

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 13

To: Community Advisory Committee

From: Mitch Sears, Executive Officer
Rebecca Boyles, Director of Customer Care and Marketing
Sierra Huffman, Program and Community Engagement Analyst

Subject: Electric Vehicle Rebate Pilot Program

Date: March 24, 2022

RECOMMENDATION

Review and provide feedback on Phase 1 of Valley Clean Energy's Electric Vehicle Rebate Pilot Program.

BACKGROUND

Mid-2021, VCE began developing an Electric Vehicle (EV) Rebate Pilot Program within the context of a national and statewide movement in transportation electrification. The shift in focus from traditional gas vehicles with the recognition of the emissions associated with fossil fuel transportation motivated VCE to explore the most effective ways to increase local EV adoption. VCE is designing a program that stacks with existing EV rebates and incentives, providing our customers with additional incentives. Initial research and engagement identified that providing customers with greater financial assistance, especially to those of lower income, could increase the adoption of EVs by making it a more feasible financial decision.

Considering the complexities that arise from providing rebates or incentives for electric vehicles, VCE would like to take a phased approach to the pilot. Phase 1 will embody a simple, streamlined approach that is straightforward to implement and easy for customers to apply. Phase 1 will provide rebates for new electric vehicles if the customer provides proof that they have received a rebate from a state program. Low-income applicants will receive a more generous rebate, and higher rebates will be provided to battery EVs as compared to plug-in hybrids. Income eligibility will be set to match state EV programs.

PROGRAM DESIGN

Staff believes that taking a phased approach to this pilot is the best way to provide value while learning more about the intricacies of providing EV rebates. After the conclusion of the initial phase, staff (with the assistance of the CAC Programs Task Group, or PTG) will determine how to expand vehicle eligibility to include used vehicles, as well as the added value and feasibility of proving a point-of-sale incentive for electric vehicle purchases.

Existing State and Regional Rebate Programs

Three state programs and one regional program are providing financial assistance for EVs: the Clean Vehicle Assistance Program Grant (CVAP), Drive Clean Assistance Program (DCAP), California Clean Fuel Reward (CCFR), and the Clean Vehicle Rebate Program (CRVP). Both the CVAP and DCAP provide grants to income-qualified applicants before they purchase an EV. The CCFR is a small automatic incentive that is provided right at purchase. The CVRP provides a rebate three to six months after an EV purchase to any eligible customer with an income under the high earners cap, with higher rebates provided to low-income applicants. Each program provides different amounts of financial assistance with slightly different customer and vehicle eligibility criteria. Currently the CVAP is out of funds and applicants are being put on a wait list. Funding is likely to resume soon.

Staff is still considering which state program approach with which to align in Phase 1. Staff is leaning toward aligning with the CVRP because it differentiates between low- and mid-high income and tracks that the vehicles are kept for at least 30 months, and the program currently has funding. This is the approach Redwood Coast Energy Authority chose for their EV rebate program, for many of the same reasons cited. Please see Attachment A for more details on state and regional rebate programs.

Staff will engage customers by potentially joining related webinars, attending in-person events, and connecting with customers through collateral such as web materials, social media, advertising, and printed information. Webinars/in-person events give customers the opportunity to ask questions about navigating the many rebates and incentives, as well as cover topics on owning and maintaining an EV. Marketing collateral would explain the benefits of owning an EV such as reduced or eliminated gas cost, reducing greenhouse gas emissions, and potential vehicle to grid benefits. Additional advertising strategies are being explored such as radio ads and bus ads to reach a greater audience and more diverse demographic. Emphasis will be put on engaging low-income customers and disadvantaged communities.

FINANCIAL IMPACT

Overall budget is being discussed. A dedicated portion of the budget may be spent on marketing, advertising and customer engagement; while the majority will be allotted to rebates. Staff (in consultation with the PTG) is loosely planning on rebate amounts as follows: low-income customers would be provided with \$4,000 for any new battery or plug-in hybrid EV; all other eligible customers would receive \$2,000 for new plug-in hybrids or \$2,500 for new battery EVs.

CONCLUSION

Staff is asking the CAC for feedback, especially regarding vehicle or customer eligibility, marketing and advertising strategies, and rebate dollar amounts.

Attachment:

1. Attachment A: EV Rebates Available to VCE Customers

EV Rebates/Grant for VCE Customers								
Program	Eligible EVs	Purchase Type	Income Criteria	When to Apply	\$ Amount (Min)	\$ Amount (Max)	Wait Time	Program Date
Clean Vehicle Assistance Program (CVAP) Grant	Participating Dealerships Only	New, Used, Leased	Yes	Before Purchase	\$ 2,500.00	\$ 5,000.00	Wait List: Unknown	Restarting mid-year 2022
Drive Clean Assistance Program (DCAP)	Any – Assistance finding a vehicle is provided by a counselor	New, Used, Leased	Yes	Before Purchase	Unknown	\$ 5,000.00	~ 3 Months	Current: Based on available funding
California Clean Fuel Reward (CCFR)	Participating Dealerships Only	New, Leased	No	During Purchase (Automatic)	\$ 454.22	\$ 750.00	None	Current: Based on available funding
Clean Vehicle Rebate Project (CVRP)	Specific Models Only	New, Leased	Yes	After Purchase	\$ 1,000.00	\$ 4,500.00	~ 3 - 6 Months	Current: Based on available funding