Environment and Climate Change Canada
Environnement et Changement climatique Canada

Greenhouse Gas Emissions Performance for the 2018 Model Year Light-Duty Vehicle Fleet

In relation to the Passenger Automobile and Light Truck Greenhouse Gas Emission Regulations under the Canadian Environmental Protection Act, 1999

Canada

Notice

The information contained in this report is compiled from data reported to Environment and Climate Change Canada pursuant to the *Passenger Automobile and Light Truck Greenhouse Gas Emission Regulations* under the *Canadian Environmental Protection Act, 1999*. Information presented in this report is subject to ongoing verification.

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LIST OF ACRONYMS

AC – Air conditioner

ATV – Advanced technology vehicle

CAFE – Corporate average fuel economy

CEPA – Canadian Environmental Protection Act, 1999

CO – Carbon monoxide

CO_2 – Carbon dioxide

CO_2e – Carbon dioxide equivalent

CREE – Carbon related exhaust emissions

CWF – Carbon weight fraction

EPA – Environmental Protection Agency

FCEV – Fuel cell electric vehicle

FTP – Federal test procedure

GHG – Greenhouse gas

g/mi – grams per mile

HC – Hydrocarbons

HFET – Highway fuel economy test

LT – Light truck

NO_x – Oxides of nitrogen

N_2O – Nitrous oxide

PA – Passenger automobile

PM – Particulate matter

TOF – Temporary optional fleet

VKT – Vehicle kilometres travelled

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EXECUTIVE SUMMARY

The *Passenger Automobile and Light Truck Greenhouse Gas Emission Regulations* (hereinafter referred to as the "regulations") establish greenhouse gas emission standards for new 2011 and later model year light-duty on-road vehicles offered for sale in Canada. These regulations require importers and manufacturers of new vehicles to meet fleet average emission standards for greenhouse gases and establish annual compliance reporting requirements. This report summarizes the fleet average greenhouse gas emission performance of the fleets of light-duty vehicles. It also provides a compliance summary for each of the subject companies including their individual fleet average carbon dioxide equivalent (CO_2e)[1] emissions value (referred to as the "compliance value") and the status of their emission credits.

The CO_2e emission standards are company-unique as they are a function of the footprint and the quantity of vehicles offered for sale in a given model year. These footprint-based target values are aligned with those of the U.S. Environmental Protection Agency (EPA) and are progressively more stringent over the 2012 through 2025 model years[2]. Since the Canadian greenhouse gas standards were introduced prior to the U.S. EPA program, the 2011 model year target values in Canada were instead based on the U.S. Corporate Average Fuel Economy (CAFE) levels. As of the 2018 model year, the fleet average standards for passenger automobiles and for light trucks have become more stringent by 29.6% and 21.5% respectively.

A company's performance relative to its standard is determined through its sales weighted fleet average emissions performance for the given model year for its new passenger automobile and light truck offerings, expressed in grams per mile of CO_2e based on standardized emissions tests simulating city and highway driving cycles. The emissions measured during these test procedures include CO_2 and other carbon related combustion products, namely carbon monoxide (CO) and hydrocarbons (HC). This ensures that all carbon containing exhaust emissions are also recognized. These regulations also set limits for the release of other greenhouse gases such as methane (CH_4) and nitrous oxide (N_2O). A number of mechanisms are incorporated into the regulations which provide companies with a series of options to achieve the applicable greenhouse gas standards while incentivizing the deployment of new greenhouse gas reducing technologies. These mechanisms include allowances for vehicle improvements and complementary innovative technologies that contribute to the reduction of greenhouse gas emissions in ways that are not directly measured during standard tailpipe emissions testing. Flexibility mechanisms include recognition of the emission benefits of dual-fuel capability, electrification and other technologies that contribute to improved greenhouse gas performance. The regulations also include an emission credit system that allows companies to generate emission credits if their fleet average performance is superior

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[1] CO_2e is used throughout this report as a common unit to standardize the environmental impacts of different greenhouse gases (such as N_20 & CH_4) in terms of an equivalent amount of CO_2.

[2] In August 2018, the department launched formal consultations with Canadian stakeholders on its mid-term evaluation of its light-duty vehicle regulations. Any future decisions regarding light-duty vehicle regulations in Canada for 2022 to 2025 will be informed by Canada's mid-term evaluation and careful consideration of environmental impacts and economic impacts to industry and consumers.

to the standard. Emission credits can be accumulated for future use to offset emission deficits (a deficit is incurred if a company's fleet performance is above their applicable standard). This allows companies to maintain regulatory compliance as their product mix and demands change year to year and through product cycles which may result in fleet average performance above the standard. Companies that generate emission credits may transfer those credits to other companies. Emission credits generated for performance superior to the standard have a lifespan which is determined based on the model year in which they were generated, whereas deficits generated for performance worse than the standard must be offset within three years from the model year in which the deficit was incurred. Compliance to the regulations and the corresponding tracking of credits is monitored, in part, through the annual reports and companies are required to maintain all relevant records relating to their vehicle greenhouse gas emissions performance.

The regulations have been instrumental in influencing companies to make progressive improvements to the efficiency of their new light duty vehicles available in Canada beginning with the 2011 model year. These regulations have pushed companies to meet these engineering challenges through the introduction of a wide variety of new and innovative technologies. To meet the regulatory standards, companies have not only continued to improve upon conventional internal combustion engine technologies but have incorporated an array of innovative approaches such as active aerodynamics, advanced materials for light-weighting, solar reflective paint, high efficiency lighting and more. Companies have also been driven to increase the availability of advanced technology vehicles with lower GHG emissions, such as battery electric and plug-in hybrids. In fact, since the introduction of the regulation the number of battery electric vehicles has increased from 156 to 17 793 units and the number of plug-in hybrid electric vehicles has increased from zero to 22 875 units. The sum of these developments within the Canadian vehicle fleets have resulted in measureable improvements to GHG emissions performance.

Results from regulatory reports indicate that companies continue to be in compliance through to the 2018 model year. The average compliance value for the fleet of new passenger automobiles decreased from 255 g/mi to 206 g/mi since the introduction of the regulation, representing a 19.2% reduction. The compliance value for light trucks decreased by 15.5%, from 349 g/mi to 295 g/mi since the introduction of the regulation. The 2016 model year marked the first time the fleet average compliance value exceeded the fleet average emission standard for both passenger automobiles and light trucks. Although the fleet average compliance values for both passenger automobiles and light trucks continued a downward trend in the 2018 model year, it has stayed above the fleet average emission standard. All companies remained in compliance with the regulations through the use of their own accumulated emission credits or by purchasing credits from other companies. To date, companies have generated a total of approximately 83.1 million credits, of which, approximately 26 million remain available for future use. A total of 20 million credits have been used to offset emission deficits by individual companies over the 2011 to 2018 model years, of which 4.1 million credits were used to offset deficits accrued in the 2018 model year. The remaining 37.1 million credits have expired.

1. PURPOSE OF THE REPORT

The purpose of this report is to provide company specific results of the fleet average greenhouse gas emission performance of the Canadian fleets of passenger automobiles (PA) and of light trucks (LT)[3]. Building on the previous GHG emissions performance report for the 2017 model year, this report focuses on the GHG emissions performance of the last four model years. The results presented herein are based on data submitted by companies in their annual regulatory compliance reports, pursuant to the *Passenger Automobile and Light Truck Greenhouse Gas Emission Regulations*, which have undergone a thorough review by Environment and Climate Change Canada (ECCC). The report also helps to identify trends in the Canadian automotive industry including the adoption and emergence of technologies that have the potential to reduce GHG emissions. It also serves to describe emission credit trading under the regulations.

2. OVERVIEW OF THE REGULATIONS

In October 2010, the Government of Canada published the *Passenger Automobile and Light Truck Greenhouse Gas Emission Regulations*[4] (regulations) under CEPA. This was the Government of Canada's first regulation targeting GHG's, and was a major milestone for ECCC towards addressing GHG emissions from the Canadian transportation sector. The regulations and the subsequent amendments introduced progressively more stringent GHG emission targets for new light-duty vehicles of model years 2011 to 2025 in alignment with the U.S. national standards, thereby establishing a common North American approach.

The department monitors compliance with the fleet average requirements through annual reports submitted pursuant to the regulations. These reports are used to establish each company's fleet average GHG performance and the applicable standard for both its passenger automobile and light truck fleets. As part of the regulatory compliance mechanism, companies may accrue emission credits or deficits, depending on their fleet performance relative to the standard. These reports also enable the department to track emission credit balances and transfers. There are in excess of 10 000 data elements collected each reporting cycle. ECCC has a process to review and validate company data and the results may be subject to change should new information become available.

Companies that submitted a report pursuant to the regulations during 2015 to 2018 model years are listed in Table 1.

[3] The department has released four reports documenting the overall fleet performance from earlier model years.
[4] The regulations, along with amendments, and the accompanying regulatory impact analysis statement

Table 1: Model year report submission status

Manufacturer	Common Name	2015	2016	2017	2018
Aston Martin Lagonda Ltd.	Aston Martin	LVM[a]	LVM[a]	LVM[a]	LVM[a]
BMW Canada Inc.	BMW	*	*	*	*
FCA Canada Inc.	FCA	*	*	*	*
Ferrari North America Inc.	Ferrari	LVM[a]	LVM[a]	LVM[a]	LVM[a]
Ford Motor Company of Canada Ltd.	Ford	*	*	*	*
General Motors of Canada Company	GM	*	*	*	*
Honda Canada Inc.	Honda	*	*	*	*
Hyundai Auto Canada Corp.	Hyundai	*	*	*	*
Jaguar Land Rover Canada ULC	JLR	*	*	*	*
Kia Canada Inc.	Kia	*	*	*	*
Lotus Cars Ltd.	Lotus	LVM[a]	LVM[a]	LVM[a]	LVM[a]
Maserati North America Inc.	Maserati	LVM[a]	LVM[a]	LVM[a]	LVM[a]
Mazda Canada Inc.	Mazda	*	*	*	*
McLaren Automotive Limited	McLaren	LVM[a]	LVM[a]	LVM[a]	LVM[a]
Mercedes-Benz Canada Inc.	Mercedes	*	*	*	*
Mitsubishi Motor Sales of Canada, Inc.	Mitsubishi	*	*	*	*
Nissan Canada Inc.	Nissan	*	*	*	*
Pagani Automobili SPA, Italy	Pagani	LVM[a]	LVM[a]	LVM[a]	LVM[a]
Porsche Cars Canada, Ltd.	Porsche	*	*	*	*
Subaru Canada Inc.	Subaru	*	*	*	*
Tesla Motors, Inc.	Tesla	*	*	*	*
Toyota Canada, Inc.	Toyota	*	*	*	*
Volkswagen Group Canada, Inc.	Volkswagen	*	*	*	*
Volvo Cars of Canada Corp.	Volvo	*	*	*	*

*Indicates that a report has been submitted

[a] Beginning with the 2012 model year, low volume manufacturers (LVM) may elect to exempt themselves from CO_2e standards. This exemption does not have a noticeable impact on fleet-wide performance given the small volume of vehicles.

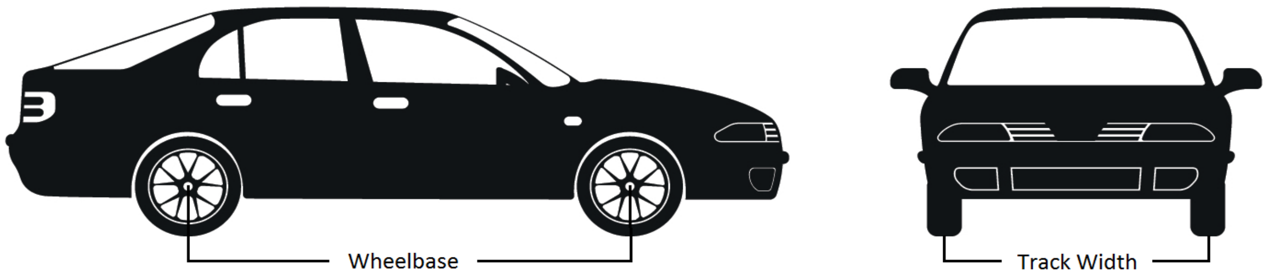
2.1. CO_2e EMISSION STANDARDS

The applicable standards for a given model year are based on prescribed carbon dioxide (CO_2e) emission "target values" that are a function of the "footprint" (Figure 1) and quantity of the vehicles in each company's fleet of passenger automobiles and light trucks offered for sale[5] to the first retail purchaser[6]. These standards are performance-based in that they establish a maximum amount of CO_2e on a gram per mile basis. This approach allows companies to choose the most cost-effective technologies to achieve compliance and reduce emissions, rather than requiring a particular technology.

[5] The terms "sold", "offered for sale" and "production volume" are used interchangeably in this report to designate the quantity of vehicles manufactured or imported in Canada for the purpose of first retail sale.

[6] The regulations exclude "used vehicles" imported into Canada, new vehicles exported from Canada, emergency vehicles, and vehicles imported on a temporary basis for the purposes of exhibition, demonstration, evaluation and testing.

