



Meeting Minutes

March 14, 2024 CHEAPR Board Meeting via ZOOM || [View Recording](#)

Present:	<p>Board Members: Deputy Commissioner EQ Emma Cimino on behalf of Commissioner Katie Dykes, Bryan Cafferelli, Paul Wessel, Kate Rozen, Stephanie Keohane, Sara Harari, and Jody Ellant.</p> <p>DOT: Karen Kitsis on behalf of CT DOT Commissioner Garrett Eucalitto.</p> <p>CSE Staff: Jae Berg, Sara Stockman and Mattie Horne</p> <p>DEEP Staff: Tracy Babbidge, Pete Babich, Paul Kritzler, Nicole Foertsch, and Walter Barozi</p>
Next meeting:	June 6, 2024
Prepared by:	<p>Paul Kritzler, DEEP</p> <p>Walter Barozi, DEEP</p> <p>Nicole Foertsch, DEEP</p>

The March 14th, 2024 meeting of the CHEAPR Program Board was held and recorded online via Zoom. The purpose of the meeting was to discuss how Q4 of 2023 ended with updated metrics about what CHEAPR accomplished in 2023 and updates going forward including budget and additional program implementations of items in Public Act 22-25.

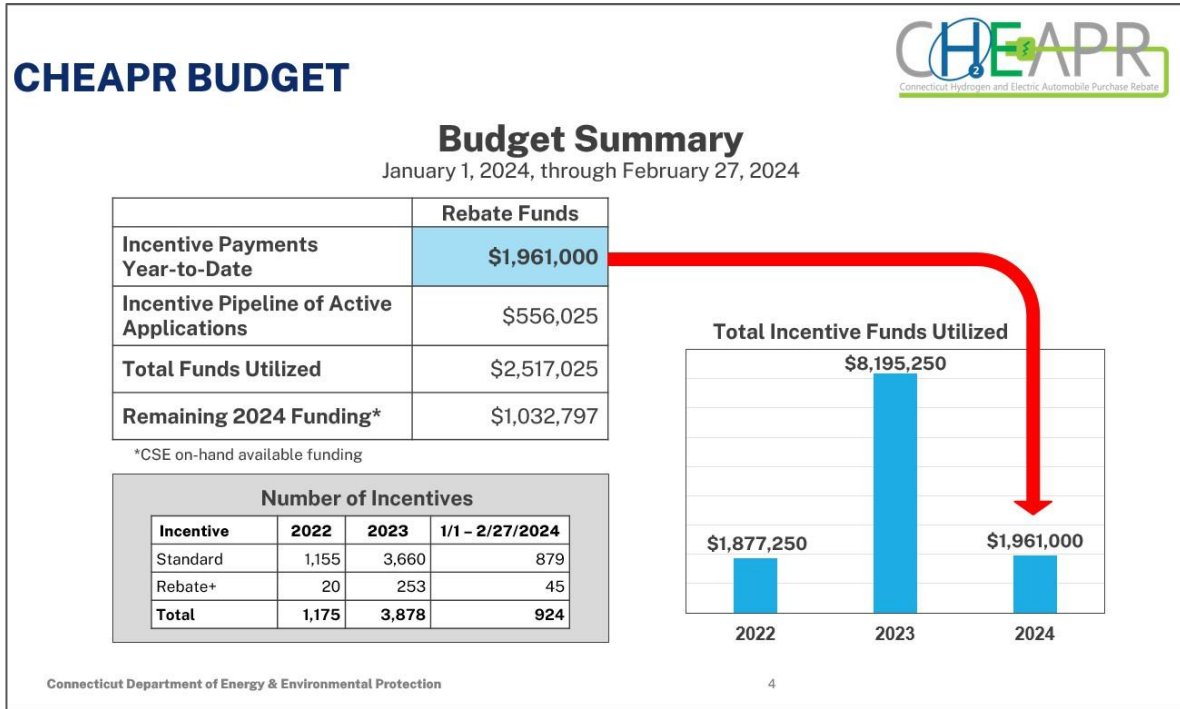
Call to Order and Announcements

- **Attendance:** The meeting began at 3:04 p.m. and board member attendance was taken where DEEP Deputy Commissioner Emma Ciminio on behalf of Commissioner Dykes, Bryan Cafferelli, Sara Harari, Stephanie Keohane, Paul Wessel, Jody Ellant, of CT DOT and Kate Rozen were present and provided quorum.
- **Opening Remarks:** Tracy Babbidge began the meeting by introducing the agenda for the meeting and taking roll. She turned it over to Emma Cimino to briefly introduce herself and express appreciation of the program and its board members.
- **Minutes Approval:** The minutes from the previous meeting on December 14th, 2023, were brought forward for a vote of approval. Paul Wessel made a motion to accept the minutes. Stephanie Keohane seconded, and the minutes were approved. Tracy noted that the information people were asking for such as communication with eBike retailers are attached to the minutes that people asked about at the December meeting and pointed out that the CHEAPR FAQ page has been updated as well about various subjects that were mentioned by board members.

