



Connecticut Department of Energy and Environmental Protection



Board Agenda



11:00 am Chair Commissioner Dykes Call to Order
Introductions and Roll Call
Purpose of today's meeting
Approval of September meeting minutes
CHEAPR Budget Update

11:15 am Incentive Design Recommendations and Implementation of Stimulus Funding

Discussion and Vote

11:45 am Public Comments

12:00 Next Steps for Board Action and Adjourn



Connecticut Department of Energy and Environmental Protection

Approval of the Sept 10th Minutes



CHEAPR Budget-August



CHEAPR 3.0 Funding Update as of 8/31/2020

	Rebate Funds	Admin Funds	Total Funds
Contract Funding Summary:			
Air Funding (CHEAPR2 Bridge Funding)	\$ 260,000.00	\$ 65,000.00	\$ 325,000.00
Year 1 (2020) Funding	\$ 2,625,016.00	\$ 374,984.00	\$ 3,000,000.00
Subtotal 2020 Program Funding	\$ 2,885,016.00	\$ 439,984.00	\$ 3,325,000.00
CHEAPR2 Rebates (Vehicle) Paid (1)	\$ (246,500.00)		\$ (246,500.00)
CHEAPR2 Rebates (Dealer) Paid (1)	\$ (13,400.00)		\$ (13,400.00)
Subtotal CHEAPR2 Incentives Paid	\$ (259,900.00)		\$ (259,900.00)
CHEAPR3 Rebates (Vehicle) Paid (2)	\$ (98,500.00)		\$ (98,500.00)
CHEAPR3 Rebates (Dealer) Paid (2)	\$ (5,825.00)		\$ (5,825.00)
Subtotal CHEAPR3 Incentives Paid	\$ (104,325.00)		\$ (104,325.00)
CHEAPR3 Pipeline (3):			
Rebates Approved (Vehicle)	\$ (39,500.00)		\$ (39,500.00)
Rebates Approved (Dealer)	\$ (1,000.00)		\$ (1,000.00)
Rebate in Process (Vehicle)	\$ (24,000.00)		\$ (24,000.00)
Rebate in Process (Dealer)	\$ (1,650.00)		\$ (1,650.00)
Jan-June Admin Costs - CHEAPR2 Bridge Funding (4)		\$ (65,000.00)	\$ (65,000.00)
June Admin Costs		\$ (26,572.36)	\$ (26,572.36)
July Admin Costs		\$ (25,393.50)	\$ (25,393.50)
August Admin Costs - Est'd (5)		\$ (29,262.04)	\$ (29,262.04)
Total Funds Utilized through 8/31/2020	\$ (430,375.00)	\$ (146,227.90)	\$ (573,952.90)
Estimated Remaining 2020 Funding	\$ 2,454,641.00	\$ 293,756.10	\$ 2,751,047.10
Estimated Funds on Hand:			
CHEAPR2 Bridge Funding Received	\$ 259,900.00	\$ 65,000.00	\$ 324,900.00
Additional Funds received (6)	\$ 1,000,000.00	\$ 125,000.00	\$ 1,125,000.00
Total CHEAPR3 Funds Received	\$ 1,259,900.00	\$ 190,000.00	\$ 1,449,900.00
Funds not yet Requested from DEEP	\$ 1,625,116.00	\$ 249,984.00	\$ 1,875,100.00
Estimated Funds on Hand	\$ 829,525.00	\$ 43,772.10	\$ 873,297.10

- Notes**
- (1) Rebates approved 1/27/20-6/12/20 (226 vehicle rebates).
 - (2) Rebates approved 6/15/20 through 8/16/20 (97 vehicle rebates).
 - (3) Rebates approved and in process but not yet paid through 8/31/20 (61 vehicles)
 - (4) \$65,000 in Admin bridge funding covered 19% of Jan. expenses, Feb.- May expenses and 4% of June expenses.
 - (5) Labor report review not yet completed.
 - (6) Funds received after PO's DEPM1-0000063284 and DEPM1-0000063242 were issued.

