



AD HOC CHEAPR BOARD BRIEFING

2025 CHEAPR INCENTIVE LEVEL CHANGES

Bureau of Air Management
July 28, 2025

AGENDA

12:30 PM Welcome

Purpose of the Meeting

12:40 PM

Board Update

- Recent Trends in Incentive Uptake
- Future of CHEAPR
- New Standard Incentive Levels Taking Effect August 1st
- Outreach Efforts

1:00 PM

Board Discussion

1:15 PM

Public Comments

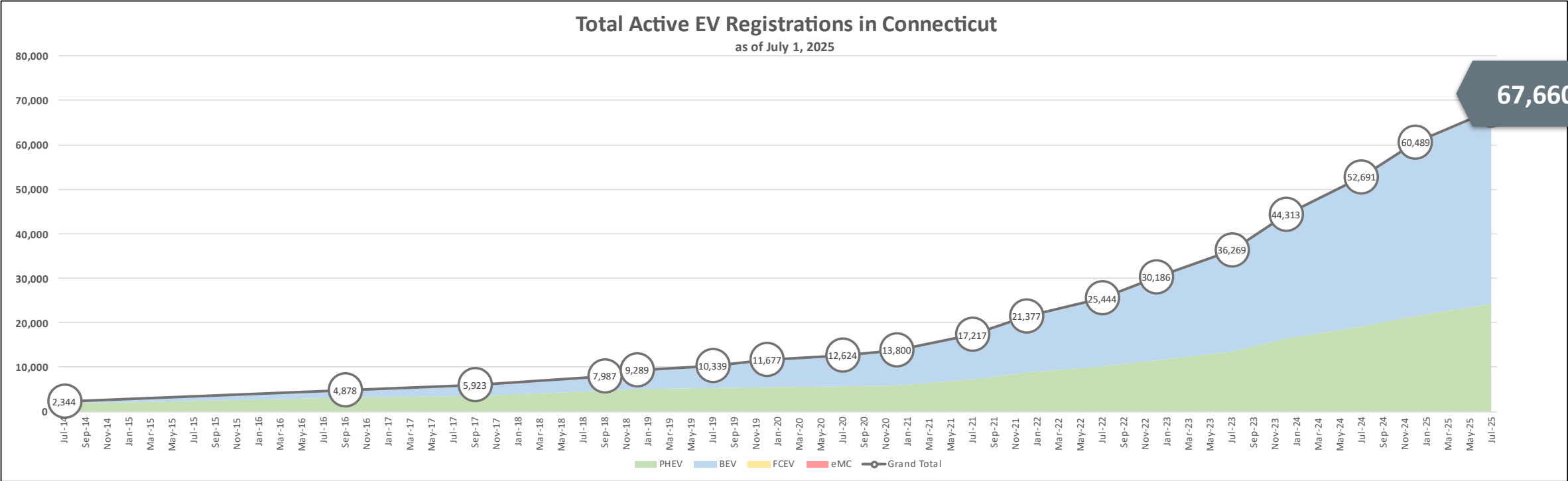
1:30 PM

Next Steps and Adjourn

THE FUTURE OF CHEAPR: GOALS AND STRATEGIES

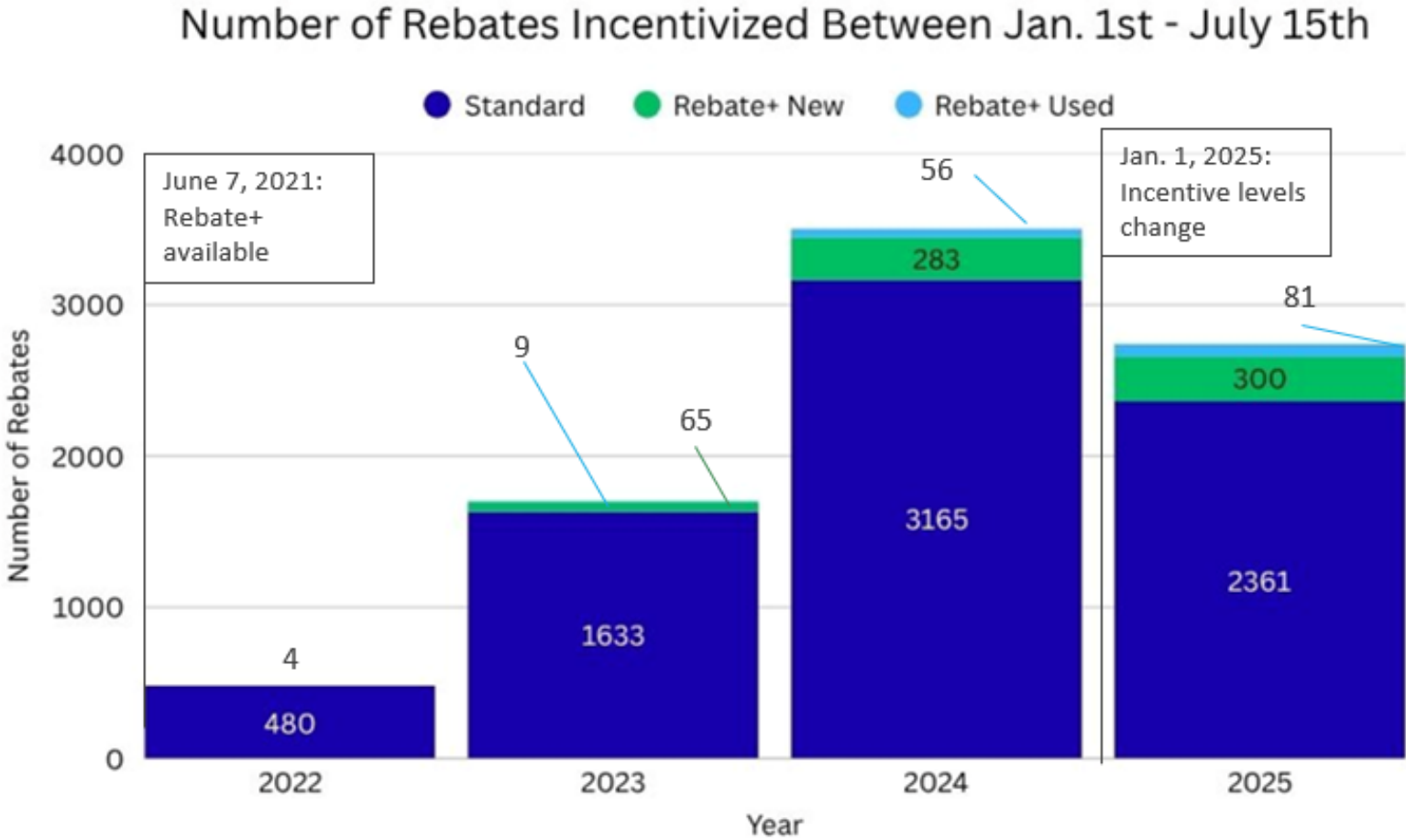
- Goal: Maintain CHEAPR in a post-EV mandate and post-federal tax incentive world
 - Temporarily Lower the Standard Rebate to \$500 on August 1st to preserve budget sustainability
 - Maintain Rebate+ Incentives and prioritize income eligible applicants