Staff Reports

- **Budget Update:** Pete Babich provided an update on the budget. Demand remains high for CHEAPR vouchers based on high demand for EVs in general and shows that not even into two months of 2024, incentive payments, including active applications in the pipeline, already amount to almost \$2.5 million. This exceeds the total incentive funds utilized in 2022 and is more than a quarter of the funds utilized in 2023. The cash flow through the program remains good with no immediate concerns with DMV and RGGI funds incoming, however the bureau will continue to

track funding trends and prepare to adjust the scope of work as necessary as further increases could stress the existing budget structure, especially when preparing to allocate some of the budget to Fleets and eBikes later in the year. It was noted that there have less rebates so far in 2024 as compared to 2023 but more money is spent which indicates that sales of BEVs are increasing. Pete Babich also mentioned that the CHEAPR program was audited by the state and at the next meeting, after DEEP receives the final report, we will provide the results of that audit.



The slide Pete presented with budget information is pictured below.

- **Data Update:** Paul Kritzer discussed Q4 numbers that have been updated since the last meeting where Q3 numbers were presented about EVs at a national and state level. In states that follow the California standards (§ 177 states) vs. Non-§ 177 states, EV sales are strong and not slowing down. Q4 showed the amount of LDVs being sold in § 177 states are double the percentage of sales in non-177 states with 14.2% of sales in § 177 states compared to 6.8% in others. There are just over 44,000 EVs registered in CT as of December 31, 2023. DEEP will reach out to DMV for an update in July 2024. Looking at NESCAUM data of EV sales in § 177 states, CT is at 11% which is a small dip from previous by 0.4% but CT is still high and passing other states in sales.
 - Walter Barozi then touched upon statistics from CHEAPR showing total rebates given, rebates by city, popular EV models and popular dealerships. It was noted that over \$25 million has been issued in rebates for the purchase or lease of over 13,000 EVs so far since 2015. Looking just at 2023, Tesla Model 3 and Model Y were the top models purchased this year with just under 2,000 sales. Participation began to increase significantly midway through the year and is still trending upwards along with Rebate+ numbers as well. All this information and more can be found on the CHEAPR stats page on our website which is updated monthly.
 - **Used Vehicle List update:** Walter Barozi proceeded to talk about the updates to the eligible used vehicle list which will be available on the CHEAPR website shortly. There are 20 eligible OEMs and 221 Model/Trims that fit the eligibility criteria of a \$50,000



maximum MSRP of the current model year and the three previous model years. This has been a significant effort due to many fluctuations in MSRP, continuous model/trim name changes that make things difficult to track as well as concerns over used battery health.

Update on Public Act 22-25

- ***CHEAPR Fleets:*** Paul Kritzler presented the updates of the CHEAPR Fleets program expansion saying that intended structure hasn't changed since the last meeting. DEEP is still planning for a pre-application where fleets apply before purchasing for certification from the program to get their post-purchase rebate. Focus would remain heavily on fleets in EJ neighborhoods or Distressed Municipalities, fleets with high VMT and fleets with vehicles that are older than ten years.
 - DEEP is in the planning process for launching the Fleets expansion. Currently, we're working on internal development in terms of prepping outreach and administrative materials. After applications and eligibility criteria are established, the pre-certification application will be opened, and fleets can begin applying so DEEP can begin prioritizing applicants for the allotted \$2 million in the budget set aside for CHEAPR Fleets. After the application period, certifications would be announced and selected fleets can then go through the CHEAPR process and receive a post-purchase rebate from CSE.
 - To start getting ready for CHEAPR Fleets to open, potential applicants can take steps now to get the materials they need for the application. DEEP will be looking for eligibility criteria such as fuel logs or documentation to prove VMT for their current vehicles as well as documentation for the age of their current vehicles. Businesses should also establish if they operate out of an EJ neighborhood or Distressed Municipality. Also in the application, we would be looking for basic information like business name, address, a primary contact for purposes of the application process, proof of primary area where their vehicles operate in, the number of vehicles they're looking to purchase and by extension, how many vehicles will be directly replacing their current ones, information about whether they have the ability to charge their vehicles and a Certificate of Good Standing from the DRS.
- ***eBikes:*** Nicole Foertsch discussed some initial emissions reductions impacts from the eBike program which is shown below. DEEP is in the process of researching different methodologies for eBike emission reductions. These results are a short-term benefit analysis based on existing research. DEEP is talking to CT DOT about CT specific data to make a more precise determination.

