Admiral Dennis Blair From The Electrification Coalition Speaks Out for Direct Sales of EVs

May 13, 2021

Electrification Coalition Support of SB 127 Comes from National Security Perspective

The Electrification Coalition supports SB 127. Its mission statement states: “Accelerate the adoption of plug-in electric vehicles to improve our national and economic security.” Several prominent retired military leaders, including Admiral Dennis Blair, are affiliated with the organization because of the national security benefits of reducing our country’s dependence on oil. Admiral Blair made the following remarks in testimony before Washington legislators on the subject of direct sales of electric vehicles:

“*Our group has long seen electric vehicles, and specifically the domestic EV industry, as the most promising solution to break oil’s monopoly over the transportation system. And as the world shifts from gasoline to EVs, China’s dominance of the entire EV supply chain makes scaling up the U.S. market even more urgent.*

“As has been made clear in state after state, direct sales is one of the most effective and powerful policy levers to enhance EV deployment. Some 80% of EVs sold in the country are through direct sales, and states that are open to direct sales see adoption rates of up to 5 times the rates of states

that are closed—even in the absence of other direct incentives."

— Admiral Dennis C. Blair, Former Director of National Intelligence and Commander In Chief, U.S. Pacific Command

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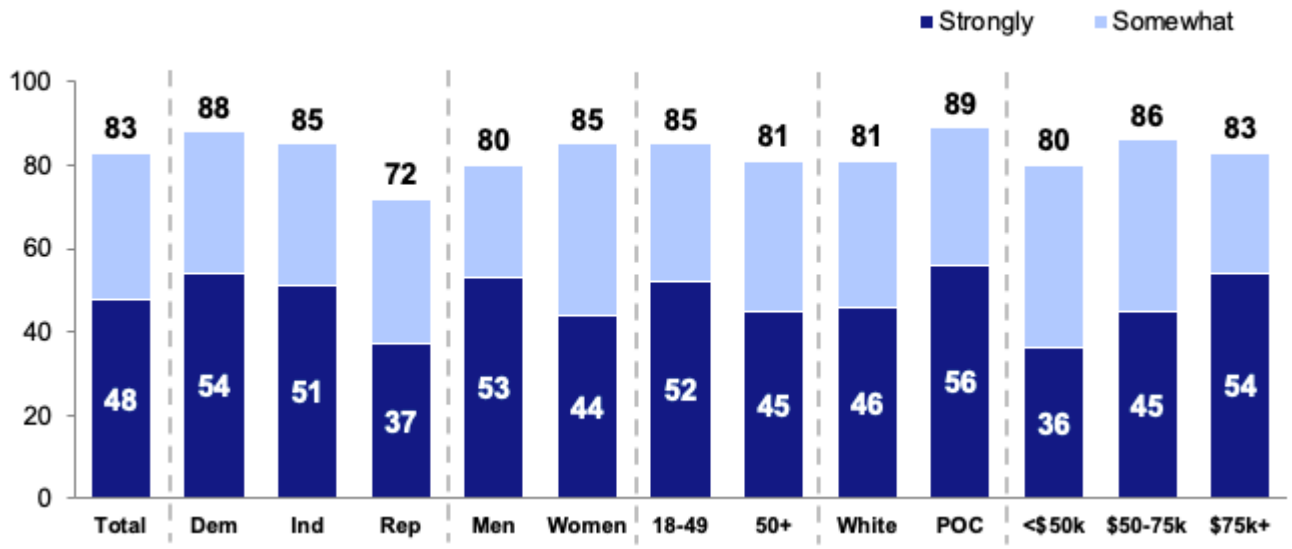
83% Support for Direct EV Sales in Connecticut

A poll released by the Electric Vehicle (EV) Club of Connecticut shows that a significant majority of Connecticut residents support direct sales from Electric Vehicle companies. 83% of respondents support direct sales of electric vehicles to consumers, and only 17% oppose it. Support for direct sales is bipartisan, broad, and deep across many different demographics and all sections of Connecticut.



Support for direct sales is growing throughout the state of Connecticut and nationwide. Last week, [two letters were released](#)—one from a broad coalition of 27 interest groups representing environmental, free-market, pro-innovation,

labor, and consumer protection; another from 75 leading academics—both urging state governments to remove restrictions on direct sales and service of electric vehicles. Among the academic signers of the letter were 7 former chief economists of the Federal Trade Commission and Department of Justice, and one Nobel Laureate.

Transportation Committee Chair Senator Will Haskell stated, "This poll is astounding. It turns out that the Connecticut State Capitol is the only place where selling Electric Vehicles directly to consumers is controversial. It's time for the legislature to listen to the will of the public, pave the way for 21rst Century jobs, and give consumers a choice as to where they buy their next car."

Barry Kresch, President of the EV Club of Connecticut noted, "These results, while overwhelmingly favorable, are not a surprise. This is exactly what I hear all the time on a more informal basis. It is reflected in the fact that everyone who testified at the public hearings who was not associated with a dealership was in favor of the bill. I get asked all the time why we force people to go out of state to buy the EV of their choice. It's time we listen to consumers, accelerate EV adoption, and embrace innovation."

"The poll conducted by GQR is proof positive that Connecticut consumers believe in the freedom to choose how they wish to purchase their vehicles," said James Chen, Vice President of Public Policy at Rivian Automotive. "Senate Bill 127, which would allow the direct sales of electric vehicles in the state of Connecticut would be an obvious win-win for Connecticut drivers, the free-market, and the state's environmental goals."

GQR conducted a survey of 500 likely 2022 general election voters in Connecticut from April 16-18, 2021. The survey was conducted via cell phones using a text-to-web platform. The margin of error is +/- 4.4 percentage points at the 95 percent

confidence interval; the margin of error is higher among subgroups. Electric Vehicle (EV) manufacturers Lucid Motors, Rivian, and Tesla sponsored the poll.

This is the question wording: "As you may know, the Connecticut General Assembly is considering a bill to change existing laws related to vehicle sales. This bill will allow electric-vehicle manufacturers such as Tesla, Rivian, and Lucid to open their own brick-and-mortar stores in the state, where they can sell vehicles directly to consumers rather than going through traditional car dealerships. Do you support or oppose this bill to allow direct sales from electric-vehicle manufacturers in Connecticut?"

About GQR: "For almost four decades, we have used innovative polling and opinion research to help leading candidates, parties, government leaders, corporations, and advocacy groups across the United States and around the world."

Feb. CHEAPR Data And A Delay For The New Incentives?

Fleeting Model Y Rebate

February rebate data show 72 rebates awarded, totaling $59,000. January was restated and increased from 68 to 77 rebates with a total spend of $82,500.

The leading vehicle in terms of Feb. rebates was the Toyota Prius Prime, which accounted for 22 of the rebates, and was followed by the newer Toyota PHEV, the RAV4 Prime, with 11. The RAV4 has been showing early signs of life. We don't know

if the vehicle is supply constrained in CT as it is still being rolled out. These were the only two vehicles in double figures. With these two PHEVs dominating the rebates, the spend level was considerably lower than January.

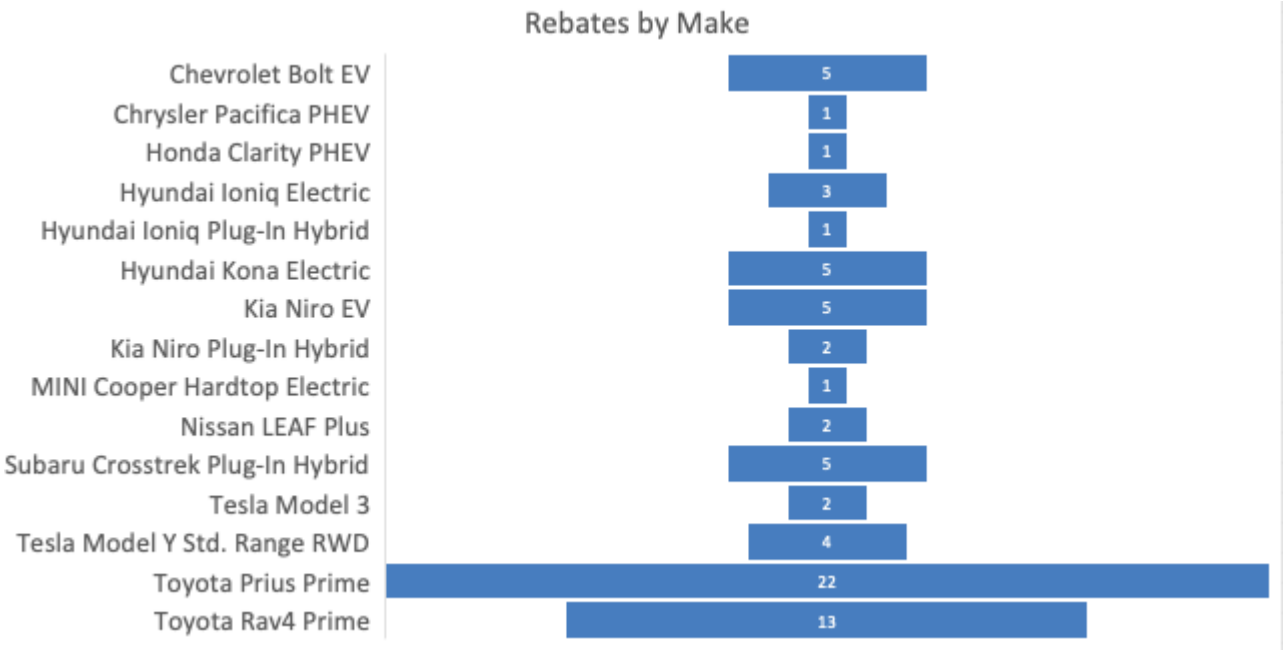
The Model 3 accounted for only 2 rebates. As we have seen, the number of Model 3 rebates fluctuates wildly because only the base level is eligible for the incentive. The CHEAPR rebates don't track with overall sales of the vehicle. There were 4 Model Y rebates which is unlikely to continue. Tesla first reduced the price of the basic Model Y, which is why some of them qualified for incentives, but it subsequently pulled the vehicle off its online configurator.

