CO <sub>2</sub> benefit is not captured on the test cycle.                                                          |

| Column                            | Units          | Contents                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FSP Credits                       | grams/<br>mile | Amount of full-size pickup credits accrued by a manufacturer toward compliance with NHTSA's CAFE standards. This value is specified in grams/mile of CO <sub>2</sub> and represents the cumulative adjustment aggregated from all strong electric hybrid pickups produced by the manufacturer in its fleet.                                                                |
| CO <sub>2</sub> Standard          | grams/<br>mile | The value of the required CO <sub>2</sub> standard.                                                                                                                                                                                                                                                                                                                        |
| CO <sub>2</sub> Rating            | grams/<br>mile | The value of the achieved CO <sub>2</sub> standard, including any adjustments for improvements in air conditioning efficiency, air conditioning leakage, and off-cycle credits. This value determines whether a manufacturer is in compliance with the CO <sub>2</sub> standards.                                                                                          |
| CO <sub>2</sub> AC Efficiency     | grams/<br>mile | Adjustment factor associated with improvements in air conditioning efficiency accrued by a manufacturer toward compliance with CO <sub>2</sub> standards. This value is specified in grams/mile of CO <sub>2</sub> and represents the cumulative adjustment aggregated from all AC efficiency improvement technologies used by the manufacturer in its fleet.              |
| CO <sub>2</sub> AC Leakage        | grams/<br>mile | Adjustment factor associated with improvements in air conditioning leakage accrued by a manufacturer toward compliance with CO <sub>2</sub> standards. This value is specified in grams/mile of CO <sub>2</sub> and represents the cumulative adjustment aggregated from all AC leakage improvement technologies used by the manufacturer in its fleet.                    |
| CO <sub>2</sub> Off-Cycle Credits | grams/<br>mile | Amount of off-cycle credits accrued by a manufacturer toward compliance with CO <sub>2</sub> standards. This value is specified in grams/mile of CO <sub>2</sub> and represents the cumulative adjustment aggregated from all technologies used by the manufacturer in its fleet for which the fuel economy and CO <sub>2</sub> benefit is not captured on the test cycle. |
| CO <sub>2</sub> FSP Credits       | grams/<br>mile | Amount of full-size pickup credits accrued by a manufacturer toward compliance with CO <sub>2</sub> standards. This value is specified in grams/mile of CO <sub>2</sub> and represents the cumulative adjustment aggregated from all strong electric hybrid pickups produced by the manufacturer in its fleet.                                                             |
| Average CW                        | lb             | Average curb weight of analyzed vehicles.                                                                                                                                                                                                                                                                                                                                  |
| Average FP                        | sq.ft.         | Average footprint of analyzed vehicles.                                                                                                                                                                                                                                                                                                                                    |
| Average WF                        | lb             | Average work-factor of analyzed vehicles. This value is reported only when the vehicles analyzed are subject to a work-factor based target function.                                                                                                                                                                                                                       |
| ZEV Target                        | ZEVs           | Amount of ZEV credits required to meet the ZEV standards.                                                                                                                                                                                                                                                                                                                  |
| ZEV Credits                       | ZEVs           | Amount of ZEV credits generated for compliance with ZEV standards.                                                                                                                                                                                                                                                                                                         |

| Column             | Units   | Contents                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AC Efficiency Cost | dollars | Total amount of costs associated with the AC Efficiency adjustment factor that a manufacturer claimed toward compliance with either NHTSA's CAFE or CO <sub>2</sub> standards. As with the CAFE and CO <sub>2</sub> ratings, the AC Efficiency costs are computed only for the portion of the adjustment factor that was counted toward compliance, subject to the maximum allowable cap as defined by the compliance scenario in a specific MY. |
| AC Leakage Cost    | dollars | Total amount of costs associated with the AC Leakage adjustment factor that a manufacturer claimed toward compliance with CO <sub>2</sub> standards. As with the CO <sub>2</sub> rating, the AC Leakage costs are computed only for the portion of the adjustment factor that was counted toward compliance, subject to the maximum allowable cap as defined by the compliance scenario in a specific MY.                                        |
| Off-Cycle Cost     | dollars | Total amount of costs associated with the off-cycle credits that a manufacturer claimed toward compliance with either NHTSA's CAFE or CO <sub>2</sub> standards. As with the CAFE and CO <sub>2</sub> ratings, the off-cycle costs are computed only for the portion of the off-cycle credit that was counted toward compliance, subject to the maximum allowable cap as defined by the compliance scenario in a specific MY.                    |
| Battery Cost       | dollars | Total amount of battery-related costs associated with the application of fuel-saving technologies.                                                                                                                                                                                                                                                                                                                                               |
| Non-Battery Cost   | dollars | Total amount of non-battery-related costs associated with the application of fuel-saving technologies.                                                                                                                                                                                                                                                                                                                                           |
| Total Tech Cost    | dollars | Total amount of technology costs accumulated by a manufacturer across all vehicle models, including costs associated with improvements in AC efficiency, AC leakage and off-cycle credits, as well as battery and non-battery costs associated with the application of fuel-saving technologies.                                                                                                                                                 |
| Fines              | dollars | Total amount of fines owed by a manufacturer in a specific MY and regulatory class.                                                                                                                                                                                                                                                                                                                                                              |
| Reg-Cost           | dollars | Total amount of regulatory costs accumulated by a manufacturer across all vehicle models. The regulatory costs are based on the combination of total technology costs accrued within a specific regulatory class and total fines owed by the manufacturer (across all regulatory classes), distributed based on a vehicle's relative target shortfall.                                                                                           |
| Maint/Repair Cost  | dollars | Total amount of maintenance and repair costs accumulated by a manufacturer across all vehicle models.                                                                                                                                                                                                                                                                                                                                            |
| Tax Credit         | dollars | Total amount of vehicle tax credits (aka, tax breaks, Federal Incentives) claimed by the consumers for purchasing hybrid/electric vehicles, accumulated by a manufacturer across all SHEV, PHEV, BEV, and FCV models.                                                                                                                                                                                                                            |

| Column                   | Units   | Contents                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Battery Tax Credit       | dollars | Total amount of battery tax credits (aka, tax breaks, Federal Incentives) passed through to the consumers for purchasing hybrid/electric vehicles, accumulated by a manufacturer across all SHEV, PHEV, BEV, and FCV models.                                                                                                                                                                                                                                                 |
| Delta HEV Cost           | dollars | Total amount of additional costs associated with application of any hybrid/electric technology on vehicle models, accumulated by a manufacturer across all SHEV, PHEV, BEV, and FCV models. For any given vehicle model, the delta HEV costs are defined as the difference between the cost of the HEV technology present at the final state of a vehicle model (if applicable) and the cost of the HEV technology at the initial state of the same vehicle (if applicable). |
| Delta Tax Credit         | dollars | Total amount of additional vehicle tax breaks claimed by the consumers for purchasing hybrid/electric vehicles, accumulated by a manufacturer across all SHEV, PHEV, BEV, and FCV models. As with the delta HEV costs, the delta vehicle tax credits are defined as the difference between the final and initial states of the vehicle, wherever applicable.                                                                                                                 |
| Delta Battery Tax Credit | dollars | Total amount of additional battery tax breaks passed through to the consumers for purchasing hybrid/electric vehicles, accumulated by a manufacturer across all SHEV, PHEV, BEV, and FCV models. As with the delta HEV costs, the delta battery tax credits are defined as the difference between the final and initial states of the vehicle, wherever applicable.                                                                                                          |
| Delta Consumer WTP       | dollars | Total amount of additional costs that consumers are willing to pay for hybrid/electric vehicles, accumulated by a manufacturer across all SHEV, PHEV, BEV, and FCV models. As with the delta HEV costs, the delta costs of consumer's willingness to pay (WTP) are defined as the difference between the final and initial states of the vehicle, wherever applicable.                                                                                                       |
| Tech Burden              | dollars | Total amount of technology "burden" costs accumulated by a manufacturer across all SHEV, PHEV, BEV, and FCV models, as a result of applying hybrid/electric technology. As with the delta HEV costs, the technology burden costs are defined as the difference between the final and initial states of the vehicle, wherever applicable.                                                                                                                                     |
| Avg AC Efficiency Cost   | dollars | Average AC efficiency costs per single vehicle unit.                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Avg AC Leakage Cost      | dollars | Average AC leakage costs per single vehicle unit.                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Avg Off-Cycle Cost       | dollars | Average off-cycle costs per single vehicle unit.                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Avg Battery Cost         | dollars | Average battery costs per single vehicle unit.                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Avg Non-Battery Cost     | dollars | Average non-battery costs per single vehicle unit.                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Avg Tech Cost            | dollars | Average cumulative technology costs per single vehicle unit.                                                                                                                                                                                                                                                                                                                                                                                                                 |

| Column                         | Units       | Contents                                                                                                                                                                                                                                                                                   |
|--------------------------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Avg Fines                      | dollars     | Average fines paid per single vehicle unit.                                                                                                                                                                                                                                                |
| Avg Reg-Cost                   | dollars     | Average regulatory costs per single vehicle unit.                                                                                                                                                                                                                                          |
| Avg Maint/Repair Cost          | dollars     | Average maintenance and repair costs per single vehicle unit.                                                                                                                                                                                                                              |
| Avg Tax Credit                 | dollars     | Average vehicle tax breaks per single vehicle unit.                                                                                                                                                                                                                                        |
| Avg Battery Tax Credit         | dollars     | Average battery tax breaks per single vehicle unit.                                                                                                                                                                                                                                        |
| Avg Delta HEV Cost             | dollars     | Average delta cost of hybrid/electric technology per single vehicle unit.                                                                                                                                                                                                                  |
| Avg Delta Tax Credit           | dollars     | Average delta vehicle tax breaks per single vehicle unit.                                                                                                                                                                                                                                  |
| Avg Delta Battery Tax Credit   | dollars     | Average delta battery tax breaks per single vehicle unit.                                                                                                                                                                                                                                  |
| Avg Delta Consumer WTP         | dollars     | Average delta cost of consumer's willingness to pay for hybrid/electric vehicles, per single vehicle unit.                                                                                                                                                                                 |
| Avg Tech Burden                | dollars     | Average technology "burden" cost per single vehicle unit.                                                                                                                                                                                                                                  |
| Credits Earned                 | credits     | Total CAFE compliance credits accumulated by the manufacturer for a specific MY and regulatory class. Manufacturers earn compliance credits whenever their achieved value of the CAFE standard is above the required value of the CAFE standard (in mpg).                                  |
| Credits Out                    | credits     | Total CAFE compliance credits transferred out of a specific regulatory class (such as from domestic passenger cars to light trucks) or carried forward from a previous MY.                                                                                                                 |
| Credits In                     | credits     | Total CAFE compliance credits transferred into a specific regulatory class or carried forward into the present MY.                                                                                                                                                                         |
| CO <sub>2</sub> Credits Earned | metric-tons | Total CO <sub>2</sub> compliance credits accumulated by the manufacturer for a specific MY and regulatory class. Manufacturers earn compliance credits whenever their achieved value of the CO <sub>2</sub> standard is above the required value of the CO <sub>2</sub> standard (in mpg). |
| CO <sub>2</sub> Credits Out    | metric-tons | Total CO <sub>2</sub> compliance credits transferred out of a specific regulatory class (such as from passenger cars to light trucks) or carried forward from a previous MY.                                                                                                               |
| CO <sub>2</sub> Credits In     | metric-tons | Total CO <sub>2</sub> compliance credits transferred into a specific regulatory class or carried forward into the present MY.                                                                                                                                                              |

In the above table, the units for Credits Earned, Credits Out, and Credits In values vary depending on the regulatory class of vehicles being presented. For light-duty vehicles (those regulated as Domestic Car, Imported Car, and Light Truck), one credit equates to one mile per 10 gallons. For heavy-duty pickups and vans (those regulated as HDPUV), one credit equates to one gallon of fuel (obtained by using the assumed lifetime VMT).



A unique version of the compliance report that aggregates data into an additional regulatory class consisting of reclassified vehicles is also optionally produced. This report is similar to the base version of the compliance report detailed above, with some columns of data omitted; particularly those related to CO<sub>2</sub>, ZEV vehicles, fines, and credits. The following table lists the contents of the “reclassified” *Compliance Report*:

*Table 67. “Reclassified” Compliance Report*

| Column                        | Units      | Contents                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scenario                      | integer    | Unique index of the scenario, where 0 represents the baseline, while 1 and above represent the action alternatives.                                                                                                                                                                                                                                          |
| Scenario Name                 | text       | A short name describing the key features of the scenario.                                                                                                                                                                                                                                                                                                    |
| Model Year                    | model year | Model years analyzed during the study period.                                                                                                                                                                                                                                                                                                                |
| Manufacturer                  | text       | Manufacturers analyzed during the study period. A value of "TOTAL" is used to represent industry-wide results.                                                                                                                                                                                                                                               |
| Reg-Class                     | text       | The regulatory class for which the compliance results are reported. When multiple regulatory classes are present in the output, a value of "TOTAL" is used to represent the sums (or averages) across all regulatory classes for some of the outputs, where applicable.                                                                                      |
| Sales                         | units      | Total production of vehicles for sale for a specific MY, manufacturer, and regulatory class (as well as sum across any of the attributes, where applicable).                                                                                                                                                                                                 |
| Jobs                          | units      | Total U.S. jobs associated with the sale of all units of a specific vehicle model in a specific MY. This includes: jobs required for vehicle manufacture and assembly originating at U.S. plants, jobs associated with the sale of new vehicle models at U.S. dealerships, and additional direct U.S. jobs resulting from vehicle fuel economy improvements. |
| U.S. Assembly/Dealership Jobs | units      | Total U.S. jobs required for vehicle manufacture and assembly originating at U.S. plants associated with the sale of all units of a specific vehicle model in a specific MY.                                                                                                                                                                                 |
| Innovation Jobs               | units      | Total additional U.S. jobs resulting from vehicle fuel economy improvements associated with the sale of all units of a specific vehicle model in a specific MY.                                                                                                                                                                                              |
| Prelim-Stnd                   | mpg        | Preliminary value of the required CAFE standard (before the "alternative minimum CAFE standard," as outlined in the scenarios input section, is applied).                                                                                                                                                                                                    |
| CAFE (2-cycle)                | mpg        | The value of the achieved CAFE standard, using a "2-bag" test cycle, not including any adjustments for improvements in air conditioning efficiency or off-cycle credits, as well as excluding the petroleum equivalence factor (PEF) adjustments.                                                                                                            |

| Column             | Units      | Contents                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CAFE               | mpg        | The value of the achieved CAFE standard, including any adjustments for improvements in air conditioning efficiency and off-cycle credits, as well as any applicable PEF adjustments. This value determines whether a manufacturer is in compliance with the CAFE standards.                                                                                                                                                                      |
| AC Efficiency      | grams/mile | Adjustment factor associated with improvements in air conditioning efficiency accrued by a manufacturer toward compliance with NHTSA's CAFE standards. This value is specified in grams/mile of CO <sub>2</sub> and represents the maximum adjustment aggregated from all AC efficiency improvement technologies used by the manufacturer in its fleet.                                                                                          |
| Off-Cycle Credits  | grams/mile | Amount of off-cycle credits accrued by a manufacturer toward compliance with NHTSA's CAFE standards. This value is specified in grams/mile of CO <sub>2</sub> and represents the cumulative adjustment aggregated from all technologies used by the manufacturer in its fleet for which the fuel economy and CO <sub>2</sub> benefit is not captured on the test cycle.                                                                          |
| FSP Credits        | grams/mile | Amount of full-size pickup credits accrued by a manufacturer toward compliance with NHTSA's CAFE standards. This value is specified in grams/mile of CO <sub>2</sub> and represents the cumulative adjustment aggregated from all strong electric hybrid pickups produced by the manufacturer in its fleet.                                                                                                                                      |
| Average CW         | lb         | Average curb weight of analyzed vehicles.                                                                                                                                                                                                                                                                                                                                                                                                        |
| Average FP         | sq.ft.     | Average footprint of analyzed vehicles.                                                                                                                                                                                                                                                                                                                                                                                                          |
| Average WF         | lb         | Average work-factor of analyzed vehicles. This value is reported only when the vehicles analyzed are subject to a work-factor based target function.                                                                                                                                                                                                                                                                                             |
| AC Efficiency Cost | dollars    | Total amount of costs associated with the AC Efficiency adjustment factor that a manufacturer claimed toward compliance with either NHTSA's CAFE or CO <sub>2</sub> standards. As with the CAFE and CO <sub>2</sub> ratings, the AC Efficiency costs are computed only for the portion of the adjustment factor that was counted toward compliance, subject to the maximum allowable cap as defined by the compliance scenario in a specific MY. |
| AC Leakage Cost    | dollars    | Total amount of costs associated with the AC Leakage adjustment factor that a manufacturer claimed toward compliance with CO <sub>2</sub> standards. As with the CO <sub>2</sub> rating, the AC Leakage costs are computed only for the portion of the adjustment factor that was counted toward compliance, subject to the maximum allowable cap as defined by the compliance scenario in a specific MY.                                        |

| Column             | Units   | Contents                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Off-Cycle Cost     | dollars | Total amount of costs associated with the off-cycle credits that a manufacturer claimed toward compliance with either NHTSA's CAFE or CO <sub>2</sub> standards. As with the CAFE and CO <sub>2</sub> ratings, the off-cycle costs are computed only for the portion of the off-cycle credit that was counted toward compliance, subject to the maximum allowable cap as defined by the compliance scenario in a specific MY.                                                |
| Battery Cost       | dollars | Total amount of battery-related costs associated with the application of fuel-saving technologies.                                                                                                                                                                                                                                                                                                                                                                           |
| Non-Battery Cost   | dollars | Total amount of non-battery-related costs associated with the application of fuel-saving technologies.                                                                                                                                                                                                                                                                                                                                                                       |
| Total Tech Cost    | dollars | Total amount of technology costs accumulated by a manufacturer across all vehicle models, including costs associated with improvements in AC efficiency, AC leakage and off-cycle credits, as well as battery and non-battery costs associated with the application of fuel-saving technologies.                                                                                                                                                                             |
| Reg-Cost           | dollars | Total amount of regulatory costs accumulated by a manufacturer across all vehicle models. The regulatory costs are based on the combination of total technology costs accrued within a specific regulatory class and total fines owed by the manufacturer (across all regulatory classes), distributed based on a vehicle's relative target shortfall.                                                                                                                       |
| Maint/Repair Cost  | dollars | Total amount of maintenance and repair costs accumulated by a manufacturer across all vehicle models.                                                                                                                                                                                                                                                                                                                                                                        |
| Tax Credit         | dollars | Total amount of vehicle tax credits (aka, tax breaks, Federal Incentives) claimed by the consumers for purchasing hybrid/electric vehicles, accumulated by a manufacturer across all SHEV, PHEV, BEV, and FCV models.                                                                                                                                                                                                                                                        |
| Battery Tax Credit | dollars | Total amount of battery tax credits (aka, tax breaks, Federal Incentives) passed through to the consumers for purchasing hybrid/electric vehicles, accumulated by a manufacturer across all SHEV, PHEV, BEV, and FCV models.                                                                                                                                                                                                                                                 |
| Delta HEV Cost     | dollars | Total amount of additional costs associated with application of any hybrid/electric technology on vehicle models, accumulated by a manufacturer across all SHEV, PHEV, BEV, and FCV models. For any given vehicle model, the delta HEV costs are defined as the difference between the cost of the HEV technology present at the final state of a vehicle model (if applicable) and the cost of the HEV technology at the initial state of the same vehicle (if applicable). |

| Column                   | Units   | Contents                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Delta Tax Credit         | dollars | Total amount of additional vehicle tax breaks claimed by the consumers for purchasing hybrid/electric vehicles, accumulated by a manufacturer across all SHEV, PHEV, BEV, and FCV models. As with the delta HEV costs, the delta vehicle tax credits are defined as the difference between the final and initial states of the vehicle, wherever applicable.           |
| Delta Battery Tax Credit | dollars | Total amount of additional battery tax breaks passed through to the consumers for purchasing hybrid/electric vehicles, accumulated by a manufacturer across all SHEV, PHEV, BEV, and FCV models. As with the delta HEV costs, the delta battery tax credits are defined as the difference between the final and initial states of the vehicle, wherever applicable.    |
| Delta Consumer WTP       | dollars | Total amount of additional costs that consumers are willing to pay for hybrid/electric vehicles, accumulated by a manufacturer across all SHEV, PHEV, BEV, and FCV models. As with the delta HEV costs, the delta costs of consumer's willingness to pay (WTP) are defined as the difference between the final and initial states of the vehicle, wherever applicable. |
| Tech Burden              | dollars | Total amount of technology "burden" costs accumulated by a manufacturer across all SHEV, PHEV, BEV, and FCV models, as a result of applying hybrid/electric technology. As with the delta HEV costs, the technology burden costs are defined as the difference between the final and initial states of the vehicle, wherever applicable.                               |
| Avg AC Efficiency Cost   | dollars | Average AC efficiency costs per single vehicle unit.                                                                                                                                                                                                                                                                                                                   |
| Avg AC Leakage Cost      | dollars | Average AC leakage costs per single vehicle unit.                                                                                                                                                                                                                                                                                                                      |
| Avg Off-Cycle Cost       | dollars | Average off-cycle costs per single vehicle unit.                                                                                                                                                                                                                                                                                                                       |
| Avg Battery Cost         | dollars | Average battery costs per single vehicle unit.                                                                                                                                                                                                                                                                                                                         |
| Avg Non-Battery Cost     | dollars | Average non-battery costs per single vehicle unit.                                                                                                                                                                                                                                                                                                                     |
| Avg Tech Cost            | dollars | Average cumulative technology costs per single vehicle unit.                                                                                                                                                                                                                                                                                                           |
| Avg Reg-Cost             | dollars | Average regulatory costs per single vehicle unit.                                                                                                                                                                                                                                                                                                                      |
| Avg Maint/Repair Cost    | dollars | Average maintenance and repair costs per single vehicle unit.                                                                                                                                                                                                                                                                                                          |
| Avg Tax Credit           | dollars | Average vehicle tax breaks per single vehicle unit.                                                                                                                                                                                                                                                                                                                    |
| Avg Battery Tax Credit   | dollars | Average battery tax breaks per single vehicle unit.                                                                                                                                                                                                                                                                                                                    |
| Avg Delta HEV Cost       | dollars | Average delta cost of hybrid/electric technology per single vehicle unit.                                                                                                                                                                                                                                                                                              |
| Avg Delta Tax Credit     | dollars | Average delta vehicle tax breaks per single vehicle unit.                                                                                                                                                                                                                                                                                                              |

| Column                       | Units   | Contents                                                                                                   |
|------------------------------|---------|------------------------------------------------------------------------------------------------------------|
| Avg Delta Battery Tax Credit | dollars | Average delta battery tax breaks per single vehicle unit.                                                  |
| Avg Delta Consumer WTP       | dollars | Average delta cost of consumer's willingness to pay for hybrid/electric vehicles, per single vehicle unit. |
| Avg Tech Burden              | dollars | Average technology "burden" cost per single vehicle unit.                                                  |

### B.3 Societal Effects and Societal Costs Reports

The *Societal Effects Report* contains industry-wide summary of energy and emissions effects, while the *Societal Costs Report* contains corresponding industry-wide summary of consumer and social costs for each MY and scenario analyzed. The results are reported by regulatory class, as well as aggregated for the entire fleet. As with the *Compliance Report*, the system generates “incremental” and “absolute” versions of these reports and may be configured to optionally generate “reclassified” versions as well.

The *Societal Effects Report* also disaggregates energy and emissions effects by fuel type, as well as providing aggregate totals across all fuels. The report contains calculated levels of energy consumed by fuel type in quads, thousands of gallons, and thousands of native units during the full useful life of all vehicles sold in each MY. For liquid fuel types (gasoline, diesel, and E85), the amount of gallons consumed is specified in their native units (e.g., gallons of E85). For non-liquid fuel types (electricity, hydrogen, CNG), the amount of gallons consumed is specified in gasoline equivalent gallons. Energy consumption in native units is specified for electricity in MWh, and for hydrogen and CNG in Mcf. Full useful life travel (in thousands of miles) and average fuel economy levels are also presented to provide a basis for comparison. Note that the rated fuel economy levels reported are not comparable to the value of achieved CAFE standard shown in the compliance report. The values contained in the *Societal Effects Report* are computed as total VMT divided by total gallons (with the effect of the on-road gap backed out), and do not incorporate some of the compliance-related credits or adjustments (specifically, AC leakage adjustments or off-cycle credits).

The *Societal Effects Report* also presents estimates of full fuel cycle carbon dioxide and criteria pollutant emissions by fuel type. As shown in Table 68 below, carbon dioxide emissions are reported in million metric tons of carbon-equivalent emissions (one metric ton of carbon dioxide is equivalent to 12/44 of a metric ton of carbon), and all criteria pollutants are reported in metric tons. For the baseline scenario and for all action alternatives in the absolute version of the report, VMT, energy use, fatalities, non-fatal injuries, property damage crashes, all health impacts, and all emissions are specified as absolutes. For the incremental report’s action alternatives, these values are incremental and are specified as the difference between the action alternative and the baseline scenario, where the value from the baseline scenario is subtracted from that of the action alternative.

The *Societal Costs Report* contains monetized consumer and social costs including fuel expenditures, travel and refueling value, economic and external costs arising from additional vehicle use, as well as owner and societal costs associated with emissions damage. In all cases, these costs are calculated for the fleet of vehicles sold in each MY over their full useful lives,

discounted using the rate specified in the parameters input file, and reported in thousands of constant dollars. Chapter Three, Section 6 of the primary text discusses these types of costs and benefits in greater detail, and Appendix A discusses corresponding input assumptions.

In the *Societal Costs Report*, for the baseline scenario and for all action alternatives in the absolute version of the report most of the costs are specified as absolutes. For the incremental report's action alternatives, all costs are incremental and are specified as the difference between the action alternative and the baseline scenario. Some of the cost values computed by the modeling system, however, are inherently incremental, and are reported as zero for the baseline scenario and for all action alternatives in the absolute version of the report. Specifically, of the values shown in Table 69 below, foregone consumer sales surplus, commercial operator implicit opportunity cost, and the combined totals of social costs, benefits, and net benefits are all reported as zero for the baseline scenario, and incremental over the baseline for all action alternatives, irrespective of the incremental or the absolute version of the report.

Table 68 and Table 69 that follow list the full contents of each of the societal reports.

