# Rivian Guilty of "Pre-Crime"

# Rivian Service Center Stalled By Dealership Lawsuit

We've seen this movie before.

In a replay of what we recently saw with Tesla, a lawsuit by an auto dealership has stalled the opening of a service center by a company that employs a direct sales business model. As reported in the <u>GreenwichTime</u>, the Town of Shelton approved a permit for Rivian to build a service center and this was appealed by Mario D'Addario Buick, Inc. As noted in the article, the complaint states that the facility will engage in the "sale of new and used Rivian vehicles in violation of Connecticut law."

Tesla previously received a permit from East Hartford to open a badly needed second service center in Connecticut. Hoffman Auto promptly filed an <u>action</u> specifying a similar basis. East Hartford subsequently withdrew the permit and Tesla did not further pursue the matter. The company continues to scout for another suitable location.

Of course, both Rivian and Tesla know the law and don't have plans to violate it. However, if the law were to be changed, and it has come before the legislature repeatedly (thus far unsuccessfully), their use of the facilities may change accordingly.

There is a difference between the Rivian and Tesla cases, which is that Rivian plans to use the proposed facility to deliver vehicles bought online. In Texas, another state that bans direct sales, Tesla has been able to deliver new vehicles at its service centers. They do not make deliveries in CT.

With a hat-tip to Philip K. Dick who coined the phrase, precrime refers to knowing someone is going to commit a crime they haven't yet committed, and is in the realm of science-fiction where it belongs. In our version of reality, it amounts to dealerships using the franchise laws pretextually to make getting these vehicles serviced as inconvenient as it is to buy them. It is part of the dealerships' continuing campaign to stifle competition and consumer choice.

# Leasing Loophole?

# Can Leasing Be a Workaround for the IRA EV Incentive Restrictions?

Post by Barry Kresch

This notion was floated a while back and I dismissed it as a fringe theory. However, it seems to be gaining traction.

The EV incentive is complicated, confusing, and a moving target. There are a lot of rules for consumers to understand. Manufacturers have to re-orient their supply chains in a hurry if they want to be compliant with battery and final assembly rules. And the IRS has not yet finished its battery-related rule-making, leaving us in a state of partial implementation for at least 3 months. Even a high level listing of all the rules is exhausting to read: North American final assembly, battery critical minerals sourcing percentages, entities of concern rule, battery North American manufacturing

percentages, MSRP cap, income caps, confusing body-style rules, transfer option. It's a lot.

These rules apply to consumer purchases of a new EV. There are also incentives for commercial EV purchases. There are some important differences, but the salient point for this post is that none of the consumer restrictions apply to commercial. When an individual leases a vehicle, the incentive goes to the dealer/lessor, which is a commercial entity. So does it, therefore, get classified as a commercial transaction? Consumer Reports writes that they have been told this is the case by a spokesperson at the Treasury Department.

The commercial incentive is 30% of the cost of a BEV/15% of the cost of a PHEV or the incremental cost over a replacement vehicle. These are capped at \$7500 for vehicles under 14,000 pounds (light duty) and \$40,000 for vehicles over 14,000 pounds. Per the Department of Energy, all light duty BEVs and most PHEVs qualify for the full \$7500.

In addition to Consumer Reports, this has been reported in other major press outlets and is being discussed seriously by other organizations that are closely reading the IRS text. Senator Joe Manchin is hurling thunderbolts that he adamantly opposes this interpretation, that it goes against the intent of the law. He's right about that, of course, but that may not matter. It's the IRS's ballgame now, (Section 45W). It could potentially be addressed legislatively but nothing is happening in this Congress (as of this writing, not even a Speaker). The fact that Manchin is that exercised is an indication that he is taking this seriously.

This seems to be the relevant language from the IRS:

## "Q5. Is a taxpayer that leases

# clean vehicles to customers as its business eligible to claim the qualified commercial clean vehicle credit? (added December 29, 2022)

A5. Whether a taxpayer can claim the qualified commercial clean vehicle credit in its business depends on who is the owner of the vehicle for federal income tax purposes. The owner of the vehicle is determined based on whether the lease is respected as a lease or recharacterized as a sale for federal income tax purposes."

