Meeting Minutes

September 12, 2024, CHEAPR Board Meeting via ZOOM || View Recording (Passcode: 1QM%jKhM)

Present:	Board Members: Deputy Commissioner EQ Emma Cimino on behalf of Commissioner Katie Dykes, Kevin Moss (Green Bank), Julia Dumaine (PURA), and Kate Rozen CSE Staff: Jae Berg and Sara Stockman CT DEEP Staff: Tracy Babbidge, Paul Farrell, Pete Babich, Paul Kritzler, Walter Barozi and Nicole Foertsch
Not in Attendance:	Bryan Cafferelli (DCP), Paul Wessel, Jody Ellant and Bradley Hoffman
Next meeting:	December 12, 2024
Prepared by:	Nicole Foertsch, Walter Barozi and Paul Kritzler

The September 12th, 2024 meeting of the CHEAPR Program Board was held and recorded online via Zoom. The purpose of the meeting was to provide program metrics through the close of Q2 in 2024. DEEP staff discussed the program budget, provided an incentive level analysis, implementation of Public Act 22-25, and updates on the launch of the second round of the CT eBike Incentive Program.

Call to Order and Announcements

- **Attendance:** The meeting began at 3:05 p.m. and board member attendance was taken where DEEP Deputy Commissioner Emma Ciminio on behalf of Commissioner Dykes, Kevin Moss, Kate Rozen and Julia Dumaine were present but not enough members were present for quorum. Several seats on the board remain open and DEEP will continue to work with legislative appointing authorities to fill them. Please refer to CHEAPR Board page on the CHEAPR website to find information on the open positions. To apply for an open board position, please refer to the Board & Council Members application page where DEEP can refer applications to the relevant appointing authority as appropriate.
- **Opening Remarks:** Emma Cimino gave opening remarks to begin the meeting. She thanked everyone for taking the time to attend and expressed excitement for what was being presented today, particularly incentive level discussion and the launch of the second round of the eBike Incentive Program. Tracy Babbidge also welcomed everyone and introduced Kevin Moss, a new board member representing the Connecticut Green Bank and replacing Sara Harari.
- **Minutes Approval:** Since not enough board members were present for quorum, present board members deferred action on the minutes to the December meeting.

Staff Reports

- **Budget Update:** Demand continues to remain high for CHEAPR vouchers in CT. Incentive payments, including active applications in the pipeline, amount to over $8.5 million as of the end of July. August numbers came in just after preparation for this meeting and the spend rate did decrease to about $700,000 which is lower than the usual $1 million a month spend rate but still a healthy amount. Additionally, it was noted that the total funds paid so far in 2024 has surpassed the total funds paid in 2023. As of the end of July, there have been 3,643 rebates awarded this year, about 200 behind the total rebates awarded in 2023 and more than triple what was awarded in 2022. Rebate+ numbers are increasing as well with 306 being awarded so far as of the end of July as compared to 253 being awarded throughout all of 2023.

- **Data Update:** Updated EV statistics seen after the close of Q2 of this year were presented. DEEP received registration data from DMV through the end of June and as of July 1st, 2024, there are 52,691 EVs registered in the state. This is approximately a 19% increase from the end of 2023. The next update from DMV will be in January 2025. With market share, CT is seeing a slight dip in sales, a trend that has been happening for the past few quarters, but our market share is currently between eight and ten percent. The top EVs being sold in the state remain Tesla's but the Jeep Wrangler, Toyota RAV4 and Hyundai Ioniq 5, all PHEVs, are also in the top 5. Looking at § 177 states overall, EV sales have slowed throughout 2024 so the trend is not exclusive to CT. From Q1 to Q2, the state's EV market share dropped by 0.4% which is on track with most other § 177 states, although some saw small increases.
  - **CHEAPR Stats:** Statistics from CHEAPR to the latest update were presented. It was noted that over $31 million has been issued in rebates for the purchase or lease of over 16,500 EVs since 2015. This is a 31% Program utilization rate. In 2024, BEV rebates are continuing to outpace PHEV rebates and within the Program, top models remain to be Tesla's along with the Toyota Rav4 Prime and the Subaru Solterra. When it comes to purchasing vs. leasing, purchasing new EVs are slightly more popular with 53.5% of rebates this year being awarded for that purpose, 44.9% being leased as new EVs and 1.6% has been for purchases of Used EVs. There is an uptake in Rebate+ New continuing throughout this year as well. All of this information and more can be found on the CHEAPR stats page which is updated monthly.

