

# **REPORT TO THE LEGISLATURE PURSUANT TO 19 V.S.A. § 2905**

Report on Vermont's Clean Transportation Incentive Programs

January 31, 2026

## **Submitted to**

The Vermont House and Senate Committees on Transportation, House Committee on Energy and Digital Infrastructure, and the Senate Committee on Natural Resources

## **Submitted by**

Vermont Agency of Transportation

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# Clean Transportation Incentive Programs Annual Review - 2025

REPORT TO THE LEGISLATURE PURSUANT TO 19 V.S.A. § 2905

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## Glossary

AEV = All-Electric Vehicle (same as BEV)

AGI = Adjusted Gross Income, used for income limits for the New PEV, RYR and eBike programs

BEV = Battery Electric Vehicle (same as AEV)

CSE = Center for Sustainable Energy, administers New PEV, RYR and eBike programs

DEV = Drive Electric Vermont

eBike = Electric Bicycle Incentive Program

ebike = electric bicycle

EYF = Electrify Your Fleet Incentive Program

HEV = hybrid electric vehicle, does not plug in

LI = lower-income, referring to the AGI limits for the enhanced incentive level

MI = moderate-income, referring to the AGI limits for the standard incentive level

MS = MileageSmart High-Efficiency Used Vehicle Incentive Program

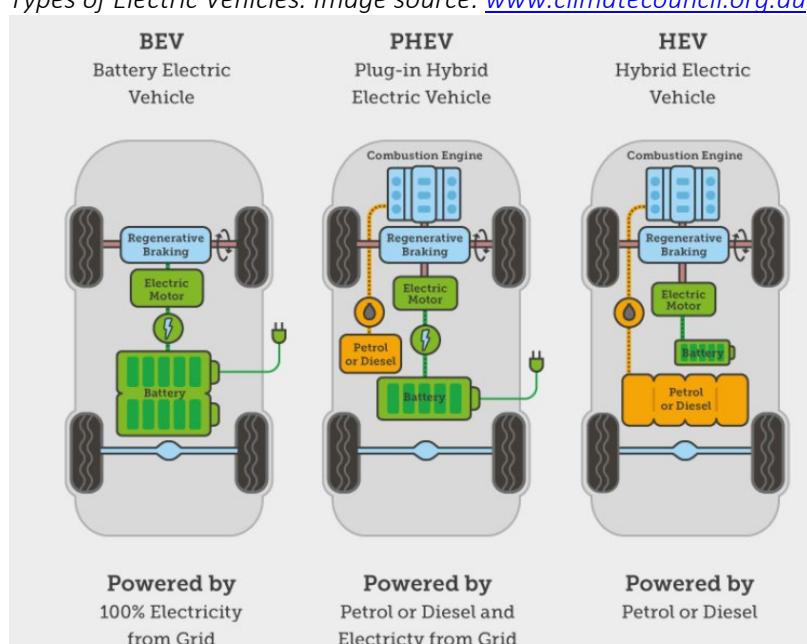
New PEV = Incentive Program for New Plug-in Electric Vehicles

PEV = plug-in electric vehicle, includes both AEV and PHEV

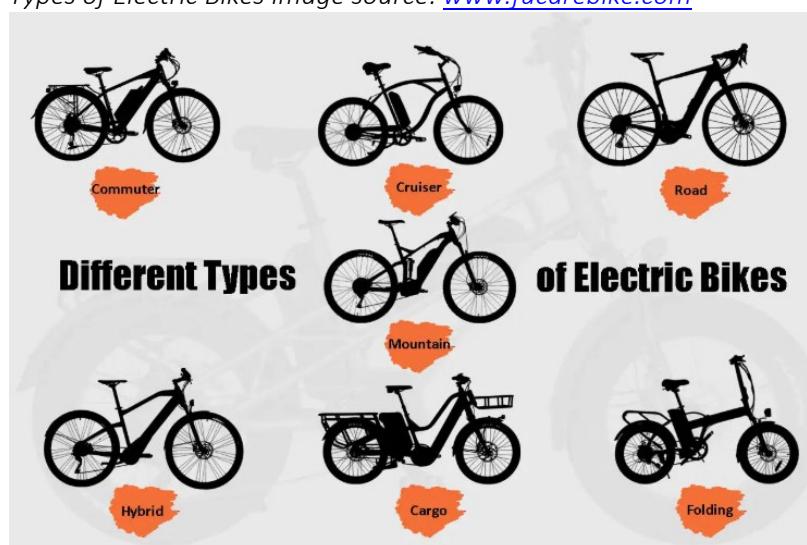
PHEV = plug-in hybrid electric vehicle, typically has a larger battery and longer electric-only range compared to an HEV

