



26 August 2024

Chair Randolph and Members of the Board  
California Air Resources Board  
1001 I Street  
Sacramento, California 95814

**RE: August 15, 2024 Proposed 15-Day changes to the Low Carbon Fuel Standard (LCFS)**

SUBMITTED VIA ELECTRONIC MAIL TO [CARB'S PUBLIC COMMENT DOCKET](#)

Mercedes-Benz Research and Development North America, Inc., and Mercedes-Benz USA, LLC, on behalf of the manufacturer of Mercedes-Benz vehicles, Mercedes-Benz AG (hereinafter collectively referred to as "Mercedes-Benz" for purposes of this submission) would like to thank the California Air Resources Board (CARB) for the opportunity to provide comments on its August 15, 2024 proposal for changes to the Low Carbon Fuel Standard (LCFS). Mercedes-Benz strongly supports giving CARB's Executive Officer (EO) the authority to direct up to 45 percent of the base credits generated by light-duty (LD) electric vehicle (EV) residential charging to the automakers producing those vehicles.

Mercedes-Benz is guided by our "Ambition 2039," which includes goals for carbon neutrality<sup>1</sup> by 2039 throughout our supply chain and offers a complete set of electrified product offerings to meet our customers' needs. Mercedes-Benz continues its push to increase sales of electric vehicles in the U.S. with a portfolio that spans key market segments. In fact, electric vehicle sales comprised 11% of overall passenger vehicle

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<sup>1</sup> Net carbon-neutral means that carbon emissions that are not avoided or reduced at Mercedes-Benz are compensated for by certified offsetting projects.

sales through Q2 2024.<sup>2</sup> Additionally, the Mercedes-Benz High-Power Charging network supports Mercedes-Benz's electrification efforts through the development of a public charging network that is open to all vehicle brands. The Mercedes-Benz High-Power Charging network recently announced a partnership with Starbucks which would expand the Mercedes-Benz network by installing DC fast chargers at 100 Starbucks' stores with initial focus along the I-5 corridor.<sup>3</sup>

The LCFS program is an important complement to CARB's GHG and criteria emission and zero emission (ZEV) regulations for light-duty and medium-duty vehicles. Additionally, the LCFS program has helped incentivize the transition to electric vehicles by allowing automakers to earn eRINs. The 15-day changes would provide additional benefit by allowing CARB's Executive Officer to "*direct up to 45% of base credits to eligible OEMs, if the share of new zero emission vehicle sales for model year 2024 zero emission vehicles certified under California Code of Regulations, title 13, section 1962.2 is less than 30 percent.*" Mercedes-Benz wholly supports this addition which would give automakers the opportunity to earn up to 45 percent of the base credits and suggests that CARB also add a minimum percentage that would be guaranteed to go to automakers. Mercedes-Benz would also ask CARB to specify the criterion to which this percentage will be based, and to hold this amount fixed over time to provide certainty for OEMs.

Lastly, it would be important to understand CARB's rationale for setting 30 percent as a threshold. We agree that "continued consumer facing support for the light duty vehicle sector is important," but we believe that support is needed well beyond this threshold due to continued concerns over adequate and reliable infrastructure and the need to incentivize the mainstream market.

Mercedes-Benz also supports the requirement that funds from these credits be put towards efforts to support transportation electrification and prefers that this requirement remain broad, including but not limited to charging infrastructure, vehicle incentives, etc. As mentioned above, Mercedes-Benz is investing in our own charging network to ensure adequate and reliable charging for our customers, as well as all EV drivers. The ability to select options on how to invest LCFS base credits, i.e., into charging stations or vehicle incentives, is an important flexibility that will enhance the funds as well as benefit all EV drivers. For example, if the funds would result in only a small vehicle incentive, then the ability to use these funds towards growing our charging network would enable us to expand it even further, again providing a benefit not only to Mercedes-Benz drivers but to any driver of an EV.

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<sup>2</sup> [Mercedes-Benz USA Reports Q2 2024 Group Sales of 95,596 Vehicles \(mbusa.com\)](https://www.mbusa.com/news/2024/02/20/mercedes-benz-usa-reports-q2-2024-group-sales-of-95596-vehicles)

<sup>3</sup> [Mercedes-Benz High-Power Charging and Starbucks Team Up to Launch an Elevated EV Charging Experience Across America \(prnewswire.com\)](https://www.prnewswire.com/news-releases/mercedes-benz-high-power-charging-and-starbucks-team-up-to-launch-an-elevated-ev-charging-experience-across-america-301894888.html)

Thank you for considering Mercedes-Benz's comments. In addition to the Mercedes-Benz comments, Mercedes-Benz also supports the comments filed by our trade association, the Alliance for Automotive Innovation, as well as those filed by Bridge to Renewables (BTR).

Please let us know if you have any questions.

Sincerely,

MERCEDES-BENZ RESEARCH & DEVELOPMENT N.A., INC.

By: Amy Klinkenberger August 26, 2024  
Amy Klinkenberger, Director, Safety, Fuels & Regulatory Affairs Date

MERCEDES-BENZ USA, LLC

By: Roopy August 26, 2024  
Shaun Roopnarine, Manager, Safety Engineering Date