



# Connecticut Department of Energy and Environmental Protection



# Board Agenda

## 3:00 PM Chair Commissioner Dykes Call to Order

- Welcome
- Approval of the June 16, 2022 CHEAPR Board Meeting minutes

## 3:15 PM CHEAPR Program Update

- Program Metrics
- Budget Update
- Public Act 22-25 Implementation Update

## 4:00 PM Board Discussion

## 4:15 PM Public Comments

## Adjourn



## Approval of the June 16, 2022 Minutes



# CHEAPR Budget

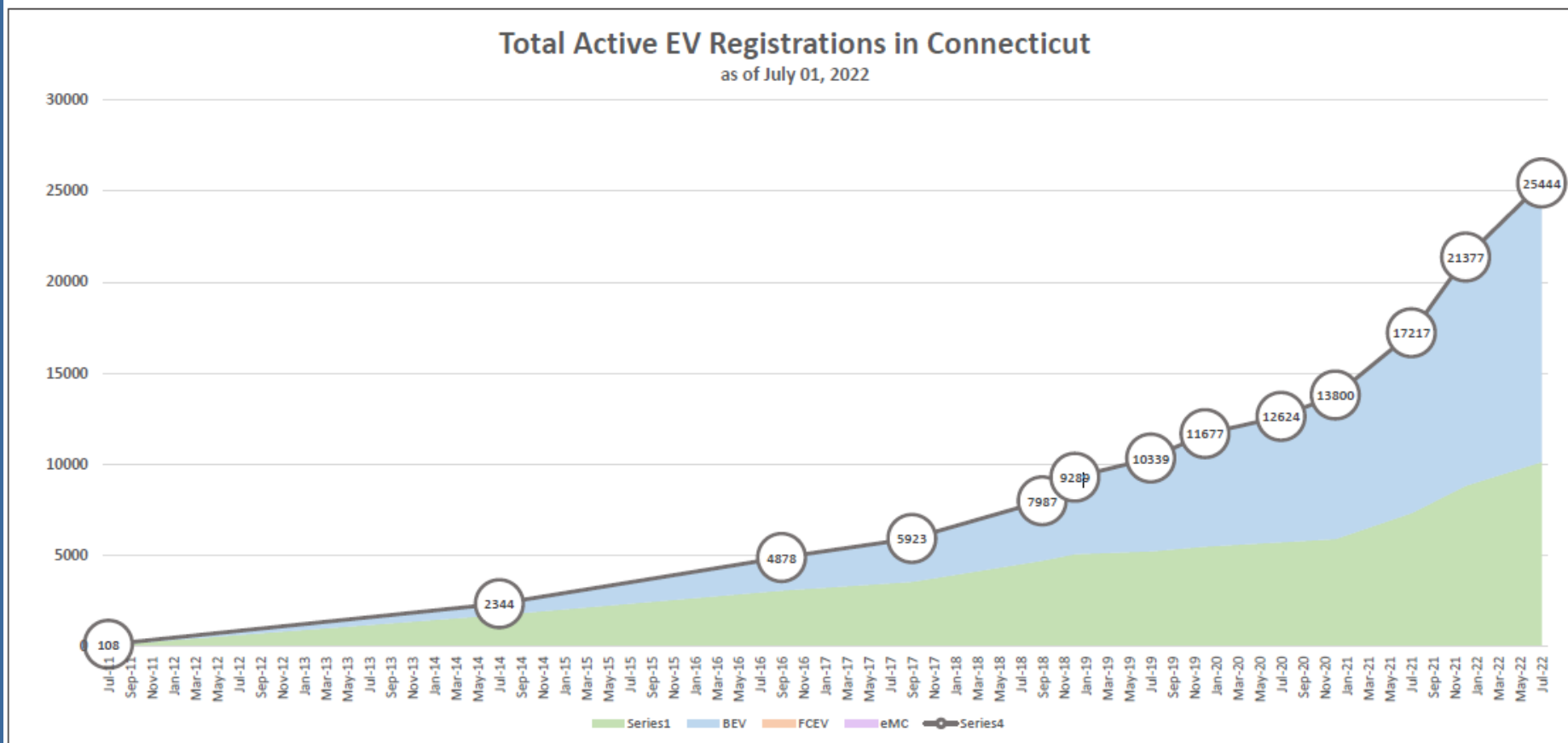
Budget from Jan. 1, 2020 through Aug. 31, 2022