RYR = Replace Your Ride Incentive Program

*Types of Electric Vehicles. Image source: [www.climatecouncil.org.au](http://www.climatecouncil.org.au)*



*Types of Electric Bikes Image source: [www.fucarebike.com](http://www.fucarebike.com)*



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# Introduction

## Programs

The Vermont Legislature authorized four statewide vehicle incentive programs to help income-qualified Vermonters reduce their transportation related emissions and cost burdens, plus an incentive program for businesses, municipalities, and nonprofit organizations to reduce the emissions impacts from fleet vehicles:

Authorized in [2019 Act 59 Section 34](#), codified in 19 V.S.A. Ch. 29 § 2901 via [2023 Act 62 Section 19](#):

- 1) an incentive program for the purchase or lease of a new plug-in electric vehicle (**New PEV**);
- 2) an incentive program for the purchase of a high fuel-efficiency used vehicle called **MileageSmart**;

Authorized in [2021 Act 55 Section 28](#), codified in 19 V.S.A. Ch. 29 § 2901 via [2023 Act 62 Section 19](#):

- 3) an incentive program that retires 10+ year old internal combustion engine vehicles and provides funds for cleaner transportation alternatives called **Replace Your Ride**;

Authorized in [2021 Act 55 Section 28](#):

- 4) an incentive program to encourage the electrification of business, nonprofit, and municipal fleets called **Electrify Your Fleet**.
- 5) an incentive program for the purchase of a new electric bicycle (**eBike**);

### **Incentive Program for New Plug-in Electric Vehicles (New PEVs)**

This program offers incentives for the purchase or lease of a new plug-in electric vehicle (PEV) for income-qualified individuals, with greater incentives available for those with lower incomes and for those who purchase all-electric vehicles (AEVs) - up to \$5,000. Eligible customers may receive the incentive directly from a participating car dealer in the form of a reduced purchase or lease price, or they may receive a direct cash reimbursement from the state's incentive administrator, Center for Sustainable Energy. Incentives are limited to plug-in electric vehicles (PEVs) with a base MSRP of \$52,500 or less. The statewide incentive may be used in combination with additional PEV incentives offered by the state's electric utilities and federal tax credits for greater savings.

### **High Fuel-Efficiency Used Vehicle Program (MileageSmart)**

The high fuel-efficiency used vehicle program provides financial assistance to income-eligible Vermonters at the point-of-sale to purchase used vehicles that were rated better than 40 miles per gallon by the EPA when new. MileageSmart can contribute up to 25% of the vehicle purchase price, with a maximum of \$5,000. The purchase price cap is \$40,000.

### **Replace Your Ride**

The Replace Your Ride program encourages owners of older internal combustion engine vehicles to switch to cleaner transportation options by offering an incentive of up to \$5,000 to scrap the 10+ year old high-polluting vehicle. Participants may either apply their voucher towards the purchase or lease of a new or used PEV or those seeking a more flexible option may apply their voucher towards active or shared mobility options including the purchase of a bicycle, electric bicycle, or fully electric motorcycle; and/or shared mobility services that reduce the need for vehicle ownership (such as public transit fares, carsharing or bikesharing). Participants who chose the latter option receive a clean mobility card, which is a pre-paid debit card that can be used at eligible businesses that help reduce or avoid vehicle miles traveled in single occupancy automobiles. Incentives through this program may be applied in combination with others through the MileageSmart, New PEV, and electric bicycle incentive programs.

## **Electrify Your Fleet Program**

Electrify Your Fleet is an electric vehicle incentive program for businesses, municipalities, and nonprofit organizations to reduce the climate impacts from fleet vehicles. The program helps fleet owners fund the replacement of their internal combustion engine (ICE) vehicles with cleaner electric transportation options such as Plug-In Electric Vehicles (PEVs), electric motorcycles, electric bikes, electric ATVs/UTVs or electric snowmobiles. Electrify Your Fleet is a first-come, first-served grant program with awards made in the form of reimbursements of as much as \$2,500 for each internal combustion engine vehicle replaced or avoided with a maximum of 20 incentives allowed per fleet. Nonprofit mobility services organizations (NMSO) incorporated in the State of Vermont for the purpose of providing Vermonters with transportation alternatives to personal vehicle ownership are eligible for up to 5 increased incentives of \$5,000 each towards the purchase of all-electric vehicles with a base MSRP of \$55,000 or less.

## **Electric Bike Incentive (eBike)**

The State of Vermont launched the nation's first statewide incentive program to help Vermonters make daily trips with cleaner transportation that helps reduce greenhouse gas emissions. The State of Vermont electric bicycle (eBike) incentive helps residents purchase eBikes to reduce personal vehicle usage. Eligible Vermonters can apply to receive an incentive of up to \$800 in the form of a prepaid debit card to be used at a participating in-state bicycle retailer.

