



Connecticut Hydrogen and Electric Automobile Purchase Rebate Program
(CHEAPR)

Board Meeting
September 22, 2021
3:00 PM via Zoom

DRAFT

Meeting Minutes

Attendance

Board Members: DEEP Commissioner Katie Dykes; Matt Macunas; Andrea Comer attending for Commissioner Seagull; Amy McLean; Tony Cherolis; Jody Ellant; Brad Hoffman; Garrett Eucalitto

DEEP Staff: Tracy Babbidge, Paul Farrell, Paul Kritzer, Katie Katrichis, Walter Barozi, Betsey Wingfield

Members of public offering comment: Gannon Long, Jesse Richard, Diane L., Barry Kresch, Paul Braren, Susan Betterly, Ron Shaffer, Chris Parkhurst, Larry Thompson, Craig Peters

Public Attendees: Marcus Gilmore, Jessica Moreno, Lori Demaine, Tom O'Neill, Caryn Josepher, Tyler Peterson, Hank Cullinane, Dave McIntosh, Linda Kowalski, Kaitlyn Cyr, Ellen Kappes, Christopher Brown, Joel Gordes

Call to Order, Last Meeting Minutes and Board Member Announcements

At 3:05 PM, Commissioner Dykes called the meeting to order.

Commissioner Dykes – Introduce motion to adopt minutes from June 3, 2021
Approved unanimously.

Before going over the items on the meeting agenda, Commissioner Dykes highlighted the latest [Greenhouse Gas Inventory Report](#) that was recently published by DEEP. The report is relevant to the CHEAPR Board's work as it provides updates on the state's progress toward achieving a 45% reduction of greenhouse gas emissions by 2030. This goal aligns with the Biden Administration's nationwide emission reduction target. Due to a lag in data availability, the report published by DEEP in 2021 covers emission reduction progress only up to 2018.

Commissioner Dykes went on to briefly describe the content of the Greenhouse Gas Inventory Report; most importantly, that emissions from transportation increased from 2017 to 2018 by about 3%. The state would need to convert about 500,000 passenger vehicles to electric vehicles by 2030 to achieve its emission reduction target. The CHEAPR program will be a crucial tool in helping Connecticut to get more EVs on the road in order to meet its goal.

Jody Ellant raised concern about Connecticut's ability to reach 500,000 EV registrations by 2030.



Board Reports and Updates

Program Update, *Marcus Gilmore – Center for Sustainable Energy (CSE)*

Marcus introduced himself as the new Director of US Transportation Programs at CSE and will be taking over John Livermore's account management responsibilities for CHEAPR. He provided updates on the following program elements:

- **Rebate+ Update**
 - Launched on June 7, 2021
 - Current Dealerships Enrolled: 119
 - Number of rebates approved since Rebate+ launch (as of 8/31/21): 378 point of sale, 1 Rebate+ New, 0 Rebate+ Used
 - Rebate+ refers to the CHEAPR program that is specifically for LMI participants. Tony Cherolis stated that this low turnout is disappointing and should be addressed by the Board.
- **Payment Backlog Resolution**
 - CSE experienced delay receiving payment from DEEP which impacted the timeframe for approving applications submitted from 7/13/21 to 8/16/21
 - CSE is now authorized to receive payments by wire transfer and will also start requesting additional funds when DEEP's balance is at \$100K instead of \$50K

Budget Update, *Marcus Gilmore – CSE*

- Marcus went over the slides on budget provided (see meeting agenda presentation).
- Questions on this topic from the Board:
 - Jody Ellant (Board): Could we use federal funding to offer incentives to people with high occupancy vehicles like in California, New York, and Mass?
 - Paul Farrell (DEEP): Responded that his understanding of the federal funding formula, under which the highways were built, restricts the state from adjusting rules on which vehicles are allowed access to HOV lanes.
 - Garrett Eucalitto (CT DOT): There are federal restrictions and regulations that would need to be followed and it's how those roads are built and what funds they're built with. In theory, CT DOT would need to work with US DOT to apply for a series of waivers to get federal funding. However, there is no path forward for CT to obtain these waivers. The only highways in the state with HOV lanes are 91-N and 84-E, and both roads were constructed in such a way that the pertinent waivers are not applicable.
 - Marcus Gilmore (CSE) also noted that CSE keeps tabs on a broad range of inputs that accelerate EV uptake across multiple states (such as HOV funding or lack of sales tax). He offered to provide more information about the ecosystem of activities that CSE considers in its modeling to anyone on the call who is interested.



