

Vermont Clean Transportation Incentive Programs

PRESENTATION FOR HOUSE TRANSPORTATION COMMITTEE, JANUARY 6, 2022

PATRICK MURPHY, SUSTAINABILITY AND INNOVATIONS PROJECT MANAGER,
VERMONT AGENCY OF TRANSPORTATION



Incentive Program for New Plug-In Electric Vehicles (PEVs)

Incentive Program for New PEVs

**Vermont state
incentives remaining**

\$1,293,000

The State of Vermont allocated \$2.7 million for additional incentives in June 2021. Take advantage while funds remain!

Incentives - Drive Electric Vermont
(driveelectricvt.com)

Program Summary

Less than \$1.3 million in incentive funds remaining

(Out of \$4,750,000 total since 2019)

\$3,000,000 authorized for SFY2022 in Act 55

- \$2.7 million for plug-in electric vehicle incentives
 - Up to \$300,000 for program administration
- \$1.1 million for incentives announced in 2019
 - \$950,000 added in fall of 2020

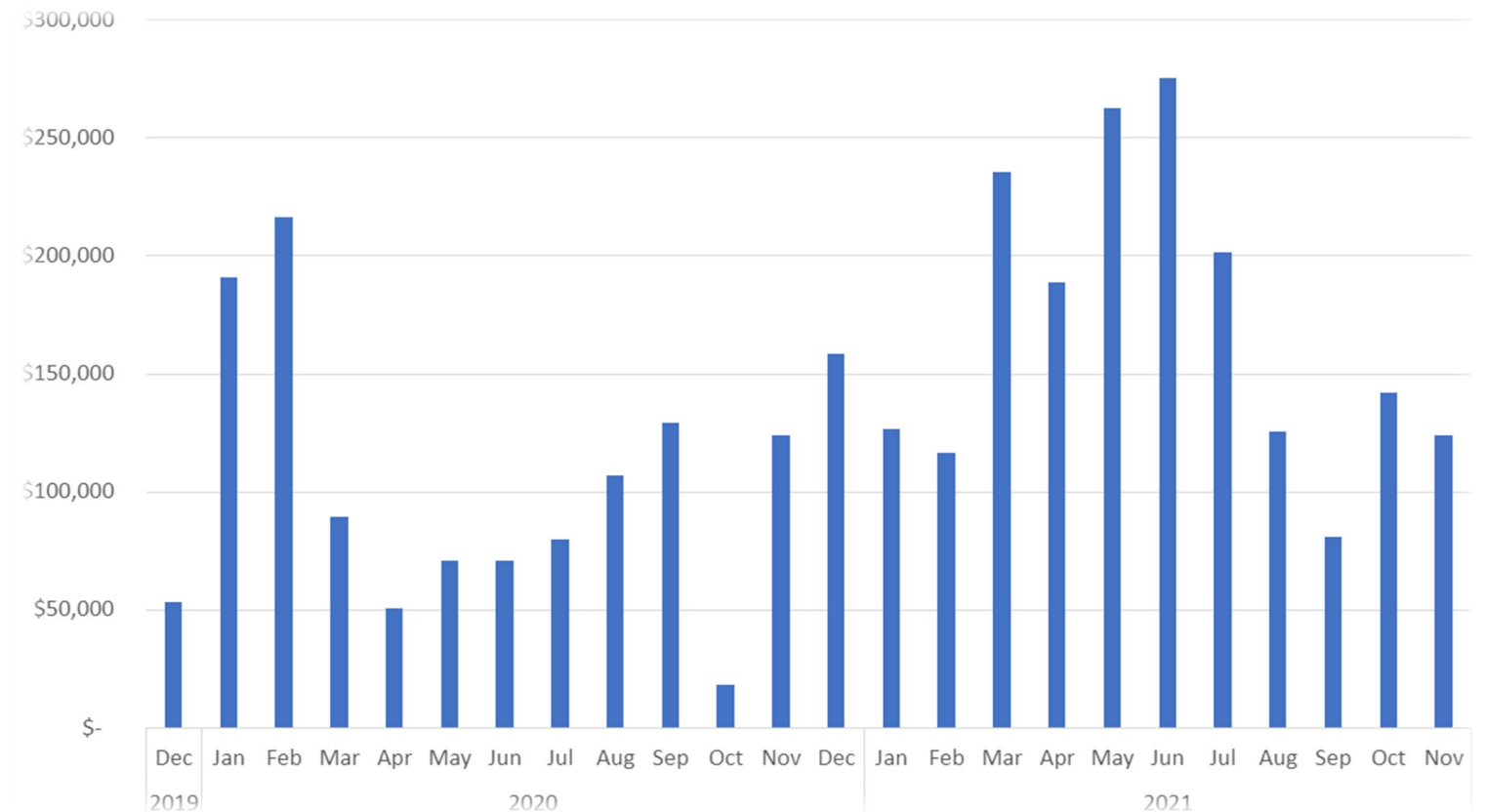
Program administration continued through no-cost contracts with the distribution utilities and public-private partnerships with Drive Electric Vermont (VEIC) and local dealerships

