



Meeting Minutes

March 17, 2022 CHEAPR Board Meeting via ZOOM || [View Recording](#)

Present: See [Attachment A](#)

Next meeting: June 15, 2022

Prepared by: Katie Katrichis, DEEP

I. Call to Order and Announcements

Meeting started at **3:04 pm**.

In the absence of CHEAPR Board Chair and DEEP Commissioner Katie Dykes, DEEP Air Bureau Chief Tracy Babbidge called the meeting to order and provided opening remarks alongside DEEP.

Call of attendance for Board Members. There is a quorum.

Approval of 12/16/21 meeting minutes. Motion to approve by Tony Cherolis. Matt Macunas seconded.

II. Committee Reports

1. Tracy Babbidge from DEEP provided a budget update: There have been 1,917 rebates paid out between 6/15/20 and 3/2/22, totaling \$2.35 million. A full summary of the budget is available in the presentation.
 - About \$5.47 million remaining for rebates currently
2. Paul Kritzler from DEEP provided an update on the CHEAPR Program Annual Report, as required by Sec. 22a-202 and the annual registration data.
 - The Annual full annual report will be available by April 4 for board review; will be distributed electronically. It includes information and program metrics from July 1, 2020 through launch of the new program on June 6, 2021.
 - The number of first-time EV registrations continues to rise but there may be a drop off going forward in total active EV registrations in the state, which could be due to a variety of reasons.
 - Applications by month: a low uptake of rebates in February 2022, mirroring the application trends that have been seen in previous years.
 - Applications by model: RAV4 Prime is the most popular by far, trailed distantly by the Prius Prime
 - Paul Farrell from DEEP provided an update on program participation/utilization rates: proportion of customers who received rebates out of all statewide purchases of eligible vehicles.
 - Total participation: 34-40% DEEP and CSE use different data to determine program participation rates. DEEP uses DMV registration data and CSE uses IHS Markit registration data, which is a smaller database of vehicles.
 - Rebate+ (new and used) participation: 1.1%
 - Marcus Gilmore provided an update on rebate numbers for the new program.
 - Launched June 7, 2021
 - 134 Current Dealerships enrolled
 - 996 rebates issued to date: 982 Point of Sale | 8 Rebate+, New | 6 Rebate+, Used
3. Review of Participation Rates and MSRP Cap Analysis
 - Addressing LMI Participation: What are the next steps?
 - Increase outreach and awareness on used or more affordable EV models
 - Broaden eligibility, streamline qualification process, explore ways to make *Rebate+* available at time of purchase.



- Explore other ways to provide access to clean transportation
 - 4. MSRP Cap Analysis: Raising to \$50,000
 - How many new vehicle models would be eligible?
 - Ten additional models would become available, including the Ford Mustang Mach E, Tesla 3 Rear Wheel Drive, Audi Q-4 E-Tron, Audi Q-5 Plugin, BMW i3, BMW i3 range extender, BMW 3 series plug-in, BMW X3, Polestar 2, and Volvo S60 Plug-in
 - Not including others that might be released before the new cap would be introduced
 - What's the impact on the program?
 - Recall the 34% participation rate – had this been 100%, the CHEAPR program would have cost \$5.4 M (exceeding its budget of \$3.0 M)
 - With 100% participation and a \$50,000 MSRP cap, the CHEAPR program could cost as much as \$11.0 M a year
 - 5. Focus Area for Next Quarter: Education, Outreach, Marketing
 - DEEP is planning to initiate a marketing campaign directed toward increasing *Rebate+* utilization rates.
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III. Board Roundtable