This was a tweet from Elon Musk that was published in Car and Driver. It was the sub-250 mile range that did not meet its standard of excellence. Off menu means it can still be ordered, but only by phone or in person in a showroom. It would not be surprising to see Tesla make some tweaks to the vehicle and then return it to the entrées. (UPDATE – We have heard that Tesla is not taking any new orders, not even off the menu, for the MY SR. If we are able to find out more details, we will update again.)

The CHEAPR board adopted a new incentive structure in February. The expectation was that it would become live on or about April 1. Some time was needed for the software implementation. As of this writing on 3/27, there is nary a

word on the CHEAPR website, nor a peep from DEEP. Communication is not DEEP's forte. No board meetings have been held since the new incentives were adopted and none have been announced. We are trying to find out if significant delays have been encountered.

These are the rebates by model for February:



Well-Attended Press Conference Shows Support For EV Direct Sales

Headline photo courtesy of Will Cross

Post by Barry Kresch

Grassroots Momentum for the EV Freedom Bill

The atmosphere was *electric* as about 100 EV enthusiasts came to Westport from all over the state for a press conference supporting The EV Freedom Bill, legislative bill number SB 127. Lame puns aside, I have been part of this EV Club for 9 years, and this issue feels like it has been around for most of them, but today felt different. The grassroots energy was palpable in a way that it hadn't been in the past. Perhaps it is due to Tesla registrations having grown to almost 6,000 in the state. Or the excitement of new, really cool, EV companies entering the market also looking to sell direct. Or energized engagement on the political front.

This bill, which in earlier guises had come to be referred to as the "Tesla Bill," would permit EV-exclusive manufacturers that do not have an existing franchise dealer network to open stores in CT. At today's event, Tesla was joined by Rivian and Lucid. Others are expected to adopt this business model or, more to the point, this or some other new model not envisaged in the existing dealer franchise laws that were written almost 100 years ago.

The bill also requires that companies opening stores have a sustainable model for servicing vehicles that are sold here.

The Way Forward In A Changing World

Passing this bill would be a tangible step toward supporting innovation. The industry is changing. Fissures are showing in the traditional automobile business, despite their actions to forestall competition by keeping new EV companies out of the state. 17% of Cadillac dealers opted to drop the franchise rather than embrace GM's making this its centerpiece EV brand. Volvo announced an aggressive timeline of moving to an all-

electric lineup by 2030 and moving EV sales online in the short-term. We don't know the fine print of how this changes the relationship between the dealers and the manufacturer. If sales are online, do the dealers ever take title to the vehicle? And if they don't, are they still a dealer? We reached out to Volvo for elucidation but have not received a response. We are guardedly optimistic that these changes are signs of a more serious effort to sell EVs.

SB 127 was introduced by Sen. Will Haskell, who organized the press conference, and Rep. Jonathan Steinberg, both of whom represent local districts. There were a number of other state and local officials present. This was the speaker order lineup:

- Senator Will Haskell (SB 127 co-sponsor)
- Barry Kresch, President of the EV Club of CT
- Rep. Jonathan Steinberg (SB 127 co-sponsor)
- Jim Marpe – Westport First Selectman
- Jeff Curry – Lucid Motors
- Kaitlin Monaghan – Rivian
- Lori Brown – League of Conservation Voters
- Daniel McInerney – International Brotherhood of Electrical Workers
- Senator Bob Duff – Majority Leader
- Former Senator Art Linares

Paul Braren has posted video of all of the speakers on his blog.

Journalist David Pogue recorded remarks that were played to the group. A schedule conflict prevented him from appearing in person but you can hear what he had to say. (His remarks are just short of 4 minutes.)

https://evclubct.com/wp-content/uploads/2021/03/Pogue-Com.mp3

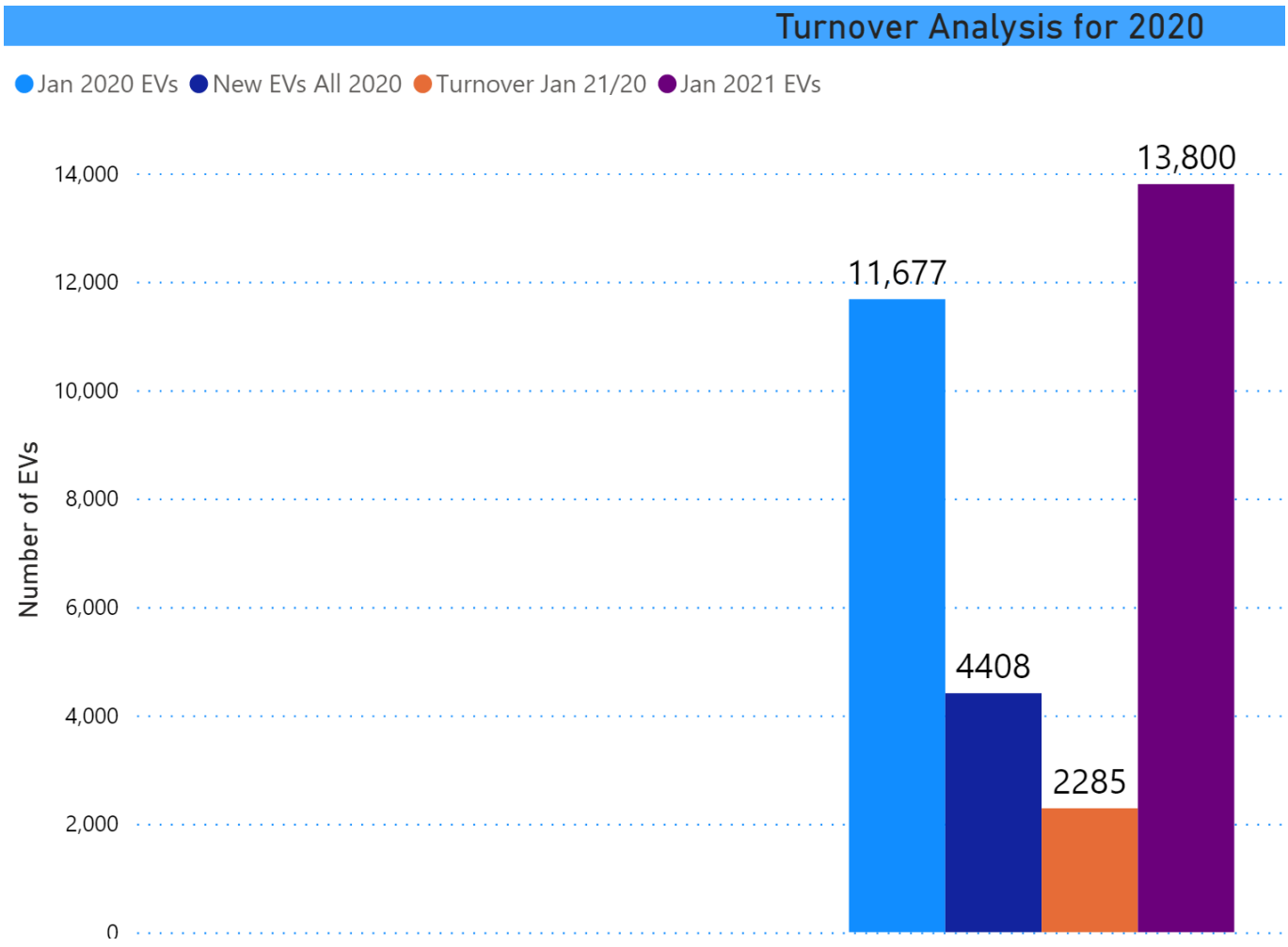
The presentations took place at the Westport Train Station in front of a depot building with a solar array that powers the building and 4 adjacent EV charging stations. These were the first solar-powered public chargers in the state. They were installed in 2012, which is when I met the club founder, Leo Cirino, and became a member.

Model Y and Lucid Air – charging stations are to the right of the building by the white Chevy Volt

Long Way To Go

In his remarks, Sen. Haskell noted that the state had a long way to go to reach its goal of 500,000 EVs in the fleet by 2030. I've written a lot about that and noted that given where we are today, 13,800 EVs, it will be necessary to maintain a 49% compound annual growth rate to get there. This may sound high, and it is, but it is actually worse than it sounds because this figure is growth in net registrations. Each year, there are new vehicles added to the file, but there is also turnover from vehicles leaving the file. In 2020, the turnover

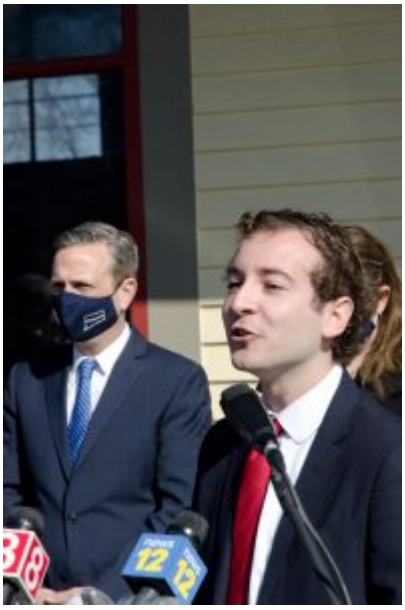
was the equivalent of 52% of the vehicles that were new to the file. So from an acquisition perspective, it means we need to double each year. Without SB 127, we'll never get there.



There are many that we need to thank for a successful event including members of the EV Club and the Tesla Owners Club, not only for coming, but also for reaching out to our legislators; the public officials who support this bill; the IBEW; and Tesla, Rivian, and Lucid.

As encouraging as it was to see this level of support, it's not over. The bill will be called for a committee vote on Wednesday. If it passes, then it goes before the full chamber. It feels like we're only to the quarter-finals. We will update this space as we move up the brackets.