## **Annual Reporting**

Title 19 V.S.A. § 2905 requires the filing of an annual report for any year in which a clean vehicle incentive is issued. The report shall include an evaluation of the effectiveness of the programs and the marketing and outreach efforts related to the programs. The report shall also include intended modifications to program guidelines and recommendations for statutory modifications and on how to better conduct outreach and marketing.

### **§ 2905. Annual reporting; vehicle incentive programs**

(a) The Agency shall annually evaluate the programs established under sections 2902–2904 of this chapter to gauge effectiveness and shall submit a written report on the effectiveness of the programs and the State's marketing and outreach efforts related to the programs to the House and Senate Committees on Transportation, the House Committee on Energy and Digital Infrastructure, and the Senate Committee on Natural Resources and Energy on or before January 31 in each year following a year that an incentive was provided through one of the programs. The

(b) The report shall also include:

(1) any intended modifications to program guidelines for the upcoming fiscal year along with an explanation for the reasoning behind the modifications and how the modifications will yield greater uptake of PEVs and other means of transportation that will reduce greenhouse gas emissions;

(2) any recommendations on statutory modifications to the programs, including to income and vehicle eligibility, along with an explanation for the reasoning behind the statutory modification recommendations and how the modifications will yield greater uptake of PEVs and other means of transportation that will reduce greenhouse gas emissions; and

(3) any recommendations for how to better conduct outreach and marketing to ensure the greatest possible uptake of incentives under the programs.

(c) Notwithstanding 2 V.S.A. § 20(d), the annual report required under this section shall continue to be required if an incentive is provided through one of the programs unless the General Assembly takes specific action to repeal the report requirement. (Added 2023, No. 62, § 19, eff. July 1, 2023; amended 2023, No. 85 (Adj. Sess.), § 58, eff. July 1, 2024; 2023, No. 148 (Adj. Sess.), § 21, eff. July 1, 2024.)

The New PEV, MileageSmart, and Replace Your Ride Incentives Programs exhausted available funding and closed in October 2024. No further appropriations were made for any of the Clean Vehicle Incentives Programs during the 2024 or 2025 legislative session thus no incentives were issued through those programs in 2025. The eBike and Electrify Your fleet Programs continued into 2025 with incentives being issued through June and August, respectively. Thus, in accordance with §2905(c), this report will focus only on those programs. A detailed summary and effectiveness of the New PEV, MileageSmart, and RYR Programs was provided in the [2025 Legislative Report Vermont's Clean Transportation Incentive Programs](#).

# Effectiveness of Programs - 2025

## eBikes

### Program Summary

The State of Vermont launched the nation's first statewide electric bicycle incentive program to help Vermonters make daily trips with cleaner transportation that helps reduce greenhouse gas emissions. While eBike incentives were available to moderate-income Vermonters in the first round, the second and third rounds of funding were directed to lower-income Vermonters. Greater funding was available to support the purchase of adaptive and cargo eBikes compared to standard eBikes.

The eBike Incentive Program was established through Act 55 of 2021 with an appropriation of \$50,000. The program received an additional \$50,000 through Act 148; \$150,000 during the 2023 legislative session through the Budget Adjustment Act and Act 62; and \$75,000 through Act 148 of 2024 for a total appropriation of \$325,000.

### Consumer and eBike Eligibility

Consumer Eligibility	eBike Eligibility
<ul style="list-style-type: none"><li>• Vermont resident age 18 or older</li><li>• Not claimed as a dependent on tax filings</li><li>• Vermont Driver's License</li><li>• Attest to income eligibility (see below)</li><li>• One per individual</li><li>• Agree to not use eBike solely for recreation</li></ul>	<ul style="list-style-type: none"><li>• Must be new and not intended for resale</li><li>• Must meet UL 2849 and/or EN 15194 standards, or have at least a 1-year warranty on electric components</li><li>• Standard eBikes MSRP cap: \$4,000</li><li>• Cargo eBike MSRP cap: \$5,000, must be designed for transporting loads</li><li>• Adaptive eBike – no MSRP cap</li></ul>

