Charged and Almost Ready—

Stylized Facts About the Emerging Market for Used BEVs

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Abstract

Due to its scale, the used vehicle market can play an outsized role in propagating new technologies. In this paper, we study the propagation of battery electric vehicle (BEV) technology through this market. Utilizing vehicle registration microdata for all new and used vehicles registered in the U.S. for model years 2010-2022 we study the market for used BEVs and establish two key facts. First, they enter the used market at the slowest rate compared to any other powertrain technology. Second, BEVs enter the used market having been driven significantly less than similarly aged vehicles featuring other powertrain technologies. In seeking to understand why BEVs are not transacted more often in the used vehicle market, we build a model of registration counts. A decomposition exercise of vehicle suggests that lower usage can explain up to 45 percent of the differential rates of transition from new to used vehicle status between BEVs and internal combustion engine (ICE) vehicles. This suggests a large role for other factors, potentially related to the newness the product and associated early adoption behavior.

Note: all authors were with the Federal Reserve Bank of Chicago, Chicago, Illinois, USA, when the research was performed and the paper was written. Levi Bognar is now with Compass Lexecon.

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Introduction

The auto industry is facing a paradigm shift away from internal combustion engine (ICE) technology toward vehicles powered by electric batteries. While there are environmental reasons to welcome this technological change (see, for example, Tabuchi and Blumer, 2021), notably the possible reduction of greenhouse gas (GHG) emissions, economic factors will ultimately influence the new technology's rate of diffusion.

The resale market plays a crucial role in matching consumers to vehicles due to its size and variability. In a typical year, 2.5 to 3 times as many used vehicles compared to new ones are sold in the U.S. (Bureau of Transportation Statistics). Furthermore, the price dispersion of used cars is approximately five times as large as that of new cars (Gavazza et al, 2014). With just under 2.3 million new BEVs sold in the U.S. from 2010 through 2022, representing a mere 1.1% of new vehicle sales over that period[1], the resale market for BEVs is considerably smaller than that for ICE vehicles. As the number and share of BEVs among new vehicle sales rises[2], the market for used BEVs is expected to grow in size.

In this paper we take a closer look at the market for used BEVs. To-date, there has been little empirical analysis of this market and its defining features in comparison to the more widely studied used car market for ICE vehicles (see Porter and Sattler, 1999). This paper provides the first detailed description of the market for used BEVs. Utilizing comprehensive vehicle registration records for all new and used vehicles from model years 2010-2022 (with registration dates spanning January 2009 to December 2022), we compare three mutually exclusive categories by powertrain: vehicles powered by internal combustion engines,

[1] Authors' calculations based on data from Wards Intelligence datacenter.
[2] The share of BEVs among new light vehicle sales in the U.S. market stood at 8.1% in 2024 based on numbers from Wards Autobank.

hybrid vehicles including plug-in hybrid vehicles (PHEVs), and pure battery electric vehicles, plus a category that encompasses vehicles sold with a mix of powertrain options. We define a "product" as a model year of a specific vehicle make and model and treat its age as the difference between the year of its registration and its model year. All products are uniquely matched to one of the four powertrain categories. Borrowing from the epidemiology literature, the paper introduces a novel measure of the market's depth that approximates the percentage of new vehicles in our panel that have ever been sold to the resale market. We refer to this measure as a product's used prevalence ratio (UPR).

Using the UPR and vehicle characteristics derived from our panel, we document that BEVs are absorbed into the resale market at the slowest rate compared to all other powertrain types. We also observe that BEVs exhibit significantly fewer vehicle miles traveled (VMT) than other vehicles at similar ages.

We then connect these features of the used vehicle market, employing Pseudo Poisson Maximum Likelihood (PPML) estimators, to model the count of used vehicle registrations across all powertrain technologies. Our results uncover significant differences between BEV and ICE vehicles in how utilization, as measured by VMT, leads to these types of vehicles being resold. By way of an exercise that equalizes average VMT for ICE vehicles and BEVs, we show that the difference in utilization (both in terms of different levels of utilization and different impacts of utilization on the resale market) can explain up to 45 percent of the differential rates of transition from new to used vehicle status we observe between these two types of products.

This paper contributes to a broad literature on resale markets for durable goods (Schiraldi, 2011; Busse et al, 2012; Jacobsen & van Benthem, 2015; Gillingham et al, 2022). In addition, the question of BEV usage is very much an area of active research. Several surveys from California suggest that BEVs are driven just as intensely as vehicles with other powertrains (Hardman et al, 2018). Doshi & Metcalf (2023) suggest that pure electric vehicles with large battery range are driven just as much as ICE vehicles, however their data relies mostly on self-reported driving distances. Others have, *like us*, found BEVs to be driven significantly less so, e.g., as little as half as many miles per year as gasoline vehicles (Davis, 2019; Burlig et al, 2021; Muehlegger & Rapson, 2021, and Zhao et al, 2023). Our work also builds upon a growing literature that estimates the demand for BEVs: It has examined, among other things, the role of public charging infrastructure (Sinyashin 2021, Springel 2021), home charging availability (Davis 2022), and financial incentives on electric vehicle adoption (Muehlegger & Rapson, 2018; Armitage & Pinter, 2022). This paper, however, is most analogous in spirit to Gillingham et al (2023), who examine attributes of electric vehicles with respect to *new* sales in the U.S. between 2014 and 2020 using similar microdata on vehicle registrations.

The remainder of the paper proceeds as follows: In Section 1, we describe the vehicle registration database. In Section 2, we describe our approach to modeling the used vehicle market, introducing the used prevalence ratio, our metric for measuring the market. Section 3 presents our empirical analysis, including our decomposition exercises and robustness checks. We conclude with policy implications in Section 4.

1. U.S. Vehicle Registration Data

Below, we describe the panel of new and used vehicle registrations from which our analysis of the depth of the resale market for battery electric vehicles is derived.

a. Data Sources, Restrictions, and Matching

We utilize data from two sources: Experian Automotive's AutoCount database and the Wards Intelligence data center. Experian Automotive's AutoCount data includes microdata on the universe of non-fleet vehicle registrations in the U.S., sourced from state-level Department of Motor Vehicle (DMV) title and registration data. From AutoCount, we obtain data on the make (e.g., Chevrolet), model (e.g., Blazer), model year, odometer reading, registration date (month-year), whether the registered vehicle is new or used, and owner zip code of all vehicles registered to a new owner from MY2010 to MY2022. The resulting dataset comprises observations with registration dates that range from January 2009 to December 2022. A vehicle is reported in the AutoCount data only when it is added to a state's registration data. That happens when a new vehicle is being registered for the first time for an individual, or, as a used transaction, when the registration represents new ownership from the prior registration after the latest sale of the vehicle. Refinances are not captured in the data. Although sourced from registrations and titles, the data are designed to measure sales. (see Auto Market Reporting - Formerly AutoCount | Experian Automotive) We begin the sample with model year 2010 to anchor the analysis to the beginning of BEV sales in the U.S.[3] Wards Intelligence provides data on total sales of new vehicles by product (make-model-model year), powertrain, and segment. We match Wards Intelligence data with the AutoCount registration data to obtain information on a product's powertrain (e.g., gasoline, electric, hybrid, etc.) and segment group (e.g., large Cross-over Utility Vehicle, or CUV) for the registration data.

[3] The first U.S.-produced BEV of the modern era was GM's EV1. It was produced from 1996 to 1999 and made available via lease in only a very small region of the U.S. market. It is therefore not included in the analysis of this paper. Mass-produced BEVs came to market in the late 2000s with the 2008 Tesla Roadster and the 2010 Nissan Leaf. We start our analysis with MY 2010, which includes the first sales of the Nissan Leaf. For reference, while the Tesla Roadster started selling in 2008, fewer than 1,400 units of that model had been sold by the time production stopped in 2011.

The vehicle registration in AutoCount, covering MY2010 to MY2022, represent 289,480,798 registrations. We matched those with the Wards Intelligence data by product. The match rate between AutoCount and Wards Intelligence is approximately 96%, with the majority of registrations representing ICE vehicles. The match rate split out by powertrain type is reported in Table 1. We define the powertrain buckets in the next section.

[Table 1]

b. Panel Creation

The registration data provided by AutoCount does not come with VIN numbers. As a result, we cannot track a unique vehicle from owner to owner. Instead, we collapse our data of 278,979,072 matched registrations into a panel such that an observation is a product-age. A product is defined as a vehicle make-model-model year, and age is defined as the difference between year (of registration) t and model year v. Note that it is possible for age to be negative as "new car" model years are not necessarily in sync with calendar years. Manufacturers sometimes introduce new model year vehicles in the calendar year prior. As an example, a MY2023 vehicle could be sold and registered in March 2022. Note that since this paper focuses on used vehicle registrations, negative product ages will be quite rare: few consumers will purchase a brand-new vehicle and immediately turn it over to resale.

While the registration data is collected at a monthly frequency, we aggregate it to an annual frequency due to potential lags in the registration data. In particular, used vehicles are not necessarily registered in the month when they are purchased as most states give purchasers a short window before registration is required. We also aggregate the data to the national level, assuming that the market for used vehicles is nationally integrated. We calculate several properties for each product at a given age: the total number of new registrations, the total number of used registrations, and the mean of the odometer readings[4] for both new and used registrations. We also include information on a product's segment and powertrain, both of which are fixed across time.

