



Connecticut Department of Energy and Environmental Protection



Friday, November 20th 1:00-3:00 PM

Draft Board Agenda



Chair Commissioner Dykes Call to Order

Introductions and Roll Call

Purpose of today's meeting

Approval of the October meeting minutes

CHEAPR Budget Update

Incentive Design Recommendations and Implementation of Stimulus Funding

Discussion and Vote

Public Comments

Next Steps for Board Action and Adjourn



Connecticut Department of Energy and Environmental Protection

Approval of the October 9th Minutes



CHEAPR Budget October



January 1, 2020 through October 31, 2020

	Rebate Funds	Admin Funds (1)	Total Funds
Contract Funding Summary:			
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
Subtotal 2020 Program Funding	\$ 2,885,016.00	\$ 439,984.00	\$ 3,325,000.00
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 (4)	\$ (299,000.00)		\$ (299,000.00)
CHEAPR3 Rebates (Dealer) Paid (4)	\$ (15,475.00)		\$ (15,475.00)
Subtotal CHEAPR3 Incentives Paid	\$ (314,475.00)		\$ (314,475.00)
CHEAPR3 Pipeline:			
Rebates Approved (Vehicle)	\$ (48,500.00)		\$ (48,500.00)
Rebates Approved (Dealer)	\$ (2,350.00)		\$ (2,350.00)
Rebate in Process (Vehicle)	\$ (19,500.00)		\$ (19,500.00)
Rebate in Process (Dealer)	\$ (1,375.00)		\$ (1,375.00)
Subtotal CHEAPR3 Pipeline (5)	\$ (71,725.00)		\$ (71,725.00)
Jan-June Admin Costs - CHEAPR2 Bridge Funding		\$ (65,000.00)	\$ (65,000.00)
June Admin Costs		\$ (26,572.36)	\$ (26,572.36)
July Admin Costs		\$ (25,832.25)	\$ (25,832.25)
Aug Admin Costs		\$ (40,176.76)	\$ (40,176.76)
Sept Admin Costs		\$ (28,976.81)	\$ (28,976.81)
Oct Admin Costs		\$ (26,522.73)	\$ (26,522.73)
Total Funds Utilized through 10/31/2020	\$ (646,100.00)	\$ (213,080.91)	\$ (859,180.91)
Estimated Remaining 2020 Funding	\$ 2,238,916.00	\$ 226,903.09	\$ 2,465,819.09
Funds Held by DEEP/DMV	\$ 1,625,116.00	\$ 249,984.00	\$ 1,875,100.00
Funds Held by CSE (6)	\$ 613,800.00	\$ (23,080.91)	\$ 590,719.09
Total	\$ 2,238,916.00	\$ 226,903.09	\$ 2,465,819.09
Estimated Funds to be utilized Nov. - Dec. 2020	\$ 200,000.00	\$ 60,000.00	\$ 260,000.00
Estimated Budget Carryover to 2021	\$ 2,038,916.00	\$ 166,903.09	\$ 2,205,819.09

- Budget carryover remains at about \$2.2 million
- See board packet for a readable version of the budget update

Notes
 (1) Admin cap of 11.5% for CHEAPR 2.0 and 12.5% for CHEAPR 3.0.
 (2) Bridge funding added to the program May 6, 2020.
 (3) Rebates approved 1/27/20-6/12/20 (226 vehicle rebates).
 (4) Rebates approved 6/15/20 through 10/31/20 (272 vehicle rebates).
 (5) Rebates approved and in process but not yet paid, 11/1/20-11/16/20 (58 vehicles)



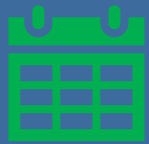
Program Update

- 2020 Available funds (as of 10/31/2020): **\$2,465,819**
- Estimated Funds Carry Over to 2021: **\$2.2M**
- # of Rebates Approved through 10/31/2020: 498
- 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



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% (~\$1.1M) Surplus Used by May

➡ Extend to December

>75% (~\$1.65M) 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

CHEAPR Program Design Options

	Proposed (42K MSRP)	Proposed 1 (50K MSRP)	Proposed 2 (42K MSRP)	Range Agnostic (42K MSRP)	Range Agnostic 1 (50K MSRP)	Range Agnostic 2 (42K MSRP)	EV Coalition (50K MSRP)	Lowest Modeled 1 (42K MSRP)	Lowest Modeled 2 (42K MSRP)
New BEV (Long Range) Rebate	1500	1500	2500	1500	1500	2500	2500	1000	750
New BEV (Short Range) Rebate	500	500	1000	1500	1500	2500	2500	1000	750
New PHEV Rebate	500	500	500	500	500	500	500	500	500
New FCEV Rebate	5000	5000	5000	5000	5000	5000	2500	5000	5000
Used BEV (Short Range) Rebate	2000	2500	2500	2000	2500	2500	2500	2000	2000
Used PHEV Rebate	750	500	500	750	500	500	500	750	750
Used BEV (Long Range) Rebate	2000	2500	2500	2000	2500	2500	2500	2000	2000
Used FCEV Rebate	5000	2500	2500	5000	2500	2500	2500	5000	5000
New BEV (Long Range) LMI Supplement	2000	2500	2500	2000	2500	2500	2000	2000	2000
New BEV (Short Range) LMI Supplement	1500	2500	2500	1500	2500	2500	2000	1500	1500
New PHEV LMI Supplement	1500	1500	1500	1500	1500	1500	1500	1500	1500
New FCEV LMI Supplement	2000	2500	2500	2000	2500	2500	2000	2000	2000
Dealer Incentive (Used)	75	75	75	75	75	75	75	75	75
Dealer Incentive (New & <\$1,500 consumer rebate)	75	75	75	75	75	75	75	75	75
Dealer Incentive (New & >\$1,500 consumer rebate)	125	125	125	125	125	125	125	125	125
Percent of EVs rebated	0.528	0.84	0.528	0.528	0.84	0.528	0.84	0.528	0.528