Incentive Program for New PEVs

2021 sees growth and challenges

- \$1,930,500 issued for 704 incentives
- 69% YoY increase in incentives issued; 78% growth in all-electric
- Impacts of global pandemic and microchip shortage
- Chevy Bolt EV recall
- Cause for optimism

Historical Monthly Incentive Spending for New PEVs



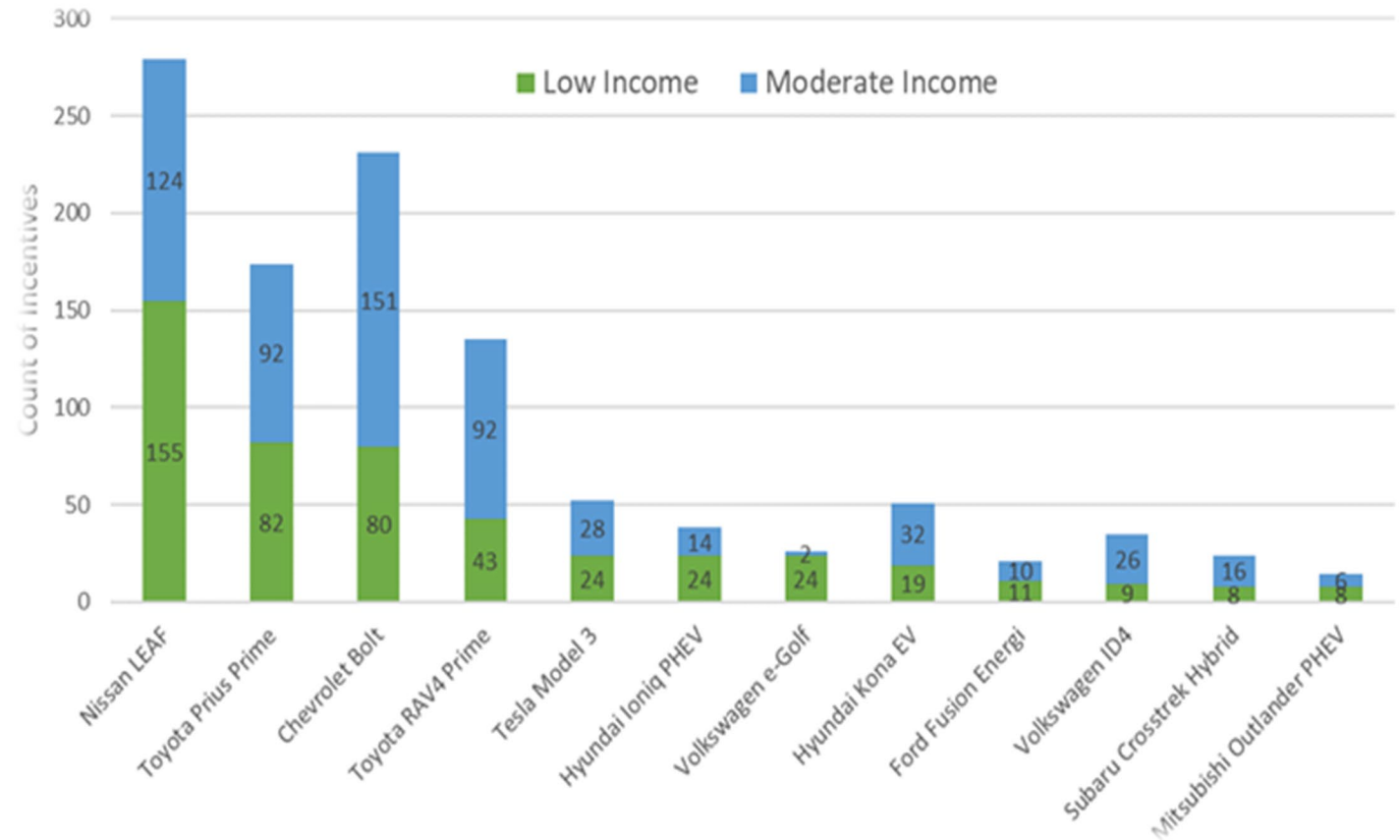
Incentive Program for New PEVs

Equity: Vermonters with low incomes received **45%** of the incentives (540), but **60%** of total funding (\$2,063,000);