- **Monitor run rates post September 30th and consider incentive adjustments to align with program goals**
 - Implications of a program pause?
 - What will be needed to maintain momentum in EV sales?
 - Evaluate incentive budget by OEM and consider changes to achieve a more equitable distribution across manufacturers
- **What will the next phase of CHEAPR need to be?**
- **Options for the next phase of CHEAPR:**
 - Program Pause and Relaunch
 - Increased Incentives

INCREASED EV DEMAND CONTINUES



REBATE REDEMPTIONS COMPARISONS: JAN. 1 – JUL. 15 2025

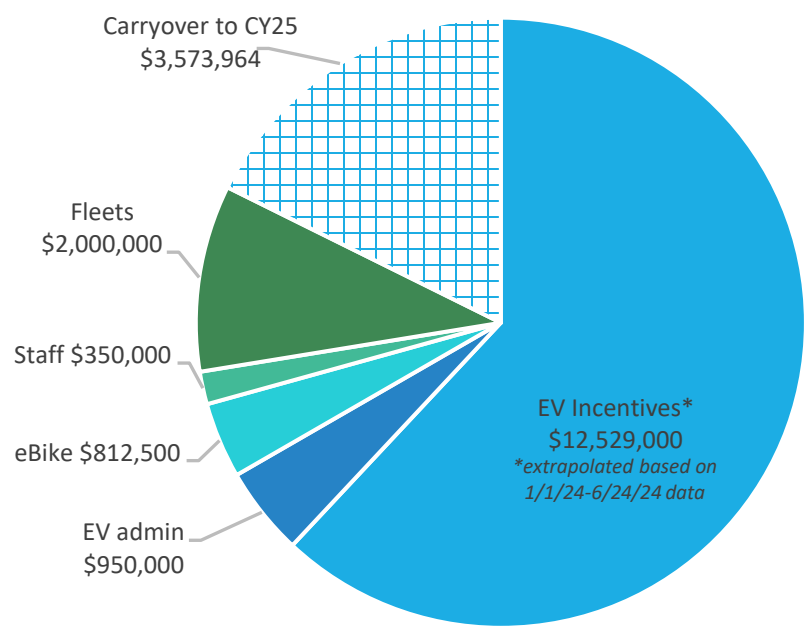
- While standard rebate incentive levels have been reduced, demand remains unsustainably high compared to the available budget.
- **Rebate+ New** and **Rebate+ Used** interest has increased over the same period as last year.



