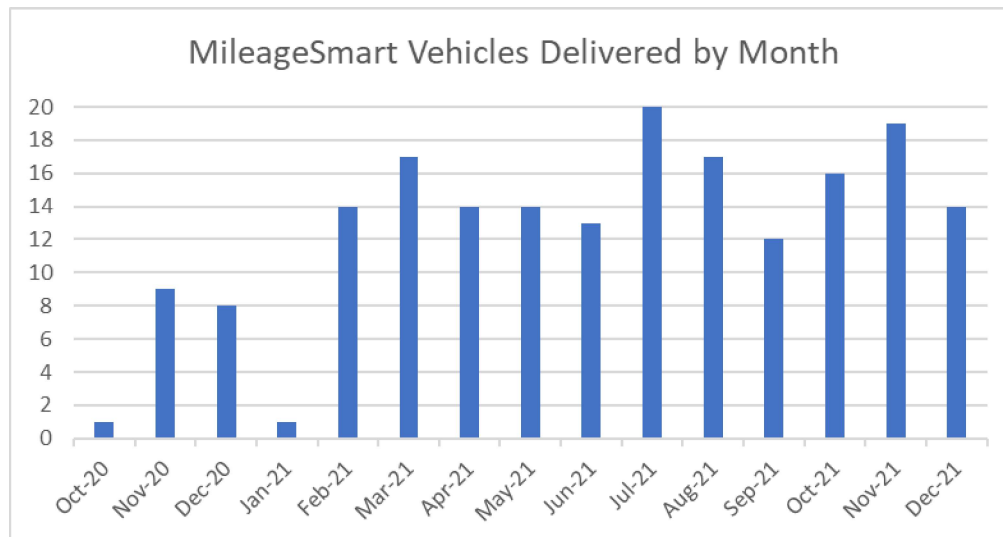


2020-Present

- 201 Vermonters purchased high-efficient vehicles through MileageSmart. Nearly \$830,000 has been invested with an average incentive of \$4,109.
- One in three MileageSmart participants purchased a plug-in hybrid or all-electric vehicle, such as a Chevrolet Bolt or a Nissan Leaf, and are now fueling some or all of their driving with electricity, with fuel savings between 50-70%.¹
- Two out of three participants purchased a gas-hybrid, such as a Toyota Prius or a Honda Insight. On average, the MileageSmart incentive helped them double their fuel efficiency (from 25 MPG to 50 MPG) and save \$580 per year. Collectively, an annualized fuel savings of over \$100,000.²



- Since January 2021, we have connected with 55 dealerships, sharing information with management and sales teams via webinars and VADA outreach.
- MileageSmart maintains a steady presence on social media through ads, leveraged exposure from CAPs, auto dealers, non-profits, and other related organizations.
- MileageSmart takes advantage of external outreach opportunities such as broadcasted interviews, presenting in webinars, and attending community meetings of energy and climate groups.
- MileageSmart engages with our active applicants, supporting their car search with weekly email updates of eligible vehicles on the market.

¹ Assuming gas is \$3.30/gal compared to a \$1/gal equivalence for electricity.

² We calculated these metrics by extrapolating data from 58 MileageSmart participants on their trade-in vehicles. The model assumed an average of \$3.30/gallon of gas and an average loan term of 4 years.

Recommendations

1. Stimulate inventory

The inflation of used car prices has exacerbated the challenge of providing the greatest support to the lowest income Vermonters that qualify for the program. Capstone would like to explore the opportunity to incentivize Dealerships to bring affordable and eligible vehicles into the state. Capstone requests guidance in determining the classification of a potential Dealership incentive, either as program delivery costs or as direct incentives.

2. Increase the program support allowance to 15% of incentives issued.

Capstone has subsidized the start-up and program delivery of MileageSmart from the start, long before VTrans issued a contract. Now that the program is in steady state operations, Capstone contributes nearly \$3,000 per month to carry the operations. The 10% cap on program delivery costs is not a number based on current reality. In more normal circumstances one might invest more in marketing to increase the amount of incentives issued whereby increasing the allowance when most other costs are relatively fixed (1.2 FTE in labor and fairly static overheads), but limited inventory of eligible vehicles suggests that approach may not provide a return and could potentially deepen the deficit Capstone must fund-raise to overcome.

MileageSmart estimated 12/31/21	Start up thru June 2021	FY22 July-Dec 2021	Total
Incentives Issued	\$345,070	\$431,607	\$776,677
		10%	
Administrative allowance	\$200,000	\$43,161	\$243,161
Program Expenses			
Wages & Fringe	\$141,422	\$38,191	\$179,613
Overheads, Department and Agency	\$84,060	\$14,625	\$98,684
Marketing and Outreach	\$5,668	\$6,615	\$12,283
Total Program Delivery Cost	\$231,150	\$59,430	\$290,580
Capstone Contribution	\$31,150	\$16,269	\$47,420
		3.8%	
		of incentives	