Two (2) purchases incentivized for CarShare Vermont to provide shared electric vehicles at affordable housing developments for use by those who do not own vehicles

Climate: All-electric vehicles represented over **60%** (737) of the incentivized purchases and **70%** (\$2,418,000) of total funding

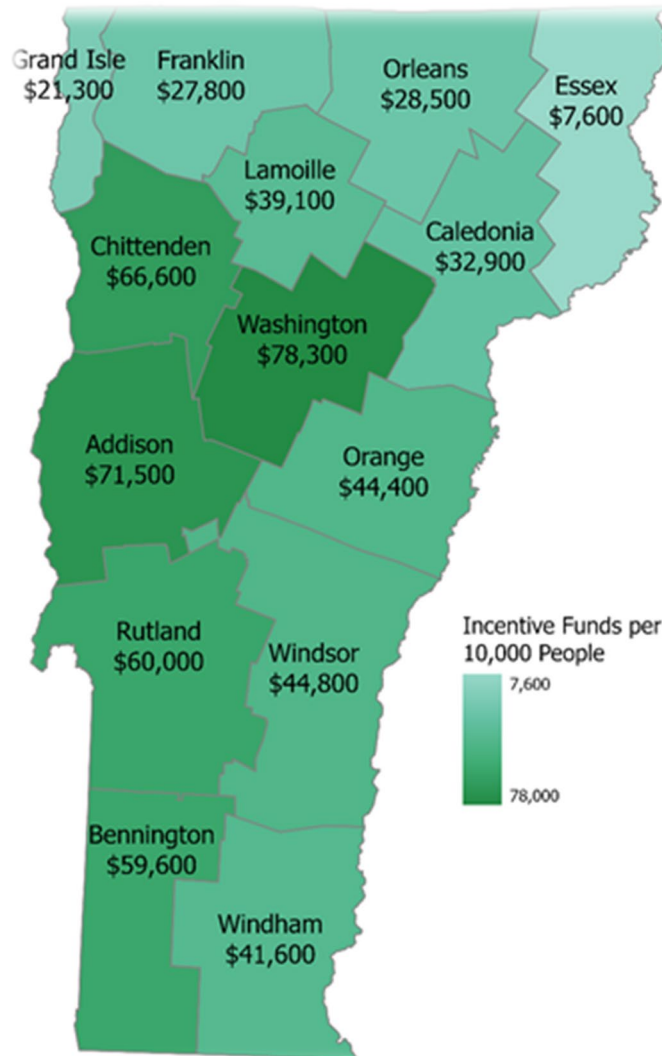
Incentives Distributed by Model and Income



Incentive Program for New PEVs

While Chittenden County has received the most incentives and funding, Addison and Washington Counties have seen more funding per capita

