

# Fuel Economy Label Estimates



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# Overview

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# Background on EPA's Fuel Economy Label Estimates

- Energy Policy and Conservation Act (1974) requires EPA to establish the test procedures used to measure FE for window sticker estimates
  - Allows consumers to compare FE of different vehicles
  - This same information must be compiled annually and published in the Fuel Economy Guide, which dealers must provide to customers
- Window stickers reflect two FE estimates:
  - **City:** Driving cycle represents urban driving in the 1970's; stop & go, avg speed 21 mph. Same test used for emissions compliance (Federal Test Procedure).
  - **Highway:** Driving cycle represents more rural driving; avg. speed 48 mph, max speed 60 mph. Test used just for FE, not emissions.

# Background (cont'd)

- In the 1980's, consumer concerns that FE values were overestimated led to EPA's development of "adjustment factors"
  - Existing test cycles didn't reflect many real-world conditions
  - 1985 adjustment factors attempted to account for some of these conditions, by adjusting lab results downward (City 10%; Highway 22%).
- CAFE requirements would not be impacted by any changes to the window sticker estimates

# Need for Action

- Many driving conditions have changed since we did the 1985 adjustment factors
  - Higher speed limits, more congestion, more use of A/C and other accessories, more aggressive driving
  - Many of these factors have been addressed through our emissions compliance testing programs (SFTP), but not FE
- Initial EPA analysis indicates FE label estimates are overestimated; perhaps significantly for some vehicles

# Need for Action (cont'd)

- Increased consumer awareness that actual FE is lower than sticker values
  - Broad public support for changing label calculations
  - More than 33,000 public comments on Bluewater Network petition support changes
  - Numerous press reports
- “Top-down” EIA analysis indicates a growing in-use shortfall
- FE estimate methodology was never meant to be static (20 years since last update)
  - EPA and auto industry have responsibility to periodically assess

# Goals

- Provide consumers with more credible information
  - Joint responsibility between EPA and the auto industry
  - Give consumers better information to choose most fuel efficient vehicle to meet their needs
  - FE estimates should be in the middle of the range consumers can expect to achieve
- Develop a methodology that reflects a vehicle's actual FE over a broader range of driving conditions (vs. the current large, one-size-fits-all adjustment factors)
  - Reward vehicles with more fuel efficient designs

# Our Approach

- EPA has begun a collaborative process to work with stakeholders to develop an improved method to calculate FE label estimates
  - Strong stakeholder support
  - Initial meetings with auto companies
  - Meetings with enviros, states, DOE, NHTSA, consumer groups



# Our Approach (cont'd)

- Primary option under consideration: 5-cycle composite approach
  - Incorporate FE test results over broader range of test cycles into the FE window sticker estimates
  - Captures vehicle-specific impacts of some of the most critical factors missing from today's FE estimates: higher speeds, aggressive driving, A/C use, cold temperature
  - 5-cycle composite will include test results from today's city and highway test cycles, as well as:
    - Two test cycles developed for SFTP rule: US06 (high speed/high load, aggressive driving) and SC03 (air conditioning cycle)
    - Cold FTP – the FTP, but run at 20F (instead of 75F). Test run today for the Cold CO standard.
  - Develop formula that appropriately weights in the driving cycles, A/C use, temperature, etc to model in-use driving
  - Inputs largely derived from MOBILE6.2 and MOVES models; validated with in-use testing from Kansas City program

# Market Research

- **What is the need?**
  - Because the fuel economy estimates are consumer tools, we want to consider what information would be most useful to the consumer.
  - As with the fuel economy test procedures, the format of the fuel economy label (also specified by EPA regulation) has not been revised in many years.
- **How do we proceed?**
  - We plan to hold some focus groups to test consumer reaction to various forms of information on the label.

# Schedule

- Proposed rule target: Summer 2005
- Final rule target: Summer 2006

# Next Steps

- Continue Stakeholder Outreach
  - Autos, DOE & NHSTA, enviros, states, consumer groups
- Present draft 5-cycle methodology
  - Meetings w/stakeholders (~February)
  - Possible public technical workshop (Spring)
- Technical report on FE certification data over additional test cycles (on web, February)
- Consumer focus groups

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