- Budget carryover remains at about \$1.9 million
- See board packet for a readable version of the budget update



Program Update

- 2020 Available funds (as of 8/31/2020): **\$2,751,047**
- Estimated Funds Carry Over to 2021: **\$1.9M**
- # of Rebates Approved through 8/31/2020: **384**
- Items for further discussion from last meeting:
 - Potential Program Structures
 - Proposed Incentive Structure
 - Range Agnostic Incentive Structure (flat rebate for (1) all BEVs and (2) all PHEVs)
 - Short Term Stimulus in 2021 to Utilize Carry Over Funds



Incentive Levels – Proposed Structure



New Vehicle Program Design

Type	Base Rebate	Supplemental LMI Rebate	Stimulus (50% of Base)
Fuel Cell EVs (FCEV)	\$5,000	\$2,000	\$2,500
All-Battery EVs >200 e-miles (BEV)	\$1,500	\$2,000	\$750
All-Battery EVs <200 e-miles (BEV)	\$500	\$1,500	\$250
Plug-in Hybrid EVs (PHEV)	\$500	\$1,500	\$250
MSRP Cap: BEVs, PHEVs - \$42,000; FCEVs - \$60,000			

Used Vehicle Program Design

Type	LMI Rebate	Stimulus (50% of Base)
Fuel Cell EVs (FCEV)	\$5,000	\$2,500
All-Battery EVs (BEV)	\$2,000	\$1,000
Plug-in Hybrid EVs (PHEV)	\$750	\$375
MSRP Cap: None		



Incentive Levels – Range Agnostic Structure



New Vehicle Program Design			
Type	Base Rebate	Supplemental LMI Rebate	Stimulus (50% of Base)
Fuel Cell EVs (FCEV)	\$5,000	\$2,000	\$2,500
All-Battery EVs	\$1,500	\$2,000	\$750
Plug-in Hybrid EVs (PHEV)	\$500	\$1,500	\$250
MSRP Cap: BEVs, PHEVs - \$42,000; FCEVs - \$60,000			

Used Vehicle Program Design		
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Fuel Cell EVs (FCEV)	\$5,000	\$2,500
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Plug-in Hybrid EVs (PHEV)	\$750	\$375
MSRP Cap: None		



CHEAPR Program Design Options



Annual costs by:

- Incentive design with 50% stimulus increase for January-Dec of 2021, and
- Potential demand

■ Above Budget
■ Below Budget

Program Design Options	Low Demand	Baseline Demand	High Demand
Proposed	\$1.5M	\$3.7M	\$4.6M
Proposed + Increased MSRP	\$1.4M	\$4.0M	\$5.1M
Range Agnostic	\$1.5M	\$3.9M	\$4.8M
Range Agnostic + Increased MSRP	\$1.7M	\$5.0M	\$6.2M

CSE estimated the carry over to be \$1.9M which has been factored into this budgeting Scenario. **Overall Budget \$4.9M**



Program Design Goals

Are we meeting our goals and which design gets us there?

	Proposed	BEV Consolidated	Increased MSRP
LMI Participation	✓	✓	✗
Budget Efficiency	✓	✗	✗
Economic Stimulus	✓	✓	✓
Technology Forcing	✓	✗	✓
Budget Burn Rate	✓	✓	✗
Minimizes Free Ridership	✓	✓	✗

✓ Meets Goals

✗ Does *Not* Meet Goals

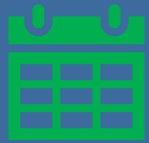


Recommended Design?



Stimulus Implementation

Carry Over Funds Estimated to Support Stimulus for all of 2021



Offer Stimulus for Six Months

Valid: 12:01 am January 1, 2021 – 11:59 pm May 31, 2021*

Periodic check of remaining surplus funds

< 50% (~\$0.95M) Surplus Used by May

➡ Extend to December

>75% (~\$1.5M) of Surplus Used by May

⬅ Revert to Standard Rebate

*Stimulus implementation period will be based on application submittal date and will be strictly enforced.



Connecticut Department of Energy and Environmental Protection

New Vehicle Program Design

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Plug-in Hybrid EVs (PHEV)	\$500	\$1,500	\$250

MSRP Cap: BEVs, PHEVs - \$42,000; FCEVs - \$60,000

Used Vehicle Program Design

Type	LMI Rebate	Stimulus (50% of Base)
Fuel Cell EVs (FCEV)	\$5,000	\$2,500
All-Battery EVs (BEV)	\$2,000	\$1,000
Plug-in Hybrid EVs (PHEV)	\$750	\$375

MSRP Cap: None





Discussion, Motion and Vote on Incentive and Stimulus to be Implemented



Connecticut Department of Energy and Environmental Protection



Draft Concept suggested by Board Members Tony Cherolis and Amy McClean

Statement on Funding:

Several members of the CHEAPR Board support increased funding of the CHEAPR Program and advocate for increased funding under PA 19-117, Sec. 94 (b). The Board recommends that all revenue from such fees be deposited into the Connecticut Hydrogen and Electric Automobile Purchase Rebate program account, established pursuant to subsection (c) of section 94 of Public Act 19-117.

