Daimler North America CEO says future “does not include plug-in hybrids”

Roger Nielsen, president and CEO of Daimler Trucks North America in Long Beach, April 2019.

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At a presentation in Long Beach, California, Daimler Trucks North America President and CEO Roger Nielsen on Wednesday laid out an electrification plan for Daimler’s Freightliner brand, which makes medium- and heavy-duty trucks.

Freightliner announced two battery-electric vehicles last June: the heavy-duty eCascadia and the medium duty eM2. The company previously said that it would build the trucks at a facility in North Carolina, but yesterday Nielsen said that an existing Freightliner factory in Portland, Oregon, would be redesigned to build the two electric-vehicle lines.

The company decided to change the manufacturing location in order to take advantage of the factory’s proximity to California, which has stringent low-carbon fuel standard rules about to take effect. In September, the state’s Air Resources Board amended existing rules to require that lifecycle emissions for transportation fuels needs to drop by 20 percent by 2030, which will certainly drive up the price of diesel and gas in the state. Now, vehicle manufacturers like Freightliner are betting that freight companies that move shipments

frequently or exclusively through the Golden State will start to see a cost advantage in shifting their fleet from diesel to a low-carbon alternative.

Daimler is not alone in making this bet; the Low Carbon Fuel Standard also has startups like hydrogen-truck hopeful Nikola setting their sights on California as an emerging market for new heavy-duty vehicle investment.

(The state's relatively generous research and development funding for alternative fuels may help, too: Daimler said on Wednesday that it has received a "$16 million grant from SCAQMD [California's South Coast Air Quality Management District]," which "partially funds the Freightliner Electric Innovation Fleet.")

Interestingly, Nielsen addressed hydrogen fuel as an alternative to all-battery electric vehicles in his Wednesday presentation. In a press release, Daimler said that "The company sees potential for hydrogen fuel cells to extend battery-electric truck range but does not see it as viable in the near term." In addition, Nielsen said that "The road to emissions-free driving… does not include plug-in hybrids" for Daimler Trucks North America.

That may be a blow to an idea put forward by a group of MIT scientists earlier this month. The researchers said that waiting for all-battery electric vehicles or hydrogen fuel cell vehicles to come to market was overlooking an important near-term solution: plug-in hybrid trucks capable of burning a mix of gasoline and biofuel.

But perhaps all-battery-electric, heavy-duty trucks aren't too far off from the present. Nielsen said on Wednesday that Daimler plans to put 50 electric test vehicles on US roads by the end of this year.

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