

CHEAPR Rebates Set for 2025 – But Subject to Change

New Rebate Schedule, Effective January 1, 2025.

Standard Rebates

- Battery Electric Vehicle (BEV) – \$1500
- Plug-in Hybrid (PHEV) – \$750

Income-Limited Rebate (Rebate+)

- BEV New – \$4500
- BEV Used – \$5000
- PHEV New – \$1125
- PHEV Used – \$3000

As anticipated, the BEV standard rebate was lowered from \$2250. Rebate+ amounts were increased, except for a new PHEV.

There is a more detailed description of this in an earlier [blog post](#).

Rebate+ Qualification

There are 3 ways to qualify for Rebate+

- Live in an environmental justice or distressed community.
- Have an income of no more than 3 times the federal poverty level.
- Participate in an eligible government assistance program. On that front, there was an expansion with 2 additional programs qualifying: Winter Protection

Program and Home Energy Solutions.

Greater details about the qualifying programs, including which communities are EJ or distressed, can be found on the [CHEAPR](#) website.

Possible Further Reduction in BEV Incentive

The reduced BEV incentive is happening because the program is burning through its budget too quickly and risks an interruption in dispensing incentives. Since the primary BEV incentive accounts for the vast bulk of the disbursements, this reduction will reduce the burn by a third or more. However, if the program still runs hot, there will be a further reduction from \$1500 to \$1000 in July. This will be determined based on pacing from January to April.

The elephant in the room, of course, is what will happen with the federal incentive. The consensus view is that the incoming administration will go after it. How that looks, exactly, and how fast it happens remains to be seen. A full repeal would require Congressional action, but short of that, new rule-making could still have a major impact.

We have seen consumer behavior respond strongly to incentives, so it is quite possible that EV sales will slow if the IRA is repealed or significantly restricted. A slowdown would affect the CHEAPR burn rate, but the impact is not likely to be fully reflected during the January to April period.

There is more to watch at the federal level than just the IRA. Will the administration attempt to claw back NEVI funds that are allocated to support charging infrastructure? Will they roll back federal fuel efficiency standards or seek, as was done during the first Trump term, to revoke the California waiver that has allowed CA to adopt more stringent standards

and gives other states the option to opt-in? (Connecticut is following the California phase 1 standards that expire at the end of 2025 and has not opted into the successor phase 2 program.)

Fleet Incentives Sort of Update

The elusive fleet update is still being worked on and has no announced start date. However, there is a Federal Department of Energy grant for municipal EV purchase incentives. This is a \$2 million grant called the Energy Efficiency Conservation Block Program (EECBP) that, while not yet a lock, DEEP is expecting to receive. There are a lot of rules around this and not every community will benefit. The target communities are in the screenshot below.

EECBG Priority Districts

Ansonia	Plainfield
Chaplin	Plymouth
Derby	Preston
East Haven	Putnam
Griswold	Sprague
Killingly	Sterling
Montville	Voluntown
Naugatuck	Winchester
New London	Windham
North Stonington	

Vouchers of \$5000 to \$20,000 will be awarded to selected municipalities for EV purchases. DEEP has positioned this block grant disbursement as a dry-run for the fleet incentives for which \$2 million are being held in reserve. When the CHEAPR fleet incentives become available, they will apply to non-profit, tribal, and commercial entities, as well as

municipal.

CHEAPR – New Program Components Beginning to Be Implemented

The following is a summary of what was reported in the recent CHEAPR board meeting.

Pre-Qualification Voucher Program for Income Limited Persons

This new program soft-launched on March 29th.

There have been supplemental rebates for income-limited buyers (often short-handed as LMI) for new EV purchases, as well as rebates for used EV purchases for several years. These have gotten almost no traction. From the beginning, concerns were expressed that the criteria (participation in certain government assistance programs) were too restrictive and the post-purchase application process, whereby the purchaser had to float the cash for the incentive (as well as live in some suspense that it would come through), were just not realistic.

Those complaints, along with the empirical data, led the legislature to direct changes to the program that became law in Public Act 22-25, passed in 2022. In addition to the government assistance program participation, an income option was added, specifically that households with income of up to 3 times the federal poverty rate would be eligible regardless of program participation. Some examples of 3x poverty: \$43,470

for a single person household and \$90,000 for a 4-person household.

DEEP reports this has led to an encouraging early response. This is based on vouchers awarded. It doesn't definitively mean that everyone who received a voucher has used it. That was a subject of discussion when the LMI program was first implemented. Apparently, some other states that had used vouchers had seen low conversion rates, and there was concern about how wasteful the extra admin overhead would be. As of this writing, DEEP has only updated published rebate data through April 13th, and there are no recorded LMI rebates between the end of March and April 13th, so it is too soon to have any visibility.

The next step is for there to be a marketing push. A vendor has been selected and we'll see how fast the information gets out.

Used EV Rebate

As noted above, the LMI program includes rebates for used EVs. The CHEAPR website indicates which EVs are eligible, just as it does for new EVs. Only vehicles that previously met the criteria for eligibility when new will be eligible as a used vehicle. We thought there might be a willingness to loosen this and it is disappointing this is not the case. We think it needlessly limits the options for the consumer. There is already a gating requirement in terms of income limits. This feels needlessly restrictive.

There are some details that we await. The MSRP cap was lowered, then raised over the course of the program. Is the eligibility based on the current cap or the cap in effect at the time? What if a model has had price changes?

Fleet Incentive Program

A major addition to the program was extending the CHEAPR incentives to fleets. This applies to private fleets, municipalities, non-profits, and tribal entities. Non-profits must provide a Certificate of Legal Existence to prove good standing. According to DEEP, the launch will occur sometime in the third quarter.

The cap is 10 rebates per year and 20 lifetime. The DEEP commissioner has some flexibility to raise the cap for an organization if it is determined to be warranted.

The fleet program applies to new vehicles and the standard rebate only. The MSRP cap of \$50K applies here as it does with the consumer.

E-Bike Rebate

The first phase of the e-bike program is scheduled to launch on June 28th with a point of sale voucher for brick and mortar stores. Online sales will come along later. CT residents age 18 or older can apply for a voucher that can be redeemed for an eligible e-bike at a participating retailer. Check with your preferred e-bike retailer to see if they are enrolled in the program.

The base rebate is \$500. That can be augmented by an additional \$1000 for LMI individuals.

There is an MSRP cap of \$3000.

Eligible bikes must have either a UL 2849 or EN 15194 certification. (A pending certification does not count.) **This is an important requirement to ensure safe e-bikes are purchased.** Generally speaking, and unlike with automobiles, there is a paucity of regulation at this time. There is a lack of awareness that there are unsafe e-bikes out there, and with

lithium-ion batteries, you are literally playing with fire.

Update: According to Bloomberg, the program was fully subscribed within 3 days of launch.