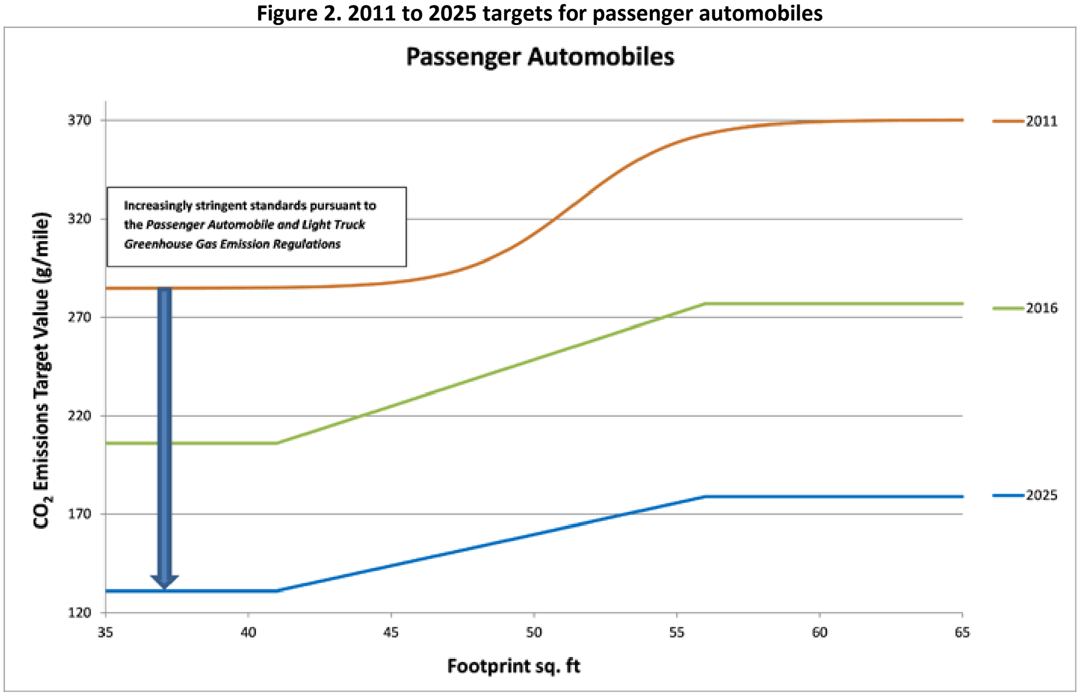
Figure 1. Vehicle footprint



$$Footprint = \frac{front\ track\ width + rear\ track\ width}{2} \times wheelbase$$

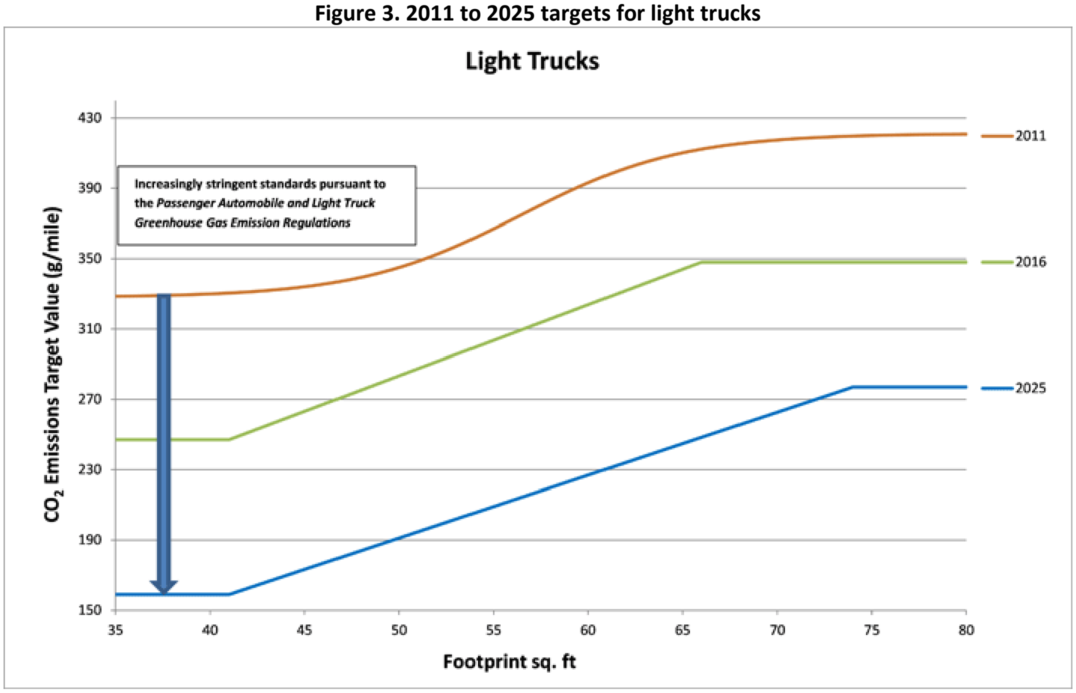
The regulations prescribe progressively more stringent target values for a given footprint size over the 2011 through 2025 model years. Figures 2 and 3 illustrate the target values for passenger automobiles and light trucks, respectively[7].

Figure 2. 2011 to 2025 targets for passenger automobiles



[7] The target values for model years 2022-2025 as presented in figures 2 and 3 are subject to change pending the outcome of Canada's midterm evaluation process.

Figure 3. 2011 to 2025 targets for light trucks



As depicted in Figures 2 and 3, the targets for the 2011 model year are unique in that they follow a smooth curve. This is because the 2011 target values were introduced one year prior to the U.S. Environmental Protection Agency (EPA) program, and were instead based on the U.S. Corporate Average Fuel Economy (CAFE) levels. Accordingly, the regulations considered the consumption of fuel as the basis to establish reasonable approximations of GHG performance for the 2011 model year[8]. The CO_2e standard was derived using a conversion factor of 8 887 grams of CO_2 /gallon of gasoline[9] for the 2011 model year only.

For the 2012 and later model years, the CO_2e emissions target values are aligned with the U.S. EPA target values.

The overall passenger automobile and light truck fleet average standard that a company must meet is ultimately determined by calculating the sales weighted average of all of the target values using the following formula:

[8] The fuel economy target values that apply to vehicles of the 2011 model year are calculated using the following formula:
$T = 1/((1/a)+(1/b)-(1/a))((e^{(x-c)/d})/(1+e^{(x-c)/d})))$
Where: x is the footprint for the vehicle in question, a = 31.20, b = 24.00, c = 51.41, d = 1.91 for PA's

and a = 27.10, b = 21.10, c = 56.41, d = 4.28 for LT's

[9] Although the conversion factor 8 887 is specific to gasoline, it was applied fleet-wide since the proportion of vehicles using other fuel types is very low.

$$\textbf{Fleet Average Standard} = \frac{\Sigma\,(\mathbf{A} \times \mathbf{B})}{\mathbf{C}}$$

where
A is the CO_2e emission target value for each group of passenger automobiles or light trucks having the same emission target;
B is the number of passenger automobiles or light trucks in the group in question; and
C is the total number of passenger automobiles or light trucks in the fleet.

The final company-unique fleet average CO_2e standards for the 2015 to 2018 model years are presented in Table 2. These represent the regulatory values that a company's fleets of passenger automobiles and light trucks must meet.

Table 2. Fleet average CO_2e standard (g/mi)

Manufacturer	2015 PA	2016 PA	2017 PA	2018 PA	2015 LT	2016 LT	2017 LT	2018 LT
BMW	239	230	216	208	299	286	283	274
FCA	248	242	234	228	315	303	312	295
Ford	240	232	220	209	331	325	308	310
GM	241	230	218	204	339	322	320	310
Honda	231	224	214	204	287	275	274	261
Hyundai	240	227	216	206	284	280	278	266
JLR	319	309	244	242	371	316	286	286
Kia	238	227	216	204	299	286	277	267
Mazda	238	223	212	202	283	270	267	256
Mercedes[10]	250	232	238	213	298	292	289	274
Mitsubishi	225	218	203	195	273	260	253	242
Nissan	234	227	216	205	297	278	282	273
Porsche	282	275	215	224	375	361	285	284
Subaru	231	221	210	199	275	261	257	245
Tesla	276	268	254	226	--	--	--	292
Toyota	234	223	211	201	300	289	286	273
Volkswagen	233	222	211	201	287	270	273	269
Volvo	307	293	242	245	361	360	288	291
Fleet Average	238	227	216	205	313	301	298	288

A company's average footprint (Table 3) is one of the factors in establishing their CO_2e standards. Companies are responsible for meeting their own unique fleet average CO_2e standard based on the size of vehicles they produce. However; the regulations provide flexibility such as the "temporary optional fleet" standards which were available until the 2016 model year and allowed intermediate sized companies to have a portion of their fleet comply with a standard that was 25% less stringent. This provision (discussed in greater detail in section 2.3.7.) was used by Porsche, Volvo, Mercedes, and JLR and is the reason for their elevated standard in those years.

[10] Mercedes split its production volumes into conventional and temporary optional fleets (section 2.3.7.) for the 2012 to 2016 model years. For the purposes of this report, a single overall fleet average standard value has been calculated for those years.

Table 3. Average footprint for the 2015 to 2018 model years (sq. ft.)

Manufacturer	2015 PA	2016 PA	2017 PA	2018 PA	2015 LT	2016 LT	2017 LT	2018 LT
BMW	45.6	45.9	45.6	46.3	50.6	50.7	50.4	50.8
FCA	47.1	48.3	49.3	50.9	54.8	55.3	57.8	56.1
Ford	45.7	46.4	46.7	46.6	60.6	62.9	58.3	61.3
GM	45.9	45.8	45.8	45.2	61.5	60.3	60.9	60.2
Honda	43.9	44.6	45.1	45.4	47.6	48.0	48.6	48.2
Hyundai	46.0	45.4	45.8	45.9	46.8	49.2	49.2	49.2
JLR	49.1	49.7	48.9	48.7	49.9	50.9	50.8	50.7
Kia	45.5	45.4	45.7	45.3	50.5	50.7	49.2	49.3
Mazda	45.4	44.4	44.8	44.8	46.6	46.8	47.0	47.3
Mercedes	45.6	45.4	47.4	47.2	49.1	52.2	51.3	50.9
Mitsubishi	41.6	43.4	41.8	42.3	43.9	44.2	44.0	44.2
Nissan	44.0	45.1	45.4	45.5	50.1	48.7	50.4	50.8
Porsche	40.9	42.4	42.3	44.4	50.8	51.4	50.5	50.3
Subaru	44.0	44.0	44.5	44.4	44.6	44.6	44.8	44.9
Tesla	53.6	54.1	54.2	50.4	--	--	--	54.8
Toyota	44.5	44.5	44.7	44.6	51.1	51.8	51.7	51.0
Volkswagen	44.4	45.5	44.5	44.7	47.5	46.8	48.4	50.0
Volvo	47.1	47.0	48.7	49.2	48.0	51.3	51.2	52.1
Fleet Average	45.0	45.3	45.5	45.5	54.3	54.9	54.9	54.8

2.2. CARBON RELATED EXHAUST EMISSIONS

The fleet average carbon-related exhaust emission (CREE) value is the sales-weighted average performance of a company in a given model year for its passenger automobile and light truck fleets, expressed in grams of CO_2e per mile. The CREE value is a single number that represents the average carbon exhaust emissions from a company's total fleets of passenger automobiles and light trucks. The emission values to calculate a CREE value are measured using two emissions test procedures; the Federal Test Procedure (FTP) and the Highway Fuel Economy Test (HFET). The FTP and HFET tests are more commonly referred to as the city and highway tests. These two tests ensure that the CREE is measured in a manner that is consistent across the automobile industry. During these tests, manufacturers measure the carbon-related combustion products including carbon dioxide (CO_2), carbon monoxide (CO), and hydrocarbons (HC). This ensures that all carbon-containing exhaust emissions that ultimately contribute to the formation of CO_2 are recognized.

The CREE for each vehicle model type is calculated based on actual emission constituents (such as CO_2, HC, and CO) from that model over the city and highway tests. The two test results are then combined based on a 55% city and 45% highway driving distribution. A company's final CREE value is based on the sales weighted average of the combined test results for each model, and the number of vehicles manufactured or imported into Canada for the purpose of sale.

The calculated fleet average CREE values achieved by companies over the 2015 to 2018 model years are presented in Table 4.

Table 4. Fleet average carbon related exhaust emissions (g/mi)

Manufacturer	2015 PA	2016 PA	2017 PA	2018 PA	2015 LT	2016 LT	2017 LT	2018 LT
BMW	258	263	249	258	306	311	309	300
FCA	276	297	310	314	346	358	373	359
Ford	247	257	260	241	348	376	349	347
GM	253	251	209	191	342	363	362	349
Honda	211	206	205	203	269	274	267	255
Hyundai	250	248	246	241	317	338	340	337
JLR	344	334	299	277	337	350	338	316
Kia	265	245	233	223	323	338	322	322
Mazda	207	210	217	215	276	259	266	259
Mercedes	257	260	275	264	307	327	329	316
Mitsubishi	224	231	213	151	265	272	271	264
Nissan	227	231	236	204	298	273	293	294
Porsche	313	331	294	291	347	336	319	318
Subaru	249	249	251	254	254	252	248	242
Tesla[11]	0	0	0	0	--	--	--	0
Toyota	218	217	214	203	329	329	315	315
Volkswagen	238	240	237	255	305	304	321	296
Volvo	281	289	265	257	332	299	267	267
Fleet Average	238	237	232	220	326	337	334	322

2.3. COMPLIANCE FLEXIBILITIES

The regulations provide various compliance flexibilities that reduce the compliance burden on low and intermediate volume companies, to encourage the introduction of advanced technologies which reduce GHG emissions, and to account for innovative technologies whose impacts are not easily measured during standard emissions tests. The regulations also recognize the GHG reduction potential of vehicles capable of operating on fuels produced from renewable sources (such as ethanol). The aforementioned compliance flexibilities are discussed in the following sub-sections.

2.3.1. Allowances for reduction in refrigerant leakage (E)

Refrigerants currently used by air conditioner (AC) systems have a global warming potential[12] (GWP) that is much higher than CO_2. Consequently, the release of these refrigerants into the environment has a more significant impact on the formation of greenhouse gases than an equal amount of CO_2. The regulations include provisions which recognize the reduced GHG emissions from improved AC systems designed to minimize refrigerant leakage into the environment. Based on the performance of the AC system components, manufacturers can calculate a total annual refrigerant leakage rate for an AC system which, in combination with the type of refrigerant, determines the CO_2e leakage reduction in grams per mile (g/mi) for each of their air conditioning systems. The maximum allowance value that can be generated for an improved air conditioning system in a passenger automobile is 12.6 g/mi for systems using traditional HFC-134a refrigerant, and 13.8 g/mi for systems using refrigerant with a lower GWP. These

[11] Tesla only produces battery electric vehicles and uses the 0 g/mi incentive for their CREE as described in section 2.3.5.

[12] Additional information relating to GWP's can be found on Canada's action on climate change website.

maximum allowance values for air conditioning systems equipped in light trucks is 15.6 g/mi and 17.2 g/mi, respectively.

The total fleet average allowance for reduction in AC refrigerant leakage is calculated using the following formula:

$$\boldsymbol{E} = \frac{\boldsymbol{\Sigma}\,(\mathbf{A} \times \mathbf{B})}{\mathbf{C}}$$

where
A is the CO_2e leakage reduction for each of the air conditioning systems in the fleet that incorporates those technologies;
B is the total number of vehicles in the fleet equipped with the air conditioning system; and
C is the total number of vehicles in the fleet.

Table 5 shows the leakage allowances in g/mi for the 2015 to 2018 model years.

