**Section 207.504 CER Calculation Methodology**

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| a) | Except as provided in subsection (b) of this Section, the following formula shall be used to calculate proposed CERs: |
|  |  |
|  | CER = ∑ ([(a)(b)(c)] – [(d)(e)(c)] (1-(f/100)) / (1000) |
|  |  |
|  | Where: |
|  |  |
|  | a | represents the retired vehicle emissions in grams/mile |
|  | b | represents miles per year traveled by the retired vehicle based on recent usage, as established in accordance with Section 207.510(a)(2)(B) |
|  |  |  |
|  | c | represents remaining life of the retired vehicle in years |
|  |  |  |
|  | d | represents the replacement vehicle emissions in grams/mile |
|  |  |  |
|  | e | represents miles per year traveled by the replacement vehicle (which shall be equal to or greater than "b", unless demonstrated otherwise in a vehicle scrappage plan) |
|  |  |  |
|  | f | represents the environmental discount factor that must be applied, pursuant to Section 207.506 of this Subpart, if applicable. |
|  |  |  |
|  | CER | represents a creditable emissions reduction unit in kilograms. |
|  |  |
| b) | Vehicle scrappage sponsors and managers may request Agency approval to deviate from the general formula in subsection (a) of this Section to calculate CERs in their proposed vehicle scrappage plan. This request must demonstrate that the deviation if necessary based on elements of the proposed vehicle scrappage project or program. |