

Meeting Minutes

March 13, 2025, CHEAPR Board Meeting via ZOOM || View Recording (Passcode: 0#i6d7dN)

Present:	Board Members: Deputy Commissioner EQ Emma Cimino on behalf of Commissioner Katie Dykes, Kyle Thaxton (DCP), Kevin Moss (Green Bank), Julia Dumaine (PURA), Paul Wessel, Eric Sandstrom CSE Staff: Jae Berg and Sara Stockman CT DEEP Staff: Tracy Babbidge, Paul Farrell, Paul Kritzler, Walter Barozi and Nicole Foertsch
Not in Attendance:	Bradley Hoffman, Jody Ellant, Kate Rozen, Karen Kitsis
Next meeting:	June 12, 2025
Prepared by:	Nicole Foertsch

The March 13, 2025, meeting of the CHEAPR Program Board was held and recorded online via Zoom. The purpose of the meeting was to provide Program metrics for quarter 1 (Q1) 2025 and electric vehicle (EV) industry metrics through the close of quarter 4 (Q4) in 2024. DEEP staff presented updates regarding program budget, progress on incentive level change milestones, and additional program implementations of items in Public Act 22-25, including the upcoming legislative report and new data on the second round of the CT eBike Incentive Program.

Call to Order and Announcements

- **Attendance:** The meeting began at 3:10 p.m. and board member attendance was taken where DEEP Deputy Commissioner Emma Ciminio on behalf of Commissioner Dykes, Kyle Thaxton on behalf of DCP Commissioner Cafferelli, Kevin Moss, Julia Dumaine, Paul Wessel and Eric Sandstrom were present and provided 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 began the meeting by welcoming everyone and expressing the significance of CHEAPR and programs like it, especially in times with federal uncertainty. Paul Farrell then introduced the agenda and took roll of the board.
- **Minutes Approval:** The minutes from the previous meeting on December 12, 2024, were brought forward for a vote of approval. Paul Wessel made a motion to accept the minutes, Eric Sandstrom seconded, and the minutes were approved.

Staff Reports

• **Budget Update:** 2024 closed out with a total budget of approximately \$14.2 million in incentive funds being paid out through the Program with a total of 6,543 rebates. Incentive payments so far in 2025, including active applications in the pipeline, amount to approximately \$4.5 million as of March 3, 2025. There have been 889 rebates awarded so far this year. Rebate+ numbers are on track this year with numbers like those reported in March 2024.



- Incentive Level Changes: Incentive level changes were implemented on January 1, 2025. Implementation awareness went well since there were few complaints or appeals submitted from either retailers or consumers regarding change in rebate amounts over the past few months. This speaks to the outreach efforts that were done to communicate the change as well as CSE's ability to handle issues that arose on the platform level. As reported with the budget, CHEAPR has already hit the trigger level to revise incentive levels on July 1, 2025. These changes will impact the BEV Standard amount by dropping it to \$1,000 and the BEV Rebate+ New amount by increasing it to \$4,000. CSE is also working on providing an assessment to show the impacts that the upcoming changes will have on the Program.
- Scope of Work Update: Since budgeted funds in the current Scope are not expected to meet demand for incentive payouts through the rest of the calendar year, DEEP will be working with CSE to adjust the program budget within the Scope of Work based on an assessment by CSE. DEEP and CSE will be working to align the CHEAPR rebate processing platform with section 6 of House Bill (H.B.) 1496, which could include changes to the Rebate+ New and Used incentives, by making them exclusively income-qualified, while providing option to prioritize incentives for EJ residents over standard incentive recipients.
 - Paul Wessel asked if H.B. 1496 has been passed or if it's proposed. Paul Farrell answered that it's only proposed as of right now.
- Data Update: DEEP received the semi-annual vehicle registration update from DMV and as of January 1, 2025, there are 60,489 EVs registered in the state, a 37% increase compared to this time last year. This data and more can be found on the EV Registration Factsheet. In Q4 of 2024, CT saw a 20% increase in EV sales from quarter 3 (Q3) with about 5K sales and the popular models being the Tesla Model Y and Model 3, Toyota Rav4 Prime, Jeep Wrangler PHEV and the Toyota Prius Prime. In states that follow the California standards (§ 177 states) vs. non-§ 177 states, CT falls among the middle (21st place) when it comes to EV sales. Also highlighted in this section that the signatory states of the 2013 Zero Emission Vehicle Memorandum of Understanding (ZEV MOU) reached their goal of putting 3.3 million EVs on the road by 2025, with CT included in the collective efforts.
 - CHEAPR Data Highlight: Historically, CHEAPR data has shown that December through February tend to be the most popular months for rebate uptake. January 2025 was the most successful month yet of the Program with 787 rebates paid out, surpassing January 2024 which had 712 redemptions. The winter months between 2024-2025 also surpassed last winters' redemption amount, with 1,911 rebates compared to 1,658. This data and more can be found on the CHEAPR Statistics Dashboard.
 - ZEV Task Force Highlight: Electric Vehicle Supply Equipment (EVSE) deployment throughout the ZEV Task Force Jurisdictions highlighted a 58% increase in chargers throughout 2024, with a total of 1,438 new Level 2 (L2) and Direct Current Fast Charging (DCFC) plugs installed this past year. There are now 3,911 combined public and private L2 and DCFC chargers throughout 1,350 stations in Connecticut which means the state meets the National Renewable Energy Laboratory (NREL) guidelines for the appropriate balance of EVs to chargers.



