



April 28, 2025

Members of the Board  
Illinois Pollution Control Board 60 E Van Buren St  
Chicago, IL 60605

**RE: April 28, 2025, Proposed Clean Car and Truck Standards Comment**

SUBMITTED ELECTRONICALLY TO IPCB CLERK AT [DON.BROWN@ILLINOIS.GOV](mailto:DON.BROWN@ILLINOIS.GOV)

Mercedes-Benz Research & Development North America, Inc., and Mercedes-Benz USA, LLC, on behalf of the manufacturer of Mercedes-Benz vehicles, Mercedes-Benz AG (hereinafter, collectively, "Mercedes-Benz") would like to thank the Illinois Pollution Control Board ("IPCB") for the opportunity to provide our comments on the Illinois Pollution Control Board's **Proposed Clean Car and Truck Standards: Proposed Section 35 III. Admin. Code 242.**

Mercedes-Benz's product offerings include the versatile Sprinter van, renowned for its functionality and capability. The Sprinter van excels in cargo transport, passenger shuttling, and specialized configurations, catering to diverse business needs across the state of Illinois including logistics and package delivery applications. As a medium-duty vehicle (MDV) over 8,500lb GVWR, the Mercedes-Benz Sprinter is subject to the regulatory requirements outlined in the Advanced Clean Trucks (ACT) rule. However, having a single product line in this market segment complicates compliance, as it limits manufacturer flexibility in meeting the adoption targets mandated by the regulation.

Mercedes-Benz was also proud to launch our all-new eSprinter in 2024. With this launch of our first all-electric vehicle in the Class 2b segment, U.S. fleet customers can now help make their fleets more sustainable with an emissions-free battery electric van bearing the iconic Mercedes-Benz star.

However, while we support the overarching goals of reducing emissions and promoting cleaner transportation, we have significant concerns regarding the implementation and feasibility of the Advanced Clean Trucks (ACT) regulation in the state of Illinois. Below, we outline key issues that we believe warrant careful consideration.<sup>1</sup>

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<sup>1</sup> Our comments focus on ACT. We fully support the comments made by Auto Innovators on Advanced Clean Cars II (ACC II).

**Lack of Sufficient Medium-Duty Infrastructure to Support ACT in Illinois**

The successful implementation of the ACT regulation is heavily dependent on the availability and readiness of charging infrastructure for medium and heavy-duty vehicles. Current charging infrastructure remains primarily focused on light-duty vehicle charging needs. There are only approximately 3,000 medium-duty vehicle (MDV) dedicated charging ports available *nationwide*, in comparison with 205,000 light-duty focused chargers available. Based on the EPA HD TRUCS analysis, approximately 96% of the medium and heavy-duty BEVs are assumed to use depot-based overnight charging, necessitating investment and incentive programs to support installation challenges for businesses. This infrastructure disparity must be addressed to ensure a smooth transition to zero-emission vehicles (ZEVs). Two recommendations to support these infrastructure needs would be to ensure adequate support to Illinois businesses to quickly and efficiently permit and install charging infrastructure capable of supporting MDVs, and to offer incentive programs to help offset upfront costs to business operators associated with electrification.

The process of permitting and installing necessary infrastructure is a long process, requiring years of lead time to enable success for MDV ZEV mandates. The permitting process is laborious and can take up to 36 months, posing a significant challenge for timely compliance with increasing ZEV mandates under the proposed adoption of the ACT rule. Fleet depot charging requires substantial on-site power availability, which can be limited and results in high localized electricity demands. Data from large electrical producers in states that have adopted ACT regulations [PG&E, SCE, and SDG&E] shows that the upgrades needed to enable fleet charging including installation of circuits, substation upgrades, and new substation construction can take 2.75 years, 4 years, and 8+ years respectively.<sup>2</sup> We would encourage Illinois to examine the current permitting process for electric vehicle charging stations and associated electrical system upgrades to identify areas for improvement and streamlining to facilitate charging needs to support electrification goals.

Note, however, that as the critical timing window narrows to install necessary infrastructure, uncertainties regarding the availability of funding to support infrastructure development persist. On February 6, 2025, the Federal Highway Administration suspended the approval of all State Electric Vehicle Infrastructure Deployment plans for all fiscal years. As a consequence, effective immediately, no new obligations may occur under the National Electric Vehicle Infrastructure (NEVI) Formula Program. A Ricardo analysis on EPA's Phase 3 GHG standards shows that Illinois will need to make available 4% of the nation's MDV charging infrastructure, at a cost of over \$1 billion dollars before 2032. The charging infrastructure needs would increase over time in the state of Illinois as the ZEV mandate under ACT increases year over year, reaching 55% in MY2035. If Illinois adopts ACT with a starting year of MY2029, then the ZEV mandate for Class 2b-3 vehicles would jump to 25% in a single step in one model year, as seen in Table A-1 in the regulatory text.