*Table 68. Societal Effects Report*

| Column        | Units      | Contents                                                                                                                                                                                                                                                                                                                     |
|---------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scenario      | integer    | Unique index of the scenario, where 0 represents the baseline, while 1 and above represent the action alternatives.                                                                                                                                                                                                          |
| Scenario Name | text       | A short name describing the key features of the scenario.                                                                                                                                                                                                                                                                    |
| Model Year    | model year | Model years analyzed during the study period, as well as a range historic MYs necessary for fleet analysis calculations.                                                                                                                                                                                                     |
| Reg-Class     | text       | The regulatory class for which the societal effects are reported. When multiple regulatory classes are present in the output, a value of "TOTAL" is used to represent the sums (or averages) across all regulatory classes for some of the outputs, where applicable.                                                        |
| Fuel Type     | text       | The fuel type for which the societal effects are reported. A value of "TOTAL" is used to represent the sums (or averages) across all fuel types for some of the outputs, where applicable.                                                                                                                                   |
| Rated FE      | mpg        | The average fuel economy rating of vehicles. Note, this value is not comparable to the value of achieved CAFE standard shown in the compliance report; this value is computed as total VMT divided by total gallons (with the effect of the on-road gap backed out) and does not incorporate some of the compliance credits. |
| On-road FE    | mpg        | The average on-road fuel economy of the indicated vehicle cohort.                                                                                                                                                                                                                                                            |
| Fuel Share    | ratio      | The average fuel share, showing the amount of miles driven by all vehicles on each fuel type.                                                                                                                                                                                                                                |
| Curb Weight   | lb         | Average curb weight of analyzed vehicles.                                                                                                                                                                                                                                                                                    |
| Footprint     | sq. ft.    | Average footprint of analyzed vehicles.                                                                                                                                                                                                                                                                                      |
| Work Factor   | lb         | Average work-factor of analyzed vehicles. This value is reported only when the vehicles analyzed are subject to a work-factor based target function.                                                                                                                                                                         |

| Column                      | Units       | Contents                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sales                       | units       | Total production of vehicles for sale for a specific MY, regulatory class, and fuel type (as well as sum across any of the attributes, where applicable).                                                                                                                                                                                                                    |
| kVMT                        | miles (k)   | Thousands of miles traveled by all vehicles over their lifetime for a specific MY, regulatory class, and fuel type.                                                                                                                                                                                                                                                          |
| kVMT No Rebound             | miles (k)   | Thousands of miles traveled by all vehicles over their lifetime, assuming the absence of the fuel economy rebound effect, for a specific MY, regulatory class, and fuel type.                                                                                                                                                                                                |
| Quads                       | quads       | Energy used by all vehicles over their lifetime for a specific MY, regulatory class, and fuel type.                                                                                                                                                                                                                                                                          |
| kGallons                    | gallons (k) | Amount of gallons of liquid fuel consumed, or amount of gasoline equivalent gallons of fuel consumed (for non-liquid fuel types), by all vehicles over their lifetime for a specific MY, regulatory class, and fuel type.                                                                                                                                                    |
| kUnits                      | varies      | Amount of energy consumed by all vehicles over their lifetime for a specific MY, regulatory class, and fuel type, where the units of measure vary based on fuel type. For liquid fuel types (gasoline, E85, diesel), the units are specified in thousands of gallons; for electricity, the units are specified in MWh; for hydrogen and CNG, the units are specified in Mcf. |
| Fatalities                  | units       | Amount of vehicle-related fatalities resulting from reduction in vehicle curb weight, changes in VMT due to the rebound effect, and changes in fleet age distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                                                                                      |
| Fatalities From Rebound     | units       | Amount of vehicle-related fatalities resulting from changes in VMT due to the rebound effect.                                                                                                                                                                                                                                                                                |
| Fatalities From Delta CW    | units       | Amount of vehicle-related fatalities resulting from reduction in vehicle curb weight.                                                                                                                                                                                                                                                                                        |
| Non-Fatal Injuries          | units       | Amount of non-fatal vehicle-related injuries resulting from reduction in vehicle curb weight, changes in VMT due to the rebound effect, and changes in fleet age distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                                                                              |
| Non-Fatal Injuries Rebound  | units       | Amount of non-fatal vehicle-related injuries resulting from changes in VMT due to the rebound effect.                                                                                                                                                                                                                                                                        |
| Non-Fatal Injuries Delta CW | units       | Amount of non-fatal vehicle-related injuries resulting from reduction in vehicle curb weight.                                                                                                                                                                                                                                                                                |
| Property Damage Crashes     | units       | Amount of non-fatal vehicle-related property damage only crashes resulting from reduction in vehicle curb weight, changes in VMT due to the rebound effect, and changes in fleet age distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                                                          |

| Column                                          | Units | Contents                                                                                                                                                                                                                                                                      |
|-------------------------------------------------|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Property Damage Crashes Rebound                 | units | Amount of non-fatal vehicle-related property damage only crashes resulting from changes in VMT due to the rebound effect.                                                                                                                                                     |
| Property Damage Crashes Delta CW                | units | Amount of non-fatal vehicle-related property damage only crashes resulting from reduction in vehicle curb weight.                                                                                                                                                             |
| Premature Deaths - Upstream                     | units | Amount of emission health impacts associated with air pollution exposure arising from upstream emissions of nitrogen oxides, sulfur dioxide, and particulate matter (PM2.5), aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type. |
| Respiratory Emergency Room Visits - Upstream    | units |                                                                                                                                                                                                                                                                               |
| Acute Bronchitis - Upstream                     | units |                                                                                                                                                                                                                                                                               |
| Lower Respiratory Symptoms - Upstream           | units |                                                                                                                                                                                                                                                                               |
| Upper Respiratory Symptoms - Upstream           | units |                                                                                                                                                                                                                                                                               |
| Minor Restricted Activity Days - Upstream       | units |                                                                                                                                                                                                                                                                               |
| Work Loss Days - Upstream                       | units |                                                                                                                                                                                                                                                                               |
| Asthma Exacerbation - Upstream                  | units |                                                                                                                                                                                                                                                                               |
| Cardiovascular Hospital Admissions - Upstream   | units |                                                                                                                                                                                                                                                                               |
| Respiratory Hospital Admissions - Upstream      | units |                                                                                                                                                                                                                                                                               |
| Non-Fatal Heart Attacks (Peters) - Upstream     | units |                                                                                                                                                                                                                                                                               |
| Non-Fatal Heart Attacks (All Others) - Upstream | units |                                                                                                                                                                                                                                                                               |



| Column                                        | Units | Contents                                                                                                                                                                                                                                                                      |
|-----------------------------------------------|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Premature Deaths - Tailpipe                   | units | Amount of emission health impacts associated with air pollution exposure arising from tailpipe emissions of nitrogen oxides, sulfur dioxide, and particulate matter (PM2.5), aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type. |
| Respiratory Emergency Room Visits - Tailpipe  | units |                                                                                                                                                                                                                                                                               |
| Acute Bronchitis - Tailpipe                   | units |                                                                                                                                                                                                                                                                               |
| Lower Respiratory Symptoms - Tailpipe         | units |                                                                                                                                                                                                                                                                               |
| Upper Respiratory Symptoms - Tailpipe         | units |                                                                                                                                                                                                                                                                               |
| Minor Restricted Activity Days - Tailpipe     | units |                                                                                                                                                                                                                                                                               |
| Work Loss Days - Tailpipe                     | units |                                                                                                                                                                                                                                                                               |
| Asthma Exacerbation - Tailpipe                | units |                                                                                                                                                                                                                                                                               |
| Cardiovascular Hospital Admissions - Tailpipe | units |                                                                                                                                                                                                                                                                               |
| Respiratory Hospital Admissions - Tailpipe    | units |                                                                                                                                                                                                                                                                               |
| Non-Fatal Heart Attacks (Peters) - Tailpipe   | units |                                                                                                                                                                                                                                                                               |
| Non-Fatal Heart Attacks (All Others) Tailpipe | units |                                                                                                                                                                                                                                                                               |

| Column                                       | Units       | Contents                                                                                                                                                                                                                                                                                         |
|----------------------------------------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Premature Deaths - Total                     | units       | Amount of emission health impacts associated with air pollution exposure arising from upstream and tailpipe emissions of nitrogen oxides, sulfur dioxide, and particulate matter (PM2.5), aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.       |
| Respiratory Emergency Room Visits - Total    | units       |                                                                                                                                                                                                                                                                                                  |
| Acute Bronchitis - Total                     | units       |                                                                                                                                                                                                                                                                                                  |
| Lower Respiratory Symptoms - Total           | units       |                                                                                                                                                                                                                                                                                                  |
| Upper Respiratory Symptoms - Total           | units       |                                                                                                                                                                                                                                                                                                  |
| Minor Restricted Activity Days - Total       | units       |                                                                                                                                                                                                                                                                                                  |
| Work Loss Days - Total                       | units       |                                                                                                                                                                                                                                                                                                  |
| Asthma Exacerbation - Total                  | units       |                                                                                                                                                                                                                                                                                                  |
| Cardiovascular Hospital Admissions - Total   | units       |                                                                                                                                                                                                                                                                                                  |
| Respiratory Hospital Admissions - Total      | units       |                                                                                                                                                                                                                                                                                                  |
| Non-Fatal Heart Attacks (Peters) - Total     | units       |                                                                                                                                                                                                                                                                                                  |
| Non-Fatal Heart Attacks (All Others) - Total | units       |                                                                                                                                                                                                                                                                                                  |
| CO Upstream Global (t)                       | metric-tons | Amount of carbon monoxide emissions generated from global crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.            |
| VOC Upstream Global (t)                      | metric-tons | Amount of volatile organic compounds emissions generated from global crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type. |

| Column                                  | Units               | Contents                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NO <sub>x</sub> Upstream Global (t)     | metric-tons         | Amount of nitrogen oxides emissions generated from global crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                   |
| SO <sub>2</sub> Upstream Global (t)     | metric-tons         | Amount of sulfur dioxide emissions generated from global crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                    |
| PM Upstream Global (t)                  | metric-tons         | Amount of particulate matter (diameter of ~2.5 micrometers) emissions generated from global crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type. |
| CO <sub>2</sub> Upstream Domestic (mmt) | million metric-tons | Amount of carbon dioxide emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                  |
| CH <sub>4</sub> Upstream Domestic (t)   | metric-tons         | Amount of methane emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                         |
| N <sub>2</sub> O Upstream Domestic (t)  | metric-tons         | Amount of nitrous oxide emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                   |
| CO Upstream (t)                         | metric-tons         | Amount of carbon monoxide emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                 |
| VOC Upstream (t)                        | metric-tons         | Amount of volatile organic compounds emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                      |
| NO <sub>x</sub> Upstream (t)            | metric-tons         | Amount of nitrogen oxides emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                 |

| Column                         | Units               | Contents                                                                                                                                                                                                                                                                                                                  |
|--------------------------------|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SO <sub>2</sub> Upstream (t)   | metric-tons         | Amount of sulfur dioxide emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                    |
| PM Upstream (t)                | metric-tons         | Amount of particulate matter (diameter of ~2.5 micrometers) emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type. |
| CO <sub>2</sub> Upstream (mmt) | million metric-tons | Amount of carbon dioxide emissions generated from global crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                      |
| CH <sub>4</sub> Upstream (t)   | metric-tons         | Amount of methane emissions generated from global crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                             |
| N <sub>2</sub> O Upstream (t)  | metric-tons         | Amount of nitrous oxide emissions generated from global crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                       |
| Acetaldehyde Upstream (t)      | metric-tons         | Amount of Acetaldehyde emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                      |
| Acrolein Upstream (t)          | metric-tons         | Amount of Acrolein emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                          |
| Benzene Upstream (t)           | metric-tons         | Amount of Benzene emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                           |
| Butadiene Upstream (t)         | metric-tons         | Amount of 1,3-Butadiene emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                     |

| Column                         | Units               | Contents                                                                                                                                                                                                                                                                                                                        |
|--------------------------------|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Formaldehyde Upstream (t)      | metric-tons         | Amount of Formaldehyde emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                            |
| DPM10 Upstream (t)             | metric-tons         | Amount of Diesel particulate matter (diameter of ~10 micrometers) emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type. |
| CO Tailpipe (t)                | metric-tons         | Amount of carbon monoxide emissions generated from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                                                                                                                                          |
| VOC Tailpipe (t)               | metric-tons         | Amount of volatile organic compounds emissions generated from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                                                                                                                               |
| NO <sub>x</sub> Tailpipe (t)   | metric-tons         | Amount of nitrogen oxides emissions generated from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                                                                                                                                          |
| SO <sub>2</sub> Tailpipe (t)   | metric-tons         | Amount of sulfur dioxide emissions generated from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                                                                                                                                           |
| PM Tailpipe (t)                | metric-tons         | Amount of particulate matter (diameter of ~2.5 micrometers) emissions generated from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                                                                                                        |
| CO <sub>2</sub> Tailpipe (mmt) | million metric-tons | Amount of carbon dioxide emissions generated from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                                                                                                                                           |
| CH <sub>4</sub> Tailpipe (t)   | metric-tons         | Amount of methane emissions generated from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                                                                                                                                                  |
| N <sub>2</sub> O Tailpipe (t)  | metric-tons         | Amount of nitrous oxide emissions generated from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                                                                                                                                            |
| Acetaldehyde Tailpipe (t)      | metric-tons         | Amount of Acetaldehyde emissions generated from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                                                                                                                                             |
| Acrolein Tailpipe (t)          | metric-tons         | Amount of Acrolein emissions generated from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                                                                                                                                                 |

| Column                    | Units       | Contents                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Benzene Tailpipe (t)      | metric-tons | Amount of Benzene emissions generated from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                                                                                                                                                                                              |
| Butadiene Tailpipe (t)    | metric-tons | Amount of 1,3-Butadiene emissions generated from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                                                                                                                                                                                        |
| Formaldehyde Tailpipe (t) | metric-tons | Amount of Formaldehyde emissions generated from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                                                                                                                                                                                         |
| DPM10 Tailpipe (t)        | metric-tons | Amount of Diesel particulate matter (diameter of ~10 micrometers) emissions generated from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                                                                                                                                              |
| PM BTW (t)                | metric-tons | Amount of particulate matter (diameter of ~2.5 micrometers) emissions generated from brake and tire wear, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                                                                                                                                                  |
| CO Total (t)              | metric-tons | Amount of carbon monoxide emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                                             |
| VOC Total (t)             | metric-tons | Amount of volatile organic compounds emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                                  |
| NOx Total (t)             | metric-tons | Amount of nitrogen oxides emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                                             |
| SO <sub>2</sub> Total (t) | metric-tons | Amount of sulfur dioxide emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.                                                              |
| PM Total (t)              | metric-tons | Amount of particulate matter (diameter of ~2.5 micrometers) emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, from vehicle operation, and from brake and tire wear, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type. |

| Column                      | Units               | Contents                                                                                                                                                                                                                                                                                                      |
|-----------------------------|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CO <sub>2</sub> Total (mmt) | million metric-tons | Amount of carbon dioxide emissions generated from global crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.  |
| CH <sub>4</sub> Total (t)   | metric-tons         | Amount of methane emissions generated from global crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.         |
| N <sub>2</sub> O Total (t)  | metric-tons         | Amount of nitrous oxide emissions generated from global crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.   |
| Acetaldehyde Total (t)      | metric-tons         | Amount of acetaldehyde emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.  |
| Acrolein Total (t)          | metric-tons         | Amount of acrolein emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.      |
| Benzene Total (t)           | metric-tons         | Amount of benzene emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.       |
| Butadiene Total (t)         | metric-tons         | Amount of 1,3-butadiene emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type. |
| Formaldehyde Total (t)      | metric-tons         | Amount of formaldehyde emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.  |

| Column          | Units       | Contents                                                                                                                                                                                                                                                                                                                                                |
|-----------------|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DPM10 Total (t) | metric-tons | Amount of diesel particulate matter (diameter of ~10 micrometers) emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type. |

*Table 69. Societal Costs Report*

| Column                                        | Units       | Contents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scenario                                      | integer     | Unique index of the scenario, where 0 represents the baseline, while 1 and above represent the action alternatives.                                                                                                                                                                                                                                                                                                                                                                                                              |
| Scenario Name                                 | text        | A short name describing the key features of the scenario.                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Model Year                                    | model year  | Model years analyzed during the study period, as well as a range historic MYs necessary for fleet analysis calculations.                                                                                                                                                                                                                                                                                                                                                                                                         |
| Reg-Class                                     | text        | The regulatory class for which the societal costs are reported. When multiple regulatory classes are present in the output, a value of "TOTAL" is used to represent the sums (or averages) across all regulatory classes for some of the outputs, where applicable.                                                                                                                                                                                                                                                              |
| Disc-Rate                                     | number      | Social discount rate applied to future benefits. A value of 0 indicates undiscounted costs.                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Foregone Consumer Sales Surplus               | dollars (k) | Lost consumer surplus resulting from reduced vehicle sales accumulated across all vehicles for a specific MY and regulatory class. Lost consumer surplus is assumed to occur entirely at the time of vehicle purchase (i.e., at age 0).                                                                                                                                                                                                                                                                                          |
| Tech Cost                                     | dollars (k) | Total amount of technology costs accumulated across all vehicles for a specific MY and regulatory class. Technology costs are assumed to occur entirely at the time of vehicle purchase (i.e., at age 0).                                                                                                                                                                                                                                                                                                                        |
| Maint/Repair Cost                             | dollars (k) | Total amount of maintenance and repair costs accumulated across all vehicles for a specific MY and regulatory class. Maintenance and repair costs are assumed to occur entirely at the time of vehicle purchase (i.e., at age 0).                                                                                                                                                                                                                                                                                                |
| Implicit Opportunity Cost                     | dollars (k) | Implied opportunity cost resulting from applying technologies such that all efficiency gains improve fuel economy rather than also increasing the performance or utility of a vehicle. Although the implicit opportunity cost captures changes in fuel savings occurring over multiple vehicle ages, the resulting net sum of these changes in fuel savings is attributed to and calculated at the time of vehicle purchase (i.e., age 0). This value is accumulated across all vehicles for a specific MY and regulatory class. |
| Commercial Operator Implicit Opportunity Cost | dollars (k) | Implied opportunity cost attributed to a portion of consumers that purchase vehicles for commercial use, accumulated across all vehicles over their lifetime for a specific MY and regulatory class.                                                                                                                                                                                                                                                                                                                             |



| Column                         | Units       | Contents                                                                                                                                                                                                                                                                                 |
|--------------------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fuel Tax Revenue               | dollars (k) | Total fuel tax revenues accumulated across all vehicles over their lifetime for a specific MY and regulatory class.                                                                                                                                                                      |
| Retail Fuel Outlay             | dollars (k) | Total retail fuel expenditures accumulated across all vehicles over their lifetime for a specific MY and regulatory class.                                                                                                                                                               |
| Rebound Fuel Cost              | dollars (k) | Retail fuel expenditures from the additional driving that results from improved fuel economy, accumulated across all vehicles over their lifetime for a specific MY and regulatory class.                                                                                                |
| Drive Value                    | dollars (k) | Benefits from the additional driving that results from improved fuel economy, accumulated across all vehicles over their lifetime for a specific MY and regulatory class.                                                                                                                |
| Refueling Time Cost            | dollars (k) | Benefits from reduced refueling frequency due to the extended vehicle range and improved fuel economy, accumulated across all vehicles over their lifetime for a specific MY and regulatory class.                                                                                       |
| Fatality Risk Value            | dollars (k) | Value offsetting the risk of additional vehicle-related fatalities internalized by the driver, attributed to the additional miles driven due to rebound, accumulated across all vehicles over their lifetime for a specific MY and regulatory class.                                     |
| Non-Fatal Risk Value           | dollars (k) | Value offsetting the risk of additional non-fatal vehicle-related injuries and property damage crashes internalized by the driver, attributed to the additional miles driven due to rebound, accumulated across all vehicles over their lifetime for a specific MY and regulatory class. |
| Petroleum Market Externalities | dollars (k) | Economic costs of oil imports not accounted for by price, accumulated across all vehicles over their lifetime for a specific MY and regulatory class.                                                                                                                                    |
| Congestion Costs               | dollars (k) | Congestion costs from additional vehicle use, accumulated across all vehicles over their lifetime for a specific MY and regulatory class.                                                                                                                                                |
| Noise Costs                    | dollars (k) | Noise costs from additional vehicle use, accumulated across all vehicles over their lifetime for a specific MY and regulatory class.                                                                                                                                                     |
| Fatality Costs                 | dollars (k) | Costs attributed to vehicle-related fatalities resulting from reduction in vehicle curb weight, changes in VMT, and changes in fleet age distribution, accumulated across all vehicles over their lifetime for a specific MY and regulatory class.                                       |
| Fatality Costs Rebound         | dollars (k) | Costs attributed to vehicle-related fatalities resulting from changes in VMT due to the rebound effect.                                                                                                                                                                                  |
| Fatality Costs Delta CW        | dollars (k) | Costs attributed to vehicle-related fatalities resulting from reduction in vehicle curb weight.                                                                                                                                                                                          |
| Non-Fatal Injury Costs         | dollars (k) | Costs attributed to non-fatal vehicle-related injuries resulting from reduction in vehicle curb weight, changes in VMT, and changes in fleet age distribution, accumulated across all vehicles over their lifetime for a specific MY and regulatory class.                               |

| Column                                   | Units       | Contents                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Non-Fatal Injury Costs Rebound           | dollars (k) | Costs attributed to non-fatal vehicle-related injuries resulting from changes in VMT due to the rebound effect.                                                                                                                                                                                                                                                                                     |
| Non-Fatal Injury Costs Delta CW          | dollars (k) | Costs attributed to non-fatal vehicle-related injuries resulting from reduction in vehicle curb weight.                                                                                                                                                                                                                                                                                             |
| Property Damage Crash Costs              | dollars (k) | Costs attributed to non-fatal vehicle-related property damage only crashes resulting from reduction in vehicle curb weight, changes in VMT, and changes in fleet age distribution, accumulated across all vehicles over their lifetime for a specific MY and regulatory class.                                                                                                                      |
| Property Damage Crash Costs Rebound      | dollars (k) | Costs attributed to non-fatal vehicle-related property damage only crashes resulting from changes in VMT due to the rebound effect.                                                                                                                                                                                                                                                                 |
| Property Damage Crash Costs Delta CW     | dollars (k) | Costs attributed to non-fatal vehicle-related property damage only crashes resulting from reduction in vehicle curb weight.                                                                                                                                                                                                                                                                         |
| CO Damage Costs                          | dollars (k) | Owner and societal costs arising from carbon monoxide damage, aggregated over the lifetime of all vehicles for a specific MY and regulatory class.                                                                                                                                                                                                                                                  |
| VOC Damage Costs                         | dollars (k) | Owner and societal costs arising from volatile organic compounds damage, aggregated over the lifetime of all vehicles for a specific MY and regulatory class.                                                                                                                                                                                                                                       |
| NOx Damage Costs                         | dollars (k) | Owner and societal costs arising from nitrogen oxides damage, aggregated over the lifetime of all vehicles for a specific MY and regulatory class.                                                                                                                                                                                                                                                  |
| SO <sub>2</sub> Damage Costs             | dollars (k) | Owner and societal costs arising from sulfur dioxide damage, aggregated over the lifetime of all vehicles for a specific MY and regulatory class.                                                                                                                                                                                                                                                   |
| PM Damage Costs                          | dollars (k) | Owner and societal costs arising from particulate matter damage, aggregated over the lifetime of all vehicles for a specific MY and regulatory class.                                                                                                                                                                                                                                               |
| CO <sub>2</sub> Damage Costs (Low)       | dollars (k) | Owner and societal costs arising from carbon dioxide damage, aggregated over the lifetime of all vehicles for a specific MY and regulatory class. This value is computed using either the "low," "average," "high," or "very high" annual stream of CO <sub>2</sub> input costs and the associated "low," "average," "high," or "very high" discount rate, as defined in the parameters input file. |
| CO <sub>2</sub> Damage Costs (Average)   | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                     |
| CO <sub>2</sub> Damage Costs (High)      | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                     |
| CO <sub>2</sub> Damage Costs (Very High) | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                     |
| CH <sub>4</sub> Damage Costs (Low)       | dollars (k) | Owner and societal costs arising from methane damage, aggregated over the lifetime of all vehicles for a specific MY and regulatory class. This value is computed using either the "low," "average," "high," or "very high" annual stream of CH <sub>4</sub> input costs and the associated "low,"                                                                                                  |
| CH <sub>4</sub> Damage Costs (Average)   | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                     |

| Column                                    | Units       | Contents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CH <sub>4</sub> Damage Costs (High)       | dollars (k) | "average," "high," or "very high" discount rate, as defined in the parameters input file.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| CH <sub>4</sub> Damage Costs (Very High)  | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| N <sub>2</sub> O Damage Costs (Low)       | dollars (k) | Owner and societal costs arising from nitrous oxide damage, aggregated over the lifetime of all vehicles for a specific MY and regulatory class. This value is computed using either the "low," "average," "high," or "very high" annual stream of N <sub>2</sub> O input costs and the associated "low," "average," "high," or "very high" discount rate, as defined in the parameters input file.                                                                                                                                                                                                                                                                                                                                            |
| N <sub>2</sub> O Damage Costs (Average)   | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| N <sub>2</sub> O Damage Costs (High)      | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| N <sub>2</sub> O Damage Costs (Very High) | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Total Social Costs                        | dollars (k) | Total societal costs, combining the incremental effect of social cost metrics occurring in the action alternative over the baseline scenario. Total social costs are computed as the sum of cost changes (i.e., alternative - baseline) for the following values: Foregone Consumer Sales Surplus, Tech Cost, Maint/Repair Cost, Implicit Opportunity Cost, Congestion Costs, Noise Costs, Fatality Costs, Non-Fatal Injury Costs, and Property Damage Crash Costs; as well as the sum of cost savings (i.e., baseline - alternative) for: Fuel Tax Revenue.                                                                                                                                                                                   |
| Total Social Benefits (SCC Low)           | dollars (k) | Total societal benefits, combining the incremental effect of social cost metrics occurring in the action alternative over the baseline scenario. Total social benefits are computed as the sum of cost changes (i.e., alternative - baseline) for the following values: Drive Value, Fatality Risk Value, and Non-Fatal Crash Risk Value; as well as the sum of cost savings (i.e., baseline - alternative) for the following values: Retail Fuel Outlay, Refueling Time Cost, Petroleum Market Externalities, and all Emission Damage Costs. In the case of CO <sub>2</sub> , CH <sub>4</sub> , and N <sub>2</sub> O Emission Damage Costs, only one of the "low," "average," "high," or "very high" set of values are included in the total. |
| Total Social Benefits (SCC Average)       | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Total Social Benefits (SCC High)          | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Total Social Benefits (SCC Very High)     | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Net Social Benefits (SCC Low)             | dollars (k) | The net of social benefits, using the "low" annual stream of N <sub>2</sub> O input costs and the associated "low" discount rate, computed as: Total Social Benefits (SCC Low) - Total Social Costs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Net Social Benefits (SCC Average)         | dollars (k) | The net of social benefits, using the "average" annual stream of N <sub>2</sub> O input costs and the associated "average" discount rate, computed as: Total Social Benefits (SCC Average) - Total Social Costs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Net Social Benefits (SCC High)            | dollars (k) | The net of social benefits, using the "high" annual stream of N <sub>2</sub> O input costs and the associated "high" discount rate, computed as: Total Social Benefits (SCC High) - Total Social Costs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| Column                              | Units       | Contents                                                                                                                                                                                                               |
|-------------------------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Net Social Benefits (SCC Very High) | dollars (k) | The net of social benefits, using the "very high" annual stream of N <sub>2</sub> O input costs and the associated "very high" discount rate, computed as: Total Social Benefits (SCC Very High) - Total Social Costs. |

## B.4 Annual Societal Effects and Annual Societal Costs Reports

The *Annual Societal Effects Report* and the *Annual Societal Costs Report* contain similar results as the *Societal Effects Report* and the *Societal Costs Report*, except these outputs further disaggregate the results by vehicle age. Table 70 lists the full contents of the *Annual Societal Effects Report* and Table 71 lists the full contents of the *Annual Societal Costs Report*. The annual reports produce results as absolutes (i.e., non-incremental) for the baseline and action alternatives, except for some values (as noted in the preceding section) that are calculated as zero in the baseline scenario and as incremental over the baseline for the action alternatives.

Table 70. *Annual Societal Effects Report*

| Column          | Units         | Contents                                                                                                                                                                                                                                                            |
|-----------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scenario        | integer       | Unique index of the scenario, where 0 represents the baseline, while 1 and above represent the action alternatives.                                                                                                                                                 |
| Scenario Name   | text          | A short name describing the key features of the scenario.                                                                                                                                                                                                           |
| Model Year      | model year    | Model years analyzed during the study period, as well as a range historic MYs necessary for fleet analysis calculations.                                                                                                                                            |
| Age             | integer       | The vehicle's vintage, ranging from 0 to 39, where 0 corresponds to a vehicle's first year on the road.                                                                                                                                                             |
| Calendar Year   | calendar year | Calendar years analyzed for the effects calculations.                                                                                                                                                                                                               |
| Reg-Class       | text          | The regulatory class for which the societal costs are reported. When multiple regulatory classes are present in the output, a value of "TOTAL" is used to represent the sums (or averages) across all regulatory classes for some of the outputs, where applicable. |
| Fuel Type       | text          | The fuel type for which the societal costs are reported. A value of "TOTAL" is used to represent the sums (or averages) across all fuel types for some of the outputs, where applicable.                                                                            |
| Fleet           | units         | Total on-road fleet for a specific MY, vehicle age, regulatory class, and fuel type.                                                                                                                                                                                |
| kVMT            | miles (k)     | Thousands of miles traveled by all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                                                                                                                        |
| kVMT No Rebound | miles (k)     | Thousands of miles traveled by all vehicles, assuming the absence of the fuel economy rebound effect, for a specific MY, vehicle age, regulatory class, and fuel type.                                                                                              |
| Quads           | quads         | Energy used by all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                                                                                                                                        |

| Column                                       | Units       | Contents                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| kGallons                                     | gallons (k) | Amount of gallons of liquid fuel consumed, or amount of gasoline equivalent gallons of fuel consumed (for non-liquid fuel types), by all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                                                                                                                    |
| kUnits                                       | varies      | Amount of energy consumed by all vehicles for a specific MY, vehicle age, regulatory class, and fuel type, where the units of measure vary based on fuel type. For liquid fuel types (gasoline, E85, diesel), the units are specified in thousands of gallons; for electricity, the units are specified in MWh; for hydrogen and CNG, the units are specified in Mcf. |
| Fatalities                                   | units       | Amount of fatalities resulting from reduction in vehicle curb weight and increases in VMT due to the rebound effect, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                                                                                                                     |
| Fatalities From Rebound                      | units       | Amount of vehicle-related fatalities resulting from changes in VMT due to the rebound effect.                                                                                                                                                                                                                                                                         |
| Fatalities From Delta CW                     | units       | Amount of vehicle-related fatalities resulting from reduction in vehicle curb weight.                                                                                                                                                                                                                                                                                 |
| Non-Fatal Injuries                           | units       | Amount of non-fatal vehicle-related injuries resulting from reduction in vehicle curb weight, changes in VMT due to the rebound effect, and changes in fleet age distribution, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                                                           |
| Non-Fatal Injuries Rebound                   | units       | Amount of non-fatal vehicle-related injuries resulting from changes in VMT due to the rebound effect.                                                                                                                                                                                                                                                                 |
| Non-Fatal Injuries Delta CW                  | units       | Amount of non-fatal vehicle-related injuries resulting from reduction in vehicle curb weight.                                                                                                                                                                                                                                                                         |
| Property Damage Crashes                      | units       | Amount of non-fatal vehicle-related property damage only crashes resulting from reduction in vehicle curb weight, changes in VMT due to the rebound effect, and changes in fleet age distribution, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                                       |
| Property Damage Crashes Rebound              | units       | Amount of non-fatal vehicle-related property damage only crashes resulting from changes in VMT due to the rebound effect.                                                                                                                                                                                                                                             |
| Property Damage Crashes Delta CW             | units       | Amount of non-fatal vehicle-related property damage only crashes resulting from reduction in vehicle curb weight.                                                                                                                                                                                                                                                     |
| Premature Deaths - Upstream                  | units       | Amount of emission health impacts associated with air pollution exposure arising from upstream emissions of nitrogen oxides, sulfur dioxide, and particulate matter (PM2.5), aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                                                             |
| Respiratory Emergency Room Visits - Upstream | units       |                                                                                                                                                                                                                                                                                                                                                                       |
| Acute Bronchitis - Upstream                  | units       |                                                                                                                                                                                                                                                                                                                                                                       |

| Column                                          | Units | Contents |
|-------------------------------------------------|-------|----------|
| Lower Respiratory Symptoms - Upstream           | units |          |
| Upper Respiratory Symptoms - Upstream           | units |          |
| Minor Restricted Activity Days - Upstream       | units |          |
| Work Loss Days - Upstream                       | units |          |
| Asthma Exacerbation - Upstream                  | units |          |
| Cardiovascular Hospital Admissions - Upstream   | units |          |
| Respiratory Hospital Admissions - Upstream      | units |          |
| Non-Fatal Heart Attacks (Peters) - Upstream     | units |          |
| Non-Fatal Heart Attacks (All Others) - Upstream | units |          |

| Column                                          | Units | Contents                                                                                                                                                                                                                                                                  |
|-------------------------------------------------|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Premature Deaths - Tailpipe                     | units | Amount of emission health impacts associated with air pollution exposure arising from tailpipe emissions of nitrogen oxides, sulfur dioxide, and particulate matter (PM2.5), aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type. |
| Respiratory Emergency Room Visits - Tailpipe    | units |                                                                                                                                                                                                                                                                           |
| Acute Bronchitis - Tailpipe                     | units |                                                                                                                                                                                                                                                                           |
| Lower Respiratory Symptoms - Tailpipe           | units |                                                                                                                                                                                                                                                                           |
| Upper Respiratory Symptoms - Tailpipe           | units |                                                                                                                                                                                                                                                                           |
| Minor Restricted Activity Days - Tailpipe       | units |                                                                                                                                                                                                                                                                           |
| Work Loss Days - Tailpipe                       | units |                                                                                                                                                                                                                                                                           |
| Asthma Exacerbation - Tailpipe                  | units |                                                                                                                                                                                                                                                                           |
| Cardiovascular Hospital Admissions - Tailpipe   | units |                                                                                                                                                                                                                                                                           |
| Respiratory Hospital Admissions - Tailpipe      | units |                                                                                                                                                                                                                                                                           |
| Non-Fatal Heart Attacks (Peters) - Tailpipe     | units |                                                                                                                                                                                                                                                                           |
| Non-Fatal Heart Attacks (All Others) - Tailpipe | units |                                                                                                                                                                                                                                                                           |

