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Research & Development  
North America, Inc.

**STATEMENT**  
**BEFORE THE: California Air Resources Board**  
**Advanced Clean Cars II**  
**June 9, 2022**  
**Amy Lilly, State Regulatory Principal Specialist**

Good Morning/Afternoon,

My name is Amy Lilly with Mercedes-Benz Research & Development North America. Mercedes-Benz applauds CARB's efforts to champion the ZEV market and the staff's time and hard work in developing these rules. This effort has paid off with nearly every automaker announcing plans to electrify their fleets. In fact, Mercedes-Benz plans to be carbon neutral by 2039, and all of our vehicles will be electrified by the end of the decade, where the market is ready. Despite this optimism, complementary measures are needed – California and the Section 177 states need to ensure adequate infrastructure and incentives while working on outreach activities.

In addition to the detailed comments Mercedes-Benz submitted, I would like to address two specific topics:

- Providing flexibility in meeting data stream requirements to maximize ZEV sales; and
- Aligning battery durability provisions to global standards, which will provide customer assurance about the life of the battery.

First, despite our efforts to meet or exceed customers' EV expectations and comply with the proposed ZEV assurance measures, we may not be able to certify and sell our Mercedes-Benz EVs in California unless they meet the 'data standardization' requirements. Our EVs are high-quality luxury vehicles which will far exceed the regulated 200 miles minimum range. We are also offering class-leading warranties, and our battery durability will meet the Minimum Performance Requirements in the UNECE Global Technical Regulations (GTR). Additionally, we will be manufacturing electric vehicles and their batteries in the US. We are committed to this transformation.

Meeting these requirements, however, will involve both lead time and a financial investment. While CARB proposed a 2-year phase-in, additional lead-time is needed to update products to comply with these new requirements. They not only require further finalization, but they differ from current EV communication

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protocols, and require new fault code reporting. These elements may limit ZEV penetration without sufficient flexibility for vehicles that meet all of the other quality requirements.

Therefore, we ask that CARB allow flexibility in the form of certification without credits for ZEVs if they comply with all other quality assurance measures. We ask too, that CARB consider extending the phase-in until MY2030. Lastly, CARB should consider allowing credit generation with Executive Officer approval of an alternative data stream proposal.

Second, battery durability, warranty, and state of health requirements should align with the UNECE GTR. Global participants, including the EPA which chaired the committee, developed these requirements and universally agreed to the metric of Useable Battery rather than range. Range can be impacted by many variables, such as how the vehicle is operated, charged, and under what conditions – factors that the regulated community cannot control.

If CARB requires a range metric, automakers must install larger batteries to meet both the durability and warranty requirements. Unfortunately, this will increase costs to consumers, without adding range, which conflicts with CARB's intentions of making ZEVs more affordable and consumer friendly. While staff's proposed 15-day changes improve upon the proposed requirements, we suggest that CARB instead adopt the UNECE GTR and analyze the data gathered during the next phase of the GTR. This approach will allow CARB to make an informed decision about how to consider implementing a range-based durability requirement in the future.

That concludes my remarks. Thank you again for your leadership and the opportunity to testify today.