



Connecticut Department of Energy and Environmental Protection



Thursday, December 16, 2021 3:00-5:00 PM

Board Agenda

3:00 PM Chair Commissioner Dykes Call to Order

Welcome Paul Wessel-Senator Looney's appointment to the CHEAPR Board
Board Member Introductions
Approval of the December 16, 2021 CHEAPR Board Meeting minutes

3:15 PM CHEAPR Program Update

- Program and Budget Update
- Update on CHEAPR Program Annual Report
- Review of Participation Rates and MSRP Cap Analysis
- Focus area for next quarter: Education, outreach and marketing for consumers and dealers

4:15 PM Public Comments

Adjourn



Approval of the December 16, 2021 Minutes



CHEAPR Budget Update



- Budget through February 28, 2022
- See board packet for a higher resolution copy of the budget update

CHEAPR Board Meeting - March 17, 2022
Budget Update
January 1, 2020 through February 28, 2022

	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
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			
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			
CHEAPR3 Rebates (Dealer) Paid	\$ (141,125.00)		\$ (141,125.00)
CHEAPR3 Rebates (Plus) Paid	\$ (25,000.00)		\$ (25,000.00)
Subtotal CHEAPR3 Incentives Paid (4)	\$ (2,349,375.00)		\$ (2,349,375.00)
CHEAPR3 Pipeline:			
Rebates Approved (Vehicle)	\$ (39,750.00)		\$ (39,750.00)
Rebates Approved (Dealer)	\$ (3,200.00)		\$ (3,200.00)
Rebate in Process (Vehicle)	\$ (10,875.00)		\$ (10,875.00)
Rebate in Process (Dealer)	\$ (775.00)		\$ (775.00)
Subtotal CHEAPR3 Pipeline (5)	\$ (54,600.00)		\$ (54,600.00)
Jan'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-Dec'21 Admin Costs - CHEAPR3 (7 months)		\$ (299,755.20)	\$ (299,755.20)
Jan'22 Admin Costs		\$ (20,317.00)	\$ (20,317.00)
Feb'22 Admin Costs - Draft		\$ (23,000.00)	\$ (23,000.00)
Total Funds Utilized through 2/28/2022	\$ (2,663,875.00)	\$ (812,069.27)	\$ (3,475,944.27)
Estimated Remaining 2021-2022 Funding	\$ 5,471,173.00	\$ 377,882.73	\$ 5,849,055.73
Estimated Funds on Hand:			
CHEAPR2 Bridge Funding Received	\$ 259,900.00	\$ 65,000.00	\$ 324,900.00
Additional Funds received	\$ 2,521,725.00	\$ 674,984.00	\$ 3,196,709.00
Total CHEAPR3 Funds Received	\$ 2,781,625.00	\$ 739,984.00	\$ 3,521,609.00
Funds Held by DEEP/DMV	\$ 5,353,423.00	\$ 449,968.00	\$ 5,803,391.00
Funds Held by CSE	\$ 117,750.00	\$ (72,085.27)	\$ 45,664.73
Total	\$ 5,471,173.00	\$ 377,882.73	\$ 5,849,055.73



Program Review Update

Annual Review

Analyze First Year Program Data
+
Analyze Budget

Identify
+
Recommend

Identify Options
+
Recommend Program Changes
(Within Program Budget)

Board Input
+
Next Steps

Present to Board for Discussion
+
Public Input (Comment)

Sec. 22a-202.

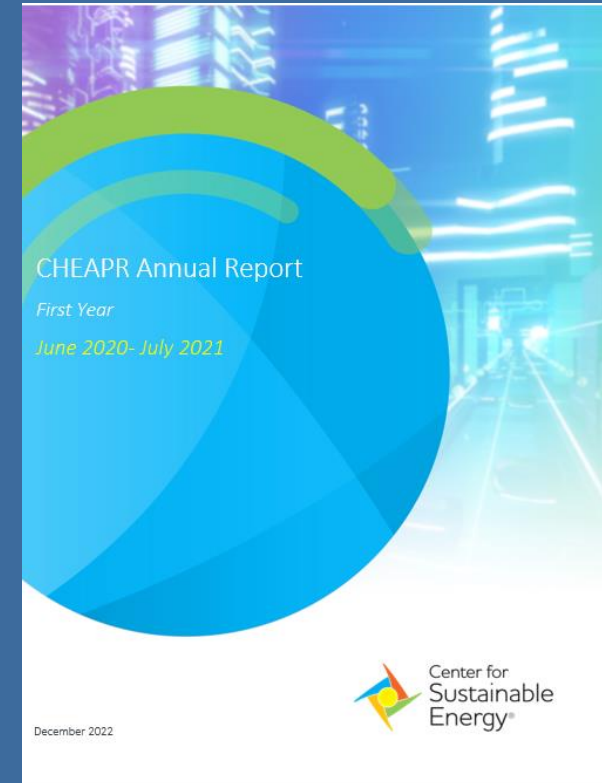
(b) On and after January 1, 2020, until December 31, 2025, inclusive, the board shall establish and administer a program to provide rebates that total at least three million dollars annually to residents of this state who

