



Connecticut Department of Energy and Environmental Protection



Board Agenda

3:00 PM Chair Commissioner Dykes Call to Order

- Welcome
- Approval of the March 17, 2022 CHEAPR Board Meeting minutes

3:15 PM CHEAPR Program Update

- Program and Budget Update
- Impact of Public Act 22-25 on CHEAPR
- Focus Areas: Developing Workplans for implementation

4:15 PM Public Comments

Adjourn



Approval of the March 17, 2022 Minutes



CHEAPR Budget

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

1. Rebates paid from 6/15/20 through 5/31/22 (2,199 vehicle rebates).
2. Rebates paid from 3/2/22 through 5/31/22 (282 vehicle rebates: 95 BEV, 187 PHEV and 3 Rebate+New).
3. Apps received through 5/31/22 that are approved and in process but not yet paid as of 6/9/2022 (55 vehicles).
4. Most popular vehicles this year – Toyota RAV 4 Prime, Prius Prime and Nissan LEAF

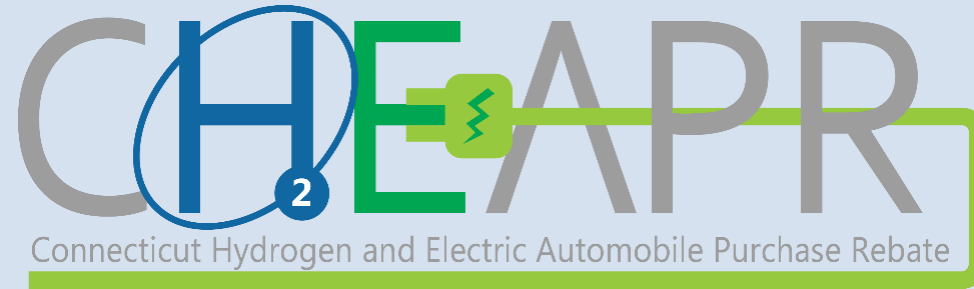
CHEAPR Board Meeting - June 16, 2022

Budget Update

January 1, 2020 through May 31, 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	\$ (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	\$ (2,547,750.00)		\$ (2,547,750.00)
CHEAPR3 Rebates (Dealer) Paid	\$ (166,775.00)		\$ (166,775.00)
CHEAPR3 Rebates (Plus) Paid	\$ (30,000.00)		\$ (30,000.00)
Subtotal CHEAPR3 Incentives Paid (4)	\$ (2,744,525.00)		\$ (2,744,525.00)
CHEAPR3 Pipeline:			
Rebates Approved (Vehicle)	\$ (49,500.00)		\$ (49,500.00)
Rebates Approved (Dealer)	\$ (4,325.00)		\$ (4,325.00)
Rebate in Process (Vehicle)	\$ (17,250.00)		\$ (17,250.00)
Rebate in Process (Dealer)	\$ (1,350.00)		\$ (1,350.00)
Subtotal CHEAPR3 Pipeline (5)	\$ (72,425.00)		\$ (72,425.00)
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-May'22 Admin Costs - CHEAPR3 (12 months)		\$ (412,717.08)	\$ (412,717.08)
Total Funds Utilized through 5/31/2022	\$ (3,076,850.00)	\$ (881,714.15)	\$ (3,958,564.15)
Estimated Remaining 2021-2022 Funding	\$ 5,058,198.00	\$ 308,237.85	\$ 5,366,435.85
Estimated Funds on Hand:			
CHEAPR2 Bridge Funding Received	\$ 259,900.00	\$ 65,000.00	\$ 324,900.00
Additional Funds received	\$ 3,521,725.00	\$ 674,984.00	\$ 4,196,709.00
Total CHEAPR3 Funds Received	\$ 3,781,625.00	\$ 739,984.00	\$ 4,521,609.00
Funds Held by DEEP/DMV	\$ 4,353,423.00	\$ 449,968.00	\$ 4,803,391.00
Funds Held by CSE	\$ 704,775.00	\$ (141,730.15)	\$ 563,044.85
Total	\$ 5,058,198.00	\$ 308,237.85	\$ 5,366,435.85