Tesla Model X in chrome wrap. Model Y on the right.



Lucid Air Interior, Who are those masked men – Barry Kresch and Bruce Becker getting set for the presser, Senator Haskell speaking about the bill (Majority Leader Duff in the background)

One final note: We have been asking people to tell their legislators they support this bill. That doesn't stop with the press conference or even the committee vote. It is important they hear from you. Tesla has set up an "engage" page for CT that enables a 1-click message or the opportunity to customize it for yourself. You may have to set up an account. You don't need to be a Tesla owner to do that.

EV Freedom Bill Press Conference

Press Conference on March 22 for SB 127

The office of CT Senator Will Haskell is organizing a press conference for Monday, March 22. It will be held outdoors at the Westport Train Station (New Haven-bound side) at 10 AM.

UPDATE: LUCID VEHICLE (pictured above) EXPECTED TO BE BROUGHT TO THE PRESS CONFERENCE.

All EV owners are invited to join us and spread the message that consumers should be able to buy the EV that fits their lifestyle and budget, and be able to do so in CT.

SB 127 would allow manufacturers of exclusively EVs that do not have a franchise dealer network to open stores in CT, which is one of a handful of states that currently prohibit this. Check out this video made by Will Cross of the CT Tesla Owners Club.

Even if you can't join us, please write to your state senator and representative and tell them you support this bill.

Tesla has put up a page that enables one-click contact for your rep. (You may need to create an account.)

This is an earlier post that goes into more detail about the details of why we support this.

EVs by Make by City

Post by Barry Kresch

Estimates of EV Fleet Composition by Make Within City

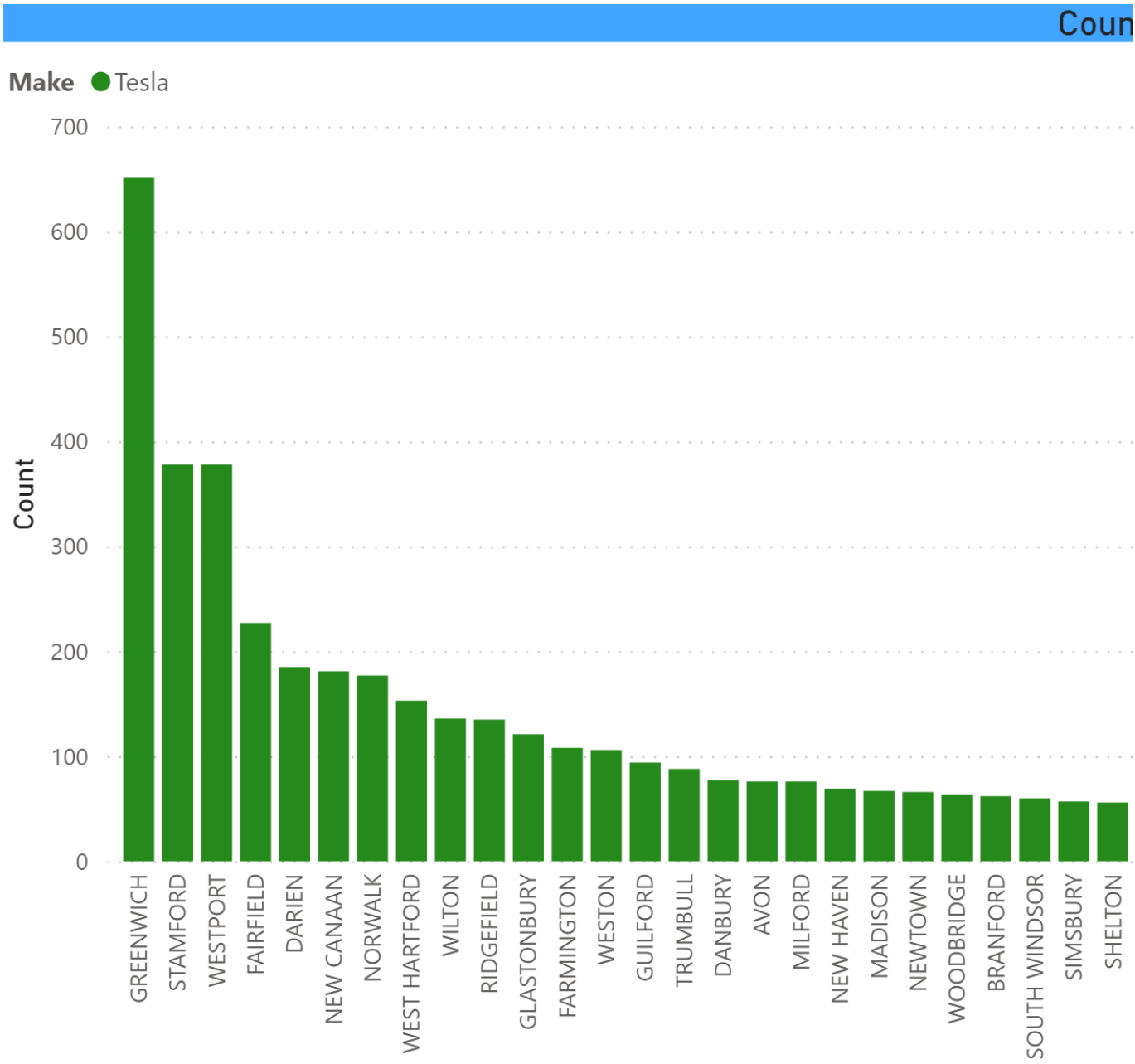
This is something we haven't published in a while. Not that we don't find it interesting, but the DMV broke apart the geo from the vehicle data and has been giving it to us in a separate file. So we lost this. Their reason was that it was too close to the line of a privacy violation, that if we were to cross a low-volume vehicle with the city, someone could deduce who the owner might be. (We don't get any personal information in our files.) While I respect their concerns, it never created any issues back when we did have it.

So I took a shot at knitting the information together and here it is. So remember: blame me, not the DMV. I was able to do a little bit of cross-referencing with the Westport Grand List and what I saw lined up nicely.

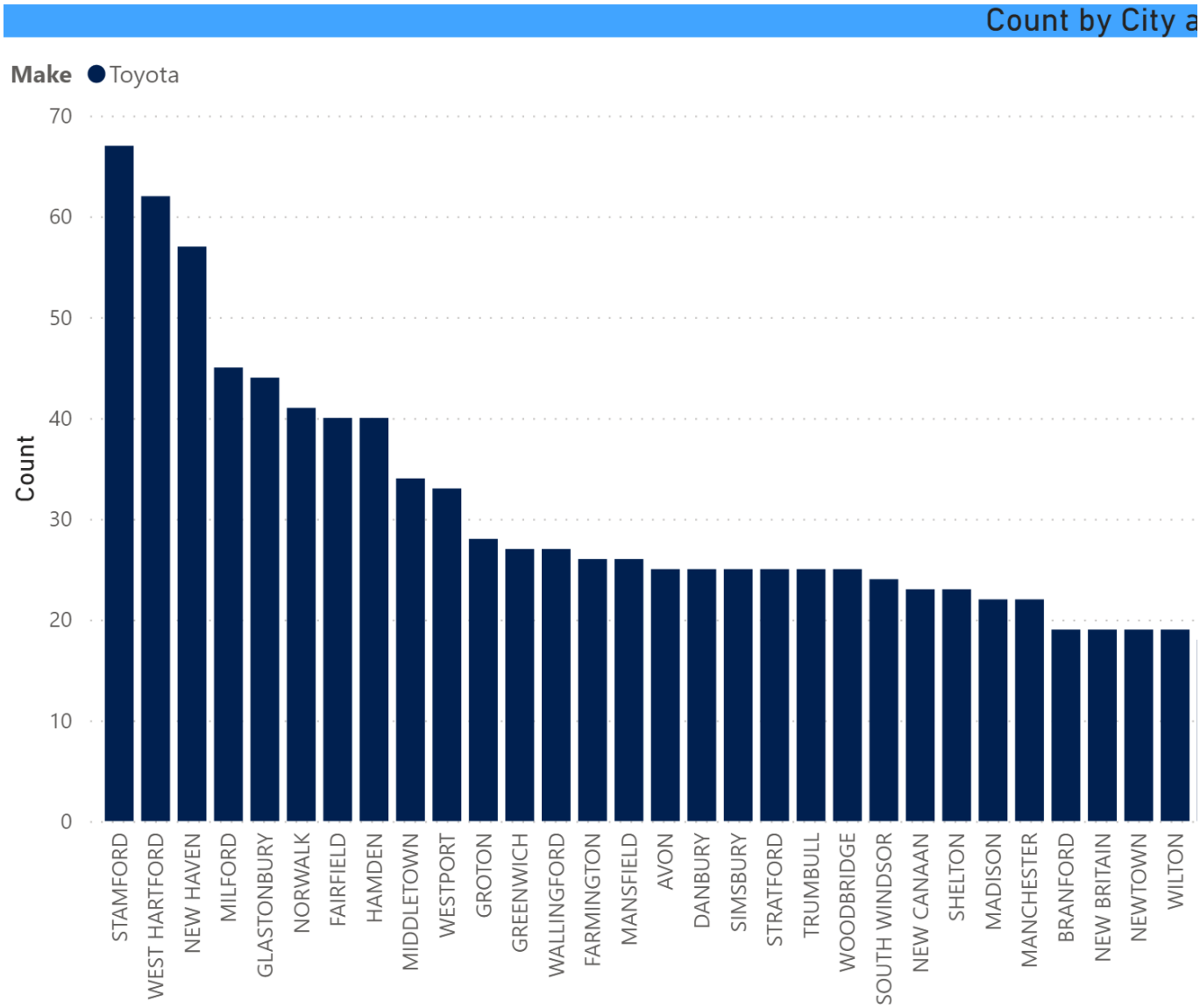
The chart at the top of the post color-codes the different makes within each city. It is easy to guess which part of the bar is Tesla, but beyond that, it can't really be seen in a screenshot. This is now a page in the dashboard (page 19 – scroll down for page nav) and there is full interactivity. Slicers are there for both city and vehicle make. Hovering over a chart element will display the make and the count. And the profile changes quite a lot when sliced by city or make as a different socio-economic profile will be reflected in a different vehicle composition.

