



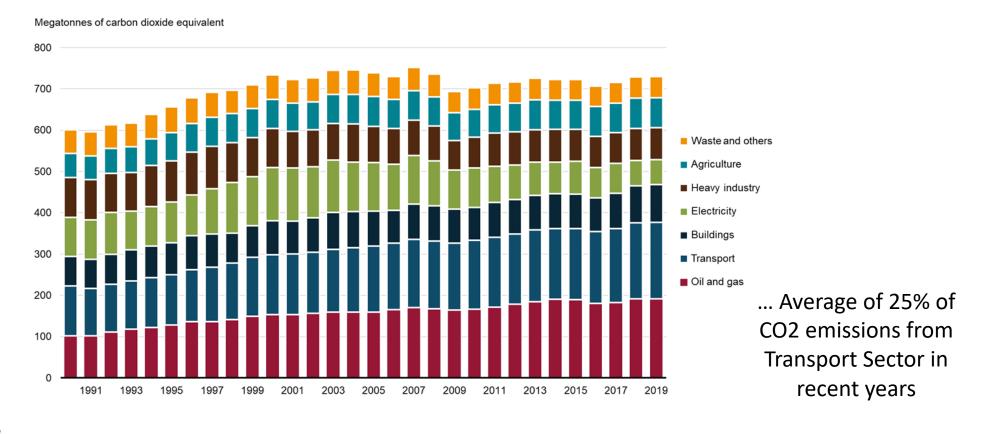
AGENDA

- 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, datasets were merged, columns not needed were dropped and duplicates dropped.
- Statical and visual exploratory data analysis was conducted
- Categorical features were label encoded
- Data was scaled using StandardScaler for some models
- Feature selection by RandomForest used for some models

- Assessment of model accuracy metrics
- 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



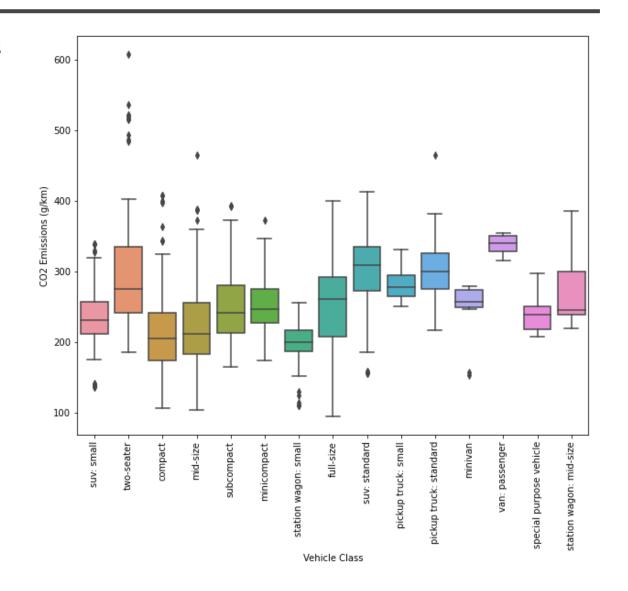
Dataset statistics		Variable types	
Number of variables	16	Numeric	9
Number of observations	2891	Categorical	7

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

EXPLORATORY DATA ANALYSIS



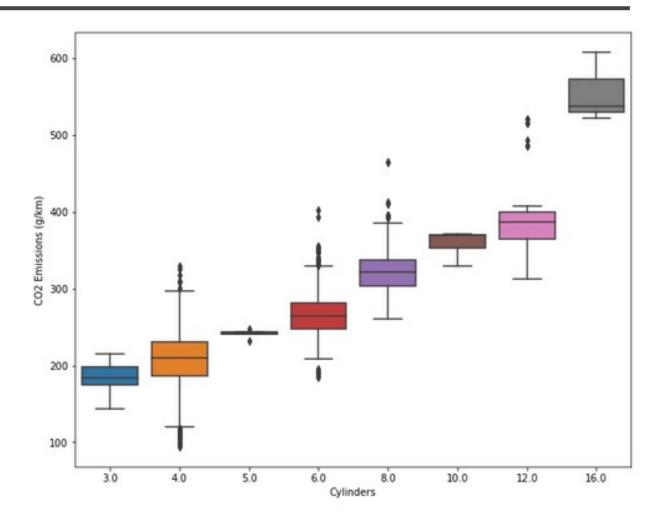
- Two-seater vehicles released highest amount of carbon gas emissions.
- Passenger vans had the highest mean carbon emissions released.



EXPLORATORY DATA ANALYSIS



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



EXPLORATORY DATA ANALYSIS – FEATURE CORRELATION



-0.954422

CO2 Emissions (g/km)

• Fuel consumption features found to be most highly correlated with target.