1. Rebates paid from 6/15/20 through 9/7/22 (2,485 vehicle rebates).
2. Rebates paid from 6/7/22 through 9/7/22 (280 vehicle rebates: 134 BEV, 146 PHEV and Zero Rebate+).
3. Apps received through 8/31/22 that are approved and in process but not yet paid as of 9/7/2022 (65 vehicles).
4. Most popular vehicles this year continue to be the Toyota RAV 4 Prime, Prius Prime and Nissan LEAF

CHEAPR Board Meeting - September 15, 2022			
Budget Update			
January 1, 2020 through August 31, 2022			
	Rebate Funds	Admin Funds (1)	Total Funds
<b>Contract Funding Summary:</b>			
Air Funding (CHEAPR2 Bridge Funding) (2)	\$ 260,000.00	\$ 65,000.00	\$ 325,000.00
Year 1 (2020) Funding	\$ 2,625,016.00	\$ 374,984.00	\$ 3,000,000.00
Year 2 (2021) Funding	\$ 2,625,016.00	\$ 374,984.00	\$ 3,000,000.00
Year 3 (2022) Funding	\$ 2,625,016.00	\$ 374,984.00	\$ 3,000,000.00
Subtotal Program Funding	\$ 8,135,048.00	\$ 1,189,952.00	\$ 9,325,000.00
CHEAPR2 Rebates (Vehicle) Paid	\$ (246,500.00)		\$ (246,500.00)
CHEAPR2 Rebates (Dealer) Paid	\$ (13,400.00)		\$ (13,400.00)
Subtotal CHEAPR2 Incentives Paid (3)	\$ (259,900.00)		\$ (259,900.00)
CHEAPR3 Rebates (Vehicle) Paid	\$ (2,958,750.00)		\$ (2,958,750.00)
CHEAPR3 Rebates (Dealer) Paid	\$ (193,525.00)		\$ (193,525.00)
CHEAPR3 Rebates (Plus) Paid	\$ (30,000.00)		\$ (30,000.00)
Subtotal CHEAPR3 Incentives Paid (4)	\$ (3,182,275.00)		\$ (3,182,275.00)
CHEAPR3 Pipeline:			
Rebates Approved (Vehicle)	\$ (12,000.00)		\$ (12,000.00)
Rebates Approved (Dealer)	\$ (700.00)		\$ (700.00)
Rebate in Process (Vehicle)	\$ (87,000.00)		\$ (87,000.00)
Rebate in Process (Dealer)	\$ (4,375.00)		\$ (4,375.00)
Subtotal CHEAPR3 Pipeline (5)	\$ (104,075.00)		\$ (104,075.00)
January'20-June'20 Admin Costs - CHEAPR2 Bridge Funding		\$ (65,000.00)	\$ (65,000.00)
June'20-May'21 Admin Costs - CHEAPR3 (~ 12 months)		\$ (403,997.07)	\$ (403,997.07)
June'21-May'22 Admin Costs - CHEAPR3 (12 months)		\$ (419,715.11)	\$ (419,715.11)
June'22-August'22 Admin Costs - CHEAPR3 (3 months)		\$ (74,055.13)	\$ (74,055.13)
Total Funds Utilized through 8/31/2022	\$ (3,546,250.00)	\$ (962,767.31)	\$ (4,509,017.31)
Estimated Remaining 2021-2022 Funding	\$ 4,588,798.00	\$ 227,184.69	\$ 4,815,982.69
<b>Estimated Funds on Hand:</b>			
CHEAPR2 Bridge Funding Received	\$ 259,900.00	\$ 65,000.00	\$ 324,900.00
Additional Funds received	\$ 3,521,725.00	\$ 999,984.00	\$ 4,521,709.00
Total CHEAPR3 Funds Received	\$ 3,781,625.00	\$ 1,064,984.00	\$ 4,846,609.00
Funds Held by DEEP/DMV	\$ 4,353,423.00	\$ 124,968.00	\$ 4,478,391.00
Funds Held by CSE	\$ 235,375.00	\$ 102,216.69	\$ 337,591.69
Total	\$ 4,588,798.00	\$ 227,184.69	\$ 4,815,982.69

