

Volunteers for Sierra Club EV Shopper Study

Volunteers Needed For Sierra Club Rev Up EV Shopper Study, Round 3

The Sierra Club is fielding a third round of its Rev Up EV Shopper Study and is asking for help from the EV Club. Help is defined as visiting dealerships with a set of questions to ask and items to observe to assess if a dealership is making a serious effort to sell electric vehicles. The last study, like the new one, was national, and was done in 2019. At that point, there were serious deficiencies with respect to dealership commitment to EV sales. The prior study can be found [here](#). These were some of the key findings:

74% of auto dealerships nationwide aren't selling electric vehicles.

Salespeople often failed to provide information on federal or state consumer incentives or were poorly informed or uninformative about EV technology.

10% of the time when volunteers asked to test drive an EV, the vehicle was insufficiently charged and unable to be driven.

44% of the dealerships that did sell electric vehicles had no more than two EVs available on the lot. Of the dealerships that sold EVs, more than 66% did not display EVs prominently, with vehicles sometimes buried far in the back.

A lot has changed in the macro EV environment since 2019 and we look forward to seeing the new findings. As we did last time, we will ask the Sierra Club to join us at a meeting to discuss the study results.

[This link](#) will take you to the Sierra Club page about the study. If you volunteer, they will follow up with you directly. Feel free to let the club know about your experience with the survey. We got some interesting additional texture last time from participating members – more like a focus group to complement the quantitative survey results.

It is not necessary to be a member of the Sierra Club or EV Club to participate. There are questions about the Tesla shopping experience in the study which serve as a useful point of comparison. We appreciate the participation of Tesla owners as well.

One final note. This club supports changing the franchise laws to allow direct sales by EV-exclusive manufacturers. Even though we and other like-minded individuals and organizations have not yet carried the day, these studies, and findings like that pictured above, have been an important data point in our arguments that excluding these companies from doing business in CT serves to slow EV adoption.

Direct Sales Bill Is Not Being Called for a Vote

Bill Stalled in the Senate

[CT News Junkie](#) is reporting that SB 214 will not be called for a vote in the Senate. This bill is also referred to by opponents, pejoratively, as the “Tesla bill,” though it would apply to any manufacturer of exclusively battery electric vehicles that does not have an existing franchise network and is not majority owned by a company that does (Ford has a minority stake in Rivian), and would allow them to open stores for the sale and delivery of their vehicles in CT.

As quoted to News Junkie, the bill's sponsor, Senator Will Haskell of Westport, co-chair of the Transportation Committee said, "I think we have the votes in the Senate, I just think we're out of time." He also claims there are Republican votes in the Senate, which would be a change from last year.

The bill passed out of the Joint Transportation Committee by a vote of 22 – 12 with one absent and was not exactly along party lines. One Republican senator on the committee voted "yea." That was John Kissel. Several Senate Democrats voted against the bill in committee: Steve Cassano, Rick Lopes and Norm Needleman. Democratic Representatives Matt Blumenthal and Christine Conley were also no votes. Republican Representatives Tom O'Dea, David Labriola, Irene Haines, and Tami Zawistowski were yes votes.

This bill is considered controversial – but only in Hartford! Consumers overwhelmingly [support it](#). Public testimony given to the committee is also overwhelmingly supportive. Outside experts on the left, right, and center of the political spectrum support direct sales. But there is an entrenched and well-financed local special interest, the dealerships, who vigorously oppose it and marshal a number of specious arguments to do so. Here is a more [detailed explication](#) of our point of view with supporting data.

Whether the votes were there, or one vote short, as was allegedly the case last year, is immaterial. Opponents have consistently been able to run out the clock on this measure, no doubt working with some legislators behind the scenes to prevent the bill from coming to a vote. If the committee chair can't count a majority, it doesn't get brought up. That way they keep their dealers happy and don't have to directly face their constituents. Also, if a bill does not come for a vote, it does not get counted in the environmental scorecard of the League of Conservation voters, so it is also a form of green-washing. A number of club members aided us in our efforts by contacting their legislators. Many get a response along the

lines of, “I am looking at it very closely,” a way of saying no politely. Democratic Senator Julie Kushner held a press conference with the United Auto Workers, where part of her statement characterized Elon Musk as “already ruler of the world.” Excuse us, Senator, this is not about Elon Musk. It is not even about Tesla. It is about your constituents.

