



Connecticut Hydrogen and Electric Automobile Purchase Rebate Program
(CHEAPR)

Board Meeting
June 3, 2021
4:00 PM via Zoom
Meeting Minutes

Attendance

Board Members: Matt Macunas, DCP Commissioner Michelle Seagull, Amy McLean, Tony Cherolis, Jody Ellant, Garrett Eucalitto

DEEP Staff: Tracy Babbidge, Paul Farrell, Lakiesha Christopher, Katie Katrichis, Betsey Wingfield

Members of public offering comment: Gannon Long, Charles Rothenberger, Diane L., Barry Kresch, Piyush Vora, Aleksandra Moch, Larry Thompson, Craig Peters, Zack Kahn

Public Attendees: John Livermore, Jessica Moreno, Lori Demaine, Tom O'Neill, Caryn Josepher, Tyler Peterson

After the last Board meeting, Jim Fleming resigned.

At 4:00 PM, Tracy Babbidge called the meeting to order. Commissioner Dykes was unable to attend due to a schedule conflict.

Meeting minutes from the February 24, 2021 were approved unanimously by the Board members that were present. The motion to approve was offered by Garrett Eucalitto and seconded by Matt Macunas.

Board Update

Program Metrics (*Paul Farrell, CT DEEP*)

- Number of applications for rebates are roughly the same compared to historical data; 565 have been approved so far in 2021
- Most popular vehicle models include:
 - Toyota Prius Prime (147)
 - Toyota RAV4 Prime (97)
 - Tesla Model 3 rear wheel drive (100)
- Positive Development in EV Fleet Penetration in CT
 - Q1 sales data indicate that the percentage of EVs out of all light-duty vehicle scales has increased to 3.4% in 2021
 - More than first 6 months of 2019 and 2020 in Q1 alone



Budget Update (*Paul Farrell, CT DEEP*)

- \$1.46MM in funding remains; will be rolled over into DEEP's next 3.0MM allocation for CHEAPR
 - High-resolution budget update copy is available in Board packet
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Review of New CHEAPR Program Materials and Program Launch

Introduction (*John Livermore, CSE*)

- Other CSE / CHEAPR Program Team staff are on the call:
 - Jessica Moreno, CHEAPR Program Manager
 - Lori Demaine, CHEAPR Program Coordinator
 - Tom O'Neill, Outreach Specialist
 - Caryn Josepher, Marketing Manager
 - Jenea Shegog, Operations Manager

Historical State EV Rebate Program data (*John Livermore, CSE*)

- CSE administers EV rebate programs in California, Massachusetts, Connecticut, New York, New Jersey, and Oregon
- Compared to the other states that CSE works with, CHEAPR is leading the pack with the accessibility of their program to LMI folks
- CHEAPR has the lowest MSRP cap out of the six programs; allows funding to be distributed more equitably
- Vehicles Receiving Rebates: Equitable Distribution
 - April 2018, pre "Model 3 effect" → 74% of funding was used for vehicles with minimum MSRP of \$30,000 to \$39,999
 - After "Model 3 effect", there was a substantial shift in the distribution of CHEAPR funds based on minimum MSRP range. This is reflected in statistics for the total number of CHEAPR rebates granted for model year 2018 vehicles from Aug 2017 to Nov 2019:
 - Only 45% of rebates were issued to vehicles valued at \$30,000 to \$39,999
 - 38% of rebates went to vehicles valued at \$45,000 to \$49,999
 - Out of the total number of rebates issued, 35% went to Tesla models in the latter range
- Rebate influence
 - In a survey of EV owners, 95% of respondents in Connecticut said that the state rebate was moderately to extremely important in making it possible for them to acquire a clean vehicle
 - 58% of CT respondents said they would not have purchased/leased their clean vehicle without the rebate

CHEAPR Equity Outreach (*Jessica Moreno, Lori Demaine, Caryn Josepher, and Tom O'Neill; CSE*)



