

ANNEXURE -A

Draft Proposal of Fuel Efficiency Norms (CAFE) i.e. CAFE- III & CAFE-IV period.

Based on the deliberations with the stakeholder and taking into consideration the major transition that the Indian car manufacturing Industry will witness, BEE proposes the following:

1. A block period of 5 years for next CAFE Cycles will be as follows:
CAFE III: 2027-2032
CAFE IV: 2032-2037
2. Existing CAFE-II norms are fixed on MIDC Cycle. It is proposed to switchover from MIDC to WLTP from 31st March 2027 for the purpose of type approval.
3. Accordingly, CAFE- III & IV targets are proposed on WLTP cycle. The proposed CAFE III & IV norms at WLTP shall be 91.7 g CO₂/Km & 70 g CO₂ /km respectively. The proposed weighted average of unladen mass in kilogram (kg) is considered as 1170 Kg.
4. Volume Derogation factors proposed for CAFE-III and CAFE-IV cycles will be as given in Table – 1.

Table -1

S.no	Vehicle Type	Existing Volume derogation factor for Super Credit	Proposed CAFE-III norms	
			2027-2032	2032-2037
1	Hydrogen (FCEV)	3	5	5
2	Pure Electric Vehicle (BEV)	3	4	4
3	PHEV (Battery Pack minimum 7 KW)	2.5	2	1.5
4	Strong Hybrid Electric vehicle	2	1.2	1

5. Proposed derogation factor for CO₂ emission reduction technology will be as given in Table – 2.

Table -2

S.no	CO ₂ Reducing Technologies	Existing CO ₂ Reducing technology derogation factor on CO ₂ Emissions	Proposed CAFE-III norms (WLTP Cycle)	Proposed CAFE-IV norms (WLTP Cycle)
			2027-2032	2032-2037
1	Ethanol (*) * Grant of derogation is subject to outcome of BEE -IIP study	NA	*0.95	*0.95
2	Regenerative Braking	0.98	0.99	1
3	Start/stop	0.98	0.99	1
4	6 or more gears	0.98	0.99	1

Note: Models under categories listed at S.no 3 & 4 in Table -1 shall not be eligible for claiming volume derogation factors for ethanol at S.no 1 under Table -2.

6. Estimation of Penalty:

It is proposed that imposition of penalty as per EC amendment Act for CAFE II, III & IV will be calculated for the cycle period. However, the assessment & reporting of performance for each OEM will be done on yearly basis.