CHEAPR ANNUAL BUDGETS

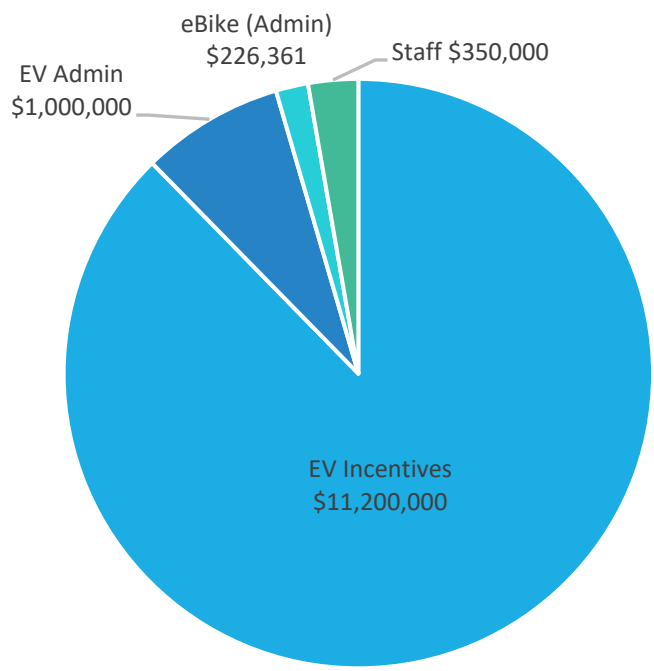


CY24



Overall Budget	\$20,215,464
Total Expenses	\$16,641,500
Est. Carryover to CY25	\$3,573,464
Actual Carryover to CY25	\$2,852,464

CY25



Overall Budget	12.8M
Total Expenses	12.8M
Est Carry Over to 2026	TBD

Annual Budget estimated at \$12.8M:

Revenue	
DMV	\$7.1M
RGGI	\$5.7M
Total	\$12.8M

Expenditures	
EV incentives	\$11.2M
EV admin	\$1.0M
eBike Admin	\$0.2M
Staff	\$0.4M
Total	\$12.8M

\$11.2M is estimated annual EV incentive budget
Actual Pace of Redemptions: \$10.32M without increased demand of last 30 days

CHEAPR INCENTIVE SCENARIOS- SEPTEMBER 2024



For 2024, the total EV incentives paid out is on track to exceed \$12.5M

This scenario returns BEV Standard to \$1,500 and increases BEV Rebate+ New to \$3,000

These scenarios reduce BEV Standard to \$1,000 and increases BEV Rebate+ New to \$3,000 (Scenario 2) and \$4,000 (Scenario 3)

These scenarios build on Scenarios 2 & 3 and increase the **Rebate+ Used Incentives**

Note that the BEV Standard drives the incentive level discussion (87% of total incentive \$)

Current Incentives (\$)		2024 Rebates*
PHEV Standard	750	922
PHEV Rebate+ New	1,500	14
BEV Standard	2,250	4830
BEV Rebate+ New	2,000	354
PHEV Rebate+ Used	1,125	8
BEV Rebate+ Used	3,000	80

*extrapolated based on 1/1/24-6/24/24 data

Scenario 1	
PHEV Standard	750
PHEV Rebate+ New	1,500
BEV Standard	1,500
BEV Rebate+ New	3,000
PHEV Rebate+ Used	1,125
BEV Rebate+ Used	3,000

Scenario 2	
PHEV Standard	750
PHEV Rebate+ New	1,500
BEV Standard	1,000
BEV Rebate+ New	3,000
PHEV Rebate+ Used	1,125
BEV Rebate+ Used	3,000

Scenario 3	
PHEV Standard	750
PHEV Rebate+ New	1,500
BEV Standard	1,000
BEV Rebate+ New	4,000
PHEV Rebate+ Used	1,125
BEV Rebate+ Used	3,000