The two most widely registered Marques are Tesla and Toyota.

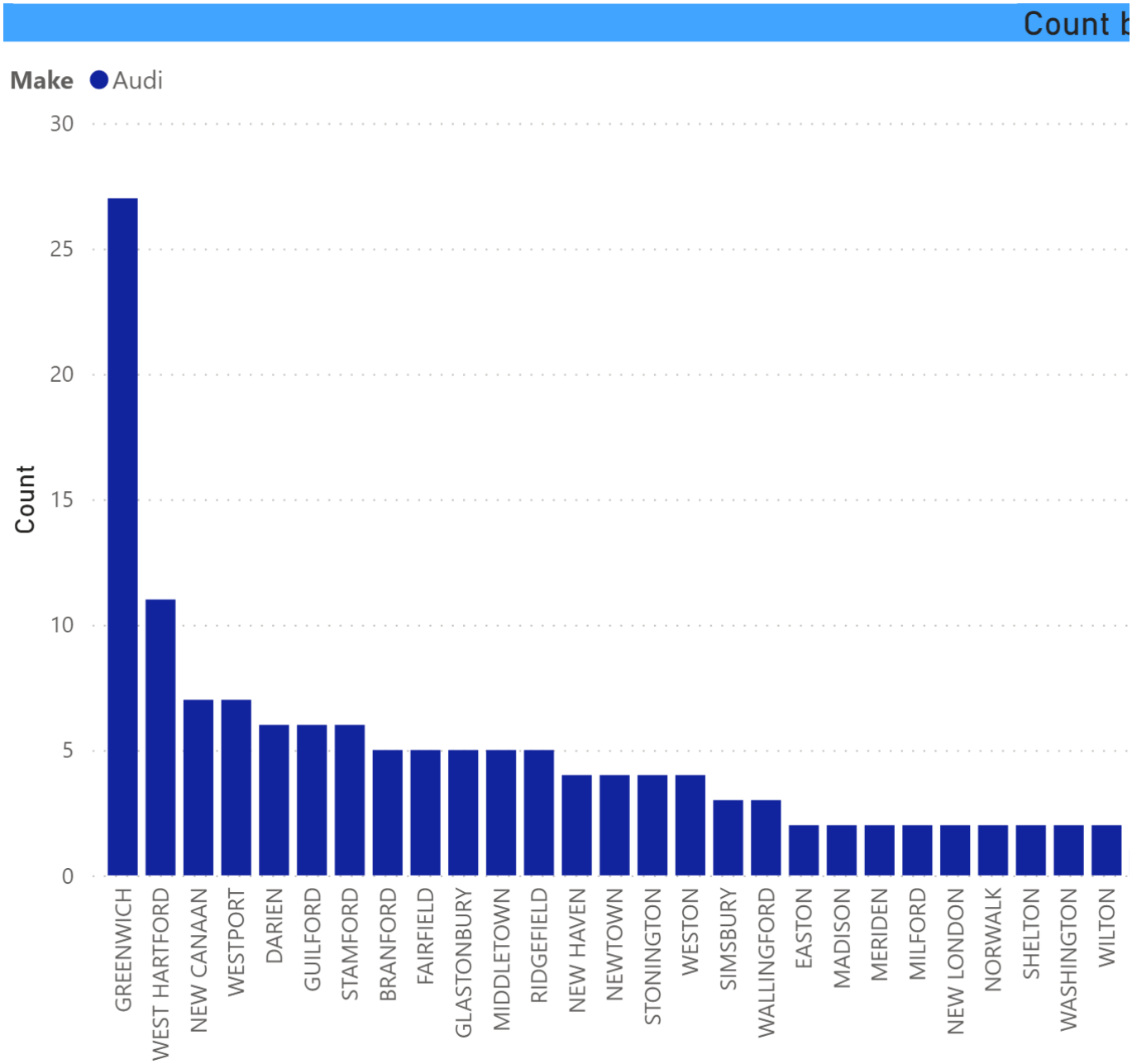
Here is an excerpt of the Tesla profile:



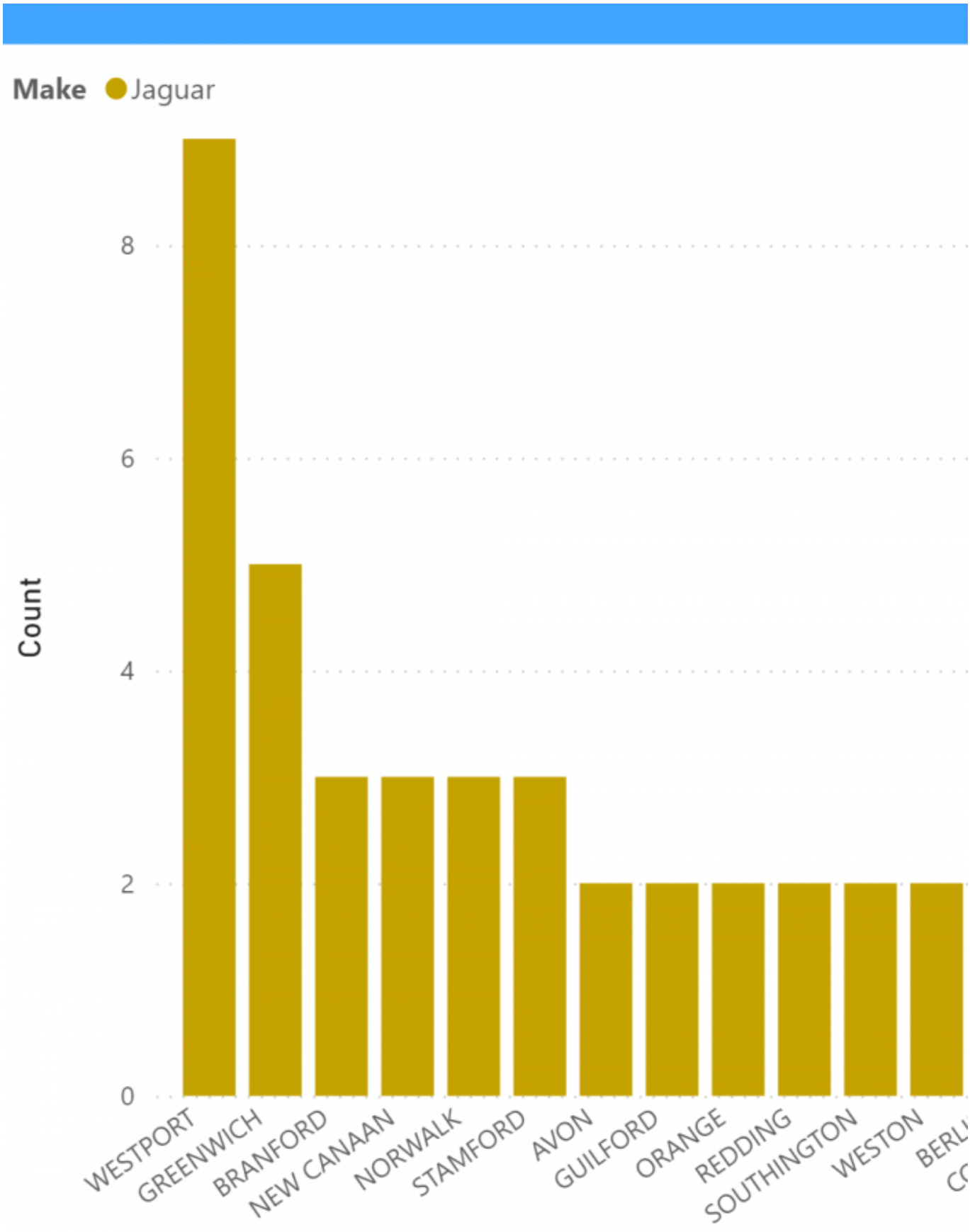
And here is how it contrasts with Toyota, where there is less Fairfield County and more larger cities:



Sometimes it appears as if the profile could be influenced by a single dealer. Dealers are often a pain point in the EV landscape, but that is not the case for all of them. This excerpt is Audi, which, overall, has a fairly low volume. Of course, people can buy their vehicles from someplace other than where they live. But it sure seems like New Country Audi in Greenwich might be making a difference.



The same seems like it could be true of an even lower volume make, Jaguar, where Westport is over-represented. There are Jaguar dealers in Fairfield and Darien. The Fairfield dealer has been a sometime attendee at our meetings and they could be the ones making an effort with the i-Pace.