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<sup>2</sup> Order Instituting Rulemaking to Establish Energization Timelines. Public Utilities Commission of the State of California. September 17, 2024. [540806654.PDF](#), pg. 46

Table A-1. ZEV Sales Percentage Schedule

Model Year	Class 2b-3 Group	Class 4-8 Group	Class 7-8 Tractors Group
2024	5%	9%	5%
2025	7%	11%	7%
2026	10%	13%	10%
2027	15%	20%	15%
2028	20%	30%	20%
2029	25%	40%	25%
2030	30%	50%	30%
2031	35%	55%	35%
2032	40%	60%	40%
2033	45%	65%	40%
2034	50%	70%	40%
2035	55%	75%	40%

Figure 1 Table A-1. ZEV Sales Percentage Schedule

Recent rulemaking by CARB has moved a 100% ZEV sales mandate into the ACT regulation – meaning that the ZEV mandate culminates in an outright ban of gasoline and diesel fueled medium and heavy-duty vehicles in MY2036. This signifies that at this critical juncture when infrastructure needs to support ZEV mandates are more important than ever, both the viability of funding and the pace of infrastructure build-out remain an open question.

**Lack of Complementary Policies to Enable Successful Implementation of ACT in Illinois**

The ACT rule cannot succeed in isolation. Medium-duty electric vehicles are an emerging segment facing challenges including rising vehicle costs and slowing consumer acceptance. To facilitate the transition to electrified vehicles in this critical segment, complementary policies are critical to help ensure success.

The ACT regulation was designed by CARB as one half of a regulatory approach, with Advanced Clean Fleets (ACF) as the other half. CARB intended these programs to support and complement each other, with ACT addressing the supply side and ACF focusing on the demand side. ACF aimed to ensure the adoption and utilization of zero-emission trucks by fleet operators, incentivizing the market and driving demand for MDV and HDV ZEV trucks. However, on January 13, 2025, CARB withdrew its waiver request for ACF, which renders the ACF portion of the regulations ineffective. Without such supporting regulations and state policies, the demand side remains uncertain, potentially undermining the effectiveness of ACT requirements.<sup>3</sup>

Further complicating the uptake of medium-duty zero-emission vehicles is the treatment of vehicles between 8,501 and 14,000 pounds under state incentive programs. Class 2b/3 vehicles often cannot benefit from heavy-duty incentive programs, which typically start at Class 4 or higher. Additionally, MDVs are ineligible for light-duty vehicle programs due to weight restrictions. For instance, Illinois’ Electric Vehicle Rebate Program excludes fleet operators, limiting the \$4,000 EV incentives to individuals once every ten years.<sup>4</sup> To encourage fleet adoption of MDV ZEV’s, Illinois should focus on creating incentive programs to support small businesses and fleet operators in their transition to electric vehicles. Future incentive

<sup>3</sup> <https://www.epa.gov/system/files/documents/2025-01/ca-acf-carb-withdrawal-ltr-2025-1-13.pdf>

<sup>4</sup> <https://epa.illinois.gov/content/dam/soi/en/web/epa/topics/ceja/documents/ev-rebate-program-faq.pdf>

programs should provide funding specifically for Class 2b and Class 3 medium-duty vehicles to help ease electrification of this segment of vehicles.

Recently, states such as Massachusetts, Maryland, and Washington have paused or deferred the phase-in of ACT requirements in their states while they assess the enablers in their states to facilitate the success of the MDV/HDV ZEV program. If the IPCB moves to adopt the ACT rule, it should include provisions that a Needs Assessment be completed for the state of Illinois to assess the feasibility of the requirements in the state. We recommend that the assessment should include, at a minimum, the following elements: the additional electrical capacity and distribution demands resulting from the regulation, the number of medium-duty and heavy-duty vehicle charging stations required to meet demand, the purchase incentives necessary for successful implementation of the rule, and the timeline and economic feasibility of transitioning the entire MDV/HDV fleet in Illinois to ZEVs.

### **Challenges of Supply of Medium-Duty and Heavy-Duty Vehicles**

Concerns about the availability of vehicles, particularly in higher weight ranges, have been raised by industry stakeholders during the ACT regulatory process. For example, Miller Industries, Inc. has highlighted<sup>5</sup> potential shortages of truck chassis in states that have adopted ACT. Such shortages could have implications for public safety and the operational capabilities of essential services. Similarly, shortages of medium-duty vehicles could impact the logistics and last mile delivery segment which often utilizes Class 2b/3 vehicles and provides critical services across the state of Illinois.