1. *Comparison of Connecticut's LMI uptake rates to states with equity-focused outreach programs. According to Marcus Gilmore, the two best examples would be Oregon and California. OR has a similar structure to CHEAPR with higher LMI participation rates than CT's, but not by much. CA has multiple stackable incentive programs for EVs, so it's not really a fair comparison, but their model has successfully appealed to the state's LMI population.*
 2. *Jody Ellant mentioned battery discharge concerns when parking her vehicle outside overnight She urges the Board to discuss the feasibility of owning an EV for LMI consumers who don't have access to a garage during CT's cold winter months.*
 3. *Tony Cherolis suggested restructuring the program in ways that will benefit LMI populations such as setting an upper income bound of 300% of the federal poverty level and/or raising the Rebate+ incentive values to \$5000 and \$4000 for new and used vehicles respectively.*
 4. *Board Discussion on raising the MSRP cap to \$50,000 and including eligible models in the CHEAPR program beginning Q3. Tony Cherolis insists that he will only be in favor of increasing the MSRP cap if there is increased accessibility to the program for LMI as well. Matt Macunas responded saying that he agrees with Tony in theory, but the two components don't have to be introduced at the same time.*
 5. *Paul Wessel expressed frustration at the low utilization rates as well as the discrepancy between the figure that DEEP calculated (34%) and that by CSE (40%). Paul Kritzier explained that DEEP used the DMV database for its data analysis while CSE used IHS Markit data.*
 6. *Tracy Babbidge noted DEEP will follow up with dealers to make sure they're going through with offering the incentive.*
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IV. Public Comments

1. *Chris Phelps, CONNPIRG commented that LMI feasibility for people without a home or a garage is a legitimate issue but the severity of the amount of cold weather batter discharge was blown out of proportion. Access to charging regardless of housing type should be a public policy priority. The average MSRP of a car (in general) was \$47,000 last year – it seems unreasonable for the Board to limit an MSRP for EVs to be lower than that.*



2. *Barry Kresch, EV Club of Connecticut supports restructuring the rebate in a way to make it more accessible to LMI consumers – the EV Club hasn't talked about the logistics of how, but Barry agrees with the suggestions that Tony brought up. Barry also agrees with Matt that the two things don't have to happen in tandem. Barry has heard anecdotes from EV club members about dealers who don't participate and try to tell the customer that it's their job to secure the rebate for themselves. There are also stories about dealers who don't want to "float the cash" so customers aren't getting a rebate check until the dealership gets its reimbursement from the state.*
3. *Paul Farrell commented that once educated about the program and how it works, dealer cash flow concerns are addressed as CHEAPR reimbursements to dealers occur within two weeks of application approval.*
4. *Jody Ellant commented that it is probably massively restrictive for dealerships to front the money with their own cash flow. Tracy Babbidge responded that DEEP has worked directly with dealerships on this issue to make the process easier for them; Paul Farrell noted that providing incentive funds up front is more of a problem in NY & MA, where the average turnaround time for a rebate check is on the order of months; Marcus Gilmore replied that Connecticut is the quickest state he knows of that gets reimbursement checks to dealers.*

V. Adjournment

The meeting was closed by Tracy Babbidge.

The next Board Meeting will be held on June 15, 2022

Meeting adjourned at **4:45 pm.**



Attachment A: Attendee Report



**Attachment B: CHEAPR Board Voting Record
March 17, 2022 Meeting**

Vote Key	
A:	Abstain
Y:	Yea
N:	Nay
NP:	Not Present

Vote 1: Adoption of the September Meeting Minutes							
The following is the result of the vote at 3:11 pm:							
Total Number Voting:	6						
Necessary for Adoption:	Majority						
Those voting Yea:	6						
Those voting Nay:	0						
Those absent and not voting:	3						
Vote	Board Member		Vote	Board Member			
Y	1	Katie Dykes*	-	7	-		
Y	2	Matt Macunas	Y	8	Jody Ellant		
-	3	Michelle Seagull	-	9	Bradley Hoffman		
-	4	Amy McLean	Y	10	Garrett Eucalitto		
-	5	-	Y	11	Paul Wessel		
Y	6	Anthony Cherolis	-	12	-		
<i>*Tracy Babbidge voted on behalf of Commissioner Dykes</i>							