



CHEAPR Comments Summary

The CHEAPR Board issued a request for comments on July 29, 2020, and held the comment period open until August 12, 2020. In all, 107 comments were received. 70 of the comments received were the same form letter, noted in the pdf of all comments received as form letter. Below is a summary of comments received organized by category.

Statutory Reference Comments

E-Bike Eligibility

1. Several commenters agreed with DEEP's analysis that electric bicycles (e-bikes) are not eligible for CHEAPR rebates under the current statutory definitions. Additionally, one comment stated that e-bikes fall outside of the scope of the intended purpose of the CHEAPR program and they should not be considered for inclusion in the future, as it will divert limited funding away from the program's climate and EV goals of replacing fossil fuel vehicles with cleaner alternatives.
2. One comment stated that funding for e-bikes is not likely to make a difference in the Northeast. It will never be a significant mode of transport on the cold wet streets that show up in the CT fall, winter, and spring season. The carbon reduction would be insignificant and arguably greater with manufacturing of the batteries and motors taken into consideration.
3. One comment suggested that e-bikes are eligible under Connecticut law. E-bikes are considered vehicles. Pursuant to C.G.S. § 14-1(31), an "electric bicycle" means "a bicycle equipped with operable foot pedals and an electric motor of fewer than seven hundred fifty watts of power that is either a class 1, class 2 or class 3 bicycle." Pursuant C.G.S. §14-286(e)(2), a "bicycle" is defined as "all vehicles propelled by the person riding the same by foot or hand power." Because an "electric bicycle" is explicitly a type of "bicycle," and a "bicycle" is explicitly a type of "vehicle," an "electric bicycle" is a "vehicle." Because electric bicycles are defined as class 1, class 2, and class 3 electric bicycles, a class 1, class 2, or class 3 electric bicycle is a "vehicle" under Connecticut law. Further, the fact that bicycles and electric bicycles are vehicles is explicitly reinforced by the provisions of Connecticut law which grant bicyclists their rights. Pursuant to C.G.S. § 14-286a(a):

"Every person riding a bicycle, as defined in section 14-286, or an electric bicycle upon the traveled portion of a highway shall be granted all of the rights and shall be subject to all of the duties applicable to the driver of any vehicle subject to the requirements of the statutes relating to motor vehicles, except as to those provisions which by their nature can have no application"

4. There is additional support that e-bikes are electric vehicles. In order to be eligible for CHEAPR funding it is our understanding that a vehicle must meet one of the relevant definitions in C.G.S. § 16-19eee. E-bikes are properly classified as a "battery electric vehicle" within this section. A "battery electric vehicle" is defined as "any vehicle that operates solely by use of a battery or battery pack." Like electric, battery-powered cars, motorcycles, or scooters, electric bicycles are equipped with motors that are solely supplied with power from the battery or battery pack. Therefore, an electric bicycle is a "battery electric vehicle."
5. Several comments urged CHEAPR should adopt a pilot incentive for e-bikes of \$500.



6. One comment suggested that the CHEAPR program should collaborate with the Green Bank for additional e-bike funding.
7. One comment suggested that e-bikes are a good option for LMI users. EV cars are not always financially accessible to low income Connecticut households. An EV rebate program that does not engage low-income households is structurally inequitable.
8. One comment suggested that if e-bikes are considered ineligible then legislation should be put forward to make them eligible.

Program Design Comments

Rebate Levels

1. Multiple commenters urge the CHEAPR Board to restore Connecticut's EV rebates to a level that has proven to be effective and that is competitive with our neighboring states. These recommendations urge adopting the following base EV Rebate levels:

All-Battery EV (with a range of at least 200 miles): \$2,500

All Battery EV (with a range less than 200 miles): \$1,500

Plug-In Hybrid EVs (electric range of at least 25 miles): \$500.

Commenters also suggest that CHEAPR should not adopt the proposal to maintain the base rebate levels at the lower rates adopted last fall. These lower incentive levels have resulted in a decline in EV purchases and are contrary to Connecticut's commitment to wide-scale EV adoption.

2. Multiple commenters urge that CHEAPR should raise rebate levels for hybrids as the proposed level of \$500 was too low to incentivize sales.
3. Multiple commenters urge that rebates should be uniformly set for both long range and shorter range EVs. A uniform rebate level would make lower cost EV's more affordable to moderate income households. Lower range EVs provide value and continue the transition, have more than enough range for many, if not most people, and is more affordable than a longer-range vehicle. A passive encouragement to drive less (due to a smaller range) only stands to benefit society. Plus, smaller batteries have a smaller environmental impact which is obviously key to this whole program.
4. Multiple commenters urge that there should be no maximum income, or at least an increase in the proposal maximum income requirement for the purchase of used-EVs. If the purpose is to increase the number of EVs on the road in Connecticut, the maximum income limit should be set at a level that will allow most people to buy a used electric vehicle.
5. One industry commenter recommended a 2-tiered CHEAPR Incentive – one for Purchase and one for Lease which would provide one rebate per license for EV purchase or two to three rebates per license for leasing EVs. This two tier process could also include raising purchase Incentives from current levels and reducing by half lease incentives from current levels, with the overall goal being to improve EV Driver Retention



Manufacturer's Suggested Retail Price (MSRP Cap)

1. Almost universally (a vast proportion of the comments) urged that CHEAPR should restore the price cap for eligible vehicles to \$50,000. The price cap was lowered from \$50,000 to \$42,000 in October 2019, removing several EV models from eligibility. Restoring the higher price cap would align our incentive program with Massachusetts', while also restoring several vehicles to eligibility.