This Is an Election Year

Changes are afoot. Senator Haskell is leaving the legislature. He represents what is considered a swing district that was represented by Republican Toni Boucher for 10 years before Haskell defeated her in 2018. She has announced her candidacy. Republican Senator Kevin Witkos, who was rumored to be a possible yes vote, is not standing for re-election. Representative Laura Devlin, who was a no vote in committee, is GOP gubernatorial candidate Bob Stefanowski’s running mate.

Consider your vote carefully. Don’t hesitate to ask candidates for a direct response on their stance on this issue. Direct sales is the single most impactful measure that can be taken to accelerate the pace of EV adoption. The data are clear from the experience of other states.

We will come back to membership next year asking for support. Despite the discouragement of this and past years, we will need to respond in force. There are more of us every year. They can’t ignore us forever.

Plug In America Unplugs

Dealers Pressure Plug In America to Back Away From Direct Sales

Plug In America (PIA) has up until now played an important advocacy role in the effort to pass SB 127 in Connecticut and similar direct sales laws in other states. They acted as a clearinghouse for a lot of information from economists, academics and others that supported our arguments for EV Freedom, and did a lot of coordinating between the numerous parties involved, including the EV Club, manufacturers, environmental organizations, lobbyists, among others.

As of now, however, the coordination Zooms have stopped and the content has been removed from the PIA website. We had copies of some of the content, and what we have is now [posted](#) on the EV Club website.

PIA has a business called PlugStar. It is a training program to help dealerships become more effective at selling EVs. The dealers pay for this and it is a meaningful revenue stream for PIA. The dealers threatened to terminate their arrangements with PlugStar unless PIA stopped supporting direct sales. The board of PIA has caved and directed that the ongoing advocacy efforts in this area cease. This is not just a CT thing.

Needless to say, those of us in the EV community were gobsmacked by this “pulling the rug out from under” move at a critical time. And we’re surprised the organization doesn’t have bylaws in place to provide separation and deal with what seems an obvious potential for conflict. We blame PIA for compromising their principles, but, of course, it was the dealers that put them in this position. They show their colors that competition is good for everyone except themselves.

This is from the PIA website:

Plug In America is a non-profit, supporter-driven advocacy group. We are the voice of plug-in vehicle drivers across the country.

It is clear that the position they are taking runs counter to their mission and that they have now become the voice of entrenched interests blocking progress.

Our club would like to see dealers up their game when it comes to selling EVs, but we don't agree with the franchise laws being used to stifle competition. The majority of EV sales, both nationally and in CT, are from direct sales.

To the extent that club members and readers of this blog donate to PIA, we recommend sending those funds to other organizations instead. You can find a long list of worthy options in the [CT Electric Vehicle Coalition](#).

The EV Club has also filed a Freedom on Information Act Request to obtain the relevant backup documents underlying the decision.

SB 127 Fact vs Fiction

For those following the saga of SB 127, the bill that would enable EV-exclusive manufacturers to open stores in CT, this is a short Fact vs Fiction YouTube video that is worth watching: <https://www.youtube.com/watch?v=Ht4avMauknQ>

Then go to EVFreedomCT.com and sign the petition.

Myth – Consumers will lose protections.

Fact – Consumer protections are written into state laws other than the franchise laws. These laws apply to any licensed seller and would include direct sellers of EVs since they would have to obtain a license. These include the new car

lemon, law, used car lemon law, Magnus and Moss Warranty Act, bonding requirements, and a number of others. The video has a clip of Senator Haskell giving a detailed rundown of these protections.

Myth – Dealers sell EVs

Fact – A few do, most not so much. While it is true that there are a lot of EVs for sale at dealerships, most do a poor job of selling them. In testimony, they exaggerate their effectiveness which can easily be disproved by the data from the DMV and CHEAPR.

- 68% of the growth in EV registrations in the state in 2020 came from Tesla. If I restrict this to battery electric vehicles, the number is 84%.
- I review [CHEAPR rebate data](#) by dealership. There are a small number of dealers who do a good job. In my testimony at the public hearing, I noted that 61% of dealers awarded fewer than 10 rebates since the program's inception through August of 2020. The link above goes to data updated through the end of 2020.
- Our club was recruited by the Sierra Club to help with the fieldwork for the second EV Shopper Study, conducted in 2019. While the metric highlighted by the Sierra Club in the report was that 74% of dealers, nationally, did not have an EV present on their lot, the club members that I spoke to reported that the bigger issue was that most of the time when they inquired about an EV, the salesperson tried to switch-pitch them to ICE, whether or not EVs were present. In the appendix of the report, the Sierra Club lists "5-star" dealers based upon the experiences reported by the interviewers. There were zero of these in CT (among the dealerships included in the sample).