- (1) purchase or lease a battery electric vehicle, plug-in hybrid electric vehicle or fuel cell electric vehicle, or
- (2) purchase a used hydrogen vehicle or electric vehicle. The board shall establish and revise, as necessary, appropriate rebate levels and maximum income eligibility for rebates for used hydrogen vehicles or electric vehicles. ***The board shall evaluate such program on an annual basis.***

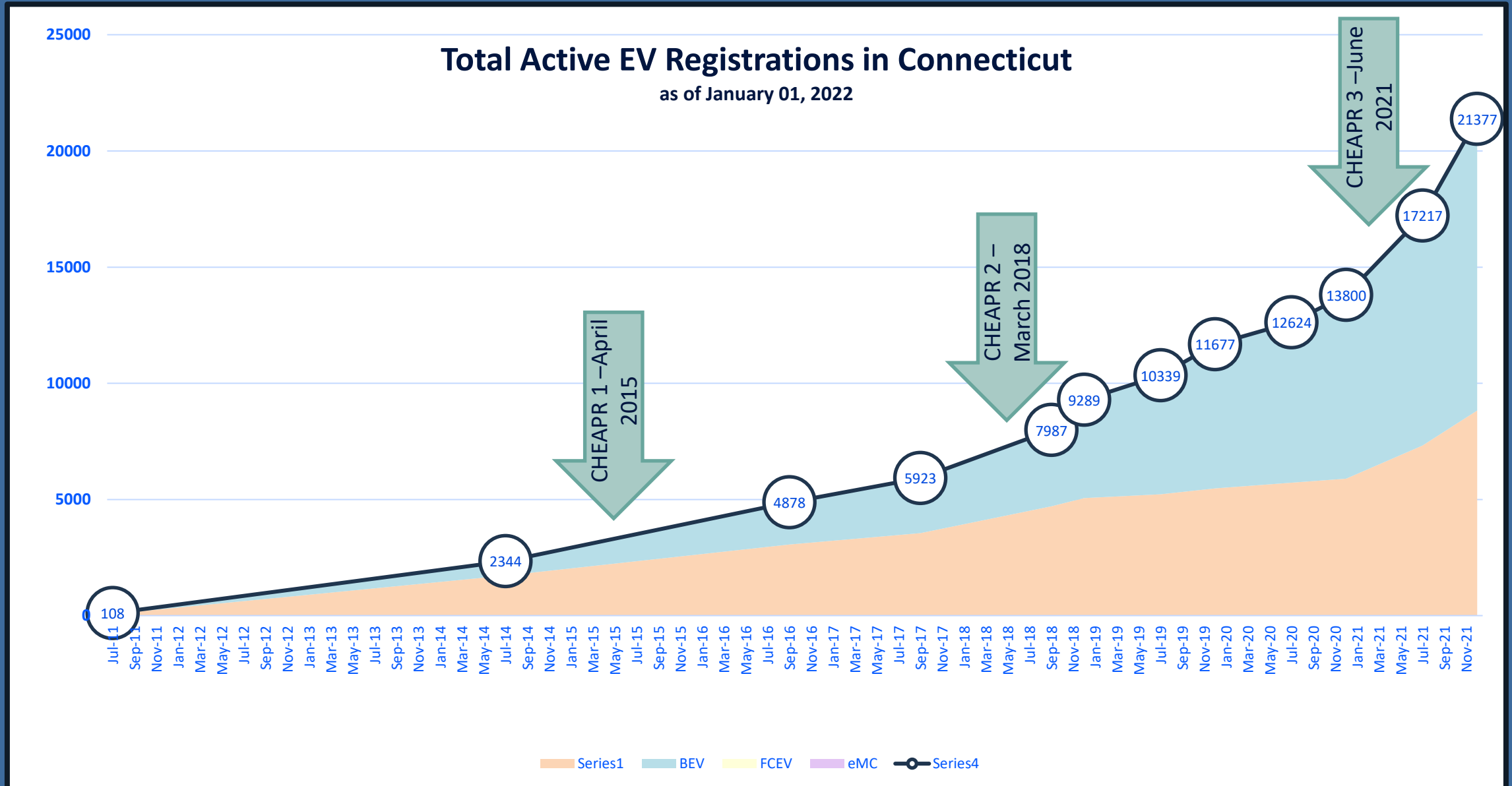


CSE Annual Report

