

Maine’s Electric Vehicle Rebate Initiative

Concept Draft Program Proposal for Discussion and Comment as of 5/16/2019

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Key Dates for Stakeholder Feedback:

Thursday, May 30, 9:00-11:00 a.m.	Stakeholder meeting for comments and questions Efficiency Maine Trust 168 Capitol Street, Suite 1 Augusta, ME 04330 Please register by contacting Michelle Fenlason at (207) 231-4150 or mfenlason@efficiencymaine.com
Monday, June 3, 3:00 p.m.	Written comments due – please email Michelle Fenlason at mfenlason@efficiencymaine.com
Monday, June 10	Updated program design circulated to stakeholders

Draft Program Design:

1. Definitions

- a. **Battery Electric Vehicle (BEV):** "Battery electric vehicle" means a fully electric, zero-emission vehicle that has an on-board electrical energy storage device that is designed to be recharged using an external energy source.
- b. **Plug-in Hybrid Electric Vehicle (PHEV)** "Plug-in hybrid electric vehicle" means a vehicle that uses an on-board electrical energy storage device that is designed to be recharged using an external energy source to power an electric motor and also uses a petroleum-based fuel to power an internal combustion engine.

2. Rebate Amounts:

- a. Battery Electric Vehicles (BEV) for FHWA Class 2 and 3 Passenger Cars, Vans or Trucks (less than Gross Vehicle Weight Rating of 10,000 lbs. -- **\$2,000**
- b. Battery Motorcycles (FHWA Class 1) -- **\$900**
- c. Plug-in Hybrid Vehicles (PHEV) (FHWA Class 2 and 3 Passenger Cars and Trucks) -- **\$750**
- d. Note: Certain priority fleets, including those operated by state and local governments, will be subject to a companion EV initiative from Efficiency Maine. Details of eligibility and rebate amounts for those fleets are *not* the subject of this Program Design and will be addressed separately.

3. Eligibility:

- a. Applicant:
 - i. Maine resident;
 - ii. A Maine auto dealer or an auto manufacturer acting on behalf of a Maine customer who is purchasing or leasing an eligible EV; or
 - iii. A business or nonprofit corporation that is organized under the laws of the state or has a Maine-based affiliate at the time of purchase or lease where the vehicle is intended to be based and used.
- b. Vehicle:
 - i. Must be a PHEV or BEV listed on Efficiency Maine site
 1. Source: streamlined list of eligible vehicles from Federal Fuel Economy site--
<https://www.fueleconomy.gov/feg/PowerSearch.do?action=noform&path=1&year1=1984&year2=2019&vtype=Electric&pageno=1&sortBy=Comb&tabView=0&rowLimit=10>
 - ii. New vehicle, purchased or leased, between program launch date and December 31, 2019 by its original equipment manufacturer or licensed automobile dealer in Maine.
 - iii. New vehicle must be purchased or leased from a participating Maine auto dealer or direct from the manufacturer (see next section).

- iv. Vehicle has not been the subject of a previously completed retail sale, or registered with the Maine Bureau of Motor Vehicles, or registered with the appropriate agency or authority of any other state, District of Columbia, territory or possession of the United States, or foreign State, province, or country.
- v. Vehicle must have a battery and electric drive train that are fully covered by the Original Equipment Manufacturer's (OEM) warranty.
- vi. Vehicle must be titled in Maine.
- vii. Vehicle purchase price must not exceed \$50,000, net of delivery charges (Final purchase price is defined as the price listed under the "Total Cash Value" or "Agreed Upon Value" or similar field on a Motor Vehicle Purchase Agreement or Motor Vehicle Lease Agreement or similar contract).