A typical 36 month lease should qualify (i.e. not be in danger of being reclassified as a sale).

Leasing has always been a way for someone who does not have enough tax liability to make use of the full tax credit because it goes to the dealer. It is up to the buyer to press the seller for transparency regarding how much it is lowering the monthly payment as the seller is not legally obligated to pass it on to the consumer.

This is a major development. We will follow this and provide updates as they become available. If anyone tries to obtain this incentive, please share your experience with us.

One other note — while we are in this period before the battery minerals sourcing and manufacturing rules go into effect and the old battery rules are still in force (meaning incentives are most likely higher than they will be once the rules are implemented), Treasury has announced that eligibility for these temporarily higher incentives requires physically taking possession of the vehicle (the IRS language is "placed in service") before the rules are in effect. A firm contract is not good enough, as it was regarding the August 16th start of the final assembly rule.

The photo at the top of the post is of a Hyundai Ioniq 5. It has been a well-received EV but is currently excluded from incentives because it is imported (though they're building a factory in Georgia). It is one of the more significant models to be affected by this prospective development.

## EV Club Look-back on 2022

2022 was an action-packed year as you can see below. But we wanted to begin by saying a big **Thank You** to all of our members and supporters.

## **EV Evangelist Award**

Club president, Barry Kresch, was given an award by Southwestern CT Clean Cities Coalition for Outstanding Leadership in EV Education. This award is a public acknowledgement of the positive contributions Barry and the EV Club of CT have made towards our mission of evangelizing the rapid adoption of EVs.

### The Year of Incentives

With legislative and regulatory pushes at the federal and state levels, EV purchase and charging incentives became both more numerous and more complex in a big way over the past year — and it's not over yet. The IRS is still working on the rule-making for the incentives in the Inflation Reduction Act and the US Treasury has delayed EV tax credit guidance regarding battery sourcing until March 2023. DEEP is still in the process of implementing the changes to CHEAPR from PA 22-25, and PURA is conducting its year one review of the charging

installation and managed charging incentives being offered via Eversource and United Illuminating with anticipated changes to follow. We have spent considerable time keeping up with developments on our <u>incentives page</u> and various blog posts.

## **Advocacy**

We remain engaged with policy makers, including for SB-4 last year, which significantly augmented the CHEAPR program. Our biggest disappointment was another year without a direct sales bill. The club has a seat on the policy committee of the national Electric Vehicle Association, with whom we partnered to submit comments to the <u>IRS</u> regarding the Inflation Reduction Act. Similarly, the club partnered with our EV Coalition partner, Save the Sound to submit comments to the Public Utilities Regulatory Authority regarding the year one review of the utility incentives.

# Speaking Engagements and Appearances

The club educates the public about EVs through virtual and inperson speaking engagements, panels and events. Engagements in 2022:

- Wakeman Town Farm Westport
- Transportation Summit CT League of Conservation Voters
- Schiller Shoreline Lifelong Learning Institute in Guilford (with People's Action for Clean Energy — PACE)
- Y's Men YMCA, Westport
- Greenwich Conservation Commission/Greenwich Sustainability Committee
- Westport Rotary
- CT Humanist Society Hamden
- Town of Kent (with PACE)
- Sustainable Essex

- EVs for Law Enforcement Clean Cities Panel
- Westport Senior Center
- Clean Transportation Day for legislators in Hartford

#### **EV Showcases**

There are numerous events around the state and the club supports as many as we can, sometimes by participating directly or other times by helping to recruit EV owners to exhibit their vehicles. We let our members know about these via emails, blog posts, and our event calendar and have participated in events from Greenwich to Essex. Showcases tend to cluster in spring and fall around Drive Electric Earth Day and National Drive Electric Week. We also supported the return of the Electric Car Guest Drive, an event in which EV owners are paid to participate with their vehicles.