Make
Jaguar
Count
8
6
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WESTPORT
GREENWICH
BRANFORD
NEW CANAAN
NORWALK
STAMFORD
AVON
GUILFORD
ORANGE
REDDING
SOUTHINGTON
WESTON

GREENWICH

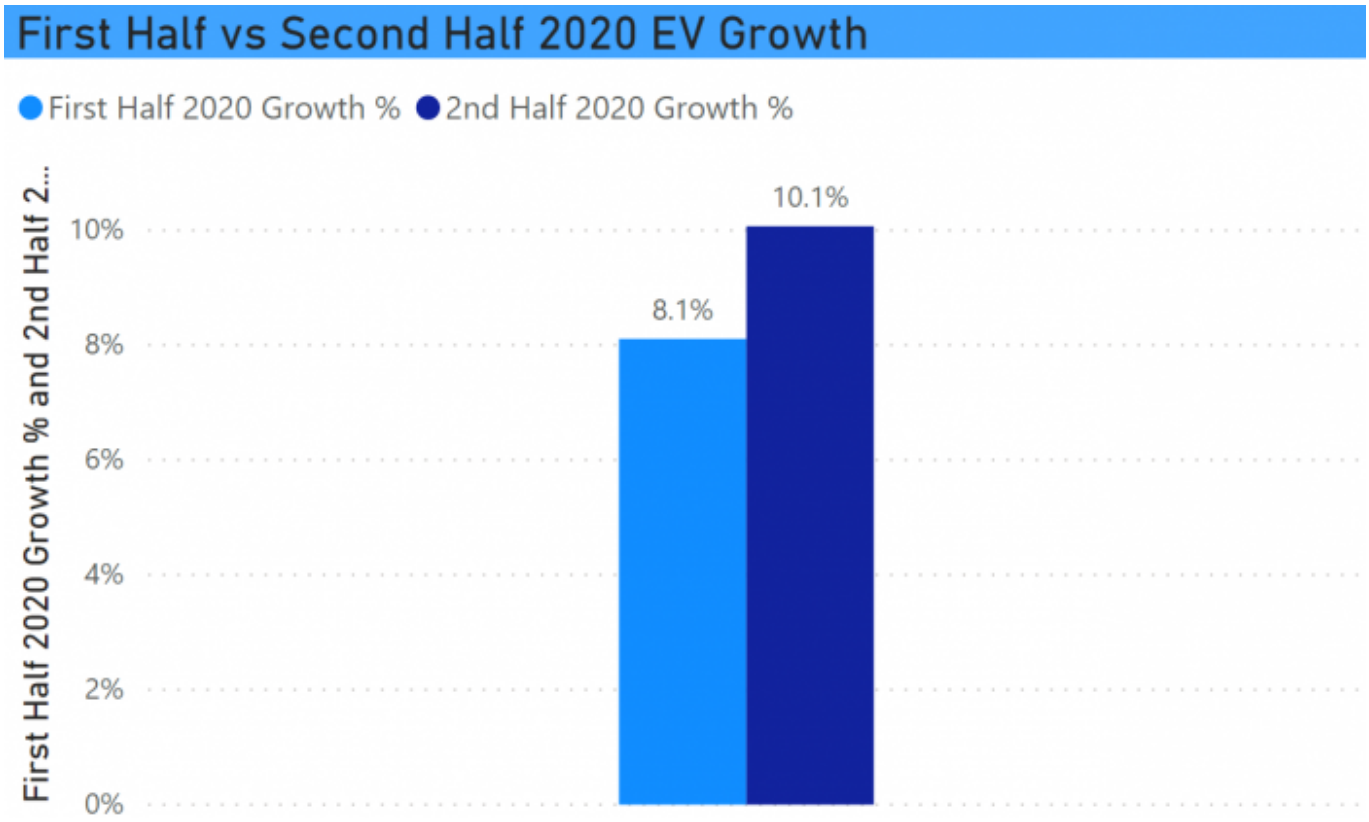
City

Finally, this is a close-up of a single city, in this case, Greenwich, which has the most EVs of any city in the state. The green represents the 651 Teslas there. The second most-widely registered vehicle make is Porsche with 69 EVs. This is the purple band a couple of places below Tesla. There are 969 total EVs in Greenwich, an increase of 105 over the final 6 months of the year, or 12.2%, which outpaces the rate of increase for the state as a whole.

2020 – Turnover And Internal Dynamics of EVs in CT

The Equivalent Of 52% of EVs Added To The File in 2020 Turned Over

EV registrations in Connecticut increase 18.2% in 2020, a not great number in a very difficult year. However, as difficult as the year may have been, CT can be its own worst enemy with no direct sales and an underperforming purchase-incentive program. The chart below breaks this into the first vs second half of the year, clearly showing the effect of the lockdown followed by a modest recovery.



In January 2020, there were 11,677 EVs registered in the state. 4408 vehicles were added to the file over the course of the year. But we ended the year at 13,800. In other words, there were 2285 EVs that left the file. The numbers varied considerably by brand. Tesla had the lowest percentage of the major brands with the equivalent of 33% of the incoming vehicles turning over. Honda had the highest percentage, and off-the-charts 462%. Which makes sense, since Honda basically stopped selling its one plug-in model, the PHEV Clarity, in 2019. (We hear it is coming back.) As cars were sold or leases expired, no replacements were entering the fleet. This table lists the top makes, ranked by the number of EVs registered on January 1, 2021.

Turnover By Make					
Make	Jan 2020 EVs	New EVs All 2020	Turnover Jan 21/20	Turnover % of Adds All 2020	Jan 2021 EVs
Tesla	4,444	2151	716	33%	5,879
Toyota	1,683	480	260	54%	1,903
Chevrolet	1,758	380	443	117%	1,695
Ford	687	133	195	147%	625
BMW	613	216	214	99%	615
Nissan	566	125	105	84%	586
Hyundai	237	235	33	14%	439
Honda	505	29	134	462%	400
Porsche	201	109	25	23%	285
Volvo	158	136	28	21%	266
Audi	89	97	17	18%	169
Total	**11,677**	**4408**	**2285**	**52%**	**13,800**

The same data drives the chart at the top of the post. Each of the components is its own bar. The table and the bar chart come from the EV Dashboard, where they have full interactivity and slicers.

The obvious question is why the differences. We can try to infer. Some of it may have to do with leasing. A dealer on the CHEAPR board meetings reports that leasing is 50% of his new car business. That is higher than the national norms we've seen in Statista and other sources, but there is no doubt that leasing is big. Tesla came late to leasing and has yet to offer a buy-out option. And their cars have longevity. It is quite possible that a higher percentage of buyers equates to lower turnover.

One comment mentioned by a dealer during a CHEAPR board meeting bears repeating. This person said that a significant portion of EV leasing customers coming to the end of their lease return to ICE in order to save money, especially given that they cannot get another CHEAPR incentive due to the program's once per lifetime limit. His suggestion: allow leasing customers to get the incentive twice but cut it by 50%. It's a thoughtful suggestion and would also have the benefit of lowering the program's burn rate for 2-3 years until it normalizes.

Aside from leasing, there is sales volume. Chevrolet and Ford,

which are the largest brands with net negative registrations (i.e. turnover in excess of 100%) similarly suffer from a variation of what is happening with Honda, namely cancellation of nameplates coupled with a lack of other sales volume to replace the departing vehicles. In the case of Chevy, the near-term recovery plan is a redesigned and lower-priced Bolt and a reasonably priced EUV Bolt variation. We'll know at the end of the year how these will have fared. Ford, on the other hand, has what may be a significant win with the Mach-E, the EV crossover Mustang. There is a limited production run in 2021, which has been reportedly sold out (with dealers tacking on extra markup as reported in Carbuzz.com).

Similarly, the 99% BMW turnover and the 84% Nissan turnover indicate stasis. On the flip side, low turnover from Hyundai, Porsche, Volvo, and Audi could indicate some renewed vigor. Sales volume for the Audi is currently very low, but an ultra-premium brand like Porsche, placing in 9th position, indicates some success in a niche market. However, there are a lot of cars vying for this small segment, with the new Tesla Model S Plaid, for which it is too soon to have registration data, the presumptive early favorite.

January 2021 CHEAPR Data Released

CHEAPR Rebates Continue at Low Rate

January has generally been a slow month in our tracking of EV

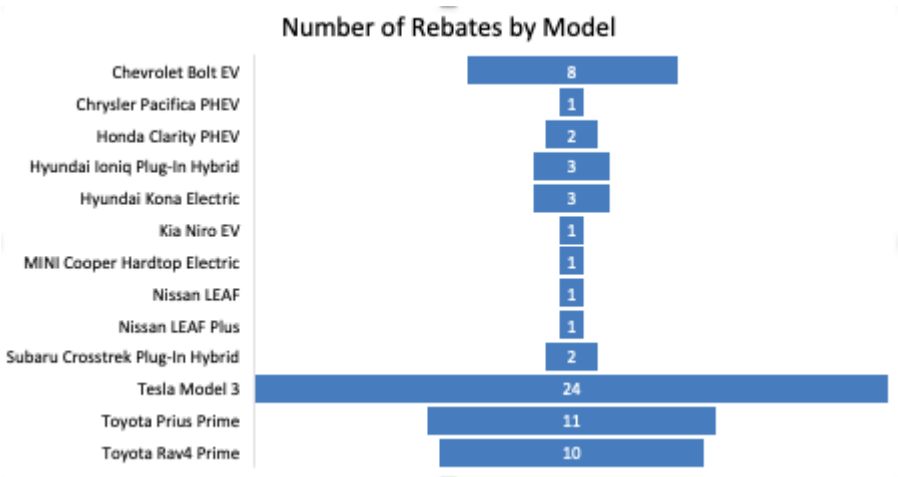
purchase incentives, and it continues in the same vein with 68 rebates, per the latest data release from DEEP. The arrow on the above chart indicates when the program parameters were last changed.

With only the base trim level Tesla Model 3 eligible, it nonetheless had the highest number of rebates with 24. This was followed by the Toyota Prius Prime at 11 and the Toyota RAV4 Prime with 10. These were the only vehicles in double digits.

The Reappearing Honda Clarity?

There were 2 rebates for the Honda Clarity, a PHEV that was introduced in 2018 and sold fairly well out of the gate, but which had disappeared off the charts, reportedly due to Honda no longer bringing the car into the state. Net registrations for this model have been declining for the past two years as vehicles are sold or have leases expire and new ones don't replace them. We had a member send us a copy of his correspondence with a Honda dealer who said that they could not get one for him and suggested buying an Accord (conventional) hybrid instead. Recently, we were alerted by a social media post that this may be changing, so perhaps this is an early indicator.

All January rebates for each model are listed below:



UPDATE: We corresponded with Honda of Westport and it seems the car is indeed returning, backed with a renewed push from Honda.

SB 127 Direct Sales Bill Public Hearings Held on 2/19

SB 127 – Permit EV Exclusive Manufacturers to Sell Direct in CT

A virtual public hearing was held yesterday by the legislature for this bill. Both written and oral comments were solicited.

Of the 76 written comments and a full day of Zoom testimony, every consumer that testified was in favor of passing this bill. Not really a surprise that consumers support a consumer-friendly bill. It is still opposed by dealerships and the OEMs. Nothing has changed.