4. Application process

- a. Applicant Eligibility
 - i. Maine Bureau Motor of Vehicle Form "Application for Certificate of Title" field 6 requires applicant to verify legal residence if different from mailing address. Any application listing a non-Maine address in field 6 of the Form will be ineligible for a rebate.
- b. Car Dealership
 - i. Participating car dealer will confirm eligibility during purchase or lease process.
 - ii. Car dealer will provide an instant rebate at the point of purchase or lease.
 - iii. Copy of the Rebate Form, copy of Maine Bureau of Motor Vehicles' Form "Application of Certificate of Title," and executed sale or lease agreement will be shared with Efficiency Maine within two weeks of purchase or lease date.
 - iv. Efficiency Maine will reimburse car dealer for rebate amount via electronic fund transfer.
- c. Direct from Manufacturer
 - i. Customer will submit rebate form and copy of Maine Bureau of Motor Vehicles' Form "Application of Certificate of Title" and executed purchase or lease agreement with Efficiency Maine within three months of purchase or lease date.
 - 1. Consider online form with dropdown menu of eligible vehicles
 - ii. Customer-direct applications will only be accepted for the purchase or lease of an eligible vehicle directly from an original equipment manufacturer (OEM) that does not have licensed franchised new automobile dealers in Maine (e.g., Tesla). If such vehicles become authorized for sale or lease within Maine, applicants will be required to purchase or lease such vehicles from retail locations within the state.
 - iii. Customer will be mailed a rebate check if all eligibility criteria are met.

5. Application Materials:

- a. Copy of Rebate Form; AND
- b. Copy of Maine Bureau of Motor Vehicles Form, "Application of Certificate of Title"; AND
- c. Copy of Retail purchase/lease agreement; AND
- d. For Business applicants – Also, a copy of local business license, articles of incorporation, or documents filed with Maine Secretary of State

6. Terms and Conditions (Ts & Cs):

- a. Applicant attests that they will retain registration of the vehicle for a minimum of 36 consecutive months immediately after the vehicle purchase or lease date.
- b. Rebate recipients who do not retain the eligible vehicle for the full 36-month ownership or lease period will be required to reimburse Efficiency Maine the full amount of the original rebate.
- c. Vehicle purchaser or lessee is required to notify Efficiency Maine and reimburse Efficiency Maine for the entire rebate amount under certain conditions.
- d. Applicant attests that:
 - i. they will not make or allow any modifications to the vehicle's emissions control systems, hardware, software calibrations, or hybrid system;
 - ii. any emission reductions generated by the purchased vehicle will not be used as marketable emission reduction credits, to offset any emission reduction obligation of any person, or to generate a compliance extension or extra credit for determining regulatory compliance; and
 - iii. they will be available for follow-up inspection if requested, or an Efficiency Maine designee for project oversight.
- e. Dealers will not be reimbursed for instant rebates given to customers or vehicles that are found to be ineligible for the rebate.
- f. Dealers will refund to EMT amounts paid for instant rebates for EVs that are purchased or leased, and then are returned to the dealer for a full refund or exchange.

7. Implementation

- a. All car dealerships in Maine will be invited to participate.
- b. Dealer Eligibility
 - i. Car dealership of new vehicles, registered and operating in Maine; AND
 - ii. Offer for purchase or lease at least one of the BEV or PHEV eligible vehicles listed on the Efficiency Maine website; AND
 - iii. Execute MOU with Efficiency Maine.
- c. All applications will be reviewed for compliance; dealers will not be reimbursed for any rebates awarded to ineligible customers or ineligible vehicles.
- d. Dealers may contact Efficiency Maine regarding eligibility questions in advance of the point of sale should eligibility be unclear.

8. Program Materials needed

- a. Program Manual for Dealers
- b. MOU for Participating Dealers
- c. EV Rebate brochure
- d. Rebate form (possibly online for customers buying direct from manufacturers)
- e. Web Resources
 - i. List of eligible vehicles
 - ii. List of participating dealers

Discussion

2a. BEV Rebate Amount

- Commensurate with peer programs
 - NH Coop -- \$1,000
 - Burlington Electric (VT) - \$1,000-\$1,200
 - CT -- \$1,500-\$2,000
 - NY -- \$1,700-\$2,000
 - MA -- \$1,500
 - OR -- \$2,500
 - CA -- \$2,500
- Impactful incentive on incremental cost of EV compared to baseline
 - Incremental cost of EVs range from \$10,000-\$15,000 more than comparable Internal combustion engine vehicles (comparing MSRP)
 - Net of federal tax credit, the increment is in the range of \$2,500-\$11,250
 - \$2,000 rebate is in the range of 18%-80% of the remaining incremental list price (after factoring in the federal tax credit)
 - Note: this does not account for incremental customer cost to install a home charger
- Flat amount keeps it simple
 - Easier market and explanation for dealers, government and non-government supporters
 - Easier for buyers to remember, understand, calculate net cost
 - An alternative used in other states is a tiered rebate based on the size of the battery or the listed range
 - Easier to administer, budget, account for, make future adjustments

