

# **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a message: protecting the environment is important and consumer choice is important, more important than protecting outdated laws.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:

Analiase 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](#).

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## **EV Showcase at 2019 STEAMFest**

The EV Club staged a small showcase at a well-attended event called STEAMFest, presented by Sustainne with (and at) Housatonic Community College in Bridgeport. This event covered numerous topics related to energy efficiency, zero-waste, raising organic food, ecology, as well as speakers who gave advice to students about environmentally-related careers (of which there is a wide variety).

The time of year is past, for the most part, for outdoor showcases, but we braved the somewhat cold November weather and had a great response. We find that there is still a pretty low baseline level among the general public about what EVs are about and what incentives may be available. It reminds us that the commitment to doing these will be worth it over time.

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## **Charging Up Consumers To Drive EVs**

### **How to Sell an Electric Vehicle**

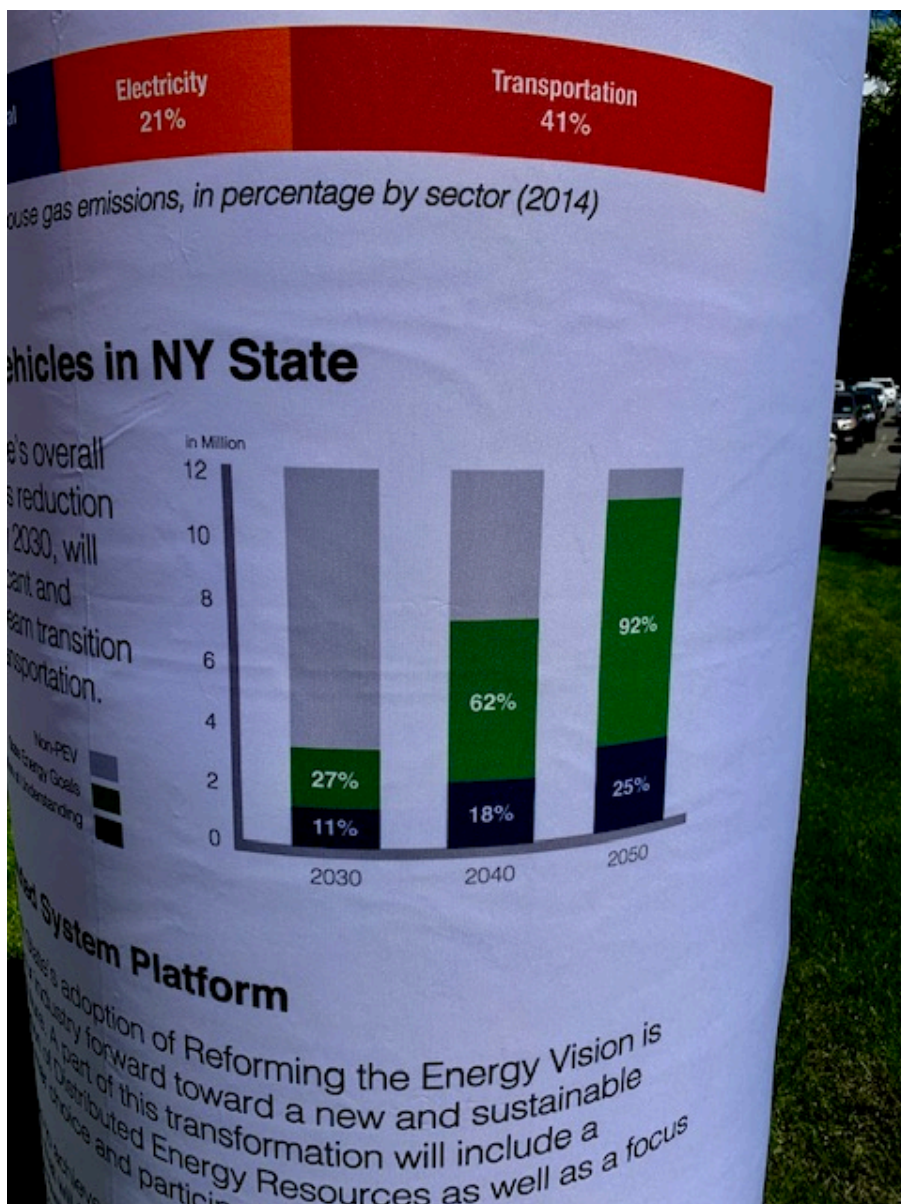
One of the local automobile dealers once told me that the best way to sell an EV was to take it one customer at a time. Let the prospective customer take it for a test drive that might last a day or even a weekend. De-mystify the vehicle and the experience of charging. The most important thing is to let the driving experience speak for itself. Until people actually use them, they don't realize how much fun they are to drive and how easy they are to use.

Of course, for this test drive scenario to happen, the customer has to already be at the dealership. But taking this concept a step further is the strategy behind the national series of Electric Car Guest Drive events staged by the publisher of Electric Car Insider to extend the reach of EV sampling to a larger public. In these events, EV owners allow members of the public to take a short test drive of their

vehicle with the owner in the passenger seat. It allows for a free-flowing, informal, and friendly discussion about how to drive the car, the ins and outs of charging, and the EV driving experience in general.