Update on Public Act 22-25

- Eligible Vehicle Lists: Both the New Eligible Vehicles List and Used Eligible Vehicles Lists have been updated and more 2025 model year (MY) vehicles are added on a rolling basis. The list is currently containing the largest number of eligible trims and models in the Program's history with 120 total eligible new EVs and 146 eligible used EVs. While there is a process to ensure vehicles are added to this list in a timely manner, but it can be challenging and a timely matter to get all necessary information from Original Equipment Manufacturers (OEMs) and ensure newer vehicles is eligible.
- **Current State Legislative Proposals & CHEAPR:** There are a few bills that have been scheduled for or have already had a public hearing before the appropriate committee in the current legislative session of the C.G.A. that could potentially impact CHEAPR.
 - <u>H.B. No. 1496</u>: This bill would allow DEEP to prioritize income qualified CHEAPR applicants who intend to purchase a new or used electric vehicle over all other applicants.
 - Senate Bill (S.B.) No. 1353 and S.B. No. 647: These bills, raised by the Energy and Technology Committee, would defund the CHEAPR program.
- **Federal Uncertainty Continues:** There are actions at the federal level that could potentially have an impact on CHEAPR and other mobile source programs by reducing demand, or increasing short term demand, in situations where a tax benefit could be scheduled to go away. On March 12, 2025, the EPA announced 31 deregulatory actions such as repealing the rules for light-duty vehicles (LDV) and medium-duty trucks adopted last year, rescinding the California waiver of preemption, reviewing the Endangerment Finding and more. In terms of funding, there's conversation at the federal level about removing tax credits for EVs while funding for EVSE, such as projects funded through the Charging and Fueling Infrastructure (CFI) program and the National Electric Vehicle Infrastructure (NEVI) program, has been shut down. Funding for other projects with environmental initiatives has also been impacted such as the Energy Efficiency and Conservation Block Grant (EECBG) funding DEEP was receiving from DOE for a municipal fleet program and CFI funding for charging infrastructure across the state.
- **CHEAPR Legislative Report:** DEEP has a statutory requirement to report to the Connecticut General Assembly on the effectiveness of the Program. DEEP has completed a draft and it is currently with the Office of Policy and Management (OPM) for review.
- **eBikes:** The <u>Year 2 Statistics Dashboard</u> is up on the website which shows updated data on vouchers approved, redeemed and the total funds redeemed so far. Users can toggle between data from the different rounds by clicking on the "Program Summary", "Vouchers by Location" and "Vouchers by Retailer" buttons and selecting either "Year 1" or "Year 2". There have been 561 vouchers approved as of March 5, 2025, with about 17% going to income qualified applicants and the remaining 83% going to public assistance qualified applicants. 201 vouchers have been redeemed at one of the 24 <u>Participating Retailers</u> for one of the 139 eligible models on the <u>Eligible eBike List</u> which is constantly being updated. Due to application cancellations, which have largely been due to applicants not responding to requests from CSE for additional documentation, CSE has been diligently working through a reserve list to ensure all Round 2 funding is allocated to vouchers.