## Wilton Fire Department

As we did with Westport a year ago, we arranged for club members to bring EVs to the Wilton Fire Department for <u>first responder</u> training. Aside from the requisite instruction, these events are a lot of fun as the first responders we speak to are genuinely engaged and have many questions.

#### Food Rescue US

When gas prices spiked, the volunteer drivers that this organization depends upon to "rescue" food before it is discarded so it can be donated to organizations serving food insecure families became harder to come by. A number of club members stepped in to <u>fill this need</u>. Food Rescue advised us they considered club participation to be a huge success.

# EV Club Joins for Event with Rivian Owners Club

The new Rivian R1T pickup and R1S SUV have begun to be delivered to reservation holders in 2022. In May, the EV Club joined up with the Rivian Owners Club for a meetup at the Bridgeport Brewing Company with Rivian owners showing their vehicles to EV Club members. Funds from an event fund raiser went to support our EV Coalition partner, Save the Sound. See the video tour.

#### CT EV Data

- <u>EV Dashboard</u> based on our Freedom of Information Act Requests of the Department of Motor Vehicles — updated semi-annually.
- <u>CHEAPR rebates</u> monthly and an annual summary of rebates by dealership (our proxy for EV-friendly dealers to the extent they sell CHEAPR-eligible vehicles).
- Ad hoc projects, such as the financial analysis done for the <u>Westport Police Tesla Model 3</u> patrol car with the possibility of an update for the new <u>Model Y patrol car</u>.

# **Public Meetings**

It has been more challenging to hold meetings during the pandemic. We have tried to fill the gap with virtual meetings at which we hosted speakers. This year we had speakers from Eversource and UI discuss the new consumer and commercial charging programs. A brand ambassador from Aptera joined us to discuss their unique approach to a solarized EV. We ended the year with a gathering at the new net-zero Hotel Marcel in New Haven where we celebrated the opening of L2 and Tesla charging stations.

# It's January 2023 — Do You Know Where Your EV Incentives Are?

# Inflation Reduction Act Incentives Officially Begin — But Which Cars Qualify?

It is anticipated that consumer confusion will ensue with the advent of the new incentives. Not only have they become a lot more complicated, but many manufacturers have yet to finish the registration process that certifies vehicles. Also, the IRS, which was handed the Herculean task of crafting all of the implementation rule-making in the span of about 4 months, unsurprisingly, is not yet finished. The Department of the Treasury has announced a 3 month delay. This most particularly affects the rules concerning batteries. The incentive provisions are, therefore, being phased in.

## No More Manufacturer Cap

The manufacturer unit sales cap is now gone. That means that Tesla and General Motors are no longer excluded on that basis. Toyota, Ford, Nissan, and Hyundai/Kia had also either surpassed or were close to reaching the 200,000 unit threshold, which will now not apply to them either. (Toyota and Hyundai/Kia are presently disqualified due to final assembly not occurring in North America.)

# Delay in Battery Rules Means 3 Months Without Them

The biggest challenge for the automakers will be to source the required percentage of critical minerals, either domestically or from countries with whom we have a free trade agreement. A somewhat lesser challenge will be to have battery assembly located in North America. But for this 3-month window before the rules are complete, they simply don't apply. This is, in effect, Treasury's "Buy Now" sale! Incentives for most BEVs will almost certainly decline when the new provisions get implemented as this degree of supply-chain reorganization will take some time, but for now, enjoy the full \$7500 incentive. Note: The buyer must be in possession of the vehicle prior to the implementation of the new battery rules to take advantage of the full incentive if the new rules would cause the vehicle to lose all or some of it.

Absent the new battery rules, PHEVs are subject to the battery pack size rules that existed before the IRA. When the new rules kick in, PHEVs will be eligible for the same incentives as BEVs.