2b. Motorcycle Rebate Amount

- Commensurate with peer programs

2c. PHEV Rebate Amount

- Peer states offer range \$500-\$1,000
- PHEV rebates reflect majority of rebates issued in states where both are offered
- Majority of ZEV vehicles leased and purchased in Maine are PHEVs

3a. Applicant Eligibility

- Open to both residential, commercial/non-profit and government applicants

3b. Vehicle Eligibility

- Dates will allow for program updates or adjustments during calendar year
- Newly purchased and leased only – environmental benefits are assured by newly purchased and leased cars, per Memorandum Of Understanding agreement of governing funding. Used cars will not result in incremental emissions reductions. While EMT could conceivably ensure that an EV purchased in Maine does not receive more than one incentive in Maine, it would be administratively burdensome, costly and slow; it would be even more so to determine if a used car had already been incentivized in another state.

- Application process must allow for cars purchased or leased direct from manufacturer that are not available through a Maine dealer (i.e. Tesla models)
- Many peer organizations have a price limit to prevent the rebates being used for luxury models and to keep the rebate amount a meaningful percentage of the purchase price. Standard cap is \$50,000.
- Electric Bikes not eligible at this time – Program is aiming to start simple, with a limited number of offerings. Advancing the goal of emissions reductions presume displacement from a baseline vehicle that has emissions. The VMT and emissions rates that can be displaced by a motorcycle are likely to be significantly greater than from an electric bike. Also, electric bikes are likely to have less applicability outside of a few urban areas.

4. Application Process

- Instant rebates at time of sale will be easier for customers and most effective in helping customers overcome the cost differential between BEVs, PHEVs and conventional vehicles. Most customers will not need to submit additional paperwork and will not have to wait for a rebate. Applications from customers will be accepted for eligible vehicles not available from Maine based car dealerships (i.e. Tesla models). This program design is borrowed from Connecticut's program which provides instant rebates through car dealers but does not currently have a car dealership for every major make of electric vehicles.

6. Terms and Conditions

- Require a minimum purchase duration

Questions for Feedback

Efficiency Maine welcomes comments and reference materials on any issue relevant to the task of crafting the EV Rebate Initiative. Analysis of specific topics, or advocacy for particular positions, will be considered provided that they are relevant.

The Trust also invites responses that interested parties might submit in response to the following specific questions:

1. The rebate amounts were set to reflect a meaningful percentage of the incremental price differences for BEV and PHEV compared to equivalent size and style of non-electric vehicles. They also reflect an attempt to stay close to rebate levels from programs in neighboring states. Should the rebate amounts be further adjusted?
2. There is currently no limit for rebates per purchaser or customer address. This allows for multiple purchases by a business or institutional applicant. Should there be a limit of rebates per address or Tax I.D. per calendar year for residential or commercial applicants?
3. Should the program rules allow for a trade in earlier than the 36 month minimum lease or purchase duration if the customer opts for another BEV/PHEV?
4. Many Maine car dealerships do not currently carry BEV or PHEV vehicles in their inventory. How might the program best encourage and support Maine dealers to have the vehicles available for interested customers?
5. Efficiency Maine programs frequently include elements of contractor training and/or workforce development. Should the EV program include a training component for car dealership sales staff? If yes, what aspects of EV technology, vehicles, and/or charging would be important to include? How would this best complement training from vehicle manufacturers?
6. As Efficiency Maine Staff develops a communications and marketing plan for this program, what should we consider? When/where are the key decision points where the Trust could reach potential customers? Should we consider digital advertising, co-op advertising with dealers, etc.?

Responses may be shared during an in-person meeting, Thursday, May 30, 2019 from 9:00 -11:00 a.m. at the Efficiency Maine Trust office, 168 Capitol Street, Augusta, ME or electronically by emailing Michelle Fenlason at mfenlason@efficiencymaine.com. Written comments are due by Monday, June 3, 2019 at 3:00 p.m.