For our analysis we define three mutually exclusive buckets by powertrain (ICE, hybrids, and BEVs), as well as one mixed bucket. Each product is uniquely assigned to one of these four categories. The ICE bucket is comprised of products that run on gasoline, diesel, or natural gas. The BEV bucket is made up of products that run exclusively on electricity. The hybrid bucket contains products that have both an internal combustion engine and an electric motor, including those that are classified as either conventional hybrids or plug-in hybrids. Finally, the mixed bucket contains products that are offered with a mix of power types (i.e., the 2012 Ford Escape offered both gasoline and hybrid versions; note that the registration data does not allow us to distinguish between the two). Table 2 summarizes the registration and product-age total observations and shares of observations in our dataset by bucket. The ICE and mixed buckets dominate across (new and used) registrations and product-age observations. Using detailed new sales data from Wards Intelligence, we find that most individual vehicles in the mixed bucket feature internal combustion engines (nearly 95%) although they were offered with multiple powertrain technology options. In addition, the share of BEVs that are classified in the mixed powertrain bucket is trivial -- less than 0.2% of the vehicles in the mixed bucket are BEVs over our period of interest. The second powertrain offering is most commonly hybrid. See Appendix B for a

[4] Note that the only data cleaning we perform prior to collapsing the matched registrations into a panel relates to the odometer readings of the 278,979,072 matched registrations. Some (new and used) registrations had unrealistically high odometer readings (999,999 miles for example). To address these outlier issues, we set all odometer readings greater than the 99.9th percentile to missing for both new and used registrations. AutoCount reports odometer readings based on the mandatory disclosures that accompany title transfers.

more detailed analysis of the composition of the mixed powertrain bucket by sales volume.

[Table 2]

Products are also assigned to a "segment", a type of automotive classification used by Wards Intelligence that categorizes vehicles according to size, purpose, and performance. In total, there are 27 segments. An example of a segment is a "small Crossover Utility Vehicle (CUV)". Segments are nearly always fixed for a model year. Occasionally a carmaker implements a mid-model-year changeover to a different segment for a specific product. For instance, the 2021 Hyundai Tucson covers two segments: Small CUV, and Middle CUV. In our data, we label the segment variable as "missing" for products which were produced in more than one segment. Note that this is a rare occurrence, representing less than 1% of all new and used registrations combined. To find a tabulation of registrations by segments, refer to Table 3.

[Table 3]

c. Heterogeneity of Used Registration Counts

To get a sense of the used registration counts in our panel framework, and the heterogeneity that exists for this measure across several dimensions, we start the analysis with Figure 1.

[Figure 1 here]

Figure 1 reports two statistics for used registrations by powertrain bucket, across age: (1) the total used registration counts, pooled across all products, in Panel A and the (2) mean used registration counts, by product, in Panel B. Focusing on Panel A, we first see that ICE products dominate across all ages in terms of total pooled used registrations. At age 3, there are over twice as many used ICE registrations as there are mixed registrations, and multiples more of both ICE and mixed used registrations than of the other two powertrain buckets. Another important feature is that each of the lines follows the same pattern: between ages 0 and 3 the pooled used registrations are strictly increasing across all powertrain buckets, with the maximum count reached at age 3. Starting at the age of 4, the pooled used registration counts strictly decrease. Given the sum of used registrations by powertrain bucket reported in column 2 of Table 2, it is not surprising that ICE dominates on this dimension across all ages.

Note that the pattern of the lines in Figure 1 Panel A is due to both market dynamics and data structure. Regarding market dynamics, products of age 2-4 are often quoted as representing the "sweet spot" for buying used vehicles since late-model used cars tend to have lower mileage and retain some of their "new vehicle" qualities. The structure of our data shapes Figure 1 Panel A in the following way: we are only looking at products representing MY2010-MY2022, registered between calendar years 2009 and 2022. As the MY of a given product increases, the maximum age it can achieve within our data decreases. Hence, the number of unique products at each age decreases with age. As a result, the decline in registrations after age three is partly a function of declining observations and partly a function of the unbalanced nature of our panel. However, the general pattern of increasing registrations through age three and declining registrations subsequently also exists if we look within product or by registration year (as will be shown in Figure 2A) or model year.

Panel B of Figure 1 reports the mean used registration counts across all products by age and powertrain bucket. Compared to Panel A, Panel B shows that mixed products have on average more used registrations than any other powertrain bucket. As a matter of fact, the mean used registrations for mixed products at age

3 is over twice the size of the same measure for ICE products at age 3. Why is this the case? The reason is that mixed products represent high volume vehicles.[5] From an economic perspective, manufacturers want to pair multiple powertrain options to vehicles they are confident will sell many units. That explains why we disproportionately see high-volume products in the mixed category including models such as the 2018 Toyota RAV4 and the 2012 Honda Civic. It is also notable in Figure 1 Panel B that the mean number of hybrid registrations shoot up in the later years of our panel. This is an informative result also highlighting the unbalanced panel structure of the data. For a 12-year-old product to be in our data, it would need to be Model Year 2010 registered in 2022. There are only two such vehicles in our data, one of which is the 2010 Toyota Prius which was sold in large quantities.

Of course, heterogeneity exists along several other dimensions. We can see this by looking at the mean used registration counts of the products in our dataset by age across other dimensions. Figure 2 reports mean registration counts for three other dimensions relevant to our analysis: by year of registration, vehicle segment, and vehicle make. Note that Panel A consists of all years of registrations in our dataset, but Panel B and C only include 4 selected segments and makes, respectively, to make the graphs more readable. There are a few key takeaway from these figures: first, from panel A, the age patterns by registration year are fairly similar, but there are some differences especially at older ages; second, segments and makes exhibit different patterns indicating that heterogeneity across these dimensions must be taken into account in our formal analysis if we want to isolate the impact of powertrain on the used vehicle market. To see the pooled

[5] For example, in model year 2016, the mixed bucket includes half of the 10 best-selling products (w the exception of full-size pick-up trucks) even though mixed product registrations comprise less than 30% of all new product registrations.

used registration counts across these three dimensions, refer to Appendix A, Figure A1.

[Figure 2 here]

d. Vehicle Miles Traveled

There is active debate amongst researchers as to whether BEVs are driven as much as vehicles of other powertrains. The reason this is the case is that vehicle miles traveled are rarely reported in large data sets. This paper contributes by utilizing the odometer reading information we observe for each registration in the AutoCount dataset. Odometer disclosures are a federally and state required part of the vehicle transfer process. We suggest it represents a good indicator of vehicle usage as it is an administrative measure of the odometer reading of each vehicle at the time of its registration, by a new owner. In addition, our data is comprehensive. In our panel framework we measure vehicle usage by the mean odometer reading of all used registrations of each product-age observation in our dataset. We refer to this measure as vehicle miles traveled (VMT).

At this point in our analysis, we drop observations from Model Year 2010 because Model Year 2010 and older vehicles were not required to report odometer readings after 10 years – so for the last two years of our sample. For Model Year 2011 and later, 20 years of odometer reporting is required. (NTHSA 2020). This causes our product age observations to drop by 13% to 22,372. Figure 3 plots the average VMT of all products in the dataset by age and powertrain bucket. One fact that immediately jumps out is that the average VMT for BEVs is significantly lower across all vehicle ages. Furthermore, BEVs are found to be the only outlier in this exercise as the average VMT for ICE, hybrid, and mixed registrations map remarkably close to one another, suggesting usage across these three powertrain categories does not vary materially at the national level (see also Zhao, 2023, one of the few related papers that also has access to a very large set of observations). To see the average VMT for each powertrain bucket weighted by used registrations, refer to Appendix A. Note that we do not observe the odometer readings of vehicles that never change hands after initial sale to the first owner. Given the fact that resale decision and mileage likely correlate, we conduct a lower bound estimate of our VMT measure in Appendix C. That exercise assumes that subset of vehicles is driven at the same rate as those we observe in the used vehicle status; it does not change our observation about the differences in VMTs across powertrain categories.

[Figure 3]

The rest of this paper will focus on further exploring the used BEV market and seeking to understand the role of the variation in VMT across powertrain buckets. We are interested in identifying how it impacts the transition to the used vehicle state for BEVs. In the next section, we introduce a novel measure for the depth of the auto resale market, the used prevalence ratio. We then introduce more formal econometric methods to the analysis.

2. Measuring Used Vehicle Market Depth: The Used Prevalence Ratio

To measure the depth of the used vehicle market we adapt a measure from the epidemiology literature (U.S. Department of Health and Human Services, 2006, p. 3-16). *Point prevalence* in epidemiology refers to the proportion of a population that exhibits a given characteristic at a specific point in time. We measure the depth of the used vehicle market in a similar manner. For a given category (where a category can be a product, powertrain type, or even the whole market), this involves calculating two objects: 1) the cumulative number of used registrations of category c at age a, and 2) the total number of new registrations of that category across our entire sample period.

We refer to this novel measure of market depth as the used prevalence ratio (UPR), defined as

$$(1)\ UPR_{c,a} = \left(\frac{\sum_a ur_{c,a}}{tnr_c} \middle| \, a = t - v \right)$$

where $\sum_a ur_{c,a}$ is the cumulative number of used registrations of category c at age a (defined as year of registration, t, less model year, v), and tnr_c is the total number of new registrations ever in our sample for category c. The UPR is approximately equivalent to the percentage of new vehicles in a category for a given age that have transitioned to the used vehicle market. The numerator is constructed directly from the used registration counts discussed in Section 2b and 2c. The denominator allows us to represent the whole of the new market for a category.

Defining used vehicle markets in these ratio terms allows us to directly compare them regardless of volume, something that we would not be able to do when strictly comparing used registration counts. Note, importantly, that our definition allows for the possibility that the UPR surpasses 1. This is because we cannot restrict the sample to only include the first sale of a vehicle into the used market as AutoCount does not include any information regarding a vehicle's VIN. As a result, the same vehicle can be registered as used more than once in our data. In other words, we cannot track whether a given used registration indicates the first time a vehicle changes owners from a new registration to a used registration, or if it transitions from one used registration to another.

Figure 4 demonstrates the flexibility that the UPR measure offers, given our data constraints. Panel A plots the UPR for the entire market (i.e., all products). It provides an approximate estimate of the percentage of all new vehicles in our dataset that have been sold to the used market. Early in the market's lifecycle, particularly between ages 0 to 3, the UPR grows rapidly (consistent with figure 1). As the products get older, this ratio levels off after age 3, eventually approaching a value slightly below 1. This slowdown in the resale market for older vehicles can be due to several reasons, including declining interest in older vehicles and the fact that vehicles are exiting the dataset, for example through scrappage or exportation. Note, however, that we cannot directly observe if or why a vehicle exits the dataset, since we do not have access to vehicle identifiers.