Incentives Distributed by County/Population



County	Incentives	Incentive Amount
Addison	92	\$267,000
Bennington	69	\$222,500
Caledonia	35	\$99,500
Chittenden	394	\$1,120,500
Essex	3	\$4,500
Franklin	49	\$139,000
Grand Isle	6	\$15,500
Lamoille	36	\$101,500
Orange	45	\$130,000
Orleans	31	\$78,000
Rutland	119	\$363,500
Washington	153	\$468,000
Windham	69	\$191,000
Windsor	102	\$259,000
Totals	1203	\$3,459,500

Program Considerations

- **Funding Continuity**

- Funding lapse in October 2020 resulted in fewer vehicles purchased, customer uncertainty, administrative challenges
- Important to provide predictability for purchasing decisions, particularly in light of failure thus far to pass proposed federal EV tax credit changes in Build Back Better Bill

- **Vehicle Availability**

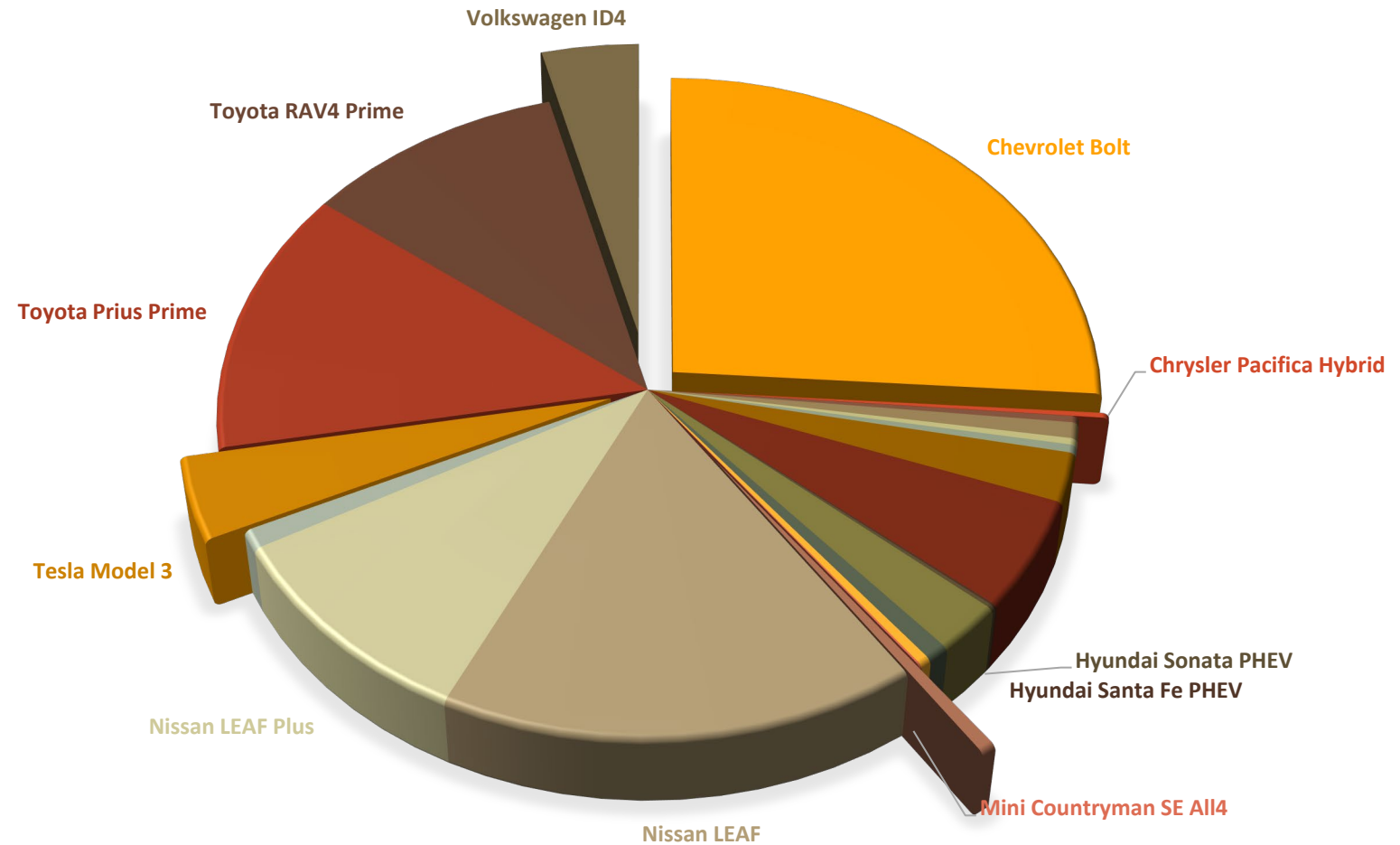
- MSRP (listed price) increases currently rule out certain 2022 models (Chrysler Pacifica Hybrid, Mini Countryman SE All4, Tesla Model 3, Volkswagen ID.4) under program guidelines (\$40,000 base MSRP cap). VTrans is reviewing and may recommend a modest cap increase
- Some new options are available, but only the Hyundai Ioniq 5 comes with all-wheel drive
- Possible equity issues in availability of incentives for accessible plug-in electric vehicles