Further, trucking industry associations have raised concerns<sup>6</sup> about the feasibility of ACT in states that have already adopted ACT. Such concerns include availability of vehicles, economic and structural limitations, the need for transportation of critical goods, short timelines for implementation, and lack of infrastructure. In response, requests have been made for deferments of implementation of ACT in Colorado, New York, Massachusetts, Oregon, New Jersey, Rhode Island, New Mexico, and Washington.

### **Consumer Acceptance of Medium-Duty ZEVs and Flexibility Needs for Certain Use Cases**

A significant segment of medium duty vehicles is upfitted for use as recreational vehicles (RVs). These smaller vehicles are used for camping and recreation. RVs are often taken to rural areas, state or federal lands, or national parks where charging infrastructure is not generally readily available. These medium duty RVs are not well-suited for electrification in the short to medium term. RVs often travel to areas with limited infrastructure, and the high weight of upfitted components further complicates electrification efforts.

Several recreational vehicle manufacturers, along with the Recreational Vehicle Industry Association,<sup>8</sup> expressed concerns during the CARB rulemaking process about the availability of ZEV motorhomes and recreational vehicles not being considered or provided for under ACT, which could pose significant challenges to this important vehicle segment. Many RV upfitters and dealers are based in Illinois and would

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<sup>5</sup> <https://www.arb.ca.gov/lists/com-attach/57-actzepcert2024-UD0Aal0uBwtWMwRI.pdf>

<sup>6</sup> <https://masstrucking.org/wp-content/uploads/2024/12/act-collective-ltr-20241218b.pdf>

<sup>8</sup> <https://www.arb.ca.gov/lists/com-attach/45-actzepcert2024-WyIISIQ8UmAKUwlq.pdf>

be negatively impacted by the adoption of ACT in the state. The concerns of these stakeholders should be considered during the rulemaking process.

### **Unique Challenges in Illinois for Manufacturers of Medium-Duty Vehicles**

The MDV segment has fewer vehicle lines and lower sales volumes compared to the light-duty vehicle (LDV) segment. This lack of flexibility makes it more challenging for MDV manufacturers to meet ZEV sales mandates, potentially leading to product shortages and compliance difficulties. The specific setup of dealer and upfitter networks in Illinois presents unique compliance challenges with the ACT regulation. For instance, Mercedes-Benz relies on Illinois for the upfitting of a significant percentage of its fleet sales, particularly for the recreational vehicle industry. In MY2023, 85% of Mercedes-Benz medium-duty sales in Illinois were to “upfitters” or second-stage manufacturers. Many of these vehicles are internal combustion engine (ICE) variants, which are upfitted to finished products in Illinois, but which are not operated as final vehicles within state lines, artificially inflating the ZEV sales mandate calculation.

These vehicles would not have an emissions impact within the state of Illinois as they are sold to ultimate purchasers across the country. Nevertheless, companies that provided vehicles for upfit within state lines would face serious financial penalties in Illinois under the ACT program. Product shortages of medium-duty incomplete vehicles could lead to economic disruptions for local upfitters, dealers, and associated businesses, despite the virtually non-existent impact on localized emissions from these upfitted vehicles.

### **Restrictive Credit Schemes Available Under Advanced Clean Trucks Regulation**

The ACT regulation's credit schemes for MDVs are restrictive and do not include credit pooling concepts. This limitation complicates compliance, as manufacturers may be forced to limit ICE sales in states with insufficient ZEV demand, resulting in product shortages for consumers, upfitters, dealers, and small businesses that rely on medium-duty fleets.

We believe that manufacturers' administrative and compliance burdens should be considered when designing an ACT credit pooling system to ensure that any final provisions remain manageable and practical for a medium-duty manufacturer.

If ACT were to be adopted by Illinois, we would see a proper credit pooling system that includes MDVs as a necessary and important compliance enabler to the ACT rule; and as an important tool for OEMs to manage the distribution of their vehicles, particularly those with limited model lines.

### **Conclusion**

While Mercedes-Benz is firmly committed to supporting the goal of reducing emissions and promoting cleaner transportation technologies, we urge the Illinois Pollution Control Board to consider the significant challenges we have noted in our comments, including the feasibility of ACT, and its potential unintended consequences. We recommend focusing on addressing infrastructure gaps, ensuring vehicle availability, and supporting complementary policies before adopting the Advanced Clean Truck rule.

Thank you for your attention to these important issues and for considering our comments.

Sincerely,

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

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By: Anthony Washington April 28, 2025  
Anthony Washington, Senior Manager, Regulatory Compliance, VANS Date