



October 22, 2024

Clerks' Office
California Air Resources Board
1001 I Street
Sacramento, California 95814

Re: Stellantis' Comments to CARB's Proposed Amendments to the Advanced Clean Trucks Regulation and the Zero-Emission Powertrain Certification Test Procedure

Stellantis respectfully submits the following comments in response to CARB's proposed Amendments to the Advanced Clean Trucks Regulation and the Zero-Emission Powertrain Certification Test Procedure posted on October 7, 2024 (Proposed Amendments).¹

Introduction to Stellantis

On January 16th, 2021, Fiat Chrysler Automobiles N.V. merged with Peugeot S.A to form Stellantis N.V.² The merger allows for the efficient allocation of resources for large-scale investments in platforms, powertrains, and technology. The merged entity makes Stellantis a leading global mobility player guided by a clear mission: to provide freedom of movement for all – through electrified vehicles, autonomous driving and digital connectivity. Stellantis' U.S. footprint includes a workforce over 56,000 employees, including over 43,000 UAW workers; six assembly plants; three engine plants and seven component plants, some of which are currently supporting the move to electrification by producing next generation multiuse transmissions and power electronics modules.

Our Company's strength lies in the breadth of our iconic brand portfolio and our deep roots and commitment to the communities in which we operate. Stellantis designs, manufactures, and sells vehicles in North America under the Chrysler, Dodge, Jeep, Ram, Fiat, Alfa Romeo and Maserati brands. Since 2009, the Company has created more than 30,000 jobs, including 22,500 hourly positions. Stellantis has committed to invest over €30 billion (euro) globally in vehicle electrification and software to help reduce greenhouse gas emissions – an important consideration for our customers, U.S. energy security, and the environment.

Stellantis is Committed to Developing the Needed Electrified Products

On August 5th, 2021, Stellantis, the UAW, and others from industry joined President Biden at the White House and supported his new call to achieve increased electrified vehicle sales by 2030. In addition, the United States Secretary of Energy signed a non-binding memorandum of understanding for COP27 which calls for 30% zero-emission commercial delivery vehicles, buses, and trucks by 2030.

On March 1st, 2022, Stellantis reconfirmed its commitment to spend over €30 billion globally to support electrification, including a targeted 50% electric vehicle (EV) mix for the passenger car and light truck fleet in the U.S. by 2030 (assuming conducive public policies). This includes investments in developing four all-new electric platforms. These platforms will unlock new facets of our brands, taking their

¹Amendments to the Advanced Clean Trucks Regulation and the Zero-Emission Powertrain Certification Test Procedure (October 7, 2024) available at <https://ww2.arb.ca.gov/rulemaking/2024/advancedcleantrucks>

² Despite the merger, FCA US LLC remains the primary subsidiary doing business in the United States. The company is hereinafter referred to as "Stellantis."



efficiency and performance to the next level. We are also a front-runner in hydrogen technology and, late in 2021, we were the first to deliver hydrogen fuel cell vans in Europe.

Stellantis generally supports comments submitted by the Alliance for Automotive Innovation (AAI) and the Truck and Engine Manufacturers Association (EMA) to the Proposed Amendments and the proposed 15-day changes to the Proposed Amendments. In addition to its comments submitted to the Proposed Amendments, Stellantis offers the following comments to the 15-day changes to the Proposed Amendments that the agency should incorporate into amendments to the ACT regulation:

1. Certification of 2026MY and beyond COMPLETE medium-duty ZEVs
2. Credit/Deficit Generation based on delivered for sale in California
3. Three Year Deficit Make-Up Period

CARB Certification of 2026MY+ Complete Medium-Duty ZEVs

Stellantis supports CARB's proposed revision to 13 CCR § 1963.2(i) which provides the medium-duty ZEV OEMs a path forward for 2026MY+ medium-duty ZEV certification that keeps these vehicles in the medium-duty GHG fleet. This ensures that medium-duty ZEVs can be sold in California and the Section 177 states, which in turn helps OEMs and CARB achieve the desired reduction in GHG emissions.

This proposed extension of the existing certification procedure is aligned with the Clean Trucks Partnership³ and recognizes the Clean Air Act lead time requirements, which the initial proposal (ZEP Cert) did not.