| Column                                       | Units       | Contents                                                                                                                                                                                                                                                                                         |
|----------------------------------------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Premature Deaths - Total                     | units       | Amount of emission health impacts associated with air pollution exposure arising from upstream and tailpipe emissions of nitrogen oxides, sulfur dioxide, and particulate matter (PM2.5), aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.           |
| Respiratory Emergency Room Visits - Total    | units       |                                                                                                                                                                                                                                                                                                  |
| Acute Bronchitis - Total                     | units       |                                                                                                                                                                                                                                                                                                  |
| Lower Respiratory Symptoms - Total           | units       |                                                                                                                                                                                                                                                                                                  |
| Upper Respiratory Symptoms - Total           | units       |                                                                                                                                                                                                                                                                                                  |
| Minor Restricted Activity Days - Total       | units       |                                                                                                                                                                                                                                                                                                  |
| Work Loss Days - Total                       | units       |                                                                                                                                                                                                                                                                                                  |
| Asthma Exacerbation - Total                  | units       |                                                                                                                                                                                                                                                                                                  |
| Cardiovascular Hospital Admissions - Total   | units       |                                                                                                                                                                                                                                                                                                  |
| Respiratory Hospital Admissions - Total      | units       |                                                                                                                                                                                                                                                                                                  |
| Non-Fatal Heart Attacks (Peters) - Total     | units       |                                                                                                                                                                                                                                                                                                  |
| Non-Fatal Heart Attacks (All Others) - Total | units       |                                                                                                                                                                                                                                                                                                  |
| CO Upstream Global (t)                       | metric-tons | Amount of carbon monoxide emissions generated from global crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type.            |
| VOC Upstream Global (t)                      | metric-tons | Amount of volatile organic compounds emissions generated from global crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated over the lifetime of all vehicles for a specific MY, regulatory class, and fuel type. |



| Column                                  | Units               | Contents                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NO <sub>x</sub> Upstream Global (t)     | metric-tons         | Amount of nitrogen oxides emissions generated from global crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                  |
| SO <sub>2</sub> Upstream Global (t)     | metric-tons         | Amount of sulfur dioxide emissions generated from global crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                   |
| PM Upstream Global (t)                  | metric-tons         | Amount of particulate matter (diameter of ~2.5 micrometers) emissions generated from global crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type. |
| CO <sub>2</sub> Upstream Domestic (mmt) | million metric-tons | Amount of carbon dioxide emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                 |
| CH <sub>4</sub> Upstream Domestic (t)   | metric-tons         | Amount of methane emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                        |
| N <sub>2</sub> O Upstream Domestic (t)  | metric-tons         | Amount of nitrous oxide emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                  |
| CO Upstream (t)                         | metric-tons         | Amount of carbon monoxide emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                |
| VOC Upstream (t)                        | metric-tons         | Amount of volatile organic compounds emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                     |
| NO <sub>x</sub> Upstream (t)            | metric-tons         | Amount of nitrogen oxides emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                |

| Column                         | Units               | Contents                                                                                                                                                                                                                                                                                                              |
|--------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SO <sub>2</sub> Upstream (t)   | metric-tons         | Amount of sulfur dioxide emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                    |
| PM Upstream (t)                | metric-tons         | Amount of particulate matter (diameter of ~2.5 micrometers) emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type. |
| CO <sub>2</sub> Upstream (mmt) | million metric-tons | Amount of carbon dioxide emissions generated from global crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                      |
| CH <sub>4</sub> Upstream (t)   | metric-tons         | Amount of methane emissions generated from global crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                             |
| N <sub>2</sub> O Upstream (t)  | metric-tons         | Amount of nitrous oxide emissions generated from global crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                       |
| Acetaldehyde Upstream (t)      | metric-tons         | Amount of Acetaldehyde emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                      |
| Acrolein Upstream (t)          | metric-tons         | Amount of Acrolein emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                          |
| Benzene Upstream (t)           | metric-tons         | Amount of Benzene emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                           |
| Butadiene Upstream (t)         | metric-tons         | Amount of 1,3-Butadiene emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                     |

| Column                         | Units               | Contents                                                                                                                                                                                                                                                                                                                    |
|--------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Formaldehyde Upstream (t)      | metric-tons         | Amount of Formaldehyde emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                            |
| DPM10 Upstream (t)             | metric-tons         | Amount of Diesel particulate matter (diameter of ~10 micrometers) emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type. |
| CO Tailpipe (t)                | metric-tons         | Amount of carbon monoxide emissions generated from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                                                                                                                          |
| VOC Tailpipe (t)               | metric-tons         | Amount of volatile organic compounds emissions generated from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                                                                                                               |
| NO <sub>x</sub> Tailpipe (t)   | metric-tons         | Amount of nitrogen oxides emissions generated from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                                                                                                                          |
| SO <sub>2</sub> Tailpipe (t)   | metric-tons         | Amount of sulfur dioxide emissions generated from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                                                                                                                           |
| PM Tailpipe (t)                | metric-tons         | Amount of particulate matter (diameter of ~2.5 micrometers) emissions generated from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                                                                                        |
| CO <sub>2</sub> Tailpipe (mmt) | million metric-tons | Amount of carbon dioxide emissions generated from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                                                                                                                           |
| CH <sub>4</sub> Tailpipe (t)   | metric-tons         | Amount of methane emissions generated from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                                                                                                                                  |
| N <sub>2</sub> O Tailpipe (t)  | metric-tons         | Amount of nitrous oxide emissions generated from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                                                                                                                            |
| Acetaldehyde Tailpipe (t)      | metric-tons         | Amount of Acetaldehyde emissions generated from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                                                                                                                             |
| Acrolein Tailpipe (t)          | metric-tons         | Amount of Acrolein emissions generated from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                                                                                                                                 |

| Column                    | Units       | Contents                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Benzene Tailpipe (t)      | metric-tons | Amount of Benzene emissions generated from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                                                                                                                                                                              |
| Butadiene Tailpipe (t)    | metric-tons | Amount of 1,3-Butadiene emissions generated from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                                                                                                                                                                        |
| Formaldehyde Tailpipe (t) | metric-tons | Amount of Formaldehyde emissions generated from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                                                                                                                                                                         |
| DPM10 Tailpipe (t)        | metric-tons | Amount of Diesel particulate matter (diameter of ~10 micrometers) emissions generated from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                                                                                                                              |
| PM BTW (t)                | metric-tons | Amount of particulate matter (diameter of ~2.5 micrometers) emissions generated from brake and tire wear, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                                                                                                                                  |
| CO Total (t)              | metric-tons | Amount of carbon monoxide emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                             |
| VOC Total (t)             | metric-tons | Amount of volatile organic compounds emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                  |
| NOx Total (t)             | metric-tons | Amount of nitrogen oxides emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                             |
| SO <sub>2</sub> Total (t) | metric-tons | Amount of sulfur dioxide emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.                                                              |
| PM Total (t)              | metric-tons | Amount of particulate matter (diameter of ~2.5 micrometers) emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, from vehicle operation, and from brake and tire wear, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type. |

| Column                      | Units               | Contents                                                                                                                                                                                                                                                                                                  |
|-----------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CO <sub>2</sub> Total (mmt) | million metric-tons | Amount of carbon dioxide emissions generated from global crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.  |
| CH <sub>4</sub> Total (t)   | metric-tons         | Amount of methane emissions generated from global crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.         |
| N <sub>2</sub> O Total (t)  | metric-tons         | Amount of nitrous oxide emissions generated from global crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.   |
| Acetaldehyde Total (t)      | metric-tons         | Amount of Acetaldehyde emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.  |
| Acrolein Total (t)          | metric-tons         | Amount of Acrolein emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.      |
| Benzene Total (t)           | metric-tons         | Amount of Benzene emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.       |
| Butadiene Total (t)         | metric-tons         | Amount of 1,3-Butadiene emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type. |
| Formaldehyde Total (t)      | metric-tons         | Amount of Formaldehyde emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type.  |

| Column          | Units       | Contents                                                                                                                                                                                                                                                                                                                                            |
|-----------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DPM10 Total (t) | metric-tons | Amount of Diesel particulate matter (diameter of ~10 micrometers) emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific MY, vehicle age, regulatory class, and fuel type. |

*Table 71. Annual Societal Costs Report*

| Column                          | Units         | Contents                                                                                                                                                                                                                                                            |
|---------------------------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scenario                        | integer       | Unique index of the scenario, where 0 represents the baseline, while 1 and above represent the action alternatives.                                                                                                                                                 |
| Scenario Name                   | text          | A short name describing the key features of the scenario.                                                                                                                                                                                                           |
| Model Year                      | model year    | Model years analyzed during the study period, as well as a range historic MYs necessary for fleet analysis calculations.                                                                                                                                            |
| Age                             | integer       | The vehicle's vintage, ranging from 0 to 39, where 0 corresponds to a vehicle's first year on the road.                                                                                                                                                             |
| Calendar Year                   | calendar year | Calendar years analyzed for the effects calculations.                                                                                                                                                                                                               |
| Reg-Class                       | text          | The regulatory class for which the societal costs are reported. When multiple regulatory classes are present in the output, a value of "TOTAL" is used to represent the sums (or averages) across all regulatory classes for some of the outputs, where applicable. |
| Disc-Rate                       | number        | Social discount rate applied to future benefits. A value of 0 indicates undiscounted costs.                                                                                                                                                                         |
| Foregone Consumer Sales Surplus | dollars (k)   | Lost consumer surplus resulting from reduced vehicle sales accumulated across all vehicles for a specific MY, vehicle age, and regulatory class. Lost consumer surplus is assumed to occur entirely at the time of vehicle purchase (i.e., at age 0).               |
| Tech Cost                       | dollars (k)   | Total amount of technology costs accumulated across all vehicles for a specific MY, vehicle age, and regulatory class. Technology costs are assumed to occur entirely at the time of vehicle purchase (i.e., at age 0).                                             |
| Maint/Repair Cost               | dollars (k)   | Total amount of maintenance and repair costs accumulated across all vehicles for a specific MY, vehicle age, and regulatory class. Maintenance and repair costs are assumed to occur entirely at the time of vehicle purchase (i.e., at age 0).                     |

| Column                                        | Units       | Contents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Implicit Opportunity Cost                     | dollars (k) | Implied opportunity cost resulting from applying technologies such that all efficiency gains improve fuel economy rather than also increasing the performance or utility of a vehicle. Although the implicit opportunity cost captures changes in fuel savings occurring over vehicle ages, the resulting net sum of these changes in fuel savings is attributed to and calculated at the time of vehicle purchase (i.e., age 0). This value is accumulated across all vehicles for a specific MY and regulatory class. |
| Commercial Operator Implicit Opportunity Cost | dollars (k) | Implied opportunity cost attributed to a portion of consumers that purchase vehicles for commercial use, accumulated across all vehicles for a specific MY, vehicle age, and regulatory class.                                                                                                                                                                                                                                                                                                                          |
| Fuel Tax Revenue                              | dollars (k) | Total fuel tax revenues accumulated across all vehicles for a specific MY, vehicle age, and regulatory class.                                                                                                                                                                                                                                                                                                                                                                                                           |
| Retail Fuel Outlay                            | dollars (k) | Total retail fuel expenditures (pre-tax fuel cost + fuel tax cost) accumulated across all vehicles for a specific MY, vehicle age, and regulatory class.                                                                                                                                                                                                                                                                                                                                                                |
| Rebound Fuel Cost                             | dollars (k) | Retail fuel expenditures from the additional driving that results from improved fuel economy, accumulated across all vehicles over their lifetime for a specific MY and regulatory class.                                                                                                                                                                                                                                                                                                                               |
| Drive Value                                   | dollars (k) | Benefits from the additional driving that results from improved fuel economy, accumulated across all vehicles for a specific MY, vehicle age, and regulatory class.                                                                                                                                                                                                                                                                                                                                                     |
| Refueling Time Cost                           | dollars (k) | Benefits from reduced refueling frequency due to the extended vehicle range and improved fuel economy, accumulated across all vehicles for a specific MY, vehicle age, and regulatory class.                                                                                                                                                                                                                                                                                                                            |
| Fatality Risk Value                           | dollars (k) | Value offsetting the risk of additional vehicle-related fatalities internalized by the driver, attributed to the additional miles driven due to rebound, accumulated across all vehicles for a specific MY, vehicle age, and regulatory class.                                                                                                                                                                                                                                                                          |
| Non-Fatal Risk Value                          | dollars (k) | Value offsetting the risk of additional non-fatal vehicle-related injuries and property damage crashes internalized by the driver, attributed to the additional miles driven due to rebound, accumulated across all vehicles for a specific MY, vehicle age, and regulatory class.                                                                                                                                                                                                                                      |
| Petroleum Market Externalities                | dollars (k) | Economic costs of oil imports not accounted for by price, accumulated across all vehicles for a specific MY, vehicle age, and regulatory class.                                                                                                                                                                                                                                                                                                                                                                         |
| Congestion Costs                              | dollars (k) | Congestion costs from additional vehicle use, accumulated across all vehicles for a specific MY, vehicle age, and regulatory class.                                                                                                                                                                                                                                                                                                                                                                                     |
| Noise Costs                                   | dollars (k) | Noise costs from additional vehicle use, accumulated across all vehicles for a specific MY, vehicle age, and regulatory class.                                                                                                                                                                                                                                                                                                                                                                                          |

| Column                               | Units       | Contents                                                                                                                                                                                                                                     |
|--------------------------------------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fatality Costs                       | dollars (k) | Costs attributed to vehicle-related fatalities resulting from additional vehicle use and reduction in vehicle curb weight, accumulated across all vehicles for a specific MY, vehicle age, and regulatory class.                             |
| Fatality Costs Rebound               | dollars (k) | Costs attributed to vehicle-related fatalities resulting from changes in VMT due to the rebound effect.                                                                                                                                      |
| Fatality Costs Delta CW              | dollars (k) | Costs attributed to vehicle-related fatalities resulting from reduction in vehicle curb weight.                                                                                                                                              |
| Non-Fatal Injury Costs               | dollars (k) | Costs attributed to non-fatal vehicle-related injuries resulting from additional vehicle use and reduction in vehicle curb weight, accumulated across all vehicles for a specific MY, vehicle age, and regulatory class.                     |
| Non-Fatal Injury Costs Rebound       | dollars (k) | Costs attributed to non-fatal vehicle-related injuries resulting from changes in VMT due to the rebound effect.                                                                                                                              |
| Non-Fatal Injury Costs Delta CW      | dollars (k) | Costs attributed to non-fatal vehicle-related injuries resulting from reduction in vehicle curb weight.                                                                                                                                      |
| Property Damage Crash Costs          | dollars (k) | Costs attributed to non-fatal vehicle-related property damage only crashes resulting from additional vehicle use and reduction in vehicle curb weight, accumulated across all vehicles for a specific MY, vehicle age, and regulatory class. |
| Property Damage Crash Costs Rebound  | dollars (k) | Costs attributed to non-fatal vehicle-related property damage only crashes resulting from changes in VMT due to the rebound effect.                                                                                                          |
| Property Damage Crash Costs Delta CW | dollars (k) | Costs attributed to non-fatal vehicle-related property damage only crashes resulting from reduction in vehicle curb weight.                                                                                                                  |
| CO Damage Costs                      | dollars (k) | Owner and societal costs arising from carbon monoxide damage, aggregated for all vehicles for a specific MY, vehicle age, and regulatory class.                                                                                              |
| VOC Damage Costs                     | dollars (k) | Owner and societal costs arising from volatile organic compounds damage, aggregated for all vehicles for a specific MY, vehicle age, and regulatory class.                                                                                   |
| NOx Damage Costs                     | dollars (k) | Owner and societal costs arising from nitrogen oxides damage, aggregated for all vehicles for a specific MY, vehicle age, and regulatory class.                                                                                              |
| SO <sub>2</sub> Damage Costs         | dollars (k) | Owner and societal costs arising from sulfur dioxide damage, aggregated for all vehicles for a specific MY, vehicle age, and regulatory class.                                                                                               |
| PM Damage Costs                      | dollars (k) | Owner and societal costs arising from particulate matter damage, aggregated for all vehicles for a specific MY, vehicle age, and regulatory class.                                                                                           |



| Column                                    | Units       | Contents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CO <sub>2</sub> Damage Costs (Low)        | dollars (k) | Owner and societal costs arising from carbon dioxide damage, aggregated for all vehicles for a specific MY, vehicle age, and regulatory class. This value is computed using either the "low," "average," "high," or "very high" annual stream of CO <sub>2</sub> input costs and the associated "low," "average," "high," or "very high" discount rate, as defined in the parameters input file.                                                                                                                                                                                                                                                         |
| CO <sub>2</sub> Damage Costs (Average)    | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| CO <sub>2</sub> Damage Costs (High)       | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| CO <sub>2</sub> Damage Costs (Very High)  | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| CH <sub>4</sub> Damage Costs (Low)        | dollars (k) | Owner and societal costs arising from methane damage, aggregated for all vehicles for a specific MY, vehicle age, and regulatory class. This value is computed using either the "low," "average," "high," or "very high" annual stream of CH <sub>4</sub> input costs and the associated "low," "average," "high," or "very high" discount rate, as defined in the parameters input file.                                                                                                                                                                                                                                                                |
| CH <sub>4</sub> Damage Costs (Average)    | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| CH <sub>4</sub> Damage Costs (High)       | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| CH <sub>4</sub> Damage Costs (Very High)  | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| N <sub>2</sub> O Damage Costs (Low)       | dollars (k) | Owner and societal costs arising from nitrous oxide damage, aggregated for all vehicles for a specific MY, vehicle age, and regulatory class. This value is computed using either the "low," "average," "high," or "very high" annual stream of N <sub>2</sub> O input costs and the associated "low," "average," "high," or "very high" discount rate, as defined in the parameters input file.                                                                                                                                                                                                                                                         |
| N <sub>2</sub> O Damage Costs (Average)   | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| N <sub>2</sub> O Damage Costs (High)      | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| N <sub>2</sub> O Damage Costs (Very High) | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Total Social Costs                        | dollars (k) | Total societal costs, combining the incremental effect of social cost metrics occurring in the action alternative over the baseline scenario. Total social costs are computed as the sum of cost changes (i.e., alternative - baseline) for the following values: Foregone Consumer Sales Surplus, Tech Cost, Maint/Repair Cost, Implicit Opportunity Cost, Congestion Costs, Noise Costs, Fatality Costs, Non-Fatal Injury Costs, and Property Damage Crash Costs; as well as the sum of cost savings (i.e., baseline - alternative) for: Fuel Tax Revenue.                                                                                             |
| Total Social Benefits (SCC Low)           | dollars (k) | Total societal benefits, combining the incremental effect of social cost metrics occurring in the action alternative over the baseline scenario. Total social benefits are computed as the sum of cost changes (i.e., alternative - baseline) for the following values: Drive Value, Fatality Risk Value, and Non-Fatal Crash Risk Value; as well as the sum of cost savings (i.e., baseline - alternative) for the following values: Retail Fuel Outlay, Refueling Time Cost, Petroleum Market Externalities, and all Emission Damage Costs. In the case of CO <sub>2</sub> , CH <sub>4</sub> , and N <sub>2</sub> O Emission Damage Costs, only one of |
| Total Social Benefits (SCC Average)       | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Total Social Benefits (SCC High)          | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

| Column                                | Units       | Contents                                                                                                                                                                                                               |
|---------------------------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total Social Benefits (SCC Very High) | dollars (k) | the "low," "average," "high," or "very high" set of values are included in the total.                                                                                                                                  |
| Net Social Benefits (SCC Low)         | dollars (k) | The net of social benefits, using the "low" annual stream of N <sub>2</sub> O input costs and the associated "low" discount rate, computed as: Total Social Benefits (SCC Low) - Total Social Costs.                   |
| Net Social Benefits (SCC Average)     | dollars (k) | The net of social benefits, using the "average" annual stream of N <sub>2</sub> O input costs and the associated "average" discount rate, computed as: Total Social Benefits (SCC Average) - Total Social Costs.       |
| Net Social Benefits (SCC High)        | dollars (k) | The net of social benefits, using the "high" annual stream of N <sub>2</sub> O input costs and the associated "high" discount rate, computed as: Total Social Benefits (SCC High) - Total Social Costs.                |
| Net Social Benefits (SCC Very High)   | dollars (k) | The net of social benefits, using the "very high" annual stream of N <sub>2</sub> O input costs and the associated "very high" discount rate, computed as: Total Social Benefits (SCC Very High) - Total Social Costs. |

## B.5 Annual Societal Effects and Annual Societal Costs Summary Reports

The Annual Societal Effects Summary Report and the Annual Societal Costs Summary Report contain similar results as the Annual Societal Effects Report and the Annual Societal Costs Report, except these outputs aggregate the results by CY, by summing across results at each vehicle age. Table 72 lists the full contents of the Annual Societal Effects Report and Table 73 lists the full contents of the Annual Societal Costs Report. The annual summary reports produce results as absolutes (i.e., non-incremental) for the baseline and action alternatives, however, as in the preceding sections, some values are inherently incremental.

*Table 72. Annual Societal Effects Summary Report*

| Column        | Units         | Contents                                                                                                                                                                                                                                                            |
|---------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scenario      | integer       | Unique index of the scenario, where 0 represents the baseline, while 1 and above represent the action alternatives.                                                                                                                                                 |
| Scenario Name | text          | A short name describing the key features of the scenario.                                                                                                                                                                                                           |
| Calendar Year | calendar year | Calendar years analyzed for the effects calculations.                                                                                                                                                                                                               |
| Reg-Class     | text          | The regulatory class for which the societal costs are reported. When multiple regulatory classes are present in the output, a value of "TOTAL" is used to represent the sums (or averages) across all regulatory classes for some of the outputs, where applicable. |
| Fuel Type     | text          | The fuel type for which the societal costs are reported. A value of "TOTAL" is used to represent the sums (or averages) across all fuel types for some of the outputs, where applicable.                                                                            |

| Column                          | Units       | Contents                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Average Age                     | number      | The average age of vehicles for a specific CY, regulatory class, and fuel type.                                                                                                                                                                                                                                                                          |
| Fleet                           | units       | Total on-road fleet for a specific CY, regulatory class, and fuel type.                                                                                                                                                                                                                                                                                  |
| kVMT                            | miles (k)   | Thousands of miles traveled by all vehicles for a specific CY, regulatory class, and fuel type.                                                                                                                                                                                                                                                          |
| kVMT No Rebound                 | miles (k)   | Thousands of miles traveled by all vehicles, assuming the absence of the fuel economy rebound effect, for a specific CY, regulatory class, and fuel type.                                                                                                                                                                                                |
| Quads                           | quads       | Energy used by all vehicles for a specific CY, regulatory class, and fuel type.                                                                                                                                                                                                                                                                          |
| kGallons                        | gallons (k) | Amount of gallons of liquid fuel consumed, or amount of gasoline equivalent gallons of fuel consumed (for non-liquid fuel types), by all vehicles for a specific CY, regulatory class, and fuel type.                                                                                                                                                    |
| kUnits                          | varies      | Amount of energy consumed by all vehicles for a specific CY, regulatory class, and fuel type, where the units of measure vary based on fuel type. For liquid fuel types (gasoline, E85, diesel), the units are specified in thousands of gallons; for electricity, the units are specified in MWh; for hydrogen and CNG, the units are specified in Mcf. |
| Fatalities                      | units       | Amount of fatalities resulting from reduction in vehicle curb weight and increases in VMT due to the rebound effect, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                                                                                                                                     |
| Fatalities From Rebound         | units       | Amount of vehicle-related fatalities resulting from changes in VMT due to the rebound effect.                                                                                                                                                                                                                                                            |
| Fatalities From Delta CW        | units       | Amount of vehicle-related fatalities resulting from reduction in vehicle curb weight.                                                                                                                                                                                                                                                                    |
| Non-Fatal Injuries              | units       | Amount of non-fatal vehicle-related injuries resulting from reduction in vehicle curb weight, changes in VMT due to the rebound effect, and changes in fleet age distribution, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                                                                           |
| Non-Fatal Injuries Rebound      | units       | Amount of non-fatal vehicle-related injuries resulting from changes in VMT due to the rebound effect.                                                                                                                                                                                                                                                    |
| Non-Fatal Injuries Delta CW     | units       | Amount of non-fatal vehicle-related injuries resulting from reduction in vehicle curb weight.                                                                                                                                                                                                                                                            |
| Property Damage Crashes         | units       | Amount of non-fatal vehicle-related property damage only crashes resulting from reduction in vehicle curb weight, changes in VMT due to the rebound effect, and changes in fleet age distribution, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                                                       |
| Property Damage Crashes Rebound | units       | Amount of non-fatal vehicle-related property damage only crashes resulting from changes in VMT due to the rebound effect.                                                                                                                                                                                                                                |

| Column                                          | Units | Contents                                                                                                                                                                                                                                                     |
|-------------------------------------------------|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Property Damage Crashes Delta CW                | units | Amount of non-fatal vehicle-related property damage only crashes resulting from reduction in vehicle curb weight.                                                                                                                                            |
| Premature Deaths - Upstream                     | units | Amount of emission health impacts associated with air pollution exposure arising from upstream emissions of nitrogen oxides, sulfur dioxide, and particulate matter (PM2.5), aggregated for all vehicles for a specific CY, regulatory class, and fuel type. |
| Respiratory Emergency Room Visits - Upstream    | units |                                                                                                                                                                                                                                                              |
| Acute Bronchitis - Upstream                     | units |                                                                                                                                                                                                                                                              |
| Lower Respiratory Symptoms - Upstream           | units |                                                                                                                                                                                                                                                              |
| Upper Respiratory Symptoms - Upstream           | units |                                                                                                                                                                                                                                                              |
| Minor Restricted Activity Days - Upstream       | units |                                                                                                                                                                                                                                                              |
| Work Loss Days - Upstream                       | units |                                                                                                                                                                                                                                                              |
| Asthma Exacerbation - Upstream                  | units |                                                                                                                                                                                                                                                              |
| Cardiovascular Hospital Admissions - Upstream   | units |                                                                                                                                                                                                                                                              |
| Respiratory Hospital Admissions - Upstream      | units |                                                                                                                                                                                                                                                              |
| Non-Fatal Heart Attacks (Peters) - Upstream     | units |                                                                                                                                                                                                                                                              |
| Non-Fatal Heart Attacks (All Others) - Upstream | units |                                                                                                                                                                                                                                                              |
| Premature Deaths - Tailpipe                     | units | Amount of emission health impacts associated with air pollution exposure arising from tailpipe emissions of nitrogen oxides, sulfur dioxide, and particulate matter (PM2.5), aggregated for all vehicles for a specific CY, regulatory class, and fuel type. |
| Respiratory Emergency Room Visits - Tailpipe    | units |                                                                                                                                                                                                                                                              |

| Column                                          | Units | Contents |
|-------------------------------------------------|-------|----------|
| Acute Bronchitis - Tailpipe                     | units |          |
| Lower Respiratory Symptoms - Tailpipe           | units |          |
| Upper Respiratory Symptoms - Tailpipe           | units |          |
| Minor Restricted Activity Days - Tailpipe       | units |          |
| Work Loss Days - Tailpipe                       | units |          |
| Asthma Exacerbation - Tailpipe                  | units |          |
| Cardiovascular Hospital Admissions - Tailpipe   | units |          |
| Respiratory Hospital Admissions - Tailpipe      | units |          |
| Non-Fatal Heart Attacks (Peters) - Tailpipe     | units |          |
| Non-Fatal Heart Attacks (All Others) - Tailpipe | units |          |

| Column                                       | Units       | Contents                                                                                                                                                                                                                                                                        |
|----------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Premature Deaths - Total                     | units       | Amount of emission health impacts associated with air pollution exposure arising from upstream and tailpipe emissions of nitrogen oxides, sulfur dioxide, and particulate matter (PM2.5), aggregated for all vehicles for a specific CY, regulatory class, and fuel type.       |
| Respiratory Emergency Room Visits - Total    | units       |                                                                                                                                                                                                                                                                                 |
| Acute Bronchitis - Total                     | units       |                                                                                                                                                                                                                                                                                 |
| Lower Respiratory Symptoms - Total           | units       |                                                                                                                                                                                                                                                                                 |
| Upper Respiratory Symptoms - Total           | units       |                                                                                                                                                                                                                                                                                 |
| Minor Restricted Activity Days - Total       | units       |                                                                                                                                                                                                                                                                                 |
| Work Loss Days - Total                       | units       |                                                                                                                                                                                                                                                                                 |
| Asthma Exacerbation - Total                  | units       |                                                                                                                                                                                                                                                                                 |
| Cardiovascular Hospital Admissions - Total   | units       |                                                                                                                                                                                                                                                                                 |
| Respiratory Hospital Admissions - Total      | units       |                                                                                                                                                                                                                                                                                 |
| Non-Fatal Heart Attacks (Peters) - Total     | units       |                                                                                                                                                                                                                                                                                 |
| Non-Fatal Heart Attacks (All Others) - Total | units       |                                                                                                                                                                                                                                                                                 |
| CO Upstream Global (t)                       | metric-tons | Amount of carbon monoxide emissions generated from global crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.            |
| VOC Upstream Global (t)                      | metric-tons | Amount of volatile organic compounds emissions generated from global crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific CY, regulatory class, and fuel type. |
| NOx Upstream Global (t)                      | metric-tons | Amount of nitrogen oxides emissions generated from global crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.            |

| Column                                  | Units               | Contents                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SO <sub>2</sub> Upstream Global (t)     | metric-tons         | Amount of sulfur dioxide emissions generated from global crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                      |
| PM Upstream Global (t)                  | metric-tons         | Amount of particulate matter (diameter of ~2.5 micrometers) emissions generated from global crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution aggregated for all vehicles for a specific CY, regulatory class, and fuel type.    |
| CO <sub>2</sub> Upstream Domestic (mmt) | million metric-tons | Amount of carbon dioxide emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                    |
| CH <sub>4</sub> Upstream Domestic (t)   | metric-tons         | Amount of methane emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                           |
| N <sub>2</sub> O Upstream Domestic (t)  | metric-tons         | Amount of nitrous oxide emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                     |
| CO Upstream (t)                         | metric-tons         | Amount of carbon monoxide emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                   |
| VOC Upstream (t)                        | metric-tons         | Amount of volatile organic compounds emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                        |
| NO <sub>x</sub> Upstream (t)            | metric-tons         | Amount of nitrogen oxides emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                   |
| SO <sub>2</sub> Upstream (t)            | metric-tons         | Amount of sulfur dioxide emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                    |
| PM Upstream (t)                         | metric-tons         | Amount of particulate matter (diameter of ~2.5 micrometers) emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific CY, regulatory class, and fuel type. |