# Which Cars Are Eligible?

Good question, and not exactly straightforward. This is the page on the <u>IRS website</u> that lists the manufacturers and specific vehicles. A number of manufacturers, namely Kia, Mazda, Mercedes, and Subaru are listed as having entered into an agreement to become a "qualified manufacturer," but have not submitted specific vehicles. Other manufacturers are missing from the page altogether. Specific vehicle models are listed for Audi, Ford, GM, Nissan, Rivian, Stellantis, Tesla, Volkswagen, and Volvo. For the vehicle models that are listed, eligibility is not guaranteed (see MSRP cap below). The IRS advises this page will be updated on an ongoing basis.

### **MSRP** Cap

Treasury is defining MSRP as the manufacturer's suggested retail price, including options, accessories, and trim (but not destination charges). This may be different than what you pay for the vehicle. For example, if a dealer either discounts or surcharges the price, it is still the price as suggested by the manufacturer that rules.

How a vehicle is classified with respect to body type determines which MSRP cap applies. Vans, SUVs, and pickups have an \$80,000 cap. All other vehicles have a \$55,000 cap. And it looks like the IRS is being persnickety about this classification insofar as crossovers, which in the marketplace are direct competitors to SUVs, are not classified as SUVs and are subject to the lower cap. Some examples are the Ford Mustang Mach-E, the 5-seat version of the Tesla Model Y (the 7-seat version is classified as an SUV), all of the non-AWD versions of the VW ID.4. It doesn't make a lot of sense to me either. Unfortunately, we foresaw this problem and included it as part of our comments to the IRS. It is a sneaky thing that ends up overweighting the incentives toward PHEVs.

Just because a vehicle is listed on the IRS web page does not mean that there is a trim level that falls under the cap. The cheapest Tesla Model Y, for example, is \$65,990 (long range, non-performance, 5-seat configuration), obviously more than the \$55,000 cap.

### Other rules

Personal income rules are in effect — \$300K for joint filers, \$225K for head of house, \$150K for a single filer. You can use current (purchase) year or prior year income to make this determination.

The incentive is in the form of a tax credit for when you file

your 2023 taxes. The transfer option doesn't take effect until 2024. Yes, you can use a tax credit if you use the standard deduction. The credit is good insofar as you have the tax liability to burn it off. To the extent the credit isn't used, it goes away — no carry forward. Leasing the vehicle is a way to utilize the credit if you don't have the tax liability.

The used EV incentive is now in effect.

North American final assembly rules have been in effect since the legislation was signed by President Biden on August 16th. The Department of Energy has a VIN decoder on this page, which you can use to make sure. Unfortunately, a VIN is not available until late in the sales cycle if you custom order, though it is available for a car on the lot.

The seller is required to send to the IRS the vehicle VIN and the purchaser's tax ID. The purchaser is required to include the VIN when filing for the credit.

For a more complete description of how the new incentives work, please see our <u>incentives page</u>.

Note: All incentive advice is to the best of our knowledge and cannot be guaranteed. Also, IRS rule-making may subsequently change things.

# Westport Police Add New Tesla Model Y

### New Model Y Enters Service

The Westport Police have entered a new Tesla Model Y into service. It has been fully customized for law enforcement duty.

The department now has a subscription to Tesla-fi and we will be monitoring electricity use and battery degradation. We are in touch with the police and may look at the metrics more broadly as we did in our extensive analysis of the Model 3 which was published about 18 months ago <a href="here">here</a>.

The WPD has been lean-forward with respect to EVs from the start. They have been very happy with their Teslas, which exceed the performance and safety standards required for patrol cars, and which have gotten great feedback from the officers that have used them. But they have also acquired other non-Tesla EVs for things like parking patrol, the detective squad, and school patrol. In addition to EVs, they have installed level 2 EV chargers at the two Metro-North parking areas, which are under their management. Outside of commuter hours, these chargers are open to the public. Some of them are convenient to an area where there are a lot of restaurants and shops. And a number of them are powered by a solar array that sits atop the Saugatuck depot building. The police have also been supportive of EV Club events when we have needed to use the Saugatuck parking area.