Update on Public Act 22-25

- **EV Incentive Level Analysis:** Details on an analysis of the current incentive levels set for EVs were provided by DEEP staff. With a continuing increase in rebate uptake, budget constraints and the loss of having the luxury of a carryover budget from past years, incentive levels must be adjusted to allow the program to continue its purpose. The BEV standard rebate is responsible for 87% of the annual spend and is the critical lever to control spending and avoid funding lapse. Based on current projections, a sustainable budget for EV incentives is $9.2 million annually. Therefore, the BEV standard rebate must be reduced to maintain program without interruption and to fund the increased Rebate+ new and used incentives under Public Act 24-81 section 54 (change from "up to 100%" to "no less than 200%" for Rebate+ over the Standard). The calendar year budgets for '24 and '25 were presented to show where the $9.2 million budget came from. A variety of scenarios of how the budget could be altered and what each would mean for CHEAPR were presented as well.
  - **Proposed Action:** DEEP is proposing that beginning on January 1st, 2025, the incentive level for the BEV Standard Rebate returns to $1,500 (currently $2,250) and BEV Rebate+ New should be increased to $3,000 (currently $2,000). From January through April, rebate utilization will be monitored closely and if $3 million is spent in that time ($750,000 per month), that will be a trigger to farther reduce incentives. If that scenario happens, on July 1, 2025, the BEV Standard Rebate will be reduced to $1,000 and the BEV Rebate+ New will be increased to $4,000. If that trigger doesn't occur, then incentives will remain as set in January. Also on January 1st and remaining through 2025, Rebate+ Used levels should be increased, going from $3,000 to $5,000 for BEVs and $1,125 to $3,000 for PHEVs. To see these slides with all the information about the incentive level proposal, please refer to the presentation posted under September 12th, 2024 on the CHEAPR Board webpage.

- o **CHEAPR Engagement:** Public engagement and outreach regarding the incentive changes will be key. Adjusting incentive levels will require updating all Program materials. Webinars will need to be designed and held to showcase changes to both retailers and residents. To enhance these efforts, DEEP will reach out for stakeholder feedback on how to approach these changes, including an ad hoc meeting with the CHEAPR Board on incentive levels in October. There will be extensive outreach to CT auto retailers to ensure they are thoroughly educated about upcoming changes and a push for media focus to publicize key changes in December. Marketing and interagency coordination will be a significant aspect of these efforts.
  - Kevin Moss asked if the increase to $3,000 for Rebate+ New would be on top of the $1,500 for the Standard. Pete Babich and Tracy Babbidge replied that they are stackable. Kevin also asked how funding would work through the end of '24 with the budget squeeze CHEAPR is seeing. Pete explained that we do have wiggle room with the bit of carryover that's left and funding still coming in this year. Operations are secure through the rest of the year but with carryover decreasing, action needs to be taken to prepare for no wiggle room in the budget.
- o **Feedback:** DEEP is interested in your feedback on today's presentation, especially regarding incentive changes. Please submit any comments or suggestions you might have at deep.mobilesources@ct.gov by October 15, 2024.
- **eBikes:** The Round 2 launch of the CT eBike Incentive Program begins for CT residents on September 17th, 2024. The budget is $750,000, similar to the first round. The Standard Voucher will remain at $500 while the Voucher+ level has been lowered slightly to $1,250 to allow for more program participation, especially from LMI households and EJ communities. Program parameters are remaining the same as R1 when it comes to requirements for participating retailers (must have a physical storefront, be in good standing and offer at least one eligible eBike model for sale) and for eligible eBike models (have an MSRP ≤ to $3,000, have an electrical drive system certified for compliance with UL 28493 or EN 15194, and have a manufacturer's warranty for frame and components for not less than one [1] year).
  - o **R2 Timeline:** The webinar for eBike retailers was held on September 5th and the webinar for applicants was held on September 11th. These webinars highlighted important changes for each specified audience in this round of the Program. The application portal opened on September 17th at 12 p.m. ET and it will remain open for 14 days, closing on October 1st, 2024 at 8 p.m. ET. Application assessment will then begin and the time for completion will be dependent on the volume of applications received. Once assessment is complete and the lottery is run, vouchers will be issued and they will need to be redeemed at a participating eBike retailer within 240 days of issuance.
  - o **Tiered Lottery System for R2:** DEEP and CSE have been focused on improving the message and accessibility of the eBike Program which caused several changes in R2. Due to the high demand in R1, and to make the program more accessible both from a technology and timing standpoint, a lottery system has been put in place for awarding vouchers in R2 as well as tiering applications based on state statute. The lottery system will establish three tiers of applicants:
    - **Tier 1:** Participant in a state or federal income qualifying program or have an income less than 300% of the Federal Poverty Level (FPL).