It is difficult to read the tea leaves regarding the impact of testimony, pro or con. The bill has to pass a committee vote and then be called for a vote in both chambers. We are encouraged by the large number of comments submitted and the support we are receiving.

Judging by the response in the testimony, constituents are sending a message: protecting the environment is important and consumer choice is important, more important than protecting outdated laws.

Special thanks to Senator Haskell and Representative Steinberg

who submitted the bill, as well as Representatives Wood and Michel who came on board as co-sponsors.

This is a link to the full (7.5 hours) video which is posted to the Transportation Committee's YouTube Channel.

Some relevant time-stamps:

Tesla – 1:29:58

Lucid – 5:13:56

Rivian – 6:39:27

Senator Will Haskell (bill sponsor) – 2:30:19

Mike Liebow (Tesla Owners Club) – 5:30:46 – And check out his pointed comments here

Leadership of EV Club CT:

Analiese Paik – 5:35:42

Paul Braren – 6:52:13

Barry Kresch – 7:10:40

Beats Netflix!

Thanks to all who were involved in this effort. And let's keep at it.

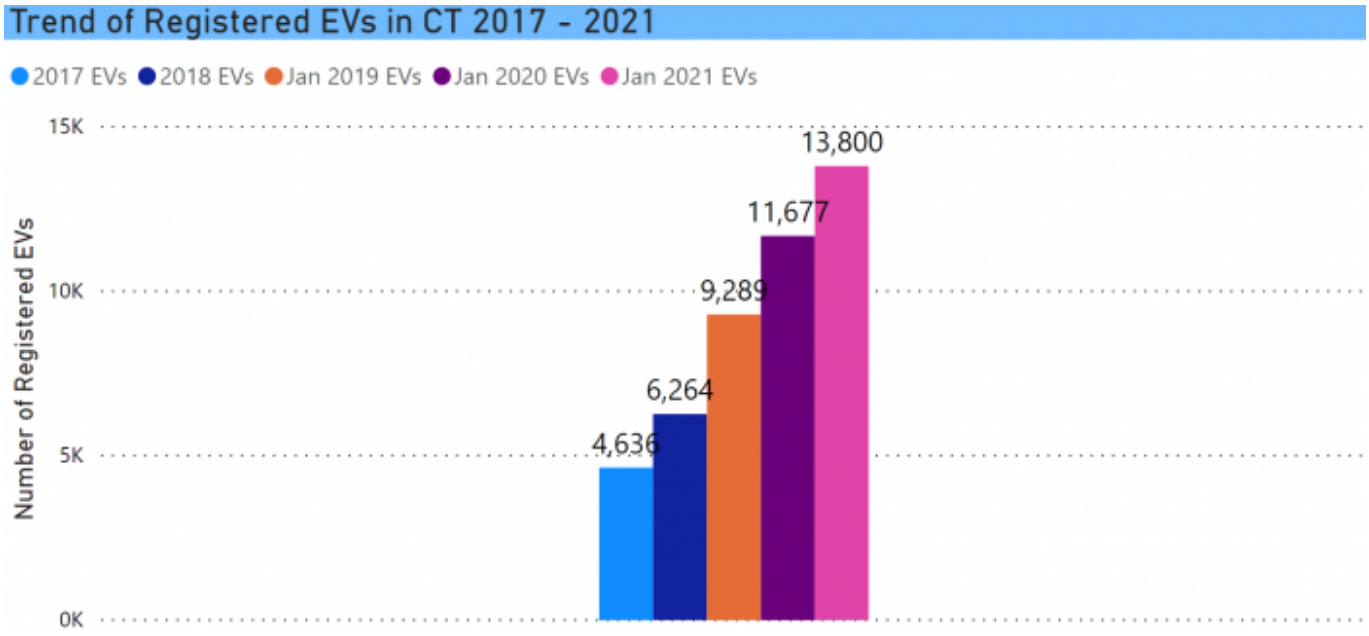
Paul Braren also wrote a detailed and thoughtful piece on his blog.

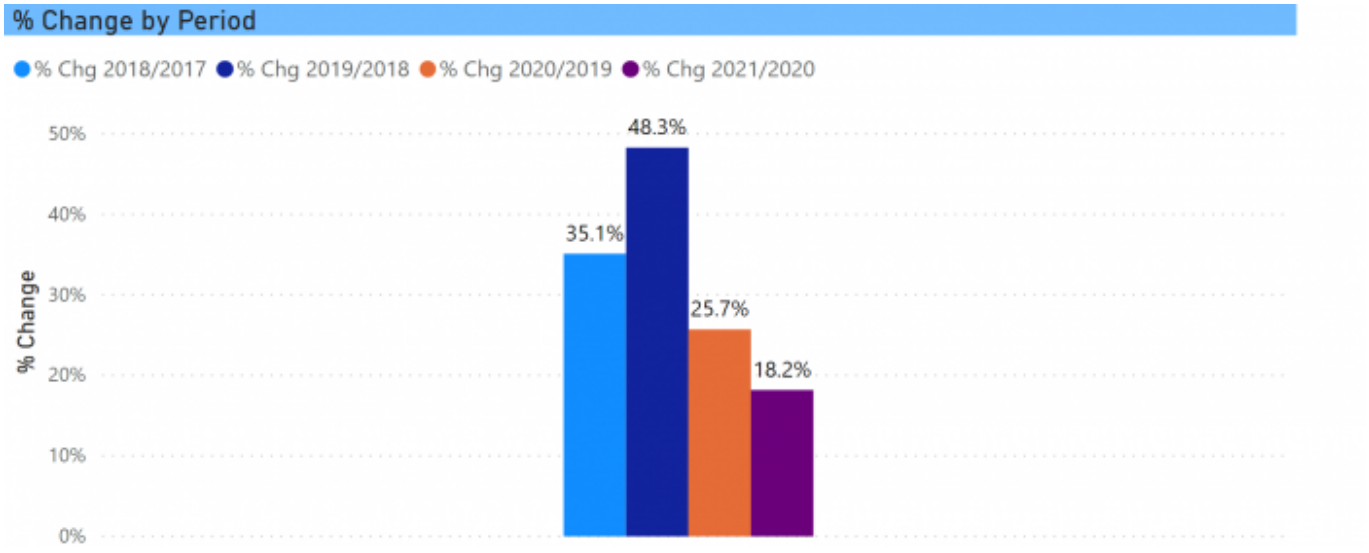
BEV Registrations Up 28% in 2020

Updated CT EV Registration Files

Post by Barry Kresch

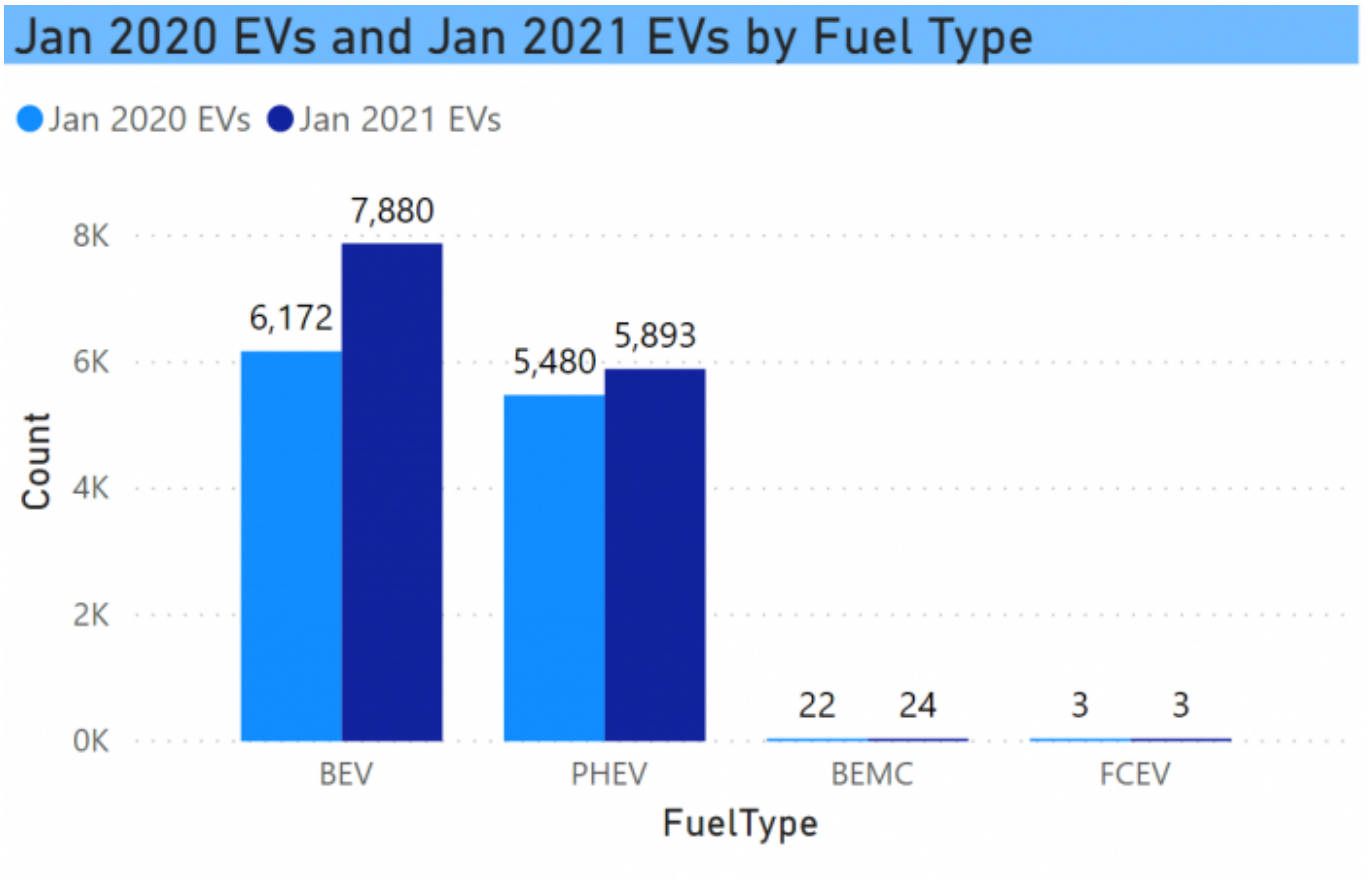
2020 was a difficult year to say the least with overall domestic automobile sales sliding 15% from 2019. Against that background, EV registrations in CT (a related, but different, metric) edged up 18.2% to 13,800 EVs of all stripes. EVs are defined the way they are by the state as battery electric vehicles (BEV), plug-in hybrids (PHEV), battery electric motorcycles (BEMC), and fuel cell electric vehicles (FCEV). The growth rate was slower than in the prior two years, which were 25.7% and 47.8% respectively. It is roughly that last rate of growth from 2 years ago that is needed on a consistent basis if the state is to hit the goal in the Zero Emission Vehicle Memorandum of Understanding. At this rate, CT falls further behind every year.