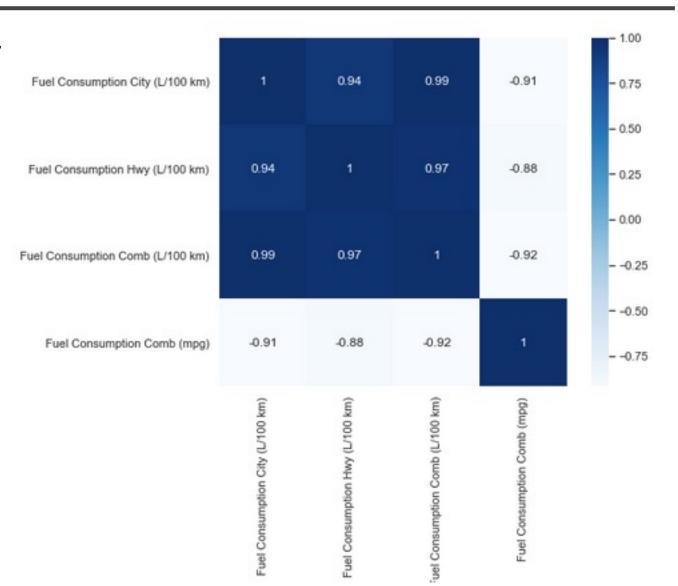
CO2 Emissions (g/km) 1.000000 0.951656 Fuel Consumption Comb (L/100 km) Fuel Consumption City (L/100 km) 0.948930 Fuel Consumption Hwy (L/100 km) 0.917122 **Engine Size_L** 0.835887 0.834904 **Cylinders Smog Rating** -0.514353 **Fuel Consumption Comb (mpg)** -0.910652

CO2 Rating

EXPLORATORY DATA ANALYSIS – FEATURE CORRELATION

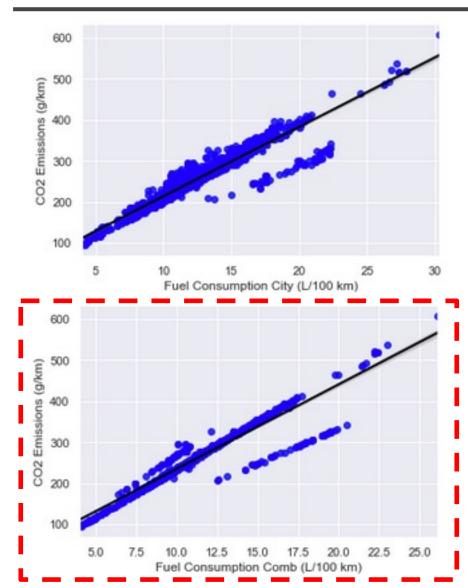


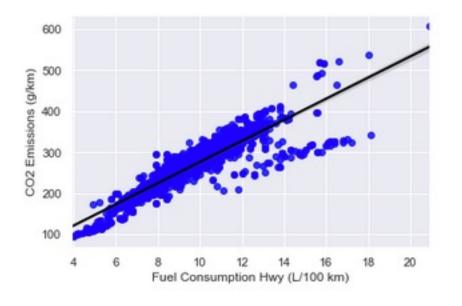
• All 4 feature columns labelled "Fuel Consumption" are highly correlated.



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

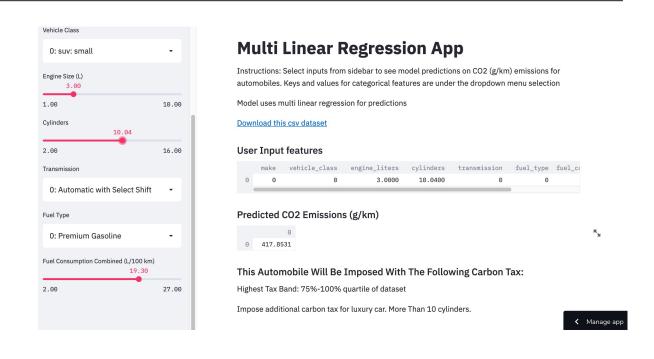


- We propose a 4-tier carbon tax pricing system based on the quartiles of the dataset.
- An additional carbon tax for luxury cars with more than 10 cylinders.
- An additional carbon tax for passenger vans.

MODEL DEPLOYMENT



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



IMPROVEMENTS FOR FUTURE



- Expand dataset to include hybrid vehicles and electric vehicles.
- Compare other more advanced machine learning algorithms that potentially outperform linear regression.

Thank you