Program Costs: For 2021 and MOU Goal

Annual costs by:

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

Budget = \$3M + \$2.2M (Stimulus)

■ Above Budget
■ Below Budget

	Proposed (42K MSRP)	Proposed 1 (50K MSRP)	Proposed 2 (42K MSRP)	Range Agnostic (42K MSRP)	Range Agnostic 1 (50K MSRP)	Range Agnostic 2 (42K MSRP)	EV Coalition* (50K MSRP)	Lowest Modeled 1 (42K MSRP)	Lowest Modeled 2 (42K MSRP)
Low Demand	\$1.5M	\$2.1M	\$2.1M	\$1.5M	\$2.1M	\$2.2M	\$2.1M	\$1.6M	\$1.5M
Baseline Demand	\$3.7M	\$5.5M	\$5.8M	\$3.9M	\$5.6M	\$5.9M	\$5.7M	\$4.2M	\$3.9M
High Demand	\$4.6M	\$6.9M	\$7.2M	\$4.8M	\$7.0M	\$7.4M	\$7.1M	\$5.2M	\$4.8M
Total Cost (150K EVs)	\$109M	\$244M	\$162M	\$113M	\$252M	\$169M	\$375M	\$89M	\$76M

* As a follow up to the informational meeting on CHEAPR held on 12/18/2020, CSE has confirmed the modeled numbers for the EV Coalition proposal do not include the stimulus increase. With the stimulus increase the numbers for the EV Coalition scenario would be: Low - \$2.9M, Baseline - \$8.1M, High - \$10.0M.



Costs to Achieve Adoption of 150,000 Vehicles

	Proposed	Proposed 1 (50K MSRP)	Proposed 2	Range Agnostic	Range Agnostic 1 (50K MSRP)	Range Agnostic 2	EV Coalition (50K MSRP)	Lowest Modeled 1	Lowest Modeled 2
Total Cost (150K EVs)	\$109M	\$244M	\$162M	\$113M	\$252M	\$169M	\$375M	\$89M	\$76M





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



Connecticut Department of Energy and Environmental Protection

Low-to-Moderate Income (LMI) Program Elements

CHEAPR Board Meeting

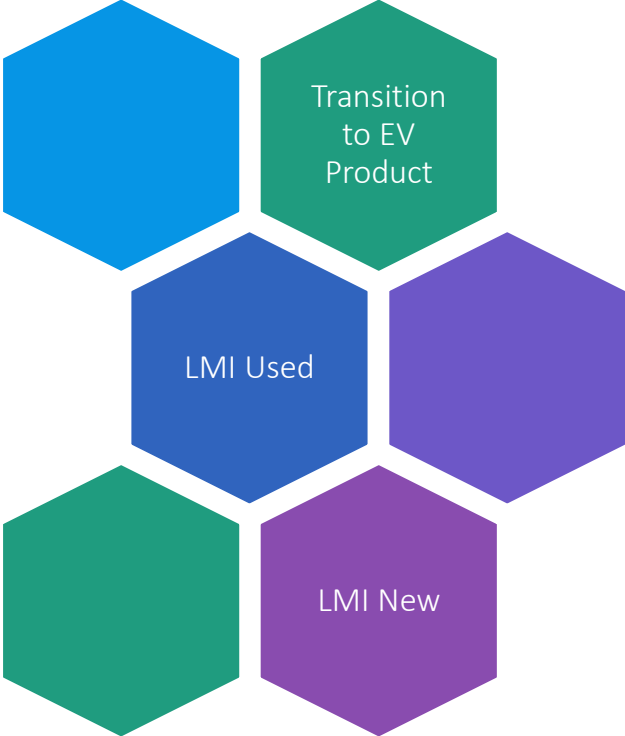
Friday, November 20th, 2020

CSE Program Management & Platform Dev Teams



Center for
Sustainable
Energy™

Enhancements for CHEAPR Program



Low-to-Moderate Income (LMI) Rebate

- Post-Purchase LMI Rebate (New and Used vehicles)
 - Pre-qualification: Time-consuming, expensive
 - 1+ hour per pre-qualification
 - Only 40% of pre-qualified customers convert to redeem voucher (CVRP Rebate Now Pilot)
 - Post-purchase: More cost-effective, better use of limited program funds
 - Works best for LMI applicant and auto dealers
 - ✓ Most LMI customers go get the car first, then call after to get rebate
 - ✓ Takes auto dealer out of LMI conversations (1,000+ used dealers in CT)
 - ✓ LMI applicants will be able to apply for the LMI increased rebate online using CSE's secure portal – an easy 10-15 minute process. Also mail-in rebate option.



LMI Rebate (cont.)

- Income Verification – Categorical Eligibility
 - Full income verification: Time-consuming, expensive (1.5+ hours applicant)
 - Categorical Eligibility: Most cost-effective (~10 minutes)
 - Categorical Eligibility maximizes administrative efficiency!
 - Eliminates the need to spend time obtaining and reviewing tax documentation and potentially bank statements
 - Eliminates the need to work with the IRS
 - Sets clear and specific expectations for applicants on what they need for eligibility
 - Minimizes back and forth communication required with applicant

