



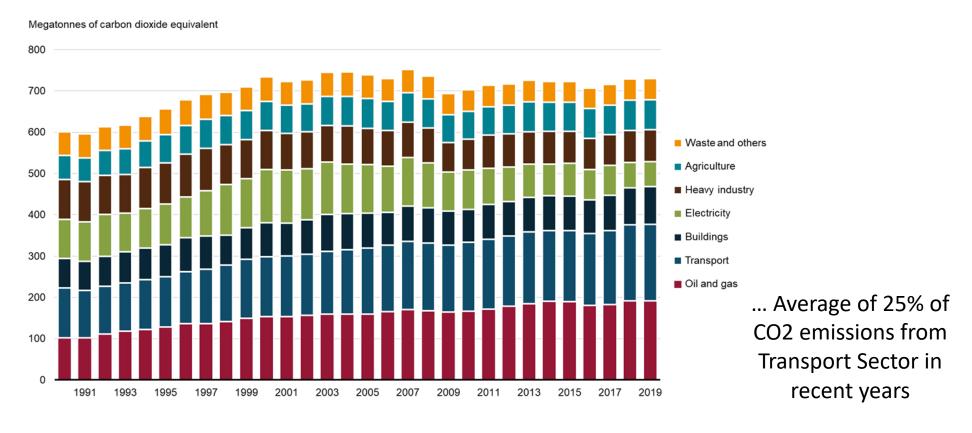
## **AGENDA**

- 1. Business Problem / Data Problem
- 2. Stakeholder Identification
- 3. Process Workflow
- 4. Dataset Characteristics
- 5. Exploratory Data Analysis
- 6. Model Building & Selection
- 7. Model Deployment
- 8. Limitations

#### **BUSINESS PROBLEM / DATA PROBLEM**



- As carbon emissions from cars make a significant proportion of carbon emissions, policy makers need a quick method to assess and forecast carbon gas emissions emitted by automobiles in order to properly tax and disincentivize consumers from owning certain vehicles
- Collecting primary historical data from a specific geographic location, as many characteristics can impact carbon emissions.



#### STAKEHOLDER IDENTIFICATION



#### STRATEGY PLANNERS

... who need information on carbon gas emissions from automobiles



**TAXATION OFFICE** 

... who need to know how much to tax automobiles

#### **PROCESS WORKFLOW**



**Data Collection** 

**Data Cleaning** 

Exploratory Data Analysis Pre processing & Feature Selection

Model Building & Selection

Deployment for Stakeholder Use

- Datasets sourced from Government of Canada – Open Government Data portal.
- Datasets were manipulated to fit into DataFrames, columns not needed were removed and final datasets merged.
- Statical and visual exploratory data analysis was conducted
- Categorical features were label encoded
- Data was scaled using StandardScaler
- Feature selection by RandomForest and PCA were used for some of the models to be built

- Assessment of model accuracy
- Selection of model to be deployed
- Model deployed via a webapp for easy use by stakeholders
- Webapp was stored in a docker container for easy reproduction

#### **DATASET CHARACTERISTICS**



Dataset statistics	
Number of variables	16
Number of observations	2891
Missing cells	0
Missing cells (%)	0.0%
Duplicate rows	0
Duplicate rows (%)	0.0%
Total size in memory	361.5 KiB
Average record size in memory	128.0 B

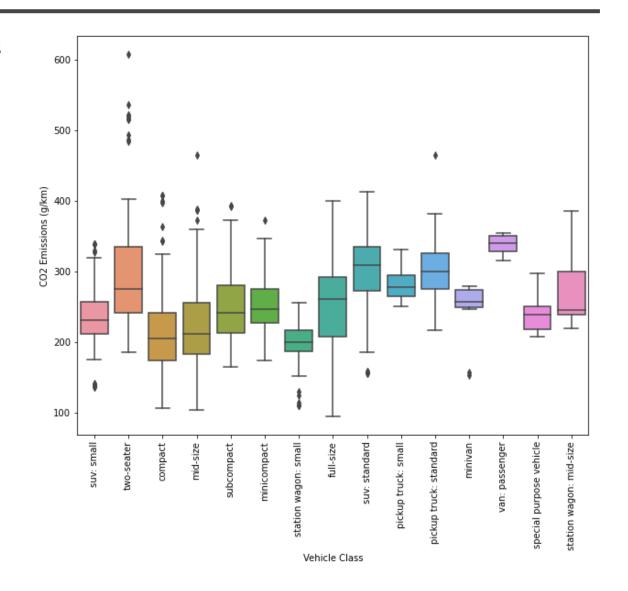
Variable types		
Numeric	9	
Categorical	7	

• Data downloaded from: <a href="https://open.canada.ca/data/en/dataset/98f1a129-f628-4ce4-b24d-6f16bf24dd64#wb-auto-6">https://open.canada.ca/data/en/dataset/98f1a129-f628-4ce4-b24d-6f16bf24dd64#wb-auto-6</a>

#### **EXPLORATORY DATA ANALYSIS**



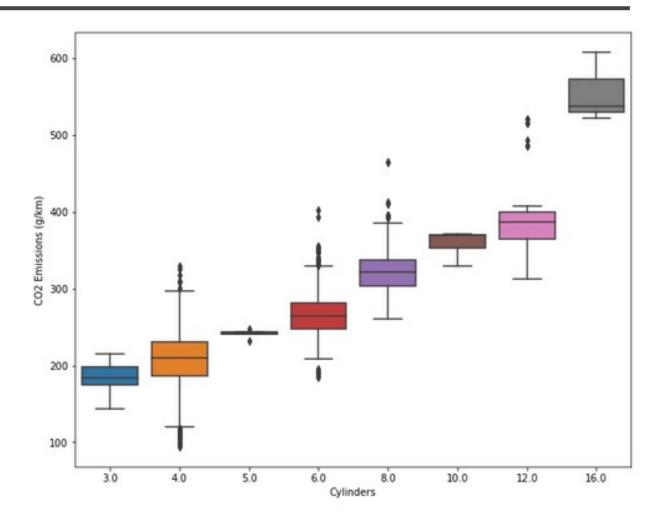
- Two-seater vehicles released highest amount of carbon gas emissions.
- Passenger vans had the highest mean carbon emissions released.