- **Tier 2:** Reside in an [Environmental Justice (EJ) community](#) or [Distressed Municipality](#).
- **Tier 3:** Eligible for Standard voucher.

Applicants will indicate which tier they are in when submitting their application. Tier 1 applicants will be funded first, followed by Tier 2 and then Tier 3. In Tier 1, incentives will be awarded to as many qualified applicants as possible. If the number of Tier 1 applicants exceeds available funding, a lottery will be held to determine incentive recipients. Awards will be distributed and R2 will close. If the program has remaining funding after Tier 1, a lottery will be held for Tier 2 applicants, and those selected will receive a voucher. If funding is still available after Tier 2, a lottery will be held for Tier 3. Therefore, if you qualify for both Tier 1 and Tier 2, you should apply as a Tier 1 applicant. Or if you qualify for either Tier 1 or Tier 2, you will have a better chance applying in one of those tiers than a Tier 3 applicant. More information on this system can be found in different [Resources](#) featured on the eBike webpage.

- o **CBO Outreach and Program Resources:** With interagency support, DEEP has reached out to different organizations that can help publicize the Program and possibly assist participants with the application. On the website, there is an [eBike Application Guide](#) about how R2 works and information on all the documents needed in an application dependent on tier and a Spanish version is coming shortly. There are several other resources on the eBike webpage to help both retailers and applicants, some in both English and Spanish, such as the [FAQs](#), [Retailer Flyer](#), [R2 Factsheet](#) and more. Please refer to the [Resources](#) section on the [eBike webpage](#) to see all that is available.

- o **Press Event:** DEEP has recently coordinated an eBike Program R2 Launch event for Monday September 16th, 2024 at 12:30 p.m. in Hartford's Bushnell Park at the Soldiers and Sailors Memorial Arch. To invite retailers, Covered Bridge Electric Bike Rental, Bicycle Cellar of Farmington Valley, Devil's Gear, Airline Cycles and Spark Cycleworks have confirmed they will be attending, and several others expressed a possibility of attending as well.

Board Roundtable

- Kate Rozen expressed her gratitude for the DEEP team and everyone else who helped with the preparations for R2 launch of the eBike Incentive Program.
- Kevin Moss also expressed gratitude for the alterations to the eBike program that make it more accessible and equitable to all applicants.
- Kevin Moss asked if the mechanics of leasing an EV through CHEAPR are like purchasing since leasing seems to be becoming a more popular option.
    - o Paul Farrell answered that the process is very similar to purchasing. The dealer needs to ensure there's a line item for the incentive on the lease agreement, and a signed transfer of the incentive by the customer to the dealership.

Public Comments

- Barry Kresch asked via chat, "What is the status of the fleet program? It looks like it will be a challenge to have it fit within the budget."
    - o Tracy Babbidge answered that DEEP has factored Fleets into the 2025 budget and the timeframe and program parameters are still under development.

Connecticut Hydrogen and Electric Automobile Purchase Rebate

- Barry Kresch also asked if someone uses a CHEAPR rebate, is DEEP in contact with other agencies or organizations to try to promote home charging at the POS so the customer has information on charging programs and incentives.
  - Tracy Babbidge acknowledged DEEP could ensure dealers have information for charging for the customer.

Adjournment

The meeting was closed by Tracy Babbidge at 3:57.

The next Board Meeting will be held on December 12, 2024.

Attachment A: Attendee Report

1.	Aaron Goode
2.	Craig Peters- Capitol Clean Cities of CT
3.	Emma Cimino# CTDEEP (Emma Cimino)
4.	Gannon Long
5.	Julia Dumaine
6.	Karen Kitsis, CTDOT
7.	Kate Rozen
8.	kritzlerp
9.	Lidia Ruppert - CT DEEP
10.	Matthew's OtterPilot
11.	Mattie Horne (madeline.horne)
12.	Nicole Foertsch - CT DEEP
13.	Paul Aresta - CEQ
14.	Paul Farrell
15.	Paul Wessel
16.	poolak.forutanpour
17.	Sara Harari	CT Green Bank
18.	Sara Stockman
19.	Sarah Fryxell (CARA)
20.	Shane
21.	Stephen Higgins
22.	Tracy Babbidge, CTDEEP
23.	Wade Packer (DEEP)
24.	Walter Barozi