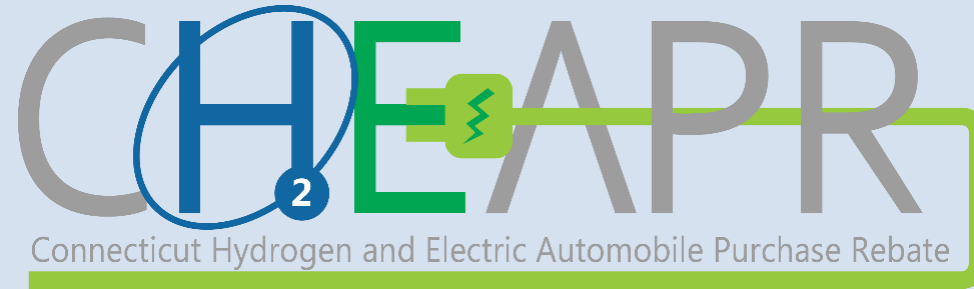


# EV Registrations in Connecticut as of July 1st



EV Type	EVs Registered in CT on:												
	7/1/2011	7/1/2014	9/14/2016	9/1/2017	9/24/2018	12/31/2018	7/1/2019	12/31/2019	7/1/2020	12/31/2020	7/1/2021	12/31/2021	7/1/2022
PHEV	76	1723	3066	3549	4705	5063	5220	5480	5722	5893	7321	8827	10126
BEV	32	621	1811	2371	3280	4208	5099	6172	6874	7880	9861	12513	15268
FCEV	0	0	1	3	2	2	2	3	3	3	3	3	6
eMC	ND	ND	ND	ND	ND	16	18	22	25	24	32	34	44
<b>Grand Total</b>	<b>108</b>	<b>2344</b>	<b>4878</b>	<b>5923</b>	<b>7987</b>	<b>9289</b>	<b>10339</b>	<b>11677</b>	<b>12624</b>	<b>13800</b>	<b>17217</b>	<b>21377</b>	<b>25444</b>





# CHEAPR is **Evolving!**

## Implementing Public Act 22-25



Connecticut Department of Energy and Environmental Protection



# Public Act 22-25 & CHEAPR

- **CHEAPR is being extended to:**
  - Businesses, Municipalities, Nonprofits (10 EVs/yr | 20 Total)
- **E-Bike Voucher Program**
  - Requires the establishment of *maximum* income eligibility
  - Minimum \$500 rebate w/ \$3,000 MSRP cap on E-bikes
  - LMI/EJ component
- **Outreach & Marketing**
  - Requires DEEP to conduct outreach and implement a marketing campaign to further promote CHEAPR
  - DEEP is in the process of scoping out an SOW for marketing CHEAPR for current and revised programs.
- **CHEAPR Implementation Priorities:**
  - LMI voucher program & income prequalification



**Substitute Senate Bill No. 4**

**Public Act No. 22-25**

**AN ACT CONCERNING THE CONNECTICUT CLEAN AIR ACT.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 4a-67d of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2022):