Table 5. Allowance for reduction in AC refrigerant leakage (g/mi)

Manufacturer	2015 PA	2016 PA	2017 PA	2018 PA	2015 LT	2016 LT	2017 LT	2018 LT
BMW	4.6	4.7	13.7	13.6	7.1	7.0	16.9	16.9
FCA	11.6	13.3	13.6	13.8	13.1	14.0	14.8	15.8
Ford	5.6	5.5	11.7	12.8	7.8	7.8	14.4	15.5
GM	6.2	6.2	8.5	12.3	6.9	7.0	15.1	16.7
Honda	1.8	8.3	9.7	11.6	4.2	6.4	13.5	15.6
Hyundai	2.4	2.5	2.8	5.4	3.6	1.6	1.6	2.2
JLR	9.6	13.8	13.8	13.8	16.9	17.2	17.2	17.2
Kia	2.3	2.3	5.4	8.2	3.7	2.1	8.6	7.9
Mazda	--	--	--	2.7	--	--	--	4.3
Mercedes	5.5	5.7	5.8	5.9	7.2	4.0	7.2	7.6
Mitsubishi	--	2.0	2.7	9.8	--	7.0	6.1	13.1
Nissan	4.0	4.5	--	4.5	6.5	7.1	--	6.9
Porsche	0.4	0.8	13.7	13.5	6.7	6.7	12.1	14.4
Subaru	--	--	1.9	1.4	--	--	5.8	4.5
Tesla	--	--	--	5.7	--	--	--	5.2
Toyota	3.4	3.3	3.3	5.2	4.9	6.6	6.5	7.5
Volkswagen	4.9	4.8	4.7	12.3	7.3	7.4	7.1	15.6
Volvo	--	--	5.3	5.1	--	--	6.5	6.9
Fleet Average	4.0	4.7	5.6	8.2	7.6	8.4	11.6	13.2

2.3.2. Allowances for improvements in air conditioning efficiency (F)

Improvements to the efficiency of vehicle air conditioning systems can result in significant reductions in CO_2e emissions that are not directly measurable during standard emissions test procedures. Implementing specific technologies (for example, more efficient compressors, motors, fans etc.) can reduce the amount of engine power required to operate the air conditioning system which, in turn, reduces the quantity of fuel that is consumed and converted into CO_2. The regulations contain provisions which recognize the reduced GHG emissions from AC systems with improved efficiency. Manufacturers can claim these allowances by either submitting proof of U.S. EPA approval for the efficiency-improving technology, or by selecting, during reporting, the applicable technologies from a pre-approved menu (Appendix A-2) that have an assigned value. These allowance values are aligned with those established by the U.S. EPA and may be applied cumulatively to an AC system. For the 2012 through 2016 model years, the maximum allowance value a company could claim for improvements in air conditioning efficiency was capped at 5.7 g/mi. For the 2017 and later model years, the maximum allowance value for improvements in air conditioning efficiency is 5.0 g/mi for passenger automobiles and 7.2 g/mi for light trucks.

Once the air conditioning efficiency allowances are determined for each AC system, the overall allowance applicable to a company's fleet of vehicles is determined with the following formula:

$$\boldsymbol{F} = \frac{\boldsymbol{\Sigma}\,(\mathbf{A}\ \times\ \mathbf{B})}{\mathbf{C}}$$

where

A is the air conditioning efficiency allowance for each of the air conditioning systems in the fleet that incorporate those technologies

B is the total number of vehicles in the fleet equipped with the air conditioning system; and

C is the total number of vehicles in the fleet.

Table 6 shows the fleet average allowance values in g/mi for the 2015 to 2018 model years.

Table 6. Allowance for improvements in AC system efficiency (g/mi)

Manufacturer	2015 PA	2016 PA	2017 PA	2018 PA	2015 LT	2016 LT	2017 LT	2018 LT
BMW	4.2	4.4	4.8	4.9	4.3	4.3	5.5	6.3
FCA	4.5	5.2	4.8	4.7	4.5	4.2	5.6	5.9
Ford	2.4	2.7	3.4	4.0	3.4	3.5	6.1	6.8
GM	3.2	3.5	3.8	4.2	4.1	4.2	6.4	6.6
Honda	1.4	3.3	3.3	3.6	1.9	2.9	5.0	5.5
Hyundai	3.5	3.6	3.3	3.4	3.7	4.2	5.4	5.2
JLR	5.2	5.7	5.0	5.0	5.6	5.7	7.2	7.2
Kia	3.3	3.3	3.1	3.2	3.4	3.4	5.2	5.2
Mazda	--	--	--	--	--	--	--	--
Mercedes	5.4	5.2	4.9	5.0	5.5	5.3	7.1	7.1
Mitsubishi	--	--	0.4	2.2	--	--	2.9	3.0
Nissan	2.8	3.1	--	4.0	2.9	3.0	--	4.4
Porsche	3.7	3.9	5.0	5.0	5.7	5.7	7.2	7.2
Subaru	--	2.9	3.1	3.2	--	3.0	4.7	4.8
Tesla	5.7	5.7	5.0	5.0	--	--	--	7.2
Toyota	3.4	3.8	4.3	4.2	3.9	4.3	6.9	6.0
Volkswagen	3.8	4.4	4.1	4.8	4.2	5.2	5.9	7.1
Volvo	--	--	4.2	4.0	--	--	5.4	6.2
Fleet Average	2.9	3.4	3.2	3.7	3.6	3.8	5.5	6.0

2.3.3. Allowances for the use of innovative technologies (G)

The regulations recognize that a variety of innovative technologies that have the potential to reduce CO_2e emissions cannot be measured during standard emissions test procedures. Innovative technologies can range from advanced thermal controls that reduce operator reliance on engine driven heating/cooling systems, to solar panels which can charge the battery of an electrified vehicle. Starting with the 2014 model year, companies were given the option to select applicable technologies from a menu of pre-set allowance values. This menu includes allowances for the following systems: waste heat recovery, high efficiency exterior lights, solar panels, active aerodynamic improvements, engine idle start-stop, active transmission warm-up, active engine warm-up, and thermal control technologies. Companies can report any combination of innovative technologies from this menu; however, the total allowance value for a fleet of passenger automobiles or light trucks is capped at 10 g/mi.

The total fleet average allowance for the use of innovative technologies is calculated using the following formula:

$$G = \frac{\Sigma\,(\mathbf{A} \times \mathbf{B})}{\mathbf{C}}$$

where
A is the allowance for each of those innovative technologies incorporated into the fleet;
B is the total number of vehicles in the fleet equipped with the innovative technology; and
C is the total number of vehicles in the fleet.

Table 7 summarizes the total innovative technology allowances reported by companies for model years 2015 to 2018.

Table 7. Allowance for the use of innovative technologies (g/mi)

Manufacturer	2015 PA	2016 PA	2017 PA	2018 PA	2015 LT	2016 LT	2017 LT	2018 LT
BMW	3.4	3.7	3.2	3.6	6.2	6.5	6.7	8.1
FCA	4.0	3.7	3.7	4.3	8.2	8.6	8.1	10.4
Ford	2.7	3.2	4.9	5.1	7.3	8.5	10.6	12.9
GM	3.5	4.4	5.3	7.0	5.8	6.2	7.7	8.8
Honda	1.3	1.7	2.0	2.1	2.2	2.5	5.6	5.8
Hyundai	1.4	0.9	1.1	1.9	2.0	4.8	5.1	5.2
JLR	2.4	3.2	4.2	6.9	5.8	7.4	7.4	12.4
Kia	1.1	1.0	1.6	1.7	1.6	3.6	2.9	4.0
Mazda	--	--	--	1.4	--	--	--	4.6
Mercedes	3.4	3.3	1.0	3.9	4.2	4.6	2.1	3.3
Mitsubishi	--	--	--	2.4	--	--	--	1.4
Nissan	1.3	1.7	--	2.0	3.0	3.3	--	5.2
Porsche	--	2.5	2.7	3.2	0.6	4.4	3.5	3.1
Subaru	--	0.3	0.5	1.6	--	0.1	0.3	4.4
Tesla	--	--	--	4.8	--	--	--	8.3
Toyota	2.3	1.1	3.5	3.9	3.2	3.3	7.1	6.8
Volkswagen	--	--	2.8	--	--	--	5.7	--
Volvo	--	--	3.6	6.7	--	--	5.7	11.4
Fleet Average	1.8	1.8	2.4	2.9	5.2	5.8	6.8	8.1

2.3.4. Allowance for certain full-size pick-up trucks

The 2017 model year introduced additional allowances which companies may elect to claim in respect of their full-sized pick-up trucks. These new flexibilities recognize both the hybridization and emission reduction of vehicles that can serve some utility function in the Canadian marketplace.

2.3.4.1. Allowance for the use of hybrid technologies on full-size pick-up trucks

Companies may elect to calculate an allowance associated with the presence of hybrid technology on full-size pick-up trucks if that technology is present on the prescribed percentage of that company's fleet of full-size pick-up trucks for that model year. The penetration rate depends on the model year in question and whether the vehicles employ "mild" or "strong" hybrid electric technology. "Mild hybrid electric technology" means a technology that has start/stop capability and regenerative braking capability, where the recaptured braking energy is between 15% and 65% of the total braking energy. "Strong hybrid electric technology" means a technology that has start/stop capability and regenerative braking capability, where the recaptured braking energy is more than 65% of the total braking energy.

2.3.4.2. Allowance for full-size pick-up trucks that achieve a significant emission reduction below the applicable target

Companies may claim an allowance for the models of full-size pick-up trucks that have a CREE that is between 80% and 85% of its CO_2e emission target value and comprise a prescribed percentage of the fleet. The regulations also allow companies to claim an allowance for full-size pick-up trucks that have a CREE that is less than or equal to 80% of its CO_2e target value and comprise at least 10% of that company's full-size pick-up truck fleet for model years 2017 to 2025.

A company can only use one of the allowances for full-size pick-up trucks for a given vehicle.
The total fleet average allowance for certain full-size pick-up trucks is calculated using the following formula:

$$\boldsymbol{H} = \frac{\boldsymbol{\Sigma}\,(\mathbf{A}_{\mathrm{H}} \times \mathbf{B}_{\mathrm{H}}) + \boldsymbol{\Sigma}\,(\mathbf{A}_{\mathrm{R}} \times \mathbf{B}_{\mathrm{R}})}{\mathbf{C}}$$

where
$\boldsymbol{A_H}$ is the allowance for the use of hybrid electric technologies;
$\boldsymbol{B_H}$ is the number of full-size pick-up trucks in the fleet that are equipped with hybrid electric technologies;
$\boldsymbol{A_R}$ is the allowance for full-size pick-up trucks that achieve a certain carbon-related exhaust emission value;
$\boldsymbol{B_R}$ is the number of full-size pick-up trucks in the fleet that achieve a certain carbon-related exhaust emission value; and
C is the total number of vehicles in the fleet.

As of the 2018 model year no companies made use of the allowance for certain full-size pick-up trucks.

2.3.5. Dual fuel vehicles

Alcohol dual fuel vehicles[13] [for example, flexible fuel vehicles (FFVs)] are vehicles with a traditional internal combustion engine that can operate on conventional fuels, but are also capable of operating on fuel blends of up to 85% ethanol (E85). The regulations contain provisions to allow a company to improve their fleet average GHG emissions for the 2011 to 2015 model years through the sale of such vehicles. Beginning with the 2016 model year the regulations require a manufacturer to establish whether ethanol is actually used to benefit from this allowance.

The following formula is used to calculate the emissions benefit resulting from FFVs for the 2011 to 2015 model years.

$$\mathrm{CREE} = \frac{\mathrm{CREEgas} + (\mathrm{CREEalt} \times 0.15)}{2}$$

where

CREEgas is the combined model type carbon related exhaust emissions value for operation on gasoline or diesel;

CREEalt is the combined model type carbon related exhaust emissions value for operation on alternative fuels;

The regulations limit the improvements to the fleet average CREE value that a company can achieve through the use of FFVs in a manner that is consistent with the CAFE program. Under the CAFE program, fuel economy improvements are limited to a pre-set amount based on the model year in question. The following formula is used to quantify the CAFE fuel economy limits in terms of CO_2e emissions.

$$\mathrm{Maximum\ Decrease} = \frac{8887}{\frac{8887}{\mathrm{FltAvg}} - \mathrm{MPGmax}} - \mathrm{FltAvg}$$

where

FltAvg is the fleet average CREE value assuming all FFVs in the fleet are operated exclusively on gasoline (or diesel) fuel;

MPG_{MAX} is the maximum increase in miles per gallon for a specific model year[14]

The treatment of FFVs for the 2011 to 2015 model years assumes equal weighting for both conventional and alternative fuel usage, and did not require evidence that the alternative fuel was used during real-world operation. Starting with the 2016 model year, companies can only make use of this provision where they can demonstrate that their vehicles are using the alternative fuel in the marketplace (such as E85). The following formula is used to determine the CREE for FFVs beginning with the 2016 model year, where

[13] Natural gas dual fuel vehicles are not discussed in this report due to negligible (<10) production volumes in Canada.

[14] MPGmax is 1.2 for 2012 to 2014 & 1.0 for 2015

the weighting factor "F" is 0 unless the company can provide evidence that an alternate value is more appropriate.

$$\text{CREE} = [(1 - \text{F}) \times \text{CREEgas}] + (\text{CREEalt} \times \text{F})$$

The total quantity of FFVs reported by manufacturers during the 2015 to 2018 model years is summarized in Table 8.

Table 8. FFV production volumes for the 2015 to 2018 model years

Manufacturer	2015 PA	2016[a] PA	2017[a] PA	2018[a] PA	2015 LT	2016[a] LT	2017[a] LT	2018[a] LT
BMW	--	--	--	--	--	--	--	--
FCA	15 372	10 666	--	--	80 645	78 649	--	--
Ford	19 776	17 165	15 104	3 495	55 514	81 192	70 167	64 804
GM	5 721	4 105	4 309	2 791	20 022	10 428	12 639	12 708
Honda	--	--	--	--	--	--	--	--
Hyundai	--	--	--	--	--	--	--	--
JLR	35	--	--	--	1 250	--	--	--
Kia	--	--	--	--	--	--	--	--
Mazda	--	--	--	--	--	--	--	--
Mercedes	2 729	5 575	2 509	4 566	4 055	--	2 749	5 288
Mitsubishi	--	--	--	--	--	--	--	--
Nissan	--	--	--	--	--	--	--	--
Porsche	--	--	--	--	--	--	--	--
Subaru	--	--	--	--	--	--	--	--
Tesla	--	--	--	--	--	--	--	--
Toyota	--	--	--	--	--	--	--	--
Volkswagen	4 996	--	161	--	4 796	--	4 986	--
Volvo	--	--	--	--	--	--	--	--
Total	48 629	37 511	22 083	10 852	166 282	170 269	90 541	82 800

a. Due to the transition of FFV provisions which require evidence of E85 usage beginning with the 2016 model year, certain companies may not have identified all FFV models in their fleets. The FFV production volumes for the 2016 to 2018 model years may therefore be under-reported.

Table 9 shows the benefit of FFVs for these companies' fleet performance for the 2015 through 2018 model years. The asterisks in Table 9 indicate that a company has reduced their CREE by the maximum annual allowable amount attributable to FFV sales. No companies reported the use of alternative fuels (such as E85) for the 2016 to 2018 model years and hence were not eligible to reduce their CREE as a result of FFV sales.