[Figure 4]

Panel B of Figure 4 plots the UPR by powertrain technology. It illustrates the primary motivation for this paper: the finding that the UPR of BEVs is substantially lower than that for either the ICE, mixed, or hybrid products over the entire age cycle. By age 10, only approximately 20% of BEVs have been sold to the used market, while the ratio at the same age is about 60% for hybrid, 80% for mixed, and just below 90% for ICE products. Panel B of Figure 4 suggest noticeable differences for the resale market for BEVs. While we do not attempt to capture these in a structural model, we do attempt to analyze them below in a reduced-form statistical model. We use that model to better quantify the differences that exist in the resale market for BEV and other vehicle types. This modeling has two goals: first, to describe the data in a context where we can examine the linkage between the UPR and powertrain while controlling for other vehicle attributes and second, to be able to use the model to decompose how much of the gap in Figure 4 can be explained by the differences in VMT. This modeling is meant to be descriptive rather than causal in that we are seeking to develop a statistical model that describes the market that we can then use to evaluate our decomposition, assuming other market features are unchanged.

Underlying our UPR measure is count data. As explained above, the UPR is constructed by simply translating this count data into a ratio. In the next section, we will introduce Pseudo Poisson Maximum Likelihood Models (PPML) to estimate the used registration counts of all the product-age observations in our panel. We subsequently use the model coefficients to generate predicted used registration counts for all observations in the analysis sample. Utilizing these predicted used registration counts, we construct a predicted UPR by powertrain type to see how well our statistical models fit the real data. Finally, we conduct an exercise to see how the UPR would be impacted if BEVs were driven just as much as ICE vehicles. This allows us to estimate the extent to which differences in vehicle usage between the two product types can explain the gap in Figure 4, panel B.

3. Empirical Analysis: Modeling Used Vehicle Counts & VMT decomposition

Next, we describe the statistical models used to capture the empirical regularities of the UPR and conduct synthetic inference based on differences in usage across BEVs and ICE vehicles.

a. Baseline to Preferred Specification

We begin by modelling the relationship between powertrain technology and used vehicle registration counts for all product-age observations in our dataset. Specifically, we propose the following baseline specification to model used registration counts, y, for product p at age a:

$$(2)\ y_{p,a} = \exp[\beta powertrain_p + \vartheta_{m(p)\times a} + \varphi_{s(p)\times a} + \gamma_{y(p)\times a}] \cdot \varepsilon_{p,a}$$

The functional form above is motivated by the fact that our outcome measure, used vehicle registrations, is a count variable. Previous literature has highlighted the importance of using Poisson regressions when analyzing count-variable outcomes (Cohn et al, 2022). The variable of interest, $powertrain_p$, is a categorical variable indicating if a given product is ICE, mixed, hybrid, or BEV. In the estimation of equation (2), we make ICE the base level for purposes of comparison.

We also include in equation (2) a number of two-way fixed effects to control for categorical and time-varying heterogeneity in used vehicle registration counts: $\vartheta_{m(p) \times a}$ are vehicle make (of product p) × age fixed effects, $\varphi_{s(p) \times a}$ are vehicle segment (of product p) × age fixed effects, and $\gamma_{y(p) \times a}$ are year of registration × age fixed effects.[6] These fixed effects ensure that our relationship of interest, β, is not impacted by differing used vehicle market behavior across vehicle make, vehicle segment, and the year in which the vehicle was registered over all ages in our sample. We estimate the fixed effects Poisson regression implied by equation (2) with the Pseudo Poisson Maximum Likelihood (PPML) procedure of Correia et al (2020) with heteroskedastic robust standard errors.

Our preferred model specification deviates slightly from above as summarized by the equation:

$$(3)\ y_{p,a} = \exp[\beta powertrain_p \times (1 + \alpha VMT_{p,a} + \varphi total\ new_p) + \vartheta_{m(p) \times a} + \varphi_{s(p) \times a} + \gamma_{y(p) \times a}] \cdot \varepsilon_{p,a}$$

The difference between equation (2) and equation (3) is that we include two interactions in the latter: (i) the vehicle miles traveled measure of product p at age a, $VMT_{p,a}$, interacted with $powertrain_p$, and (ii) the total number of new

[6] Note that we cannot include model year-age fixed effects because we already include age and year fixed effects. Two of the three time-dimensions (model year, age, and year of registration) determine the last.

registrations in our sample for product p, $total\ new_p$, interacted with $powertrain_p$. Controlling for VMT and the total number of new registrations ever are important as we expect both variables to positively correlate with used vehicle registration counts. The more usage a product gets, the higher the likelihood is it will get sold in the resale market. Likewise, the higher volume a product represents, the more likely it will have higher used registration counts. These effects, however, cannot be appropriately identified if they are not constant across powertrain types. As such, we interact these two variables with powertrain allowing for differential effects and estimate equation (3) with the PPML procedure and heteroskedastic robust standard errors.

Column 1 of Table 4 Panel A reports the baseline specification of our model; ICE is the omitted category. All relevant coefficients on the powertrain types are statistically significant at the $p < 0.01$ level. Products assigned to the BEV category are expected to have -1.571 less used registrations in log counts than ICE products at a given age, controlling for make, segment, and registration year but notably not controlling for either VMT or number of new vehicles ever registered. This is essentially recreating the information in Figure 1B with additional controls for age by segment, registration year and make. Products assigned to the hybrid powertrain type also have fewer used registrations in log counts than ICE products, an estimated 1.352 fewer. Finally, products assigned to the mixed powertrain type are expected to have about 0.345 more used registrations in log counts than ICE products.

In Column 2 we add VMT and total new vehicles of the product ever registered. As expected, higher VMT is correlated with higher used registration counts as is the higher stock of new vehicles of a product. The pattern for powertrain type persists, although the magnitude moderates slightly, indicating that differences in new counts and VMT do not fully explain the gaps in used registration across powertrains.

[Table 4]

In column 5 of Table 4 Panel A we report the coefficients of our preferred specification. The coefficients on the powertrain types all remain statistically significant at the $p < 0.01$ level in this specification and have approximately the same magnitude as column 1. Similarly, all the coefficients on VMT interactions are significant at the $p < 0.01$ level in this specification, but the coefficient for BEVs is much larger than for the other powertrain types. This indicates that the model is better specified when including these interactions. All else equal, an additional VMT of 10,000 miles for a BEV product is expected to produce 0.323 more used registrations, on average, in log counts.[7]

This difference is significant for understanding the BEV market relative to the market for other powertrain types. It indicates, for instance, that as VMT increases, there is a higher marginal propensity for a BEV product to be sold to the used market than for a product in any of the other powertrain categories. Figure 5 illustrates the marginal effects of increasing VMTs in 10,000 increments. That figure accounts for the level shift observed for different powertrain types, most notably the positive shift for products in the mixed bucket (as indicated in Table 4 by the large coefficient associated with the mixed bucket).[8] At high enough levels of VMT, this marginal effect even becomes large enough to offset

[7] Note that the difference in the slopes for the powertrain and VMT interactions are all significantly different from one another. We report Wald test results that show this in Table 4b.
[8] As discussed on p. 9, products placed in the mixed bucket feature larger production (and sales) volumes that the average product. Hence, we consider them to be among the most “liquid” products.

and potentially counteract whatever the reasons for why BEVs on average transition less frequently to the resale market than any other powertrain type.

[Figure 5]

We also find differential effects across powertrains when looking at the interactions between powertrain and total new registrations. For example, conditional on an additional 10,000 total new registrations of a product, BEVs are expected to have, on average, 0.061 additional used registrations, and Hybrid products feature 0.144 additional registrations compared to ICE products, both in log counts (see column 5 in Table 4).[9] This highlights that the used market for BEVs is different across a variety of dimensions. The remainder of Table 4 Panel A decomposes the differences between our baseline and preferred model specifications. In these models, we allow either VMT (column 4) or total new registrations (column 3) to explain the used registration counts of all powertrain types equally without making allowance for the marginal differences across powertrains in our preferred specification.[10]

b. Model Fit to Used Prevalence Ratio

With the estimated coefficients from Table 4 Panel A, we can reconstruct the UPR measure by powertrain type. To do this, we use the coefficients to predict the used registration counts for each product-age observation in the analysis sample. From here, we aggregate these to reconstruct the UPR for each

[9] All of the differences between powertrain types are statistically different from one another here as well, as confirmed by the Wald tests shown in Table 4b.
[10] See Appendix TA1and FA1 for estimation results of the short sample of our data, covering the years 2016-2022. We conduct that exercise to check if the rather rapid technological progress experienced by BEV products in our data set is impacting the overall findings. All our results shown in Table 4 and Figure 5 go through for the short sample (see Table A1 and Figure A3). Note that the marginal effects of VMTs for BEVs at the right-hand side of the utilization scale are a bit larger in the shorter sample.

powertrain technology to see how well our statistical models can approximate the behavior of the real data. For this exercise, we focus on our preferred specification, shown in column 5 of Table 4 Panel A, henceforth referred to as model 5. Given the importance of the differential effects that we find across powertrain technologies for both of number of new registrations and VMT, we suggest that this is the best comparison to discuss.

Figure 6 displays the fit of model 5 to the UPR data by powertrain type. Note that this prediction includes both the linear predictions and the 95% confidence interval bands. Model 5 fits the ICE and mixed UPR almost perfectly. Given the large number of registrations within each of these types, this is not surprising. It also fits the BEV and hybrid data very well. While the differential slopes in VMT and total new registrations allowed for in Model 5 calibrate to the data rather well, it turns out that all of our models do a rather good job of fitting the real data; however, Model 5 is our preferred choice.

[Figure 6]

c. VMT decomposition

Having shown that our statistical models fit the UPR by powertrain data rather well, we next construct an exercise in which we allow BEV products to be driven at the same level, on average, as ICE products. To do this, we impute a synthetic VMT for each BEV product-age by assigning it the average VMT by age of ICE products in our analysis sample. This ensures that the ICE and a synthetic BEV line in Figure 3 would be perfectly aligned. We then utilize the coefficients from the models in Table 4 Panel A to predict an imputed UPR for the BEV products. This exercise allows us to see what the UPR would look like if BEVs were utilized at the same rate as ICE vehicles.