- Commissioner Dykes offered [CT DEEP's 2020 EV Roadmap](#) to reference for a holistic view of Connecticut's plan to increase EVs in the state outside of the CHEAPR rebates.
- Matt Macunas (Board): Asked whether there are indices that can be accessed to compare administrative, operational, and other costs:
 - In response, Marcus Gilmore: the formal price tag can be variable; for instance, a robust community outreach component would require entail paying CBOs for their labor and therefore higher admin costs to the CHEAPR program would result. Tracy Babbidge and Paul Farrell also noted that there is a hard coded 11.5% cap for proportion of admin costs out of the CHEAPR budget.
- Rebate Funding Projections – Calendar Year 2021
 - Actual awarded as of 9/17/21: \$1,177,175 | 999 applications
 - Forecasted total award: \$2,308,150 | 1718 applications
 - DEEP Rebate Goal: \$4,700,000

Update on EV Registrations, *Paul Farrell – DEEP*

- For the first half of 2021, 4% of all sales were plug-in electric vehicles. Broken down:
 - 1.4% (out of 4%) were Tesla's
 - 1% were other battery electric vehicles
 - 1.7% were hybrid electric vehicles
- New product introductions with a considerable impact on the market:
 - Tesla Model Y
 - Toyota Rav4 Prime
 - Ford Mustang Mach E
 - New Volkswagen battery electric vehicle (I.D.4)

2021 Program Evaluation Timeline, *Paul Farrell – DEEP*

- Regulatory framework that drives EV deployment in Connecticut and throughout the Northeast is driven by California's vehicle emissions program
- CA is looking to revise their zero-emission vehicle regulation to get to 100% EV sales by 2035
 - If adopted, this would translate to a new goal of roughly 16-25% EV penetration in CT by the 2026 model year (depending on the finalized details)

Expanding Outreach Efforts, *Marcus Gilmore – CSE*

- Marcus focused on a number of different outreach target audiences.
 - Equity outreach, he stated that CSE has reached out to 170 organizations in CT w/ available resources but acknowledged that more outreach is required.
 - On dealership outreach he said efforts are underway to include more resources for dealerships.
 - On Marketing and outreach plan for Rebate+ Marcus mentioned targeted outreach including revamp Facebook ad campaign to target lower income areas in CT, continued CBO outreach to expand Rebate+ messaging to LMI communities, and targeted outreach to all new and



- used dealers in CT with a focus on Rebate+, and providing talking points to dealerships for Rebate+ New & Used for their customers.
- The group brainstormed groups that could be contacted for more specific outreach including: Community based organizations (CBOs) and community meeting groups, Connecticut Roundtable on Climate and Jobs, Center for Latino Progress, Sustainable CT. Local Government Agencies like the City of New Haven, City of Ansonia. Health Focused Nonprofits such as the American Lung Association, Connecticut Health Foundation and NGOs like CT's Clean Cities Coalition.

New Board Webpage, Tracy Babbidge – DEEP

- [New webpage for the CHEAPR board](#)
- DEEP announced the creation of a new page is specific to the Board. There are four vacancies on the CHEAPR Board right now, and DEEP staff suggested that participants should reach out to DEEP with any suggestions or interest.