Board Roundtable

- Eric Sandstrom spoke to the significance of the federal tax credit to potential EV-consumers. He sees many clients leasing EVs to try before purchasing one and using the Chevy Equinox as an example, when it comes to payment, the \$7,500 tax credit equates to a \$300 a month difference on the EV versus the ICE on top of the \$500 the consumer is saving a month on gas. Therefore, with the federal tax credit expected to go away combined with gas prices currently decreasing and electric rates increasing, it's not painting a good picture for consumers to move to EVs. That means CHEAPR and programs like it are extremely important in a time like this and advocates that funding needs to be maintained or even increased to continue seeing the levels we are now of EV adoption. Also, with Tesla's market share on track to decrease and consumers getting rid of their Tesla due to growing weariness of the company's founder, that also threatens the pace of EV adoption. With concerns over the future of EV expansion, Eric suggests possibly looking into actions other states are doing to farther incentivize people and to not lose the improvement rates we have been seeing.
 - DEEP continues to anticipate challenges to the future of EVs and steps necessary for CHEAPR to remain a successful program.
 - When asked on his experience of the used EV market, Eric added that it's very successful right now. There are a lot of consumers leasing their EVs so most have not been returned to the dealership yet, but when they do, they tend to go fast.
 - When asked about the potential impacts of tariffs, he said they could be very prohibitive on certain models. From his experience, some manufacturers might hold vehicles and not bring them to the US if they're built out of the country because that would mean asking consumers to pay an additional \$25,000 which is going to be highly unfavorable.
 - Kevin Moss asked if people tend to know that they qualify for the both the federal tax credit and the CHEAPR rebate when they come to the dealership for an EV. Eric answered that consumers will know about the federal incentive, but CHEAPR usually is a surprise to them.
- Kevin Moss asked if DEEP is under a statutory requirement or if it is a policy decision for the used eligible vehicle list to consist of vehicles only as old as three MY or newer.
 - o It was explained that within the rules of the Program, the used vehicle list consists of EVs of the current model year and three years prior. When a new year comes, the list will shift meaning that the used eligible vehicles list now consists of 2022-2025 MY EVs. When making the decision to limit the used vehicle list to the past three MY, a major factor was battery durability and the ZEV assurance provisions in the California rules that institute a requirement where batteries can only degrade a certain percentage per year, meaning a two- or three-year-old EV would still have a decent battery lifespan left.
- Kevin Moss also asked to return to the budget slide for an explanation on how CHEAPR has hit \$3.4 million already in incentive payments the 2025 calendar year (CY).
 - Looking at the budget slide, DEEP answered that 889 incentives have been paid out so far as of March 3, 2025, and those transactions have already been completed. There are still approximately \$1.1 million worth of vouchers applied for and in the workflow but have yet to be paid out because they have not been redeemed yet.
- Paul Wessel asked what percentage of EV vouchers are usually claimed.



 DEEP explained that we are currently working with CSE to get a figure of how many vouchers do get claimed versus how many go unclaimed.

Public Comments

- Claudio Melendez-Cooper addressed the board with an issue that arose when attempting to claim
 a CHEAPR rebate after leasing a new eligible EV from a CT dealership after he was pre-approved
 for a Rebate+ voucher.
 - DEEP staff asked Claudio for his contact information to get in touch with him after the board meeting to help begin to resolve this issue. DEEP and CSE will work together to pull the proper internal information needed to find a resolution.
 - Eric Sandstrom provided his point of view as a dealership owner and informed Claudio that participating dealers have a CHEAPR dashboard they have access to and people at the respective dealership should be able to show a CHEAPR applicant their application and what exactly has been received, information and funding-wise.

Adjournment

The meeting was closed by Paul Farrell at 4:15.

The next Board Meeting will be held on June 12, 2025.

Make sure you register for each individual CHEAPR Board meeting at <u>this link</u> or on the <u>CHEAPR Board webpage!</u>



Attachment A: Attendee Report

1.	Walter Barozi
2.	Paul Farrell
3.	Paul Kritzler
4.	Tracy Babbidge
5.	Emma Cimino
6.	Nicole Foertsch
7.	Brian Jones
8.	Eric Sandstrom
9.	Sara Harari
10.	Claudio Melendez-Copper
11.	Paul Wessel
12.	Julia Dumaine (PURA)
13.	Sara Stockman
14.	Jae Berg
15.	Kevin Moss
16.	Paul Aresta
17.	Kyle Thaxton (DCP)
18.	Wade Packer
19.	Barry Kresch