Note, however, that this exercise represents a rather extreme shock to the VMT for BEV products in our dataset, as it *equilibrates* ICE and BEV usage at each vehicle age. It is possible that a change of this scale could in fact also influence the BEV coefficients we report in Table 4 Panel A by vastly changing the market environment. We keep that in mind when we interpret the results of our exercise below, essentially interpreting them as potential upper bounds on the responses that are likely to result from such a shift in utilization patterns by BEV owners.

Figure 7 displays the results of this exercise when using the coefficients for Model 5. Because this includes both the VMT level and the VMT-powertrain interactions, the exercise allows for differences in utilization both on average across all vehicles and on the margin across the four powertrain types to impact the market. Panel A displays the UPR over age by powertrain bucket for Model 5 including the "BEV synthetic" based on the imputed VMT. The left side of Panel B reports for each age the percentage difference in UPR between the BEV and ICE line, as explained by VMT. This is calculated by subtracting the actual BEV UPR from the synthetic BEV UPR and dividing this difference by the gap between the ICE and BEV UPR. For example, at age 1, VMT accounts for approximately 13% of the difference in UPR. By age 10 we see a marked increase: 48% of the difference can be explained by VMT. The right side of Panel B calculates the share of the gap between BEV and hybrid UPRs that would be explained using the synthetic (ICE-based) VMT. So how much of the gap between BEV and hybrid UPRs would be explained if BEVs were driven as much as ICE vehicles? Using ICE-VMTs would explain up to 84% of the gap between BEV and hybrid UPRs. Note that hybrids and ICE vehicles have similar VMTs at every age (as shown in Figure 3) so assigning hybrid VMTs to BEVs rather than ICE VMTs would yield a similar result.

[Figure 7]

The result from model 5 utilizing the VMT decomposition suggests a strong role for the differences in VMT as they can explain up to 48% of the difference in the UPR between BEVs and ICE vehicles and 84% of the UPR between BEVs and Hybrids.[11]

The keys to this finding are the differential effects in how VMT leads to transitions into the used market across the powertrain types, reflected in the differential coefficients in Table 4 Panel A that allow us to preserve the unique features of BEV owner behavior in our exercise. We suggest that the dramatic increase in UPR in the model 5 utilizing the VMT decomposition provides an upper bound for the behavioral response to the BEV usage shock that we impute. It is likely that such a shock would, itself, cause BEV owners and the used BEV market to behave in a manner more consistent with ICE owners and the ICE market and therefore alter the parameters of model 5. Another notable feature of Figure 7 Panel B is the fact that an increasing share of the gap in the UPR is explained as vehicle age increases. This could be an artifact of both vehicle age and the set of products that we observe at each age. The younger ages include the later model year products which also reflect improving technology. To investigate this further we redo our analysis with a sample of later model year vehicles, covering model years 2016-2022. See Appendix Figures A4 and A5 for the fit and VMT decomposition results. We find that our model 5 also provides a very good fit to the data for the short sample. Imputing ICE VMTs for BEVs explains a similar share of the transition to used status for that vehicle type as in the full

[11] Note that implementing this VMT decomposition for BEVs nearly eliminates the entire difference in the UPR between **BEVs** and **Hybrid** vehicles, which don't face adoption hurdles related to range anxiety. Also note that according to the data the hybrid UPR is noticeably lower than that of ICE vehicles (see Figures 4 panel B), pointing to the role of other factors in explaining the remaining gap, such as early adoption behavior among users.

sample (compare Panel B of Figure A5 with Panel B, left-hand-side, of Figure 7). The impact occurs at a slightly faster pace for years 3-6.

4. Summary

In utilizing comprehensive vehicle registration data this paper demonstrates that BEVs are driven noticeably less than vehicles featuring other powertrain technologies. The data also show that BEVs transition from new to used status at a much lower rate. In utilizing statistical models designed to explain used registration counts, we discovered that the differences in the utilization rate of BEVs can explain in part the rate at which these vehicles are resold. Through a VMT decomposition exercise that equilibrates BEV and ICE-vehicle levels of utilization, we estimate that the differences in their utilization patterns can explain up to 48 percent of the difference in the depth of the used vehicle market for BEVs relative to ICE vehicles and up to 84% of the difference between the depth of the used market for BEVs relative to hybrids.

The used vehicle market represents an important transmission mechanism for adoption of BEV technology by the car-buying public. Given the policy push for wider adoption of BEVs, our findings highlight the importance of BEV usage as one factor supporting the impact of the used vehicle market in this context. In addition, it seems that public investments that facilitated increased usage such as additional charging infrastructure would lead to increased activity in the resale market based on our stylized model. Potential network effects of this kind exploit the historical link between public infrastructure and productivity. See for example Fernald (1999), who highlights how the development of the interstate highway system disproportionately affected productivity growth in U.S. industries with more vehicles.

Observations from markets outside of the U.S. illustrate how public investments in charging infrastructure support acceptance of the new technology by consumers. In Norway, for example, electric vehicles accounted for 79% of new passenger vehicles sold in 2022. Like the U.S., Norway offers several tax incentives that make purchasing electric vehicles more financially attractive. However, the Norwegian government has also heavily invested in electric vehicle infrastructure: subsidies are offered to housing associations that purchase and install electric charging stations, and the government has committed to establishing municipal fast charging stations every 50 km (Clynes, 2022). Our results suggest that such investments in the U.S. may be necessary to support the broader utilization and adoption of BEVs through the used vehicle market.

While usage is important in explaining why new BEVs are absorbed into the resale market at a much slower rate than ICE vehicles, our results suggest that more than half of the difference in absorption rates between these two vehicle types is beyond the scope of factors driving usage differences alone. In that regard, it is worth mentioning that our upper bound estimate suggests that the simulated positive shock to VMT would make BEV absorption into the resale market become more similar to that of hybrid vehicles. Note that hybrids are also absorbed into the used market at a noticeably slower rate than ICE vehicles, even though range anxiety is not an issue with hybrid propulsion technology, and VMTs for hybrid products are nearly identical to those of products in the ICE bucket. Related literature suggests a possible role for characteristics of the owners of products featuring green technology, such as hybrids and BEVs, in explaining why they are not turned into used vehicles nearly as quickly as ICE products (see for example Buhmann and Criado, 2033). This is a question that we leave for future research to address.

Data availability statement

The data utilized in this paper were acquired via a subscription. Per the user agreement we cannot share the underlying data.

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6. Tables and Figures

Table 1. Match Rate between Wards Intelligence and Autocount Registration Data and shares of matched Data by Powertrain Bucket

Level	Observations	Matches (Match Rate)	ICE (Share)	Mixed (Share)	Hybrid (Share)	BEV (Share)
Registrations	289,480,798	278,979,072 (96.4%)	198,363,944 (71.1%)	75,162,809 (27.0%)	3,431,910 (1.2%)	2,020,409 (0.7%)

Note. The following table reports the match rate between data from Wards Intelligence data center and Experian's Autocount registration database. We wish to recover data on the powertrain technology and segment group of unique make-model-MY combinations from Wards. We match this information to the universe of nonfleet MY2010 to MY2022 vehicle registrations in Autocount. The Autocount database reports 289,480,798 registrations, and we match 96.4% of these registrations to the Wards data. Of the matched registrations, Columns (4) to (7) reports the number and share of registrations that make up each of four powertrain buckets.
Source: Wards Intelligence and Autocount

Table 2. Sum and Share of Product-Age Observations and the Registrations they Represent, by Powertrain Bucket

Bucket	New Registrations	Used Registrations	Product-Age	New Share %	Used Share %	Product-Age Share %
ICE	103,065,493	95,298,451	21,022	69.8	72.6	81.3
Mixed	40,920,154	34,242,655	3,689	27.7	26.1	14.3
Hybrid	2,082,797	1,349,113	697	1.4	1.0	2.7
BEV	1,667,704	352,705	442	1.1	0.3	1.7
Total	147,736,148	131,242,924	25,850	100	100	100

Note. The following table shows how our unit of observation (product-age) and the registrations these observations represent are distributed across the four powertrain buckets.
Source: Wards Intelligence and Autocount

Table 3. Number of Registrations and Product-Age Observations by Segment

Segment	New Registrations	Used Registrations	Product-Age
Missing	1,499,880	959,196	161
Lower Small Car	4,141,349	4,440,036	960
Upper Small Car	17,707,500	17,185,800	1,888
Small Specialty Car	930,648	951,030	857
Lower Middle Car	17,286,981	19,069,315	1,368
Upper Middle Car	2,426,343	2,527,287	880
Middle Specialty Car	2,065,463	2,612,521	505
Large Regular Car	1,600,153	3,574,742	561
Lower Luxury Car	5,725,830	5,804,438	1,844
Middle Luxury Car	1,781,909	2,111,408	1,311
Upper Luxury Car	747,216	643,262	1,054
Luxury Specialty Car	665,939	658,204	854
Luxury Sport Car	560,615	474,756	1,263
Small CUV	8,108,371	5,321,105	1,178
Middle CUV	29,452,490	21,323,500	2,226
Large CUV	4,769,386	3,517,553	608
Small Luxury CUV	911,176	716,051	352
Middle Luxury CUV	6,586,959	4,467,020	2,059
Large Luxury CUV	1,867,168	1,256,095	659
Small SUV	2,097,340	1,752,853	223
Middle SUV	5,325,913	4,547,989	585
Large SUV	2,448,302	2,792,715	737
Middle Luxury SUV	447,789	330,219	463
Large Luxury SUV	747,456	732,346	647
Small Van	4,120,895	4,409,547	905
Large Van	668,105	865,430	416
Small Pickup	4,567,398	2,684,262	564
Large Pickup	18,477,574	15,514,254	722
Total	147,736,148	131,242,924	25,850

Source: Wards Intelligence

Table 4. PPML Regression Analysis

Panel A: Coefficient Estimates of PPML Models, Used Registrations Counts as Outcome

