

A Cheaper CHEAPR

CHEAPR lowers incentives for BEVs and PHEVs, Changes MSRP Cap

After this blog put up a detailed [update on CHEAPR](#) 2 weeks ago, the date at which the replenishment of funds mandated by the legislature took effect, we have learned that incentive levels and criteria have changed as of today (Oct. 15).

The max MRSP has been lowered to \$42,000 from \$50,000 for PHEVs and BEVs. The max MSRP for FCEVs (fuel cell) has been raised to \$60,000. This resolves the conflict created by the earlier, poorly thought out, cap in that there are virtually no FCEVs available under \$50K.

Incentives for PHEVs are now \$500, no matter the electric range. Previously, PHEVs with 45+ miles of electric range were eligible for \$1000.

There are now 2 categories of BEV incentive, down from 3. These are 200+ miles and <200 miles. They are eligible for \$1500 and \$500, respectively. The old categories were 200+ (\$2000), 120 – 199 miles (\$1500), and <120 miles (\$500).

The incentive for FCEV remains at \$5000 irrespective of range (and the range across these vehicles varies quite a lot).

CT is CHEAPR

CHEAPR

States have been going their own way, whatever the direction of what may be happening Federally. Connecticut has been a consistent supporter of EV adoption and reduced emissions on a number of fronts. And with good reason, as the Department of Energy and Environmental Protection (DEEP) estimates that the transportation sector accounts for about 40% of emissions statewide.

CHEAPR, which stands for Connecticut Hydrogen and Electric Automobile Purchase Rebate, offers rebates to purchasers of plug-in or fuel-cell vehicles. The program began in May 2015. It was announced in November 2017 that another round of funding had been procured to replenish the pool, bringing the total funding since the program's inception to \$5,064,500. According to the [CHEAPR](#) website, 2,332 rebates have been issued since the program started, and the amount of funds remaining stands at \$1,093,250. These numbers are as of January 11, 2018. (That website link can be used to access all details about CHEAPR.)

Unlike the Federal tax credit, CHEAPR is a rebate so it is of use to people who are not in a position to utilize a tax credit. Some dealers will do the paperwork and just deduct it from the invoice. Unlike the Federal program, there is a \$60,000 cap on base MSRP for eligible vehicles. If you are aware of CHEAPR but haven't checked lately, there were changes made in August 2017 with respect to which vehicles qualify for each level rebate. The maximum rebate was raised to \$5,000 (for fuel-cell vehicles, which are expensive). Other rebate levels are \$3,000, \$2,000, and \$500 based on car type and electric range.

There are 3 fuel-cell vehicles on the eligibility list. We'd like to ask our readers, has anyone seen any of them "in the wild" in CT?

Charging Infrastructure

Connecticut has supported charging stations as well as provided credits to municipalities to install charging stations through the Clean Energy Communities Program. In Westport, where town administrations have been supportive of the club's efforts, there are 19 public charging stations that have been obtained in this way. They are located at the two Metro-North stations, the public library, Staples High School, and town hall. There are two other charging stations downtown that were installed by the Tri-Town Teachers Credit Union and Karl Chevrolet. Of these 21 charging stations, 17 are level 2 and 4 are level 1. In addition, there are other chargers in nearby towns as well as at certain rest stops on the expressways. The expressway chargers are level 3 fast chargers. And, of course, Tesla has built out its own proprietary charging network which spans the country.

CT is a member of the CARB consortium of states that follow the stricter California emissions requirements. CT is also one of the ZEV states, a subset of the CARB states, that mandate the sales of zero-emission vehicles.

Still No Direct Sales Bill

The other, more dubious, news is that CT remains a Tesla-free state (one of only 5 nationally, none in the Northeast), meaning that the company is not permitted to open stores in CT. In 2017, as in 2016, the "Tesla Bill" failed to make it to a vote in the legislature. Let's keep in mind that the most widely-owned EV marque in CT is Tesla, but customers are forced to either travel out of state or transact online. It has been reported that the state is losing \$15 million per

year in sales tax revenue plus the revenue from the investment in facilities and employment. The bill is up for consideration again in this year's "short session." Contact your state legislators and tell them you support this bill.

So why do we need an "act of Congress," so to speak, for Tesla to be able to do business here? It's all about the dealer franchise laws. These laws were created many decades ago and the purpose was to protect dealerships (which are independently owned businesses) from predatory competition from the manufacturers they represent. There was never any Tesla-type scenario envisioned at the time these laws were written. And given the decidedly mixed reception that the dealer networks of the legacy manufacturers have given EVs, along with the fact that close to 99% of new car sales are still of the internal combustion variety, it is understandable why Tesla has a business model focused on direct sales.

The proposed compromise that was unsuccessful in CT would have carved out a narrow exception to the franchise laws that would fit Tesla (and nobody else, at least not at present. For a more detailed [explanation of the bill](#), see our earlier blog post discussing it.) But Tesla has had some success in other states in arguing that the franchise laws simply don't apply. Just this month, according to the Providence Journal, DMV lawyers in Rhode Island concluded that franchise laws only apply to manufacturers with franchisees. Residents of Eastern CT can pay a visit to the Tesla showroom opening in Warwick, RI later this year.

Model 3

Some people have asked us if a Tesla Model 3 is eligible for the rebate since it is not sold in the state. It is. (The only thing to watch out for with respect to the Model 3, where there is currently a lengthy lag from reservation to delivery, is that the funds don't get applied until there is a VIN number which doesn't happen until the vehicle is in

production. CHEAPR funds have been replenished several times to this point, but the availability is not guaranteed indefinitely.)

For folks interested in supporting Tesla coming to CT, the company has set up a [Facebook](#)

page and a website has been set up by a local group of [Tesla owners](#). Also, please sign our online petition by texting "EV CT" to 52886.