### Incentive Amount and Income Eligibilities

Tax Filing Status	Round 1 Income	Round 1 Incentive Amount	Round 2 and 3 Income	Round 2 and 3 Incentive Amount
<b>Lower Income (LI)</b>				
Individual filing as <b>single</b>	≤\$50k	Up to \$400, up to 50% of purchase price	≤\$60k	Standard eBike: \$400 Cargo eBike: \$800 Adaptive eBike: \$800
Individual filing as <b>head of household</b>	≤\$50k		≤\$75k	
Individual filing as qualifying <b>widower / surviving spouse</b>	≤\$75k		≤\$90,000	
Married couple filing <b>jointly</b>	≤\$75k		≤\$90,000	
Married couple filing <b>separately</b>	≤\$50k		≤\$60k	
<b>Moderate Income (MI)</b>				
Individual filing as <b>single</b>	\$50k to \$100k	Up to \$250, up to 25% of purchase price	\$60k to \$100k	Not eligible
Individual filing as <b>head of household</b>	\$50k to \$100k		\$75k to \$125k	
Individual filing as qualifying <b>widower / surviving spouse</b>	\$75k to \$125k		\$90k to \$150k	
Married couple filing <b>jointly</b>	\$75k to \$125k		\$90k to \$150k	
Married couple filing <b>separately</b>	\$50k to \$100k		\$60k to \$100k	

### *Program Modifications*

The eBike program had three rounds of funding. Round 1 issued incentives to lower and moderate-income Vermonters but did not distinguish between eBike types. During Round 2, adaptive and cargo bikes were categorized separately with a higher incentive dollar amount than for a standard eBike. In Round 2 a total of 442 applications were approved, but 232 (52%) of applicants did not purchase an eBike within the allotted time (90 days). Those vouchers were canceled, and the funds were made available to other applicants. This process caused the balance of funds to fluctuate and at times appear far lower than what would become available when vouchers were cancelled and funds were returned. To expedite purchases and reduce the lag in returning unspent funds to the program, the voucher redemption window was shortened from 90 days in Round 2 to 60 days in Round 3. Towards the end of the program to issue the most funds as possible, that window was further shortened to 30 days and then again as a timeframe equal to end of program date. It was also brought to our attention that the allowance of prepaid debit cards made it difficult for retailers to verify the eligibility of on-line purchases. Thus, another change to the program included disablement of the online purchasing option on the prepaid debit cards.

### *2025 Program Outcomes*

During 2025, the eBike Incentive Program distributed \$25,998 through the issuance of 46 incentives at 19 participating bike shops. The average incentive was \$565, which accounted for an average of 30% of the purchase price. As was the case for all Round 2 and Round 3 recipients, due to changes made to the eligibility requirements, 100% of the 2025 incentives were issued to lower income Vermonters. Those Vermonters purchased 27 standard eBikes and 19 cargo eBikes.

### *Overall Program Outcomes*

The eBike program issued \$274,278 through 606 incentives. The average incentive was \$453, which accounted for an average of 25% of the purchase price. Thirty-three local bike shops participated in the program.

	Adaptive #	Adaptive \$	Cargo #	Cargo \$	Standard #	Standard \$	Total #	Total \$
<b>Round 1</b>	1	\$250	23	\$7,850	255	\$83,918	<b>279</b>	<b>\$92,018</b>
<b>Round 2*</b>	8	\$5,998	54	\$72,725	148	\$63,590	<b>210</b>	<b>\$112,312</b>
<b>Round 3*</b>	3	\$2,400	54	\$41,198	60	\$26,800	<b>117</b>	<b>\$70,398</b>
<b>Grand Total</b>	12	\$8,648	131	\$91,773	454	\$174,308	<b>606</b>	<b>\$274,728</b>

	Lower Income #	Lower Income \$	Middle Income #	Middle Income \$
<b>Round 1</b>	155	\$61,294	124	\$30,724
<b>Round 2*</b>	210	\$112,312		
<b>Round 3*</b>	117	\$70,398		
<b>Grand Total</b>	482	\$244,004	124	\$30,724