	(1)	(2)	(3)	(4)	(5)
BEV	-1.571***	-1.146***	-1.869***	-1.090***	-1.808***
	(0.083)	(0.084)	(0.136)	(0.085)	(0.135)
Hybrid	-1.352***	-0.730***	-1.206***	-1.403***	-1.508***
	(0.072)	(0.051)	(0.086)	(0.045)	(0.062)
Mixed	0.345***	0.163***	0.095***	0.396***	0.301***
	(0.021)	(0.014)	(0.027)	(0.018)	(0.027)
VMT (10,000s)		0.206***	0.205***	0.202***	0.203***
		(0.022)	(0.022)	(0.021)	(0.021)
BEV x VMT			0.324***		0.323***
			(0.045)		(0.045)
Hybrid x VMT			0.107***		0.027***
			(0.014)		(0.010)
Mixed x VMT			0.015***		0.023***
			(0.005)		(0.004)
Total New (10,000s)		0.062***	0.062***	0.066***	0.066***
		(0.001)	(0.001)	(0.001)	(0.001)
BEV x Total New				0.064***	0.061***
				(0.023)	(0.022)
Hybrid x Total New				0.148***	0.144***
				(0.006)	(0.006)
Mixed x Total New				-0.013***	-0.014***
				(0.001)	(0.001)
Constant	9.247***	7.520***	7.523***	7.489***	7.482***
	(0.010)	(0.100)	(0.100)	(0.098)	(0.099)
Observations	21,481	21,481	21,481	21,481	21,481
Adjusted R-squared	0.742	0.870	0.870	0.875	0.875

Standard errors in parentheses

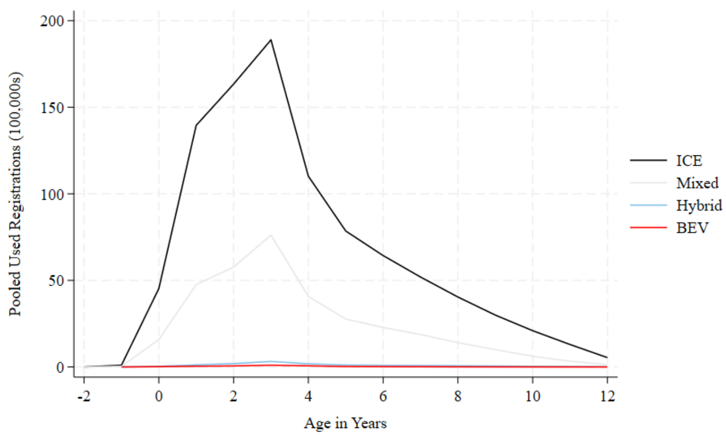
* $p < .1$, ** $p < .05$, *** $p < .01$

Panel B: Wald Test Results of Poisson Models' Coefficients, Prob. > Chi Square Reported

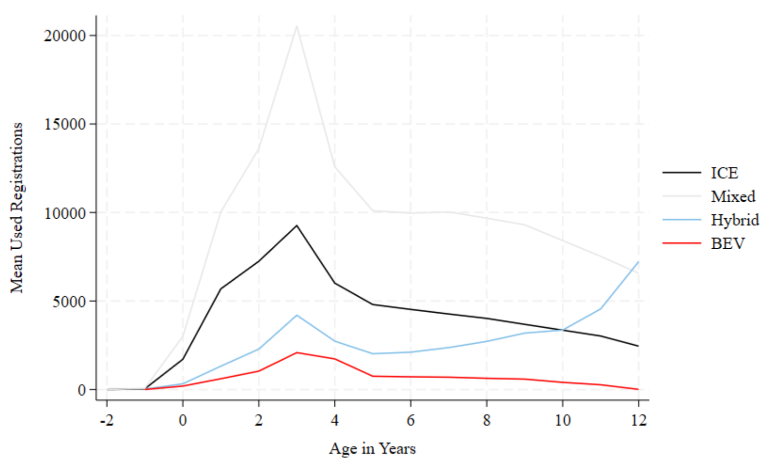
	Model (3)	Model (4)	Model (5)
Bucket x VMT All Equal	0.0000	-	0.0000
ICE x VMT = Mixed x VMT	0.0009	-	0.0000
BEV x VMT = Hybrid x VMT	0.0000	-	0.0000
Bucket x Total New All Equal	-	0.0000	0.0000
ICE x Total New = Mixed x Total New	-	0.0000	0.0000
BEV x Total New = Hybrid x Total New	-	0.0005	0.0003

Figure 1. Used Registrations by Powertrain Bucket

Panel A. Pooled Used Registration Counts over Age, by Powertrain Bucket



Panel B. Mean Used Registration Counts over Age, by Powertrain Bucket

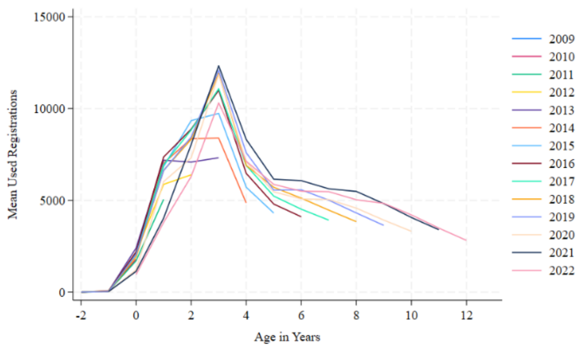


Note. Panel A takes the sum of used registrations by bucket across all ages in the panel. Panel B is the mean number of used registrations at the product level by bucket across all ages in the panel. On average, a mixed product has a higher number of used registrations than products in the other three powertrain buckets. In the aggregate, however, there are more ICE used registrations than mixed registrations. This is due to mixed products on balance representing high volume vehicles. There are also more ICE products than there are mixed products over all ages.

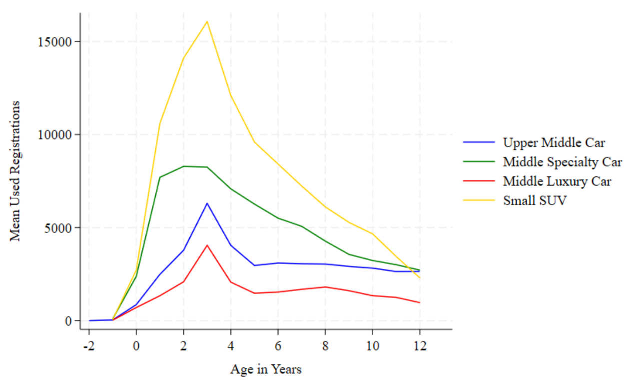
Source: Authors' calculations based on data from Wards Intelligence and Autocount

Figure 2. Used Registration Count Heterogeneity

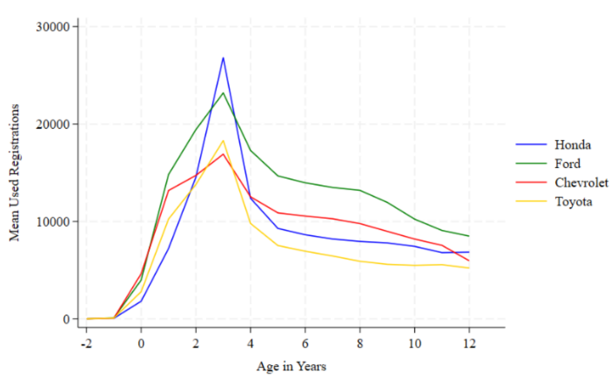
Panel A. Mean Used Registration Counts over Age, by Year of Registration



Panel B. Mean Used Registration Counts over Age, by Vehicle Segment



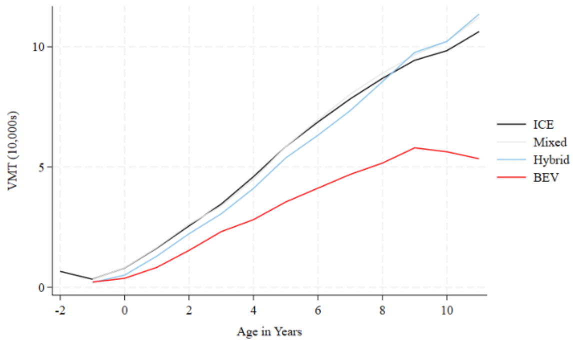
Panel C. Mean Used Registration Counts over Age, by Vehicle Make



Source: Authors' calculations based on data from Wards Intelligence and Autocount

Note. Each panel is the average number of used registrations at the product level by categorical group (year of registration, segment, or make) over age.

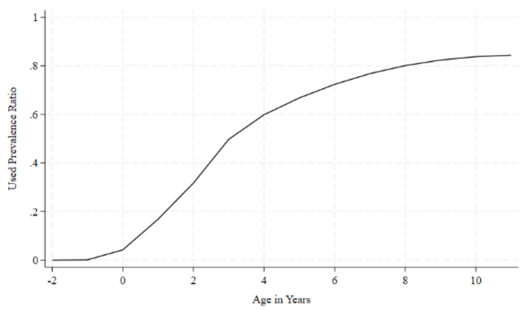
Figure 3. Mean Vehicle Miles Traveled over Age, by Powertrain Bucket



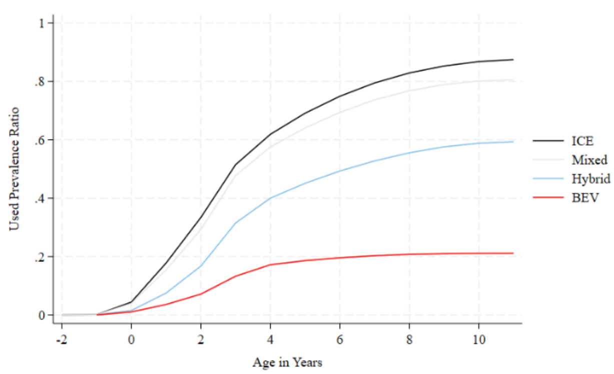
Source: Authors' calculations based on data from Wards Intelligence and Autocount