Scenario 2a	
PHEV Standard	750
PHEV Rebate+ New	1,500
BEV Standard	1,000
BEV Rebate+ New	3,000
PHEV Rebate+ Used	3,000
BEV Rebate+ Used	5,000

Scenario 3a	
PHEV Standard	750
PHEV Rebate+ New	1,500
BEV Standard	1,000
BEV Rebate+ New	4,000
PHEV Rebate+ Used	3,000
BEV Rebate+ Used	5,000

Low Demand (25% lower than 2024, consistent with 2023 levels)	\$7.4	\$5.4	\$5.7	\$5.5	\$5.8
Baseline Demand (2024 extrapolated)	\$9.8	\$7.2	\$7.6	\$7.4	\$7.7
High Demand (25% higher than 2024)	\$12.3	\$9.0	\$9.5	\$9.2	\$9.7

Numbers above are in Millions

	Below Budget
	At Budget
	Above Budget

CY 2025 MONTHLY INCENTIVES AND DEMAND



- DEEP determined in 2024 that ~\$7.7 million/yr is the max yearly budget for CHEAPR without carryover
- In response, DEEP lowered the Standard rebate to \$1,500 on Jan. 1, with a planned Jul. 1 drop to \$1,000, which is not possible now due to increased demand
- Pre-2024 carryover allowed higher monthly spend rates
- About 65% of the BEV Rebates redeemed to date this year have been for Teslas

Month	Amount Redeemed**	BEV Redemptions	PHEV Redemptions	Standard Redemption	Rebate+ New Redemption	Rebate+ Used Redemption
January	\$887,225	359	49	391	12	5
February	\$928,825	434	47	454	28	9
March	\$883,200	363	96	382	59	18
April	\$690,200	292	42	264	58	12
May	\$905,975	409	96	437	53	15
June	\$868,575	215	213	338	75	18
July to 7/15	\$225,100	104	13	98	15	4
Total	\$5,439,100	2,176	556	2,361	300	81

BUDGET SUMMARY SNAPSHOT TO DATE



The rate of spend in the program is speeding up, due in large part to federal changes and the impending sunset of the federal tax credit on Sept 30.

- CHEAPR has seen a 33% increase over the last 30 days in daily demand for incentives compared to the year over year average.
 - Daily funding average has increased, especially in the last 30 days.
 - YTD 2025: \$39,126/day on incentives
 - Last 30 days: \$52,088/day (33% increase in last 30 days) or \$1.56 million
- We have also seen an increase in applications for prequalified vouchers and an increase in redemption rate of vouchers. \$3,689,175 is encumbered in vouchers and queued applications.
- The projected CHEAPR budget has \$4.8 million available for the remainder of 2025 including available RGGI funds and DMV funds. SFY 2026 DMV funding is ascribed to the 2026 CHEAPR budget because additional RGGI funding not expected until March 2026.

RUN RATE SCENARIOS UNDER NEW INCENTIVE LEVELS

	Scenario includes changing the Standard Rebate from \$1,500 to \$500 (effective August 1st)	
Daily Spend Scenario	Base Case Demand Scenario: Estimated End of Funding Date	High Demand Scenario: Est End of Funding Date (+20% Daily Funding Avg.)
Low Spend Rate: Rolling Average Daily Spend (CY2025)	2/20/2026	12/23/2025
Medium Spend Rate: Rolling Average Daily Spend (Last 30 Days)	11/17/2025	10/30/2025
High Spend Rate: Rolling Average Daily Spend (Last 14 Days)	11/9/2025	10/23/2025

CSE's projection incorporates issued/approved funding, funding reserved for pre-qualifications, and projected Standard redemptions. The blue column is modeled as a 20% increase in daily funding based on a historical data from the New Jersey program.