- Main focus is to connect with Community-Based Organizations (CBOs)
 - Aligns with the EV Roadmap's emphasis on a multi-prong engagement effort to educate and promote EVs in LMI and underserved Communities
 - Slide deck for CBOs:
 - Intended to be presented at networking events to CBOs or to train CBOs to present the slides directly to their community
 - Includes information on EVs in general, charging information, CHEAPR program details, new federal and state incentive levels, and common EV myths
 - Resources that will be provided include consumer flyers, content kits, dealership posters, and on-demand webinars
- Other important community outreach collaborations:
 - Local government agencies, health-focused nonprofit organizations
 - CT Clean Cities Coalition, which can use its platform to help promote CHEAPR
- CHEAPR Collateral Materials – Dealership Poster and LMI Consumer Flyer
 - Poster: Quick Reference for Dealerships to use in-house, intended or display to employees or to the public
 - Includes rebate values for point of sale purchase, lease, and post-purchase; a rebate process overview; a summary of program eligibility; charging resources; and a QR code linked to DEEP's CHEAPR website
 - Flyer: used by dealerships or distributed by CBOs
 - Includes a summary of rebate values and a QR code linked to DEEP's CHEAPR website
 - CBO Content Kit: promotional guide to share the CHEAPR Programs for integration into their own marketing program
- New & Used Dealership Outreach Plans
 - Coordinate with CT Auto Retailers Association
 - Publish editorials in their monthly newsletter promoting CHEAPR
 - Assist with mass emailing the Used Dealers in their network
 - Word-of-mouth: cold-call Used Dealers that are new to the program
 - On-Demand webinars
 - Program Collateral
 - Directly email enrollment materials to New Dealers, encouraging them to sign up for future updates
- Questions and Comments
 - Matt Macunas expressed enthusiasm that Connecticut is paving the way for the state implementation of an EV rebate program that emphasizes equitable distribution of resources. John Livermore echoed this sentiment when asked to respond to Matt.
 - Matt Macunas also praised the Dealership Poster's inclusion of EV support service information.



- Garrett Eucalitto asked if the outreach materials will be produced in multiple languages. Paul Farrell responded that this should be easy to arrange. In a discussion with Amy McLean, Garrett specified that some important translations include Spanish, Chinese, and Polish.
- Amy McLean asked for clarification on what specific Community Based Organizations will be targeted, or an estimate of how many CBOs that will be contacted. John Livermore explained that CSE has “cast a wide net” in their outreach effort. Livermore also clarified that there is no incentive program for CBOs to participate, but noted that California does something similar.
- Amy McLean also suggested that the Board members be featured on the CHEAPR website
- Betsey Wingfield asked if Board members would be willing to present slides to CBOs. Amy McLean answered that they would participate.
- An audience member asked if the flyers will be available for upcoming EV car shows. John Livermore said that the flyers can certainly be made available and to reach out to him to coordinate.
- Amy McLean expressed a desire to have regularly scheduled (perhaps quarterly) Board meetings in the future. Tracy Babbidge responded that quarterly Board meetings were a topic of interest and would benefit scheduling but that Board members should share their preferences regarding regularly scheduled meetings going forward.
- Tracy Babbidge discussed the need for an inclusive and broad process to fill Board vacancies and the desire for a diverse field of applicants with a standardized application process.

Board Discussion

Jody Ellant brought up concerns about the optics of Hoffman Auto Group’s lawsuit against Tesla to prevent them from operating in East Hartford. Ellant expressed that it comes off as though Hoffman is trying to prevent EVs being sold in Connecticut, and suggested that it seemed to be a conflict of interest.

- Garrett Eucalitto noted that it’s currently against state law for Tesla to directly sell in Connecticut, and thereby no one person is trying to stop them from operating, state law would have to be changed
- Jody Ellant responded that it is legal for Tesla to lease vehicles in the state, noting that perhaps that is what Tesla was intending to do in East Hartford. Ellant also stated that Hoffman Auto Group’s lawsuit was suing on multiple different grounds, not just direct sale. Ellant went on to say that their guess is that the facility in question is supposed to be a service station, which is legal to operate under state law. Ellant suggested that it is the responsibility of the state to take legal action against Hoffman Auto Group if their suspicions were correct.



- Tracy Babbidge expressed discomfort in speaking to whether the state would hypothetically turn to litigation in response to a complex lawsuit that she was unfamiliar with. Paul Farrell responded that DEEP will review the case before the next meeting, in which a dialogue can be opened.