Incentive Program for New PEVs

Price Changes on 2022 Models

- Volkswagen ID.4: \$40,760
- Tesla Model 3: \$44,990
- Chrysler Pacifica Hybrid: \$44,920
- Mini Countryman: \$41,500

Share of Incentives by Vehicle Model in 2021



Program Transition

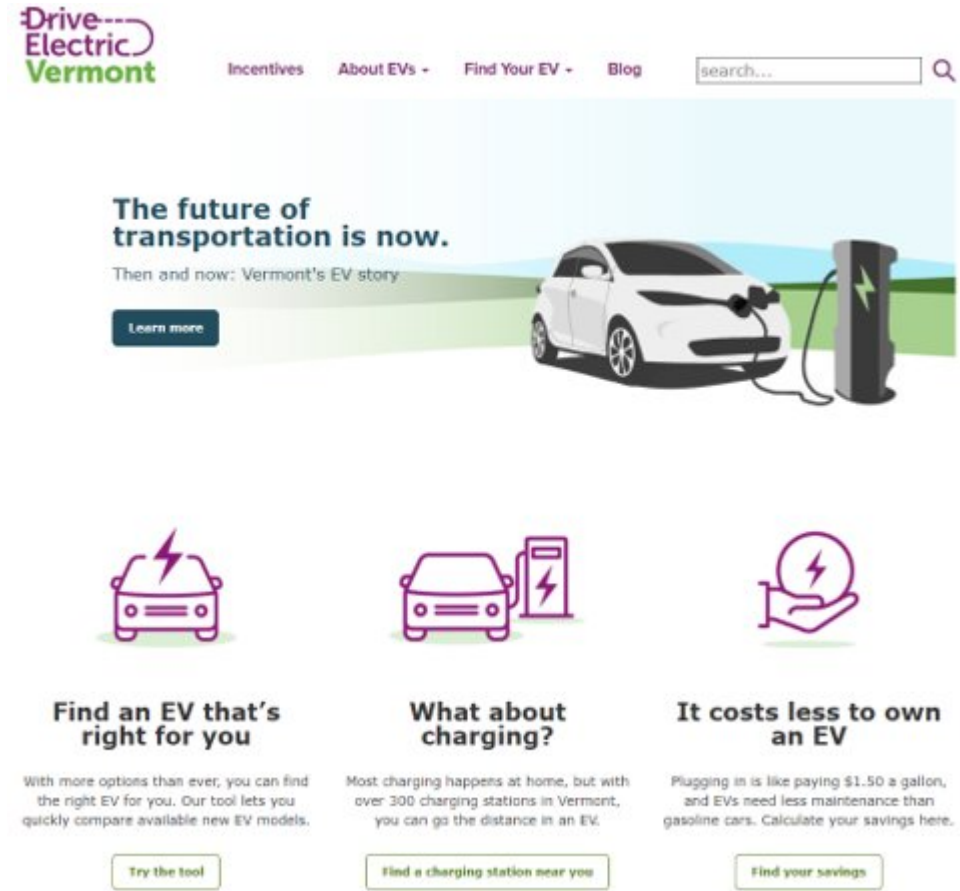
- **VTrans issued a Notice of Funding Opportunity for a third-party administrator in September**
- **Center for Sustainable Energy selected to manage the Incentive Program for New PEVs, the Electric Bicycle Incentive Program, and the Replace Your Ride Program**
 - CSE in partnership with VEIC to begin transition of New PEV Incentive administration from distribution utilities and Drive Electric Vermont in January 2022, and complete by March
 - CSE to partner with VEIC on outreach, education and awareness—VEIC to develop informational materials, engage existing and new dealerships, and work with community-based organizations and other stakeholders to reach underserved Vermonters