eBike Emissions Reductions

DEEP has been exploring methodologies for determining eBike emission reductions

According to a 2019 study at the University of British Columbia on eBike impacts:

- Each eBike adoption is expected to result in approximately 460 kg CO₂ net emissions reduction per year due to replacement of car VMT
 - 422 redeemed vouchers x 460 kg CO₂ = **194,120 kg reduced in net CO₂ from first round of program**
- On average, each eBike adoption will reduce around 2,000 vehicle-kilometers travelled per year (or 1,242.7 VMT)
 - 1,242.7 VMT x 422 vouchers redeemed = **524,419.4 VMT reduction from first round**
- A typical passenger vehicle emits about 4,600 kg of CO₂ per year according to the EPA
 - The first round was equivalent to **removing ~42 cars** $\left[\frac{194,120 \text{ kg CO}_2}{4,600 \text{ kg CO}_2 \text{ per car}} = 42.2 \text{ cars} \right]$

DEEP is in the process of working with CT DOT to determine more precise emissions reductions results based on the outcomes of the first round of the eBike Incentive Program using CT specific inputs regarding average trip lengths

Connecticut Department of Energy & Environmental Protection

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- **Next Steps for eBikes:** Pete Babich discussed the next steps for eBikes indicating that there would be a change in the application process from the first round. This time, the application would remain open for ten days and applicants would be selected by a lottery system where LMI and EJ Community-residing applicants would be prioritized more than those who qualify for the standard rebate level. There are also different budget options for this round including matching the 2023 budget, a base level budget, or a base level budget with the addition of carryover. There are still several decision points for this including budget and incentive levels. Decreasing incentive levels would allow DEEP to distribute more incentives, with a small increase in the contribution that would need to be made by recipients of the vouchers. DEEP will conduct more ad hoc outreach as necessary. The question of when the second round could launch needs to take into account everything that is happening with the state legislature as well as platform updates from CSE, but the goal is to launch as soon as it is possible and when legislative outcomes are more solidified.
- **CHEAPR & eBike Annual Report:** Walter Barozi explained the July 2022-June 2023 Annual Report created in collaboration with CSE which will be posted to our website and available for the public shortly. The biggest takeaways are that Rebate+ applications and applications overall are increasing steadily.
- **Next Steps:** Nicole Foertsch talked about the Annual Report DEEP must provide to the legislature in June 2024. It will include information about participation throughout the history of CHEAPR as well as highlighting how CHEAPR is benefitting EJ communities and areas overburdened by air pollution throughout the state. The report is in its beginning stages so more information about the findings will be available at the June meeting.

Board Roundtable



- Paul Wessel asked how we can ramp up the process of administering and launching these programs within CHEAPR that DEEP has a responsibility for. DEEP oversees many different programs like school buses and fleets that aren't getting out in the timeline like they should be to improve how the state is doing. DEEP not having the resources and outreach is hurting Connecticut EV efforts physically and politically.
 - Tracy Babbidge provided a response explaining that DEEP is unlikely to align some of these programs with changes at the at the federal level, as well as debate at the state legislature. Things like the launch of the eBike program and MHDV incentives are held up by shifting priorities in the legislature while school buses are in a decent spot based on where EPA is with distributing their funding. Pete Babich mentioned that CSE also has limited resources and that slows how fast we can improve our programs as well. DEEP is also working with the EJ and communications office within DEEP to develop more outreach and marketing to community groups.
 - Sara Harari added that launching and getting the school bus program running should be in place by the time Public Act 22-25 requires in EJ communities which is 2030 and things will move faster when the work around the PURA docket is finished so we know what's in place utility-wise.
- Sara Harari asked if by the time the annual report to the legislature comes out in June, we would be able to identify how much money and funding is going into EJ communities compared to the rest of the CHEAPR program.
 - Tracy Babbidge acknowledged that we should have that information in the June report.
- Stephanie Keohane wanted to know if there was a list of dealers who provide used EVs that could be created and on hand to help better connect consumers.
 - Paul Kritzler responded that in coordination with CSE, that is something we could create by going through the dealers that are currently registered with CHEAPR and look at who is selling new EVs and who is selling used EVs and something that could be added to the website.
- Stephanie Keohane also asked for clarification about the next round of eBikes wondering if DEEP has already decided how much of the eBike budget would be allocated for each kind of group that we're considering as Pete Babich discussed in the presentation.
 - Pete Babich answered that at the moment, there's still discussion around it but the total budget for round two would be the \$500,000 that was originally allotted per round and the \$128,000 left over from round one. It is also still in discussion if the eBike budget will be divided percentagewise and how much among groups. But if it is, it will be based on the groupings from round one with LMI being the highest priority followed by EJ communities and then the standard rebate.
- Kate Rozen asked about having data and information prepared to have a discussion with the board about changing the incentive levels for EVs and other incentive levels throughout CHEAPR especially based on how this current legislative session will go with raised bill HB 5485 at the next meeting in June.
 - Paul Kritzler said that information on incentive levels is already available, and we can look at many different things when the time comes. As was done with eBikes, we can look at EVs and figure out what low-end pricing there is compared to high-end pricing and deduce what a consumer would still have to pay even given the rebate and adjust incentives from there. We should also investigate the federal tax credit as well to find proper levels and see if the standard rebate, Rebate+ or both need some adjusting. Analysis that comes from the DEEP June report will help with this discussion as well.