- First annual report documenting program changes from June 2020 – July 2021 to be circulated electronically for board review by April 4th
- EV Penetration update
- Rebates by vehicle type
- Participation rates
 - Using IHS sales data, CSE found a participation rate of about 40%,
 - DEEP found a participation rate of 34% based on DMV registration data
- Rebate + (new and used) only 1.1%



CT Current EV Population (CY 2021)



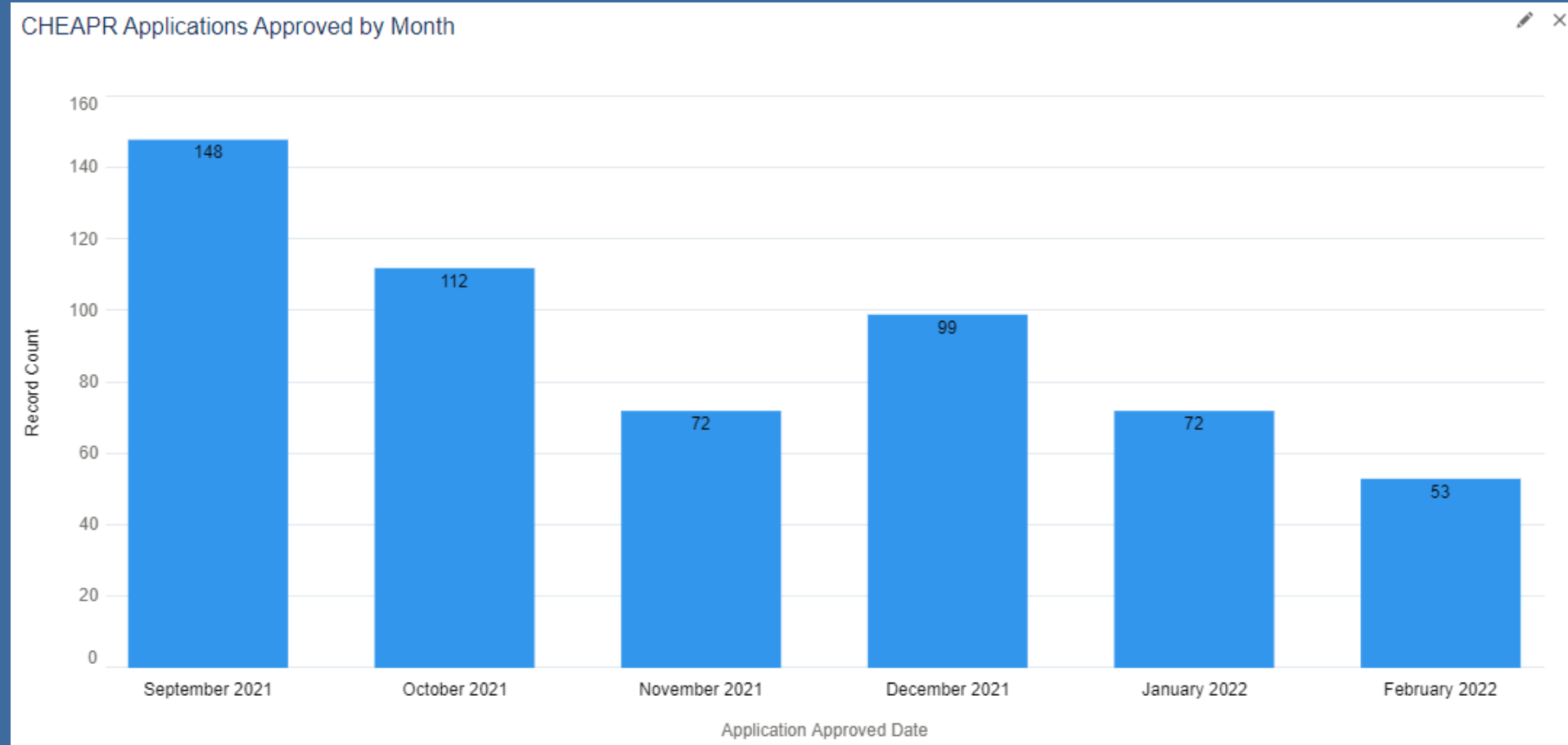
CT Gross EV Gains (Jan-July 2021)