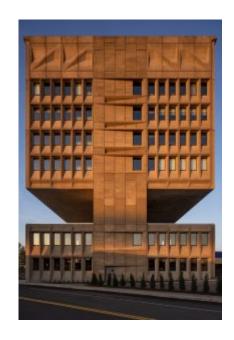
The department was recognized by the CT Southwestern Area Clean Cities Coalition for its Municipal Readiness Award. The photos below are Chief of Police, Foti Koskinas, accepting the award and a front view of the Model Y. The award ceremony was December 13th.





# Charging Cluster at Hotel Marcel

24 Chargers at Hotel Marcel in New Haven









Photos: Hotel Marcel, Maxwell Electric Shuttle Minibus parked at an EVConnect charger, Solar Canopy and Tesla chargers, charging under the canopy

At long last, the chargers at the Hotel Marcel in New Haven are live. The hotel is located in the Long Wharf area, next door to IKEA. There are 12 Tesla 250 kWh Supercharger stalls and 12 level 2 chargers from EVConnect with J-1772 connectors. The infrastructure is present to triple the number of L2 chargers to 36. You can use the EVConnect app to use them. Just download it from <a href="Apple App Store">Apple App Store</a> or <a href="Google Play">Google Play</a>, then scan the QR code, use the Guest Checkout option, then charging starts right away. Alternatively, if you already have a ChargePoint account, you should be able to start charging by just tapping your phone on the charger, or using the ChargePoint app. The rate for the level 2 charging is set by

the hotel and it is being made available gratis. Tesla is responsible for setting the supercharger rate.

The IKEA next door has another 2 level 2 chargers (free) and there is a planned Electrify America level 3 installation coming.

The lobby area of the hotel is open 24/7 with rest rooms and food available. While you are there, check out this very cool facility, housed in a 1960's landmark Brutalist building retrofitted as the nation's first net-zero hotel. Power comes from solar panels on the roof and solar canopies, complemented with batteries, energy efficient electric appliances and fixtures. Even the elevators have "regenerative braking" when they are descending. The 11th Commandment: No electron shall go to waste. The insulation is very tight, including the German-made windows, which allow for passive heating in the winter. All of this makes for effective sound insulation, as well. Even though it is near a busy highway, the rooms are totally quiet.

## 20 Chargers Coming to Fairfield

The Town of Fairfield will be installing 20 level 2 charging ports (10 dual port units) at Sullivan Independence Hall sometime in first quarter 2023. These are intended for use by the town fleet. The town doesn't have the vehicles yet — like with everyone else, deliveries are slow. But it's great they're thinking ahead. These are networked and could be repurposed for consumer use, but it is not known if that will happen.

Both the Hotel Marcel and the Town of Fairfield made use of the utility incentives for these installations.

# Ford Dealers Cry Foul Over New Program Rules, But Why?

Post by Barry Kresch

# Dealerships Up In Arms Over Ford Demands

Sparks are flying between Ford dealerships and Ford Motor Corporate over a looming deadline for dealers to declare whether they want to opt-in to Ford's new structure for selling EVs.

#### Ford Plan

Despite the success of its two most recent consumer battery electric vehicle (BEV) entries, the Mustang Mach-E and the F-150 Lightning, Ford CEO Jim Farley said the company needs to further streamline its operations and specialize if it is going to become a leader in electric vehicles and achieve the kind of margins seen at Tesla. Farley announced in March that Ford would be splitting the company into 3 divisions: Ford Blue Oval, Ford Pro, and Ford Model e. Blue will sell the company's ICE vehicles, including conventional hybrids and plug-in hybrids. (Ford currently sells only 1 plug-in hybrid, a version of the Escape, a low-volume vehicle with only 72 registered in CT as of July 1.) Pro is what it sounds like — commercial vehicles. Model e dealers will be the only dealers entitled to sell BEVs. Dealerships electing not to go with the certification remain Blue Oval.