Tracy Babbidge added that we're going to have to wait for things to settle within the state legislature as well before things can really go on in terms of making changes.

- Kate Rozen went on to advocate that there's not a lot of information shared about EJ towns and Distressed Municipalities and asked if the second round will prioritize those and shift away from towns that have transitioned out of that label or don't fall into that label at all. It was asked if there is a possibility to make a diligent effort to ensure vouchers are getting to those who categorically need them most. Multiple DEEP staff assured that prioritizing those communities is exactly what we want to do and intend to do.
- Paul Wessel asked for clarification on how fleets would be ranked when applying for certification and how the system works.
 - Paul Kritzler went over the proposed structure again by comparing it to the DERA program or the Volkswagen grants and how a criteria point system is used. Fleet applicants would be stacked against each other and assigned a number of points per each category of eligibility. For example, applicants with an older average age of their fleet vehicles would receive more points in the age category versus younger fleets and that would help DEEP determine prioritization of rebates.
 - Paul Wessel asked if there's any date or timeline yet for the launch of fleets which Tracy Babbidge responded that there are many working factors that are moving together to get this going including marketing, agency approval, legislative decisions and budgeting but things are moving forward and in a good place even though there is no set date yet.
 - Paul also expressed a prior concern from others working with fleets that are 20,000 VMT per year is a high qualification to reach as certain fleet vehicles don't normally get that kind of mileage a year. Paul Kritzler acknowledged his concern and explained how the point system could help with that or the possibility of grouping certain fleet types with each other to compare is another route we could use to eliminate that concern.
- Karen Kitsis added that they are doing more targeted access with federal funds of charging infrastructure with the NEVI program and requests for proposals so the results of that will help aid the fleet program as well.
 - Sara Harari asked if the NEVI funds will be used primarily for corridor charging or if it will span into communities as well to which Karen responded that for the first round, it will be focused on areas around major corridors but after that, they will look into other areas to build where charging is needed.

Public Comments

- Jay Stange expressed his interest in allocation of CHEAPR funds within various programs given his background as Coordinator at Transport Hartford Academy Center for Latino Progress and member of the CEEJAC Air & Transportation Subcommittee. He asked if incentives can be altered based on how much applicants are committing to in terms of emissions reductions rather than committing to all EV rebates and limiting other rebates such as eBikes. He also talked about how Paul Wessel brought up marketing for the program and that there are things besides a lack of marketing that are getting in the way of expanding CHEAPR and its various programs such as misinformation and negativity surrounding EVs or, for example, struggles with how people in Hartford can safely charge their eBikes.
- Craig Peters of Clean Cities asked for clarification on CHEAPR Rebate+. He asked what exactly does an applicant need to qualify to receive CHEAPR Rebate+ such as: even if you aren't income qualified but you live in an EJ community, would you be qualified for a CHEAPR Rebate+? Tracy



Babbidge and Paul Farrell both agreed that by simply living in an EJ community, one would be eligible because that is what is written in the statute.

- Craig Peters also emphasized trying to expedite programs like fleets for the benefits of those who need it and would benefit most. Paul Kritzer agreed and said there's a lot more that we're currently trying to get out alongside fleets. In the meantime, potential applicants can prepare by gathering information they know we're going to need such as the Certificate of Good Standing from DRS because information like that could take a significant amount of time to get.

Adjournment

The meeting was closed by Tracy Babbidge at 4:23

The next Board Meeting will be held on June 6, 2024.



Attachment A: Attendee Report

1. Bryan
2. Craig Peters - Capitol Clean Cities of Connecticut
3. Emma Cimino
4. Greg Ledovsky - The Devil's Gear Bike Shop
5. Jae Berg (she/her)
6. Jay Stange
7. jidy
8. John Gartner
9. Karen Kitsis
10. Kate Rozen
11. Lidia Ruppert (CT DEEP)
12. madeline.horne
13. Nicole Foertsch (CT DEEP)
14. Paul Aresta - CEQ
15. Paul Kritzler (CT DEEP)
16. Paul Wessel
17. Pete Babich
18. Sara Harari | CT Green Bank
19. Sara Stockman
20. Stefanie Keohane
21. Tracy Babbidge (CT DEEP)
22. Walter Barozi (CT DEEP)