Questions and Comments to Updates

- Tony Cherolis praised the emphasis on outreach but raised the concern that the proposed increased outreach efforts may not be enough to increase LMI applications. He stated that the income threshold for Rebate+ eligibility is too low and that moderate income households (e.g. under 75k household income) should be eligible for these rebates too. As a CBO worker in a low-income area, Tony Cherolis said that if he were to talk to people in his community about applying for the Rebate+ then it would be a hard sell.
- Jody Ellant seconded Tony Cherolis's reservations about the actual impact of the new outreach framework on Rebate+ uptake. Ellant also brought up that low-income individuals, especially those who live in multi-family homes, may not have access to EV chargers.
- Matt Macunas suggested a few different categories of points of contact to add to CSE's list: community action agencies, social service agencies, faith institutions, electric utilities like Eversource
- Amy McLean asked what outreach efforts CSE has conducted to promote the program to date.
 - Marcus Gilmore answered that all outreach efforts are delineated on the "Outreach Update" slide of this meeting's presentation, and that they have mostly been limited to information sharing at this point.
 - Amy followed up by asking how the 170 institutions that CSE has reached out to were selected.
 - Jessica Moreno of CSE stated institutions located in low income communities were prioritized as well as certain types of institutions that have historically excelled at helping to push out EV incentives, such as environmental justice organizations and sustainability organizations.
 - Jessica stated that CSE has touched base with many such organizations in CT but has not been met with much engagement from them, likely because of a lack of time and resources



on the part of the CBO. One potential remedy for this issue is offering the CBO direct payment to engage with CHEAPR program outreach.

- Craig Peters from Capitol Clean Cities: offered a few months ago to help with the CHEAPR program outreach; Craig has done four EV events so far and they will be doing another one in about a week. Craig was initially given 100 flyers and was told that there would be no funding for his labor at the events nor for any flyers after the initial batch he received. Craig spends 4-5 hours at each of these events interacting with sales managers and general managers of car dealerships to secure vehicles to display without being given any support from DEEP or CSE. Craig stated that he is in a difficult position trying to do outreach for CHEAPR under the program's current operating scenario and suggested that if more support could be offered to CBOs, the work would be less strenuous for the CBO employees.
- Bradley Hoffman stated that there are no EVs in stock right now in the state which might be negatively skewing how CSE is viewing the success of their current marketing campaign
- Andrea Comer (A) Asked: has the CHEAPR program outreach included community colleges, most especially those that provide workforce training programs for manufacturing or other sectors that require onsite labor at a location that public transportation doesn't reach? This would present an opportunity for education. And (B) praised Matt's earlier suggestion about including faith-based organizations in program outreach – since those spaces are grounded in social justice, there is space to educate those constituencies on the impacts that environmental racism and climate change have on their community
- Tony Cherolis asked: what measure would have to be taken in to determine if the LMI screening process should be changed?
 - Tracy Babbidge answered that before anything is changed directly there needs to be a concerted push on increasing outreach, education, and opportunities for direct feedback. Tracy went on to say that she isn't sure the outreach for the CHEAPR program has properly reached the people that it is meant for.
 - Tony Cherolis asked if any of the programs that are used as qualifiers for the Rebate+ have a typical household income cutoff – are they designed for low income or moderate-income households?
 - Marcus Gilmore voiced support for Tracy's point of making sure that the current target audience of the Rebate+ is being reached before modifying LMI criteria as it stands now. In addition, if CT is to build a more robust CBO program, then CBOs can actually be a great resource in helping to restructure LMI criteria in a way that is tailored to a community.

Public Comments

- Gannon Long: Commended the new CHEAPR Board website and applauded the idea of paying CBOs for time to do work that's outside of their scope. Pushed back on the idea that LMI folks are a monolithic group of people, but DEEP should have a more specific profile in mind of the person that they're trying to reach with its Rebate+ advertising. Encouraged the introduction of a cash for clunkers type of program, incentive options for people leasing or financing vehicles while making



sure that the actual consumer gets some of the benefit from these incentives. Gannon also emphasized that it has taken Connecticut more time to get from 100 EVs registered to 17,000 than the amount of time that it has left to get from 17,000 to 500,000. The Department of Transportation should be planning for fewer VMTs, not more, and CT should start focusing on increasing non-car transit. Gannon encouraged the Board to look at incentives for other types of mobility, including electric bikes and transit passes. They also encouraged CSE to look at the significant emission reductions that occur when cars are removed from the road entirely and not just replaced with other cars.