Table 9. FFV impact for the 2015 to 2018 model years (g/mi)

Manufacturer	2015 PA	2016[a] PA	2017[a] PA	2018[a] PA	2015 LT	2016[a] LT	2017[a] LT	2018[a] LT
BMW	--	--	--	--	--	--	--	--
FCA	10*	--	--	--	15*	--	--	--
Ford	7*	--	--	--	15*	--	--	--
GM	6	--	--	--	15*	--	--	--
Honda	--	--	--	--	--	--	--	--
Hyundai	--	--	--	--	--	--	--	--
JLR	4	--	--	--	14*	--	--	--
Kia	--	--	--	--	--	--	--	--
Mazda	--	--	--	--	--	--	--	--
Mercedes	7	--	--	--	10	--	--	--
Mitsubishi	--	--	--	--	--	--	--	--
Nissan	--	--	--	--	--	--	--	--
Porsche	--	--	--	--	--	--	--	--
Subaru	--	--	--	--	--	--	--	--
Tesla	--	--	--	--	--	--	--	--
Toyota	--	--	--	--	--	--	--	--
Volkswagen	10*	--	--	--	14*	--	--	--
Volvo	--	--	--	--	--	--	--	--

a. Due to the transition of FFV provisions which require evidence of E85 usage beginning with the 2016 model year, certain companies may not have identified all FFV models in their fleets. The FFV production volumes for the 2016 and 2018 model years may therefore be under-reported.

2.3.6. Advanced technology vehicles

The regulations offer a number of additional provisions to encourage the deployment of "advanced technology vehicles" (ATVs) which consist of battery electric vehicles (BEV), plug-in hybrid electric vehicles (PHEVs), and fuel cell electric vehicles (FCEV). BEVs are completely powered by electrical energy stored in a battery, and hence produce no tailpipe emissions. PHEVs incorporate an electrical powertrain which enables them to be charged with electricity to operate solely on electrical power, but also contain an internal combustion engine to extend the operating range of the vehicle. FCEVs are propelled solely by an electric motor where the energy for the motor is supplied by an electrochemical cell that produces electricity without combustion. When calculating a CREE, the regulations allow companies to report 0 g/mi for electric vehicles (for example, BEVs), fuel cell vehicles, and the electric portion of plug-in hybrids (when PHEVs operate as electric vehicles) subject to the limitations described in the following paragraph. Additionally, companies may multiply the number of ATVs in their fleet by a specified factor to increase the impact that they have on a company's overall fleet average. The applicable multiplying factors and the associated model years can be found in table 10.

Table 10. Multiplying factors for advanced technology vehicles

Model year	BEV and FCEV multiplier	PHEV multiplier	Natural gas
2011 to 2016	1.2	1.2	1.2
2017	2.5	2.1	1.6
2018	2.5	2.1	1.6
2019	2.5	2.1	1.6
2020	2.25	1.95	1.45
2021	2.0	1.8	1.3
2022 to 2025	1.5	1.3	1.0

While the production of the electricity required to charge BEVs and PHEVs and the production of hydrogen for FCEVs result in upstream emissions, the approach of allowing companies to report 0 g/mi is intended to promote the adoption of advanced technology vehicles over the short term. The regulations provide two options for the quantity of vehicles that can be reported as 0 g/mi. For vehicles of the 2011 to 2016 model years, a company may report 0 g/mi for: (a) the first 30 000 cumulative ATVs if it sold fewer than 3 750 ATVs in the 2012 model year; or (b) the first 45 000 cumulative ATVs if it sold 3 750 or more in model year 2012. The regulations also recognize early action for ATVs sold during the 2008 to 2010 model years. If a company claimed early action credits (discussed in section 3.1), the production volumes that were reported in the 2008 to 2010 model years will also be counted towards this ATV cap. Any ATVs sold in excess of these caps are required to adjust the 0 g/mi CREE such that it incorporates the CO_2 contribution from upstream emissions. The regulations do not limit the number of ATVs that can be reported as 0 g/mi between model years 2017 to 2021 inclusive. The production volumes of ATVs sold by model year are presented in Table 11.

Table 11. Production volumes of ATVs by model year

Manufacturer	2015	2016	2017	2018
BMW	670	605	808	1 117
FCA	--	--	739	1 578
Ford	297	771	2 513	2 788
GM	1 546	765	7 861	6 874
Honda	--	--	--	850
Hyundai	--	--	783	1 418
JLR	--	--	--	--
Kia	110	1 069	587	1 009
Mazda	--	--	--	--
Mercedes	149	198	182	--
Mitsubishi	--	120	85	5 380
Nissan	1 703	1 620	884	4 440
Porsche	162	311	417	692
Subaru	--	--	--	--
Tesla	1 913	2 963	3 483	8 961
Toyota	53	--	1 164	3 656
Volkswagen	--	293	1 188	1 417
Volvo	--	278	615	538
Total	6 603	8 993	21 309	40 718

2.3.7. Provisions for small volume companies for 2012 and later model years

The regulations include provisions enabling smaller companies that may have limited product offerings to opt out of complying with the CO_2e standards (non application of the standards respecting CO_2 equivalent emissions[15]) for 2012 and subsequent model years. This exemption is available to companies that: (a) have manufactured or imported less than 750 passenger automobiles and light trucks for either the 2008 or 2009 model years; (b) have manufactured or imported for sale a running average of less than 750 vehicles for the three model years prior to the model year being exempted; and (c) submit a small volume declaration to ECCC. A small volume company must submit an annual report to obtain credits. These companies are still required to comply with the standards for nitrous oxide and methane (refer to section 2.5 for further details).

Table 12 summarizes the production volumes reported by small volume companies. This flexibility was claimed by four small volume companies for the 2012 and later model years.

Table 12. Production volumes for small volume companies by model year

Manufacturer	2015	2016	2017	2018
Aston Martin	117	91	82	44
Ferrari	201	135	275	247
Maserati	443	344	1 369	1000
McLaren	79	121	112	220
Lotus	8	0	13	12
Pagani	0	1	0	0
Total	848	692	1 851	1 523

2.3.8. Flexibilities for intermediate sized companies

The regulations included an option for intermediate sized companies to meet an alternative standard between the 2012 to 2016 model years inclusive. The regulation defines an intermediate sized company as one with a 2009 model year total production volume of 60 000 or fewer vehicles. This provision was intended to provide intermediate sized companies that have a less varied product line additional time to transition to the more stringent standards. Companies using this option could place a portion of their fleet into a temporary optional fleet (TOF) in which the standard is 25% less stringent than what would otherwise be required. The total number of vehicles that a company could put into a temporary optional fleet was subject to limitations based on the quantity of vehicles offered for sale. A company that sold between 750 and 7 500 new vehicles of the 2009 model year could create a TOF with a cumulative total of up to 30 000 vehicles of the 2012 to 2015 model years, and up to 7 500 vehicles of the 2016 model year. A company that sold between 7 500 and 60 000 new vehicles of the 2009 model year could only include a cumulative total of up to 15 000 vehicles of the 2012 to 2015 model years but could not include any vehicles of the 2016 model year. Companies that elect to create TOFs cannot use the resulting credits to offset a deficit incurred for a non-TOF portion of their fleet, nor could they bank credits earned by a non-TOF portion of their fleets.

[15] This exemption does not have a noticeable impact on fleet-wide performance given the small volume of vehicles.

Volvo and Porsche were able to place all of their vehicles of the 2012 to 2016 model years into temporary optional fleets which are valid up to the 2016 model year because their 2009 sales were between 750 and 7 500. Mercedes and JLR also created TOFs; however, as larger companies, they were limited to 15 000 vehicles over the 2012 to 2015 model years which required them to split their fleets of vehicles into both conventional fleets and TOFs.

Table 13. Production volumes of temporary optional fleets

Manufacturer	2014 PA	2015 PA	2016 PA	2014 LT	2015 LT	2016 LT
JLR	1 179	1 507	1 282	6 183	6 188	4 655
Mercedes	1 698	2 025	--	977	1 085	--
Porsche	2 018	1 549	1 585	2 599	3 340	5 081
Volvo	607	3 272	891	1 662	3 139	4 885
Total	5 502	8 353	3 758	11 421	13 752	14 621

Starting with the 2017 model year, any intermediate volume companies that were eligible to use temporary optional fleets are allowed to follow an alternative schedule of annual target values for model years 2017 to 2020, as shown in Table 14. As of model year 2021, these companies will have to comply with the prescribed target value for that model year. Any company that elects to use the alternative schedule will not be permitted to sell any emission credits obtained against these standards to any other regulated company.

Table 14. Alternative schedule of fleet average CO2e emission standards for eligible intermediate volume companies

Model Year	Applicable Fleet Average CO_2e Emission Standard
2017	2016
2018	2016
2019	2018
2020	2019

2.4. STANDARDS FOR NITROUS OXIDE AND METHANE

The regulations also limit the release of other GHG's, such as emissions of methane (CH_4) and nitrous oxide (N_2O). Starting with the 2012 model year, the regulations set standards for N_2O and CH_4 at 0.01 g/mi and 0.03 g/mi respectively. These standards are intended to cap vehicle N_2O and CH_4 emissions at levels that are attainable by existing technologies and ensure that levels do not increase with future vehicles. Companies have three methods by which they can conform to the standards for N_2O and CH_4.

The first method allows companies to certify that the N_2O and CH_4 emissions for <u>all</u> its vehicles of a given model year are below the cap-based standards. This method does not impact the calculation of a company's CREE.

The second method allows companies to quantify the emissions of N_2O and CH_4 as an equivalent amount of CO_2 and include this in the determination of their overall CREE. Companies using this method must incorporate N_2O and CH_4 test data into the CREE calculation, while factoring in the higher global warming potential of these two gases. This method is not as commonly used as it counts N_2O and CH_4 emissions even for the portion of a company's fleet that does not exceed the standard.

The third method allows companies to certify vehicles to alternative N_2O and CH_4 emissions standards. This method generally offers the greatest flexibility to companies as they are left to establish alternative standards that apply only to those vehicles that would not meet the cap-based value as opposed to impacting the entire fleet. Additionally, companies using this method can comply with standards of N_2O and CH_4 separately by setting alternative standards for either emission as needed. The g/mi difference between the alternative standard and the cap-based standard that would otherwise apply is used to determine a deficit which must be offset with conventional CO_2e emissions credits. The total deficits incurred by the companies that used this method are summarized in Tables 15 and 16.

Table 15. N_2O emissions deficits by company for the 2015 to 2018 model years (Mg CO_2e)

Manufacturer	2015 PA	2016 PA	2017 PA	2018 PA	2015 LT	2016 LT	2017 LT	2018 LT
BMW	2 088	2 062	992	2 284	8 066	5 853	3 276	3 920
FCA	--	--	--	--	--	--	10 957	23 275
Ford	272	255	2 123	715	2 755	4 760	47 481	17 047
GM	878	--	645	1 166	--	1 615	3 114	6 146
JLR	--	--	1 379	884	--	--	2 830	4 329
Honda	1 414	--	--	--	3 715	--	--	--
Hyundai	--	--	--	331	--	--	--	--
Kia	--	--	--	2 211	--	--	--	--
Mazda	--	--	807	1 449	--	480	5 436	4 324
Nissan	5 143	5 595	930	414	19 634	23 617	--	--
Toyota	1 381	1 729	2 219	1 306	2 302	2 647	3 599	2 289
Volkswagen	20 673	219	--	--	3 251	928	--	--
Fleet Total	31 849	9 860	9 095	10 760	39 723	39 900	76 693	61 330

Table 16. CH_4 emissions deficits by company for the 2015 to 2018 model years (Mg CO_2e)

Manufacturer	2015 PA	2016 PA	2017 PA	2018 PA	2015 LT	2016 LT	2017 LT	2018 LT
BMW	263	260	125	493	1 015	737	412	288
FCA	--	3	7	3	1 312	2 384	1 296	3 215
Ford	1 083	1 017	532	152	10 649	20 409	8 286	18 801
GM	109	137	81	357	641	708	1 791	1 969
Mazda	--	--	136	340	--	--	475	121
Nissan	431	436	--	--	1 647	1 981	--	--
Volkswagen	42	39	--	74	273	128	--	--
Fleet Total	1 928	1 892	881	1 214	15 537	26 345	12 260	24 599

2.5. CO_2e EMISSIONS VALUE

The fleet average CO_2e emissions value, referred to as the "compliance value" is the final average CO_2e performance of a company's fleets of passenger automobiles and of light trucks, reported as CREE, after being adjusted for all available compliance flexibilities, using the following equation:

$$\text{Compliance value} = D-E-F-G-H$$

where

D is the fleet average carbon-related exhaust emission value for each fleet (section 2.2);
E is the allowance for reduction of air conditioning refrigerant leakage (section 2.3.1);
F is the allowance for improving air conditioning system efficiency (section 2.3.2); and
G is the allowance for the use of innovative technologies that have a measurable CO_2e emission reduction (section 2.3.3);
H is the allowance for certain full-size pick-up trucks (section 2.3.4).

A company's compliance value for its fleet of passenger automobiles and light trucks is what is ultimately compared to its CO_2e standard for both aforementioned categories to determine compliance and to establish a company's emission credit balance. Tables 17 and 18 show both the companies' compliance and standard values for the passenger automobiles and light truck fleets across the 2015 to 2018 model years.

Table 17. PA Compliance and Standard values over the 2015 to 2018 model years (g/mi)

Manufacturer	2015 Compliance	2016 Compliance	2017 Compliance	2018 Compliance	2015 Std.	2016 Std.	2017 Std.	2018 Std.
BMW	246	250	227	236	239	230	216	208
FCA	256	275	288	291	248	242	234	228
Ford	236	246	240	219	240	232	220	209
GM	240	237	191	168	241	230	218	204
Honda	207	193	190	186	231	224	214	204
Hyundai	243	241	239	230	240	227	216	206
JLR	327	311	276	254	319	309	244	242
Kia	258	238	223	210	238	227	216	204
Mazda	207	210	217	211	238	223	212	202
Mercedes	243	246	263	249	250	232	238	213
Mitsubishi	224	229	210	137	225	218	203	195
Nissan	219	222	236	194	234	227	216	205
Porsche	309	324	273	269	282	275	215	224
Subaru	249	246	246	248	231	221	210	199
Tesla[16]	-6	-6	-5	-15.5	276	268	254	226
Toyota	209	209	203	190	234	223	211	201
Volkswagen	229	231	225	238	233	222	211	201
Volvo	281	289	252	241	307	293	242	245
Fleet Average	230	228	221	206	238	227	216	205

[16] Tesla only produces electric vehicles, and is able to use the 0 g/mi incentive for its entire fleet. The compliance value is negative once its AC allowances have been factored in.