| Column                         | Units               | Contents                                                                                                                                                                                                                                                                                                       |
|--------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CO <sub>2</sub> Upstream (mmt) | million metric-tons | Amount of carbon dioxide emissions generated from global crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                            |
| CH <sub>4</sub> Upstream (t)   | metric-tons         | Amount of methane emissions generated from global crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                                   |
| N <sub>2</sub> O Upstream (t)  | metric-tons         | Amount of nitrous oxide emissions generated from global crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                             |
| Acetaldehyde Upstream (t)      | metric-tons         | Amount of Acetaldehyde emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                            |
| Acrolein Upstream (t)          | metric-tons         | Amount of Acrolein emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                                |
| Benzene Upstream (t)           | metric-tons         | Amount of Benzene emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                                 |
| Butadiene Upstream (t)         | metric-tons         | Amount of 1,3-Butadiene emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                           |
| Formaldehyde Upstream (t)      | metric-tons         | Amount of Formaldehyde emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                            |
| DPM10 Upstream (t)             | metric-tons         | Amount of Diesel particulate matter (diameter of ~10 micrometers) emissions generated from domestic crude petroleum extraction, transportation, and refining, and from refined fuel transportation, storage, and distribution, aggregated for all vehicles for a specific CY, regulatory class, and fuel type. |
| CO Tailpipe (t)                | metric-tons         | Amount of carbon monoxide emissions generated from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                                                                                                                                          |
| VOC Tailpipe (t)               | metric-tons         | Amount of volatile organic compounds emissions generated from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                                                                                                                               |



| Column                         | Units               | Contents                                                                                                                                                                                      |
|--------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NO <sub>x</sub> Tailpipe (t)   | metric-tons         | Amount of nitrogen oxides emissions generated from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                         |
| SO <sub>2</sub> Tailpipe (t)   | metric-tons         | Amount of sulfur dioxide emissions generated from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                          |
| PM Tailpipe (t)                | metric-tons         | Amount of particulate matter (diameter of ~2.5 micrometers) emissions generated from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.       |
| CO <sub>2</sub> Tailpipe (mmt) | million metric-tons | Amount of carbon dioxide emissions generated from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                          |
| CH <sub>4</sub> Tailpipe (t)   | metric-tons         | Amount of methane emissions generated from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                                 |
| N <sub>2</sub> O Tailpipe (t)  | metric-tons         | Amount of nitrous oxide emissions generated from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                           |
| Acetaldehyde Tailpipe (t)      | metric-tons         | Amount of Acetaldehyde emissions generated from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                            |
| Acrolein Tailpipe (t)          | metric-tons         | Amount of Acrolein emissions generated from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                                |
| Benzene Tailpipe (t)           | metric-tons         | Amount of Benzene emissions generated from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                                 |
| Butadiene Tailpipe (t)         | metric-tons         | Amount of 1,3-Butadiene emissions generated from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                           |
| Formaldehyde Tailpipe (t)      | metric-tons         | Amount of Formaldehyde emissions generated from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                            |
| DPM10 Tailpipe (t)             | metric-tons         | Amount of Diesel particulate matter (diameter of ~10 micrometers) emissions generated from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type. |
| PM BTW (t)                     | metric-tons         | Amount of particulate matter (diameter of ~2.5 micrometers) emissions generated from brake and tire wear, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.     |

| Column                      | Units               | Contents                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CO Total (t)                | metric-tons         | Amount of carbon monoxide emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                                             |
| VOC Total (t)               | metric-tons         | Amount of volatile organic compounds emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                                  |
| NOx Total (t)               | metric-tons         | Amount of nitrogen oxides emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                                             |
| SO <sub>2</sub> Total (t)   | metric-tons         | Amount of sulfur dioxide emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                                              |
| PM Total (t)                | metric-tons         | Amount of particulate matter (diameter of ~2.5 micrometers) emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, from vehicle operation, and from brake and tire wear, aggregated for all vehicles for a specific CY, regulatory class, and fuel type. |
| CO <sub>2</sub> Total (mmt) | million metric-tons | Amount of carbon dioxide emissions generated from global crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                                                |
| CH <sub>4</sub> Total (t)   | metric-tons         | Amount of methane emissions generated from global crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                                                       |
| N <sub>2</sub> O Total (t)  | metric-tons         | Amount of nitrous oxide emissions generated from global crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                                                 |

| Column                 | Units       | Contents                                                                                                                                                                                                                                                                                                                               |
|------------------------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Acetaldehyde Total (t) | metric-tons | Amount of Acetaldehyde emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                            |
| Acrolein Total (t)     | metric-tons | Amount of Acrolein emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                                |
| Benzene Total (t)      | metric-tons | Amount of Benzene emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                                 |
| Butadiene Total (t)    | metric-tons | Amount of 1,3-Butadiene emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                           |
| Formaldehyde Total (t) | metric-tons | Amount of Formaldehyde emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type.                                            |
| DPM10 Total (t)        | metric-tons | Amount of Diesel particulate matter (diameter of ~10 micrometers) emissions generated from domestic crude petroleum extraction, transportation, and refining, from refined fuel transportation, storage, and distribution, and from vehicle operation, aggregated for all vehicles for a specific CY, regulatory class, and fuel type. |

*Table 73. Annual Societal Costs Summary Report*

| Column        | Units         | Contents                                                                                                                                                                                                                                                            |
|---------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scenario      | integer       | Unique index of the scenario, where 0 represents the baseline, while 1 and above represent the action alternatives.                                                                                                                                                 |
| Scenario Name | text          | A short name describing the key features of the scenario.                                                                                                                                                                                                           |
| Calendar Year | calendar year | Calendar years analyzed for the effects calculations.                                                                                                                                                                                                               |
| Reg-Class     | text          | The regulatory class for which the societal costs are reported. When multiple regulatory classes are present in the output, a value of "TOTAL" is used to represent the sums (or averages) across all regulatory classes for some of the outputs, where applicable. |

| Column                                        | Units       | Contents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Disc-Rate                                     | number      | Social discount rate applied to future benefits. A value of 0 indicates undiscounted costs.                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Foregone Consumer Sales Surplus               | dollars (k) | Lost consumer surplus resulting from reduced vehicle sales accumulated across all vehicles for a specific CY and regulatory class. Lost consumer surplus is assumed to occur entirely at the time of vehicle purchase (i.e., at age 0).                                                                                                                                                                                                                                                                                 |
| Tech Cost                                     | dollars (k) | Total amount of technology costs accumulated across all vehicles for a specific CY and regulatory class. Technology costs are assumed to occur entirely at the time of vehicle purchase (i.e., at age 0).                                                                                                                                                                                                                                                                                                               |
| Maint/Repair Cost                             | dollars (k) | Total amount of maintenance and repair costs accumulated across all vehicles for a specific CY and regulatory class. Maintenance and repair costs are assumed to occur entirely at the time of vehicle purchase (i.e., at age 0).                                                                                                                                                                                                                                                                                       |
| Implicit Opportunity Cost                     | dollars (k) | Implied opportunity cost resulting from applying technologies such that all efficiency gains improve fuel economy rather than also increasing the performance or utility of a vehicle. Although the implicit opportunity cost captures changes in fuel savings occurring over vehicle ages, the resulting net sum of these changes in fuel savings is attributed to and calculated at the time of vehicle purchase (i.e., age 0). This value is accumulated across all vehicles for a specific MY and regulatory class. |
| Commercial Operator Implicit Opportunity Cost | dollars (k) | Implied opportunity cost attributed to a portion of consumers that purchase vehicles for commercial use, accumulated across all vehicles for a specific CY and regulatory class.                                                                                                                                                                                                                                                                                                                                        |
| Fuel Tax Revenue                              | dollars (k) | Total fuel tax revenues accumulated across all vehicles for a specific CY and regulatory class.                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Retail Fuel Outlay                            | dollars (k) | Total retail fuel expenditures (pre-tax fuel cost + fuel tax cost) accumulated across all vehicles for a specific CY and regulatory class.                                                                                                                                                                                                                                                                                                                                                                              |
| Rebound Fuel Cost                             | dollars (k) | Retail fuel expenditures from the additional driving that results from improved fuel economy, accumulated across all vehicles over their lifetime for a specific MY and regulatory class.                                                                                                                                                                                                                                                                                                                               |
| Drive Value                                   | dollars (k) | Benefits from the additional driving that results from improved fuel economy, accumulated across all vehicles for a specific CY and regulatory class.                                                                                                                                                                                                                                                                                                                                                                   |
| Refueling Time Cost                           | dollars (k) | Benefits from reduced refueling frequency due to the extended vehicle range and improved fuel economy, accumulated across all vehicles for a specific CY and regulatory class.                                                                                                                                                                                                                                                                                                                                          |
| Fatality Risk Value                           | dollars (k) | Value offsetting the risk of additional vehicle-related fatalities internalized by the driver, attributed to the additional miles driven due to rebound, accumulated across all vehicles for a specific CY and regulatory class.                                                                                                                                                                                                                                                                                        |

| Column                               | Units       | Contents                                                                                                                                                                                                                                                             |
|--------------------------------------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Non-Fatal Risk Value                 | dollars (k) | Value offsetting the risk of additional non-fatal vehicle-related injuries and property damage crashes internalized by the driver, attributed to the additional miles driven due to rebound, accumulated across all vehicles for a specific CY and regulatory class. |
| Petroleum Market Externalities       | dollars (k) | Economic costs of oil imports not accounted for by price, accumulated across all vehicles for a specific CY and regulatory class.                                                                                                                                    |
| Congestion Costs                     | dollars (k) | Congestion costs from additional vehicle use, accumulated across all vehicles for a specific CY and regulatory class.                                                                                                                                                |
| Noise Costs                          | dollars (k) | Noise costs from additional vehicle use, accumulated across all vehicles for a specific CY and regulatory class.                                                                                                                                                     |
| Fatality Costs                       | dollars (k) | Costs attributed to vehicle-related fatalities resulting from additional vehicle use and reduction in vehicle curb weight, accumulated across all vehicles for a specific CY and regulatory class.                                                                   |
| Fatality Costs Rebound               | dollars (k) | Costs attributed to vehicle-related fatalities resulting from changes in VMT due to the rebound effect.                                                                                                                                                              |
| Fatality Costs Delta CW              | dollars (k) | Costs attributed to vehicle-related fatalities resulting from reduction in vehicle curb weight.                                                                                                                                                                      |
| Non-Fatal Injury Costs               | dollars (k) | Costs attributed to non-fatal vehicle-related injuries resulting from additional vehicle use and reduction in vehicle curb weight, accumulated across all vehicles for a specific CY and regulatory class.                                                           |
| Non-Fatal Injury Costs Rebound       | dollars (k) | Costs attributed to non-fatal vehicle-related injuries resulting from changes in VMT due to the rebound effect.                                                                                                                                                      |
| Non-Fatal Injury Costs Delta CW      | dollars (k) | Costs attributed to non-fatal vehicle-related injuries resulting from reduction in vehicle curb weight.                                                                                                                                                              |
| Property Damage Crash Costs          | dollars (k) | Costs attributed to non-fatal vehicle-related property damage only crashes resulting from additional vehicle use and reduction in vehicle curb weight, accumulated across all vehicles for a specific CY and regulatory class.                                       |
| Property Damage Crash Costs Rebound  | dollars (k) | Costs attributed to non-fatal vehicle-related property damage only crashes resulting from changes in VMT due to the rebound effect.                                                                                                                                  |
| Property Damage Crash Costs Delta CW | dollars (k) | Costs attributed to non-fatal vehicle-related property damage only crashes resulting from reduction in vehicle curb weight.                                                                                                                                          |
| CO Damage Costs                      | dollars (k) | Owner and societal costs arising from carbon monoxide damage, aggregated for all vehicles for a specific CY and regulatory class.                                                                                                                                    |
| VOC Damage Costs                     | dollars (k) | Owner and societal costs arising from volatile organic compounds damage, aggregated for all vehicles for a specific CY and regulatory class.                                                                                                                         |

| Column                                    | Units       | Contents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NO <sub>x</sub> Damage Costs              | dollars (k) | Owner and societal costs arising from nitrogen oxides damage, aggregated for all vehicles for a specific CY and regulatory class.                                                                                                                                                                                                                                                                                                                                                                                                                            |
| SO <sub>2</sub> Damage Costs              | dollars (k) | Owner and societal costs arising from sulfur dioxide damage, aggregated for all vehicles for a specific CY and regulatory class.                                                                                                                                                                                                                                                                                                                                                                                                                             |
| PM Damage Costs                           | dollars (k) | Owner and societal costs arising from particulate matter damage, aggregated for all vehicles for a specific CY and regulatory class.                                                                                                                                                                                                                                                                                                                                                                                                                         |
| CO <sub>2</sub> Damage Costs (Low)        | dollars (k) | Owner and societal costs arising from carbon dioxide damage, aggregated for all vehicles for a specific CY and regulatory class. This value is computed using either the "low," "average," "high," or "very high" annual stream of CO <sub>2</sub> input costs and the associated "low," "average," "high," or "very high" discount rate, as defined in the parameters input file.                                                                                                                                                                           |
| CO <sub>2</sub> Damage Costs (Average)    | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| CO <sub>2</sub> Damage Costs (High)       | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| CO <sub>2</sub> Damage Costs (Very High)  | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| CH <sub>4</sub> Damage Costs (Low)        | dollars (k) | Owner and societal costs arising from methane damage, aggregated for all vehicles for a specific CY and regulatory class. This value is computed using either the "low," "average," "high," or "very high" annual stream of CH <sub>4</sub> input costs and the associated "low," "average," "high," or "very high" discount rate, as defined in the parameters input file.                                                                                                                                                                                  |
| CH <sub>4</sub> Damage Costs (Average)    | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| CH <sub>4</sub> Damage Costs (High)       | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| CH <sub>4</sub> Damage Costs (Very High)  | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| N <sub>2</sub> O Damage Costs (Low)       | dollars (k) | Owner and societal costs arising from nitrous oxide damage, aggregated for all vehicles for a specific CY and regulatory class. This value is computed using either the "low," "average," "high," or "very high" annual stream of N <sub>2</sub> O input costs and the associated "low," "average," "high," or "very high" discount rate, as defined in the parameters input file.                                                                                                                                                                           |
| N <sub>2</sub> O Damage Costs (Average)   | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| N <sub>2</sub> O Damage Costs (High)      | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| N <sub>2</sub> O Damage Costs (Very High) | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Total Social Costs                        | dollars (k) | Total societal costs, combining the incremental effect of social cost metrics occurring in the action alternative over the baseline scenario. Total social costs are computed as the sum of cost changes (i.e., alternative - baseline) for the following values: Foregone Consumer Sales Surplus, Tech Cost, Maint/Repair Cost, Implicit Opportunity Cost, Congestion Costs, Noise Costs, Fatality Costs, Non-Fatal Injury Costs, and Property Damage Crash Costs; as well as the sum of cost savings (i.e., baseline - alternative) for: Fuel Tax Revenue. |

| Column                                | Units       | Contents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total Social Benefits (SCC Low)       | dollars (k) | Total societal benefits, combining the incremental effect of social cost metrics occurring in the action alternative over the baseline scenario. Total social benefits are computed as the sum of cost changes (i.e., alternative - baseline) for the following values: Drive Value, Fatality Risk Value, and Non-Fatal Crash Risk Value; as well as the sum of cost savings (i.e., baseline - alternative) for the following values: Retail Fuel Outlay, Refueling Time Cost, Petroleum Market Externalities, and all Emission Damage Costs. In the case of CO <sub>2</sub> , CH <sub>4</sub> , and N <sub>2</sub> O Emission Damage Costs, only one of the "low," "average," "high," or "very high" set of values are included in the total. |
| Total Social Benefits (SCC Average)   | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Total Social Benefits (SCC High)      | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Total Social Benefits (SCC Very High) | dollars (k) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Net Social Benefits (SCC Low)         | dollars (k) | The net of social benefits, using the "low" annual stream of N <sub>2</sub> O input costs and the associated "low" discount rate, computed as: Total Social Benefits (SCC Low) - Total Social Costs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Net Social Benefits (SCC Average)     | dollars (k) | The net of social benefits, using the "average" annual stream of N <sub>2</sub> O input costs and the associated "average" discount rate, computed as: Total Social Benefits (SCC Average) - Total Social Costs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Net Social Benefits (SCC High)        | dollars (k) | The net of social benefits, using the "high" annual stream of N <sub>2</sub> O input costs and the associated "high" discount rate, computed as: Total Social Benefits (SCC High) - Total Social Costs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Net Social Benefits (SCC Very High)   | dollars (k) | The net of social benefits, using the "very high" annual stream of N <sub>2</sub> O input costs and the associated "very high" discount rate, computed as: Total Social Benefits (SCC Very High) - Total Social Costs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

## B.6 Consumer Costs Report

The *Consumer Costs Report* contains industry-wide summary of consumer-related costs for each MY and scenario analyzed, using discounting from the consumer's perspective. The results are reported by regulatory class, as well as aggregated for the entire fleet. As with the *Compliance Report*, the system generates "incremental" and "absolute" versions of this report and may be configured to optionally generate an additional "reclassified" version. For the baseline scenario and for all action alternatives in the absolute version of the report, almost all of the costs are specified as absolutes, while for the incremental report's action alternatives, all costs are incremental and are specified as the difference between the action alternative and the baseline scenario. As was the case for the various social costs reports, the average foregone consumer sales surplus and average reallocated value, along with the cumulative averages of consumer costs, benefits, and net benefits, are inherently incremental over the baseline scenario, and are reported as zero in the baseline, and as incremental for the action alternatives. Table 74 lists the full contents of the *Consumer Costs Report*.

Table 74. *Consumer Costs Report*

| Column                              | Units      | Contents                                                                                                                                                                                                                                                            |
|-------------------------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scenario                            | integer    | Unique index of the scenario, where 0 represents the baseline, while 1 and above represent the action alternatives.                                                                                                                                                 |
| Scenario Name                       | text       | A short name describing the key features of the scenario.                                                                                                                                                                                                           |
| Model Year                          | model year | Model years analyzed during the study period.                                                                                                                                                                                                                       |
| Reg-Class                           | text       | The regulatory class for which the consumer costs are reported. When multiple regulatory classes are present in the output, a value of "TOTAL" is used to represent the sums (or averages) across all regulatory classes for some of the outputs, where applicable. |
| Disc-Rate                           | number     | Consumer discount rate applied to future benefits. This value dictates the rate at which all associated costs are discounted. A value of 0 indicates that the costs are undiscounted.                                                                               |
| Payback                             | number     | Number of years before increases in vehicles' average costs are repaid.                                                                                                                                                                                             |
| Payback TCO                         | number     | Number of years before increases in vehicles' average total costs of ownership are repaid.                                                                                                                                                                          |
| Sales                               | units      | Total production of vehicles for sale during a specific MY and regulatory class.                                                                                                                                                                                    |
| Avg Foregone Consumer Sales Surplus | dollars    | Average lost consumer surplus resulting from reduced vehicle sales accumulated across all vehicles for a specific MY and regulatory class. Lost consumer surplus is assumed to occur entirely at the time of vehicle purchase (i.e., at age 0).                     |
| Avg Tech Cost                       | dollars    | Average amount of technology costs accumulated across all vehicles for a specific MY and regulatory class. Technology costs are assumed to occur entirely at the time of vehicle purchase (i.e., at age 0).                                                         |



| Column                        | Units   | Contents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Avg Reg Cost                  | dollars | Average amount of regulatory costs (technology costs plus fines) accumulated across all vehicles for a specific MY and regulatory class. Regulatory costs are assumed to occur entirely at the time of vehicle purchase (i.e., at age 0).                                                                                                                                                                                                                                                                                               |
| Avg Tax Credit                | dollars | Average amount of vehicle tax breaks claimed by the consumers for purchasing any hybrid/electric vehicle model (SHEV, PHEV, BEV, and FCV), accumulated across all vehicles for a specific MY and regulatory class. Vehicle tax credits are assumed to occur entirely at the time of vehicle purchase (i.e., at age 0).                                                                                                                                                                                                                  |
| Avg Battery Tax Credit        | dollars | Average amount of battery tax breaks passed through to the consumers for purchasing any hybrid/electric vehicle model (SHEV, PHEV, BEV, and FCV), accumulated across all vehicles for a specific MY and regulatory class. Battery tax credits are assumed to occur entirely at the time of vehicle purchase (i.e., at age 0).                                                                                                                                                                                                           |
| Avg Maint/Repair Cost         | dollars | Average amount of maintenance and repair costs accumulated across all vehicles for a specific MY and regulatory class. Maintenance and repair costs are assumed to occur entirely at the time of vehicle purchase (i.e., at age 0).                                                                                                                                                                                                                                                                                                     |
| Avg Implicit Opportunity Cost | dollars | Average implied opportunity cost resulting from applying technologies such that all efficiency gains improve fuel economy rather than also increasing the performance or utility of a vehicle. Although the implicit opportunity cost captures changes in fuel savings occurring over vehicle ages, the resulting net sum of these changes in fuel savings is attributed to and calculated at the time of vehicle purchase (i.e., age 0). This value is accumulated across all vehicles for a specific model year and regulatory class. |
| Avg Taxes/Fees                | dollars | Average taxes and fees associated with a new vehicle purchase, accumulated across all vehicles for a specific MY and regulatory class. Taxes and fees are assumed to occur entirely at the time of vehicle purchase (i.e., at age 0).                                                                                                                                                                                                                                                                                                   |
| Avg Financing Cost            | dollars | Average costs associated with financing a new vehicle purchase accumulated across all vehicles over their lifetime for a specific MY and regulatory class. Financing costs are computed for a set of vehicle ages as defined by the "financing term" value defined in the parameters input file.                                                                                                                                                                                                                                        |
| Avg Insurance Cost            | dollars | Average insurance costs accumulated across all vehicles over their lifetime for a specific MY and regulatory class.                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Avg Retail Fuel Outlay        | dollars | Average retail fuel expenditures accumulated across all vehicles over their lifetime for a specific MY and regulatory class.                                                                                                                                                                                                                                                                                                                                                                                                            |
| Avg Rebound Fuel Cost         | dollars | Average retail fuel expenditures from the additional driving that results from improved fuel economy, accumulated across all vehicles over their lifetime for a specific MY and regulatory class.                                                                                                                                                                                                                                                                                                                                       |
| Avg Drive Value               | dollars | Average benefits from the additional driving that results from improved fuel economy, accumulated across all vehicles over their lifetime for a specific MY and regulatory class.                                                                                                                                                                                                                                                                                                                                                       |

| Column                    | Units   | Contents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Avg Reallocated Value     | dollars | Average benefits from the additional driving that results from a portion of vehicle miles being reallocated from the overall fleet to the new vehicle models due to reduced vehicle sales, accumulated across all vehicles over their lifetime for a specific MY and regulatory class.                                                                                                                                                                                                                              |
| Avg Refueling Time Cost   | dollars | Average benefits from reduced refueling frequency due to the extended vehicle range and improved fuel economy, accumulated across all vehicles over their lifetime for a specific MY and regulatory class.                                                                                                                                                                                                                                                                                                          |
| Avg Consumer Costs        | dollars | Average consumer costs, combining the incremental effect of consumer cost metrics occurring in the action alternative over the baseline scenario. Average consumer costs are computed as the sum of cost changes (i.e., alternative - baseline) for the following values: Avg Foregone Consumer Sales Surplus, Avg Reg Cost, Avg Maint/Repair Cost, Avg Implicit Opportunity Cost, Avg Taxes/Fees, and Avg Insurance Cost.                                                                                          |
| Avg Consumer Benefits     | dollars | Average consumer benefits, combining the incremental effect of consumer cost metrics occurring in the action alternative over the baseline scenario. Average consumer benefits are computed as the sum of cost changes (i.e., alternative - baseline) for the following values: Avg Drive Value, Avg Reallocated Value, Avg Tax Credit, and Avg Battery Tax Credit; as well as the sum of cost savings (i.e., baseline - alternative) for the following values: Avg Retail Fuel Outlay and Avg Refueling Time Cost. |
| Avg Net Consumer Benefits | dollars | The net of consumer benefits, computed as: Total Consumer Benefits - Total Consumer Costs.                                                                                                                                                                                                                                                                                                                                                                                                                          |

## B.7 Annual Consumer Costs Report

The *Annual Consumer Costs Report* contains similar results to the *Consumer Costs Report*, except it further disaggregates the results by vehicle age. Table 75 lists the full contents of the *Annual Consumer Costs Report*. The annual report produces results as absolutes (i.e., non-incremental) for the baseline and action alternatives, except for some values (as noted in the preceding section) that are calculated as zero in the baseline scenario and as incremental over the baseline for the action alternatives.

Table 75. Annual Consumer Costs Report

| Column        | Units      | Contents                                                                                                            |
|---------------|------------|---------------------------------------------------------------------------------------------------------------------|
| Scenario      | integer    | Unique index of the scenario, where 0 represents the baseline, while 1 and above represent the action alternatives. |
| Scenario Name | text       | A short name describing the key features of the scenario.                                                           |
| Model Year    | model year | Model years analyzed during the study period.                                                                       |
| Age           | integer    | The vehicle's vintage, ranging from 0 to 39, where 0 corresponds to a vehicle's first year on the road.             |

| Column                              | Units         | Contents                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Calendar Year                       | calendar year | Calendar years analyzed for the effects calculations.                                                                                                                                                                                                                                                                               |
| Reg-Class                           | text          | The regulatory class for which the consumer costs are reported. When multiple regulatory classes are present in the output, a value of "TOTAL" is used to represent the sums (or averages) across all regulatory classes for some of the outputs, where applicable.                                                                 |
| Disc-Rate                           | number        | Consumer discount rate applied to future benefits. This value dictates the rate at which all associated costs are discounted. A value of 0 indicates that the costs are undiscounted.                                                                                                                                               |
| Sales                               | units         | Total production of vehicles for sale during a specific MY and regulatory class.                                                                                                                                                                                                                                                    |
| Fleet                               | units         | Total on-road fleet for a specific MY, vehicle age, and regulatory class.                                                                                                                                                                                                                                                           |
| Avg Foregone Consumer Sales Surplus | dollars       | Average lost consumer surplus resulting from reduced vehicle sales accumulated across all vehicles for a specific MY, age, and regulatory class. Lost consumer surplus is assumed to occur entirely at the time of vehicle purchase (i.e., at age 0).                                                                               |
| Avg Tech Cost                       | dollars       | Average amount of technology costs accumulated across all vehicles for a specific MY, age, and regulatory class. Technology costs are assumed to occur entirely at the time of vehicle purchase (i.e., at age 0).                                                                                                                   |
| Avg Reg Cost                        | dollars       | Average amount of regulatory costs (technology costs plus fines) accumulated across all vehicles for a specific MY, age, and regulatory class. Regulatory costs are assumed to occur entirely at the time of vehicle purchase (i.e., at age 0).                                                                                     |
| Avg Tax Credit                      | dollars       | Average amount of vehicle tax breaks claimed by the consumers for purchasing any hybrid/electric vehicle model (SHEV, PHEV, BEV, and FCV), accumulated across all vehicles for a specific MY, age, and regulatory class. Vehicle tax credits are assumed to occur entirely at the time of vehicle purchase (i.e., at age 0).        |
| Avg Battery Tax Credit              | dollars       | Average amount of battery tax breaks passed through to the consumers for purchasing any hybrid/electric vehicle model (SHEV, PHEV, BEV, and FCV), accumulated across all vehicles for a specific MY, age, and regulatory class. Battery tax credits are assumed to occur entirely at the time of vehicle purchase (i.e., at age 0). |
| Avg Maint/Repair Cost               | dollars       | Average amount of maintenance and repair costs accumulated across all vehicles for a specific MY, age, and regulatory class. Maintenance and repair costs are assumed to occur entirely at the time of vehicle purchase (i.e., at age 0).                                                                                           |

| Column                        | Units   | Contents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Avg Implicit Opportunity Cost | dollars | Average implied opportunity cost resulting from applying technologies such that all efficiency gains improve fuel economy rather than also increasing the performance or utility of a vehicle. Although the implicit opportunity cost captures changes in fuel savings occurring over multiple vehicle ages, the resulting net sum of these changes in fuel savings is attributed to and calculated at the time of vehicle purchase (i.e., age 0). This value is accumulated across all vehicles for a specific MY, age, and regulatory class. |
| Avg Taxes/Fees                | dollars | Average taxes and fees associated with a new vehicle purchase, accumulated across all vehicles for a specific MY, age, and regulatory class. Taxes and fees are assumed to occur entirely at the time of vehicle purchase (i.e., at age 0).                                                                                                                                                                                                                                                                                                    |
| Avg Financing Cost            | dollars | Average costs associated with financing a new vehicle purchase, accumulated across all vehicles over their lifetime for a specific MY, age, and regulatory class. Financing costs are computed for a set of vehicle ages as defined by the "financing term" value defined in the parameters input file.                                                                                                                                                                                                                                        |
| Avg Insurance Cost            | dollars | Average insurance costs accumulated across all vehicles over their lifetime for a specific MY, age, and regulatory class.                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Avg Retail Fuel Outlay        | dollars | Average retail fuel expenditures accumulated across all vehicles over their lifetime for a specific MY, age, and regulatory class.                                                                                                                                                                                                                                                                                                                                                                                                             |
| Avg Rebound Fuel Cost         | dollars | Average retail fuel expenditures from the additional driving that results from improved fuel economy, accumulated across all vehicles over their lifetime for a specific MY, age, and regulatory class.                                                                                                                                                                                                                                                                                                                                        |
| Avg Drive Value               | dollars | Average benefits from the additional driving that results from improved fuel economy, accumulated across all vehicles over their lifetime for a specific MY, age, and regulatory class.                                                                                                                                                                                                                                                                                                                                                        |
| Avg Reallocated Value         | dollars | Average benefits from the additional driving that results from a portion of vehicle miles being reallocated from the overall fleet to the new vehicle models due to reduced vehicle sales, accumulated across all vehicles over their lifetime for a specific MY, age, and regulatory class.                                                                                                                                                                                                                                                   |
| Avg Refueling Time Cost       | dollars | Average benefits from reduced refueling frequency due to the extended vehicle range and improved fuel economy, accumulated across all vehicles over their lifetime for a specific MY, age, and regulatory class.                                                                                                                                                                                                                                                                                                                               |
| Avg Consumer Costs            | dollars | Average consumer costs, combining the incremental effect of consumer cost metrics occurring in the action alternative over the baseline scenario. Average consumer costs are computed as the sum of cost changes (i.e., alternative - baseline) for the following values: Avg Foregone Consumer Sales Surplus, Avg Reg Cost, Avg Maint/Repair Cost, Avg Implicit Opportunity Cost, Avg Taxes/Fees, and Avg Insurance Cost.                                                                                                                     |

| Column                    | Units   | Contents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Avg Consumer Benefits     | dollars | Average consumer benefits, combining the incremental effect of consumer cost metrics occurring in the action alternative over the baseline scenario. Average consumer benefits are computed as the sum of cost changes (i.e., alternative - baseline) for the following values: Avg Drive Value, Avg Reallocated Value, Avg Tax Credit, and Avg Battery Tax Credit; as well as the sum of cost savings (i.e., baseline - alternative) for the following values: Avg Retail Fuel Outlay and Avg Refueling Time Cost. |
| Avg Net Consumer Benefits | dollars | The net consumer benefits computed as: Total Consumer Benefits - Total Consumer Costs.                                                                                                                                                                                                                                                                                                                                                                                                                              |

## B.8 Vehicles Report

The *Vehicles Report* contains disaggregate vehicle-level summary of compliance model results, providing a detailed view of the final state of each vehicle examined by the model, for each MY and scenario analyzed. The report includes basic vehicle characteristics (such as vehicle code, manufacturer, engine and transmission used, curb weight, footprint, and sales volumes), fuel economy information (before and after the analysis), initial and final technology usage (via the reported “tech-keys”), and cost metrics associated with application of additional technology.