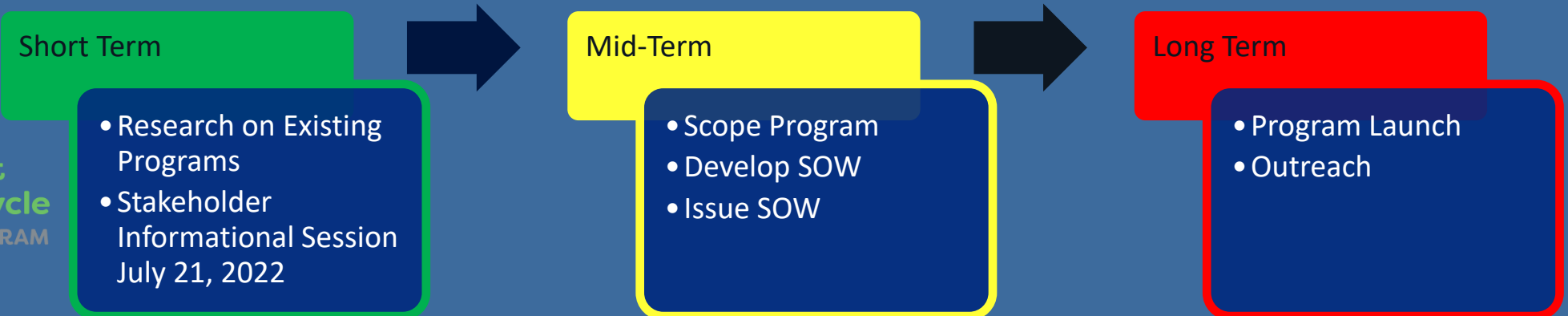
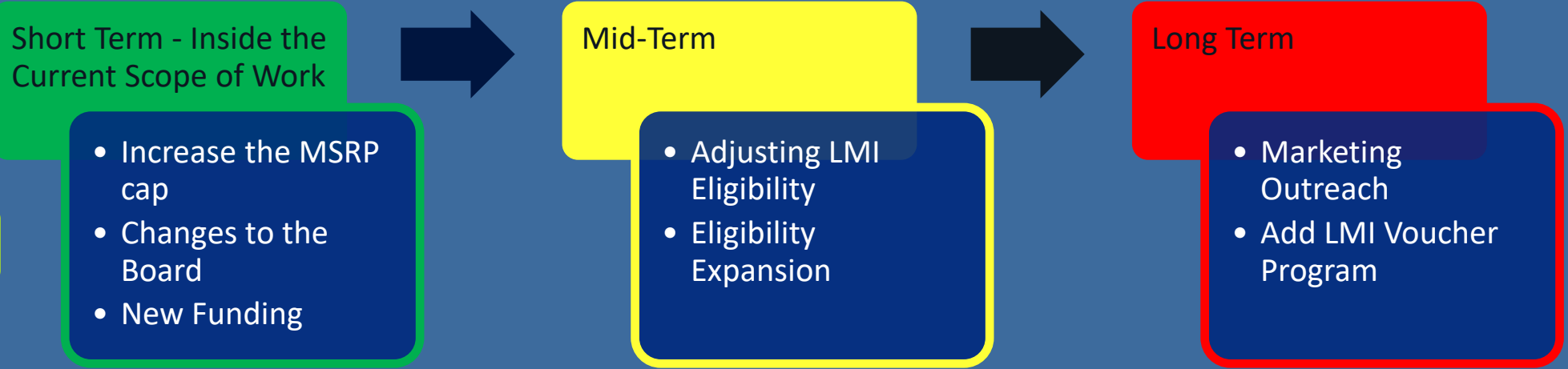
(a) As used in this section, (1) "emergency vehicle" means a vehicle used by the Department of Motor Vehicles, Department of Emergency Services and Public Protection, Department of Energy and Environmental Protection, Department of Correction, Office of State Capitol Police, Department of Mental Health and Addiction Services, Department of Developmental Services, Department of Social Services, Department of Children and Families, Department of Transportation, Judicial Department, Board of Pardons and Paroles, Board of Regents for Higher Education, The University of Connecticut or The University of Connecticut Health Center for law enforcement or emergency response purposes, (2) "hybrid" means a passenger car that draws acceleration energy from two on-board sources of stored energy that consists of either an internal combustion or heat engine which uses combustible fuel and a rechargeable energy storage system and, for any passenger car or light duty truck with a model year of 2004 or newer, that is certified to meet or exceed the California Air Resources Board's



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# Workplan – Tasks





# E-Bike Program Development Update



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# E-Bike Workplan Update

## Short Term

- Research on Existing Programs
- Stakeholder Informational Session July 21, 2022



## Mid-Term

- Scope Program
- Develop SOW
- Issue SOW



## Long Term

- Program Launch
- Outreach

## Status:

- Program research: VT (statewide), Denver, CO
- Connecticut stakeholder outreach
  - RFI (Sent via Email)
  - Listening Session
  - Meeting with OEM

## Today:

- Recommended program scope
- Scope of Work (SOW) and budget
- Timing & Next Steps