Table 18. LT Compliance and Standard values over the 2015 to 2018 model years (g/mi)

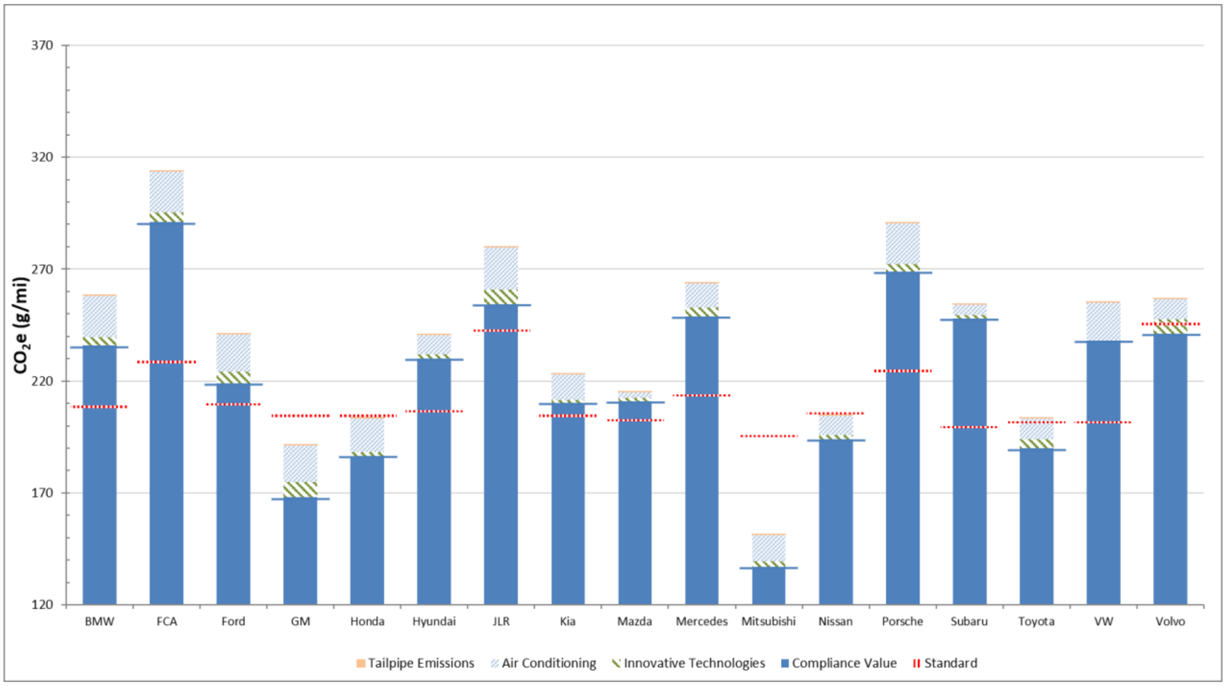
Manufacturer	2015 Compliance	2016 Compliance	2017 Compliance	2018 Compliance	2015 Std.	2016 Std.	2017 Std.	2018 Std.
BMW	288	293	280	269	299	286	283	274
FCA	320	331	345	327	315	303	312	295
Ford	330	356	318	312	331	325	308	310
GM	325	346	333	317	339	322	320	310
Honda	261	262	243	228	287	275	274	261
Hyundai	308	327	328	324	284	280	278	266
JLR	309	320	306	281	371	316	286	286
Kia	314	329	305	305	299	286	277	267
Mazda	276	259	266	250	283	270	267	256
Mercedes	290	313	313	298	298	292	289	274
Mitsubishi	265	265	262	247	273	260	253	242
Nissan	286	260	293	278	297	278	282	273
Porsche	334	319	296	293	375	361	285	284
Subaru	254	249	237	228	275	261	257	245
Tesla[16]	--	--	--	-20.7	--	--	--	292
Toyota	317	315	295	295	300	289	286	273
Volkswagen	294	291	302	273	287	270	273	269
Volvo	332	299	249	243	361	360	288	291
Fleet Average	310	320	312	295	313	301	298	288

Figures 4 and 5 provide a graphical representation of the role that compliance flexibilities play in arriving at a company's overall compliance status for their 2018 model year passenger automobile and light truck fleets. Note that under the regulations, a company's CREE value is calculated to include the benefits from FFVs. Figures 4 and 5 instead refer to "tailpipe emissions"[17] as opposed to CREE so that FFV benefits can be portrayed separately. The orange line on the top of the bar indicates a company's fleet average tailpipe emissions. The wide red line represents the fleet average standard and the wide dark blue line represents the fleet average compliance value (accounting for compliance flexibilities). The bars show the extent to which companies

[17] For the purposes of this report, the term "tailpipe emissions" refers to the CREE without factoring in FFV benefits.

incorporate the previously described compliance flexibilities into their products to achieve their fleet average compliance value. Figures showing this information for prior model years are located in the appendix.

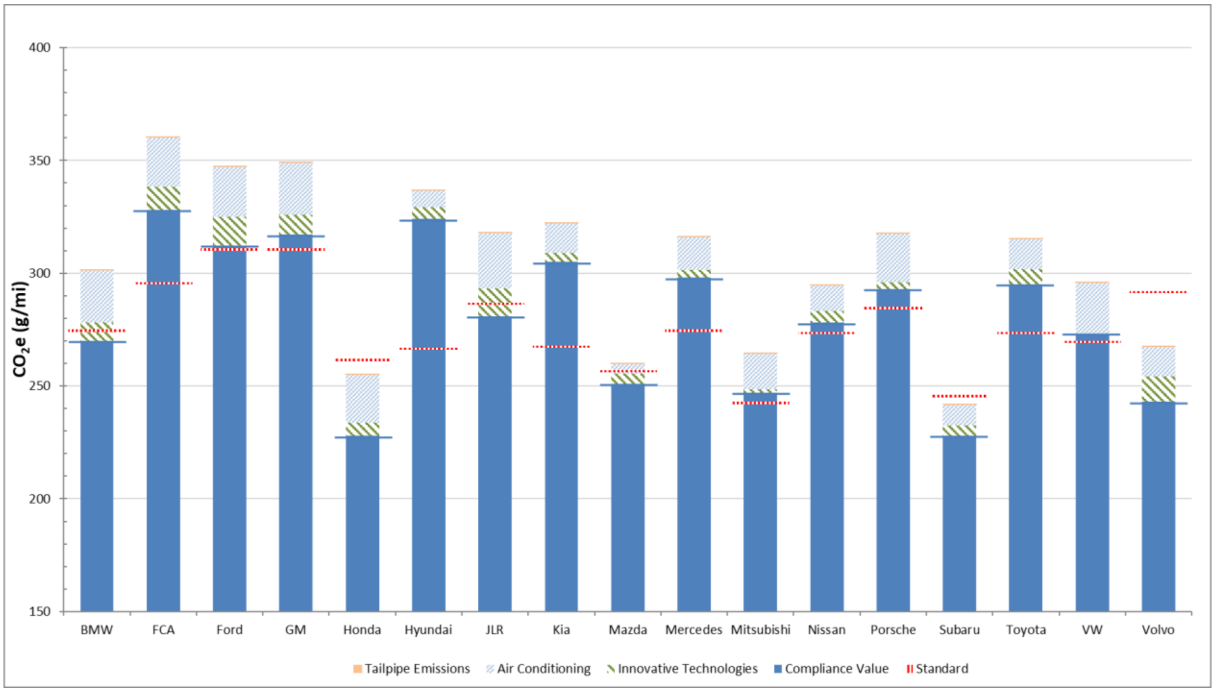
Figure 4. 2018 Passenger automobile compliance status with offsets



Notes:

1. The final compliance value may be lower than the tailpipe emissions through the application of compliance flexibilities
2. Tesla has a fleet average standard of 226 g/mi and fleet average compliance value of -15.5 g/mi. Tesla's compliance value falls outside of the range of this graph.

Figure 5. 2018 Light truck compliance status with offsets



Notes:

1. The final compliance value may be lower than the tailpipe emissions through the application of compliance flexibilities
2. Tesla has a fleet average standard of 292 g/mi and fleet average compliance value of -20.7 g/mi. Tesla's compliance value falls outside of the range of this graph.

2.6. TECHNOLOGICAL ADVANCEMENTS AND PENETRATION RATES

As fleet average emission standards have become more stringent, automobile manufacturers have developed a variety of technologies to reduce their CO_2e emissions. Some of these technologies seek to reduce or eliminate the use of conventional fuels by introducing electrical powertrain components (BEVs, PHEVs etc.). There also exists a wide range of technologies used by companies to improve the efficiency of transmissions and conventional engines and reduce emissions. Some examples include turbocharged engines, cylinder deactivation, and continuously variable transmissions.

This section, while not an exhaustive list, describes some of the commonly used technology types, along with their corresponding penetration rates in the Canadian new vehicle fleet in given model years.

Turbocharging with engine downsizing

Turbochargers improve the power and efficiency of an internal combustion engine by extracting some of the waste heat energy otherwise lost through the exhaust pipe. These exhaust gases are used to drive a turbine that is connected to a compressor which provides greater amounts of air into the combustion chamber (forced induction). This results in greater power than a naturally aspirated engine of similar displacement, and greater efficiency than a naturally aspirated engine of the same power and torque. This permits the use of smaller displacement, lighter engines that can produce the same power as larger, heavier engines without turbocharging. For this reason, it is becoming increasingly common to see turbochargers incorporated into vehicles with smaller engines (<2.0L displacement), in order to decrease the overall vehicle weight and improve fuel efficiency by as much as 8%.

Variable valve timing & lift

Engine intake and exhaust valves are responsible for letting air into the cylinders and exhaust gases out. This is an important function since optimal engine performance requires precise "breathing" of the engine. In most conventional engines, the timing and lift of the valves is fixed, and not optimized across all engine speeds. Variable valve timing (VVT) and variable valve lift (VVL) systems adjust the timing, duration and amount that the intake and exhaust valves open based on the engine speed. This optimization of the engines 'breathing' improves engine efficiency resulting in reduced fuel consumption and emissions. Variable valve timing and lift technologies can result in efficiency improvements of 3-4%.

Higher geared transmissions (>6 speeds)

Fuel efficiency, and by extension, CO_2e emissions coming from a vehicle are dependent on the efficient operation of all of the elements that make up a vehicle. An engine that is operating at speeds outside its most efficient range will result in increased fuel consumption and CO_2e emissions. Transmissions with more gear ratios (or speeds), allows the engine to operate at a more efficient speed more frequently. It is becoming increasingly common for vehicles to be equipped with transmissions that have 6 or more gears to keep the engine running at its most efficient operating point and thereby reduce CO_2e emissions.

Continuously variable transmissions

Continuously variable transmissions (CVT) are transmissions that, unlike conventional transmission configurations, do not have a fixed number of gears. Because CVT's do not have a discreet number of shift points, they can operate variably across an infinite number of driving situations to provide the optimal speed ratio between the engine and the wheels. This ensures that the engine is able to operate as efficiently as possible and consume only as much fuel as is required, thereby lowering CO_2e emissions. Typically CVT's can improve fuel efficiency by as much as 4%.

Cylinder deactivation system

Cylinder deactivation systems (CDS) shut off cylinders of a 6 or 8 cylinder engine when only partial power is required (for example, travelling at constant speed, decelerating etc.). The CDS works by deactivating the intake and exhaust valves for a particular set of cylinders in the engine. A CDS can reduce CO_2e emissions by improving the overall fuel consumption of the vehicle by 4 to 10%[18].

Gasoline direct injection

A proper air-fuel mixture is critical to the performance of any conventional internal combustion engine and has direct impacts on the resulting emissions. Over the past several decades, the most common mechanism for preparing the air-fuel mixture has been "port fuel injection". In port fuel injection systems, the air and fuel are mixed in the intake manifold and are subsequently drawn into the combustion chamber. By contrast, gasoline direct injection (GDI) systems spray fuel directly into the combustion chamber resulting in a slightly cooler air-fuel mixture allowing for higher compression ratios and improved fuel consumption. GDI systems are also better at precisely timing and metering the fuel delivered to the cylinder, which results in more efficient combustion.

Diesel

Diesel engines provide greater low-end torque and fuel efficiency than a comparably sized gasoline engine. Diesel fuel contains more energy per unit volume than an equivalent amount of gasoline. As a result diesel vehicles can travel, on average, 20 – 35% further per litre of fuel then a gasoline based equivalent[19] which translates into measurable reductions in CO_2e emissions.

The fleet-wide penetration rates of the above described technologies have been provided in Table 19, while data pertaining to company specific usage can be found in Appendices A-3 to A-10.

[18] Natural Resources Canada
[19] US EPA website

Table 19. Penetration rates of drivetrain technologies in the Canadian fleet

Technology	2015	2016	2017	2018
Turbocharging with Engine Downsizing	9.7%	15.8%	21.4%	24.7%
VVT	94.5%	94.5%	96.9%	94.8%
VVL	16.2%	19.3%	16.6%	17.9%
Higher Geared Transmission	17.6%	22.1%	27.0%	39.4%
CVT	19.4%	20.3%	19.9%	13.6%
Cylinder Deactivation	10.1%	10.0%	14.3%	12.5%
GDI	30.8%	37.5%	38.2%	45.6%
Diesel	3.0%	1.8%	0.6%	1.2%

3. EMISSION CREDITS

The regulations include a system of emission credits to help meet overall environmental objectives in a manner that provides the regulated industry with compliance flexibility. A company must calculate emission credits and deficits in units of megagrams (Mg) of CO_2e for each of its passenger automobile and light truck fleets of a given model year. Credits are weighted based on VKT to account for the greater number of kilometres travelled by light trucks over their lifetime than by passenger automobiles. Using the mathematical formula below, a company will generate credits in a given model year if the result of the calculation is positive or better than the GHG emission standard. If the result of the calculation is negative or below the applicable standard, the company will incur a deficit. A company that incurs an emissions deficit must offset it with an equivalent number of emission credits from past model years or within the subsequent three model years.

The total credit balance is determined according to the following formula:

$$\text{Credits} = \frac{(\text{A} - \text{B}) \times \text{C} \times \text{D}}{1\ 000\ 000}$$

Where

A is the fleet average standard for passenger automobiles or light trucks;

B is the fleet average compliance value for passenger automobiles or light trucks;

C is the total number of passenger automobiles or light trucks in the fleet; and

D is the is the total assumed mileage of the vehicles in question, namely,

(a) 195 264 miles for a fleet of passenger automobiles, or

(b) 225 865 miles for a fleet of light trucks.

The credits represent the emission reductions that manufacturers have achieved in excess of those required by the regulations. The ability to accumulate credits allows manufacturers to plan and implement an orderly phase-in of emissions control technology through product cycle planning to meet future, more stringent emission standards.

The regulations initially established that credits could be banked to offset a future deficit for up to five model years after the year in which the credits were obtained (the credits had a five-year lifespan). The regulations were amended to extend the lifespan of credits earned during the 2010 to 2016 model years to 2021. Emission credits that can be used to offset a deficit incurred in the 2022 and later model years can only be generated beginning with the 2017 model year and have a five-year lifespan.

