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H.475

Introduced by Representative Hooper of Randolph

Referred to Committee on

Date:

Subject: Motor vehicles; electric vehicles; incentive program

Statement of purpose of bill as introduced: This bill proposes to create an electric vehicle incentive program

An act relating to an electric vehicle incentive program

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. LEGISLATIVE FINDINGS

The General Assembly finds that:

(1) In its final report, the Vermont Climate Action Commission recommended building an electric vehicle point-of-sale customer incentive for new and used electric vehicles.

(2) Transportation energy burdens are particularly high for rural Vermonters with low income. A vigorous incentive for both new and used electric vehicles, combined with the lower fueling and maintenance costs of electric vehicles, could significantly lessen transportation cost burdens for Vermonters.

1           (3) State policy, including Vermont’s Comprehensive Energy Plan  
2           (CEP), recognizes vehicle electrification as an essential strategy for meeting  
3           the State’s climate and energy goals. The CEP calls for 50,000 electric  
4           vehicles, or 10 percent of the fleet in Vermont, by 2025, advancing to electric  
5           vehicles comprising 25 percent of the fleet by 2030. Vermont has only about  
6           2,600 electric vehicles on the road today, and electric vehicles in Vermont are  
7           just 3.5 percent of new passenger vehicle registrations. Projections show  
8           Vermont is not yet on track to meet its transportation-electrification targets.

9           (4) Meeting Vermont’s transportation-electrification targets will help  
10           make Vermont attractive to employers, workers, and tourists and help grow  
11           Vermont’s economy by keeping transportation energy expenditures in  
12           the State.

13           (5) In 2015, approximately \$830 million was spent on gasoline sales in  
14           Vermont. If this travel had all been powered by electricity, the cost would  
15           have been significantly less, saving drivers more than \$500 million.

16           (6) Vehicle electrification faces several barriers including electric  
17           vehicle model availability, publicly available charging stations, and lack of  
18           public awareness about the benefits of electric vehicles. While State  
19           government is working hard to address these issues, surveys consistently  
20           confirm that the up-front cost of electric vehicles is among the top barriers and  
21           that consumer incentives are effective in increasing electric vehicle sales.

1           (7) A robust consumer purchase and lease incentive would accelerate  
2           electric vehicle sales and help bring electric vehicle technology up to scale.  
3           Moreover, a consumer purchase and lease incentive would help consumers  
4           overcome the fear of change that can come with entering the electric vehicle  
5           market and the fear of obsolescence that can accompany the rapid growth of  
6           electric vehicle technology.

7           Sec. 2. ELECTRIC VEHICLE PURCHASE AND LEASE INCENTIVE  
8           PROGRAM

9           (a) The Public Service Department (PSD), with the cooperation and  
10           support of the Agency of Natural Resources (ANR) and the Agency of  
11           Transportation (VTrans), shall establish and administer a new and used electric  
12           vehicle purchase and lease incentive program (Program) for Vermont  
13           residents.

14           (b) The Program shall structure electric vehicle purchase and lease  
15           incentive payments by income to help all Vermonters benefit from electric  
16           driving, including Vermont's most vulnerable.

17           (c) Program elements:

18           (1) To better match the incentive to consumer behavior, the Program  
19           shall apply to both purchases and leases and to both new and used electric  
20           vehicles.

1           (2) Incentives of \$2,500.00 shall be available to households with income  
2           levels between 100 percent and 140 percent of the State's most recent median  
3           household income (MHI) level. Additional incentives of up to twice that  
4           amount shall be available to households below Vermont's MHI.

5           (3) Vehicles with a base manufacturer's suggested retail price (MSRP)  
6           of \$45,000.00 or less shall be eligible for the program.

7           (4) The program shall run for two years from the date the PSD makes  
8           the first incentive payment available, or until the available funds are fully  
9           obligated, with available incentives spread evenly across each year to the  
10           extent reasonably practicable.

11           (5) Funding shall be available on a first-come, first-served basis in each  
12           year of the Program.

13           (6) To the extent public electric distribution utilities are willing to  
14           participate, each sale or lease incentive would come with a Level 2 home  
15           charger to be funded under Tier 3 of Vermont's Renewable Energy Standard.

16           The home charger shall be subject to utility rate design to help the utilities  
17           manage grid load and provide optimal charging rates to the consumer.

18           Participating utilities shall help market the Program.

19           (7) Subject to state procurement requirements, the PSD may retain a  
20           consultant to assist with marketing, program development, and administration.

21           Up to \$75,000 of program funding may be set aside for this purpose.

1           (8) The PSD shall evaluate the Program annually to gauge its  
2           effectiveness.

3           Sec. 3. APPROPRIATION

4           The sum of \$20,000,000.00 is appropriated from the General Fund to the  
5           Public Service Department in fiscal year 2020 for the purpose of funding the  
6           electric vehicle incentive program.

7           Sec. 4. EFFECTIVE DATE

8           This act shall take effect on passage.