CHEAPR is **Evolving!**

Implementing Public Act 22-25



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Public Act 22-25

- **State Fleet Electrification** - Requires DAS ensure the LD State Fleet switches to EV by:
 - 2026: 50% | 2028: 75% | 2030: 100%
- **“Right to Charge”** for:
 - Renters: requires landlords to approve a tenant’s written request to install EVSE
 - Condo Owners: voids any prohibitions that unreasonably restrict EVSE installation
- **New Construction EVSE Req’s**
 - By 2023, certain new state/municipal/school construction projects must have 20% of parking equipped with Level 2 EVSE
- **Property Tax Exemptions** - Exempts EVSE and H2 as well as EV School buses from property tax
- **Zero-emission School Buses**
 - Increase school transportation contracts to 10-year (at least 1 EV bus)
 - 2030: 100% EV in EJ | 2040: 100% EV *all* school districts
 - A new matching grant program for the EPA Clean School Bus Program up to \$20 million
- **Medium-Heavy-duty Vehicles**
 - New MHD Voucher Program with \$10 million in funding
 - DEEP authorized to adopt California MHD emission standards
- **Fees** - Eliminates the reduced registration fee for EVs
- **Traffic Signal Modernization** - Requires DOT to establish a matching grant program to help municipalities modernize existing traffic signal equipment



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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How is CHEAPR Evolving?

- **Increased funding!** increasing the programs funding to approximately \$8-10 million/year from greenhouse gas (GHG) motor vehicle fees and Regional Greenhouse Gas Initiative (RGGI) fees.
- **Increased MSRP cap!** establishes a new maximum for vehicle eligibility at \$50,000.
- **CHEAPR Board**
 - Increasing Board's membership with addition of 5 new board seats (1 PURA chairperson + 4 appointed).
 - CHEAPR board becomes an *advisory* board.

Lesson learned - enables DEEP to administer a more flexible, and responsive program depending on market conditions, funding and feedback.
- **New Program Goals - giving priority to:**
 - low-income individuals (household income at or below 300% of federal poverty level).
 - residents of environmental justice (EJ) communities.
 - residents who participate in certain state or federal assistance programs.

Additional EJ incentives **up to %100** standard rebate amounts!
- **Rebate+ Vouchers:**
 - Rebate+ programs will be allowed to use either a rebate or a voucher system going forward.

Lesson learned - having *cash on the hood* has been a successful system for new cars, but vouchers allow for LMI residents to walk into the dealership with cash off the vehicle.



How is CHEAPR Evolving?

SOW: Scope of Work

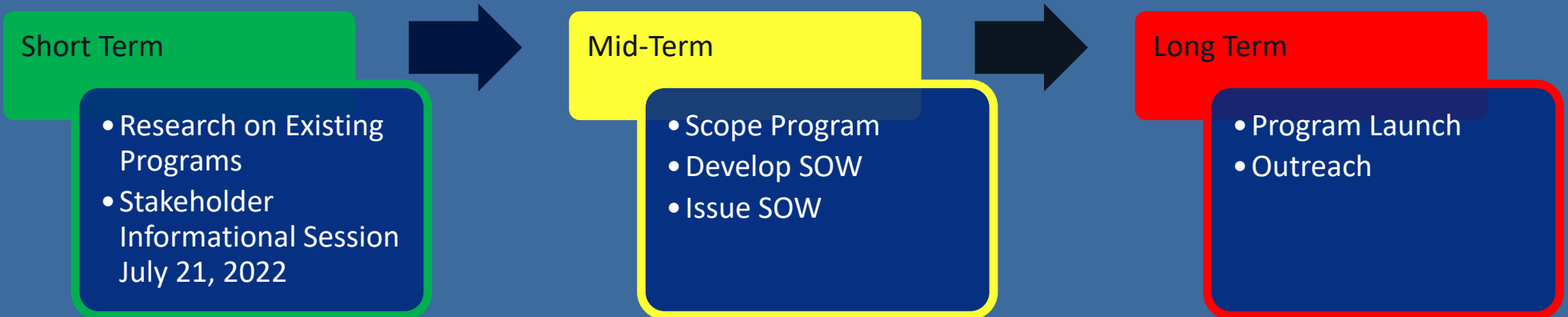
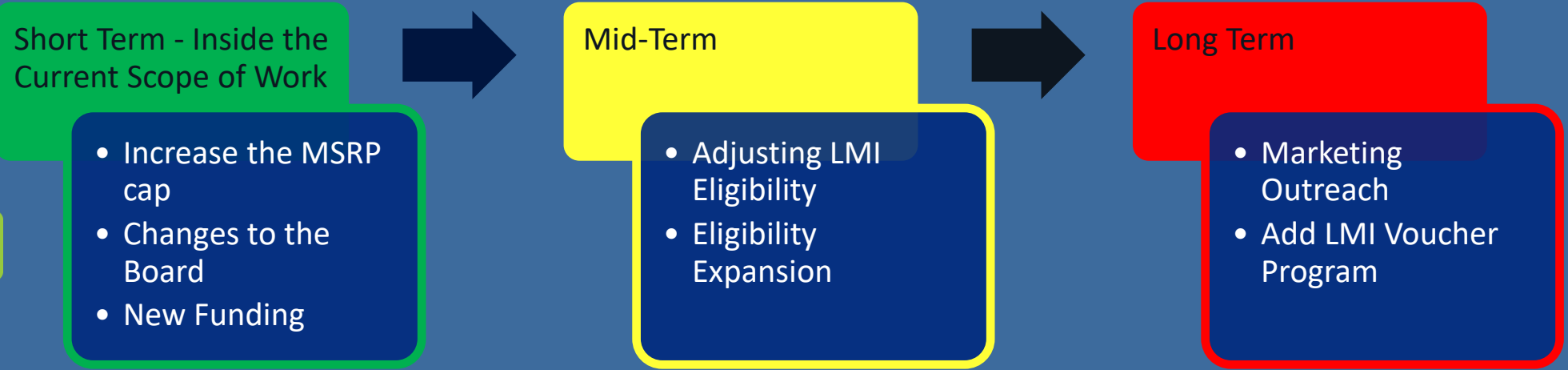
- **CHEAPR is also being extended to:**
 - Businesses, Municipalities, Nonprofits (10 EVs/yr | 20 Total)
- **E-Bike Voucher Program**
 - Requires the establishment of *maximum* income eligibility
 - Minimum \$500 rebate w/ \$3,000 MSRP cap on E-bikes
 - LMI/EJ component
- **Outreach & Marketing**
 - 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.
- **CHEAPR work plan under development:**
 - Some new requirements fall within DEEP's existing SOW with CSE
 - Some requirements will necessitate new program costs and will require an amended SOW
 - Some requirements are outside the scope of the SOW and will require a new SOW