The ACC I test procedure⁴ in 13 CCR § 1963.2(i), that will be used for 2026MY+, requires the use of several SAE test procedures for advanced technology vehicles (BEV, FCEV, and PHEV). These SAE standards referred to are older versions that have been superseded. Other EPA and CARB regulations reference and/or require newer versions of these same standards. We ask CARB to allow medium-duty OEMs to utilize the newer versions of the SAE standards as shown in **Table 1** below. This enables OEM lab testing to remain consistent across various product lines, avoids time consuming and duplicative testing on the same vehicle, and reduces the potential for errors and launch delays.

Table 1: Advanced Technology SAE Test Procedures

Advanced Technology	Test Procedure Standard	Newer Versions of SAE Standard
BEV	SAE J1634-2012	-2017, -2021
FCEV	SAE J2572-2008	-2014
PHEV	SAE J1711-2010	-2023

Credit / Deficit Generation Based on “Delivered for Sale in California”

Stellantis supports CARB's proposal in the Proposed Amendments to determine the credit and deficit generation on “vehicles delivered for sale in California.” This proposed revision, is aligned with light-duty requirements, and will enable a far more efficient reporting process. The proposal also reflects

³ CARB/EMA Agreement: https://ww2.arb.ca.gov/sites/default/files/2023-07/Final%20Agreement%20between%20CARB%20and%20EMA%202023_06_27.pdf.

⁴ CALIFORNIA EXHAUST EMISSION STANDARDS AND TEST PROCEDURES 2018 AND SUBSEQUENT MODEL ZERO-EMISSION VEHICLES ELECTRIC VEHICLES, IN THE PASSENGER CAR, LIGHT-DUTY MEDIUM-DUTY VEHICLE CLASSES, Sept 3, 2015.



provisions agreed to in the Clean Trucks Partnership between CARB, EMA, and OEMs, including Stellantis.

In the 15-day change proposal, however, this agreement has been undone with new language that requires a label starting in 2025MY (Note: This would conflict with current labels *without* this proposed change that are already in process for Medium-Duty Vehicles) or adds a new constraint beyond “delivered for sale in California.”

Under the 15-day change proposal, the proposed label “...must indicate the vehicle is or is not intended for sale in California.”⁵ We believe this would cause confusion with other states adopting some of California’s rules (S177 state) as it would be unclear if the vehicle is or is not acceptable for sale in that state. If a S177 state has adopted CA criteria emissions rules, but not ACT rules (or vice versa) then the presence or lack of presence of a “for sale in CA” sticker could result in a dealer, upfitter, or consumer to believe they have the wrong product. Further compounding this concern, medium-duty vehicles are allowed to generate either ACT (HD) or ACCI/ACCII (LD) ZEV credits. The HD and LD S177 states are not aligned. An OEM is under no obligation to make this determination before the Model Year begins, but this proposed label would be potentially misaligned with the adopting S177 states if an OEM were to choose to generate LD ZEV credits. This makes adoption of the label virtually impossible for a Medium-Duty OEM.

If an OEM cannot add this new label due to conflicting state adoptions or other reasons, they are subject to added requirements in 13 CCR § 1963.5(a)(2)(A-B), that go beyond the “delivered for sale” agreement in the Clean Trucks Partnership. 13 CCR § 1963.5(a)(2)(A-B) adds new requirements that the vehicle is registered or domiciled in California, in addition to the “delivered for sale in California” requirement. Where a vehicle is registered or domiciled is beyond the control of an OEM, in contrast with the delivery location which is entirely within the control of an OEM. While it is anticipated that vehicles delivered for sale in California (or any other state) will remain in that state, it cannot be guaranteed. We do anticipate (similar to LD) that CARB would compare OEM provided VIN lists from ACT compliance reports to CA registration info, any differences should only be the starting point of an investigation. This new proposed language, however, automatically eliminates credits (BEV discrepancy) or adds deficits (any vehicle not on the total CA production list) without any investigation. We request CARB remain aligned with the Clean Truck Partnership agreement and only implement a “delivered for sale in California” requirement without additional conditions contained in the 15 day proposed changes.

Three Year Deficit Make-Up Period

Stellantis supports CARB’s proposal to revise the ACT regulation to extend the deficit make-up period from one to three model years. In the 15-day changes, CARB is now allowing NZEV credits to be used in the deficit make-up period which Stellantis supports. This means OEMs will be allowed to satisfy up to 50% of their annual requirement with NZEVs, regardless of whether a deficit make-up period is required. In short, this makes for a level playing field for all OEMs who manufacture NZEVs.

