27 August 2024

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

Subject: Mercedes-Benz High Power Charging (MB HPC) response to the August 12, 2024 Notice of Public Availability of Modified Text and 15-day changes as stated in the Summary of Proposed Modifications

Dear Chair Randolph and Members of the Board,

Mercedes-Benz High-Power Charging (MB HPC) supports the California Air Resources Board's (CARB) ongoing efforts to update the Low Carbon Fuel Standard (LCFS) regulations. The LCFS program is a key policy in attracting private investment in the state, particularly when it comes to high-power direct current fast charging (DCFC) stations. Our vision to invest hundreds of millions of dollars in California and to build out the I-5 corridor in the coming years factored in California's flexible and innovative policies, particularly the LCFS.

The LCFS is a key policy driving investment in the state, and we support CARB's efforts to refresh and utilize this program to reach the goals of the state's Scoping Plan. CARB's steady hand administering this policy over the years has maintained the policy's efficacy.

We are largely supportive of CARB's Proposed Modifications. However, we have concerns about the new definition for Public Light- and Medium-Duty (LMD) Charging Site under the Fast Charging Infrastructure (FCI) pathway contained in the 15-day package. The proposed LMD-FCI program, as currently defined, could hamper innovation and station deployment. With minor edits, the definition can be modified to incentivize more DCFC across the state while encouraging continued innovation.

Overview of MB HPC

MB HPC, a joint venture between subsidiaries of Mercedes-Benz Group AG (Mercedes-Benz) and MN8 Energy LLC (MN8), has made an initial investment of $1 billion for the first phase of building a public DCFC charging network to elevate the electric vehicle (EV) charging experience across North America. Leveraging Mercedes-Benz' over 130-years of engineering excellence and leadership in delivering exceptional customer experiences, and MN8's extensive expertise as a renewable energy infrastructure developer and owner-operator, MB HPC will set a new standard for quality, safety, and innovation in the charging industry. To do so, we are extending the Mercedes-Benz brand promise to all EV drivers, regardless of vehicle brand. Our convenient, fast, and reliable network is designed to fit seamlessly into drivers' everyday lives. Powered by 100% clean energy, our goal is to promote the shift to sustainable, emission-free mobility.

Comments

CARB's proposal to increase the annual carbon intensity (CI) reduction benchmark in 2025 from 5% to 9% will drive further investment into the state as California continues to exceed its clean fuel goals. We conceptually support CARB's proposal to develop a new FCI pathway for LMD charging sites. The proposed LMD-FCI program, if designed with innovation in mind, will expand the deployment of DCFC infrastructure in California, which is necessary for California to meet its transportation carbon emission reduction goals.

What do we mean by Innovation?

MB HPC was founded with the goal of developing products and solutions that address the pain points drivers have experienced using the first generation of EV chargers. MB HPC takes a measured approach to product innovations, testing new solutions within the ecosystem of Mercedes-Benz drivers. Once proven these innovations are released across the network to all drivers with the aim of setting a new standard for public charging. Simply put, this standard will be defined by charging infrastructure that reliably works and is complemented by delightful experiences that allow the act of charging to fade into the background, as exemplified by our recent announcement to electrify the I-5 by building at Starbucks sites throughout the corridor.

One of the first products developed within the Mercedes-Benz ecosystem to optimize the charging experience is an intelligent queuing feature that allows drivers to reserve a charger fifteen minutes prior to the vehicle's expected arrival at the charger, helping to address the prevalent concern EV drivers have with congestion at public charging stations. According to a recent survey of current and prospective EV owners, "80 percent of survey respondents who are considering an EV as their next car believe that the current availability is insufficient; another 15 percent are satisfied with it but worry that the future network will not be robust enough to meet surging demand."[1]

By routing vehicles to stations with available chargers and away from those without availability, intelligent queuing is a critical measure to deliver the reliable driver experience necessary so that EV adoption is not hindered. Other Charge Point Operators (CPOs) are implementing congestion management methods that seek to address this concern, such as idle fees, dynamic pricing, and vehicle state of charge (SOC) limits. The intelligent queueing feature offers an alternative way of reducing congestion, without raising prices or limiting the length of charging sessions for drivers. We expect this feature to not only result in a better charging experience for drivers, but also, to increase utilization by routing demand to available supply. We believe that product innovation is critical in these still nascent years in the charging industry, and caution CARB against implementing a policy that would discourage it.

[1] Exploring consumer sentiment on electric-vehicle charging

Recommended Changes to the Public LMD-FCI Charging Site Definition Proposed in the 15-day package:

We respectfully request that CARB amend the 15-day package to incorporate changes to the Section 94581 Definitions and Acronyms. Our proposed changes are as follow:

> "Public LMD-FCI Charging Site" means an EV fast charging site that can be restricted to light- and medium-duty EVs and that is available to the public for at least 12 continuous hours each day, including the time interval between 9 a.m. and 5 p.m. ~~Chargers at the site must not be reservable during public hours.~~
>
> Chargers at the site may be reserved during public hours and still qualify as public if no more than 75% of EVSE at a charging station are reservable, rounding down to the nearest integer [2]."

This definition will avoid discouraging experimentation with innovative features such as intelligent queueing, which we believe will improve the charging experience and increase utilization of equipment and would otherwise be penalized under CARB's Proposed Modifications. If not adopted, the current proposal would lead to a situation where stations deploying innovative queuing systems receive only half of the FCI funding of other, "public" stations – this would discourage this type of innovation and result in less deployment of DCFC infrastructure in California.

California's continued leadership in clean transportation is important to ensure that operators of EVSE are able to innovate around features and products, and best serve both the current and next generation of EV drivers. Limiting opportunities to participate in the LCFS program for DCFC projects because a portion of the chargers are not first come, first served hurts the economics of these projects and discourages what we believe could be a valuable innovation for the industry and future drivers.

Summary

The LCFS is a critical tool in CARB's toolkit to meet the timelines laid out in the Scoping Plan. While we urge CARB to adopt our changes to the 15-day package, we support CARB's strengthening of the LCFS by increasing the short-term CI reduction benchmark and establishing the LMD-FCI pathway.

Through this suite of changes, we believe that the LCFS program will continue to meaningfully incentivize CPOs to invest in California, helping the state to meet its infrastructure goals, while also encouraging continued innovation in the charging space, which will support the much-needed levelling-up of the charging experience.

We commend CARB for putting in the time and effort to develop this proposal and its continued steady hand with the highly impactful LCFS program, and we appreciate the opportunity to provide meaningful feedback on the program.

Sincerely,

Andrew Cornelia
President & CEO, Mercedes-Benz High-Power Charging

Brian Kee
Manager, EV Charging Policy, MN8 Energy LLC

[2] Proposed EVSE Reservation Limits

EVSE per Site	1	2	3	4	5	6	7	8	9	10
Reservable EVSE	0	1	2	3	3	4	5	6	6	7
Non-Reservable EVSE	1	1	1	1	2	2	2	2	3	3