

1                                   \* \* \* Electric Vehicle Definitions \* \* \*

2           Sec. 20. 23 V.S.A. § 4(85)–(86) is added to read:

3                   (85) “Electric vehicle” means a pleasure car that is powered by an  
4                   electric motor drawing current from rechargeable storage batteries or other  
5                   portable electrical energy storage devices where the recharge energy must be  
6                   drawn from a source off the vehicle, such as residential electric service.

7                   (86) “Plug-in hybrid electric vehicle” means an electric vehicle that also  
8                   includes an on-board method of charging, such as an on-board engine and  
9                   generator.

10                               \* \* \* Electric Vehicle Purchase and Lease Incentive Program \* \* \*

11           Sec. 20a. LEGISLATIVE FINDINGS

12                   The General Assembly finds that:

13                   (a) In its final report, the Vermont Climate Action Commission  
14                   recommended building an electric vehicle (EV) point-of-sale customer  
15                   incentive for new and used EVs.

16                   (b) Transportation energy burdens are particularly high for rural  
17                   Vermonters with low income. A vigorous incentive for both new and used  
18                   EVs, combined with the lower fueling and maintenance costs of EVs, could  
19                   significantly lessen transportation cost burdens for Vermonters.

20                   (c) State policy, including Vermont’s Comprehensive Energy Plan (CEP),  
21                   recognizes vehicle electrification as an essential strategy for meeting the

1 State’s climate and energy goals. The CEP calls for 50,000 EVs, or 10 percent  
2 of the fleet in Vermont by 2025 advancing to EVs composing 25 percent for  
3 the fleet by 2030. Vermont has approximately 2,600 EVs on the road today,  
4 and EVs in Vermont are just 3.5 percent of new passenger vehicle  
5 registrations. Projections show Vermont is not yet on track to meet its  
6 transportation-electrification targets.

7 (d) Meeting Vermont’s transportation-electrification targets will help make  
8 Vermont attractive to employers, workers, and tourists and help grow  
9 Vermont’s economy by keeping transportation energy expenditures in State.

10 (e) In 2015, approximately \$830 million was spent on gasoline sales in  
11 Vermont. If this travel had all been powered by electricity, the cost would  
12 have been significantly less, saving drivers more than \$500 million.

13 (f) Vehicle electrification faces several barriers, including EV model  
14 availability, publicly available charging stations, and lack of public awareness  
15 about the benefits of EVs. While State government is working hard to address  
16 these issues, surveys consistently confirm that the up-front cost of EVs is  
17 among the top barriers and that consumer incentives are effective in increasing  
18 EV sales.

19 (g) A robust consumer purchase and lease incentive would accelerate EV  
20 sales and help bring EV technology up to scale. Moreover, a consumer  
21 purchase and lease incentive would help consumers overcome the fear of

1 change that can come with entering the EV market and the fear of

2 obsolescence that can accompany the rapid growth of EV technology.

3 Sec. 20b. ELECTRIC VEHICLE PURCHASE ANF LEASE INCENTIVE  
4 PROGRAM

5 (a) As used in this section: “electric vehicle” and “plug-in hybrid electric  
6 vehicle” have the same meanings as in 23 V.S.A. § 4 and are collectively  
7 referred to as “EVs.”

8 (b) The Public Service Department (PSD), with the cooperation and  
9 support of the Agency of Natural Resources (ANR) and the Agency of  
10 Transportation (VTrans), shall establish and administer a new and used EV  
11 purchase and lease incentive program (program) for Vermont residents to be  
12 known as the Electric Vehicle Incentive Program.

13 (c) The program shall structure EV purchase and lease incentive payments  
14 by income to help all Vermonters benefit from electric driving, including  
15 Vermont’s most vulnerable. Specifically, the program shall:

16 (1) better match the incentive to consumer behavior and shall apply to  
17 both purchases and leases and to both new and used EVs;

18 (2) provide incentives of \$2,500.00 to households with income levels  
19 between 100 percent and 140 percent of the State’s most recent Median  
20 Household Income (MHI) level and additional incentives of up to twice that  
21 amount shall be available to households below Vermont’s MHI;

1           (3) apply to vehicles with a Base Manufacturer’s Suggested Retail Price  
2           (MSRP) of \$40,000.00 or less;

3           (4) run until available funds are fully obligated, with available  
4           incentives spread evenly across each year to the extent reasonably practicable;  
5           and

6           (5) be funded on a first-come, first-served basis in each year of the  
7           program.

8           (d) To the extent public electric distribution utilities are willing to  
9           participate, each sale or lease incentive may come with a Level 2 home charger  
10           provided by the electric distribution utility and funded under Tier 3 of  
11           Vermont’s Renewable Energy Standard or other available means. The home  
12           charger shall be capable of allowing the electric distribution utility to manage  
13           grid load. Electric distribution utilities shall encourage the adoption of EVs  
14           while ensuring fairness to all customers when developing rates for customers  
15           with EVs. Participating utilities shall help market the program.

16           (e) Subject to State procurement requirements, the PSD may retain a  
17           consultant to assist with marketing, program development, and administration.  
18           Up to \$75,000.00 of program funding may be set aside for this purpose.

19           (f) The PSD shall evaluate the program annually to gauge its effectiveness.

20           Sec. 26. EFFECTIVE DATES

1        (a) This section and Secs. 3 (voluntary cancellation of municipal projects),  
2        4 (project cancellations), 11 (formula for public transit funding), 15 (public-  
3        private partnership (P3) definition), 16 (highway work; minimum wages),  
4        20 (electric vehicle definitions), 20a (legislative findings), 20b (incentive  
5        program), and 23 (transportation fund) shall take effect on passage.

6        (b) Sec. 22 (fees for electric vehicle charging stations) shall take effect on  
7        July 1, 2022.

8        (c) All other sections shall take effect on July 1, 2019.