# E-Bike Scope of Work (SOW) Development



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# E-Bikes: Update

## Step 1: Information Gathering and Processing

- *DEEP Request for Information (July 2022)*
- *DEEP Listening Session (July 2022)*
- *DEEP Meetings with Program Administrators and Industry Experts (July – September)*
  - *DEEP met with City of Denver*
  - *CSE Mobility Team*
  - *Rad Power Bikes*
  - *CSE E-Bike Team (VT Program Admins)*



# E-Bike RFI Summary

- Public Informational Session: July 21, 2022
- Public Comment period closed: July 29, 2022
- DEEP requested input on 14 questions and received wide-ranging responses.
  - Point of sale rebates are the preferable form of incentives
  - Partnerships with bike shops are critical to success of the program
  - Respondents indicated preference for voluntary surveys
  - Some consideration should be given to e-bike quality through minimum warranty requirements
  - Respondents supported increased LMI incentives with income verification
  - Vouchers should be valid for 6-12 months
- Many of DEEP's key questions were not resolved. Remaining "significant unknowns"
  - Universe of CT e-bike retailers and OEMs
  - Comments on appropriate incentive levels ranged from \$500 - \$1000



# What we have heard from you

- LMI Rebates should be the maximum of \$1000
- The program should include in-store and online sales
- Rebates should be point of sale voucher or in-store rebate
- The program should include all three e-bike classes
- The program should have a warranty requirement/ consumer protection against poor quality e-bikes
- The relationship with local bike shops is vastly important to program success
- A range from 60 days up to 6-12 months for voucher validity
- Marketing for LMI residents should be through multiple channels and platforms



# SOW for E-Bike Program

To be issued under the Mobile Source Master Contract, and will consist of 8 tasks:

Task 1 – Program Design and Annual Program Review

Task 2 – Stakeholder Engagement (marketing handled separately)

Task 3 – Administrative Services to Support Rebate/Voucher Application Process

Task 4 – Rebate/Voucher Processing Platform, Development of an on-line application portal for E-Bike Retailers, Financial Module, Public Facing Statistics Module, On-line Consumer Survey to Collect Recommendations on Program Improvement

Task 5 – Program Implementation

Task 6 – Outreach and Education Materials

Task 7 – Reporting Requirements

Task 8 – Program Wind Down Procedures



# Task 1 – Program Design

- Both point of sale via voucher and post-purchase rebate.
  - Two workflows due to unknowns, e.g.,: number of retailers, participation rates and prevalence of on-line sales
  - Post purchase process will work well for on-line sales and non-participating Connecticut retailers, but not ideal for LMI purchasers
- Incentive levels:
  - Standard and locational incentive \$500
  - Income eligibility determined both categorically and via income verification for Rebate+ incentive of \$1,000
  - Incentives will be stackable – total potential \$1,500 incentive
- Other program parameters:
  - E-bike MSRP  $\leq$  \$3,000
  - Maximize air quality benefits
  - Prioritize EJ communities and low-moderate income households



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# Task 1 E-Bike Program for SOW cont'd

- Participants must be:
  - Connecticut residents (verified through DL, gov't ID, recent utility bill)
  - 16 years of age or older
  - Agree to terms and conditions re:, no re-sale within 4 years, serial number registry, participation in ongoing surveys to assist DEEP in assessing air quality benefits
- E-bike retailers must:
  - Join platform to accept/claim vouchers
- Contractor must:
  - Prioritize EJ communities and low-income households ( $\leq$  300% federal poverty level or in state/federal assistance programs)
  - Limit 1 voucher per resident and discourage only recreational E-bikes
  - *Develop robust outreach, but marketing will be handled by a different SOW through DEEP Communication Department*



# Next Steps

- Finalize E-bike SOW
- Issue SOW, begin contractor selection process, finalize vendor contract (2-3 months)
- Target implementation date Q1 2023 but will depend on contractor responses and capabilities





# CHEAPR Update



Connecticut Department of Energy and Environmental Protection



# Increased Funding

- The dedicated CHEAPR account will receive deposits directly from DMV's GHG reduction fee on a regular basis
- Vehicle fees are not static and can fluctuate based on economic conditions
- Over last two state fiscal years, GHG reduction fee averaged \$8.6 million/year
- This must fund all increased activity mandated by PA 22-25