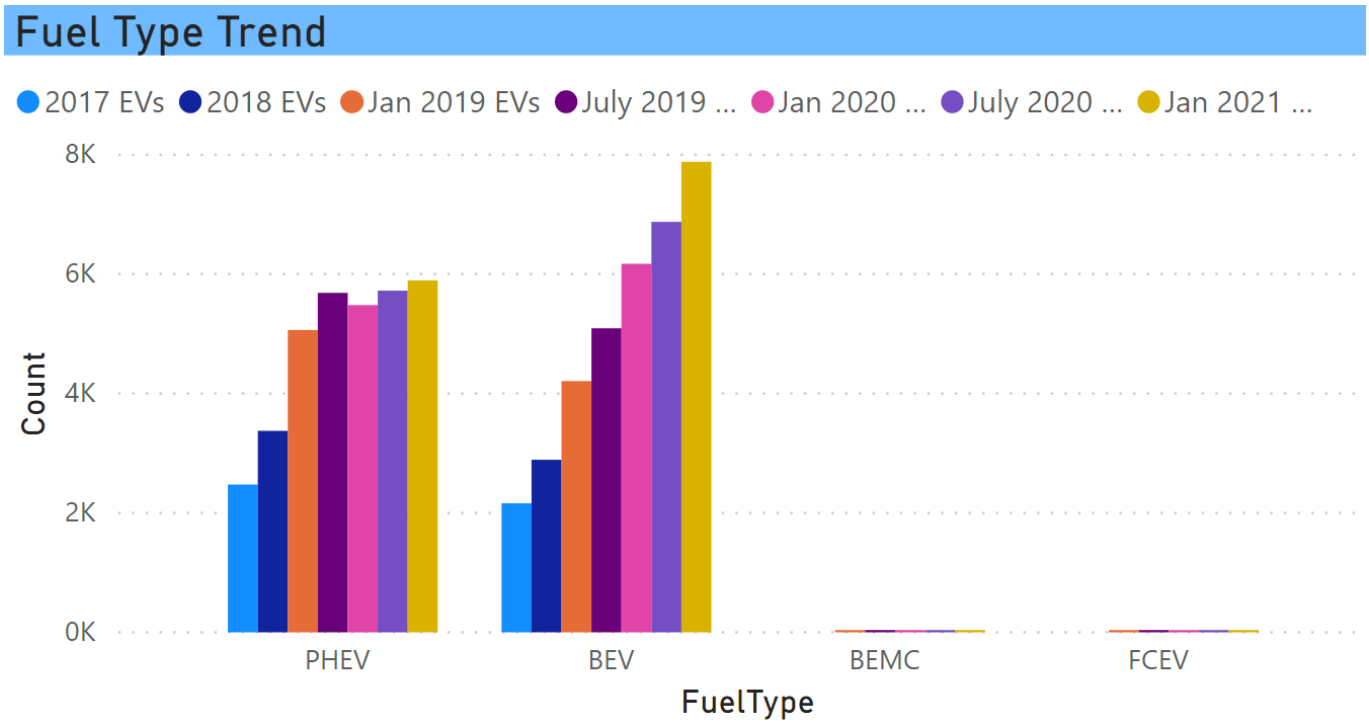


BEVs Lead the Way

BEVs led the way with a 28% increase, followed by PHEVs up 7.5%. There are only 24 BEMCs and 3 FCEVs, the latter of which are not currently available to buy or lease in the state.

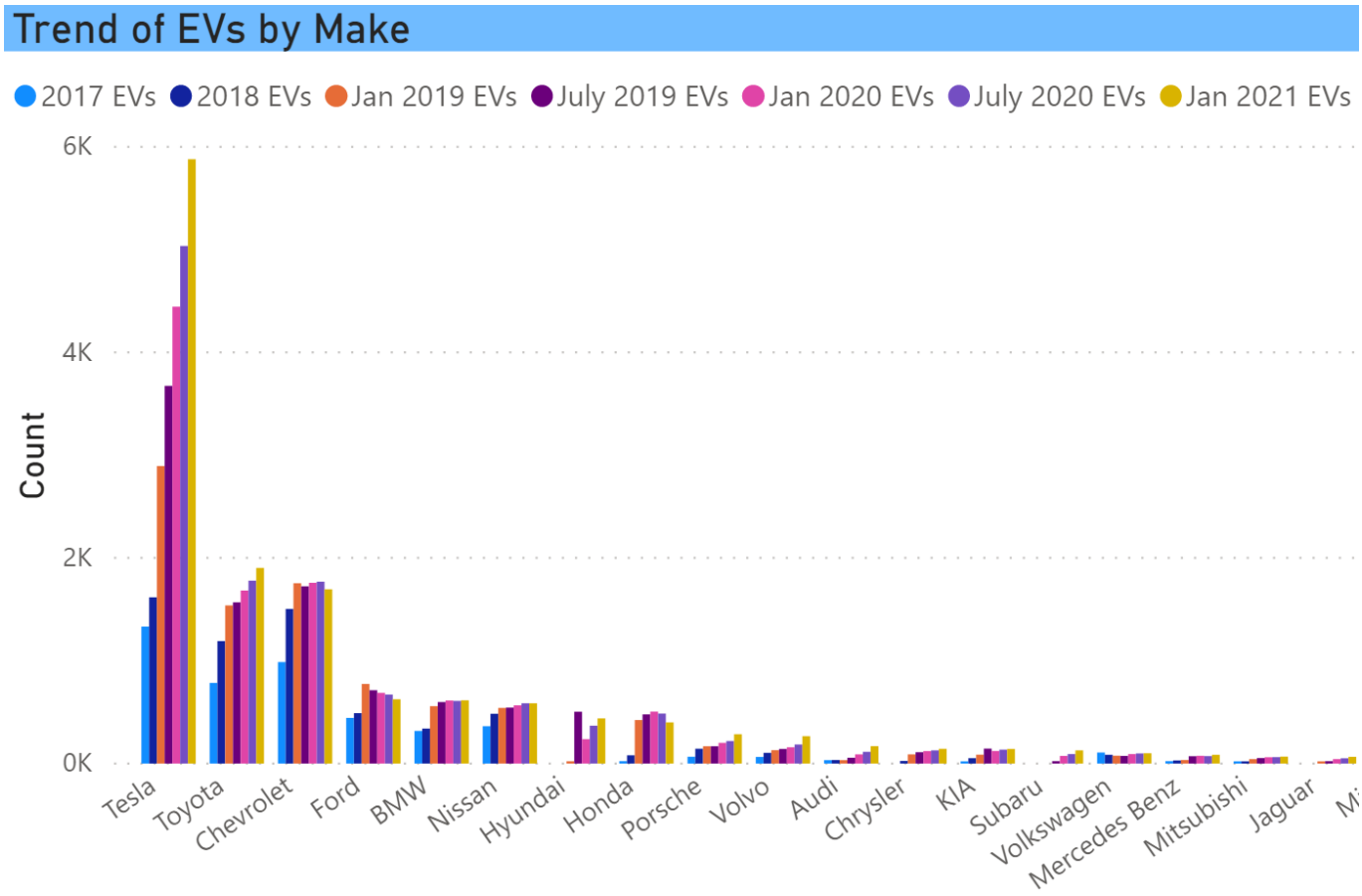


PHEV growth has flattened since 2019.