Other raised price caps were suggested as well as including a price cap of \$45,000 for a new vehicle or \$35,000 for a used vehicle.

3. One industry commenter stated that the MSRP cap is arbitrary and should be eliminated. As it is proposed the price cap will eliminate rebate opportunities for new models coming out in the coming years including the introduction of EV pickup trucks and SUVs. It also is problematic with leasing arrangements for more expensive vehicles, limiting the ability of lower income leasers to lease more expensive vehicles.

Low and Moderate Income (LMI) Comments

1. The comments showed large scale support for the proposed inclusion of the proposed higher rebate level for low and moderate income (LMI) applicants.
2. Several comments were in support of rebates for used EVs and think that limiting the used EV rebates to LMI applicants, who need the assistance most, has merit as a means of ensuring broader access to electric vehicles. This will broaden the base of customers who might purchase an EV rather than a polluting conventional vehicle. This is important to achieving Connecticut's minimum deployment targets and changing the public perception of electric vehicles as appealing only to affluent purchasers. EVs are for everyone.
3. Some comments suggested that even with an incentive most LMI individuals/households will still not be able to afford an electric vehicle.
4. One comment urged that focus should be given to ease of use on planning for the LMI portion of the program. CHEAPR is successful based largely on ease of use for consumers and the CHEAPR board should focus on extending that component to the LMI designed program.
5. One industry comment encouraged a broad interpretation of the cap on maximum income eligibility for used-vehicle purchases, as that cap is not statutorily defined and more inclusive eligibility for used vehicle purchases will allow for a larger market.

Dealer Incentives

1. Several comments suggested that CHEAPR should eliminate dealer incentives in line with findings in Connecticut DEEP's own EV Roadmap. The CT EV Roadmap reported that "The auto dealer incentive may have been necessary during CHEAPR's earliest years, but the availability of greater numbers, models, and types of EVs and the need to maximize available funding for EV deployment may necessitate the discontinuation of the auto dealer incentive."



2. One industry commenter recommended maintaining the dealer incentive on new vehicles because of the tight margin on new EVs but does not think a dealer incentive is necessary for used EV sales.

Funding

1. One comment suggested the CHEAPR board should consider alternative forms of funding to supplement the \$15 million dollars such as ratepayer funded as could be gained through PURA processes.

Rebate Eligibility

1. One comment suggested that vehicles purchased outside the state by Connecticut residents should be considered eligible for the program. This would increase consumer choice and purchasing flexibility to pursue the best vehicle deal possible.

Hydrogen

1. Several comments suggested that CHEAPR should suspend the incentive for fuel cell vehicles and revisit the issue in a few years as there is currently little to no market and no infrastructure for hydrogen vehicles.
2. A few comments suggested that the CHEAPR incentive for hydrogen vehicles should be raised to \$7,000.
3. Several comments suggested that CHEAPR should maintain the current incentive level. Connecticut has a rich history of fuel cell innovation and supporting fuel cell vehicles can benefit revenue and job creation. Connecticut's hydrogen and fuel cell industry supply chain are estimated to contribute over \$31 M in state and local tax revenue annually. Hydrogen and fuel cell technology provide an opportunity for Connecticut to more fully utilize its renewable energy industry using hydrogen and fuel cells for transportation.
4. Two comments suggested that there should be no MSRP cap for fuel cell vehicles because of complex leasing requirements. This would line up with how California runs a similar rebate program.

Outside the Scope

The following comments were received and are considered outside the scope of the requested comments by the CHEAPR board.

1. CHEAPR should focus on increasing the number of electric school buses. Children are inhaling too many particulate matter emissions at schools. Eliminate idling for school buses at schools.
2. The state needs to allow Tesla sales in the state. The state should help auto dealers to transition to electric vehicle sales.
3. The state should adopt a sales tax on new vehicles based on mpg. This would reduce the purchases of high mpg vehicles that consume too much gas and the tax revenue can be used for electric vehicle programs.
4. The state needs to make sure that renewable energy in the state can meet the increased electricity demands of electric vehicles. It needs to promote renewable sources of energy in every town, and dispense with the use of gas pipelines. Taxes should be levied on high use electricity users.



5. The state should provide funding for hydrogen fuel cell vehicle and infrastructure development. Recommendations for initial support for vehicles and supporting hydrogen infrastructure to meet economic, environmental, and energy needs includes a schedule starting with an investment of \$6.24 M to \$14.15 M for infrastructure development and FCEV deployment to support 548 passenger FCEVs and the development of seven hydrogen refueling stations. An additional \$8.6 M (20 percent of \$43 M) would be needed for the 43 zero emission transit/paratransit buses.