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Workplan – Tasks





CHEAPR Changes



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Increased Funding

- The dedicated CHEAPR account will receive deposits directly from DMV on a regular basis
- Vehicle fees are not static and can fluctuate based on economic conditions
- Based on previous years funding DEEP will budget the entire CHEAPR program at \$8 Million/year
- As a reminder, the next slide provides budget implication of \$50K MSRP cap/program utilization



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



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 CHEAPR



Increasing the MSRP Cap

Expanding vehicle eligibility to \$50,000

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

Expected Additions*

Make	Model	Type	MY	MSRP
BMW	3-Series Plug in	PHEV	2022	\$42,950
Audi	Q5 Plug In	PHEV	2022	\$43,300
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
Volvo	s60 Plug In	PHEV	2022	\$47,650
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.



Expanded Eligibility

Expanding eligibility to municipalities, businesses, non-profits and tribes will require a change to the existing CHEAPR format, based on driver license numbers.

New rebate tracking system will need to be developed for municipalities, businesses, and non-profits

1. Identify new capping metric (current program uses driver's license)

- Work with CSE to identify and implement new tracking for new entities
 - Possibilities include EIN, Tax ID

2. Dealer Portal Changes

- Develop process for new entity applications

3. Collateral and Website

- Update program collateral for expanded eligibility and program rules
- Update CHEAPR web pages



LMI 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

- Identify VIN strings for newly eligible vehicles

3. Issue SOW

4. Assess Responses, Select Vendor



LMI Voucher Program

Developing a CHEAPR voucher program will require a new contracting process

1. Develop a scope of work to create an LMI voucher program within CHEAPR

2. Amend the Existing Scope of Work to Fund the Changes

3. Analyze Existing Incentive Levels

4. Develop the New Program

- Establish new eligibility criteria
- Update the website to allow for online applications
- Establish IRS Process for means testing
- Set up secure means of transmitting qualifying documents
- Determine form and duration of voucher
- Create new program collateral
- Establish an LMI program uptake metric-currently use 10% of program funds as a metric

5. Market the Program before Launch





E-Bikes Program Development



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E-Bikes: 22-25 Program Outline

- Rebate or Voucher (\geq \$500)
- Maximum income eligibility
- MSRP \leq \$3,000
- Must:
 - Maximize air quality benefits
 - Prioritize EJ communities and low-income households (\leq 300% federal poverty level **or** in state/federal assistance programs)



E Bikes



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E-Bike Workplan

Workplan & Issues to Address:

