

Chair Liane Randolph and Members of the Board California Air Resources Board 1001 | Street Sacramento, CA 95814

25th July 2024

Subject: Comments on the California Air Resources Board Proposed Advanced Clean Cars II Amendments

To the Clean Cars Staff at the California Air Resources Board,

Bugatti Rimac d.o.o. ("Bugatti Rimac" or the "Company") is pleased to submit comments to the California Air Resources Board ("CARB" or the "Agency") regarding the Notice of Amendments to Advanced Clean Cars II regulation.

Bugatti Rimac fully supports the Agency's proposal to extend the scope of requirements as discussed during the workshop held in June 2024.

Nevertheless, the Company would like to underline the expectation on the level of harmonization that the Agency should ensure with respect to the finalized federal emission standard and, according to the amendments proposal presented, is not sufficiently guaranteed.

In particular, the Company underlines how the Environmental Protection Agency finalized a gradual phase-in for the introduction and compliance of the new requirements for all vehicles. The Company believes that the Agency should harmonize to the same approach and guarantee the same flexibilities to avoid market access barriers, or many differentiation and specific solutions in a manufacturer product portfolio.

➤ Interim Tier IV certified vehicles

EPA introduced, in its final standard, the possibility to fully comply with Tier IV requirements with a gradual fleet phase-in of 20% - 40% - 60% - 100% from MY2027 to MY2030. The complementary interim Tier IV test groups (with a gradual fleet phase-out of 80% - 60% - 40% - 0% in the same timeframe) are an opportunity to allow the manufacturers to properly manage the transitions and progressively introduce, within their fleets, the new technical solutions needed:

- Gradually phase-out BIN/LEV 160 and BIN/ULEV 125;
- Gradually introduce new testing requirements (quick drive-away, intermediate soak, etc.)

In addition, independently from the interim or full Tier 4 requirements application, the NMOG+NOx fleet average target is set per each model year: the manufacturer must



fulfill the possible deficit resulting according to the AB&T rules. The NMOG+NOx target is not affected considering the overall scheme.

For these reasons, the Company believes that CARB could revise the standard introducing an interim LEV IV compliance coherent to the federal interim Tier 4 solution.

> ZEV assurance measures

The Company recognize how crucial and fundamental is the introduction of the ZEV assurance measures, as largely discussed by the Agency during the rulemaking process of the ACC II regulation.

Nevertheless, the Company believes that the resulting challenges for manufacturers have been underestimated by the Agency at the time of the rulemaking process, as it is possible to deduce from the amendment workshop presentation ("Early implementation issues" related to the data standardization and battery labeling).

An additional reason of those implementation issues, according to Bugatti Rimac, has been the parallel federal rulemaking process, finalized one year and a half later with respect to the ACC II regulation. Bugatti Rimac waited for the finalized federal rule to define a common engineering development action that could satisfy both federal and Californian provisions.

The Agency introduced only one fleet phase-in compliance of 40% and 100% in MY2026 and MY2027 for the data standardization requirements, but the Company believes that MY2026 should be a common transitional year for all ZEV assurance measures.

Therefore, Bugatti Rimac suggest that all ZEV mandate program should be applicable starting from MY2027 aligned with the new federal requirements.

Utility factors

Bugatti Rimac strongly supports the aim of the Agency to correctly evaluate the characteristics of plug-in hybrid vehicles and the correlation between the GHG emissions certified according to the testing procedures and the real-world performances.

Nevertheless, in the Company opinion, it is detrimental to remove utility factors for the purpose of GHG fleet compliance. This possible amendment is against the purposes of the Advanced Clean Cars II regulation: the ZEV mandate requires that a PHEV, to be eligible for ZEV credits, must guarantee minimum performances in terms of electric range (70 miles as combined minimum range; 40 miles on USO6 driving cycle). A removal of the UF will discourage the manufacturers to invest on better electric performances for PHEVs.

Finally, the Company encourages the Agency on looking at the solutions that other Countries worldwide are already applying for a better correlation between certified and real-world performances.

Charging Requirements

13 CCR § 1962.3, as amended by the ACCII regulation, requires that battery electric vehicles and plug-in hybrid electric vehicles certified for sale in California must be



equipped with both AC and DC charging inlets from MY2026, requiring minimum performance requirements for AC and DC charging inlets.

CARB ACCII is the only regulation worldwide requiring these specific charging performances to allow electrified vehicles to be approved.

The AC charging components available on the market with such performances have big dimensions and weight. Consequently, it is extremely challenging to fit those components on specific products like supercars and hypercars.

For this reason, Bugatti Rimac proposes that the requirements introduced by 13 CCR § 1962.3 on AC and DC charging should be on a "if fitted" basis, and not as a mandatory requirement for sale of BEV and PHEV. Nevertheless, electrified vehicles not fitted with those technical solutions should not be eligible for ZEV credits.

Bugatti Rimac appreciates the opportunity to provide comments and feedback to CARB on the ACC II regulatory package amendments. Thank you for your consideration of these comments.

Should you have any questions, please contact me at <u>a.campochiaro@bugatti-rimac.com</u>.

Sincerely,

Alessandro Campochiaro

Head of Vehicle Type Approval and Regulatory Affairs

Bugatti-Rimac d.o.o.