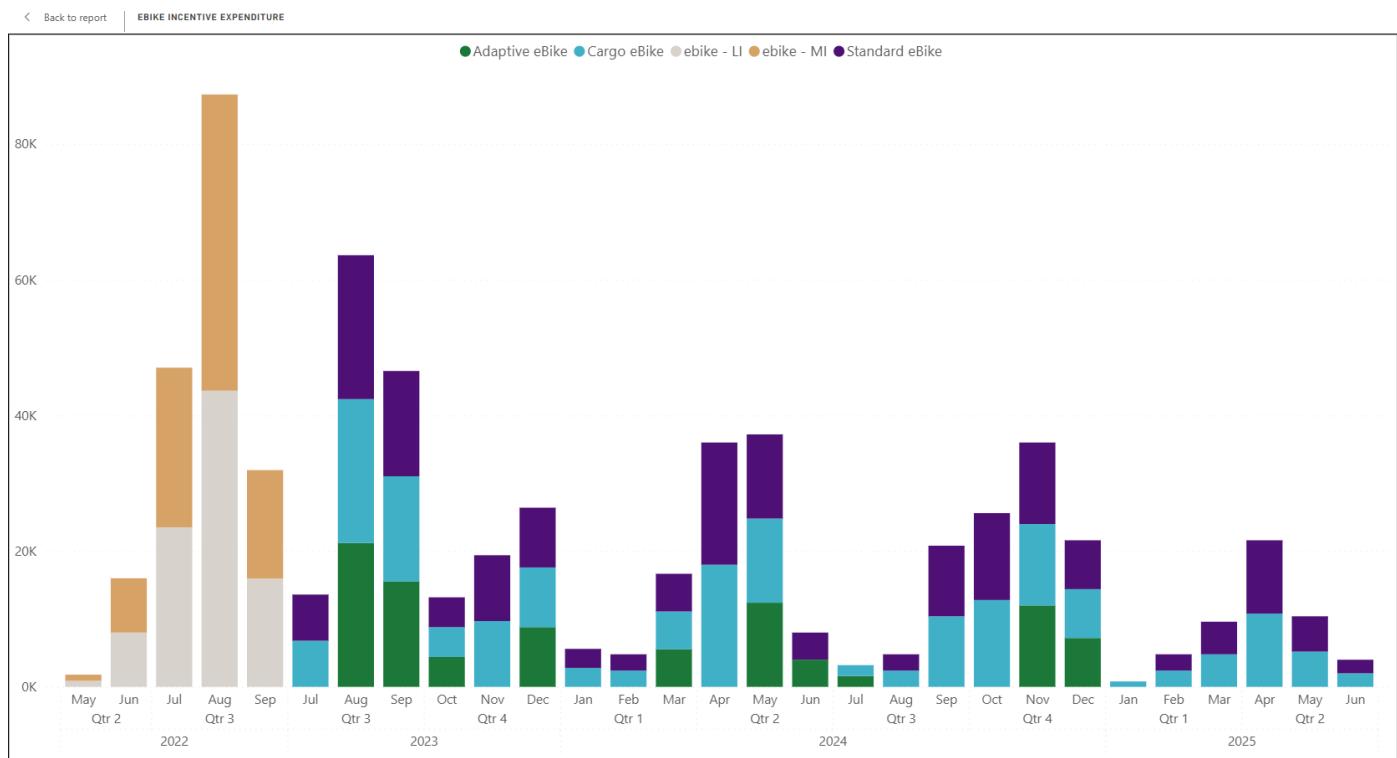
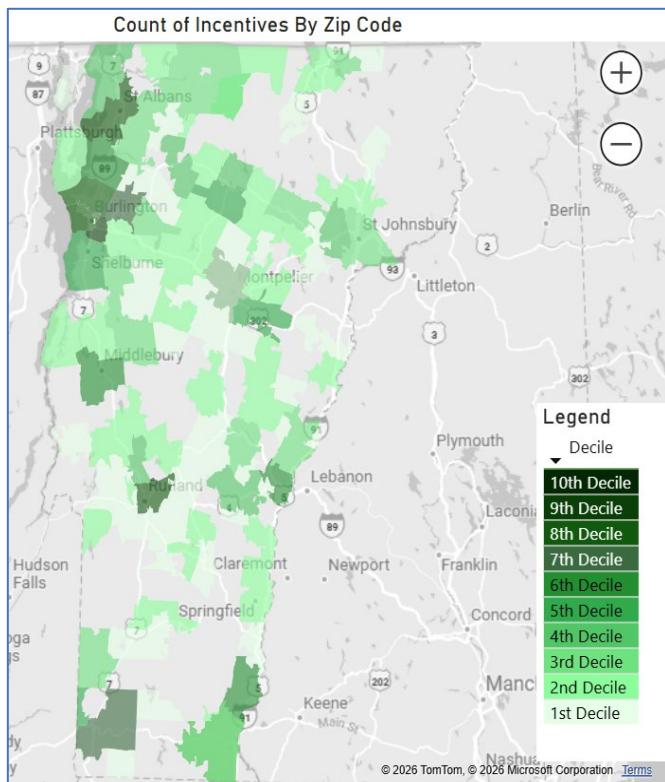
Section 20 of Act 148 (2024 Tbill) amends the 2023 Acts and Resolves No. 62, Sec. 22 detailing specific reporting requirements for the eBike program in the annual report required under 19 V.S.A. § 2905.

With the program's greater focus on income levels after Round 1, overall, 80% of incentives and 88% of funding was issued to lower income Vermonters. Moderate income Vermonters purchased 124 eBikes (1 adaptive, 9 cargo, and 114 standard) while lower income Vermonters purchased 482 eBikes (10 adaptive, 122 cargo, and 350 standard).