The vehicle’s fuel economy and CO<sub>2</sub> ratings prior to the start of the analysis, as well as at the end of each compliance MY, are presented. The fuel economy and CO<sub>2</sub> values are specified per fuel type (wherever applicable) in addition to the overall values, which are used for compliance purposes. For multi-fuel vehicles, the multiple fuel economy and CO<sub>2</sub> ratings are combined according to the statutory requirements. For flex-fuel vehicles (those that operate on gasoline and E85), only the gasoline fuel economy rating is considered for compliance (subject to the “multi-fuel” mode specified in the scenario input file by the user). For plug-in hybrid-electric vehicles (PHEVs operating on gasoline and electricity), the overall fuel economy rating is harmonically averaged based on the share of each fuel type (also subject to the “multi-fuel” mode setting), while the CO<sub>2</sub> rating includes the portion of gasoline operation.<sup>105</sup> The vehicle’s fuel share indicates the amount of miles driven by the vehicle on each fuel type. For vehicles operating on a single fuel (e.g., gasoline, diesel, or electricity), only the fuel share for that fuel type is specified. For vehicles operating on multiple fuels (FFVs and PHEVs), the fuel shares are specified for gasoline and E85 or for gasoline and electricity.

The *Vehicles Report* provides initial and final sales volumes as well as initial and final MSRPs. The initial sales and MSRP represent the starting values as obtained from the input file, and do not reflect changes associated with the modeling analysis. The final sales volumes are specified by MY and will match the initial values, unless the Dynamic Fleet Share and Sales Response model is enabled. The final MSRPs are specified by MY as well and incorporate additional costs arising from technology application or fine payment.

<sup>105</sup> The scenario input file may be optionally configured to include upstream emissions when calculating the CO<sub>2</sub> rating for the electricity and hydrogen fuel types. In such a case, the overall CO<sub>2</sub> rating of PHEVs is the weighted average of gasoline and electricity portions.

The CAFE Model may be optionally configured to produce two sets of *Vehicles Reports*, where in one all scenarios evaluated are combined, and in the other output files are generated per each scenario. The latter option may be favorable, when a set of vehicle models and scenarios evaluated is large enough to produce output files that may be too big to open. The content of both options, however, remains the same and is listed in Table 76 below.

*Table 76. Vehicles Report*

| Column            | Units      | Contents                                                                                                                                                                                                                                                                                                                                                   |
|-------------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scenario          | integer    | Unique index of the scenario, where 0 represents the baseline, while 1 and above represent the action alternatives.                                                                                                                                                                                                                                        |
| Scenario Name     | text       | A short name describing the key features of the scenario.                                                                                                                                                                                                                                                                                                  |
| Model Year        | model year | Model years analyzed during the study period.                                                                                                                                                                                                                                                                                                              |
| Manufacturer      | text       | Manufacturers analyzed during the study period.                                                                                                                                                                                                                                                                                                            |
| Veh Code          | integer    | Unique index of the vehicle, as read from the input file.                                                                                                                                                                                                                                                                                                  |
| Brand             | text       | Vehicle brand.                                                                                                                                                                                                                                                                                                                                             |
| Model             | text       | Vehicle model.                                                                                                                                                                                                                                                                                                                                             |
| Name Plate        | text       | Vehicle nameplate.                                                                                                                                                                                                                                                                                                                                         |
| Plt Code          | integer    | Index of the platform used by a vehicle.                                                                                                                                                                                                                                                                                                                   |
| Platform          | text       | Name of the platform used by a vehicle.                                                                                                                                                                                                                                                                                                                    |
| Plt Version       | text       | Revision of the platform used by a vehicle. This field lists the platform version as "baseline," if the vehicle is using an original and unmodified platform. Alternatively, this field shows the MY, signifying the revision of the initial platform that the vehicle has inherited.                                                                      |
| Powertrain        | text       | Vehicle's powertrain type in a specific MY. Available options are: Conventional, MHEV for mild hybridization (including 12-volt micro-hybrid and belt- or crank-mounted integrated starter/generator), SHEV for strong hybrid-electric vehicle, PHEV for plug-in hybrid-electric vehicle, BEV for battery electric vehicle, and FCV for fuel cell vehicle. |
| Veh Power Initial | HP         | Initial power rating of a vehicle.                                                                                                                                                                                                                                                                                                                         |
| Veh Power         | HP         | Final power rating of a vehicle.                                                                                                                                                                                                                                                                                                                           |
| Eng Code          | integer    | Index of the engine used by a vehicle.                                                                                                                                                                                                                                                                                                                     |
| Eng Fuel Initial  | text       | Fuel used by the starting engine, before any modifications were made by the modeling system. Available options are G for gasoline, D for diesel, and CNG for compressed natural gas.                                                                                                                                                                       |
| Eng Type Initial  | text       | Brief information about the starting engine, before any modifications were made by the modeling system. The field includes engine horsepower, displacement, configuration, number of cylinders, and aspiration.                                                                                                                                            |

| Column               | Units   | Contents                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Eng Version          | text    | Revision of the engine used by a vehicle. This field lists the engine version as "baseline," if the vehicle is using an original and unmodified engine. Alternatively, this field shows the MY, signifying the revision of the initial engine that the vehicle has inherited.                                                                                                                        |
| Eng Fuel             | text    | Fuel used by the engine in a specific MY.                                                                                                                                                                                                                                                                                                                                                            |
| Eng Type             | text    | Brief information about the engine in a specific MY. At present, only the aspiration of the engine is shown, since other attributes are assumed to remain unchanged.                                                                                                                                                                                                                                 |
| Trn Code             | integer | Index of the transmission used by a vehicle.                                                                                                                                                                                                                                                                                                                                                         |
| Trn Type Initial     | text    | Brief information about the starting transmission, before any modifications were made by the modeling system. This field includes transmission type (A=automatic, M=manual, CVT=continuously variable transmission, AMT=automated manual transmission, DCT=dual-clutch transmission) and number of gears (if applicable).                                                                            |
| Trn Version          | text    | Revision of the transmission used by a vehicle. This field lists the transmission version as "baseline," if the vehicle is using an original and unmodified transmission. Alternatively, this field shows the MY, signifying the revision of the initial transmission that the vehicle has inherited.                                                                                                |
| Trn Type             | text    | Brief information about the transmission in a specific MY. This field includes transmission type (A=automatic, M=manual, CVT=continuously variable transmission, S=sequential transmission [AMT or DCT], HEV=specific transmission on a hybrid-electric vehicle) and number of gears (if applicable).                                                                                                |
| FE Primary Initial   | mpg     | Vehicle's initial fuel economy rating when operating on its primary fuel type. This represents the starting value as read from the input file. This value should not include the petroleum equivalence factor (PEF) adjustments.                                                                                                                                                                     |
| FE Secondary Initial | mpg     | Vehicle's initial fuel economy rating when operating on its secondary fuel type (if applicable). This represents the starting value as read from the input file. This value should not include the PEF adjustments.                                                                                                                                                                                  |
| FE Initial           | mpg     | Vehicle's overall initial fuel economy rating, before any modifications were made by the modeling system. For FFVs (gasoline/E85) and PHEVs (gasoline/electricity), the overall fuel economy rating may be harmonically averaged based on the share of each fuel type, according to the "Multi-Fuel" setting defined in the scenarios input file. This value should not include the PEF adjustments. |
| Fuel Initial         | text    | All fuel types initially used by the vehicle, before any modifications were made by the modeling system.                                                                                                                                                                                                                                                                                             |
| FS Initial           | ratio   | Vehicle's initial fuel share, showing the amount of miles driven by the vehicle on each fuel type. Only the fuel types on which the vehicle operates are reported. This represents the starting value as read from the input file.                                                                                                                                                                   |

| Column                            | Units          | Contents                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FE Primary Rated                  | mpg            | Vehicle's fuel economy rating when operating on its primary fuel type, in a specific MY, taking into account the effect of technology additions made by the modeling system. This value does not include the PEF adjustments.                                                                                                                                                                                                                        |
| FE Secondary Rated                | mpg            | Vehicle's fuel economy rating when operating on its secondary fuel type (if applicable), in a specific MY, taking into account the effect of technology additions made by the modeling system. This value does not include the PEF adjustments.                                                                                                                                                                                                      |
| FE Rated                          | mpg            | Vehicle's overall fuel economy rating in a specific MY, taking into account the effect of technology additions made by the modeling system. For FFVs (gasoline/E85) and PHEVs (gasoline/electricity), the overall fuel economy rating may be harmonically averaged based on the share of each fuel type, according to the "Multi-Fuel" setting defined in the scenarios input file. This value does not include the PEF adjustments.                 |
| FE Primary Compliance             | mpg            | Vehicle's fuel economy rating when operating on its primary fuel type, in a specific MY, taking into account the effect of technology additions made by the modeling system, adjusted by the PEF.                                                                                                                                                                                                                                                    |
| FE Secondary Compliance           | mpg            | Vehicle's fuel economy rating when operating on its secondary fuel type (if applicable), in a specific MY, taking into account the effect of technology additions made by the modeling system, adjusted by the PEF.                                                                                                                                                                                                                                  |
| FE Compliance                     | mpg            | Vehicle's overall fuel economy rating in a specific MY, taking into account the effect of technology additions made by the modeling system, adjusted by the PEF. For FFVs (gasoline/E85) and PHEVs (gasoline/electricity), the overall fuel economy rating may be harmonically averaged based on the share of each fuel type, according to the "Multi-Fuel" setting defined in the scenarios input file. This value is used for compliance purposes. |
| Fuel                              | text           | All fuel types used by the vehicle in a specific MY.                                                                                                                                                                                                                                                                                                                                                                                                 |
| Fuel Share                        | ratio          | Vehicle's fuel share, showing the amount of miles driven by the vehicle on each fuel type in a specific MY. Only the fuel types on which the vehicle operates are reported.                                                                                                                                                                                                                                                                          |
| CO <sub>2</sub> Primary Initial   | grams per mile | Vehicle's initial CO <sub>2</sub> rating when operating on its primary fuel type. This value is calculated based on the FE Primary Initial value.                                                                                                                                                                                                                                                                                                    |
| CO <sub>2</sub> Secondary Initial | grams per mile | Vehicle's initial CO <sub>2</sub> rating when operating on its secondary fuel type (if applicable). This value is calculated based on the FE Secondary Initial value.                                                                                                                                                                                                                                                                                |
| CO <sub>2</sub> Initial           | grams per mile | Vehicle's overall initial CO <sub>2</sub> rating, before any modifications were made by the modeling system. For FFVs (gasoline/E85) and PHEVs (gasoline/electricity), the overall fuel economy rating may be harmonically averaged based on the share of each fuel type, according to the "Multi-Fuel" setting defined in the scenarios input file.                                                                                                 |



| Column                          | Units          | Contents                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CO <sub>2</sub> Primary Rated   | grams per mile | Vehicle's CO <sub>2</sub> rating when operating on its primary fuel type, in a specific MY, taking into account the effect of technology additions made by the modeling system. This value is calculated based on the FE Primary value.                                                                                                                                                |
| CO <sub>2</sub> Secondary Rated | grams per mile | Vehicle's CO <sub>2</sub> rating when operating on its secondary fuel type, in a specific MY, taking into account the effect of technology additions made by the modeling system. This value is calculated based on the FE Secondary value.                                                                                                                                            |
| CO <sub>2</sub> Rated           | grams per mile | Vehicle's overall CO <sub>2</sub> rating in a specific MY, taking into account the effect of technology additions made by the modeling system. For FFVs (gasoline/E85) and PHEVs (gasoline/electricity), the overall fuel economy rating may be harmonically averaged based on the share of each fuel type, according to the "Multi-Fuel" setting defined in the scenarios input file. |
| Veh Style                       | text           | Vehicle's body style (Convertible, Coupe, Hatchback, Sedan, Wagon, SportUtility, Minivan, Van, PassengerVan, CargoVan, Pickup, FleetSuv, WorkVan, ChassisCab, Cutaway).                                                                                                                                                                                                                |
| Veh Class                       | text           | Vehicle's general classification (passenger vehicle: LDV; light-duty truck: LDT1, LDT2a, LDT2b, LDT3; medium-duty truck: MDT4, MDT5, MDT6; heavy-duty truck: HDT7, HDT8). Only the passenger vehicle and light-duty truck classifications are supported by the modeling system.                                                                                                        |
| Reg Class                       | text           | Vehicle's regulatory class (Domestic Car, Imported Car, Light Truck, or HDPUV).                                                                                                                                                                                                                                                                                                        |
| Tech Class                      | text           | Vehicle's technology class (used for technology selection and application).                                                                                                                                                                                                                                                                                                            |
| Eng Tech Class                  | text           | Vehicle's engine technology class (used for determining costs of engine-level technologies).                                                                                                                                                                                                                                                                                           |
| Safety Class                    | text           | Vehicle's safety class (PC=Passenger Car, CM=CUV/Minivan, LT=Light Truck/SUV; used for safety calculations).                                                                                                                                                                                                                                                                           |
| Veh Redesign/Refresh            | text           | Vehicle's redesign/refresh state, whether the vehicle is being redesigned ("At Redesign") or refreshed ("At Refresh") in the current MY.                                                                                                                                                                                                                                               |
| Plt Redesign/Refresh            | text           | Vehicle platform's redesign/refresh state, whether the vehicle's platform is being redesigned ("At Redesign") or refreshed ("At Refresh") in the current MY.                                                                                                                                                                                                                           |
| Eng Redesign/Refresh            | text           | Vehicle engine's redesign/refresh state, whether the vehicle's engine is being redesigned ("At Redesign") or refreshed ("At Refresh") in the current MY.                                                                                                                                                                                                                               |
| Trn Redesign/Refresh            | text           | Vehicle transmission's redesign/refresh state, whether the vehicle's transmission is being redesigned ("At Redesign") or refreshed ("At Refresh") in the current MY.                                                                                                                                                                                                                   |

| Column                 | Units            | Contents                                                                                                                                                                                                                                                        |
|------------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CW (MR0)               | lb               | The "reference" curb weight of the vehicle (negating any mass reduction), as read from the input file.                                                                                                                                                          |
| GW (MR0)               | lb               | The "reference" glider weight of the vehicle (negating any mass reduction), as read from the input file.                                                                                                                                                        |
| CW Initial             | lb               | Vehicle's initial curb weight. This represents the starting value as read from the input file.                                                                                                                                                                  |
| CW                     | lb               | Vehicle's final curb weight in a specific MY, taking into account any mass reduction technology applied by the modeling system.                                                                                                                                 |
| TW Initial             | lb               | Vehicle's initial test weight, before any modifications were made by the modeling system.                                                                                                                                                                       |
| TW                     | lb               | Vehicle's final test weight in a specific MY, taking into account any mass reduction technology applied by the modeling system.                                                                                                                                 |
| GVWR Initial           | lb               | Vehicle's initial GVWR, before any modifications were made by the modeling system.                                                                                                                                                                              |
| GVWR                   | lb               | Vehicle's final GVWR in a specific MY, taking into account any mass reduction technology applied by the modeling system.                                                                                                                                        |
| GCWR Initial           | lb               | Vehicle's initial GCWR, before any modifications were made by the modeling system.                                                                                                                                                                              |
| GCWR                   | lb               | Vehicle's final GCWR in a specific MY, taking into account any mass reduction technology applied by the modeling system.                                                                                                                                        |
| Footprint              | sq. ft.          | Vehicle's initial footprint. This represents the starting value as read from the input file. The vehicle's footprint does not change during the analysis.                                                                                                       |
| Work Factor            | lb               | Vehicle's work-factor in a specific MY. This value is reported only for vehicles that are subject to a work-factor based target function.                                                                                                                       |
| FE Target              | gallons per mile | Vehicle's fuel economy target in a specific MY.                                                                                                                                                                                                                 |
| CO <sub>2</sub> Target | grams per mile   | Vehicle's CO-2 target in a specific MY.                                                                                                                                                                                                                         |
| ZEV Credits            | ZEVs             | Amount of ZEV credits generated by a vehicle due to its full or partial operation on fuel types that do not generate downstream emissions. At present, PHEVs, EVs, and FCVs are ZEV credit generating vehicles.                                                 |
| Sales Initial          | units            | Vehicle's production volumes in a specific MY. This represents the starting value as read from the input file.                                                                                                                                                  |
| Sales                  | units            | Vehicle's final production volumes in a specific MY. If modeling options for sales mixing are used (such as the Dynamic Fleet Share Model), this value will differ from the initial production volumes; otherwise, this value will be the same the initial one. |
| MSRP Initial           | dollars          | Vehicle's initial MSRP value in a specific MY. This represents the starting value as read from the input file.                                                                                                                                                  |

| Column                                | Units   | Contents                                                                                                                                                                                                                                                                                                               |
|---------------------------------------|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MSRP                                  | dollars | Vehicle's final MSRP value in a specific MY, including additional costs arising from technology application or fine payment.                                                                                                                                                                                           |
| Labor Hours                           | hours   | Amount of employment hours associated with the production of the vehicle models in a specific MY.                                                                                                                                                                                                                      |
| U.S. Assembly/<br>Dealership<br>Hours | hours   | Amount of employment hours associated with manufacture and assembly originating at U.S. plants associated with the sale of the vehicle models in a specific MY.                                                                                                                                                        |
| Innovation<br>Hours                   | hours   | Amount of additional employment hours resulting from vehicle fuel economy improvements associated with the sale the models in a specific MY.                                                                                                                                                                           |
| Innovation Tech<br>Cost               | dollars | Unit costs accumulated by the vehicle model from the application of innovative technologies in a specific MY, including battery and non-battery costs associated with the application of fuel-saving technologies.                                                                                                     |
| AC/OC Cost                            | dollars | Total amount of costs associated with the sum of AC efficiency, AC leakage and off-cycle credits that a manufacturer claimed toward compliance with either NHTSA's CAFE or CO <sub>2</sub> standards in a specific MY.                                                                                                 |
| Battery Cost                          | dollars | Total amount of battery-related costs associated with the application of fuel-saving technologies in a specific MY.                                                                                                                                                                                                    |
| Non-Battery<br>Cost                   | dollars | Total amount of non-battery-related costs associated with the application of fuel-saving technologies in a specific MY.                                                                                                                                                                                                |
| Total Tech Cost                       | dollars | Unit costs accumulated by the vehicle model from technology application in a specific MY, including costs associated with improvements in AC efficiency, AC leakage, and off-cycle credits, as well as battery and non-battery costs associated with the application of fuel-saving technologies.                      |
| Price Increase                        | dollars | Increase in vehicle price accumulated by the vehicle model from technology application and fine payment in a specific MY.                                                                                                                                                                                              |
| Maint/Repair<br>Cost                  | dollars | Unit maintenance and repair costs accumulated by the vehicle model from technology application in a specific MY.                                                                                                                                                                                                       |
| Tax Credit                            | dollars | Amount of vehicle tax credits (aka, tax breaks, Federal Incentives) claimed by a consumer for purchasing a hybrid/electric vehicle. Vehicle tax credits are specified for SHEVs, PHEVs, BEVs, and FCVs only when the applicable "Tax Credit" settings are defined in the scenarios input file.                         |
| Battery Tax<br>Credit                 | dollars | Amount of battery tax credits (aka, tax breaks, Federal Incentives) that are passed through to a consumer for purchasing a hybrid/electric vehicle. Battery tax credits are specified for SHEVs, PHEVs, BEVs, and FCVs only when the applicable "Battery Tax Credit" settings are defined in the scenarios input file. |

| Column                   | Units   | Contents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Delta HEV Cost           | dollars | <p>Additional unit costs associated with the hybrid/electric technology (if any) that is in use on a vehicle. This value will be zero for any vehicle that:</p> <ul style="list-style-type: none"> <li>- does not use one of the hybrid/electric technologies (any of: SHEV, PHEV, BEV, or FCV),</li> <li>- was initially a hybrid/electric, but did not undergo any further upgrades in the hybrid/electric path.</li> </ul> <p>The delta HEV cost is defined as the difference between the cost of the HEV technology present at the final state of a vehicle model (if applicable) and the cost of the HEV technology at the initial state of the same vehicle (if applicable).</p> |
| Delta Tax Credit         | dollars | <p>Additional vehicle tax breaks (per single unit) claimed by a consumer for purchasing a hybrid/electric vehicle. Delta vehicle tax credits are specified for SHEVs, PHEVs, BEVs, and FCVs only when the applicable "Tax Credit" settings are defined in the scenarios input file. As with the delta HEV costs, the delta vehicle tax credits are defined as the difference between the final and initial states of the vehicle, wherever applicable.</p>                                                                                                                                                                                                                             |
| Delta Battery Tax Credit | dollars | <p>Additional battery tax breaks (per single unit) passed through to a consumer for purchasing a hybrid/electric vehicle. Delta battery tax credits are specified for SHEVs, PHEVs, BEVs, and FCVs only when the applicable "Battery Tax Credit" settings are defined in the scenarios input file. As with the delta HEV costs, the delta battery tax credits are defined as the difference between the final and initial states of the vehicle, wherever applicable.</p>                                                                                                                                                                                                              |
| Delta Consumer WTP       | dollars | <p>Additional unit costs that consumers are willing to pay during a purchase of a hybrid/electric vehicle. As with the delta HEV costs, the delta costs of consumer's willingness to pay (WTP) are defined as the difference between the final and initial states of the vehicle, wherever applicable.</p>                                                                                                                                                                                                                                                                                                                                                                             |
| Tech Burden              | dollars | <p>Costs associated with the technology "burden" incurred by a vehicle as a result of applying a hybrid/electric technology (any of: SHEV, PHEV, BEV, or FCV).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Taxes/Fees Initial       | dollars | <p>Taxes &amp; fees paid by the consumers for purchasing a new vehicle model in a specific MY, calculated for a vehicle model at its initial state, before application of any technologies.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Taxes/Fees               | dollars | <p>Taxes &amp; fees paid by the consumers for purchasing a new vehicle model in a specific MY.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Financing Initial        | dollars | <p>Financing costs paid by the consumers for purchasing a new vehicle model in a specific MY, calculated for a vehicle model at its initial state, before application of any technologies.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Financing                | dollars | <p>Financing costs paid by the consumers for purchasing a new vehicle model in a specific MY.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

| Column            | Units   | Contents                                                                                                                                                                                                           |
|-------------------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Insurance Initial | dollars | Insurance costs paid by the consumers for purchasing a new vehicle model in a specific MY, calculated for a vehicle model at its initial state, before application of any technologies.                            |
| Insurance         | dollars | Insurance costs paid by the consumers for purchasing a new vehicle model in a specific MY.                                                                                                                         |
| Payback           | years   | The number of years before the cost attributed to application of additional technologies on a specific vehicle model will pay back in the form of fuel savings.                                                    |
| Payback TCO       | years   | The number of years before the "total cost of ownership" attributed to application of additional technologies on a specific vehicle model will pay back in the form of fuel savings.                               |
| TechKey Initial   | string  | A combination of technologies that were initially in use on a specific vehicle model (at its initial state), when it was loaded from the input file.                                                               |
| TechKey           | string  | A combination of technologies that are presently in use on a specific vehicle model. The TechKey is also used for looking up fuel economy adjustment factors and battery costs in the Argonne Simulation Database. |

## B.9 Vehicles Diagnostic Report

In addition to the *Vehicles Report*, the modeling system may be configured to generate a *Vehicles Diagnostic Report*, which contains extensive diagnostic information attributed to each vehicle model. This report includes tracing information, such as input cost values and fuel economy adjustment factors for each technology or technology combination (tech-key), as they apply to a specific vehicle model, as well as the initial and final fuel economy ratings attained by that vehicle model, and the cost attributed with application of additional technology. As with the *Vehicles Report*, the CAFE Model may be optionally configured to produce two sets of the *Vehicles Diagnostic Report*. Table 77 list the full contents of the *Vehicles Diagnostic Report*.

Table 77. *Vehicles Diagnostic Report*

| Column       | Units      | Contents                                                                                                                                                                                                                                                                        |
|--------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scenario     | integer    | Unique index of the scenario, where 0 represents the baseline, while 1 and above represent the action alternatives.                                                                                                                                                             |
| Model Year   | model year | Model years analyzed during the study period.                                                                                                                                                                                                                                   |
| Manufacturer | text       | Manufacturers analyzed during the study period.                                                                                                                                                                                                                                 |
| Veh Code     | integer    | Unique index of the vehicle, as read from the input file.                                                                                                                                                                                                                       |
| Veh Class    | text       | Vehicle's general classification (passenger vehicle: LDV; light-duty truck: LDT1, LDT2a, LDT2b, LDT3; medium-duty truck: MDT4, MDT5, MDT6; heavy-duty truck: HDT7, HDT8). Only the passenger vehicle and light-duty truck classifications are supported by the modeling system. |

| Column               | Units  | Contents                                                                                                                                                                                                                                                                     |
|----------------------|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reg Class            | text   | Vehicle's regulatory class (Domestic Car, Imported Car, Light Truck, or HDPUV).                                                                                                                                                                                              |
| Tech Class           | text   | Vehicle's technology class (used for technology selection and application).                                                                                                                                                                                                  |
| Eng Tech Class       | text   | Vehicle's engine technology class (used for determining costs of engine-level technologies).                                                                                                                                                                                 |
| Veh Redesign/Refresh | text   | Vehicle's redesign/refresh state, whether the vehicle is being redesigned ("R") or refreshed ("F") in the current MY.                                                                                                                                                        |
| Plt Redesign/Refresh | text   | Vehicle platform's redesign/refresh state, whether the vehicle's platform is being redesigned ("R") or refreshed ("F") in the current MY.                                                                                                                                    |
| Eng Redesign/Refresh | text   | Vehicle engine's redesign/refresh state, whether the vehicle's engine is being redesigned ("R") or refreshed ("F") in the current MY.                                                                                                                                        |
| Trn Redesign/Refresh | text   | Vehicle transmission's redesign/refresh state, whether the vehicle's transmission is being redesigned ("R") or refreshed ("F") in the current MY.                                                                                                                            |
| Component Leader     | text   | Indicates whether a vehicle was selected as a candidate leader of the platform ("P"), engine ("E"), and/or transmission ("T") that it uses. A candidate leader will only be selected for a given component if that component's redesign and refresh years are set to "auto." |
| TechKey Initial      | string | A combination of technologies that were initially in use on a specific vehicle model (at its initial state), when it was loaded from the input file.                                                                                                                         |
| TechKey              | string | A combination of technologies that are presently in use on a specific vehicle model. The TechKey is also used for looking up fuel economy adjustment factors and battery costs in the Argonne Simulation Database.                                                           |
| CW (MR0)             | lb     | The "reference" curb weight of the vehicle (negating any mass reduction), as read from the input file.                                                                                                                                                                       |
| GW (MR0)             | lb     | The "reference" glider weight of the vehicle (negating any mass reduction), as read from the input file.                                                                                                                                                                     |
| CW Initial           | lb     | Vehicle's initial curb weight. This represents the starting value as read from the input file.                                                                                                                                                                               |
| CW                   | lb     | Vehicle's final curb weight in a specific MY, taking into account any mass reduction technology applied by the modeling system.                                                                                                                                              |
| Delta CW             | lb     | Change in vehicle's curb weight (initial - final).                                                                                                                                                                                                                           |
| FE Primary Initial   | mpg    | Vehicle's initial fuel economy rating when operating on its primary fuel type. This represents the starting value as read from the input file.                                                                                                                               |

| Column                 | Units  | Contents                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FE Secondary Initial   | mpg    | Vehicle's initial fuel economy rating when operating on its secondary fuel type (if applicable). This represents the starting value as read from the input file.                                                                                                                                                                                                                                                                     |
| FE Initial             | mpg    | Vehicle's overall initial fuel economy rating, before any modifications were made by the modeling system. For FFVs (gasoline/E85) and PHEVs (gasoline/electricity), the overall fuel economy rating may be harmonically averaged based on the share of each fuel type, according to the "Multi-Fuel" setting defined in the scenarios input file.                                                                                    |
| Fuel Initial           | text   | All fuel types initially used by the vehicle, before any modifications were made by the modeling system.                                                                                                                                                                                                                                                                                                                             |
| FS Initial             | ratio  | Vehicle's initial fuel share, showing the amount of miles driven by the vehicle on each fuel type. Only the fuel types on which the vehicle operates are reported. This represents the starting value as read from the input file.                                                                                                                                                                                                   |
| FE Primary             | mpg    | Vehicle's fuel economy rating when operating on its primary fuel type, in a specific MY, taking into account the effect of technology additions made by the modeling system. This value does not include the petroleum equivalence factor (PEF) adjustments.                                                                                                                                                                         |
| FE Secondary           | mpg    | Vehicle's fuel economy rating when operating on its secondary fuel type (if applicable), in a specific MY, taking into account the effect of technology additions made by the modeling system. This value does not include the PEF adjustments.                                                                                                                                                                                      |
| FE                     | mpg    | Vehicle's overall fuel economy rating in a specific MY, taking into account the effect of technology additions made by the modeling system. For FFVs (gasoline/E85) and PHEVs (gasoline/electricity), the overall fuel economy rating may be harmonically averaged based on the share of each fuel type, according to the "Multi-Fuel" setting defined in the scenarios input file. This value does not include the PEF adjustments. |
| Fuel                   | text   | All fuel types used by the vehicle in a specific MY.                                                                                                                                                                                                                                                                                                                                                                                 |
| Fuel Share             | ratio  | Vehicle's fuel share, showing the amount of miles driven by the vehicle on each fuel type in a specific MY. Only the fuel types on which the vehicle operates are reported.                                                                                                                                                                                                                                                          |
| FE1 Adj Factor Initial | number | The fuel economy adjustment factor for the primary fuel type of a vehicle, corresponding to a combination of technologies (as represented by TechKey Initial) that were initially in use on a specific vehicle model.                                                                                                                                                                                                                |
| FE2 Adj Factor Initial | number | The fuel economy adjustment factor for the secondary fuel type of a vehicle (if applicable), corresponding to a combination of technologies (as represented by TechKey Initial) that were initially in use on a specific vehicle model.                                                                                                                                                                                              |

| Column                        | Units   | Contents                                                                                                                                                                                                                           |
|-------------------------------|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FE1 Adj Factor                | number  | The fuel economy adjustment factor for the primary fuel type of a vehicle, corresponding to a combination of technologies (as represented by TechKey) that are presently in use on a specific vehicle model.                       |
| FE2 Adj Factor                | number  | The fuel economy adjustment factor for the secondary fuel type of a vehicle (if applicable), corresponding to a combination of technologies (as represented by TechKey) that are presently in use on a specific vehicle model.     |
| Tech Cost                     | dollars | Unit costs accumulated by the vehicle model from technology application in a specific MY.                                                                                                                                          |
| Battery Tech Cost Initial     | dollars | The cost of a battery-only portion of a technology in use on a vehicle (if applicable), corresponding to a combination of technologies (as represented by TechKey Initial) that were initially in use on a specific vehicle model. |
| Battery Tech Cost             | dollars | The cost of a battery-only portion of a technology in use on a vehicle (if applicable), corresponding to a combination of technologies (as represented by TechKey) that are presently in use on a specific vehicle model.          |
| Battery Learning Rate Initial | number  | The battery learning rate associated with the combination of technologies (as represented by TechKey Initial) that were initially in use on a specific vehicle model in a specific MY.                                             |
| Battery Learning Rate         | number  | The battery learning rate associated with the combination of technologies (as represented by TechKey) that are presently in use on a specific vehicle model in a specific MY.                                                      |



| Column                                   | Units  | Contents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Technology<br>(multiple columns)         | text   | <p>The usage of technologies on a vehicle model in a specific MY. The following define the utilization codes used by the modeling system:</p> <p>U = technology was initially in use on a base vehicle before modeling began</p> <p>A = technology was applied to a vehicle by the modeling system</p> <p>I = technology was applied to a leader of a vehicle's engine, transmission, or platform by the modeling system, and later inherited on a current follower vehicle</p> <p>US = technology was in use on a base vehicle but was later superseded when another technology was applied by the modeling system</p> <p>AS = technology was applied to a vehicle by the modeling system, but was later superseded when another technology was applied</p> <p>IS = technology was inherited on a vehicle by the modeling system, but was later superseded when another technology was applied</p> <p>P = technology has exceed its phase-in threshold in the current MY, and thus was not applied by the modeling system</p> <p>X = technology is not available for application on a vehicle in the current MY</p> <p>&lt;blank&gt; = technology is available for application on a vehicle in the current MY, but the modeling system has not yet applied it</p> |
| Technology_VehCost<br>(multiple columns) | number | <p>The input "vehicle-level" costs of each technology, applicable to a vehicle in a specific MY, based on that vehicle's classification. These costs are copied directly from the technologies input file for diagnostic purposes. A vehicle may not necessarily use all of the technologies for which vehicle-level costs are shown.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Technology_EngCost<br>(multiple columns) | number | <p>The input "engine-level" costs of each technology, applicable to a vehicle in a specific MY, based on that vehicle's classification. These costs are copied directly from the technologies input file for diagnostic purposes. A vehicle may not necessarily use all of the technologies for which engine-level costs are shown.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

