

DOCKET

10-ALT-01

DATE	MAR 23 2011
RECD.	MAR 23 2011

March 23, 2011

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 10-ALT-1
1516 Ninth Street
Sacramento, CA 95814-5512

Dear Commissioner Boyd and California Energy Commission staff:

Thank you for the opportunity to provide comments on the “2011-2012 Investment Plan for the Alternative and Renewable Fuel and Vehicle Technology Program, Draft Staff Report” which was discussed in the Advisory Committee Meeting. As you know, Daimler is strongly committed to bringing commercial fuel cell vehicles to market in California. Earlier this week, we announced that we will build a new fuel cell stack production facility in Burnaby, BC, Canada, to produce stacks for our next generation fuel cell vehicles. In addition, the ‘Mercedes-Benz F-Cell World Drive’ commenced in Stuttgart, Germany on January 29, 2011. The purpose of this undertaking is to drive three F-Cells around the world in 125 days, covering more than 18,000 miles, evidencing the maturity, durability and reliability of our fuel cell vehicles. These activities underline our commitment to both fuel cell vehicle technology, and to the vehicle deployment plan indicated in the latest CEC survey.

Despite our substantial efforts, we cannot successfully bring fuel cell vehicles to market without governmental support for hydrogen infrastructure in this pre-commercial phase. We encourage CEC to include funding for additional hydrogen stations in the 2011-2012 Investment Plan, as well as future investment plans. While funding for hydrogen stations for bus refueling greatly supports the transit sector, we need publicly accessible refueling stations to serve our light duty fuel cell vehicles in customer hand. Continuous, reliable State funding and support over the next four years will allow automakers to give the needed market signals to the private sector that their investment in hydrogen infrastructure is warranted. It will also maintain the pressure on the DOE to join the State in helping to provide the needed government funding. In order to share the costs as equitably as possible, we need active participation from all of the key players to make hydrogen and fuel cell vehicles a commercial success. If the CEC were to discontinue its

funding activities at this time, it would lend further credence to the DOE's position that the funding and support of hydrogen and fuel cell vehicles is a low priority.

With respect to funding policy, some have argued that sufficient hydrogen capacity will exist once the State funded stations come online. While this may be partly true, throughput capacity is only a small portion of the issue. In order to ensure that fuel cell vehicles become a commercial success, we need adequate station coverage in the markets identified in the latest CEC survey. Coverage provides redundancy, freedom of travel, and most importantly, allows the fuel cell vehicle to be the primary vehicle for the customer. Additionally, OEMs face the reality that they have only limited control over where the vehicles are leased, and where they operated. Once a lease or title is signed, the customer owns the vehicle. OEMs cannot control where they fuel to balance out station load or reduce station demand in new areas. As we approach the commercialization the cluster model is not flexible enough to meet customer needs and expectations; we need modification of this policy to allow for customer choice. Therefore, the CEC should shift its focus away from counting kilograms of hydrogen, and endeavor to provide the needed hydrogen station coverage to ensure that customer expectations are met. This is an area where we intend to work in partnership with CEC, to ensure that State funds are invested wisely, with the highest potential for return. We have, and will continue to share confidential, pre-commercial customer data with CEC, to ensure that present and future customers are supported by an adequate hydrogen infrastructure to make fuel cell vehicles a commercial success.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rosario Berretta", is written over the printed name.

Rosario Berretta

Mercedes-Benz Research & Development North America, Inc.
General Manager
Fuel Cell Vehicle Operations USA