- 9,741 EVs appeared for the first time in CT registration
- **2,164** EVs were registered in CT but did not remain in the registration database by end of 2021
- **7,577** new EVs remained in CT registration by the end of 2021

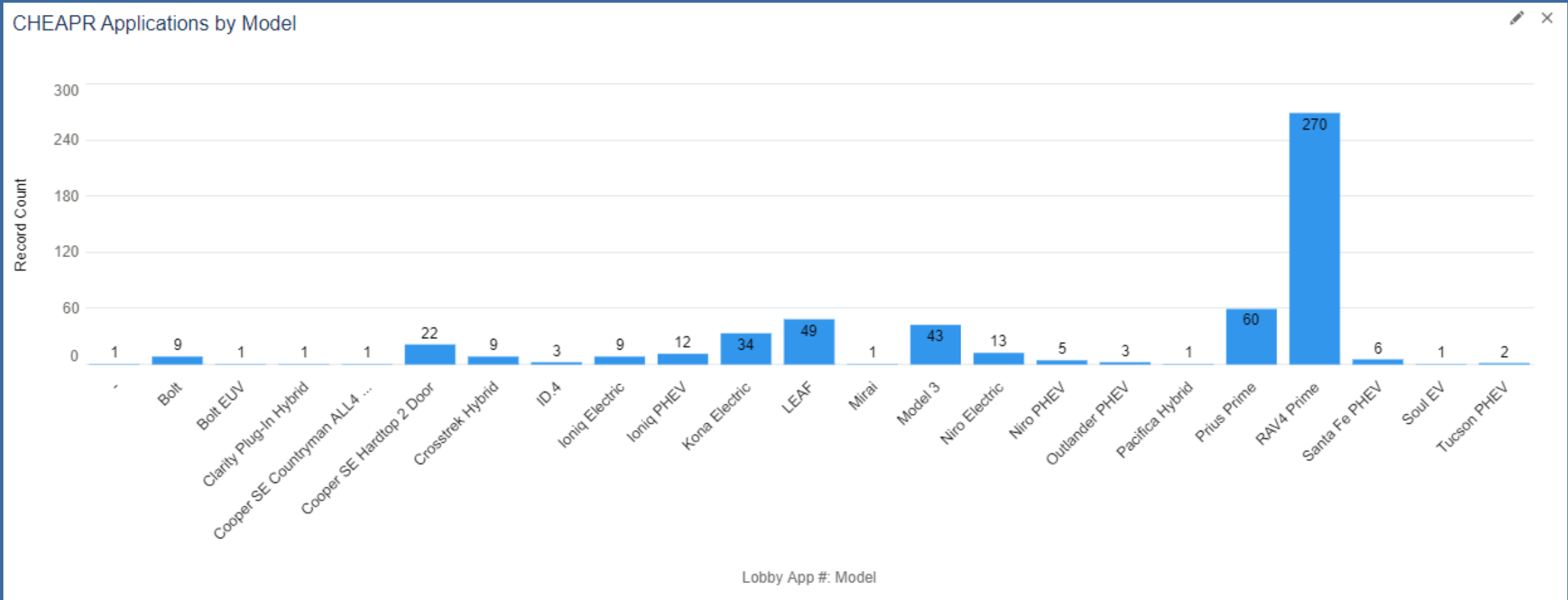
Vehicle Type	Jan 21-July 21	July 21- Dec 21	TOTAL
BEV	2418	3283	5701
PHEV	1917	2123	4040
TOTAL	4335	5406	9741



CHEAPR Applications Approved in 2021-22



CHEAPR Applications by Vehicle Type



Rebate+ Update

- CHEAPR Rebate+ launched on June 7, 2021
 - Current Dealerships Enrolled: 134
- Number of Rebates Approved Since Rebate+ Launch: 996

Point of Sale	Rebate+ NEW	Rebate+ USED
982	8 SSI SNAP Medicaid CEAP	6 Head Start Medicaid(4) NSLP



Addressing LMI Participation

Next Steps:

- Increase outreach and awareness on used and more affordable EV models where the TCO yields significant savings.
- Broaden eligibility and streamline qualification process based on census tract and or income thresholds.
- Continue to explore other models to provide access to clean transportation and clean mobility options.