Drive Electric Vermont

- VTrans contracted with VEIC for multi-pronged vehicle electrification strategy (MUVES) activities, including:

- State of Vermont assistance with New PEV incentive program
- PEV stakeholder coordination
- Education and outreach activities
- Drive Electric Vermont website maintenance
- Statewide EV charging plan
- Business support
- Multifamily housing support
- Electric school bus deployment strategy



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Electric Bicycle Incentive Program

Possibly the first statewide e-bike
incentive program in the nation

Program Summary

Center for Sustainable Energy to launch program in Spring 2022

\$50,000 authorized for SFY2022 in Act 55

- \$200 Incentives for 250 Vermonters*
- No funding for program administration



***Anyone who qualifies at any income level for the Incentive Program for
New PEVs**

Electric Bicycle Incentive Program

Program Design

- Program to mirror Incentives for New PEVs with two pathways:
 1. Point of Sale rebate at participating Vermont retail shops
 2. Consumer direct rebate post purchase to allow purchases online
- Incentive can be stacked on existing utility incentives (such as those offered by GMP, BED, Stowe Electric, etc) as well as the Replace Your Ride Program
- Program design informed by advisory group of multiple stakeholders who helped advance the original proposal in the legislature
- Similar data to be collected from participants as with PEV Incentives, including customer surveys to evaluate program



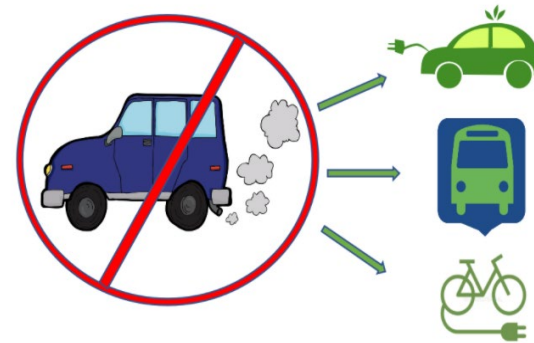
Replace Your Ride Program

Program Summary

Center for Sustainable Energy to launch program in Spring 2022

\$1,500,000 authorized for SFY2022 in Act 55

- \$3,000 Incentives for 400 Vermonters*
- \$300,000 for program administration

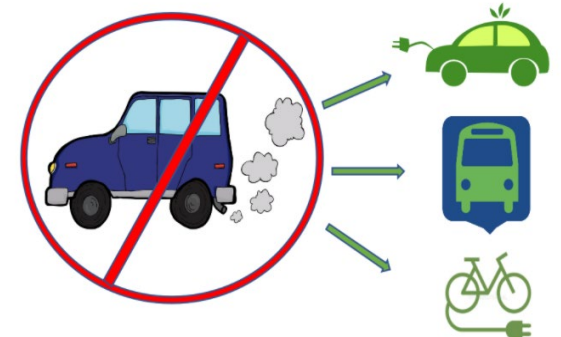


*Anyone who qualifies at the lower income level for the Incentive Program for New PEVs or for the MileageSmart Program

Replace Your Ride Program

Program Design

- CSE to design and implement \$3,000 incentive in phases:
 1. Recipients to stack RPR incentive with state PEV or electric bicycle programs to deepen affordability for Vermonters with low incomes
 2. Mobility voucher to be developed for participants to apply \$3,000 incentive towards bike/bike equipment, shared mobility services (bikesharing, carsharing, buses, trains, public transit, etc)
- Data similar to PEVs and e-bikes to be collected from incentive recipients to evaluate program



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