Tony Cherolis noted that the EV Club of Connecticut has reported that the CHEAPR budget is severely underspent and prompted the Board to consider what could be done to make sure that those funds are paid out as the economy suffers. Cherolis also cited several different legislative proposals, including the classification of electric bikes as BEVs, and suggested that the Board have a discussion on how the CHEAPR program would adapt if these proposals were signed into law.

- Tracy Babbidge and Paul Farrell called back to the statistics for Q1 '21 EV sales in Connecticut, noting that sales have shot up this year compared to previous years. It was also suggested that any discussion by the Board of pertinent legislative activity be delayed until next meeting since the legislative session would be ending the following week

Public Comments

Gannon Long urged the Board to consider that CHEAPR rebates to be applied to purchases of electric bikes. Long also expressed hesitation about the outreach strategy of distributing pre-printed materials to all CBOs instead of giving leeway for the organizations to tailor their own promotional materials that will best suit the needs of their community. Long echoed Amy McLean's earlier comment that the term "Community-Based Organization" is ambiguous and it's unclear which organizations are going to be receiving aid; Long emphasized the importance of state-funded consultants to be abundantly clear in their terminology. Long also said that it's not realistic to expect organizations that work within their community to be willing to take the time to participate in this effort without being compensated. Long suggested that the surplus in the CHEAPR budget be used to pay these organizations to "do the Board's outreach work for them".

Charles Rothenberger (*Climate & Energy Attorney, Save the Sound*) echoed Jody Ellant's sentiments about the optics of Hoffman Auto Group's lawsuit against Tesla

Diane L. (*Volunteer, Sierra Club*) requested a point of contact for the Sierra Club to request promotional materials for its EV Shows. Paul Farrell responded that requests could be sent to him so that he could forward them to CSE. Jessica Moreno responded that questions about materials can also be sent to CHEAPR@energycenter.org

Barry Kresch (*EV Club of Connecticut*) expressed distaste at the formatting of the CHEAPR website, remarking that most of the important information is "buried in the FAQ section" and that many consumers come to them asking for help on how to navigate it. Kresch states that the program is far more complicated now and re-working the website would be beneficial to consumers that are interested in the rebates. Kresch also expressed disapproval at the program's once-per-lifetime cap



and at the MSRP decrease to \$42,000. Kresch also inquired about whether or not the MSRP cap includes sales tax (which it does not). He also requested that DEEP starts reporting rebates issued per dealership. Paul Farrell answered that the agency will look into formalizing that reporting.

Piyush Vora commented that the \$42,000 MSRP “barely covers most of the new models on the market”, especially when it comes to vehicles that are all-wheel drive. Vora went on to say that driving a vehicle without all-wheel drive in the Northeast during the winter can be dangerous.

Aleksandra Moch (*Transportation and Air Quality Subcommittee in Greenwich*) commented that Greenwich has a lack of EVSE in town. Moch stated that she would like the state to collaborate gas stations to install more charging stations locally. Moch also expressed frustration about the signage around public charging stations being too confusing.

- Amy McLean voiced support for reaching out to gas station owners to install charging stations.

Larry Thompson asked if the modeling done for the CHEAPR program design is able to take into account the number of sales per model of car to forecast future sales. Paul Farrell responded the agency cannot perform future production projections because such information is considered confidential and proprietary by auto manufacturers.

Craig Peters (*Capital Clean Cities*) asked if the MSRP maximum for the rebate includes shipping and handling. Paul Farrell answered that it does not.

Zack Kahn (*Tesla*) asked if hypothetically a new Tesla Model 3 with a \$39,000 MSRP with \$4,000 worth of add-ons (paint job, wheels, etc.) would hypothetically still be eligible for a CHEAPR rebate. Paul Farrell responded that if the add-ons brought the total price of a car above the \$42,000 MSRP rebate by a small amount then it would be okay, but if a vehicle is taken to a whole new trim level then a conversation with the agency would have to take place before the rebate is issued.

Next Steps

- Development of a broad inclusive process to address Board vacancies
- Establish a quarterly meeting schedule

At 5:08 PM, the meeting adjourned.