The map to the right is a screenshot from AOT's [Clean Transportation Incentive Programs Interactive Dashboard](#). It shows the residential zip code for eBike incentive recipients who redeemed an eBike voucher to purchase. The darker green indicates a higher number of eBike redemptions in a given zip code, such as 05401 in Burlington with 53 eBike redemptions. Areas of the map in light gray represent no eBike redemptions by residents in that zip code.

The geographic distribution of incentives may correlate to bicycle infrastructure or proximity to participating electric bicycle retailers. Of the 270 approved-to-cancelled applicants through October 31, 2024, 48 answered a survey to provide reasons why they did not redeem the incentive voucher. Twenty indicated a preference for online shopping and 9 indicated there were no participating retailers in their area.

The eBike program ran on a state fiscal year cycle with funds made available in July. The chart below provides a summary of incentives issued over the life of the program. The program experienced seasonality effects; both funding releases and yearly timing - typically a surge in applications after the release of new funding (July/August), which then tapered off as most of the funding was reserved. More funding became available when vouchers were not redeemed timely and another bump was realized (November/December). Application numbers remained low throughout the winter and then began to increase in the spring.



## Electrify Your Fleet

### *Program Summary*

Electrify Your Fleet was authorized in the 2023 Transportation Bill for \$500,000 and launched in November 2023. It was an electric vehicle incentive program for businesses, municipalities, and nonprofit organizations to reduce the climate impacts from fleet vehicles. The program helped fleet owners fund the replacement of their internal combustion engine (ICE) vehicles with cleaner electric transportation options such as Plug-In Electric Vehicles (PEVs), electric motorcycles, electric bikes, electric ATVs/UTVs or electric snowmobiles. Electrify Your Fleet was a first-come, first-served grant program with awards made in the form of reimbursements of as much as \$2,500 for each internal combustion engine vehicle replaced or avoided with a maximum of 20 incentives allowed per fleet. Nonprofit mobility services organizations (NMSO) incorporated in the State of Vermont for the purpose of providing Vermonters with transportation alternatives to personal vehicle ownership were eligible for up to 5 increased incentives of \$5,000 each towards the purchase of all-electric vehicles with a base MSRP of \$55,000 or less.

### *Consumer and Vehicle Eligibility*

Eligible Recipients	Eligible Vehicles (Standard EYF incentive)
<ul style="list-style-type: none"><li>Nonprofit mobility services organizations (NMSO) incorporated in the State of Vermont for the purpose of providing Vermonters with transportation alternatives to personal vehicle ownership<ul style="list-style-type: none"><li>Up to 5 increased EYF incentives of \$5,000 to purchase an AEV (MSRP \$55k or less)</li><li>Up to 15 standard EYF incentives of \$2,500</li></ul></li><li>All Vermont municipalities and municipal organizations and all non-profit institutions and for-profit business entities registered in Vermont<ul style="list-style-type: none"><li>Up to 20 standard (\$2,500) Electrify Your Fleet incentives</li></ul></li></ul>	<ul style="list-style-type: none"><li>Battery All-Electric Vehicles (BEV/AEV) with a base Manufacturer's Suggested Retail Price (MSRP) of \$60,000.00 or less;</li><li>Plug-in Hybrid Electric Vehicles (PHEV) with an electric range of 20 miles or greater per complete charge as rated by the Environmental Protection Agency when the vehicle was new and a base MSRP of \$60,000.00 or less;</li><li>Electric bicycles and electric cargo bicycles with a base MSRP of \$10,000.00 or less with a minimum one-year warranty</li><li>Adaptive electric cycles with any base MSRP;</li><li>Electric motorcycles with a base MSRP of \$30,000.00 or less;</li><li>Electric snowmobiles with a base MSRP of \$20,000.00 or less; and</li><li>Electric all-terrain vehicles (ATVs), as defined in 23 V.S.A. § 3501 and including electric utility terrain vehicles (UTVs), with a base MSRP of \$50,000.00 or less</li></ul>

### *Program Modifications*

Based on applicant requests, AOT proposed two program changes that were adopted by the legislature in 2024. First, the MSRP cap for eBikes increased to \$10,000. Second, ATVs and UTVs were added as eligible vehicle types.

Despite outreach through AOT social media, the Drive Electric Vermont (DEV) website and stakeholder meetings, and newsletters and emails from the Environmental Policy and Sustainability team, the program did not receive the interest anticipated, with 44 applications started but only 13 applications completed. Some applicants felt the amount offered was not enough to support the transition given their current budget and did not complete the application process. Often applicants started the process without a solid

electrification plan and needed time to determine which vehicles would be replaced and what the replacements would be. Some applicants planned optimistically for electric vehicle purchases, so funding was reserved in their grant agreement but then was not redeemed by the time their grant agreement expired. To prevent the issue of funding being reserved and unused for long periods, AOT implemented a change to the program guidelines that required the EYF funding to be redeemed within three months of the grant execution date. Challenges aside, several applicants expressed appreciation for the program and staff as well as the support provided by DEV. It gave them a chance to move towards electrification and to understand how an EV could perform within their business needs, thus lessening their overall risk.