INCENTIVE LEVELS EFFECTIVE AUGUST 1ST



Battery Electric Vehicle and Fuel Cell EV

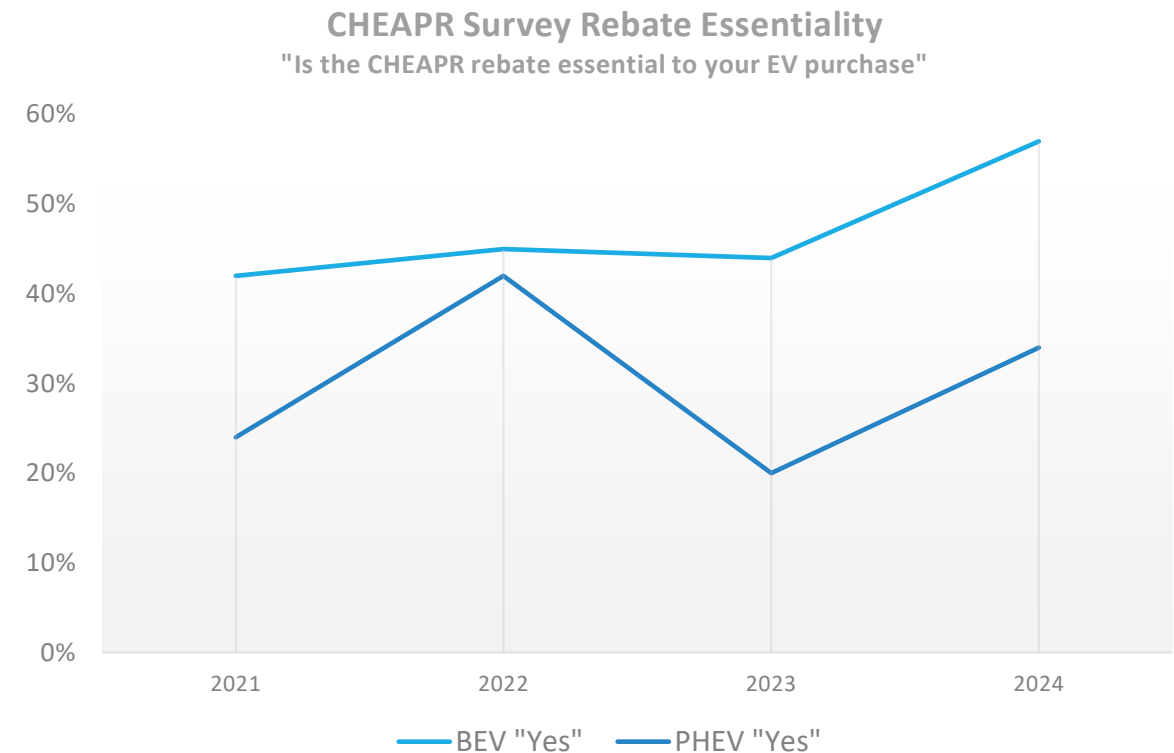
- MSRP Cap - \$50,000
- Standard Incentive - \$500
- Rebate + New - \$3,000 (\$3,500 total)
- Rebate + Used - \$5,000 (stand alone)

Plug-in Hybrid Electric Vehicle

- MSRP Cap - \$50,000
- Standard Incentive - \$500
- Rebate + New - \$1,500 (\$2,000 total)
- Rebate + Used - \$3,000 (stand alone)

ARE LOWER INCENTIVES A GOOD THING?

- Yes – Prevents pausing program and allows CHEAPR to continue catalyzing EV sales in Connecticut
- Major industry sources are expecting record 3Q EV sales due to lapsing federal tax credit but Q4 impacts are TBD
- Rebate+ redemptions are increasing, going from 12 in January to 75 in June
 - **100% funding for Rebate+ vouchers must be reserved**
- This recent activity may affect the timing of eBikes round 3, but the current plan proposes to utilize a separate funding source for this round.



THE FUTURE OF CHEAPR

- What will the next phase of CHEAPR need to be?
- Options for the next phase of CHEAPR:
 - Re-establish the Standard Incentive
 - Prioritize income eligibility over EJ residency
 - Re-examine program framework
 - Program Pause and Relaunch
 - Other?

OUTREACH AND COMMUNICATION EFFORTS

- Fact Finding Efforts
 - Meeting with Atlas on future demand
 - Meeting with CARA on future demand
 - Meeting with CA on future demand
- Communication on Incentive Changes
 - Meeting with CARA
 - Program Website
 - CEEJAC
 - Press Release

BOARD QUESTIONS AND DISCUSSION

Open for Board Member questions and discussion.

PUBLIC COMMENTS





Please raise your hand in the chat.

CHEAPR BOARD MEETING SCHEDULE

2025 CHEAPR Board Meetings and other outreach opportunities

- ✓ March 13, 2025
- ✓ June 12, 2025
- September 11, 2025
- December 11, 2025
- CEEJAC – Air & Trans Subcommittee
July 30, 2025

Remember to register for the meetings in advance!
Register on the [CHEAPR Board webpage](#)!

2025 Meeting Dates		
March 13 th	Agenda 	Register
June 12 th	Agenda 	
September 11 th	Agenda 	
December 11 th	Agenda 	

Join the [CHEAPR e-mail list](#) to be notified of program related information!