3.1. CREDIT TRANSFERS

Table 20 summarizes transactions by company and the model year in which the credits were generated. There have been more than 11 million credits transferred between companies for either immediate use to offset a deficit or in anticipation of a possible future deficit, including those purchased from the Receiver General. It should be noted that the model year is not necessarily indicative of when a credit transfer occurred. For example, it is possible to transfer credits for the 2012 model year during the 2017 calendar year. As well, the total quantity transferred in or out from a company for a given model year may be the result of multiple transactions.

Table 20. Credit transactions by model year (Mg CO_2e)

	Company	Early Action	2011	2012	2013	2014	2015	2016	2017	2018	Total
Transferred out	Honda	2 138 563	658 254	1 208 565	687 153	515 938	--	--	--	--	5 208 473
	Nissan	822 292	300 113	52 615	50 000	--	--	--	--	--	1 225 020
	Suzuki	123 345	30 431	--	--	--	--	--	--	--	153 776
	Tesla	2 292	900	7 264	24 649	55 686	105 226	158 354	176 147	433 130	963 648
	Toyota	2 623 142	880 598	--	--	--	--	--	--	--	3 503 740
	Receiver General	--	6 906	--	--	--	--	--	--	--	6 906
Transferred in	Aston Martin	--	2 626	--	--	--	--	--	--	--	2 626
	BMW	--	--	496 909	503 091	--	--	--	--	--	1 000 000
	FCA	4 775 129	1 570 183	218 920	24 649	55 686	105 226	158 354	176 147	433 130	7 517 424
	Ferrari	--	8 473	--	--	--	--	--	--	--	8 473
	Ford	342 272	205 113	52 615	--	--	--	--	--	--	600 000
	JLR	--	80 020	--	--	--	--	--	--	--	80 020
	Lotus	--	139	--	--	--	--	--	--	--	139
	Mercedes	--	95 000	500 000	234 062	515 938	--	--	--	--	1 345 000
	Maserati		3 740	--	--	--	--	--	--	--	3 740
	Porsche	--	4 141	--	--	--	--	--	--	--	4 141
	Volkswagen	500 000	--	--	--	--	--	--	--	--	500 000

3.2. TOTAL CREDITS GENERATED AND FINAL STATUS

Table 21 shows the credits earned (or deficits incurred) by all companies over the 2018 model year. This table also shows the total number of credits remaining in each company's bank, taking into account the credits that have expired, been transferred, or used to offset a deficit.

Since the regulations came into force, companies have generated approximately 83.1 million emission credits (including early action credits and TOF credits), of which approximately 26 million credits remain for future use. A total of 20 million credits have been used to offset deficits and 37.1 million credits have expired.

Table 21. Net credits by model year and current credit balance (Mg CO_2e)

Manufacturers	Generated Credit/Deficit in 2018	Current Balance[20]
BMW	-176 142	856 338
FCA	-1 478 441	4 059 082
Ford	-214 352	1 032 359
GM	274 925	3 494 381
Honda	1 003 028	4 205 651
Hyundai	-637 533	2 160 341
JLR	9 670	-63 349
Kia	-260 288	277 196
Mazda	-67 809	3 351 916
Mercedes	-341 119	562 329
Mitsubishi	86 989	723 999
Nissan	125 831	726 063
Porsche	-48 208	-91 993
Subaru	561	477 751
Tesla	433 130	0
Toyota	-364 129	3 418 105
Volkswagen	-510 436	521 029
Volvo	74 228	157 152
Total	-2 090 095	25 868 350

4. OVERALL INDUSTRY PERFORMANCE

The overall fleet average compliance information for passenger automobiles and light trucks is summarized in Tables 22 and 23. Additionally, Figures 6 and 7 illustrate the year over year performance for both passenger automobile and for light truck fleets. These trend lines depict the average standard applicable to the overall fleet (dotted line) and the compliance value (solid line) for each fleet.

Because each manufacturer's fleet is unique, the data presented in the tables and graphs are based on the aggregated values for all companies, and are intended to depict the average results.

Table 22. Passenger automobile compliance summary for the 2011 to 2018 model years (g/mi)

Model Year	Tailpipe emissions	Flex Fuel Vehicles	Innovative Technologies	Air Conditioning	CH_4 & N_2O	Compliance value	Standard	Compliance margin
2011	261	2.8	0.2	3.3	--	255	291	36
2012	250	3.3	0.5	4.8	0.2	242	263	21
2013	247	3.3	0.4	5.4	0.4	238	256	18
2014	245	3.7	1.5	6.0	0.3	234	248	14
2015	241	2.6	1.8	6.8	0.2	230	238	8
2016	237	0	1.8	8.2	0.1	228	227	-1
2017	232	0	2.4	8.8	0.1	221	216	-5
2018	220	0	2.9	11.9	0.1	206	205	-1

[20] The current balance accounts for any expired credits, remaining early action credits, transactions, and offsets.

Figure 6. Average GHG emissions performance - passenger automobiles

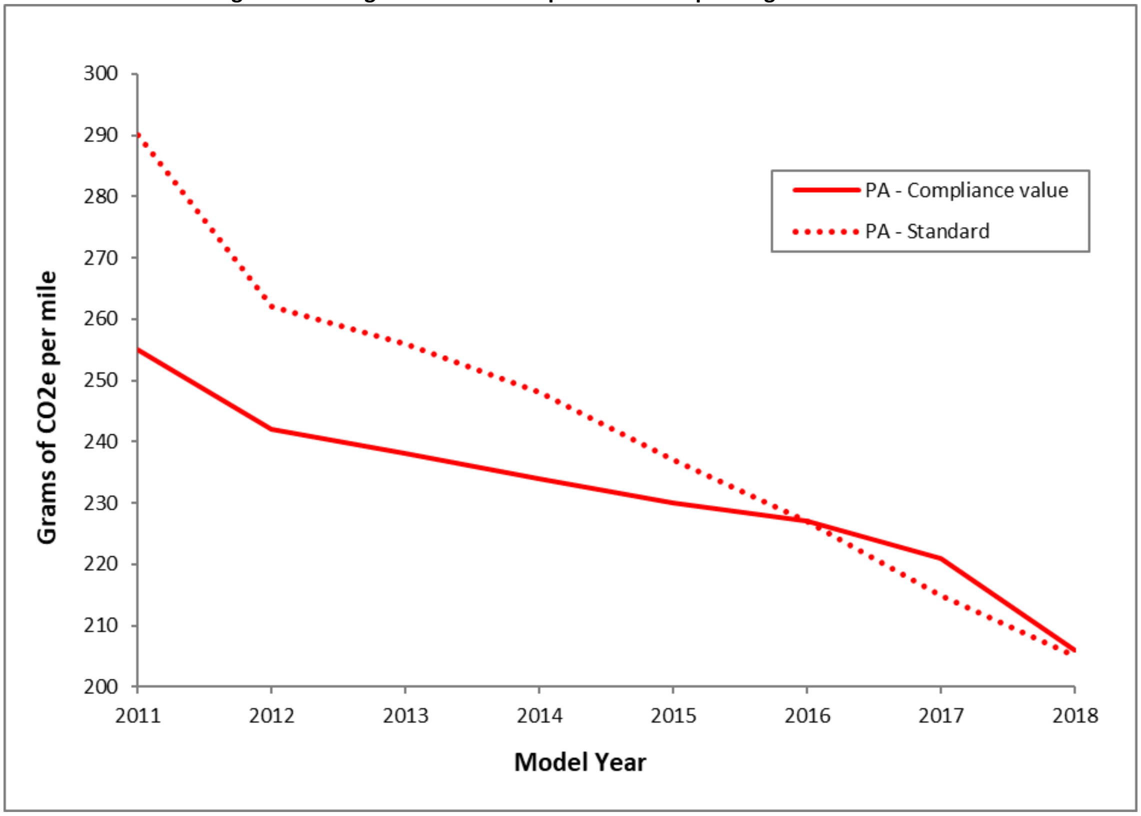
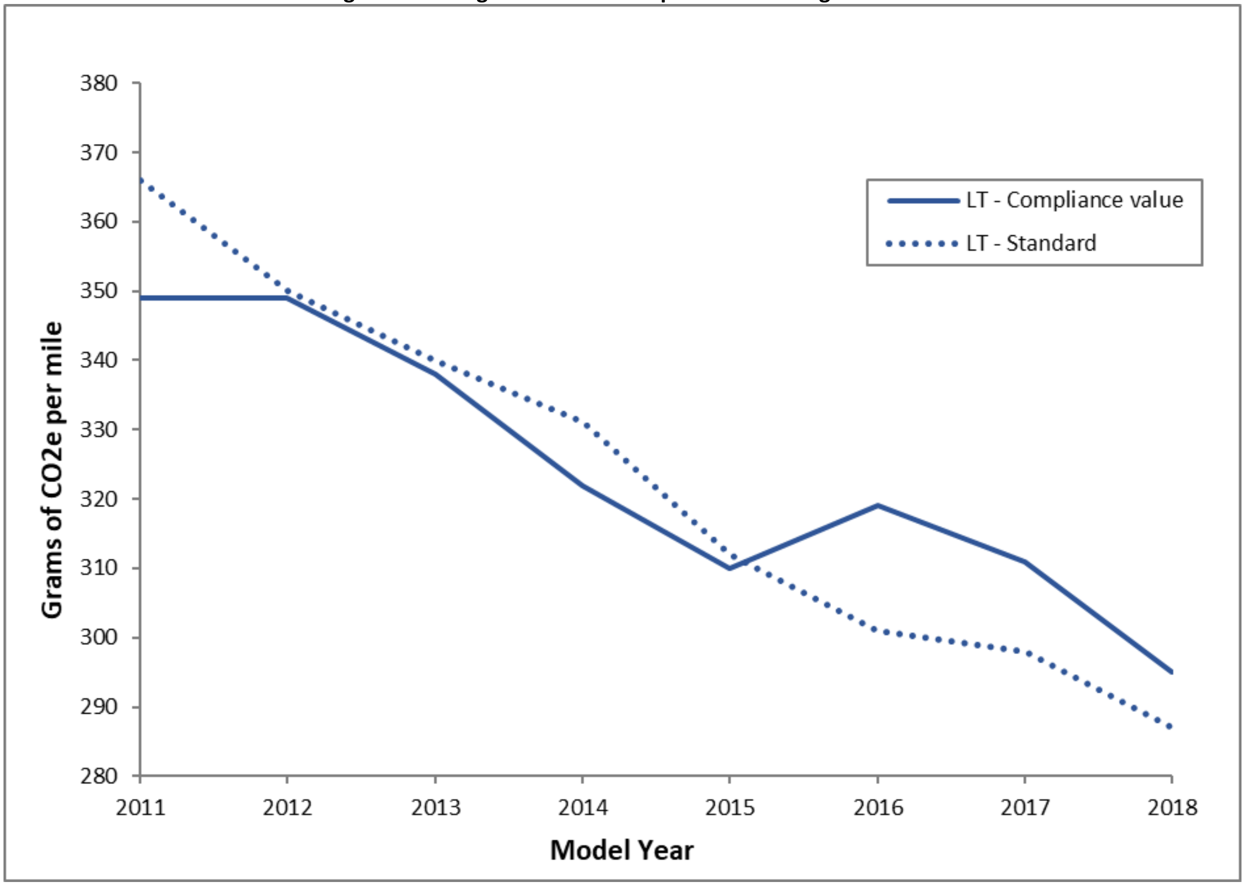


Table 23. Light truck compliance summary for the 2011 to 2018 model years (g/mi)

Model Year	Tailpipe emissions	Flex Fuel Vehicles	Innovative Technologies	Air Conditioning	CH_4 & N_2O	Compliance value	Standard	Compliance margin
2011	365	8.0	0.7	6.9	--	349	367	18
2012	371	13.3	1.2	7.3	0.3	349	350	1
2013	361	13.1	1.3	8.4	0.4	338	341	3
2014	350	12.9	4.3	9.8	0.1	322	332	10
2015	334	9.2	5.2	11.2	0.3	310	313	3
2016	337	0	5.8	12.2	0.3	320	301	-19
2017	334	0	6.8	16.9	0.3	312	298	-14
2018	322	0	8.1	19.2	0.3	295	288	-7

Figure 7. Average GHG emissions performance - light trucks



As depicted in Figures 6 and 7, during the 2011 to 2015 model years, as the stringency of the regulations increased, the overall passenger automobile fleet continued to outperform the applicable standard. The 2016 model year marked the first year in which the compliance values for both passenger automobile and light truck fleets exceeded the applicable standard. The changes to the flex-fuel vehicle (FFV) provisions for the 2016 model year were a significant factor in the shift towards a negative compliance margin for the 2016 model year. The 2018 model year saw the overall compliance value for passenger automobiles decrease to 206 g/mi, and the overall compliance value for light trucks decrease to 295 g/mi. This has resulted in an overall net improvement of 19.2% and 15.5% relative to the 2011 model year for passenger automobiles and light trucks respectively.

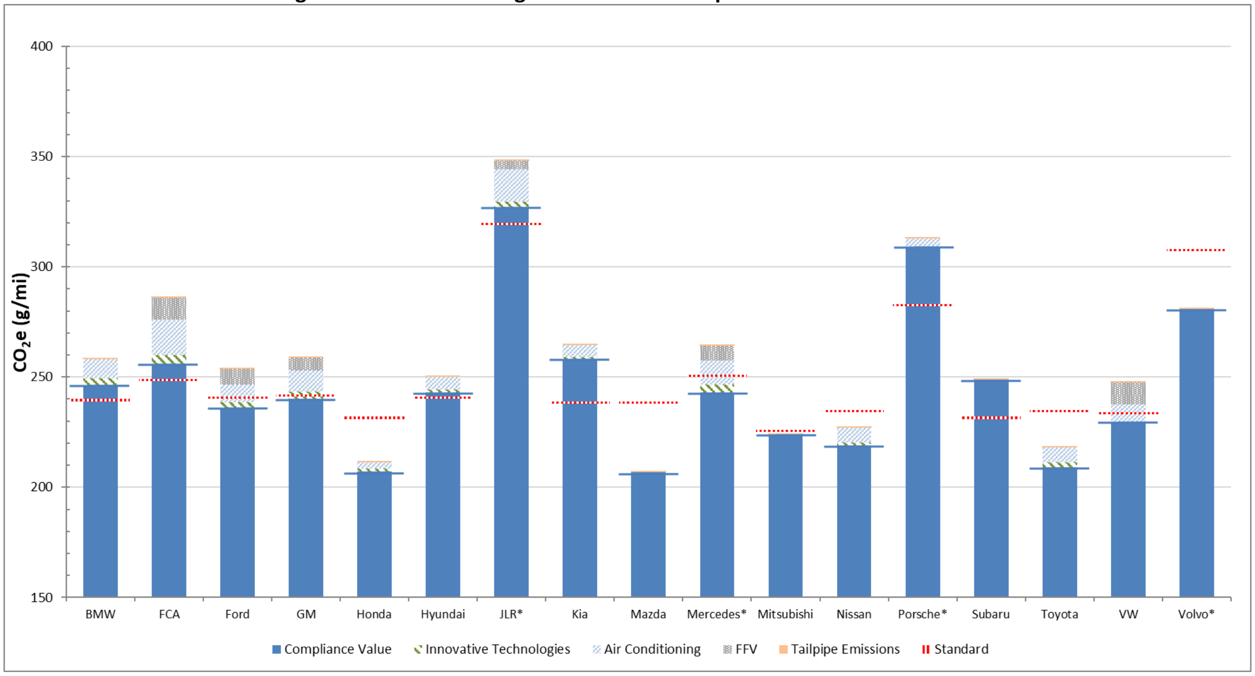
Although the fleet average compliance values for both passenger automobiles and light trucks continued a downward trend in the 2018 model year, it has stayed above the fleet average emission standard. All companies remained in compliance with the regulations through the use of their own accumulated emission credits or by purchasing credits from other companies. Results to date indicate that all companies continue to meet their vehicle GHG regulatory obligations for the 2018 model year.