### *2025 Program Outcomes*

During 2025, the EYF Incentive Program distributed \$55,921 through the issuance of 20 incentives. The average incentive was \$2,796, which accounted for an average of 8.26% of the purchase price. 2025 allowed for the purchase of 1 eBike, 2 electric utility terrain vehicles, 3 plug-in hybrid vehicles, and 14 all-electric vehicles. Twelve incentives were received by public organizations, 4 by small businesses, 3 by nonprofit mobility services, and one by a nonprofit organization. The EYF incentives issued in 2025 are estimated to reduce carbon emissions by about 423 grams per mile driven.

### *Overall Program Outcomes*

The EYF incentive program distributed \$142,171 through the issuance of 54 incentives. The first year (November 2023 – December 2024) the program issued 34 incentives and in year two (January – August 2025) an additional 20 incentives were issued. The average incentive was \$2,633. Overall, the program allowed for the purchase of 3 eUtility Terrain Vehicles, 3 eBikes, 1 eSnowmobile, 8 Plug-in Hybrid Vehicles, and 39 All-electric Vehicles and supported 31 public organizations, 10 small businesses, 6 nonprofit, 5 nonprofit mobility services, and 2 large businesses to reduce vehicle emissions by about 153MT per year.

The program was launched in November 2023. In the first year, of the 44 organizations that started applications, only 13 completed the application process. Nine organizations withdrew their applications for a variety of reasons, some of which related to incentive eligibility and some to the organization's need for additional financial resources or more fleet electrification planning. Notably, only two municipalities were awarded incentives; two other municipalities withdrew their applications. In contrast, however, the University of Vermont applied the maximum of 20 incentives towards their fleet electrification efforts and inquired about the possibility of raising the maximum number of vehicles allowed. Two non-profit mobility service organizations planned optimistically for vehicle acquisitions but had only purchased one each in the first year of the program. In year two that number increased to a total of 5. A complete summary of incentives issued by recipient type and by vehicle type is shown in the below tables.

#### *Incentive issued by recipient type*

Recipient Type	# Issued	\$ Issued
Public Organization	31	\$77,500
Non-Profit Organization	6	\$11,250
Non-Profit Mobility Services Org.	5	\$25,000
Small Business	10	\$23,421
Large Business	2	\$5,000
<b>Total</b>	<b>54</b>	<b>\$142,171</b>

*Incentives issued by vehicle type*

Incentive Type	# Issued	\$ Issued
AEV*	39	\$110,000
PHEV	8	\$20,000
eBike	3	\$2,171
eATV/eUTV	3	\$7,500
eSnowmobile	1	\$2,500
<b>Total</b>	<b>54</b>	<b>\$142,171</b>

\*Five at \$5,000 each issued to Non-Profit Mobility Services Organizations

With the challenges relevant to uptake through the Electrify Your Fleet program, the Vermont Legislature, through Section 19 of Act 43 of 2025, authorized the transfer and use of monies to continue a partnership with Drive Electric Vermont. Specifically, the authorization called for up to \$325,000 in remaining monies previously appropriated to the Electrify Your Fleet program to be used by Drive Electric Vermont to continue its work to support increased ownership and use of PEVs in the state through stakeholder coordination, consumer education and outreach, infrastructure development and technical assistance to Vermont municipalities and businesses desiring to electrify their fleets.

## State's marketing and outreach efforts related to the programs

[Drive Electric Vermont](#) (DEV) has been the principal organization responsible for marketing and outreach related to the State of Vermont's clean transportation incentive programs. DEV was launched in 2012 by VEIC as a statewide public-private partnership of policy makers, industry leaders, and Vermonters working together to increase transportation electrification in our state. DEV aids the State of Vermont, electric distribution utilities, and while the State's New PEV, Replace Your Ride, and eBike Incentive Programs were active, the Center for Sustainable Energy in providing individual consumers and businesses with information on EV purchasing, including incentive offers.

DEV's ongoing activities include:

- Providing a forum for EV knowledge sharing and coordination through Drive Electric Vermont stakeholder meetings and technical assistance to State agencies, electric utilities, businesses, local government, and other partners on issues related to transportation electrification in Vermont.
- Maintaining and updating the DEV website, which received about 75,000 visitors last year. The site provides information on current EV models and incentives available to Vermonters and addresses key issues to support EV sales.
- Phone, email, and online chat customer support for individuals or businesses with questions related to EVs.
- Assistance for businesses and municipalities considering EV fleet and/or EV charging investments.
- Equity-focused outreach on opportunities for EVs to improve transportation affordability and support informed EV purchasing for low-and-moderate income Vermonters.
- Supporting public, workplace, and multi-unit residential EV charging installations with technical assistance, resources, and analytical review of State-funded EV charging investments.