## B.10 Vehicles Battery and Motor Report

The *Vehicles Battery and Motor Report* is an additional report that the modeling system may be configured to generate, containing detailed battery and motor information attributed to each vehicle model. The battery and motor information reported are associated with the technology class and combination of technologies (tech-key) of the vehicle as unadjusted input values from the Argonne Simulation Database. As with the *Vehicles Report* and the *Vehicles Diagnostic Report*, the CAFE Model may be optionally configured to produce two sets of the *Vehicles Battery and Motor Report*. Table 78 lists the full contents of the *Vehicles Battery and Motor Report*.

Table 78. *Vehicles Battery and Motor Report*

| Column            | Units      | Contents                                                                                                                                                                                                       |
|-------------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scenario          | integer    | Unique index of the scenario, where 0 represents the baseline, while 1 and above represent the action alternatives.                                                                                            |
| Scenario Name     | text       | A short name describing the key features of the scenario.                                                                                                                                                      |
| Model Year        | model year | Model years analyzed during the study period.                                                                                                                                                                  |
| Manufacturer      | text       | Manufacturers analyzed during the study period.                                                                                                                                                                |
| Veh Code          | integer    | Unique index of the vehicle, as read from the input file.                                                                                                                                                      |
| Plt Code          | integer    | Index of the platform used by a vehicle.                                                                                                                                                                       |
| Eng Code          | integer    | Index of the engine used by a vehicle.                                                                                                                                                                         |
| Trn Code          | integer    | Index of the transmission used by a vehicle.                                                                                                                                                                   |
| Powertrain        | text       | Vehicle's powertrain type in a specific MY. See <i>Vehicles Report</i> for more details.                                                                                                                       |
| Tech Class        | text       | Vehicle's technology class (used for technology selection and application).                                                                                                                                    |
| Battery Cost      | dollars    | Total battery costs associated with a vehicle of a specific technology class and combination of technologies (as represented by TechKey), derived from the Argonne Simulation Database.                        |
| Battery Energy    | kWh        | Total battery energy associated with a vehicle of a specific technology class and combination of technologies (as represented by TechKey), derived from the Argonne Simulation Database.                       |
| Motor1 Peak Power | kW         | Peak power rating of a primary motor associated with a vehicle of a specific technology class and combination of technologies (as represented by TechKey), derived from the Argonne Simulation Database.       |
| Motor1 Cont Power | kW         | Continuous power rating of a primary motor associated with a vehicle of a specific technology class and combination of technologies (as represented by TechKey), derived from the Argonne Simulation Database. |

| Column            | Units  | Contents                                                                                                                                                                                                           |
|-------------------|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Motor2 Peak Power | kW     | Peak power rating of a secondary motor associated with a vehicle of a specific technology class and combination of technologies (as represented by TechKey), derived from the Argonne Simulation Database.         |
| Motor2 Cont Power | kW     | Continuous power rating of a secondary motor associated with a vehicle of a specific technology class and combination of technologies (as represented by TechKey), derived from the Argonne Simulation Database.   |
| TechKey Initial   | string | A combination of technologies that were initially in use on a specific vehicle model (at its initial state), when it was loaded from the input file.                                                               |
| TechKey           | string | A combination of technologies that are presently in use on a specific vehicle model. The TechKey is also used for looking up fuel economy adjustment factors and battery costs in the Argonne Simulation Database. |

## B.11 Platforms, Engines, and Transmissions Reports

The *Platforms Report*, *Engines Report*, and *Transmissions Report* (or collectively referred to as “components” reports) contain platform-, engine-, or transmission-level summary of compliance model results, providing a detailed view of the final state of each platform, engine, or transmission examined by the model, for each MY and scenario analyzed. Each report includes basic component characteristics (such as component code, manufacturer, revision, and type), initial and final averages of various attributes of all vehicle models that use a given component revision, and initial and final technology utilization (via the reported “tech-keys”) associated with each component revision.

Each record (or row) in a “components” report represents information pertaining to all vehicles that have adapted a given component revision during a specific MY, rather than information about a specific vintage of a component. Since new revisions of components are created only when they are redesigned or refreshed (in contrast to vehicle revisions which are built for every MY), the CAFE Model may not always produce a unique component revision during each MY evaluated. As such, the component’s revision year may not necessarily correspond to the MY being reported on. The content of the components report is listed in Table 79 below.

Table 79. “Components” Report

| Column        | Units      | Contents                                                                                                            |
|---------------|------------|---------------------------------------------------------------------------------------------------------------------|
| Scenario      | integer    | Unique index of the scenario, where 0 represents the baseline, while 1 and above represent the action alternatives. |
| Scenario Name | text       | A short name describing the key features of the scenario.                                                           |
| Model Year    | model year | Model years analyzed during the study period.                                                                       |
| Manufacturer  | text       | Manufacturers analyzed during the study period.                                                                     |

| Column                                         | Units   | Contents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------------------------|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Plt Code,<br>Eng Code, or<br>Trn Code          | integer | Unique index of the component, as read from the input file.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Plt Version,<br>Eng Version, or<br>Trn Version | text    | Revision information of the component in use on one or more vehicles during a specific MY. Depending on the state of vehicles for which the revision information is being presented, this field may include one of the following values:<br>- "baseline" for all vehicles that use an original and unmodified component during a specific MY;<br>- "v." followed by a revision year (ex: "v.2030") for all vehicles that have adapted a given component revision during a specific MY (note: the component's revision year may not necessarily correspond to the MY being reported on);<br>- "Obsolete" if a component does not have any vehicle models during a specific MY; and<br>- "Multiple" is used as an aggregation measure capturing all vehicles produced during a specific MY that use any of the component's revisions during that year. |
| Plt Name,<br>Eng Type, or<br>Trn Type          | text    | For platforms, the unique name of the platform, as read from the input file. For engines, the type of the engine, associated with a specific revision, containing information about the engine's aspiration and fuel type. For transmissions, the type of the transmission, associated with a specific revision, specifying the transmission's drive type (e.g., "A" or "CVT") and number of gears. In the case of aggregation records (where component version is specified as "Multiple"), this field may include a comma-separated list of component types. This field may also include "Obsolete" if a component does not have any vehicle models during a specific MY.                                                                                                                                                                          |
| Redesign/Refresh                               | text    | Component's redesign/refresh state, whether the component is being redesigned ("At Redesign") or refreshed ("At Refresh") in the current MY.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Candidate Leader                               | integer | Code of this component's candidate leader vehicle that informed the redesign and refresh years for the component. This field will show "N/A" if the component does not have a candidate leader vehicle.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Candidate Sales                                | units   | Candidate leader vehicle's final production volumes in a specific MY, or "N/A" if the component does not have a candidate leader vehicle.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Candidate MSRP                                 | dollars | Candidate leader vehicle's final MSRP value in a specific MY, including additional costs arising from technology application or fine payment, or "N/A" if the component does not have a candidate leader vehicle.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Sales Initial                                  | units   | Total initial production volumes of all vehicles that use a given component revision during a specific MY. This represents the starting value as read from the input file.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

| Column                | Units   | Contents                                                                                                                                                                                                                                                                                                           |
|-----------------------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sales                 | units   | Total final production volumes of all vehicles that use a given component revision during a specific MY.                                                                                                                                                                                                           |
| Avg MSRP Initial      | dollars | Average initial MSRP value of all vehicles that use a given component revision during a specific MY. This represents the starting value as read from the input file.                                                                                                                                               |
| Avg MSRP              | dollars | Average final MSRP value of all vehicles that use a given component revision during a specific MY, including additional costs arising from technology application or fine payment.                                                                                                                                 |
| Avg CW Initial        | lb      | Average initial curb weight of all vehicles that use a given component revision during a specific MY. This represents the starting value as read from the input file.                                                                                                                                              |
| Avg CW                | lb      | Average final curb weight of all vehicles that use a given component revision during a specific MY, taking into account any mass reduction technology applied by the modeling system.                                                                                                                              |
| Avg TW Initial        | lb      | Average initial test weight of all vehicles that use a given component revision during a specific MY, before any modifications were made by the modeling system.                                                                                                                                                   |
| Avg TW                | lb      | Average final test weight of all vehicles that use a given component revision during a specific MY, taking into account any mass reduction technology applied by the modeling system.                                                                                                                              |
| Avg GVWR Initial      | lb      | Average initial GVWR of all vehicles that use a given component revision during a specific MY, before any modifications were made by the modeling system.                                                                                                                                                          |
| Avg GVWR              | lb      | Average final GVWR of all vehicles that use a given component revision during a specific MY, taking into account any mass reduction technology applied by the modeling system.                                                                                                                                     |
| Avg GCWR Initial      | lb      | Average initial GCWR of all vehicles that use a given component revision during a specific MY, before any modifications were made by the modeling system.                                                                                                                                                          |
| Avg GCWR              | lb      | Average final GCWR of all vehicles that use a given component revision during a specific MY, taking into account any mass reduction technology applied by the modeling system.                                                                                                                                     |
| Avg Footprint Initial | sq. ft. | Average initial footprint of all vehicles that use a given component revision during a specific MY. This represents the starting value as read from the input file.                                                                                                                                                |
| Avg Footprint         | sq. ft. | Average final footprint of all vehicles that use a given component revision during a specific MY.<br>Note: While the CAFE Model does not simulate changes in individual vehicle's footprints, the final average footprint may differ marginally from the initial value due to minor fluctuations in vehicle sales. |

| Column                    | Units  | Contents                                                                                                                                                                                                                                                   |
|---------------------------|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Avg Rated FE Initial      | mpg    | Average initial fuel economy rating of all vehicles that use a given component revision during a specific MY, before any modifications were made by the modeling system. This value does not include the petroleum equivalence factor (PEF) adjustments.   |
| Avg Rated FE              | mpg    | Average final fuel economy rating of all vehicles that use a given component revision during a specific MY, taking into account the effect of technology additions made by the modeling system. This value does not include the PEF adjustments.           |
| Avg Compliance FE Initial | mpg    | Average initial fuel economy rating of all vehicles that use a given component revision during a specific MY, before any modifications were made by the modeling system, adjusted by the PEF.                                                              |
| Avg Compliance FE         | mpg    | Average final fuel economy rating of all vehicles that use a given component revision during a specific MY, taking into account the effect of technology additions made by the modeling system, adjusted by the PEF.                                       |
| TechKey Initial           | string | A combination of technologies that were initially in use on a specific component (at its initial state), when it was loaded from the input file.                                                                                                           |
| TechKey                   | string | A combination of technologies that are presently in use on a specific revision of a component. In the case of aggregation records (where component version is specified as "Multiple"), the field may include a comma-separated list of multiple TechKeys. |

## **Appendix C. CAFE Model Software Manual**

## **C.1 Warnings**

This software was developed for analysis by DOT staff of potential fuel economy requirements.

This software uses input files containing detailed information regarding vehicles manufactured for sale in the United States and creates output files containing similarly detailed information regarding such vehicles. If input files containing information in any way (e.g., based on entitlement under 5 U.S.C. 552 to confidential treatment) protected from disclosure to the public are used, some output files created by this software must also be protected from disclosure to the public.

## **C.2 Notice**

CAFE Model software is a U.S. Government work not subject to copyright pursuant to 17 U.S.C. 105; however, some of the third-party works used by the software are subject to usage agreements, as described below.

The button controls in the application file menus, context menus, and toolbars of the CAFE Model software use images from the Glaze Icon Set (version 0.4.6, released on March 6, 2006) obtained from [www.notmart.org](http://www.notmart.org). All icons and/or images in the Glaze Icon Set are distributed under the GNU Lesser General Public License (LGPL), version 2.1. The version 2.1 of the GNU LGPL may be obtained from [www.gnu.org/licenses/old-licenses/lgpl-2.1.html](http://www.gnu.org/licenses/old-licenses/lgpl-2.1.html). A copy of the GNU LGPL is also included as part of the CAFE Model software and may be accessed from the application “Notice Screen” or by browsing the “License” folder in the CAFE Model source code.

CAFE Model software uses compiled code from the ExcelDataReader library (version 3.7) for reading and processing of Microsoft Excel files. The ExcelDataReader library is distributed under The MIT License. A copy of The MIT License applicable to the ExcelDataReader library is included with CAFE Model software and may be accessed from the application “Notice Screen” or by browsing the “License” folder in CAFE Model source code.

If users of CAFE Model software have any questions about this notice, please contact the current administrators of the CAFE project.

## **C.3 Installation and System Requirements**

CAFE Model software runs on IBM-compatible computers using the Microsoft Windows operating system. Although the software does not have strict hardware requirements, beyond what is needed to run the operating system, a dual core Intel compatible processor, with at least 8 GB of physical memory (RAM) is strongly recommended. The software has been developed and tested on computers using Windows 10 or 11 and Windows Server 2019 but may operate properly on machines using other versions of Windows, as long as a compatible Microsoft .NET Framework is installed.

CAFE Model software was developed using the Microsoft .NET Framework, version 4.8. If the Framework is not already present, it must be installed. Instructions for downloading and installing the .NET framework are available on the Internet at:

<https://dotnet.microsoft.com/download/dotnet-framework/net48>.



Based on the characteristics of machines used in the development of this software, the following table provides a summary of system requirements:

*Table 80. CAFE Model System Requirements*

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| Dual Core Intel compatible processor<br>(64-bit Quad Core processor recommended)                                  |
| 8 GB RAM (16 GB recommended)                                                                                      |
| 25 MB hard drive space for installation<br>(additional disk space will be required during runtime) <sup>106</sup> |
| Microsoft Windows 10 or 11                                                                                        |
| Microsoft .NET Framework 4.8                                                                                      |

Once the system requirements have been met, the latest version of CAFE Model software may be obtained by contacting NHTSA or Volpe Center staff.

The current version of the software is packaged as a stand-alone executable and does not require installation. To operate the model, place the “CAFE Model.exe” file on the desktop and execute it.<sup>107</sup>

#### **C.4 CAFE Model Graphical User Interface**

The CAFE Model GUI provides users with a set of tools necessary to set up and run modeling test scenarios, which are commonly referred to as CAFE Model sessions. Each CAFE Model session can be configured independently, each with its own set of model inputs and settings. Once configured, the session may be saved for future runs, or executed immediately.<sup>108</sup> When the model runs, the system displays the progress of the compliance modeling process in the main model window.

The model GUI consists of two primary screens: the main **CAFE Model** window and the **Modeling Settings** window. The **d** window is used for managing the modeling sessions, while the **Modeling Settings** window is used to configure them.

To run the modeling system, click on the **CAFE Model** executable file located on the desktop. When the application launches, a **Warnings** dialog box is displayed (Figure 10). The user must read and understand the warnings listed prior to using the modeling system.

---

<sup>106</sup> Depending on how the model is operated (e.g., number of scenarios to be evaluated, types of output and log files to be produced), outputs from a single execution of the model can easily exceed 1 gigabyte.

<sup>107</sup> The CAFE Model files provided may be in a zip archive, which will need to be extracted using a zip utility such as WinZip ([www.winzip.com](http://www.winzip.com)) or 7Zip ([www.7-zip.org](http://www.7-zip.org)).

<sup>108</sup> It is recommended that users save the sessions prior to running them to assign a meaningful name to each session. Doing so will cause the model to create an output folder with the same name.

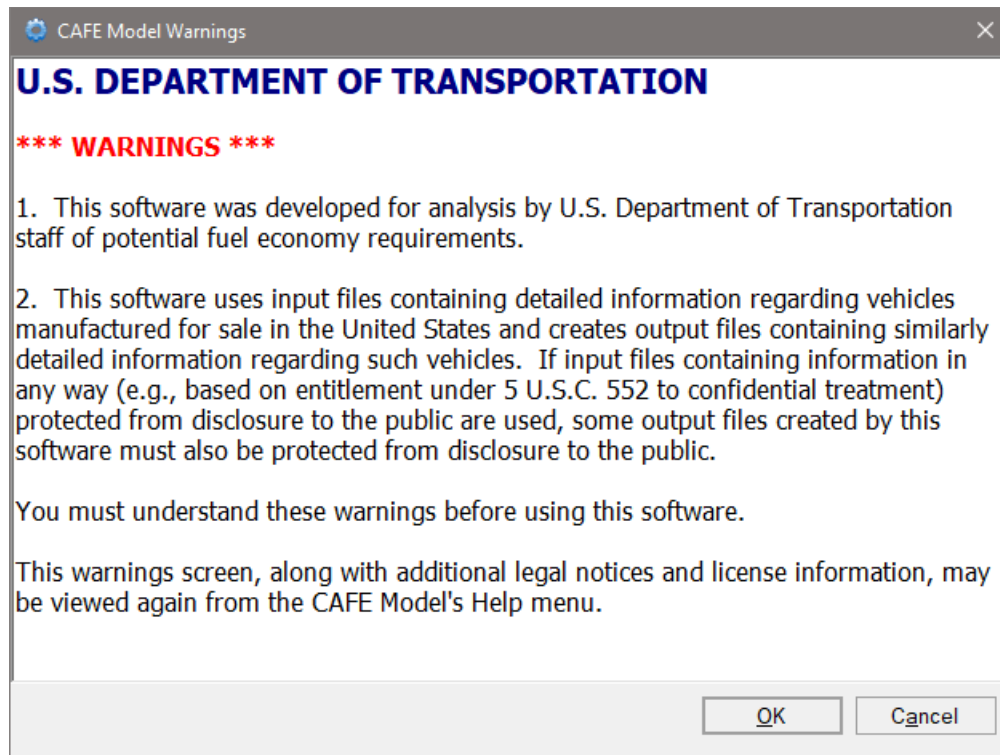


Figure 10. Warnings Dialog Box

After clicking the **OK** button in the **Warnings** dialog box, a **Splash Screen** window appears (Figure 11), prompting the user to wait for model resources to load.

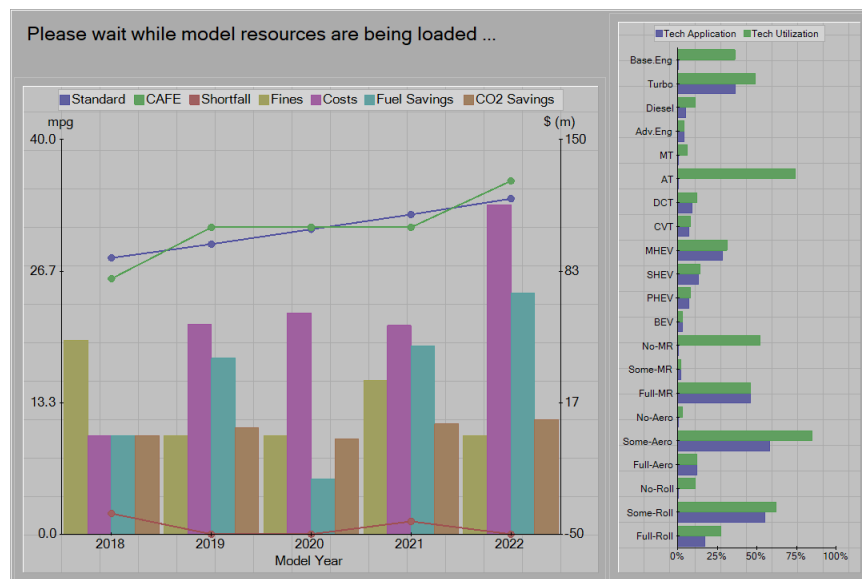


Figure 11. CAFE Model Splash Screen

Once the model resources are completely loaded, the main **CAFE Model** window, described below, opens.

### C.4.1 CAFE Model Window

The main **CAFE Model** window (Figure 12) is used to create, configure, and manage CAFE Model sessions. The main window also controls the model operation, allowing users to start and stop modeling simulation.

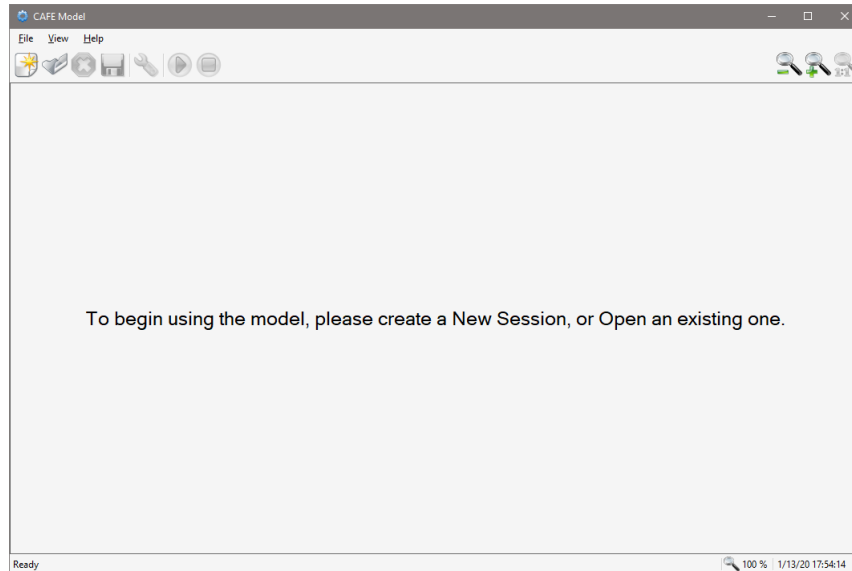


Figure 12. CAFE Model Window

When the model first starts up, most of the menu items and toolbar icons are disabled, until a new session is created, or an existing one is opened.

All of the options required for operation of the model GUI may be accessed using a file menu (Figure 13), with most commonly used shortcuts also available on the model toolbar (Figure 14). For user convenience, most of the menu entries may also be controlled using keyboard shortcuts.



Figure 13. CAFE Model File Menu



Figure 14. CAFE Model Toolbar

Some of the most commonly used file menus are listed in the following.

- **File > New Session:** Creates a new *CAFE Model session* and displays the **Modeling Settings** window to the user.
- **File > Open Session:** Opens an existing *CAFE Model session*.
- **File > Close Session:** Closes the currently open *CAFE Model session*.
- **File > Save Session:** Saves the open *CAFE Model session*.
- **File > Start Modeling:** Begins CAFE simulation modeling for the currently open *CAFE Model session*.
- **File > Stop Modeling:** Suspends CAFE simulation modeling.
- **File > Exit:** Exits the **CAFE Model**. If a *CAFE Model session* is still open, it will be closed prior to exiting the model.
- **View > Modeling Settings:** Displays the **Modeling Settings** window, where all modeling options and settings may be configured.
- **View > Output Location:** Opens a Windows Explorer window and browses to the location where the output files and reports of the current session are written to.
- **View > Argonne Simulation Results:** Extracts the vehicle simulation results, produced at Argonne National Laboratory using the Autonomie model, that are built into the CAFE Model to a user-specified directory.

Users are encouraged to explore all of the additional file menus available in the model. For analysis involving many model runs, workflow can be accelerated and configuration errors reduced considerably by saving a session, reopening it, making desired modifications (e.g., selecting a different version of an input file, or changing a run-time option), and saving (before running) the modified session under a new name.

The description for the menus listed above, as well as all other menu and toolbar items are also displayed in the model GUI's status bar when the user points to that item with a mouse.

### **C.4.2 Modeling Settings Window**

The **Modeling Settings** window contains panels for configuring all of the runtime options available to the model. The user can operate this window to set up a new session, or modify an existing one, before starting the modeling process. Each of the available configuration panels is outlined in the sections below.

#### **C.4.2.1 General Compliance Settings Panel**

The **General Compliance Settings** panel (Figure 15) is used to specify what type of modeling the user would like to run. Each model is tailored to different type of analysis, using its own set of assumptions and configuration settings. At present, only one model type is available.

- **Standard Compliance Model:** The *Standard Compliance Model* is the default mode of operation for the CAFE Model. This model type is used to evaluate technology costs and benefits in response to the required CAFE standards defined in the modeling scenarios.

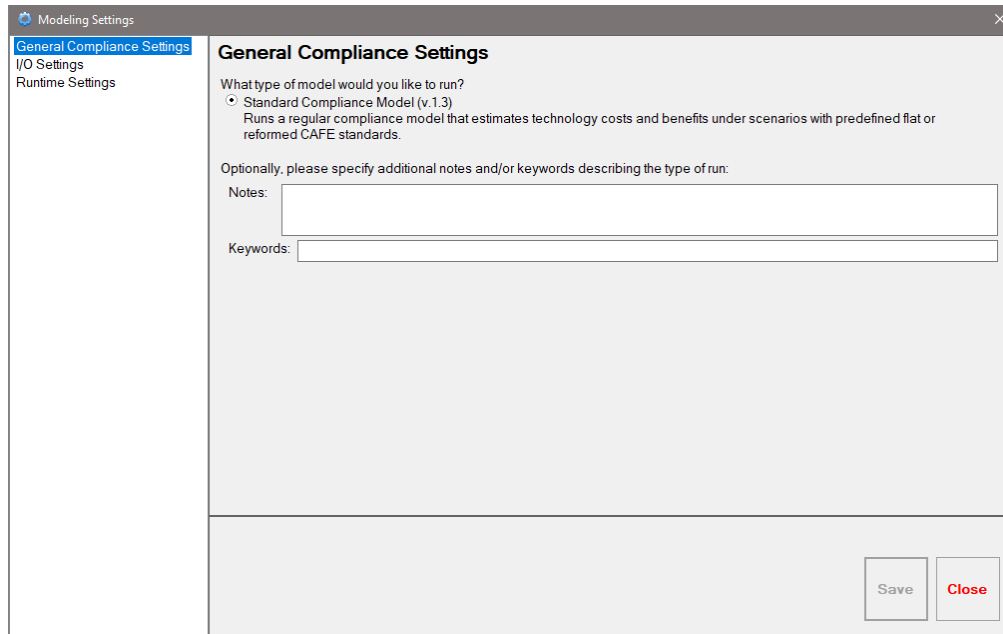


Figure 15. General Compliance Settings Panel

The notes and keywords inputs are optional and may be specified by the user for diagnostic or information purposes. These are reflected in the summary log file produced by the system and do not affect the actual modeling process.

At present, as shown in Figure 15 above, the current version of the modeling system only supports the *Standard Compliance Model*. Future development may reintroduce additional types of analysis, such as Monte-Carlo simulation.

#### C.4.2.2 I/O Settings Panel

On the **I/O Settings** panel (Figure 16), the user can select the input data files for use with the modeling system as well as the location where modeling results will be saved. The **I/O Setting** panel also allows users to optionally compress model outputs into a single *zip* file at the end of the analysis.