Farley was quoted by <a href="CNBC">CNBC</a> as saying, "We are going all in,

creating separate but complementary businesses that give us start-up speed and unbridled innovation in Ford Model e together with Ford Blue's industrial know-how, volume and iconic brands like Bronco, that start-ups can only dream about."

When Ford announced the particulars at its dealership meetings in September, dealers were advised that in order to be a Model e certified dealership, they must be prepared to invest up to \$1.2 million for infrastructure, do business under certain prescribed rules, and make a decision by 12/2 (pushed back from the original deadline of 10/31). Those dealerships moving forward with this arrangement are to be Model e Certified Elite. Ford is also offering a lower-investment tier, just Certified (no Elite) of \$500,000 that comes with a cap on the number of EVs they will get. According to Autoblog, the cap is 25 vehicles annually and they are not permitted to be displayed on the showroom floor. This may be a useful option for lower-volume dealers.

#### Other requirements:

- Dealers have to ensure the chargers remain in good working order.
- Chargers must be public-facing.
- Other investments are required for equipment to service EVs, and again, they have to do this anyway.
- Pricing transparency. Dealers set the price of the vehicles, but every customer of that dealer gets the same no-haggle price. The price can be different at different dealers.
- Transactions can be done online or at the dealer.
- Dealers have to deliver EVs to buyers.
- Dealers must have pick up and drop off service for when vehicles need to go to the shop.
- Ongoing staff training is required. (I've lost track of how many club-members report they know more than the salesperson.)

The Model e arrangement begins in January 2024. Dealers who do not opt for Model e will be given another window to do so in 2025 to begin selling EVs in 2027.

# CT Dealers Invoke the Power of the State

The Farley plan is bold, but it seems to be too bold for CT Ford dealers. They complain that it is too high a mandatory investment in too short a time frame. In addition to the investment, dealers are reportedly not happy about the restrictive pricing policy, and generally being told what they can and cannot sell on any level.

As reported in <u>CT News Junkie</u>, local dealers have gotten state and federal politicians to speak out on their behalf. U.S. Senator Richard Blumenthal is quoted as saying, "I'm convinced there is a case that needs to be investigated here." Presumably, he is suggesting that the Federal Trade Commission get involved. From State Representative Roland Lemar (D — New Haven), "I think we all are going to call on Ford strongly post this meeting to rescind these terms and to restart this conversation." And State Senator Heather Somers (R — Groton) opined, "The amount of investment required for our local dealers is staggering, absolutely staggering."

How often does it happen that private businesses are able to get government to intervene in a commercial dispute?

## Our Perspective

Ford's plan is an aggressive gambit of the kind we haven't often enough seen from the legacy automakers. Even though Ford is among the best positioned of these companies from the perspective of its having developed two of the most successful EVs, Farley deserves credit for pushing forward and betting on innovation.

But let's unpack the dealership complaints.

Regarding notice, the dealerships have known this was coming since March. Though the specifics were not announced at that point, it looks to us like there were ongoing discussions with dealers, which is how the non-elite version of Model e came about as it was not a part of the earlier announcements. Yes, they have to make a big decision, but it did not come out of the blue.

According to **Inside EVs**, 90% of the upfront cost is for the installation of DC fast charging equipment. It is unlikely that any dealer will pay anywhere near \$1.2 million. There are state and federal incentives available and they are generous. The state incentive is through Eversource and United Illuminating. DCFC installations can receive up to \$150,000 (baseline) or \$250,000 if the location is an under-served community, and the funds can cover 100% of make-ready (the expensive task of bringing the power, a lot of power, to the location) and up to 50% of the cost of the hardware. Furthermore, the make-ready can include oversized panels or additional conduit for future-proofing purposes. There is also a provision for EV chargers in the Inflation Reduction Act (rule-making for the IRA is still in progress). I would not be surprised if these incentives cover ~70% or more of the cost. Of course, Ford is not in a position to make specific promises about what in the way of incentives a given dealer would get, so they have no choice but to state the max cost.