Myth – Tesla doesn't play fair. They have a proprietary charging network and don't let anyone else use it.

Fact – Tesla should get credit for having the vision to understand that access to charging is an important part of

selling electric vehicles. But that said, Tesla has offered to open their network to other manufacturers, as long as these other manufacturers would invest. Any takers?


Myth – Direct sales would cause job loss at dealerships.

Fact – The data simply don't support this. The [Acadia Center](#) did a pre-post study of dealership employment in states that permit direct sales and found no impact on dealership employment. Data from the dealers' own national association (NADA) show dealership sales and employment gains in open states outpaced those in closed states like CT. Senator Haskell references several of these in the video.

This Bill is Pro EV and Pro CT

SB 127 permits direct sales from manufacturers that do not have a dealer network. It does not undercut the existing dealer relationships with their affiliated manufacturers. It provides consumers with the ability to buy the EV of their choice and to be able to do so within CT.

We believe in competition and innovation. A recent poll found 83% of CT residents support SB 127. Don't let CT be a backwater!



FACT VERSUS FICTION
EV FREEDOM
SB 127

It Is Time for EV Freedom

Direct Sales of Electric Vehicles (EVs) Should Be Permitted in CT

Post by Barry Kresch

Governor Lamont has signed onto the Transportation Climate Initiative (TCI), a regional cap and invest plan. At the same time, the state is falling behind the goals set forth in the Multi-State Zero Emission Vehicle Action Plan. The time has come to permit direct sales of EVs in CT.

Consumers deserve to come first and should be able to freely choose EVs that fit their lifestyles, needs, and budgets to accelerate the adoption of electric vehicles and more rapidly transition to a zero-carbon economy.

Outdated dealer franchise laws have been used as protectionism to prevent Tesla and other new EV manufacturers from opening stores in CT.

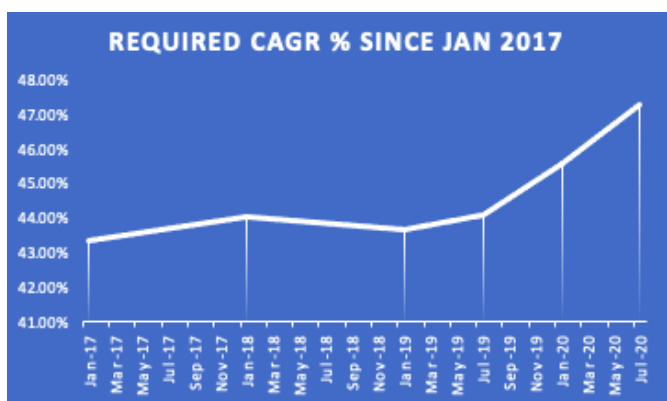
The EV Club is behind a new act, The EV Freedom Bill, that has been submitted to the legislature. It proposes that manufacturers that produce exclusively electric vehicles and have no existing franchised dealer network be permitted to sell their vehicles directly to the consumer. The definition of “sell” is inclusive. It encompasses sales, leasing, delivery, and service. It is important to specify these components. For example, even though Tesla has gained the right to lease (and conduct test drives) at its Milford service center, customers still have to go to New York to pick up their vehicles. (Even residents of the eastern part of the state must go to NY – they are not permitted to avail themselves of Tesla facilities in RI or MA.) The proposed bill also allows for new “ownership” models, such as

subscription. The world is changing.

The bill obligates manufacturers to meet existing consumer protection laws (i.e. lemon laws) or regulations and to have an adequate plan to service their vehicles within the state.

Multi-State ZEV Action Plan

The state of CT is a signatory to the Multi-State ZEV Action Plan. This plan commits to getting 150,000 EVs on the road by 2025 and 500,000, about 20% of the fleet, by 2030. There were 12,624 as of July 1, 2020. That means we would need a compounded annual growth rate (CAGR) of 47.29% to hit the 2030 number, which translates to the state being in a pretty big hole. The chart below tracks needed CAGR for each data point I have since 2017. In this case, a rising line is a bad thing. (An updated number for January 1 is due to be reported soon.)



The required compound annual growth rate required to meet ZEV goals has been increasing since Jan 2019 due to slow increases in registered EVs.

The ZEV Action Plan sets a goal but has no enforcement mechanism. It consequently relies on legislators, regulators, and citizens to make good decisions in order to get us there. The EV Freedom Bill is something that can have real near-term impact. Unlike other measures, such as purchase incentives,

this will not cost the state any money. To the contrary, opening the state to innovative EV business models will increase buyer choice while positively contributing to public health, the achievement of our stated ZEV and emission-reduction goals, while generating revenue.