## Electric Vehicle Guest Drive

The EV Club of CT participated in one of these Electric Car Guest Drive events on May 16th and 18th. The 2-day event was held in Pearl River, NY at the offices of Orange and Rockland Utilities, which sponsored it. (Utilities realize that they are the new “gas stations.”)



Orange and Rockland Signage Photo: Barry

Kresch

Approximately 500 people attended over the two days with about half of them taking test drives. There were 12-15 cars available each day with drives conducted on a 1.3-mile pre-planned course. The vehicle makes represented included Tesla, Chevrolet, BMW, Mitsubishi, Mercedes Benz, and Audi. There were both battery electric vehicle and plug-in hybrid models. Based on my informal observation, the vehicle that got the most attention was the Tesla Model 3.



Rider Changeover Lane Photo: Barry Kresch

## Personal Experience

As an owner and a newbie at this guest-drive thing, I admittedly approached the event with a little trepidation over allowing strangers to use my vehicle. Every other EV showcase I have attended (and I will cop to the fact that there have been way too many) either did not involve test drives (most of

them), or had test drives offered by a limited number of participating dealers or Tesla reps. Given that this format has no sales pressure and a lot of EV owners present, there were many more people able to get behind the wheel.

I have been plugging in since 2012 and have lots to say about driving electric. Even 10 or so years into the modern EV era, we're still considered early adopters and tend to be an enthusiastic bunch, champing at the bit for EV sales to get moving up that S-Curve. I had to restrain myself so that the test drivers could ask questions and I could get a sense of what they knew and what their pre-conceptions were. With respect to the Chevy Volt I was driving, many people still don't understand the concept of a plug-in series hybrid. They were surprised at how much gas it saves and that its ride is closer to a Tesla than a Prius. These interactions turned out to be a lot of fun, and I get to opine on which options I think are worthwhile without having to worry about a sales manager looking over my shoulder. Interestingly, I also fielded a number of questions about buying a used EV, an important component of market growth.

## **Does It Work?**

All of which leads to the big question: do these events accelerate adoption? Apparently, they do. In a big way. According to ECI publisher, Chris Alan, 30% of those taking a test drive purchase an EV within 6 months. (We're not saying what we put in the lemonade.)

There will be more of these events coming to a city near you. Stay tuned!

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# 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.

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## **Tesla Direct Sales in CT**

### **“Tesla Bill”**

The “Tesla Bill” is again before the state legislature. The official moniker is HB 7097. This bill would create a carve-out from the existing dealer laws that would permit Tesla (or other similarly situated EV makers should they come along) to sell directly to customers from factory-owned stores. CT is currently one of a handful of states that have denied this option for Tesla. The WECC blogged in some detail about last year’s bill in April of 2016.

The legislation to create such a carve-out has been re-introduced (for the third year running) and at the time of this writing is still pending. The 2017 legislative session adjourns on June 7th.

Tesla is hosting a forum to discuss the bill and its meaning for clean transportation. The Westport Electric Car Club is an invitee. It will take place at the showroom of Dragone Classic

Motors, 176 Post Road West, Westport CT. The meeting begins at 6:00 PM. Panelists will be:

Will Nicholas – Tesla Government Relations Manager

Avi Kaner – Selectman, Town of Westport

Jonathan Steinberg – CT State Representative and Transportation Committee Member

A representative from the Connecticut Fund for the Environment

This meeting is open to the public and we look forward to meeting all of those interested in this topic.

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## **Tesla to Speak at April 14 Westport Electric Car Club Meeting**

## **Tesla push for direct sales in CT**

Will Nicholas, Government Relations Manager for Tesla Motors will be speaking at the WECC meeting on April 14.

**DATE: APRIL 14, 2016**

**TIME: 5:30 PM**

**LOCATION: DRAGONE CLASSIC CARS SHOWROOM, 176 POST ROAD WEST,  
WESTPORT, CT 06880**

Mr. Nicholas will be discussing the status of Tesla's efforts to get legislation passed that would permit Tesla (or any other EV manufacturer) to open stores in Connecticut, something that is not currently legal. Only dealers which are not owned by the automobile manufacturer are permitted to sell vehicles. Tesla has built a business model around selling directly to the consumer.

Currently, Tesla has a servicing location in Milford but no stores. As reported by the Hartford Courant in February of this year, Tesla would like to open 3 stores in the state and hire from 12 – 24 employees at each location. The Courant also reported that Tesla estimates generating \$1.68 million per year in sales tax revenue.

The closest Tesla stores to Fairfield County are currently located in White Plains, NY and Mount Kisco, NY.

Mr. Nicholas will also speak to some of Tesla's other recent initiatives such as the Model 3, which has generated over a quarter million pre-orders, and its Gigafactory lithium-ion battery production facility.

This meeting is open to the public.