- Not within the scope of the current contract
- Requires new program, new dealer portal, new application, new IT
- Income verification
- Voucher per E-bike or Individual
- Voucher tracking (EVs have VINs and Driver Licenses)
- Trade Associations (Retailers, People for Bikes?)
- Retail Universe (known/unknown?)
- Determine how to address online E-bike purchases



E-Bike Public Informational Session

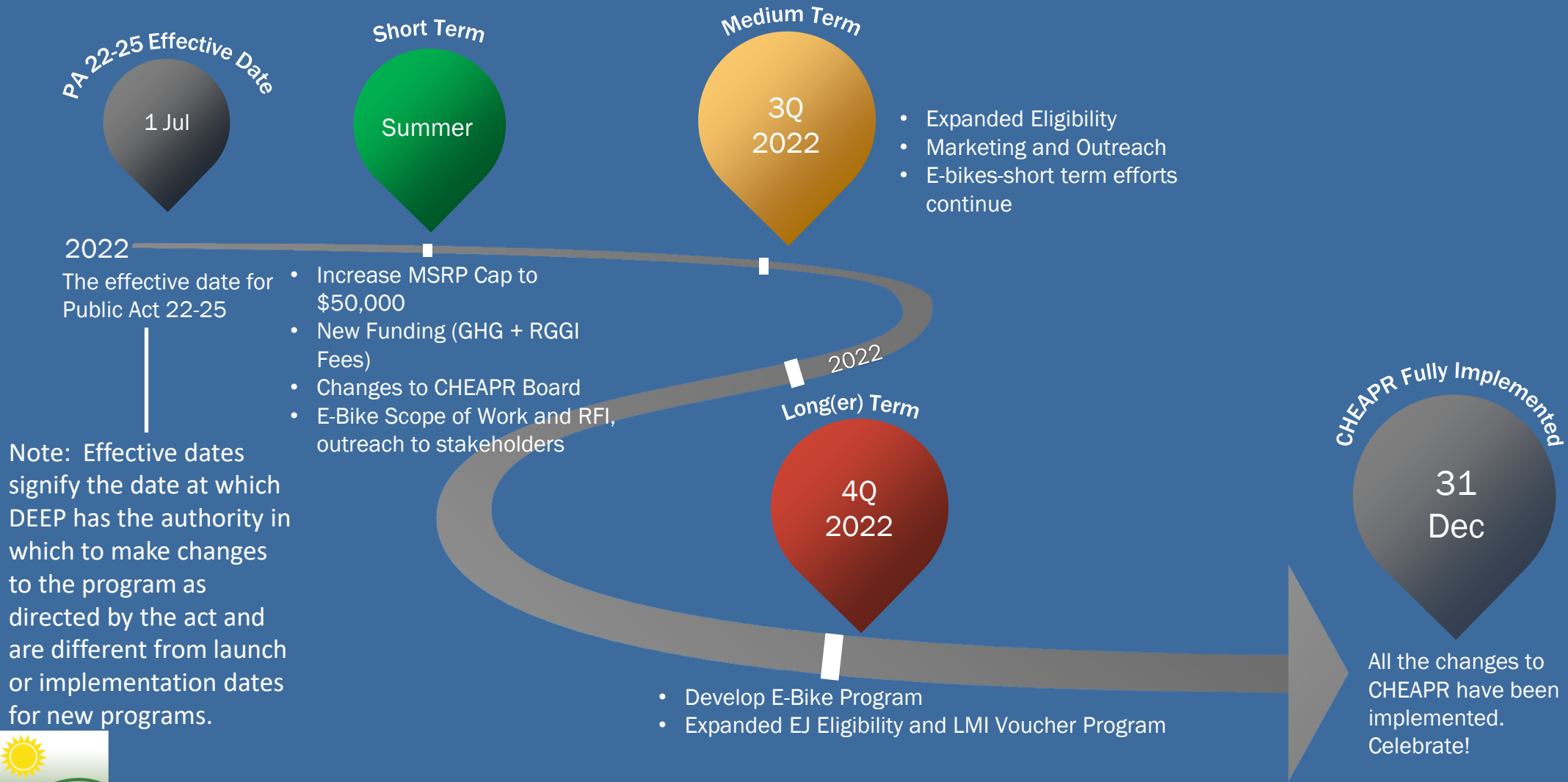
- Development and Notice of Questions for Session
- Release of Notice: July 7, 2022
- Public Informational Session: July 21, 2022



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Prospective Timeline



Quarterly Meeting Schedule

CHEAPR BOARD MEETINGS for 2022

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

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



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Public Comments

Public Comments



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