If a dealership is going to be in the EV business, they need chargers anyway! Ford notes the ubiquity of its dealerships. This part of the plan will put EV chargers front and center and turn that necessity into a marketing asset. Ford has financing programs in place. And the dealers can charge for the electricity.

# Most Dealers May Not Be Like CT Dealers

Not all dealerships oppose what Ford is asking. In fact, CT appears to be in the minority. <u>CNBC</u> quotes Tim Hovik, a Nevada dealer and head of the Ford National Dealership Council which represents Ford's franchised dealers, who characterized the plan as "well-received."

"The dealer body wholeheartedly agrees with Jim's assessment, we very much want to be the most valuable franchise out there. We're big fans of that," said Hovik. "It's really all about growth."

No local Ford dealers spoke on the record in the CT News Junkie article. The only dealer quoted was Jeff Aiosa in his capacity as an officer of the CT dealer association. He owns a Mercedes dealership.

#### Lemonade

Dealerships have often been a weak link in EV sales. Not all of them, but many. Their innate conservatism is part of what is causing the traditional car companies to badly lag Tesla. The share of registered EVs in Connecticut that are Tesla is higher in 2022 than it was when I first began tracking adoption in 2017.

Ford's Farley has commented that he would like to incorporate some of what he feels are the advantages of direct sales into the way Ford sells EVs. Ford, itself, cannot turn to direct sales. There are franchise laws and they're not going away. I assume he feels it is pointless to challenge them even if he wanted to.

When I read about the Model e plan, I thought, "He's figured out how to make lemonade." The dealership in this model

actually becomes an asset.

If every Ford dealer has publicly accessible DCFC prominently displayed, it sends a message to the consumer that this is a brand that is serious about selling EVs. The pricing transparency may work to reduce the dealer markups over MSRP or attempts to force customers to buy options they don't want. Ford has been opposed to these practices. If owners of other brands are allowed, even encouraged, to charge at a Ford dealership, it is a way for them to see what Ford is offering and how they approach selling EVs that may influence the purchase of their next vehicle.

Aside from the chargers and pricing, the other requirements listed in the bullet points go beyond what many dealers offer today, but they will all contribute to a better consumer experience.

Ford is not so gently encouraging specialization. While a Certified-Elite dealer can continue to sell ICE vehicles, the program pushes them to emphasize, and I suspect at some point only sell, EVs.

Ford's plan is a serious attempt to solve the dealership conundrum. It is different than the "put up or shut up" approach of GM, where the company ended up buying out 17% of its Cadillac dealerships that were not prepared to invest in EVs.

I beg to differ with Senator Blumenthal. We don't need an investigation. We need forward-looking, consumer-friendly ways of doing business.

#### Update:

Multiple sources are reporting that two-thirds of Ford dealerships have elected to participate in Model e with the majority opting for the Elite certification level. There are some other areas where like CT there is a more organized level

of opposition.

Lawsuits have been filed by dealers and their associations against Ford. We don't have the Venn diagram to know the overlap between those who signed up for the program and those who filed suit. It is possible a dealership might opt-in to Model e to avoid being shut out of EV inventory and still participate in the lawsuits pushing back on Ford. A description of the cases can be found at <a href="FordAuthority.com">FordAuthority.com</a>. The article mentions some dealers and associations, but has no mentions regarding Ford dealerships in CT.

# **Electric Plane Flyover**

UPDATE: This event is postponed to Sunday, 11/13, same time, due to forecast for inclement weather.

A team of students from Lafayette College are planning an electric airplane flyover during a football game on Saturday, 11/19. Lehigh University is the opponent and the game is being held at Lafayette in Easton, PA.

The Pipistrel Alpha Electro airplane that will be used is based in Hartford and, according to a Facebook post by Remi Oktay, one of the Lafayette students, will need to make 3 charging stops to get there. The first two stops are in CT — Waterbury-Oxford Airport at 6:15 AM, followed by the Danbury Municipal Airport at 8:30 AM. We understand that spectators will be accommodated.