Figure 4. Used Prevalence Ratio

Panel A. Used Prevalence Ratio over Age, Entire Market

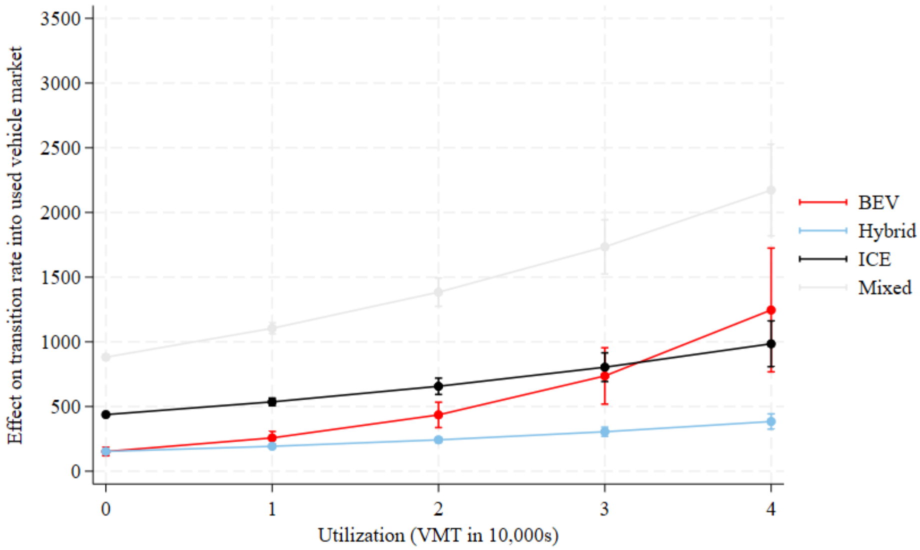


Panel B. Used Prevalence Ratio over Age, by Powertrain Bucket



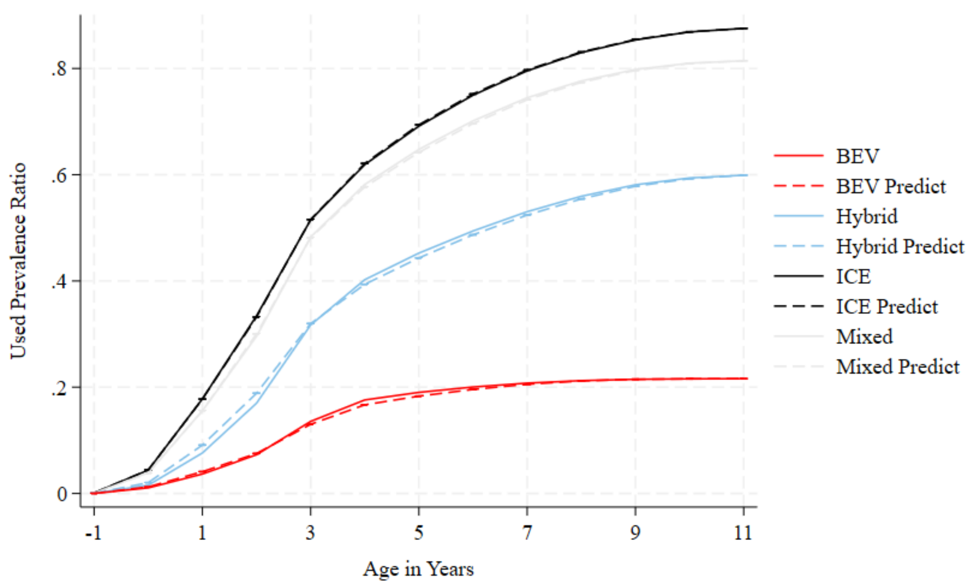
Note. Panel A is the pooled used prevalence ratio across all products in the dataset. We sum all used and new registrations by age and perform the calculation from Equation 1. Panel B performs the same calculation by summing all used and new registrations by age and powertrain bucket, and then performing the calculation from Equation 1. Source: Authors' calculations based on data from Wards Intelligence and Autocount

Figure 5. PPML Marginal Effects over VMT, Model 5



Source: Authors’ calculations based on data from Wards Intelligence and Autocount

Figure 6. PPML Fit to Used Prevalence Ratio over Age, Model 5 Fit

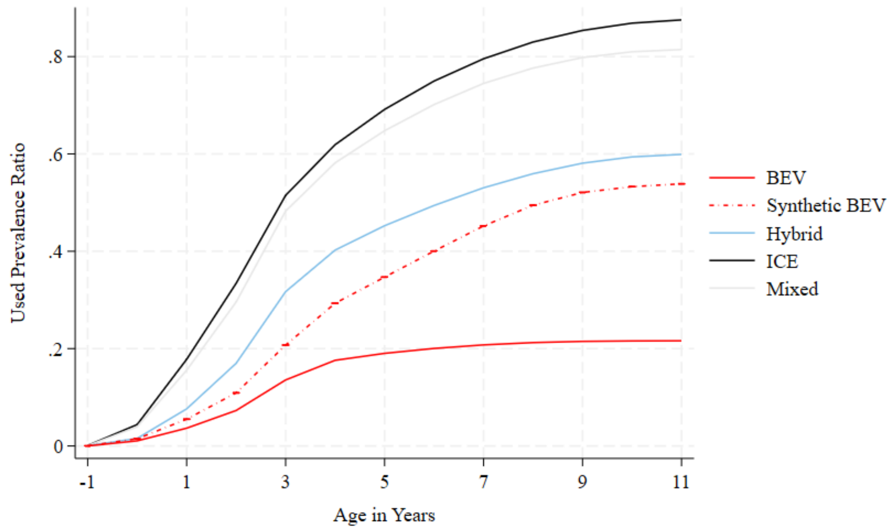


Note. The dashed lines report the predicted used prevalence ratios by powertrain bucket, with standard error bars at the 95% Confidence Interval, utilizing the coefficients from Model 5 (as reported in Table 4 Panel A). The solid lines report the used prevalence ratios of the real data. All lines contain only the data from the analysis sample in the PPML estimates (n = 21,481).

Source: Authors’ calculations based on data from Wards Intelligence and Autocount

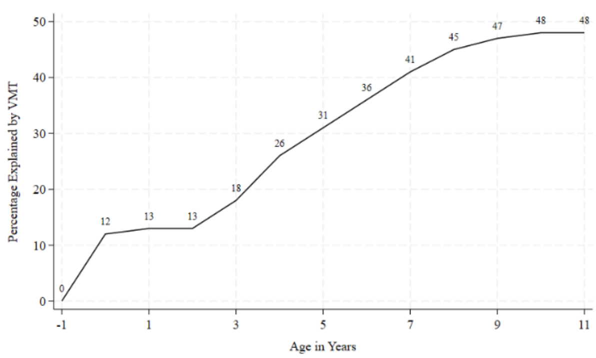
Figure 7. Used Prevalence Ratio over Age, by Powertrain Bucket, with Synthetic BEV

Panel A. Model 5 Estimates

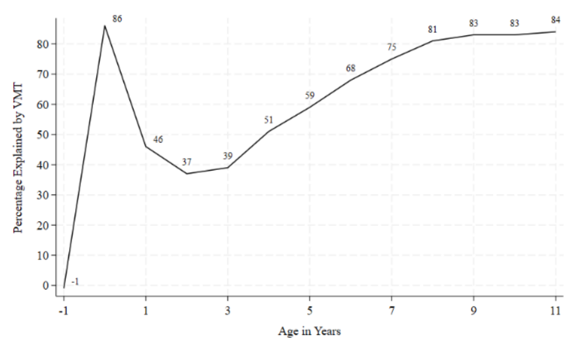


Panel B. Difference in UPR Explained by VMT:

BEV vs ICE



BEV vs Hybrid



Note. Panel A reports the real UPR by powertrain bucket measure for all four powertrain buckets. The synthetic BEV line is constructed by imputing the average ICE VMT to all BEV product-age observations, predicting the number of used registrations utilizing Model 5 from Table 4 Panel A, and reconstructing the UPR measure. The synthetic BEV contains both the point estimates as well as the 95% confidence interval bands. Panel B reports the percentage of the difference between the BEV and ICE [and Hybrid] UPR line explained by VMT. It is calculated by subtracting the actual BEV UPR from the synthetic BEV UPR and dividing this difference by the difference between the ICE [Hybrid] and BEV UPR.

Source: Authors' calculations based on data from Wards Intelligence and Autocount

Appendix A.

Table A1. PPML Regression Analysis, Model Years 2016-2022

Panel A: Coefficient Estimates of PPML Models, Used Registration Counts as Outcome

	(1)	(2)	(3)	(4)	(5)
BEV	-1.236***	-1.044***	-1.878***	-1.081***	-1.863***
	(0.118)	(0.117)	(0.192)	(0.116)	(0.182)
Hybrid	-1.790***	-1.108***	-1.540***	-1.600***	-1.965***
	(0.111)	(0.082)	(0.150)	(0.112)	(0.137)
Mixed	0.354***	0.203***	-0.027	0.328***	0.093*
	(0.036)	(0.022)	(0.049)	(0.030)	(0.050)
VMT (10,000s)		0.245***	0.244***	0.244***	0.243***
		(0.045)	(0.045)	(0.045)	(0.045)
BEV x VMT			0.456***		0.431***
			(0.093)		(0.088)
Hybrid x VMT			0.147***		0.127***
			(0.045)		(0.034)
Mixed x VMT			0.075***		0.078***
			(0.014)		(0.014)
Total New (10,000s)		0.059***	0.059***	0.062***	0.062***
		(0.001)	(0.001)	(0.001)	(0.002)
BEV x Total New				0.077***	0.073***
				(0.021)	(0.020)
Hybrid x Total New				0.191***	0.189***
				(0.030)	(0.030)
Mixed x Total New				-0.008***	-0.009***
				(0.002)	(0.002)
Constant	9.351***	7.764***	7.764***	7.732***	7.731***
	(0.016)	(0.146)	(0.145)	(0.146)	(0.145)
Observations	8,362	8,362	8,362	8,362	8,362
Adjusted R-squared	0.791	0.887	0.888	0.888	0.889