Evaluating Changes to CHEAPR's MSRP Cap



CHEAPR Program: MSRP Bin Analysis



Number of Newly Registered EVs in CT Classified by MSRP Bin

- 2021 CT EV data divided into MSRP bins
- Majority of CT EVs fall under **Bin 1, Bin 2 and Bin 5**
- Bin 5 contains 1,608 Tesla Model Y vehicles

	BEV	PHEV	TOTAL
Bin 1 (\$0 – 42k MSRP)	1198	2622	3820
Bin 2 (\$42,001 – 45k MSRP)	1978	107	2085
Bin 3 (\$45,001 – 50k MSRP)	50	135	185
Bin 4 (\$50,001 – 55k MSRP)	0	595	595
Bin 5 (\$55,001 – 60k MSRP)	1716	70	1786
Bin 6 (\$60,001 – 65k MSRP)	0	368	368
Bin 7 (\$65,001 – 70k MSRP)	133	20	153
Bin 8 (\$70k+ MSRP)	610	123	733
TOTAL	5685	4040	9725



Program Optimization: Balancing Utilization Rates

Program Options	25% Utilization Rate	34% (Real World)	50% Utilization Rate	75% Utilization Rate	Final Program Cost (per year)
Status Quo	\$ 1,358,521	\$1,847,588	\$ 2,717,042	\$ 4,075,563	\$ 5,434,084
Option 1 0-\$50k, SQ Stimulus	\$ 2,735,269	\$3,719,966	\$ 5,470,539	\$ 8,205,808	\$ 10,941,077
Option 2 0-\$60k, SQ Stimulus	\$ 4,001,432	\$5,441,948	\$ 8,002,864	\$ 12,004,297	\$ 16,005,729

Program cost estimates assuming 99% Standard Rebate & 1% Rebate+New utilized and various utilization rates



Bin Analysis

- In 2021, 1198 BEVs and 2622 PHEVs were eligible for CHEAPR rebates. About 34% of total eligible vehicles utilized the rebate.
- At 100% utilization, the CHEAPR program would cost \$5.4M last year. With base funding of \$3M, CHEAPR could support about 2149 EVs before exhausting funds.
- Therefore, with no changes the current budget can't support the current program if all rebates are taken.
- Increasing the MSRP cap to \$50K, could potentially bring 2270 EVs into program eligibility.

	BEV	PHEV	TOTAL
Bin 1 (\$0 – 42k MSRP)	1198	2622	3820
Bin 2 (\$42,001 – 45k MSRP)	1978	107	2085
Bin 3 (\$45,001 – 50k MSRP)	50	135	185

Number of Eligible EVs below \$50K MSRP in 2021

Program Option	MSRP Bin	Total Number of EVs	Rebate Given	Final Program Cost (per year)	Current Cost (34% utilization rate)*
Status Quo	1 (\$0-42k)	3820	SQ Standard Rebate, SQ Stimulus Rebate+	\$5,434,084	\$1,847,588
1	1-3 (\$0-50k)	6090	SQ Standard Rebate, SQ Stimulus Rebate+	\$10,941,077	\$3,719,966

CHEAPR Program Cost Estimates for Status Quo and \$50K MSRP Cap Increase



MSRP Bins	Total Registered Vehicles	Total Models
\$0-42K	3820	38
\$42-45K	2085	6
\$45-50K	185	4
\$50-55K	595	5
\$55-60K	1786	6
\$60-65K	368	3
\$65-70K	153	6
\$70+K	733	17



Recommendation to raise the MSRP cap to \$50,000



DEEP is in the process of identifying funds to dedicate to develop a marketing campaign directed towards increasing the utilization rates for all consumers including LMI.



- CSE Annual Report to be distributed to the CHEAPR Board electronically by April 4th.
- DEEP to find off-CHEAPR budget for marketing outreach to focus on dealers and LMI communities.
- CSE to continue working with/training dealers as needed.



Quarterly Meeting Schedule



CHEAPR BOARD MEETINGS for 2022

Thursday, June 16th from 3:00-5:00 PM

Thursday, September 15th from 3:00-5:00 PM

Thursday, December 15th from 3:00-5:00 PM



Public Comments