While Stellantis fully supports extending the deficit make-up period to three model years, we still disagree with the proposal that the deficit be less than 30% after one year. The ISOR asserts that requiring this net deficit below 30% (70% compliant) “ensures that a manufacturer is making efforts

⁵ 13 CCR § 1963 (g)

towards offsetting the deficit. The selected threshold is reasonable and attainable while providing enough flexibility to make up the deficit.”⁶

Importantly, CARB Staff’s analysis shows that “[e]xtending the deficit makeup period results in the same outcome as the sales of a given model year are not anticipated to be complete for about three years and ultimately compliance is based on the actual deliveries to the ultimate purchaser. Emissions benefits are, therefore, not delayed.”⁷

We do not believe it is necessary or practical to include this net deficit balance requirement. In practice, the requirement to offset up to 70% of a deficit within one year means the OEM most in need of the three-year provision is least able to utilize it. Such a drastic offset within one year could prove difficult to attain and not provide the desired flexibility to make up the deficit. In the alternative, we recommend a more linear and equally proportioned approach, such as 33% offset after one year (rather than 70%) and 66% offset after two years. This alternative approach would provide practical flexibility and allow the OEM to demonstrate they are making efforts to offset the deficit.

Additionally, the constraint on requiring “net deficit below 30%” is not required for offsetting credit deficits in CARB’s ACC II ZEV⁸ or ACC I GHG⁹ regulations, with a much more mature light-duty ZEV market. Similarly, we do not believe it is warranted here.

Stellantis requests that CARB delete these two constraints in the final amendments (or at a minimum revise the net deficit below 30% after one year proposal to a more linear approach spanning the three-year period).

Remove Other ACT Constraints

Include Credit Pooling

In the Clean Trucks Partnership, there was an agreement to consider credit pooling across states that adopt the ACT rule. CARB held a public workshop to discuss this but did not include a proposal in this rulemaking. OEMs must encourage and accept sales of medium and heavy-duty ZEVs regardless of which state the customer resides in. Lack of pooling can lead to market distortions and sales biasing in an attempt to achieve uniform ZEV sales across all ACT states regardless of the infrastructure readiness or other supportive measures (i.e., incentives) in each state. Stellantis supports credit pooling as a means of maximizing ZEV sales and as a compliance enabler to the ACT rule.

Include Medium-Duty PHEVs in ACCII ZEV Credits

In the ACT rule, CARB allows medium-duty ZEVs to generate credits in ACT or in the light-duty ZEV fleet (but not both). This is a great flexibility, and ACC I is written to enable receiving the PHEV credits, but they are excluded in ACC II.

Stellantis recommends that CARB revise the regulation to ensure the intended flexibility works as intended by allowing medium-duty PHEVs to generate an ACC II credit.

⁶ CARB Staff Report: Initial Statement of Reasons (ISOR), March 26, 2024, at p. 13.

⁷ ISOR at p. 21; see also pp. 12, 25.

⁸ 13 CCR § 1962.4(h)(2)

⁹ 13 CCR § 1961.3(b)(3)



Recommendations and Conclusion

Stellantis recommends CARB's final amendments incorporate the regulatory changes detailed above and summarized below to accommodate the Clean Trucks Partnership, potential market fluctuations and other variables outside of manufacturers' control.

- Extend ACC I Certification requirements through adoption of the 15-day changes that add the ACC I test procedure to ACT as a Medium-Duty Certification option.
- Allow newer versions of advanced technology SAE standards to be used.
- Support credit/deficit generation based on vehicles "delivered for sale in California", without additional requirements.
- Support a three-year carryback period without additional constraints,
- Support credit pooling, and
- Modify regulations to ensure medium-duty PHEVs can optionally generate an ACC II ZEV credit as intended in the ACT rule.

Stellantis appreciates CARB Staff's consideration of our comments and recommendations. Stellantis believes these changes are a win-win for CARB and the medium and heavy-duty vehicle industry. Stellantis stands ready to answer questions and work with the CARB towards feasible amendments to the ACT regulation.

ON BEHALF OF STELLANTIS

A handwritten signature in black ink, appearing to read "Gary Oshnock". The signature is fluid and cursive, with a long horizontal stroke at the end.

Gary Oshnock
Director of Environmental Regulatory Development
Stellantis