None of these airports has charging facilities, so in what might be the coolest part of this, Ford F-150 Lightning owners

are being recruited to use the vehicle's bi-directional charging capability to "refuel" the aircraft.

We wish them the best!

# Telematics Update

# Telematics Phantom Drain Issues Fixed by Eversource

Some EV owners who are interested in participated in the Eversource and UI (collectively, the EDCs) demand/response charging incentives, but do not have/don't plan to get an approved charger are still able to participate via telematics, where the EDCs communicate directly with the vehicle.

Eversource customers who signed up were seeing frequent battery wake-ups as the car was being pinged every half-hour along with measurable battery drain. This has now been fixed, courtesy of a software update. Also, the demand-response period ends at the end of this month. There will be a new vendor and new process rolling out in 2023.

Eversource has thanked the club, particularly Paul Braren, for the detailed feedback and beta testing of the new software.

This was not an issue with United Illuminating, which uses a different vendor.

## Changes Coming for Next Year

The demand response program involved discrete events, meaning

periods of a few hours on a hot day, where charging gets throttled. For year 2 and going forward, the Public Utilities Regulatory Agency has asked for an additional option. It is referred to as "managed charging" and proposals are being submitted for approval. Most likely, consumers will have an opportunity to choose A or B, with different incentive levels are associated with each. When details are available, we will update.

# Eligible Equipment and Vehicles Update

Since the majority of registered BEVs in the state are Tesla, the question has come up on more than one occasion of whether Tesla chargers will be part of the program. To this point, Tesla has not submitted a charger for the EDC approval process, and so telematics remains the only option for Tesla owners. There are also a lot of EV owners, and not just Tesla owners, that already have chargers, which may not be part of the program. The telematics option is available for some of these vehicles.

At this point, only ChargePoint and EnelX (JuiceBox) have approved chargers, several models for each.

Below is the list of approved telematics vehicles.

Eversource Customers	
Electric Vehicle Make	Electric Vehicle Model
Ford Mustang	Mach-e: 2021 models and newer
Jaguar	I-Pace: 2019 models and newer
Range Rover	PHEV P400e: 2019 models and newer
	Sport PHEV P400e: 2019 models and newer
Tesla	Model 3: 2017 models and newer
	Model S: 2012 models and newer
	Model X: 2016 models and newer
	Model Y: 2020 models and newer
Toyota	Prius Prime: 2021 models and newer
	Rav4 Prime: 2021 models and newer
Volkswagen	e-Golf: 2020 models and newer

The list of approved chargers and telematics vehicles is currently the same for both Eversource and UI. Eversource has advised us of pending telematics approval for several vehicles from Hyundai, namely the 2021 Ioniq BEV and PHEV, Ioniq 5, Santa Fe PHEV, and Tucson PHEV.

## Federal EVSE Credit Returns

Post by Barry Kresch

# Tax Credit for Purchase and Installation of an EV Charger

The recently passed Inflation Reduction Act has amended US Code 26, Section 30C to reinstate a tax credit for the purchase and installation of an EV charger.

This credit had been in the tax code a while. Every year it

expired and every year it got extended for one year, sometimes, as is the case now, after the fact. It had expired on December 31, 2021. It is now folded into the 10-year time horizon of the IRA. Here are the key things to know:

- The credit is for 30% of the combined cost of the hardware and installation, capped at \$1000. This is the same as what it used to be.
- This has nothing to do with the utility incentives. Any charger qualifies.
- It is retroactive to January 1, 2022. If you bought a unit earlier this year, include it in your tax return.
- This incentive becomes more restrictive beginning in 2023, going through 2032. It then applies only to low income communities and rural census tracts.
- Use IRS form 8911 to claim the credit.

There is a commercial version of this with higher amounts.

Standard caveat: Always check with your CPA.