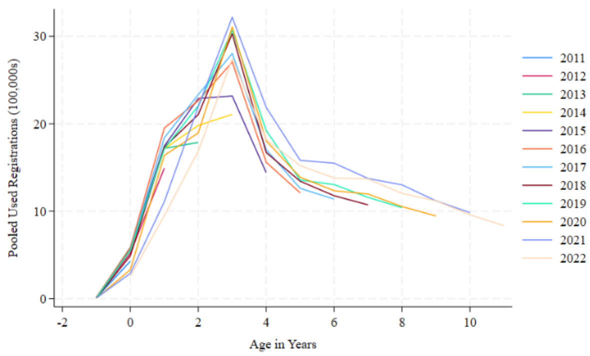
Standard errors in parentheses
* $p < .1$, ** $p < .05$, *** $p < .01$

Panel B: Wald Test Results of Poisson Models' Coefficients, Prob. > Chi Square Reported

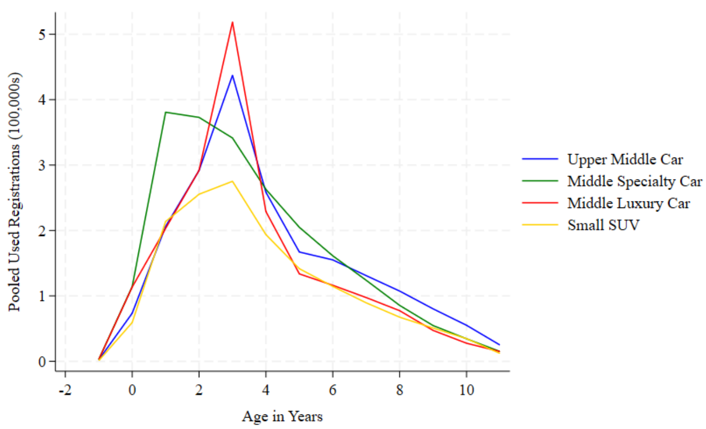
	Model (3)	Model (4)	Model (5)
Bucket x VMT All Equal	0.0000	-	0.0000
ICE x VMT = Mixed x VMT	0.0009	-	0.0000
BEV x VMT = Hybrid x VMT	0.0000	-	0.0000
Bucket x Total New All Equal	-	0.0000	0.0000
ICE x Total New = Mixed x Total New	-	0.0000	0.0000
BEV x Total New = Hybrid x Total New	-	0.0005	0.0003

Figure A1. Pooled Used Registration Count Heterogeneity

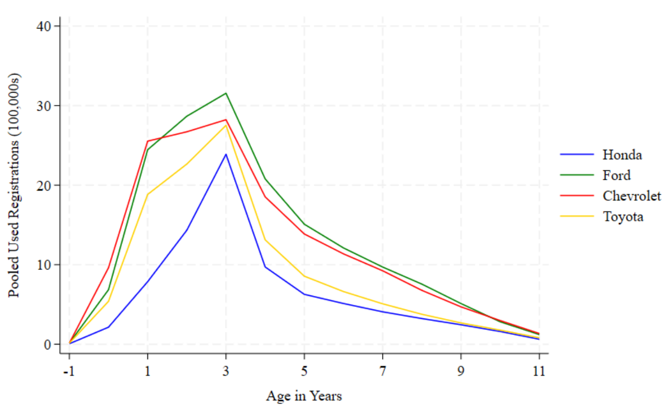
Panel A. Pooled Used Registrations over Age, by Year of Registration



Panel B. Pooled Used Registrations over Age, by Vehicle Segment

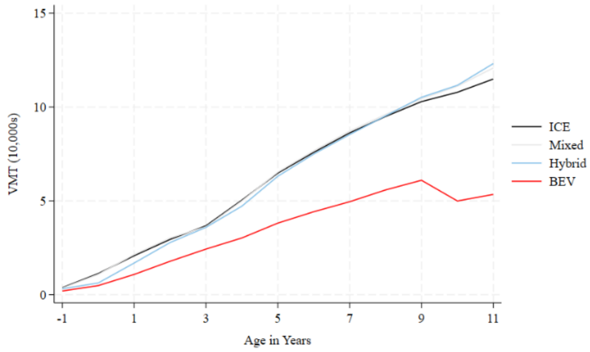


Panel C. Pooled Used Registrations over Age, by Vehicle Make



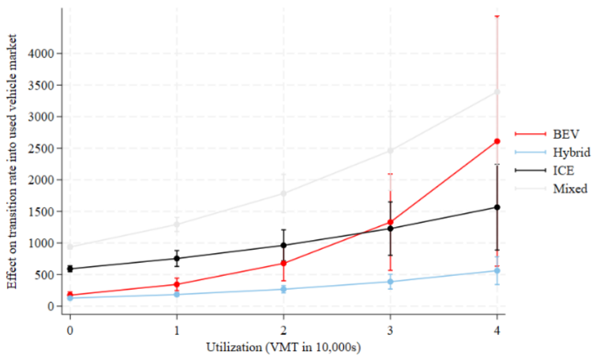
Source: Authors' calculations based on data from Wards Intelligence and Autocount

Figure A2. Mean VMT Weighted by Used Registrations over Age, by Powertrain Bucket



Note. This figure takes the sum of the odometer readings of all used registrations by age and powertrain bucket and divides this sum by the total number of used registrations at a given age for a given bucket. Source: Authors' calculations based on data from Wards Intelligence and Autocount

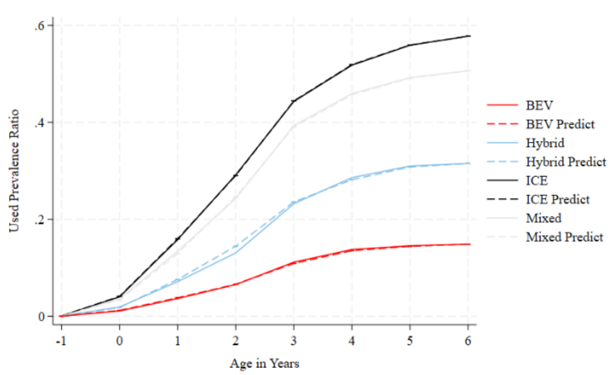
Figure A3. 2016-2022 PPML Marginal Effects over VMT, Model 5



Source: Authors' calculations based on data from Wards Intelligence and Autocount

Figure A4. 2016-2022 PPML Fit to Used Prevalence Ratio over Age, by Powertrain Bucket

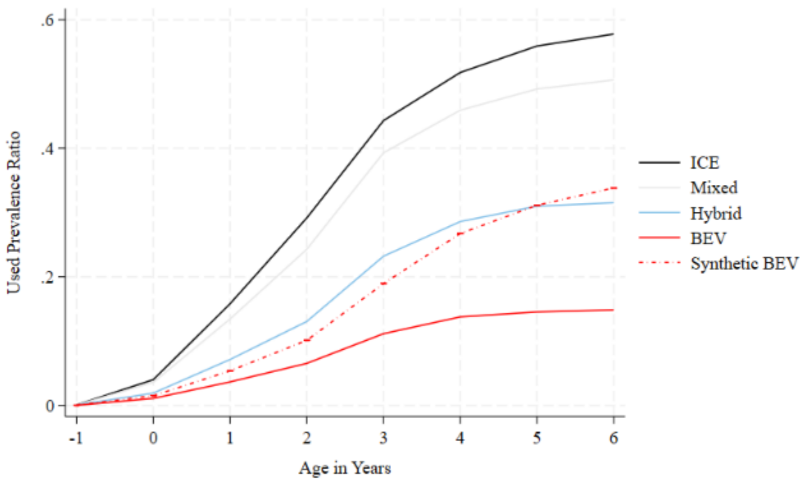
Panel A. Model 5 Fit



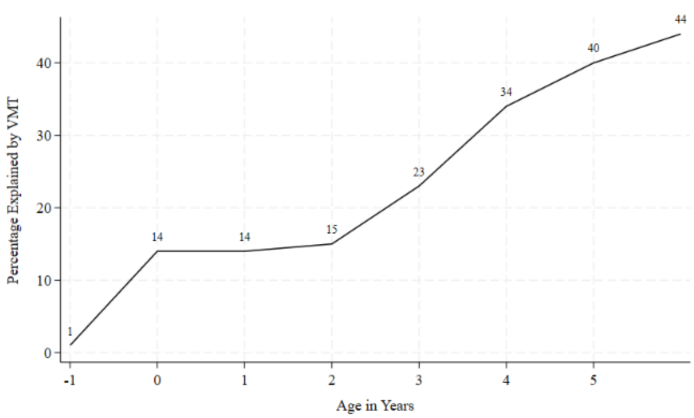
Source: Authors' calculations based on data from Wards Intelligence and Autocount

Figure A5. 2016-2022 Used Prevalence Ratio over Age, by Powertrain Bucket, with Synthetic BEV

Panel A. Model 5 Estimates



Panel B. Difference in UPR Explained by VMT



Appendix B. Analyzing the Mixed Bucket

Given the fact that the mixed powertrain bucket is the second largest bucket by both unit of observations and number of registrations in our dataset, it is worth decomposing its contents. Table B1 reports the share of sales within the mixed powertrain buckets that are assigned to particular powertrain technologies. This table shows that most units within the mixed powertrain bucket are ICE vehicles. Furthermore, moving from left to right in the table, ICE vehicle share is declining as hybrids and BEVs become more popular options in more recent model years. Given the fact that the mixed bucket represents such a high share of ICE vehicles, it is no surprise that the results in the paper for products assigned to the mixed bucket track closely with products assigned to the ICE bucket, with slight differences being driven by the hybrids and BEVs.