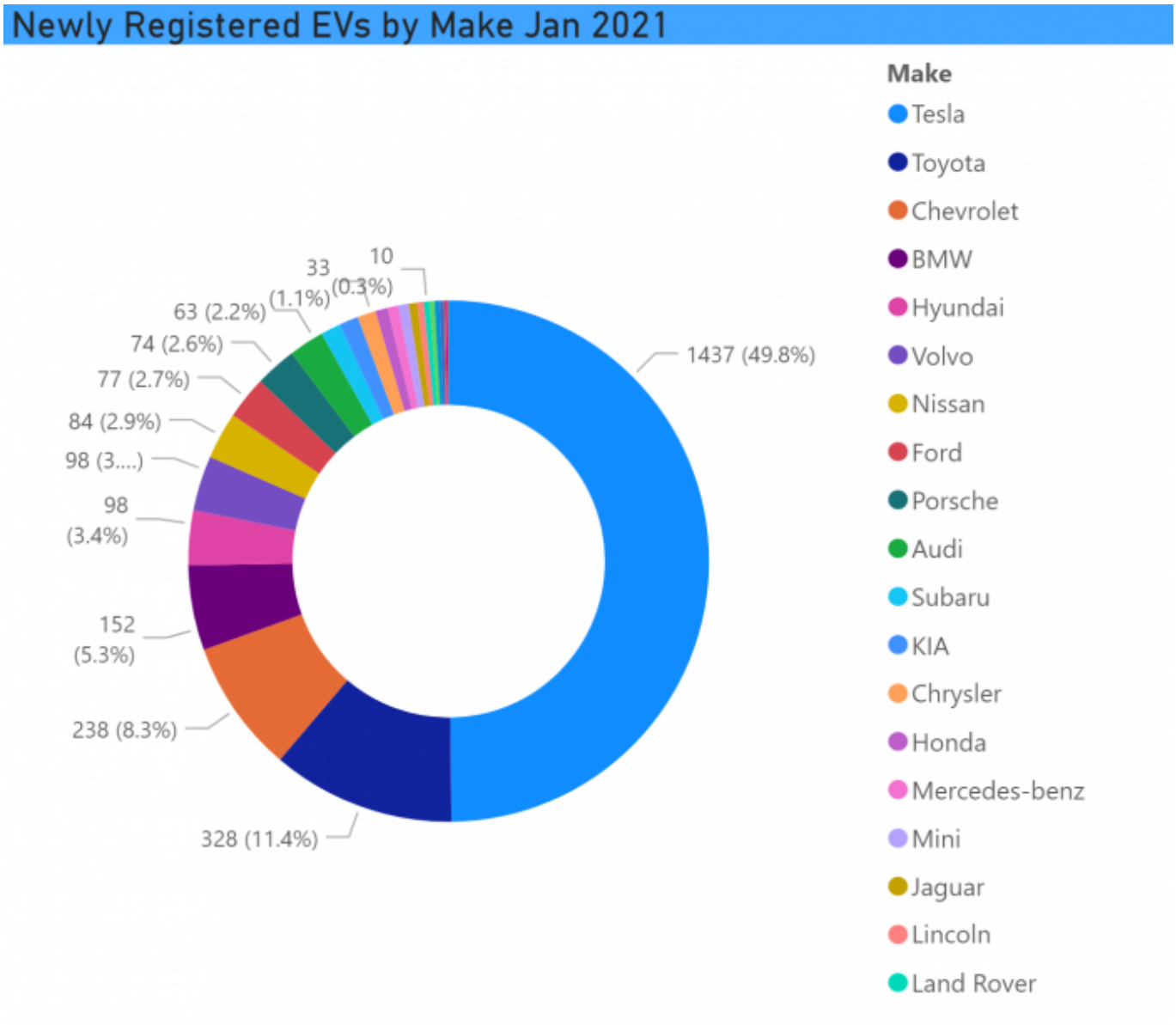


Tesla Again Leads By a Wide Margin

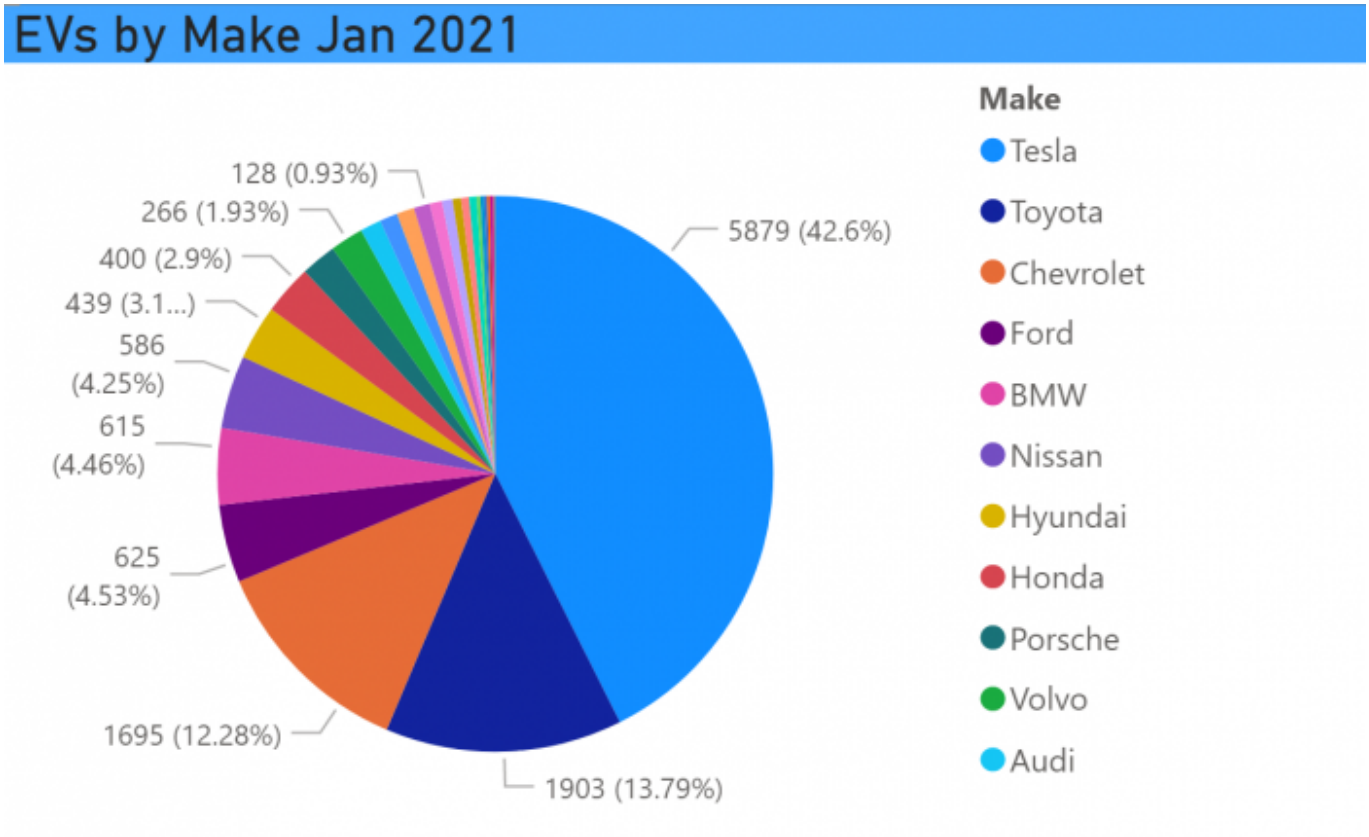
The chart below is an excerpt of the makes with the largest number of registered vehicles. Tesla continues robust growth (and they're not allowed to open stores here, why???). Astonishingly, there is no other manufacturer with a strong increase. There are some that modestly increased (Toyota, Volvo, Audi, Subaru, Nissan), others that are basically flat (most), and a few major players that posted declines (Chevrolet, Ford, Honda). This is a decline in net registrations. It is a function of how many cars they sold versus the turnover in the existing base. Chevy is seeing older Volts exit the file. Honda has stopped trying to sell the Clarity in CT. There could be a change next year for Ford depending on deliveries of the Mustang Mach-E.



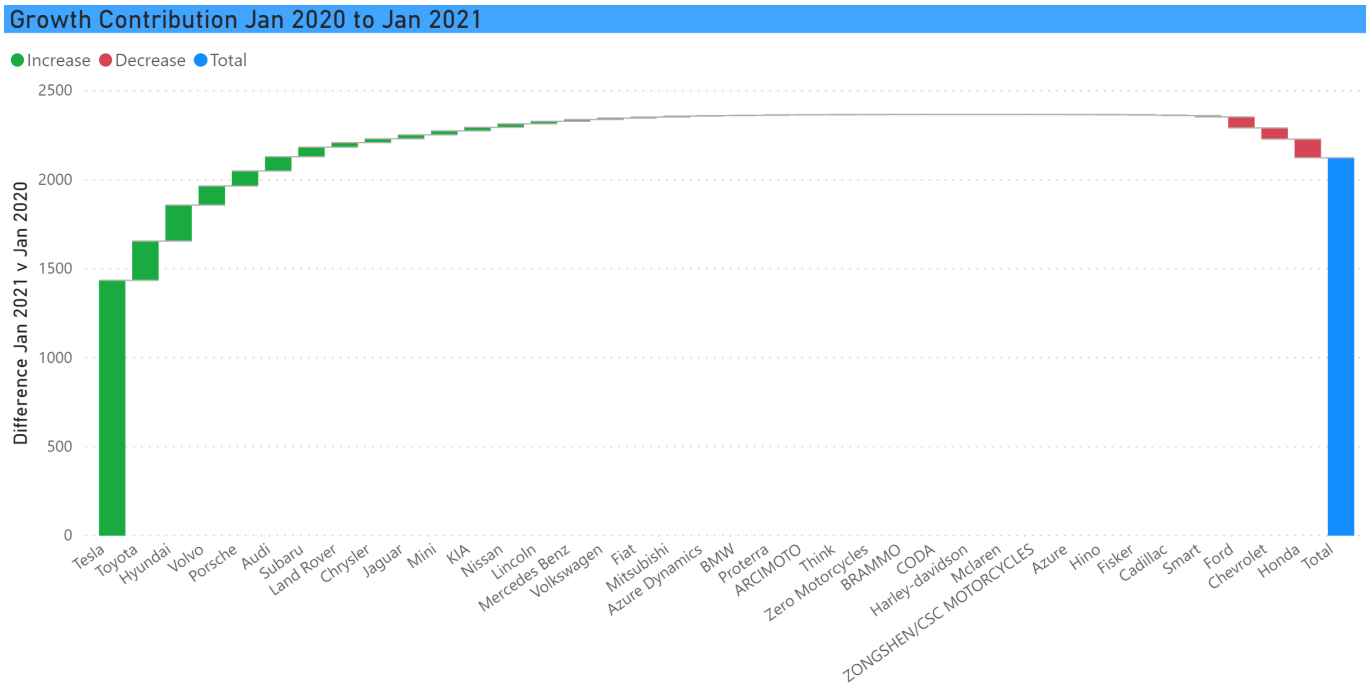
Tesla was responsible for 47% of the vehicles entering the file.



This brought its net share to 43%, up from 40% in July.



This trend is most dramatically illustrated in this growth contribution waterfall chart, which takes the YOY difference in registrations by make and divides it by total net new registrations. This reflects both positive and negative contributions.



Watch this space. More to come…..