With the bulk of the State incentive programs ending in October 2024, marketing and outreach were scaled back in 2025. Both the eBike and Electrify Your Fleet programs were promoted through the Drive Electric Vermont (DEV) website, DEV quarterly stakeholder meeting updates, and coordination with electric utility partners. The DEV team supported basic outreach to bicycle retailers on the eBike program and also connected with Local Motion on availability of funding. VEIC's DEV team also promoted the Electrify Your Fleet program through fleet electrification consultations with a handful of business, non-profit, and government entities. DEV's website included updates to all incentives programs to reflect program eligibilities and funds availability. They also [posted a resource](#) describing the outcomes of the programs.

As part of DEV's equity-focused EV work, they evaluated equity-oriented EV outreach focused on increasing EV adoption among low-income Vermonters and other underserved populations. This outreach work involved collaboration with Green Saving Smart coaches, the MileageSmart program, the Center for Sustainable Energy, and other partners to better understand barriers to EV adoption. The work concluded that even when State EV incentives were available, both purchasing and use of EVs remained a challenge for some low-income Vermonters as well as women, older adults, renters, and rural Vermonters. One-on-one support starting before an EV purchase was critical to addressing barriers and ensuring EVs would be suitable for some incentive recipients. The evaluation noted several opportunities for improvement including consideration of how multiple assistance programs can impact one another in unanticipated ways without coordinated engagement.

On the federal front, the FY2025 reconciliation law, commonly known as the One Big Beautiful Bill Act (OBBA), reforms energy-related tax provisions originally enacted or expanded in the Inflation Reduction Act

of 2022 (IRA). The OBBBA made changes to IRA tax credits for electric vehicles, building energy use, and clean fuel production. DEV resources were updated with information on the EV federal tax credit programs, including the sunset of vehicle purchase tax credits in September 2025. DEV also connected with the dealer community to provide notice of the approaching end of the programs.

As was described in the summary of the Electrify Your Fleet program above, DEV will continue providing outreach, education and technical assistance to support increased ownership and use of PEVs in the state. DEV will also support state efforts for coordinated EV charging equipment deployment through additional planning and outreach.

## Recommendations

The purpose of Vermont's clean vehicle incentive programs is to reduce GHG emissions from the transportation sector and help the state achieve its GHG emission reduction targets, while also ensuring that the transition to clean transportation is accessible to all Vermonters. The most desirable programs will be both cost effective and equitable and can be implemented at a scale that meaningfully contributes to overall emission reductions. The Agency in close partnership with the Legislature worked to refine the programs to rapidly increase and optimize their impact - increasing utilization and directing more and more funding to vehicles with the highest greenhouse gas reduction potential (BEVs) for households with the greatest need (lower incomes).

While there is some level of consideration that should be given to tiering incentives for leases and used vs. new vehicles, if funding were to become available in the future the focus should continue to be on the lowest income Vermonters and for the greatest GHG reductions. In 2024, the Administration put forth an application to the Environmental Protection Agency for continuance of funding of incentives through the Carbon Pollution Reduction Grant Program. That application was unsuccessful. In 2025, through language in H.289, the Administration suggested continued funding for vehicle electrification through a portion of Regional Greenhouse Gas Initiative proceeds but that bill did not move forward in Committee. Given the federal administration's sunsetting of the Inflation Reduction Act's Clean Vehicle Credits and other recent federal actions and their impact on the advancement of vehicle electrification, as well as a lack of an identified funding source, the Agency recommends the near-term focus be on electric vehicle charging infrastructure.

The Agency worked over the past two years to secure federal National Electric Vehicle Charging Infrastructure funding, being only one of four states able to do so thus far. The Administration also directed \$2 million in ARPA funds to charging infrastructure deployment. Both sources of funding will support a consistent and reliable network on the state highway network. In alignment and in concert with these efforts the Legislature authorized, and the Governor approved through Act 148 of 2024 and Act 27 of 2025 over \$3 million in state funds to continue electric vehicle charging infrastructure deployment at workplaces and multiunit dwellings. The Agency and the Administration are committed to continuing to plan for and implement the most effective deployment of accessible charging. The goal of this planning is to alleviate range anxiety and create a reliable, sustainable, and equitable charging network. Access to the right type of charging in the right place is critical to encouraging adoption and ensuring EV ownership is practical and affordable for everyone.