- Paul Braren, EV Club of CT: Connecticut would increase our adoption of EVs by including the Tesla Model Y SUV Crossover in its CHEAPR eligibility which starts at 54K. Second best would be to make Tesla Model 3s eligible for CHEAPR with a baseline MSRP of 50K. 42K is too restrictive of an MSRP cap for the CHEAPR program if CT is to hit its goal of 500,000 EVs in time
- Barry Kresch: Has questions about the eligibility of the vehicles for the used Rebate+. (1) Can an individual purchase a used EV that was manufactured before the inception of the CHEAPR program? EVs last for a very long time so older vehicles could fetch a very fair price for someone with a lower income. And (2) is it really necessary to keep the MSRP cap for the Rebate+ when the applicant's income is already being screened? Isn't that just artificially limiting supply?
- Jesse Richard: just moved to Connecticut from New York City. One thing that they found helpful was the Smart Charge program in New York, which worked with electric utility providers to give EV owners a dongle to put in their car that monitored when charging. If the vehicle was charged during off-peak times then the owner got money back for every kilowatt hour they used. If they went a whole month in the summer without charging at peak time they received a bonus of ~\$20. This was a program that Jesse found very helpful.

In addition, drawing upon their experience in the industry, Jesse detailed that car dealers often don't guide their customers to EVs because the dealership loses out on money that it could be making servicing gasoline/diesel vehicles for the months/years to come after that. Jesse suggested that instead of just marketing EVs directly to consumers, they should be marketing them to dealerships too by giving them some way to passively make money off of the EVs they sell – e.g. by giving a dealership a free public EV charger that they can make money off of.

- Vincent Betterly via Susan Betterly's account: A resident of Ridgefield, Vincent is a member of the Ridgefield Action Committee for the Environment. They are having an EV car show on October 17th, so it would be helpful if they could get about 50 handouts of CHEAPR documentation. Vincent will send their email in the text chat to receive these materials.

They would also like to build upon Gannon's prior comment about market segmentation – who's buying vehicles? What kind of vehicles are they interested in? How best to approach them? Who owns most of the registrations? Who owns the largest fleets? Are we working on fleet management conversion, and what kind of hurdles do they have to convert their fleets? Fleets can get turned over quickly which could be helpful in getting to the 500,000 EV goal... What are the hurdles for every class of car buyer? How do LMI community members get around – Uber, Lyft, rentals, electric bikes?



- Chris Parkhurst: supports Paul Braren’s comment about the MSRP cap being too restrictive. Thinks that the Board should remove the MSRP cap entirely, raise it, or waive it for American-made vehicles. New EV manufacturers are not going to be producing a cheap product, and if no one is buying it then they’ll stop producing EVs in Connecticut, which is “counterproductive to what [the CHEAPR Board is] trying to do, which should be to get EVs on the road, and if those American car manufacturers aren’t selling their vehicles in Connecticut then they’re going to go out of business [sic] and we’re [sic] not going to have the same volume of electric cars that we’re [sic] going to need in the next 10 to 20 years that we should be.” Chris Parkhurst urges the CHEAPR Board to reconsider its MSRP cap as they forecast that the “car shortage is going to hold out for at least 18 months due to production shortages, labor shortages, and chip shortages.”
- Tony Cherolis: wanted to see if anyone on the Board would be interested in seconding or discussing a motion to add an alternate qualification method for the LMI additional incentive to reach the state’s moderate-income households. Tony wanted to move to make the income cutoff \$63,000 annually for the Rebate+ program and to implement this before the next quarterly meeting. Tracy Babbidge acknowledged Tony’s points but expressed that practically DEEP is unable to change the screening process so immediately. However, the Board can circle back and discuss the feedback they’ve received today on the income cap and the MSRP cap at its next meeting in December.
- Barry Kresch: asked when will the public reporting be updated? That which being the CHEAPR statistics page.
 - Marcus Gilmore answered that he can contact the lead at CSE to get a definitive answer for this.

Adjournment

The meeting concluded at 5:03pm.

The next CHEAPR meeting will be Thursday, December 16th from 15:00-17:00 EST.