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NATIONAL VEHICLE AND FUEL EMISSIONS LABORATORY
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OFFICE OF
AIR AND RADIATION

August 20, 2020

CD-2020-12 (LDV/LDT/ICI/LIMO/HD2b/3)

SUBJECT: E85 Flexible Fuel Vehicle Weighting Factor for Model Years 2020 and Later Vehicles

Dear Manufacturer:

Under EPA's light-duty vehicle greenhouse gas (GHG) program, starting with the 2016 model year, the regulations describe two pathways for determining the GHG value for a gasoline-E85 flexible fuel vehicle (FFV). The default approach is to use the value determined for operation on gasoline.¹ The alternative approach is to combine the gasoline and E85 GHG values together in a way that accounts for the real-world use of E85 with a weighting factor (this weighting factor is described as "F" in the regulations).² Note that EPA regulations for heavy-duty chassis-certified vehicles (in the "2b/3" categories) point to the light-duty F factor regulations, allowing these heavy-duty vehicles to use an F factor determined for light-duty trucks under those regulations.³

Corporate Average Fuel Economy (CAFE) regulations specify that starting with MY 2020, the F-factor, once established by EPA, will also be used for CAFE to weight FFV fuel economy on conventional gasoline test fuel and E85 in determining the FFV's model type fuel economy.⁴

The EPA regulations describe two different approaches that may be used to determine the value of F. First, upon written request from a manufacturer, EPA "will determine and publish by written guidance an appropriate value of F for each requested alternative fuel based on the Administrator's assessment of real-world use of the alternative fuel".⁵ Second, a manufacturer may submit its own data to EPA that demonstrates the real-world use of the alternative fuel and determines an appropriate value of F specific to its vehicles.⁶

EPA released a draft F-factor determination and published a notice in the *Federal Register*

¹ 40 CFR 600.510-12(j)(2)(vi).

² 40 CFR 600.510-12(j)(2)(vi) and (k).

³ 40 CFR 86.1819-14 (d)(10)(i).

⁴ See 40 CFR 600.510-12(c).

⁵ 40 CFR 600.510-12(k)(1).

⁶ 40 CFR 600.510-12(k)(2).

requesting comment on draft guidance in March of 2013.⁷ Based on EPA's analysis following the comment period, and considering the public comments received by the Agency, EPA issued a final determination on November 12, 2014.⁸ The letter to manufacturers prescribed an F factor of 0.14 applicable to 2016-2018 model year vehicles. As noted above, this value could also be applied to certain heavy-duty vehicles. In August 2019, EPA extended the use of the 0.14 F-factor to MY 2019.⁹ EPA did not conduct a new analysis at that time.

EPA is extending the use of the existing F-factor of 0.14 to MY 2020 and later, to allow EPA more time to further consider appropriate data sources and methodology for establishing the F-factor. EPA's intention had been to update the methodology used to set the original 2016-2018 F-factor as the basis for a new F-factor for 2020 and beyond using the latest information. However, there are at least two key factors that EPA believes must be considered further. First, in the Energy Information Administration's (EIA's) Annual Energy Outlook 2020 (AEO2020),¹⁰ EIA updated and changed significantly the way it projects E85 usage which is an important input to the method we used previously. Second, the COVID-19 pandemic has significantly changed the current market conditions for fuel usage, and it is uncertain how future market conditions will be affected. Given the potential impact that both of these factors have on the F-factor, and recognizing the need to provide certainty to the automakers for purposes of their planning for MY 2020, EPA is extending the use of the existing F-factor of 0.14 for MY2020 and later.

The 0.14 F-factor will remain in place for model years beyond MY2020 until such time as EPA adopts a revised F-factor based on new data and updated methodology. While it is EPA's intention to update the F-factor for MYs 2021 and later, in the event that EPA is unable to resolve the uncertainties described above in a timely manner, this letter provides an F-factor of 0.14 for model years beyond 2020 as well. In that way, in the absence of a future EPA action, we are providing a level of certainty to manufacturers that there will be no gap in the availability of an F-Factor. The 0.14 F-factor will be available for use in compliance calculations for MY 2020 and later, unless and until it is changed by EPA through a new determination. Through a separate Federal Register Notice, EPA will request comment on the various data sources, analytical approaches, and potential alternatives to a draft methodology for assessing the F-factor for MY2021 and later.¹¹ EPA will take public input into consideration as we update the F-factor analysis for future model years.

EPA has consulted with the Department of Transportation (DOT) on the F-factor for model year 2020 and later, as their Corporate Average Fuel Economy (CAFE) regulations point to EPA's F-factor regulations for 2020 and later model years.

⁷ 78 FR 17660 (March 22, 2013).

⁸ "E85 Flexible Fuel Vehicle Weighting Factor for Model Year 2016-2018 Vehicles," EPA Office of Air and Radiation, CD-14-18, November 12, 2014.

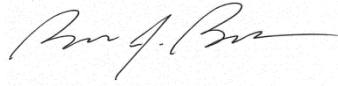
⁹ "E85 Flexible Fuel Vehicle Weighting Factor for Model Year 2019 Vehicles," EPA Office of Air and Radiation, CD-19-07, August 26, 2019.

¹⁰ Annual Energy Outlook 2020, U.S. Energy Information Administration, January 29, 2020.

¹¹ See EPA docket EPA-HQ-OAR-2020-0104 for EPA's Federal Register Notice of request for comment and accompanying EPA technical memorandum.

If you have any questions about this guidance, please contact your certification representative.

Sincerely,

A handwritten signature in black ink, appearing to read "Byron J. Bunker", written in a cursive style.

Byron J. Bunker, Director
Compliance Division
Office of Transportation and Air Quality