APPENDIX

Table A-1. Production volumes by company

Manufacturer	2015 PA	2015 LT	2015 All	2016 PA	2016 LT	2016 All	2017 PA	2017 LT	2017 All	2018 PA	2018 LT	2018 All
Aston Martin	117	0	117	91	0	91	82	0	82	44	0	44
BMW	29 027	12 711	41 738	31 789	14 316	46 105	25 882	17 059	42 941	34 831	17 207	52 038
FCA	53 772	222 388	276 160	35 676	240 114	275 790	20 591	242 874	263 465	15 144	170 242	185 386
Ferrari	201	0	201	135	0	135	275	0	275	247	0	247
Ford	67 630	150 536	218 166	54 569	190 662	245 231	72 230	205 393	277 623	41 855	233 897	275 752
GM	104 360	143 127	247 487	82 065	118 958	201 023	96 569	173 949	270 518	81 077	188 187	269 264
Honda	111 045	67 740	178 785	114 360	87 060	201 420	112 783	81 780	194 563	110 320	81 930	192 250
Hyundai	97 784	10 744	108 528	123 676	4 493	128 169	161 646	11 171	172 817	117 473	6 050	123 523
JLR	1 507	6 188	7 695	1 282	11 564	12 846	2 345	11 870	14 215	1 654	11 646	13 300
Kia	63 479	4 392	67 871	58 583	15 878	74 461	42 768	25 637	68 405	55 202	22 719	77 921
Lotus	8	0	8	0	0	0	13	0	13	12	0	12
Maserati	443	0	443	344	0	344	1 369	0	1 369	434	566	1 000
Mazda	48 554	16 373	64 927	46 389	15 317	61 706	35 910	23 202	59 112	55 953	26 762	82 715
McLaren	79	0	79	121	0	121	112	0	112	220	0	220
Mercedes	22 997	20 083	43 080	24 178	12 980	37 158	22 371	22 371	44 742	25 562	29 596	55 158
Mitsubishi	14 600	11 080	25 680	6 100	12 097	18 197	13 686	11 301	24 987	9 004	15 434	24 438
Nissan	94 731	59 371	154 102	71 221	51 416	122 637	87 293	62 006	149 299	82 124	57 229	139 353
Pagani	0	0	0	1	0	1	0	0	0	0	0	0
Porsche	1 549	3 340	4 889	1 585	5 081	6 666	2 357	6 829	9 186	3 589	7 837	11 426
Subaru	17 593	35 735	53 328	14 603	32 079	46 682	17 744	33 502	51 246	16 574	42 019	58 593
Tesla	1 913	0	1 913	2 963	0	2 963	3 483	0	3 483	8 511	450	8 961
Toyota	110 456	115 816	226 272	102 858	104 187	207 045	104 146	125 841	229 987	110 334	123 230	233 564
Volkswagen	86 456	23 083	109 539	67 074	21 133	88 207	72 212	26 667	98 879	61 658	68 060	129 718
Volvo	3 272	3 139	6 411	891	4 885	5 776	1 331	5 008	6 339	1 256	6 691	7 947
Fleet Total	931 573	905 846	1 837 419	840 554	942 220	1 782 774	897 198	1 086 460	1 983 658	833 078	1 109 752	1 942 830

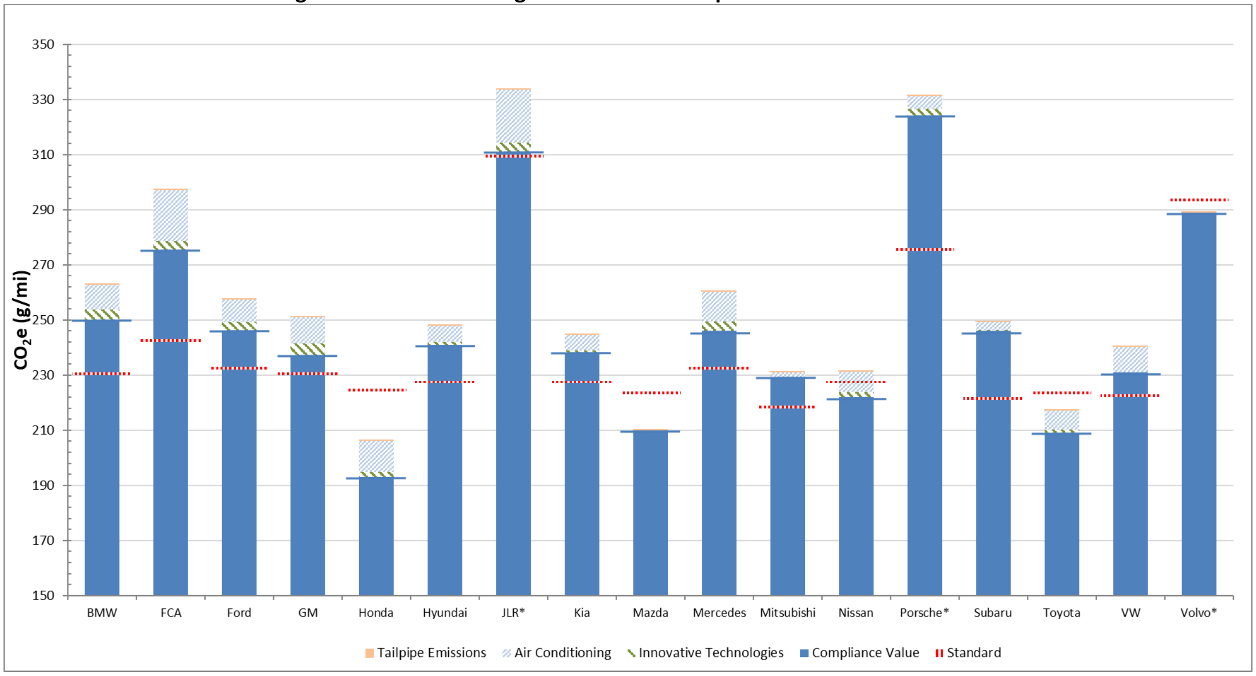
Figure A-1. 2015 Passenger automobile compliance status with offsets



Notes:

1. The asterisked companies are those that used the temporary optional fleet provisions
2. The final compliance value may be lower than the tailpipe emissions through the application of compliance flexibilities
3. Tesla has a fleet average standard of 276 g/mi and fleet average compliance value of -5.7 g/mi. Tesla's compliance value falls outside of the range of this graph.

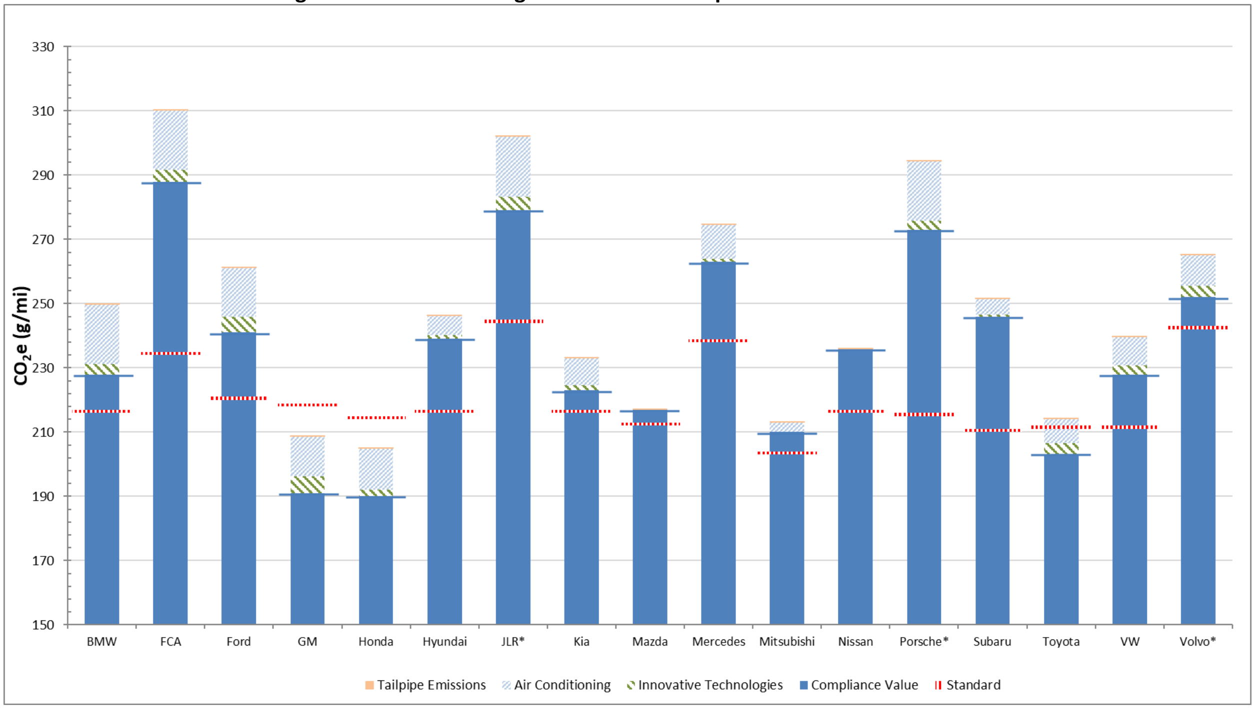
Figure A-2. 2016 Passenger automobile compliance status with offsets



Notes:

1. The asterisked companies are those that used the temporary optional fleet provisions
2. The final compliance value may be lower than the tailpipe emissions through the application of compliance flexibilities
3. Tesla has a fleet average standard of 268 g/mi and fleet average compliance value of -5.7 g/mi. Tesla's compliance value falls outside of the range of this graph.

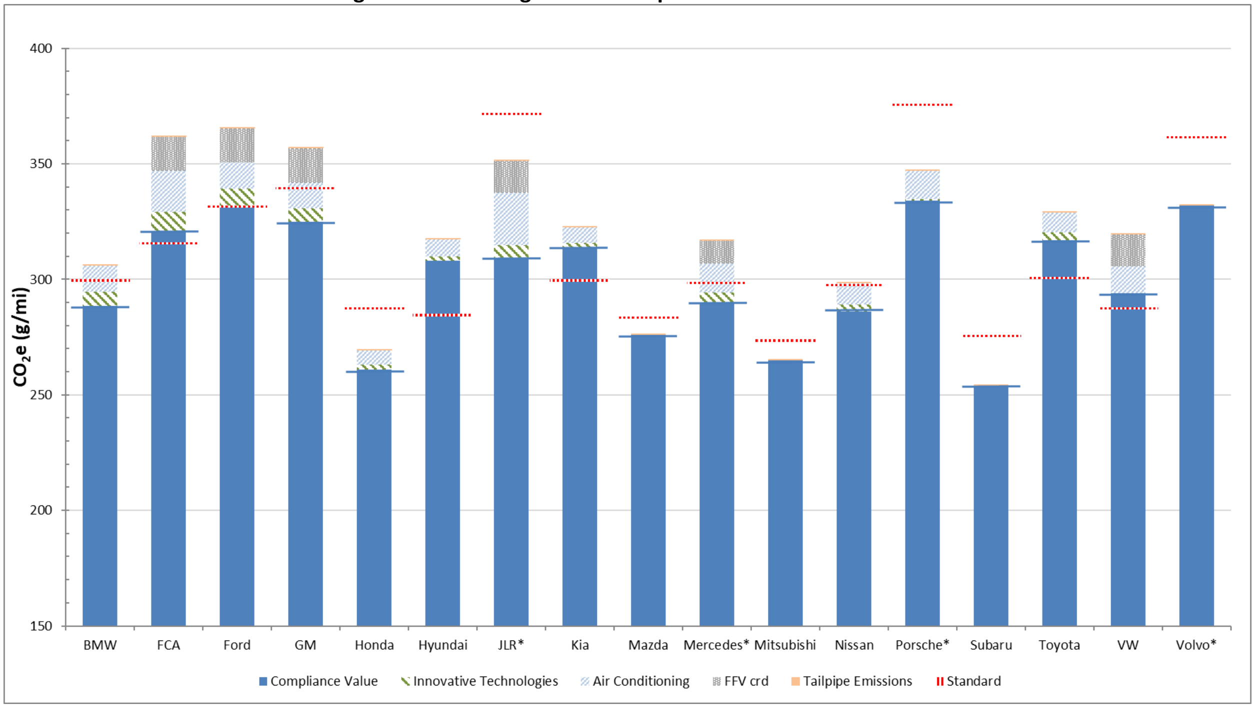
Figure A-3. 2017 Passenger automobile compliance status with offsets



Notes:

1. The final compliance value may be lower than the tailpipe emissions through the application of compliance flexibilities
2. Tesla has a fleet average standard of 254 g/mi and fleet average compliance value of -5 g/mi. Tesla's compliance value falls outside of the range of this graph.