Table B1. Share of Sales within Mixed Bucket by Powertrain Technology and Model Year

Model Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
ICE	96.40	97.39	96.80	96.04	95.57	96.66	95.30	94.34	93.22	90.66	90.74	85.28	81.65	94.71
Hybrid	3.60	2.60	3.18	3.79	3.99	2.91	3.69	4.63	5.05	7.44	7.89	11.90	14.44	4.56
Plug-in Hybrid	0.00	0.00	0.00	0.08	0.29	0.22	0.72	0.80	1.51	1.61	1.12	2.40	3.23	0.57
BEV	0.00	0.00	0.02	0.09	0.15	0.21	0.27	0.19	0.17	0.23	0.22	0.37	0.63	0.15
Fuel Cell	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.04	0.05	0.05	0.02	0.04	0.04	0.01

Note. The following table reports the share of sales by powertrain technology within the mixed bucket from MY2010 to MY2022. Because there are cases where a product is offered with multiple powertrains, we cannot distinguish if they are ICE, hybrid, or electric and, as a result, categorize them in the mixed powertrain bucket. This table utilizes sales data from Wards to show how the share of sales is distributed across different powertrain technologies within the mixed bucket across MY2010 to MY2022. The total column takes the total number of unit sales within the mixed bucket from MY2010 to MY2022 and calculates the share across the powertrain technologies.

Source: Authors' calculations based on data from Wards Intelligence and Autocount

Once concern with the mixed bucket could be that a nontrivial share of all BEVs are assigned to the mixed bucket. We tabulate the share of BEV sales that are assigned to either the BEV or mixed bucket in Table B2. We find across all model years that the vast majority of BEV sales are assigned to the BEV bucket.

Table B2. Share of BEV Sales assigned to BEV or Mixed Powertrain Bucket, by Model Year

Model Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
BEV	100.00	98.89	91.28	89.36	87.32	86.27	85.42	90.24	94.53	95.93	95.41	94.75	95.06	92.46
Mixed	0.00	1.11	8.72	10.64	12.68	13.73	14.58	9.76	5.47	4.07	4.59	5.25	4.94	7.54

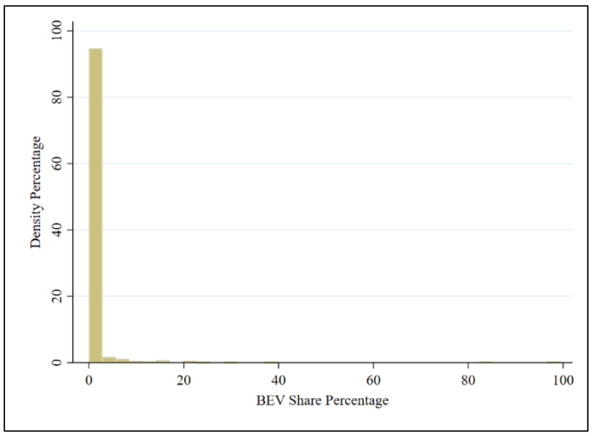
Note. The following table reports the share of BEV sales assigned to either the BEV or mixed powertrain bucket from MY2010 to MY2022. The sales data comes from Wards Intelligence data center. The total column takes the total number of BEV unit sales from MY2010 to MY2022 and calculates the share across the powertrain buckets.

Source: Authors' calculations based on data from Wards Intelligence and Autocount

To see if we are assigning a nontrivial share of BEVs to the mixed bucket at the product level, we calculate the percentage share of total sales that are BEVs for each product in the mixed bucket. Panel A of Figure B1 shows that over 95% of products in the mixed bucket have a share of BEV sales that is less than 5%. Panel B of Figure B1 shows this share by MY for the observation period. There are 7 mixed products in the dataset with a share of BEV sales greater than 20%: the MY2014, MY2015, MY2018, and MY2019 Kia Smart Fortwo; the MY2020-MY2021 Kia Niro; and the MY2022 Volvo XC40. These are not high-volume products, thus we are not concerned with these products being assigned to the mixed bucket influencing our results.

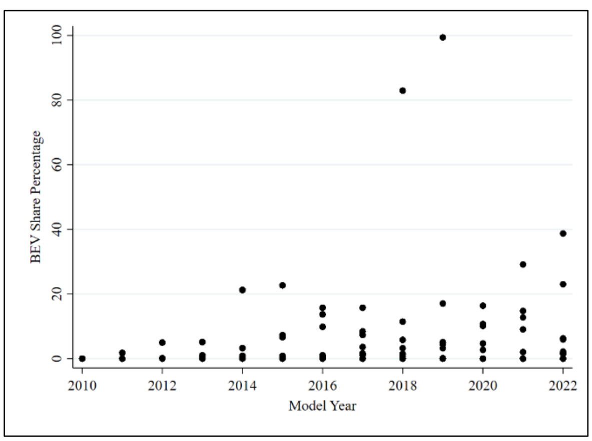
Figure B1. Share of BEV Sales of Mixed Products

Panel A. Share of BEV Sales Histogram



Note. The following figure shows the histogram of the share of total sales of each mixed product that are BEVs.

Panel B. Share of BEV Sales Scatter Plot, by Model Year



Note. The following figure shows the scatter plot of the share of total sales of each mixed product that are BEVs for MY2010 to MY2022.

Source: Authors' calculations based on data from Wards Intelligence and Autocount

Appendix C. Lower Bound VMT Exercise

Our measure of VMT for each product-age observation is the mean odometer reading of all used registrations. This means that we only observe odometer readings at the point of transaction. Not all vehicles are resold during the observation period, however. It seems reasonable to assume that the resale decision for a vehicle is positively correlated with its usage (mileage). To establish how the omission of vehicles that don't transition to the used status during the observation period might affect our measure of VMT, we compare our measure to Davis (2019) in order to estimate a lower-bound of our VMT measure.

Davis (2019) utilizes data from the 2017 National Household Travel Survey (NHTS) to estimate differences in VMT between vehicles of different powertrains. The NHTS survey considers vehicles for each household in the survey, regardless of new or used. Within the NHTS, each respondent is asked to fill out an "Odometer Mileage Record Form." Davis constructs a measure of the average number of miles driven per year by dividing this measure by the age of the vehicle. The mean VMT per year by powertrain technology from Davis (2019) is reported in Table C1.

We reconstruct Table C1 to reflect the mean VMT per year values across our four powertrain buckets in Column 2 of Table C2 by dividing our measure of VMT by age for each product-age observation registered in 2017 for all ages. Finally, we take the mean VMT per year across all four buckets, weighting by used registrations. The weighted mean is reported in Column 3 of Table C2. These means are also reported in Figure C1. This exercise shows that our measure of annual VMT appears to slightly overestimate usage when compared to the results from Davis (2019).

Table C1. VMT per Year Estimates from Davis (2019)

	Number of Observations	Mean
All-Electric Vehicles [BEV]	436	6,300
Plug-in Hybrids [Hybrid]	426	7,800
Gasoline/Diesel Vehicles [ICE]	203,988	10,200
Conventional Hybrids [Hybrid]	4,443	11,800

Source: Davis (2019)

Table C2. VMT per Year Comparison

	Davis (2019)	Bognar et al (WP)
ICE	10,200	15,050
Mixed	10,220	14,920
Hybrid	11,450	12,830
BEV	6,300	8,060

Source: Wards Intelligence, Autocount, and Davis (2019)

Given this comparison, we construct a lower bound estimate of our VMT measure. To do this, we utilize the fact that UPR is conceptually defined as the percentage of new vehicles that have been resold. This means that $(1 - UPR)$ reflects the percentage of unsold vehicles. We can then perform the following calculation to recover an aggregate lower bound estimate of our VMT measure. First, we sum the number of new and used registrations, and the used odometer readings over all ages and our four powertrain buckets. Let n be the pooled number of new registrations for bucket b at age a, u be the pooled number of used registrations for bucket b at age a, and $(used\ sum)_{ba}$ be the pooled sum of used odometer readings for bucket b at age a. We estimate the number of unsold vehicles by:

$$(1 - UPR)_{ba} * (n)_{ba} = unsold_{ba}$$

We can then estimate the sum of odometer readings from these unsold vehicles for bucket b at age a, $(unsold\ sum)_{ba}$, by multiplying $unsold_{ba}$ by imputed VMT per year estimates from Davis (2017) $imputed_b$ and age a. Here, $imputed_b$ is 10,200 for the ICE bucket, 10,220 for the mixed bucket, 11,450 for the hybrid bucket, and 6,300 for the BEV bucket. The equation is modeled by:

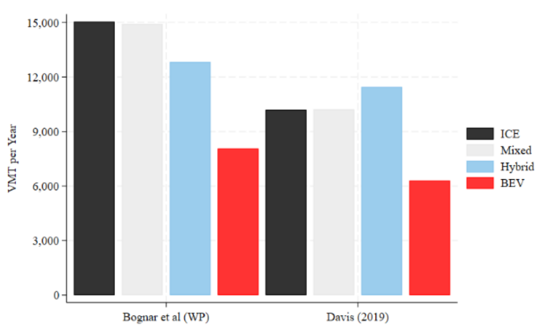
$$(unsold_{ba}) * imputed_b * a = (unsold\ sum)_{ba}$$

Finally, we can estimate the lower bound VMT by

$$\frac{(used\ sum)_{ba} + (unsold\ sum)_{ba}}{u_{ba} + unsold_{ba}} = lower\ bound\ VMT$$

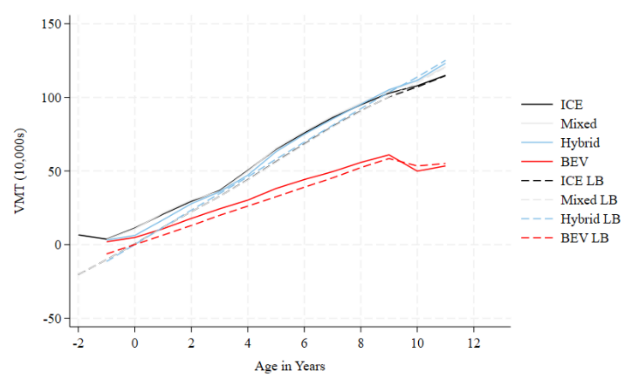
Figure C2 plots the lower bound VMT with our measure of VMT. It shows that the counterfactual exercise results in a collective shift downward in VMT across all four powertrain buckets by moving from our data to the NHTS survey-based data, which samples over all vehicles.

Figure C1. VMT per Year Comparison Figure



Source: Wards Intelligence, Autocount, and Davis (2019)

Figure C2. Lower Bound VMT over Age



Source: Authors' calculations based on data from Wards Intelligence and Autocoun