### **EXPLORATORY DATA ANALYSIS**



• Cars with higher number of cylinders released the most carbon emissions.



#### **EXPLORATORY DATA ANALYSIS – FEATURE CORRELATION**



CO2 Emissions (g/km)

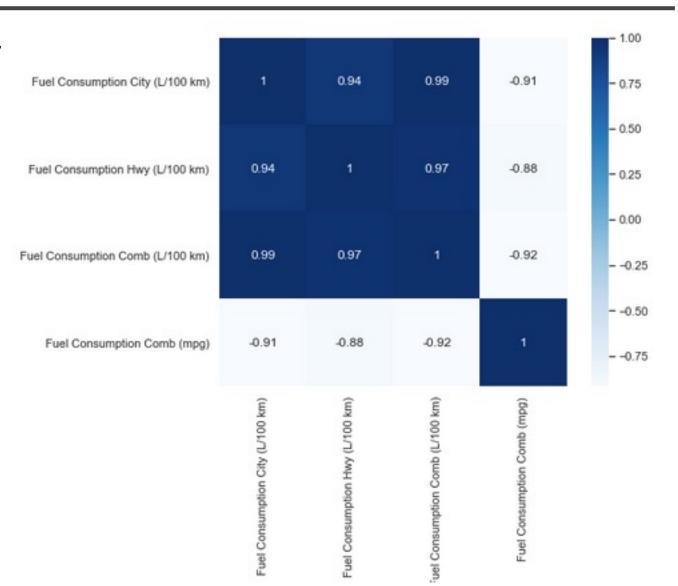
• Fuel consumption found to be most highly correlated with carbon emissions.

CO2 Emissions (g/km)	1.000000
Fuel Consumption Comb (L/100 km)	0.951656
Fuel Consumption City (L/100 km)	0.948930
Fuel Consumption Hwy (L/100 km)	0.917122
Engine Size_L	0.835887
Cylinders	0.834904
Smog Rating	-0.514353
Fuel Consumption Comb (mpg)	-0.910652
CO2 Rating	-0.954422

#### **EXPLORATORY DATA ANALYSIS – FEATURE CORRELATION**

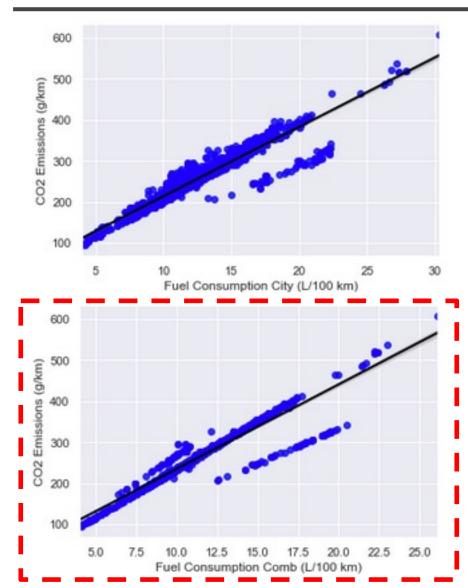


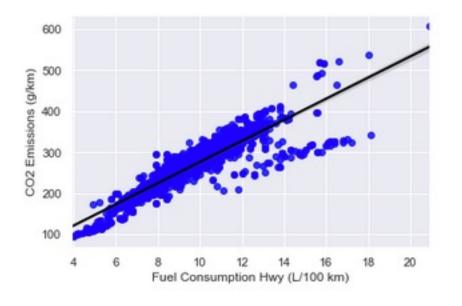
• All 4 feature columns labelled "Fuel Consumption" are highly correlated.



## **EXPLORATORY DATA ANALYSIS – FEATURE CORRELATION**







#### **MODEL SELECTION**



• Selected model can can predict price with an upper/lower bound of 16.71 CO2 g/km (7% of mean CO2 g/km of dataset)

Model Type	Features	R2	RMSE (CO2 Emissions (g/km))
Simple LR (Not Scaled)	1	0.87	21.08
Simple LR (Scaled)	1	0.87	21.08
Multi LR (Features Selected by RandomForest)	3	0.90	17.08
Multi LR (All features – not scaled)	7	0.92	16.71

#### **RECOMMENDATIONS**



- We propose a 4-tier carbon tax pricing system based on the quartiles of the dataset.
- An additional carbon tax for luxury cars with high number of cylinders.
- An additional carbon tax for passenger vans.

#### CO2 Emissions (g/km)

count	2339.000000
mean	254.582300
std	60.485776
min	94.000000
25%	213.000000
50%	252.000000
75%	294.000000
max	608.000000

#### **MODEL DEPLOYMENT**



- Our model was deployed onto a webapp that makes the predictions: <a href="https://share.streamlit.io/adireksa/streamlit-linregapp-project2/main/app.py">https://share.streamlit.io/adireksa/streamlit-linregapp-project2/main/app.py</a>
- The app was also stored into a docker container for easy reproducibility.

#### **IMPROVEMENTS FOR FUTURE**



- Model deployed should be able to calculate carbon tax amount per vehicle.
- Expand dataset to include hybrid vehicles and electric vehicles.
- Compare other more advanced models with higher accuracy.

# Thank you