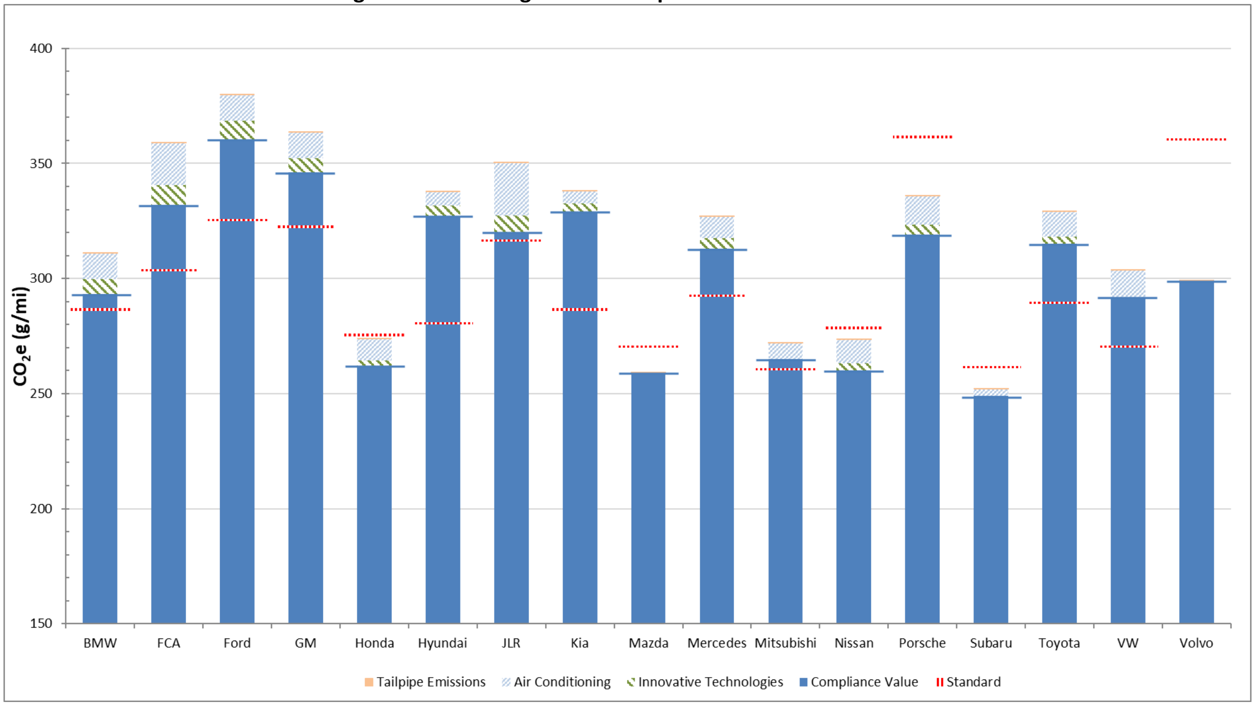
Figure A-4. 2015 Light truck compliance status with offsets



Notes:

1. The asterisked companies are those that used the temporary optional fleet provisions
2. The final compliance value may be lower than the tailpipe emissions through the application of compliance flexibilities

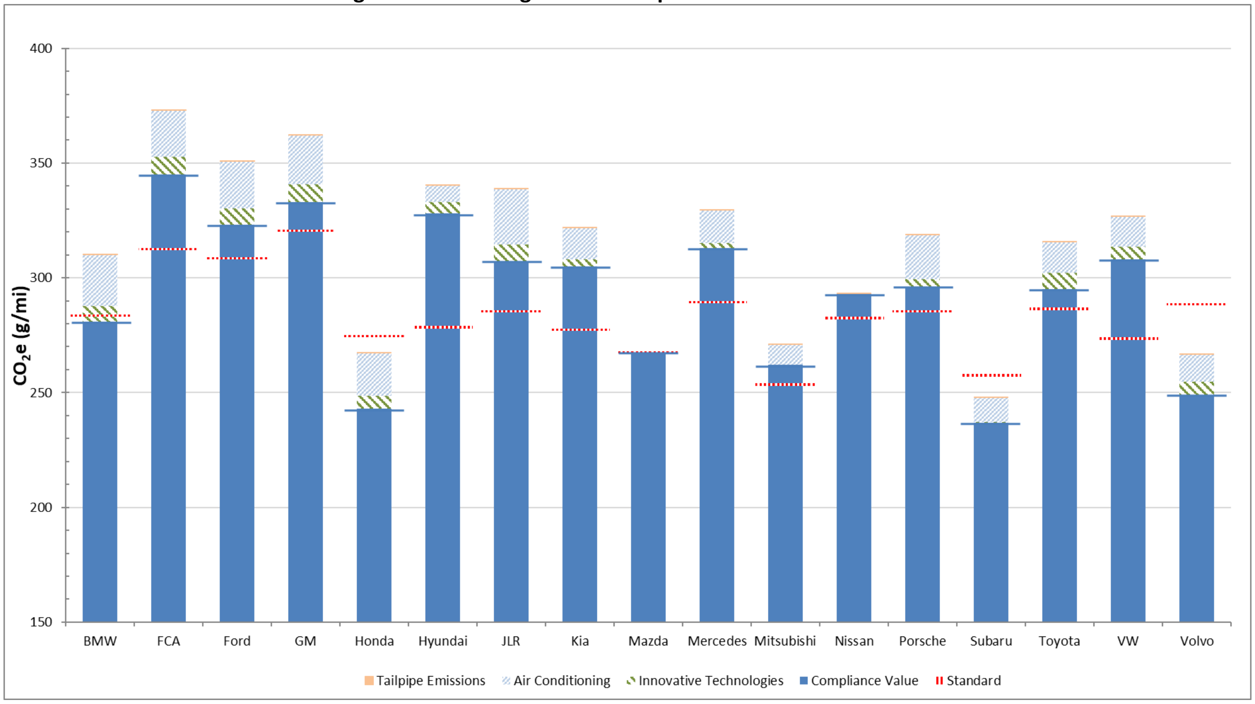
Figure A-5. 2016 Light truck compliance status with offsets



Notes:

1. The asterisked companies are those that used the temporary optional fleet provisions
2. The final compliance value may be lower than the tailpipe emissions through the application of compliance flexibilities

Figure A-6. 2017 Light truck compliance status with offsets



Notes:

1. The final compliance value may be lower than the tailpipe emissions through the application of compliance flexibilities

Table A-2. Preapproved menu of efficiency improving technologies for AC systems

Technology	Allowance value (g/mi)
Reduced reheat, with externally-controlled, variable-displacement compressor (for example, a compressor that controls displacement based on temperature set point and/or cooling demand of the air conditioning system control settings inside the passenger compartment).	1.7
Reduced reheat, with externally-controlled, fixed-displacement or pneumatic variable displacement compressor (for example, a compressor that controls displacement based on conditions within, or internal to, the air conditioning system, such as head pressure, suction pressure, or evaporator outlet temperature).	1.1
Default to recirculated air with closed-loop control of the air supply (sensor feedback to control interior air quality) whenever the ambient temperature is 75 °F or higher: Air conditioning systems that operated with closed-loop control of the air supply at different temperatures may receive credits by submitting an engineering analysis to the Administrator for approval.	1.7
Default to recirculated air with open-loop control air supply (no sensor feedback) whenever the ambient temperature is 75 °F or higher. Air conditioning systems that operate with open-loop control of the air supply at different temperatures may receive credits by submitting an engineering analysis to the Administrator for approval.	1.1
Blower motor controls which limit wasted electrical energy (for example, pulse width modulated power controller).	0.9
Internal heat exchanger (for example, a device that transfers heat from the high-pressure, liquid-phase refrigerant entering the evaporator to the low-pressure, gas-phase refrigerant exiting the evaporator).	1.1
Improved condensers and/or evaporators with system analysis on the component(s) indicating a coefficient of performance improvement for the system of greater than 10% when compared to previous industry standard designs).	1.1
Oil separator. The manufacturer must submit an engineering analysis demonstrating the increased improvement of the system relative to the baseline design, where the baseline component for comparison is the version which a manufacturer most recently had in production on the same vehicle design or in a similar or related vehicle model. The characteristics of the baseline component shall be compared to the new component to demonstrate the improvement.	0.6

Table A-3. Volume of vehicles with turbocharging and engine downsizing

Technology	2015	2016	2017	2018
BMW	25 828	29 406	28 505	32 916
FCA	2 938	853	2 138	3 303
Ford	55 845	43 338	95 298	68 576
GM	47 464	50 509	66 120	104 894
Honda	0	18 150	71 910	92 910
Hyundai	10 130	18 148	18 617	14 718
JLR	2 857	4 461	0	6 569
Kia	1 724	8 422	6 772	4 840
Mercedes	17 803	18 329	24 886	33 087
Mitsubishi	850	0	0	3 051
Nissan	0	0	4 558	942
Porsche	0	0	2 347	3 698
Subaru	5 361	4 195	5 702	6 129
Toyota	5 793	5 617	7 756	4 654
Volkswagen	0	79 468	85 022	97 659
Volvo	1 051	100	2 299	2 088
Total	177 644	280 996	421 930	480 034

Table A-4. Volume of vehicles sold with variable valve timing

Technology	2015	2016	2017	2018
BMW	37 387	42 953	40 874	49 292
FCA	260 401	258 715	256 770	174 949
Ford	178 400	185 730	236 387	216 872
GM	245 384	193 764	265 518	262 223
Honda	178 785	201 420	194 563	189 280
Hyundai	108 528	128 167	172 162	123 129
JLR	7 695	10 398	11 321	10 833
Kia	67 761	73 392	67 928	76 957
Mazda	64 927	61 706	59 112	82 715
Mercedes	42 931	36 968	44 636	54 716
Mitsubishi	23 173	13 109	21 579	24 438
Nissan	152 399	121 017	148 415	134 913
Porsche	4 889	6 666	9 186	11 426
Subaru	53 328	46 682	51 246	58 593
Toyota	226 272	207 045	229 987	233 514
Volkswagen	72 443	86 451	98 174	128 910
Volvo	6 411	5 776	6 339	7 947
Total	1 607 136	1 657 866	1 914 197	1 840 707

Table A-5. Volume of vehicles sold with variable valve lift

Technology	2015	2016	2017	2018
BMW	36 846	42 192	40 250	49 292
FCA	35 022	32 956	3 390	20 691
GM	12 265	7 294	5 318	3 940
Honda	178 785	201 420	194 563	132 525
JLR	1 507	10 398	11 321	10 833
Mitsubishi	3 876	8 819	6 600	6 425
Nissan	8 378	5 284	12 249	8 325
Porsche	4 889	6 666	9 186	11 426
Toyota	865	3 877	6 012	13 514
Volkswagen	14 711	24 551	38 445	91 365
Volvo	103	0	0	0
Total	297 247	343 457	327 334	348 336

Table A-6. Volume of vehicles sold with higher geared transmissions

Technology	2015	2016	2017	2018
BMW	32 846	38 414	36 967	48 365
FCA	134 568	143 185	140 612	124 854
Ford	0	0	32 228	142 121
GM	9 085	25 666	57 092	79 811
Honda	18 144	42 156	38 550	45 711
Hyundai	3 165	9 627	8 284	8 757
JLR	7 477	12 814	14 192	13 294
Kia	79	374	1 162	2 440
Mercedes	41 293	34 967	44 346	54 716
Nissan	28 302	30 340	43 356	3 051
Porsche	4 708	6 205	9 030	30 409
Subaru	3 479	2 434	10 924	10 935
Toyota	16 596	25 860	63 640	33 738
Volkswagen	20 849	18 034	27 589	68 806
Volvo	1 142	3 037	6 339	90 782
Total	321 733	393 113	534 311	765 737

Table A-7. Volume of vehicles sold with continuously variable transmissions

Technology	2015	2016	2017	2018
FCA	417	519	178	0
Ford	2 145	1 801	3 173	2 860
GM	4 681	3 158	10 084	9 470
Honda	122 724	142 680	131 295	121 099
Mitsubishi	17 954	11 937	19 002	2 208
Nissan	108 959	100 047	114 907	93 882
Subaru	44 624	39 886	43 218	0
Toyota	54 815	60 131	71 042	34 958
Volkswagen	24	15	0	0
Total	248 247	236 761	260 093	264 477

Table A-8. Volume of vehicles sold with cylinder deactivation

Technology	2015	2016	2017	2018
FCA	50 332	56 549	98 158	48 374
GM	97 824	77 537	137 599	137 688
Honda	35 595	42 630	44 490	33 245
Mazda	0	0	0	23 102
Mercedes	27	0	0	0
Volkswagen	536	1 260	1 682	1 044
Total	184 314	177 967	281 929	243 543

Table A-9. Volume of diesel vehicles sold

Technology	2015	2016	2017	2018
BMW	3 893	3 060	1 643	2 437
FCA	14 521	15 077	4 174	9 880
Ford	0	0	0	3 030
GM	1 258	1 200	2 867	5 567
JLR	0	0	2 894	2 467
Mercedes	12 569	7 191	0	0
Porsche	522	527	0	0
Volkswagen	22 695	1 756	0	0
Total	55 458	31 259	11 578	23 381

Table A-10. Volume of vehicles sold with gasoline direct injection

Technology	2015	2016	2017	2018
BMW	37 085	42 953	40 874	49 292
FCA	3 408	13 294	886	3 257
Ford	0	0	0	102 948
GM	191 703	166 895	244 125	240 931
Honda	79 935	157 680	120 523	125 220
Hyundai	84 446	100 695	113 544	73 000
JLR	7 695	10 398	11 321	10 833
Kia	60 983	67 140	59 381	65 121
Mazda	59 411	60 819	56 102	82 715
Mercedes	30 362	29 777	44 636	54 687
Nissan	222	7 440	41 163	41 087
Porsche	0	0	0	0
Subaru	5 361	4 195	14 903	29 505
Toyota	2 568	1 829	676	434
Volvo	1 142	3 037	6 339	7 947
Total	564 321	666 152	754 473	886 977

Table A-11. CO_2e Standard over the 2008 to 2010 model years (g/mi)

Manufacturer	2008 PA	2008 LT	2009 PA	2009 LT	2010 PA	2010 LT
BMW	323	439	323	439	301	420
FCA	323	439	323	439	301	420
Ford	323	439	323	439	301	420
GM	323	439	323	439	301	420
Honda	323	395	323	385	323	378
Hyundai	323	439	323	439	301	420
Kia	323	395	323	385	323	378
Lotus	323	--	323	--	323	--
Mazda	323	395	323	385	323	378
Mercedes	323	439	323	439	301	420
Mitsubishi	323	439	323	439	301	420
Nissan	323	439	323	439	301	420
Suzuki	323	439	323	439	301	420
Tesla	323	--	323	--	323	--
Toyota	323	395	323	385	323	378
Volkswagen	323	439	323	439	301	420
Volvo	323	439	323	439	301	420

Table A-12. Compliance values over the 2008 to 2010 model years (g/mi)

Manufacturer	2008 PA	2008 LT	2009 PA	2009 LT	2010 PA	2010 LT
BMW	310	375	302	376	288	361
FCA	303	402	300	380	306	374
Ford	325	395	276	375	268	382
GM	277	376	254	380	270	360
Honda	243	346	239	348	237	325
Hyundai	256	359	249	354	245	303
Kia	274	362	270	351	251	341
Lotus	302	--	298	--	336	--
Mazda	266	336	272	314	255	302
Mercedes	298	396	309	400	322	386
Mitsubishi	297	350	284	334	275	321
Nissan	265	343	254	339	258	349
Suzuki	269	380	269	350	258	341
Tesla	--	--	--	--	-3	--
Toyota	225	360	228	328	229	337
Volkswagen	291	439	273	349	266	347
Volvo	309	408	310	406	308	383