# Board Changes

PA 22-25 Adds five new positions to the Board

Appointing Authority	Qualification
PURA Chairperson (or designee)	
Transportation Committee House chairperson	1. Representative of an organization promoting walking or bicycling
Transportation Committee Senate chairperson	2. Knowledge of transportation matters
Transportation Committee House ranking member	3. Representative of an association representing EV manufacturers
Transportation Committee Senate ranking member	4. Knowledge of transportation matters



## Board Members

### List of Current Board Members

### Evaluation and Appointment

1. Accepting Resumes for Open Positions
  2. Contacting Legislators to fill Appointed Positions
  3. Members serve for two years and may serve until a successor is appointed
- \* President Pro Tempore appointment now must be an owner or manager of bike shop

CHEAPR Board shall advise the Commissioner concerning priorities for the allocation, distribution and utilization of funds for the CHEAPR program



# Increasing the MSRP Cap

## Expanding vehicle eligibility to \$50,000 effective July 1, 2022

### 1. Expand *new* vehicle eligibility to \$50,000

- Identify newly eligible vehicles (~10 more EVs)
- Update the CHEAPR website & IM to include new vehicles, pictures, prices

### 2. Dealer Portal Changes (CSE)

- CSE to update CHEAPR platform, identify VIN strings for newly eligible vehicles
- Work with OEMs and dealers to identify new vehicles

### 3. Outreach

- Update program collateral

#### Additions

Make	Model	Type	MY	MSRP
BMW	3-Series Plug in	PHEV	2022	\$42,950
Ford	Mustang Mach-E	BEV	2022	\$43,895
Audi	Q4 e-Tron	BEV	2022	\$43,900
BMW	i3	BEV	2021	\$44,450
Tesla	Model 3: RWD	BEV	2022	\$46,990
Polestar	2 LR-SM	BEV	2022	\$48,400
BMW	i3 REX	PHEV	2021	\$48,300
BMW	X3	PHEV	2021	\$49,545

\*EVs under \$50K that appeared for the first time in CT DMV registration database between January 1, 2021 - December 31, 2021.



