

PRIORITIZING SAFE AND HEALTHY COMMUNITIES

Strong and Vibrant Communities

Incentives to Foster Electric Vehicle Adoption



WHAT: As part of the Governor's Climate Change Mitigation Package, the Administration is proposing seven initiatives to advance vehicle electrification while also accelerating the reduction of greenhouse gas emissions from transportation in Vermont.

WHY: Transportation – the movement of people and goods – is essential to the state's economy and Vermonter's quality of life. Vermont's auto-reliant system is fueled almost singularly with carbon-intensive gasoline and diesel, making transportation the largest source of climate pollution – equating to a full 40% of the state's greenhouse gas emissions. Vermont's reliance on liquid fossil fuels is a significant drain on our economy. Vermonters collectively spend over \$1 billion on fossil fuels for transportation. Approximately 70% of those dollars leave the state's economy every year. In contrast, electricity purchases keep far more dollars in Vermont. Over 50% of every dollar spent on electricity stays here. Moving to more efficient, electric vehicles will keep more of the money we collectively spend on transportation in the state's economy and in Vermonters' pockets.

WHO: All Vermonters will benefit from efficient transportation options and the ability to feel confident that they will be able to fuel their vehicle through a comprehensive network of EV charging stations.

HOW: The Administration's budget will include funding from the American Rescue Plan Act (ARPA) and Federal/State Highway funding, as well as authorizing language through the proposed Transportation Bill, to implement the following package of investments and policies:

- **EV Charging Infrastructure – Highway Network:** Supports the continued buildout of public charging infrastructure by providing \$2,000,000 for highway networks to build upon the existing State and VW funding of public charging stations. Additionally, AOT will receive \$21,200,000 in Federal Highway funding (IIJA) over the next 5 years for highway network EVSE deployment.
- **EV Charging Infrastructure:** Supports the continued buildout of public charging infrastructure by providing \$10,000,000 to ACCD for Level I & II charging for multi-family dwellings, workplaces, and community attractions to build upon the existing State and VW funding of public charging stations. Additionally, provides \$3 million to ANR to install Level II charging at State Parks and FWD Fishing Access Areas pairing charging facilities with new solar arrays to the maximum extent practicable.
- **EV Incentives:** Vermonters would be eligible for an incentivize up to \$4,000 for a plug-in electric vehicle sold/leased as new with a base manufacturer's suggested retail price (MSRP) of up to \$45,000. Continues and expands the public-private partnership with *Drive Electric Vermont*, to provide technical assistance and EV promotional efforts in support of the expansion of the EV market in Vermont, as well as securing administrative services for the EV Incentive programs (vehicles, bikes, motorcycles; snowmobiles & ATVs). (\$14,000,000)
- **Mileage Smart Incentives:** Vermonters would be eligible for an incentivize up to \$5,000 for highly efficient used vehicles including hybrids and plug in electric vehicles. (\$3,000,000)

- **VT Replace Your Ride Program:** In exchange for scraping a registered and inspected older high-polluting vehicles, eligible Vermonters would receive an incentive of up to \$3,000 towards one or more of the following clean-transportation options: a new or used Electric Vehicle (or Plug-in Hybrid); electric Bicycle or Motorcycle; vouchers for public transit, shared-mobility options, or private ride hailing (options could include public transit passes, membership in CarShare VT or bike-share programs, vouchers for ride hailing options like Lyft/Uber or other new mobility programs) (\$3,000,000)
- **eRecreation:** Provides \$1,000,000 for continuation of incentives for eBikes and provides new funding of \$1,000,000 for electric snowmobiles, and EV ATVs, in support of “greening” Vermont’s recreation economy.
- **Road Usage Charge for Electric Vehicles:** AOT has evaluated various mechanisms to collect a road usage charge from Vermonters who own electric and hybrid vehicles; much like the gas tax, these charges will be deposited into the State’s Transportation fund. During 2022 the Agency will operationalize, test and educate consumers regarding how this new system will work, and in the 2023 legislative session, the Agency will present authorizing language for implementation. Collection of a road use charge from electric vehicles is integral to a successful electrification strategy.
- **Adopt California’s Advanced Clean Cars II (ACC II) Regulations:** Commence rulemaking to amend Vermont’s existing Low and Zero Emission Vehicle Regulations. ACC II includes a 100% ZEV sales requirement by 2035, for vehicles Model Year 2026 and newer, more stringent criteria pollutant emissions standards, a robust vehicle durability standard, warranty provisions, battery state of health standardization, battery labeling, and availability of repair information to independent repair shops.

FUNDING: \$15 million for EV infrastructure and \$22 million for EV incentives is included in the Governor’s FY23 recommended ARPA budget.

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