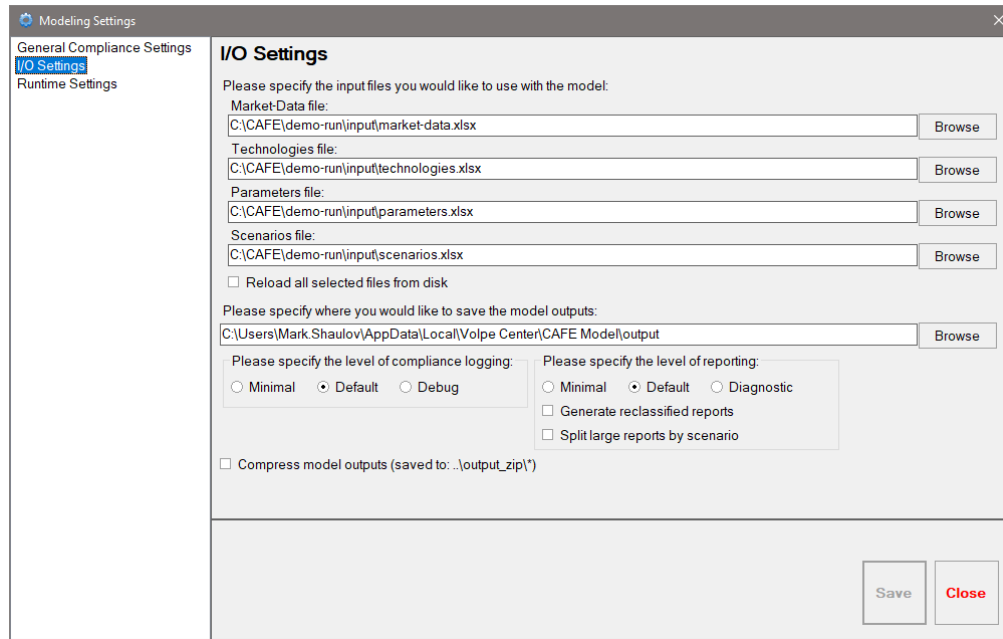


Figure 16. I/O Settings Panel (1)

Input and output locations may be entered by typing the paths into the appropriate textboxes, browsing for a specific file or folder path, or dragging-and-dropping an input file or an output folder directly onto the **I/O Settings** panel. One or more input files may be selected and dragged-and-dropped onto the panel simultaneously. In this case, the modeling system attempts to automatically determine if the correct files were chosen based on the names of individual files and populating the required inputs accordingly. After selecting all input files, the user may click on the **Save** button to load the contents into memory. If an incorrect file is selected for a particular input (e.g., “technologies.xlsx” instead of “market-data.xlsx”), or if the modeling system is unable to load the contents of the chosen input file for some reason, an error message will be displayed to the user as shown in Figure 17.

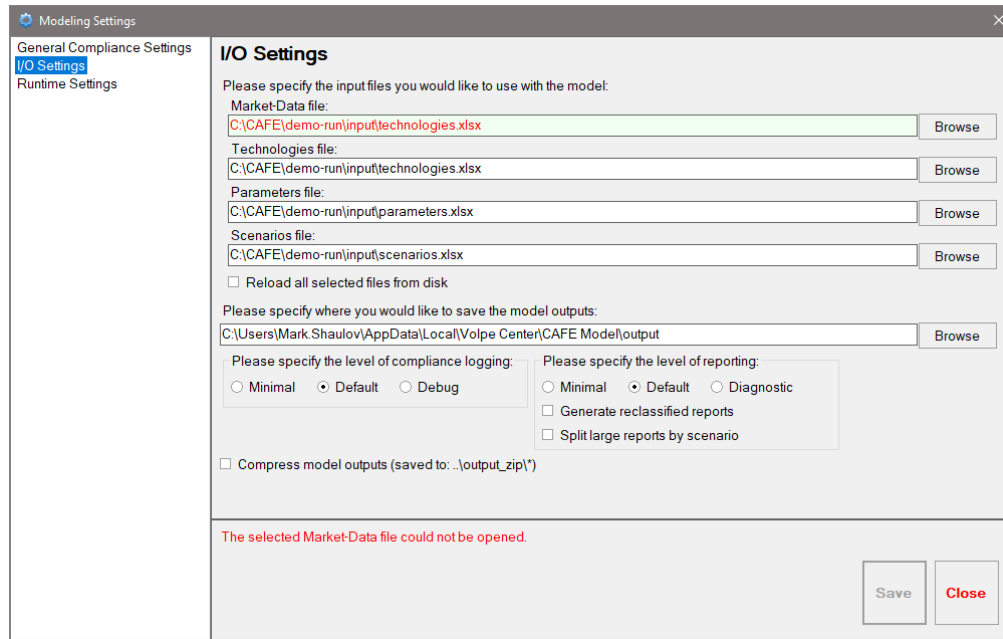


Figure 17. I/O Settings Panel (2)

By default, the CAFE Model produces a number of required modeling reports during operation, while the user may toggle some optional ones. For example, the levels of logging and reporting are initially set to “Default;” however, users may switch to “Minimal” to reduce the number of outputs, or to “Debug” or “Diagnostic” to produce more detailed outputs. In addition, the CAFE Model may be configured to produce “reclassified” copies of some modeling reports as well as split some of the large output files by scenario.

#### C.4.2.3 Runtime Settings Panel

The **Runtime Settings** panel (Figure 18) provides additional modeling options to further customize the model behavior, beyond what is available in the input files. For convenience, several setting “profiles” are defined in the GUI, allowing users to quickly select default options based on a specific type of run.

- **Light-Duty:** Selects default runtime settings applicable to light-duty analysis for determining new fuel economy standards.
- **Light-Duty (EIS):** Selects default runtime settings applicable to light-duty analysis for determining a manufacturers’ response to new fuel economy standards.
- **Custom:** The “custom” option is not selectable by the user. This option is automatically chosen when any of the runtime settings are changed independently.

Along with the predefined profiles, a user may individually configure various runtime settings. The following describes the options that may be toggled from the model’s GUI by the user.

- **Compliance Program to Enforce:** Specifies the compliance program the model should enforce when evaluating a manufacturer’s compliance state. If *CAFE* option is selected, the model will seek compliance with NHTSA’s CAFE standards. If *CO-2* option is selected, the system will seek compliance with CO<sub>2</sub> standards. If *Both* option is selected,

the modeling system will seek compliance with NHTSA's CAFE and CO<sub>2</sub> standards simultaneously.

- ***Begin compliance modeling starting in:*** Specifies the first MY the system will evaluate for compliance. This should typically correlate to the MY for which the baseline input fleet is defined.
- ***Begin alternative scenario analysis in:*** Specifies the first MY the system will evaluate for compliance for alternative (non-baseline) scenarios. Any fleet improvements made during analysis of the baseline scenario will be inherited during evaluation of alternative scenarios for each MY prior to the "alternative" starting year.
- ***Begin technology application starting in:*** Specifies the starting MY when the system will begin evaluating technologies for application on vehicles. Prior to this year, the system will only determine manufacturers' compliance levels, generate available credits and fines owed, and use expiring credits (if credit trading option is enabled) to offset compliance shortfalls as needed. Any non-expiring banked credits available prior to start of the analysis (which are specified as input for each manufacturer) will not be used for MYs prior to this starting year.
- ***Evaluate compliance modeling until:*** Specifies the last MY the system will evaluate for compliance.
- ***Allow Credit Trading:*** Specifies whether the model should allow manufacturers to transfer credits between passenger car and light-truck fleets and to carry credits forward from previous MYs into the analysis year. (The model currently does not simulate either credit "carry-back" or trading between different manufacturers.)
- ***Cap AC/Off-Cycle Costs:*** Specifies whether the costs associated with air conditioning and off-cycle credit should be prevented from falling below zero.
- ***Restrict labor analysis to innovative technologies:*** Specifies whether the modeling system should consider only innovative technologies during labor analysis calculations. If this setting is *false*, all technology costs will be considered.
- ***Exclude BEV/FCV from analysis:*** Specifies whether the model should remove all BEVs and FCVs from the industry fleet prior to start of analysis and disallow application of new BEVs or FCVs during modeling (including for ZEV programs, if applicable).
- ***Assumed Payback Miles:*** Specifies the assumed number of miles during which an added investment in fuel-improving technology is expected to pay back. This value is used for the Sales Response model, the Dynamic Scrappage model, and for the calculation of the foregone consumer sales surplus.
- ***Scale Consumer Benefits:*** Specifies whether the model should scale the private consumer benefits by a specific percentage during the effects calculations. Valid values are 0 to 100.
- ***Calculate Implicit Opportunity Cost:*** Specifies whether the model should calculate implicit opportunity costs during effects calculations.



- ***Calculate Commercial Operator Opportunity Cost:*** Specifies whether the model the model should calculate commercial operator implicit opportunity costs during effects calculations.
- ***Commercial share of ownership:*** Specifies the percentage of consumers that purchase a light-duty vehicle for commercial use. This option is not applicable if both of the preceding options for calculating the implicit and the commercial operator opportunity cost are disabled.
- ***Use domestic-only upstream rates for all emission calcs:*** Specifies whether the modeling system should use the domestic-only upstream emission rate inputs when calculating the vehicular upstream emissions, emission health impacts, emission damage costs, and total emission quantities. If this setting is *false*, the global upstream emission rates will be used instead.
- ***Fatality Rate Estimates:*** Specifies whether to use the low, average, or high fatality rate estimates from the parameters input file. By default, average fatality rate estimates are used.
- ***Enable Dynamic Economic Modeling:*** Specifies whether the various Dynamic Economic models available in the system should be enabled for analysis. This includes the DFS/SR model, the dynamic scrappage model, and the dynamic VMT model.
- ***Select Sales Estimator to use:*** Specifies the sales estimator to use for projecting the total vehicle sales in each future MY. When the *Fixed Forecast* option is selected, the CAFE Model will project a constant light-duty sales forecast into each future MY, based on the initial sales volumes obtained from the product plan industry data (i.e., the sales volumes from the market-data input file); when the *User Defined Forecast* option is chosen, the model will rely on a user-supplied annual forecast of new vehicle sales; and when the *Nominal Forecast* option is selected, the system will estimate new sales using an integrated macroeconomic model; and. All options are applicable to the baseline and the action alternative scenarios and are discussed in greater detail in Section S5.7.1 of the main body of this document.
  - ***Use Price Elasticity estimator for alternative scenarios:*** Specifies a sales estimator that forecasts the total vehicle sales in each future MY in the action alternatives, based on the price elasticity effect with regard to the incremental differences of regulatory costs, tax credits, and fuel savings occurring between the baseline and the action alternative scenarios. Note that for the baseline scenario, a sales estimator selected from one of the options described above will be used as a reference to forecast the new vehicle sales. This option is discussed in greater detail in Section S5.7.3 of the main body of this document.
  - ***Price elasticity multiplier:*** Specifies the price elasticity multiplier to use with the *Price Elasticity* estimator option.
- ***Select DFS Model to use:*** Specifies the fleet-share model to use for estimating the fleet shares in each future MY. When the *Fixed Fleet Shares* option is selected, the CAFE Model will project constant fleet shares into each future MY, based on the initial fleet shares obtained from the product plan industry data; when the *User Defined Shares* option is selected, the system will rely on a user-supplied annual forecast of light-duty car

shares; and when the *Experimental* option is chosen, the model will use a new macroeconomic DFS model that forecasts the fleet shares in each future MY in response to the differences in fuel economy, vehicle power, and curb weight occurring between the light-duty-car and light-duty-truck fleets . All these options are applicable to the baseline and the action alternative scenarios and are discussed in greater detail in Section S5.7.2 above.

- ***Use Price Elasticity model for alternative scenarios:*** Specifies a DFS model that forecasts the fleet shares in each future MY in the action alternatives, based on the price elasticity effect with regard to the incremental differences of regulatory costs, tax credits, and fuel savings occurring between the baseline and the action alternative scenarios, additionally taken as the differences between the light-duty car and light-duty truck fleets. Note that for the baseline scenario, a DFS model selected from one of the options described above will be used as a reference to forecast the fleet shares. This option is discussed in greater detail in Section S5.7.4 above.
- ***Price coefficient:*** Specifies the price elasticity coefficient to use with the Price Elasticity DFS model option.
- ***Number of Iterations for Sales Model:*** Specifies the number of iterations to examine in the convergence loop of the DFS/SR model.
- ***Disable Dynamic VMT model:*** Specifies whether the dynamic VMT model should be disabled during analysis. Warning: This option is intended for internal benchmarking of the annual VMT projections and is not recommended for general use.

The screenshot shows the 'Runtime Settings' panel with the following configuration:

- Select Settings "Profile":** Light-Duty (selected)
- Compliance Program to Enforce:** CAFE (selected)
- Begin compliance modeling starting in:** 2024
- Begin alternative scenario analysis in:** 2027
- Begin technology application starting in:** 2025
- Evaluate compliance modeling until:** 2050
- Allow credit trading:** unchecked
- Cap AC/Off-Cycle costs:** checked
- Restrict labor analysis to innovative technologies:** unchecked
- Exclude BEV/FCV from analysis:** checked
- Assumed Payback Miles:** 48000
- Scale Consumer Benefits (%):** 100
- Calculate Implicit Opportunity Cost:** checked
- Calculate Commercial Operator Opportunity Cost:** unchecked
- Commercial share of ownership:** 0.00
- Enable Dynamic Economic Modeling:** checked
- Select Sales Estimator to use:** User Defined Forecast (selected)
- Use Price Elasticity estimator for alternative scenarios:** checked
- Price elasticity multiplier:** -0.40
- Select DFS Model to use:** User Defined Shares (selected)
- Use Price Elasticity model for alternative scenarios:** checked
- Price coefficient:** -0.0000420
- Number of iterations for DFS/SR model:** 4
- Advanced Settings:** Disable Dynamic VMT model (unchecked)

Figure 18. Runtime Settings Panel

### C.4.3 Session View

When a new session is created, or an existing one opened, the main **CAFE Model** window changes to present the user with several charts detailing the progress of the compliance modeling process. This is referred to as the modeling system's **Session View** (Figure 19).

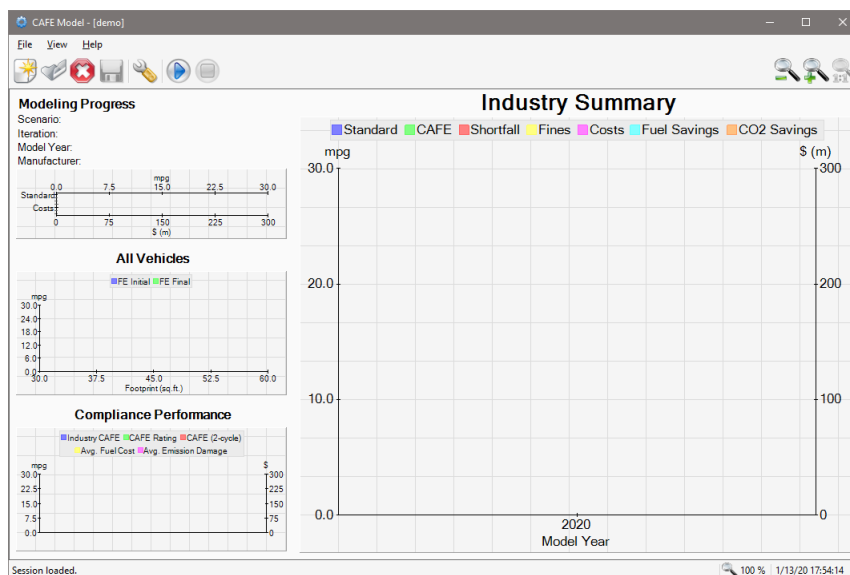


Figure 19. CAFE Model Session View

#### C.4.3.1 Session View Layout

The top-left corner of the model's **Session View** shows the progress of compliance modeling, displaying the current scenario, iteration, MY, and manufacturer being evaluated (Figure 20). This portion highlights the “*in-progress*” compliance state of the manufacturer being examined during the current analysis year. The manufacturer's standard (or required CAFE value), CAFE (or achieved CAFE value), and shortfall (the difference between the required and achieved CAFE values) are displayed along the top axis, labeled “mpg.” The fines owed, accumulated technology costs, fuel savings, and CO<sub>2</sub> savings attributable to the manufacturer are displayed along the bottom axis, labeled “\$ (m).” As the model progresses, these values change as more technologies are applied to a manufacturer or the model switches to a different manufacturer, MY, iteration, or scenario.<sup>109</sup>

<sup>109</sup> If some labels or data are not clearly visible, the **CAFE Model** window may be resized until more information comes into view.

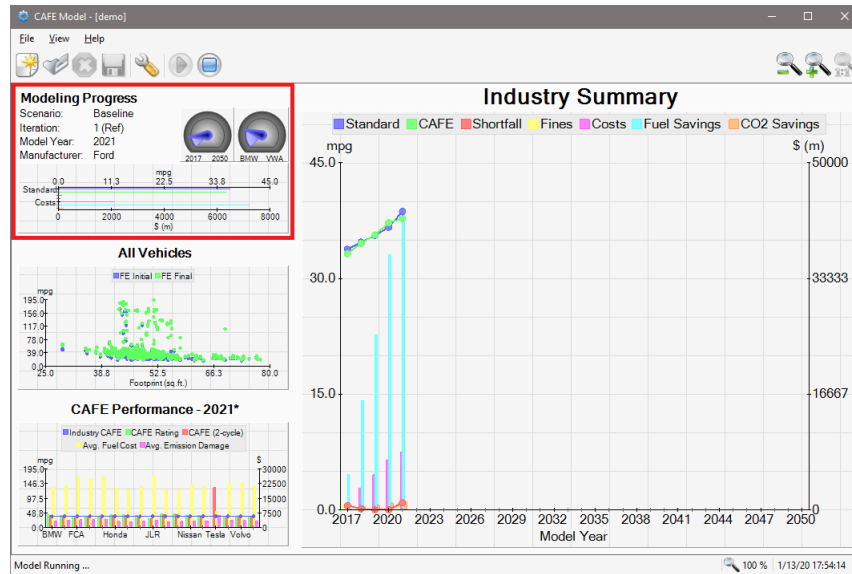


Figure 20. Session View - Modeling Progress

The center-left section of the model’s Session View shows the Vehicle Scatter Plot, with initial and final fuel economy levels displayed for the scenario, iteration, MY, and either the entire industry or the selected manufacturer being evaluated (Figure 21). The category axis displays the range of footprints that represent all modeled vehicles, while the values axis shows the mpg level achieved by those vehicles. The user may interact with the Vehicle Scatter Plot, which is discussed in the following section, to filter the chart’s view between each analyzed manufacturer and the entire industry.

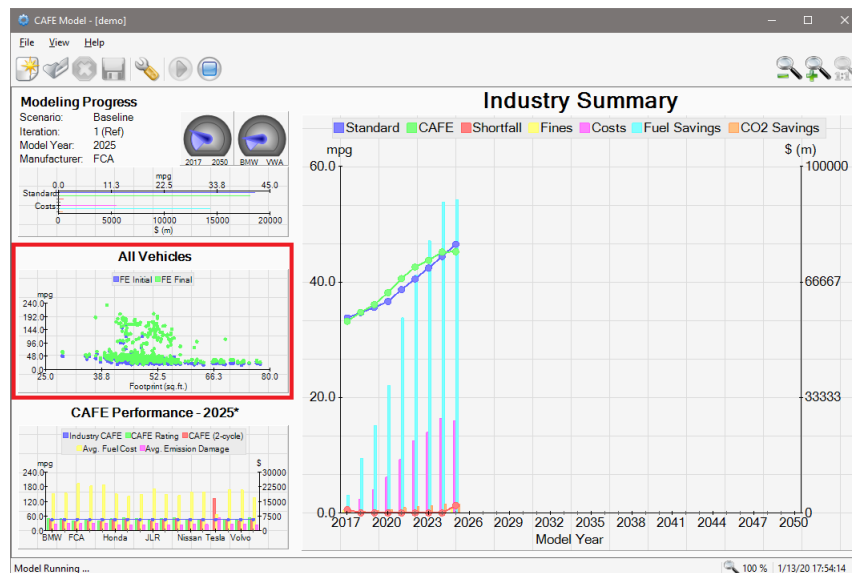


Figure 21. Session View - Vehicle Scatter Plot

The bottom-left corner of the model’s Session View shows the “by-manufacturer” Compliance Performance Chart for the scenario and iteration being analyzed (Figure 22). The user may interact with this chart to filter the view between the MY currently being processed and any other MY evaluated during the study period (past or future). For MYs that have not been processed

yet, however, the data presented will be based on the last year examined. The category axis displays the manufacturers evaluated as part of the analysis. The CAFE Rating and CAFE (2-cycle) are displayed along the left values axis, labeled “mpg,” while average fuel cost and emission damage are displaying along the right values axis, labeled “\$.” The *Compliance Performance Chart* also displays the average CAFE rating for the entire industry, as a relative benchmark measure for each manufacturer.

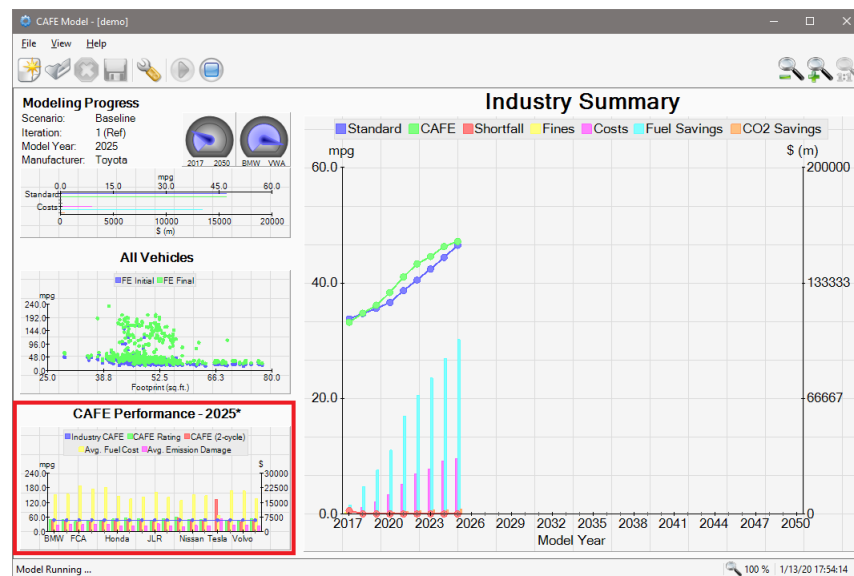


Figure 22. Session View - Compliance Performance Chart

The right side of the model’s **Session View** shows the “by-model-year” *Compliance Summary Chart* for the scenario and iteration being analyzed. As with the *Vehicle Scatter Plot*, the user may filter the view between each manufacturer and the entire industry. The category axis, labeled “Model Year,” displays the range of MYs evaluated as part of the analysis. The standard, CAFE, and shortfall values attained for each MY are displayed along the left values axis, labeled “mpg,” while fines owed, accumulated technology costs, fuel savings, and CO<sub>2</sub> savings are displayed along the right values axis, labeled “\$ (m).” When modeling begins, most of the values along the Model Year axis will be empty. As the system progresses through each year, additional information will be presented.

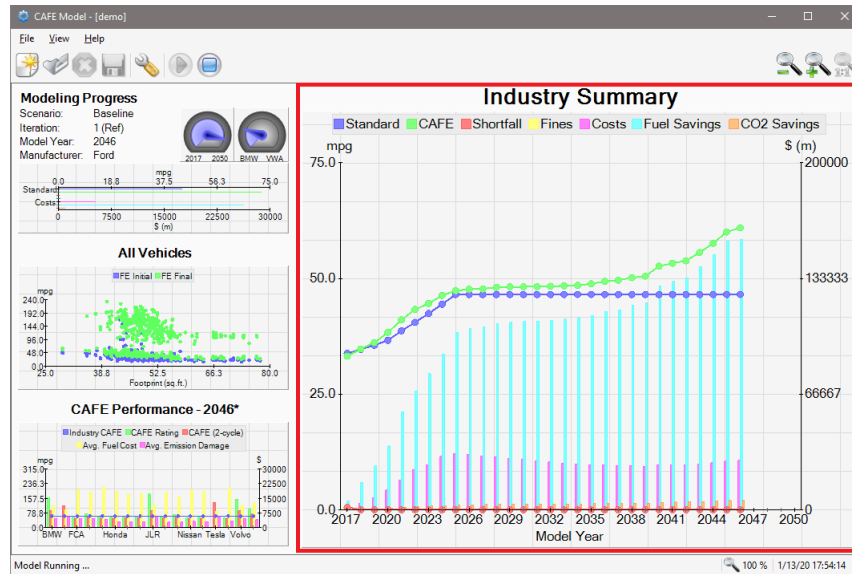


Figure 23. Session View - Compliance Summary Chart

#### C.4.3.2 Interacting With the Session View

Each of the available charts in the **Session View** may be interacted with to change the appearance of information presented to the user. For example, as mentioned above, the user may filter the *Vehicle Scatter Plot* to display fuel economy information for a specific manufacturer or for the entire industry. In addition, the user may filter the chart's view to display data for a specific regulatory class or for the combined fleet. When filtering by regulatory classes, if a particular class is not available in the selected manufacturer or industry, it will be omitted during filtering.

Filtering is initiated by pressing on the chart's area with the left mouse button, then dragging the mouse left or right (to filter between regulatory classes), or up or down (to filter between manufacturers for the *Compliance Summary* and *Vehicle Scatter Plot*, or to filter between MYs for the *Compliance Performance Chart*). As the mouse is dragged across the chart's surface area, a directional arrow appears and the chart begins to fade and move out of view (Figure 24).

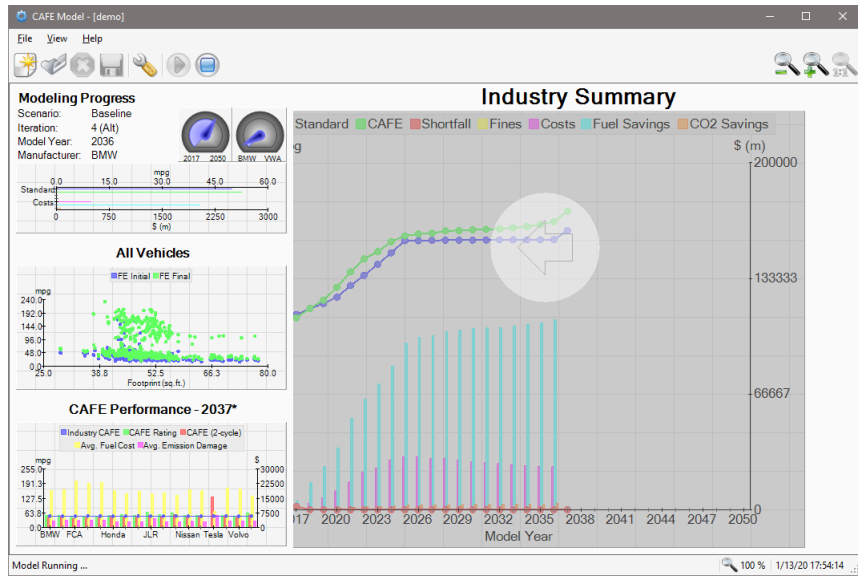


Figure 24. Initiating Chart Filtering

When the mouse is dragged an appropriate distance (roughly a quarter of the chart’s size), chart filtering becomes “activated.” This is indicated by the directional arrow becoming highlighted (Figure 25). Once the mouse is released, the chart is swiped out of view, then swiped back with the new filter applied. If mouse is released prior to activation, the chart bounces back into view without applying a new filter.

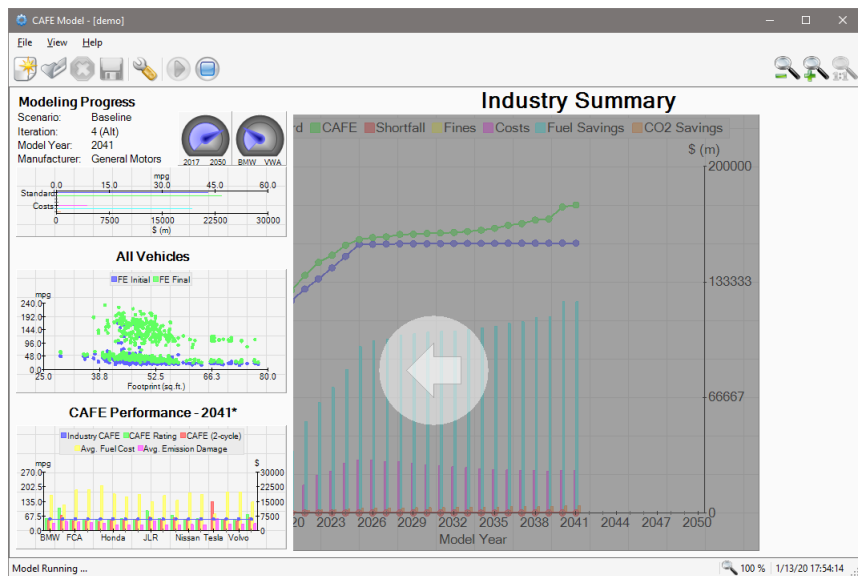


Figure 25. Chart Filtering Activated

Notice, as shown in Figure 26, the *Compliance Summary Chart* has changed to include “(PC)” in its title and the data presented differs from the last view.

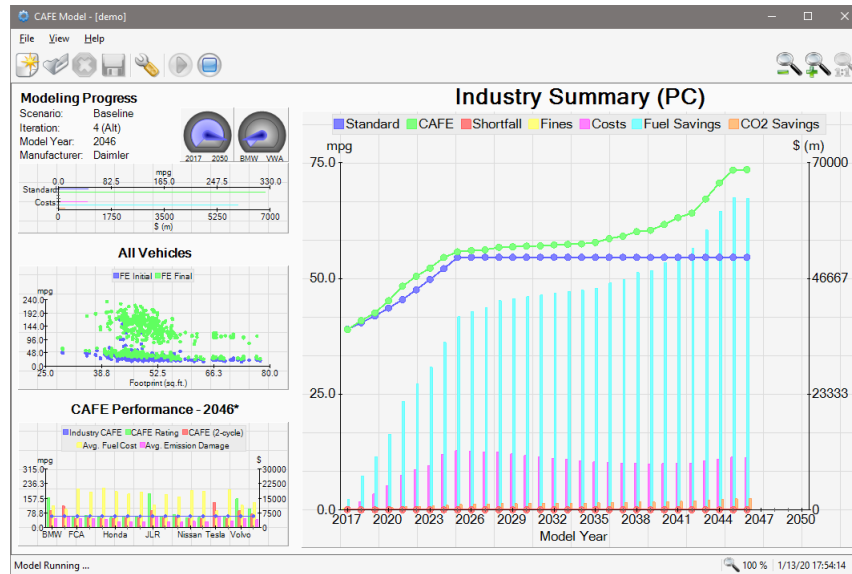


Figure 26. Chart Filtering Completed

When filtering the chart's view by manufacturer and industry (up or down), the model cycles through each available manufacturer, the entire industry, and the current manufacturer being evaluated. When filtering for the current manufacturer, the chart's title displays an asterisk next to the manufacturer's name. As modeling progresses, the compliance information will be updated as more technology is added to the current manufacturer, or the modeling system switches to analyzing another manufacturer, MY, or scenario. Similarly, when filtering the *Compliance Performance Chart* by MY (up or down), the model cycles through each MY and the current year being examined. As with other charts, filtering for the current year displays an asterisk in the chart's title.