# LMI Marketing and Outreach

Expanded outreach to LMI communities requires a new contracting process

1. Scope out marketing program ✓

- Coordinate with DEEP Marketing and Communication team ✓

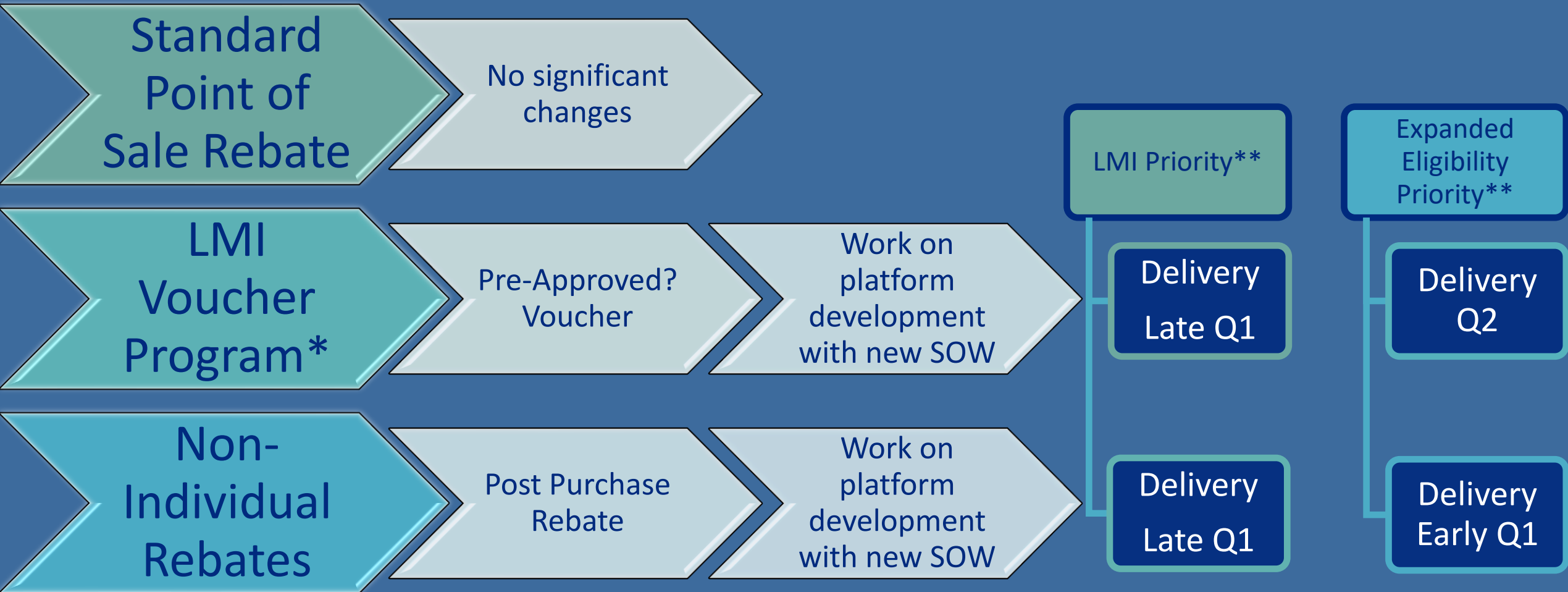
2. Develop SOW ✓

3. Issue SOW

4. Assess Responses, Select Vendor



# Rebate Process Changes

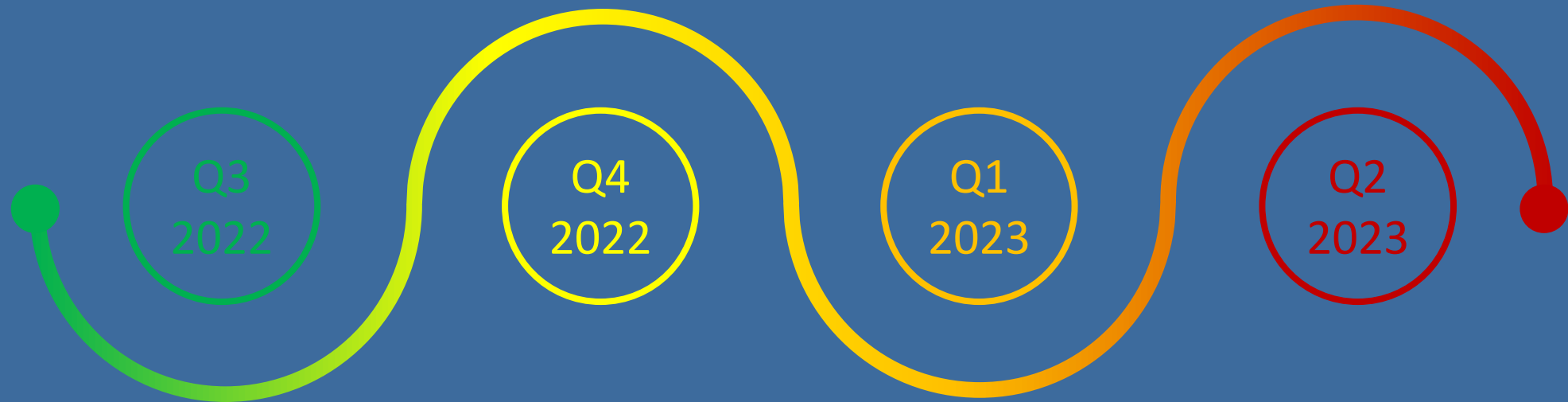


\*DEEP will retain the post-sale rebate for LMI Individuals for continuity; \*\* Provided SOW finalized in October 2022





# Current + Prospective Timelines - Updated



## July – Sept.

- PA 22-25 Effective – July 1, 2022
- Increase MSRP Cap to \$50,000;
- New program funding;
- Changes to CHEAPR Board
- E-Bike Scope of Work and RFI, outreach

## Oct. – Dec.

- Develop and issue Marketing and Outreach SOW
- E-bikes-short term efforts continue – issue SOW and select vendor
- Develop E-Bike Program
- Issue marketing SOW

## Jan. – Mar.

- Equity Priority
- Q1 – Income PreQual process for voucher program (New + Used Evs)
  - Q2 – Expanding CHEARP to businesses, municipalities, non-profits and tribes

## Apr. – Jun.

- E-bike Program
- Target launch of e-bike program depending on response to SOW and vendor capabilities