Opposition From Entrenched Interests

The roadblock to direct sales has been the dealership franchise laws. These laws, dating to the 1930's, were passed at the time to protect independent business people who were opening dealerships to retail and service the products of an affiliated manufacturer. That was the manufacturers' preferred method of expansion. But independent businesses, having gone to the trouble of establishing a market locally, sought to protect themselves from the possibility that an affiliated manufacturer would open up across the street and put them out of business. At the risk of repetition, the point was dealers seeking protection from their own affiliated manufacturers. These laws have now been re-purposed to prevent a manufacturer that doesn't have a dealer network from opening stores. (It is due to these laws being so old that Tesla is now able to lease from its New Milford facility. Leasing didn't exist at the time the laws were written and, therefore, wasn't specifically prohibited.)

The auto dealership and manufacturer associations have effectively mobilized to block direct sales when it has come before the legislature in the past. They're effective lobbyists. We would like to see them devote this level of effort to selling EVs.

Existing Auto Companies/Dealerships

Not Selling EVs

It pains me to type that headline and I hope it changes at some point. This club supports all EVs, but we also have to recognize reality, and consider that this industry needs to evolve or adapt its model.

Tesla and other EV companies don't want dealerships. Their position is that this model doesn't work for them and they have a point! Legacy manufacturers have been slow to pivot to EVs and dealers have been even slower to sell them. This has been reported on extensively, by the [NY Times](#), by the [Sierra Club](#) (74% of dealers nationally were not selling EVs in 2019), and others, including the EV Club of CT.

In the most recent [EV Club analysis](#) of DMV data, we saw that from July 2019 to July 2020, there was a net increase of 1827 EVs in the Department of Motor Vehicles' registration file. 1361 of these were Tesla, a whopping 74%.

Club analysis of [CHEAPR](#) data similarly shows that less than 40% of the dealerships in the state have disbursed at least 10 rebates over the course of 5 plus years.

Aside from direct sales, other models are bubbling to the surface. One striking example is in Germany where Volkswagen has [given up on its dealers](#) to sell EVs. The company has gotten some good reviews for its ID.3 model (not available in the US) and has a larger, forthcoming ID.4 for which it is taking reservations. Sales of these vehicles in Germany are handled through VW Corporate. The dealers act as agents, providing test drives and delivering vehicles, for which they receive a fee. Importantly, the dealers do not take title to the cars, which changes the sales dynamic completely. This means that VW is taking on a major risk in terms of carrying costs, but nonetheless, feels it is worth it. UPDATE – Apparently, it is worth it. FeedSpot reports that with a successful introduction of the ID.3 in September, “Volkswagen

passenger cars managed to leap to the number one spot in all-electric vehicles over the full-year 2020 with a share of 23.8% in Germany...”

It's Not Only About Tesla

There are numerous EV startups poised to enter the market, and several that are taking reservations, such as Rivian and Lucid, have announced they plan to sell directly to consumers.

Even though the word “Tesla” was not included in previous versions of “direct sales” bills, those bills were written in such a way that they were only applicable to Tesla. The EV Freedom Bill applies to all EV manufacturers without a dealer network.

It Is About the Consumer

A study by [Cox](#) found that just one in three consumers were “very satisfied” with the dealership experience.

The Federal Trade Commission has [blogged](#) about this subject. Two sentences: “Dealers contend that it is important for regulators to prevent abuses of local dealers. This rationale appears unsupported...” “Such change can sometimes be difficult for established competitors that are used to operating in a particular way, but consumers can benefit from change that also challenges longstanding competitors.”

It Is About Connecticut

CT is the only state in the region that does not permit direct sales. Keeping out companies that manufacture environmentally friendly products sends exactly the wrong message to the kinds of innovative companies we seek to attract to the state to grow the economy. It undercuts what the state is communicating with the TCI, offshore wind, and the ZEV MOU.

Tesla and these new companies want to sell EVs in CT. Let's let them. Let's encourage them. Let's buy them!

Note:

The bill now has a number: SB 127.

Please join us and reach out to your state legislators telling them you support this bill. We need to lower our carbon footprint now. This really is a power of the people moment. If they hear from you, they will take notice.

An easy option is to use the [Engage](#) page that Tesla has set up. Non-Tesla owners can use it, though you will need to set up an account. It has a form letter, which can be customized. It will know who your legislators are.

You are also welcome to write your own thoughts. This is an [online page](#) that enables you to find out who your legislators are.