Figure 27 shows a comparison of different views when filtering the *Vehicle Scatter Plot* by manufacturer. Notice the asterisk next to General Motors. This indicates the data for the current manufacturer being evaluated is shown.<sup>110</sup>

<sup>110</sup> If the compliance modeling process has completed, the asterisk next to the manufacturer's name represents the last manufacturer analyzed.





Figure 27. Manufacturer Filtering Examples

All of the charts provided support filtering by regulatory class, however, only the *Vehicle Scatter Plot* and the *Compliance Summary Chart* support filtering by manufacturer. Filtering may also be triggered by using the keyboard's arrow keys, pressing the left or right arrows (to filter by regulatory class) or up or down keys (to filter by manufacturer).

The charts may also be “zoomed” or “expanded” by double-clicking on the chart's area (Figure 28). This expands the selected chart to fit the entire contents of the model's **Session View**, allowing for easier interpretation of the data.

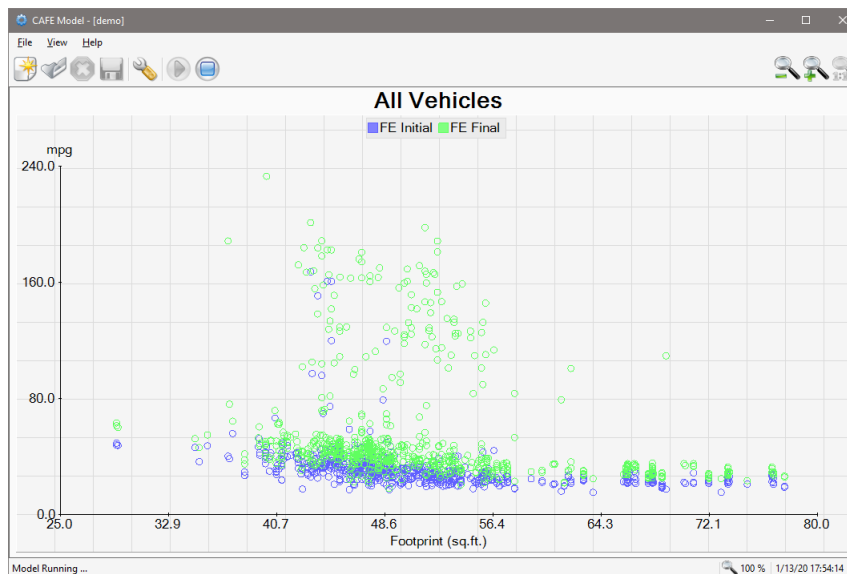


Figure 28. Vehicle Scatter Plot - Zoomed View

Only the current scenario being evaluated, or the last scenario analyzed if modeling has completed, is available for viewing in the model's **Session View**. However, users may interact with each chart while the compliance modeling process is still running as well as after modeling concludes.

#### C.4.4 Model Outputs

During runtime, the CAFE Model produces several outputs, located in the user selected output path. Different types of modeling outputs are split into separate folders and are categorized as shown in the following list.

- **logs:** Contains a “summary” file describing the various settings used during modeling; the log files tracing through the step-by-step applications of technologies, based on the compliance decisions the model made during analysis; the log files for tracing through the credit transfer and credit carry-forward transactions executed by the model on behalf of each manufacturer; and the log files showing the outcomes from each iteration of the DFS/SR model. A separate tracing log is generated for each compliance scenario.
- **reports-csv:** Contains the various modeling reports the CAFE Model produced during analysis.
- **debug-logs:** Contains a “summary” file describing the various settings used during modeling; the log files tracing through the step-by-step applications of technologies, based on the compliance decisions the model made during analysis; the log files for tracing through the credit transfer and credit carry-forward transactions executed by the model on behalf of each manufacturer; and the log files showing the outcomes from each iteration of the DFS/SR model. A separate tracing log is generated for each compliance scenario.

The system generates five required and 11 optional modeling reports (in CSV format) during runtime, with some of the required reports being produced as “incremental” and “absolute” versions. The CAFE Model may be optionally configured to produce “reclassified” versions of the required reports, as well as split some of the larger files by scenario. The contents of these reports are discussed in greater detail in Appendix B. The following provides an overview of the available modeling reports.

- **Technology Utilization Report:** Provides manufacturer-level and industry-wide technology application and penetration rates for each technology, MY, and scenario analyzed. The results are disaggregated by regulatory class, as well as combined over the entire fleet. The system may be configured to optionally generate an additional “reclassified” version of this report.
- **Compliance Report:** Provides manufacturer-level and industry-wide summary of compliance model results for each MY and scenario analyzed. The results are disaggregated by regulatory class, as well as combined over the entire fleet. The system generates an “incremental” and an “absolute” version of this report and may be configured to optionally generate an additional “reclassified” version.
- **Consumer Costs Report:** Provides industry-wide summary of consumer-related costs for each MY and scenario analyzed, using discounting from the consumer’s perspective. The results are disaggregated by regulatory class, as well as combined over the entire fleet. The system generates an “incremental” and an “absolute” version of this report and may be configured to optionally generate an additional “reclassified” version.
- **Societal Effects Report:** Provides industry-wide summary of energy and emissions effects for each MY and scenario analyzed. The results are disaggregated by regulatory

class and fuel type, as well as combined across all fuels and over the entire fleet. The system generates an “incremental” and an “absolute” version of this report and may be configured to optionally generate an additional “reclassified” version.

- ***Societal Costs Report:*** Provides industry-wide summary of consumer and social costs for each MY and scenario analyzed, using discounting from the social perspective. The results are disaggregated by regulatory class, as well as combined over the entire fleet. The system generates an “incremental” and an “absolute” version of this report and may be configured to optionally generate an additional “reclassified” version.
- ***Annual Consumer Costs Report:*** (Optional) This output file is similar to the *Consumer Costs Report*, except it further disaggregates the results by vehicle age.
- ***Annual Societal Effects Report:*** (Optional) This output file is similar to the *Societal Effects Report*, except it further disaggregates the results by vehicle age.
- ***Annual Societal Costs Report:*** (Optional) This output file is similar to the *Societal Costs Report*, except it further disaggregates the results by vehicle age.
- ***Annual Societal Effects Summary Report:*** (Optional) This output file is similar to the *Annual Societal Effects Report*, except it aggregates the results by CY. Note, the *Societal Effects Report* produces results for each MY considered during analysis. Conversely, the summary report summarizes the annual results by CY.
- ***Annual Societal Costs Summary Report:*** (Optional) This output file is similar to the *Annual Societal Costs Report*, except it aggregates the results by CY. Note, the *Societal Costs Report* produces results for each MY considered during analysis. Conversely, the summary report summarizes the annual results by CY.
- ***Vehicles Report:*** (Optional) Provides a detailed view of the final state of each vehicle examined by the model, for each MY and scenario analyzed. The system may be configured to optionally generate additional versions of this report that are split by scenario.
- ***Vehicles Diagnostic Report:*** (Optional, Diagnostic) Provides extensive diagnostic information for each vehicle model, including utilization, costs, and fuel economy improvements of each technology or a combination of technologies, as it applies to the specific vehicles. The system may be configured to optionally generate additional versions of this report that are split by scenario.
- ***Vehicles Battery and Motor Report:*** (Optional, Diagnostic) Provides information from the Argonne Simulation Database input values in relation to battery and motor information, attributed to each vehicle model and associated with the technology class and combination of technologies of the vehicle. The system may be configured to optionally generate additional versions of this report that are split by scenario.
- ***Platforms Report:*** (Optional) Provides platform-level summary of compliance model results, providing a detailed view of the final state of each platform examined by the model, for each MY and scenario analyzed.

- **Engines Report:** (Optional) Provides engine-level summary of compliance model results, providing a detailed view of the final state of each engine examined by the model, for each MY and scenario analyzed.
- **Transmissions Report:** (Optional) Provides transmission-level summary of compliance model results, providing a detailed view of the final state of each transmission examined by the model, for each MY and scenario analyzed.

## C.5 CAFE Model Usage Examples

This section provides examples for configuring and running the CAFE Model sessions using various model types.

### C.5.1 Example 1 – Configuring for Standard Compliance Modeling

This example demonstrates the steps necessary for configuring the modeling system to perform a regular *Compliance Model* run.

- Run the CAFE Model by clicking on the **CAFE Model** executable.<sup>111</sup> Read through the **Warnings** dialog box, and then click the **OK** button. Wait for the main **CAFE Model** window to appear.
- Select **File > New Session** to create a new modeling session. The **Modeling Settings** window appears. Note the errors at the bottom of the window; these indicate that the input files have not yet been selected.
- On the **General Compliance Settings** panel, select the *Standard Compliance Model* as shown in Figure 29 below.<sup>112</sup>

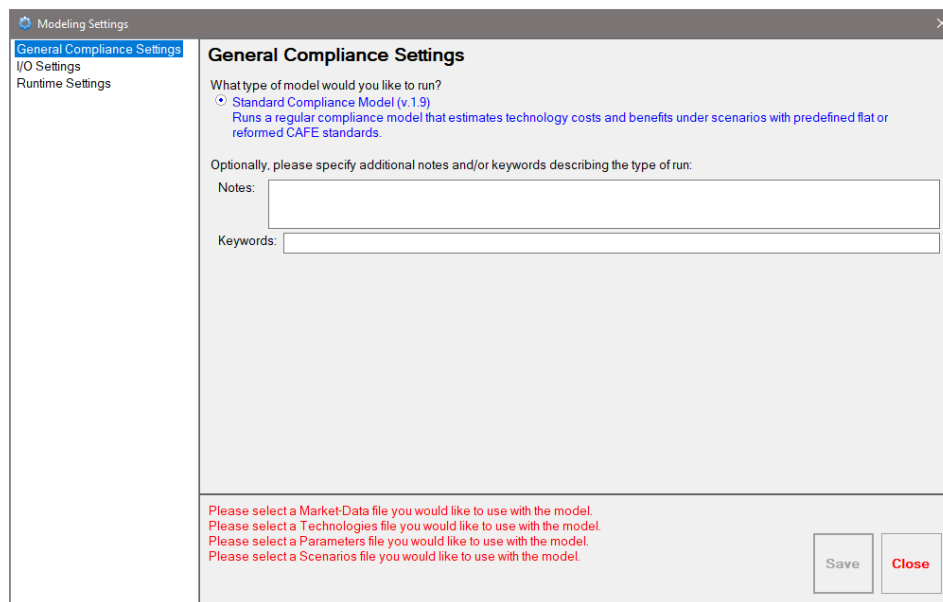


Figure 29. Select Standard Compliance Model

<sup>111</sup> If the model was just downloaded, it is most likely located on the user's desktop.

<sup>112</sup> As discussed earlier, the current version of the modeling system only supports the *Standard Compliance Model*.

- Click on the **I/O Settings** panel to select the input files to use for modeling and the location for output files (Figure 30). Note that once all the input files have been selected appropriately, the error messages disappear.
- On the **I/O Settings** panel, users are also advised to change the output location.
- For this example, the selection of modeling reports is not changed.

**Modeling Settings**

General Compliance Settings  
**I/O Settings**  
 Runtime Settings

Please specify the input files you would like to use with the model:

Market-Data file:

Technologies file:

Parameters file:

Scenarios file:

☐ Reload all selected files from disk

Please specify where you would like to save the model outputs:

Please specify the level of compliance logging:  
☐ Minimal ☒ Default ☐ Debug

Please specify the level of reporting:  
☐ Minimal ☒ Default ☐ Diagnostic

☐ Generate reclassified reports

☐ Split large reports by scenario

☐ Compress model outputs (saved to: .\output\_zip\*)

*Figure 30. Select Input Files*

- The **Runtime Settings** panel is not used for this exercise.
- Click the **Save** button to save the modeling settings and load the input files (Figure 31).

**Modeling Settings**

General Compliance Settings  
**I/O Settings**  
 Runtime Settings

Please specify the input files you would like to use with the model:

Market-Data file:

Technologies file:

Parameters file:

Scenarios file:

☐ Reload all selected files from disk

Please specify where you would like to save the model outputs:

Please specify the level of compliance logging:  
☐ Minimal ☒ Default ☐ Debug

Please specify the level of reporting:  
☐ Minimal ☒ Default ☐ Diagnostic

☐ Generate reclassified reports

☐ Split large reports by scenario

☐ Compress model outputs (saved to: .\output\_zip\*)

Loading Technologies input file ...

*Figure 31. Save Modeling Settings*

- Once loading completes, click the **Close** button to return the main **CAFE Model** window. A new *Compliance Model* session, titled “Session 1” has now been created (Figure 32).

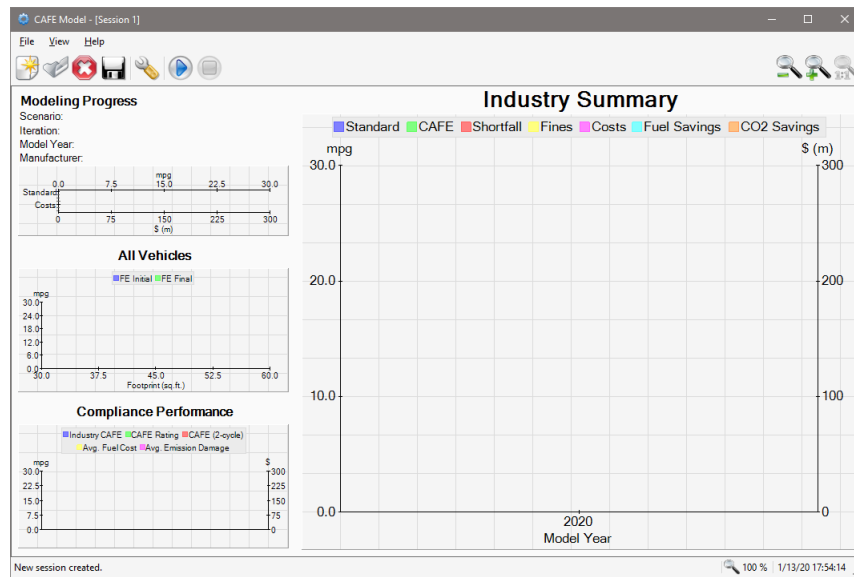


Figure 32. New Compliance Model Session Created

- Save the new session by selecting **File > Save Session As....** Enter “demo.cmsd” in the dialog box that appears, then click the **Save** button (Figure 33).<sup>113</sup>

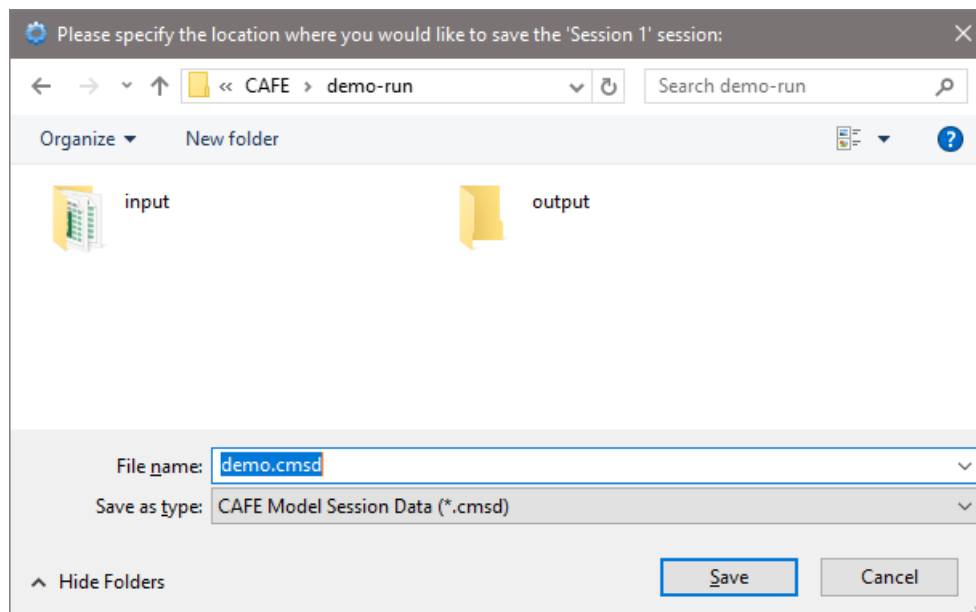


Figure 33. Save New Session

- After the session has been saved, notice the title of the session has changed to “demo” (Figure 34).

<sup>113</sup> Based on the user’s system configuration, the window in Figure 34 may look different.

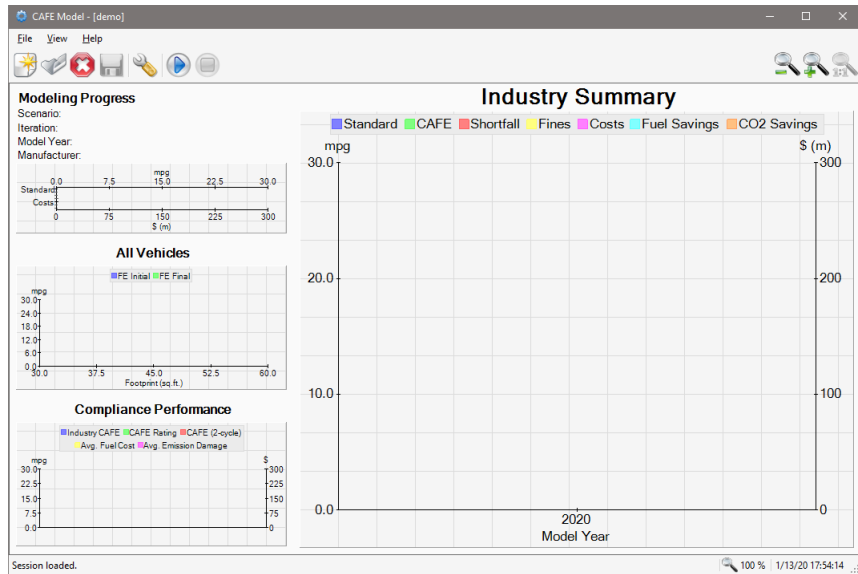


Figure 34. “Demo” Session Saved

- Select **File > Start Modeling** to start the compliance modeling process. As the model runs, the progress of the *Compliance Model* is displayed in the **CAFE Model’s Session View** (Figure 35).

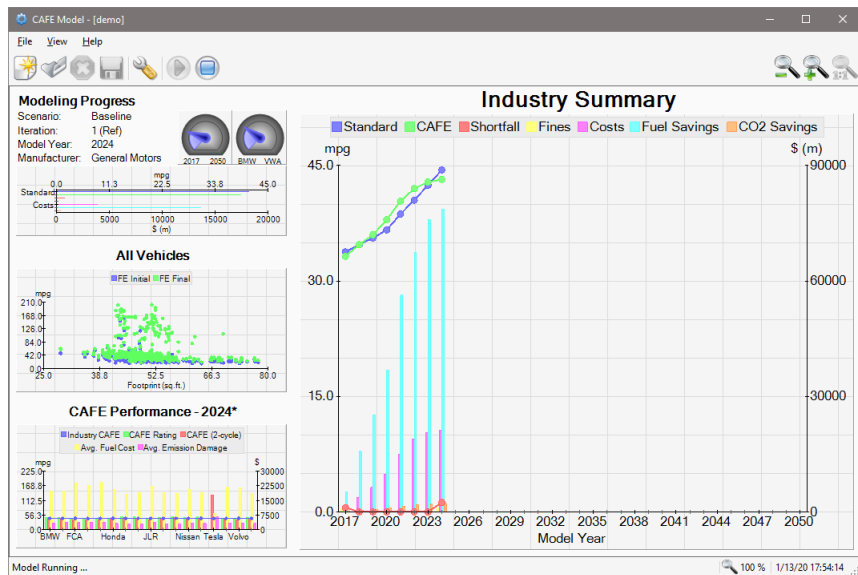


Figure 35. Modeling Progress from the Compliance Model

- After modeling has completed, the “Modeling Completed!” message appears at the bottom of the main **CAFE Model** window (Figure 36).

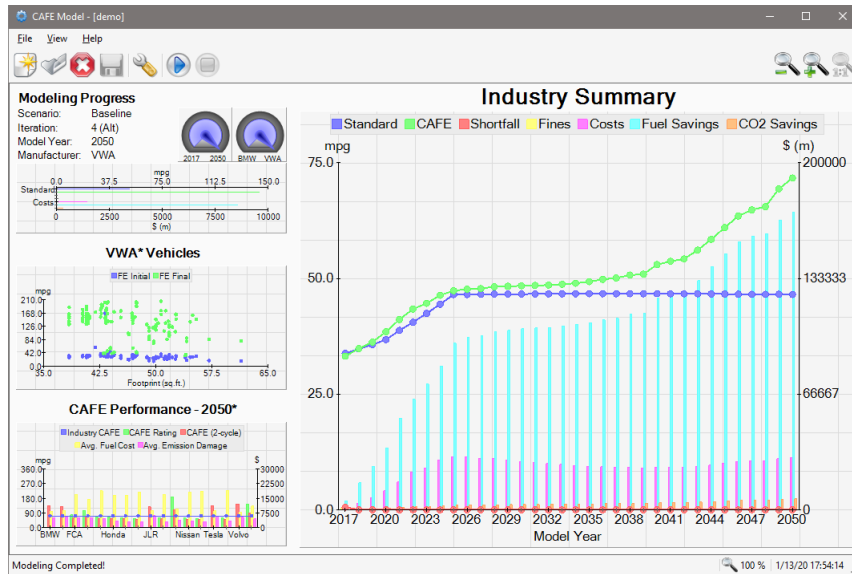


Figure 36. Compliance Model Completed

- Select **View > Output Location** to open Windows Explorer and browse to the location where model outputs for the “demo” session are saved.
- Close the session by selecting **File > Close Session**.
- Exit the **CAFE Model** by selecting **File > Exit** or proceed to the next example.

### C.5.2 Example 2 – Configuring for “CO<sub>2</sub> Compliance” Modeling

This example demonstrates how to take an existing session created in Example 1 – Configuring for Standard Compliance Modeling, and modify it to evaluate compliance with CO<sub>2</sub> standards.

- Run the CAFE Model by clicking on the **CAFE Model** executable. Read through the **Warnings** dialog box, and then click the **OK** button. Wait for the main **CAFE Model** window to appear.
- Select **File > Open Session** to open an existing modeling session. Select “demo.cmsd” in the dialog box that appears, then click the **Open** button (Figure 37).<sup>114</sup>

<sup>114</sup> Based on the user’s system configuration, the window in Figure 38 may look different.



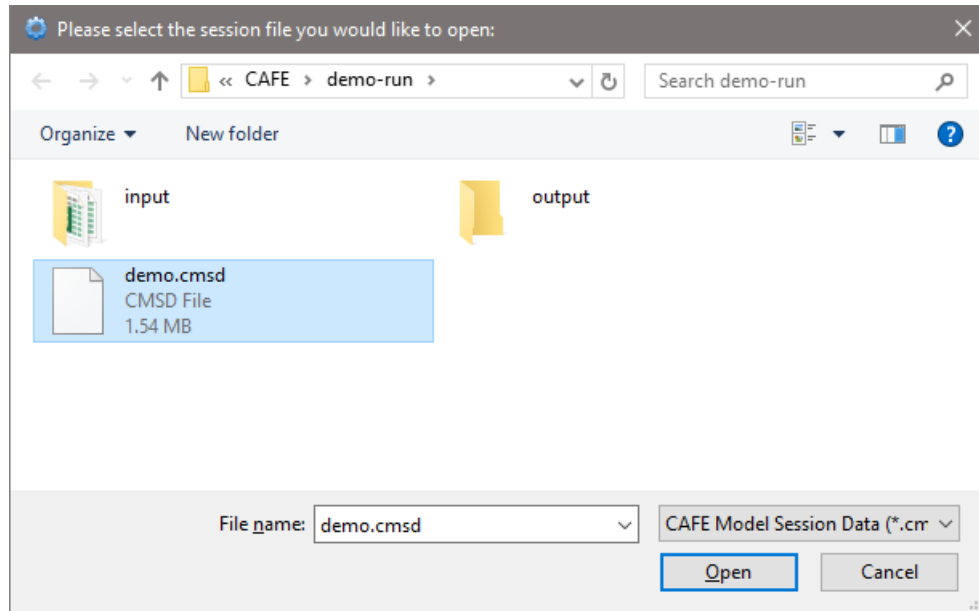


Figure 37. Open “Demo” Session

- Once the session has been loaded, select **View > Modeling Settings** to bring up the **Modeling Settings** window.
- Click on the **Runtime Settings** panel and select the **CO-2** option from the *Compliance Program to Enforce* section as shown in Figure 38.

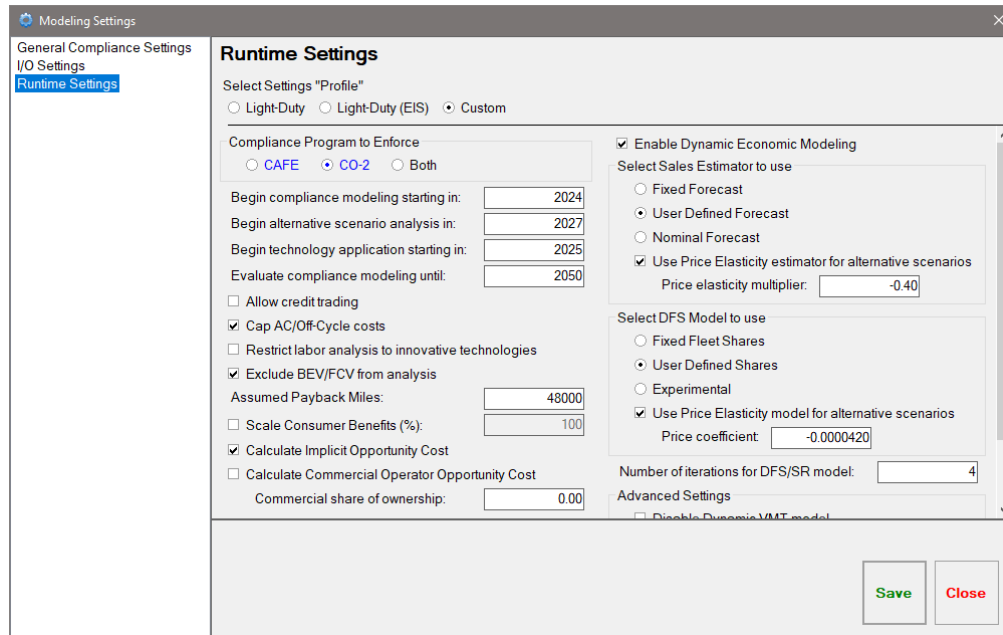


Figure 38. Enable Compliance with CO<sub>2</sub> Standards

- The rest of the panels are not used for this exercise.
- Click the **Save** button to save the updated modeling settings; then click **Close**, once saving completes.

- To prevent overwriting results from the “demo” session, select **File > Save Session As...** to save the modified session with a new name. For this example, the session was saved as “demo-co2.cmsd.”
- Select **File > Start Modeling** to start the modeling process. As the model runs, the progress of the *Compliance Model* is displayed in the **CAFE Model’s Session View**.
- Notice that the compliance-related information displayed in the model’s charts have changed from “CAFE” to “CO<sub>2</sub>” and the units have been updated from “mpg” to “g/mi” (Figure 39).

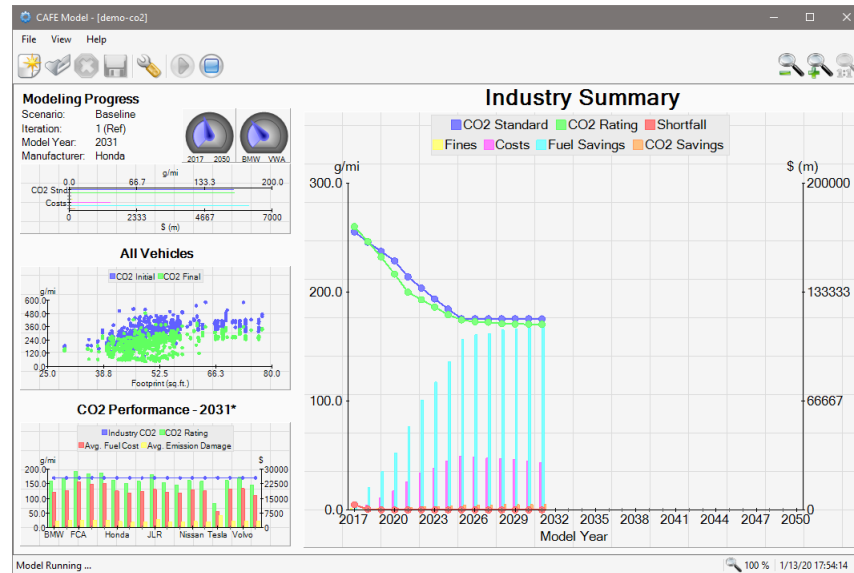


Figure 39. Modeling Progress for Compliance with CO<sub>2</sub> Standards

- After modeling has completed, the “Modeling Completed!” message appears at the bottom of the main **CAFE Model** window.
- Select **File > Exit** to exit the model.

## C.6 Known Issues

The following outlines some of the known issues in the CAFE Model’s user interface and provides possible workarounds. This list, however, is not comprehensive.

- The model may sometimes display minor visual artifacts when interacting with the charts in the model’s **Session View**.
- On rare occasions, the model’s GUI may stop refreshing during on-going analysis. That is, the charts displayed in the **Session View** will stop updating. There is no known workaround for this issue. Please wait for modeling to complete (a “Modeling Completed!” message will still appear at the conclusion of analysis), then restart the CAFE Model application.

DOT HS 813 854  
September 2026



U.S. Department  
of Transportation  
**National Highway  
Traffic Safety  
Administration**

