

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 9

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: April 28, 2022

RECOMMENDATION

Review and recommend Board approval of Phase 1 of Valley Clean Energy’s Electric Vehicle Rebate Pilot Program.

BACKGROUND

In 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 designed a program that stacks with existing EV rebates and incentives, providing VCE customers with additional funding opportunities. Initial research and engagement identified that providing customers with greater financial assistance, especially to those of lower income, could increase the adoption rate of EVs by making it a more feasible financial decision.

Considering the complexities that arise from providing rebates or incentives for electric vehicles, staff recommends a phased approach to the pilot. Phase 1 would be a simple, streamlined approach that is straightforward to implement and easy for customers to apply. Phase 1 would provide rebates for new electric vehicles with proof that the customer has received a rebate from the California Vehicle Rebate Project (CVRP). Low-income applicants would receive a more generous rebate, and higher rebates would be provided to battery EVs as compared to plug-in hybrids. Income criteria and vehicle model eligibility would be based on the CVRP’s program standards.

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

best to expand vehicle eligibility to include used vehicles, as well as the added value and feasibility of providing a point-of-sale incentive for electric vehicle purchases.

Existing State 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 Clean Vehicle Rebate Project (CVRP). 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 through eligible dealerships. The CVRP provides a rebate within three to six months after an EV purchase to customers who make less than the high earners cap, with greater rebates provided to low-income applicants.

Staff recommends aligning with the CVRP because it differentiates between low- and mid-high income, tracks that the vehicles are kept for at least 30 months, includes a luxury vehicle cap, and has funding at this time. This is the approach Redwood Coast Energy Authority chose for their EV rebate program, for many of the same reasons cited.

Staff will engage customers by potentially joining related webinars, attending local 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 a more diverse demographic. Emphasis will be put on engaging low-income customers and disadvantaged communities.

FINANCIAL IMPACT

Total proposed program budget is \$100,000. A dedicated portion of the budget may be spent on marketing, advertising and customer engagement, while the majority will be allotted to rebates. Should demand for rebates be high, staff has reserved \$10,000 in the budget for as-needed consultant support. That amount would be reallocated to rebates should staff not need the program support.

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, and to provide a recommendation to the Board for approval Phase 1 of Valley Clean Energy's Electric Vehicle Rebate Pilot Program.

Attachment

EV Rebates Program Design/Implementation Form Draft



Program Preliminary Design/Implementation Form

Program Concept: Electric Vehicle (EV) Rebates Pilot

Date: 4/14/22

Staff Resources and Support:

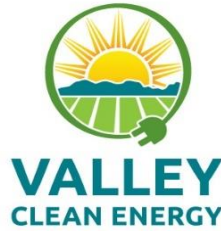
Assigned Program Managers: Rebecca Boyles, Sierra Huffman
 Programs Task Group members: Marsha Baird, David Springer
 Consultant names: (potentially; still TBD) SMUD, Jim Parks, Green Ideals

Scope: Develop program infrastructure and disburse rebates for Electric Vehicles to qualifying customers until program funds are exhausted. Income-qualified customers are eligible for higher rebates.

Timing: (approximate; pending approval) Announce phase 1 program roll-out after Board approval in Spring 2022. Begin phase 1 of program implementation in May 2022 (pending board approval). Begin providing rebates at the start of implementation, and close rebate application process when funds are exhausted.

Program Design Criteria Evaluation:

	Criteria 1	Criteria 2	Criteria 3
Criteria Type	<u>Availability of Funds</u>	<u>Staff Time</u>	<u>Strategic Plan Alignment</u>
Reasoning for Program Score	Scored high; we have internal funds set aside for such programs	Scored high; low impact on staff time. Multiple CCAs have implemented similar programs and found it easy to do, requiring minimal staff time; and we would emulate these programs	Scored medium to high on strategic plan alignment: <u>Reduces GHG Emissions</u> Higher penetration of EVs in Yolo County would lead to less emissions from transportation <u>Customer Satisfaction</u> Addresses an issue of importance to customers as stated in a customer survey <u>Addresses Environmental Justice</u> Addresses the needs of the underserved, underprivileged and/or lower-income customers by making EVs more accessible <u>Regulatory & Legislative Goals Alignment</u> Aligns with state goals of increasing penetration of EVs in CA <u>Strategic Partnerships</u> Level of collaboration with local organizations: we could potentially work with California Air Resources Board, EV dealers, Yolo-Solano Air Quality Management District, low-income communities, community-based organizations, and additional stakeholders



Program Metrics and Goals:

Metrics: The total number of EVs purchased utilizing VCE’s rebate program; number of EVs purchased and total dollars provided to low-income qualified applicants.

A calculation of avoided or reduced greenhouse gas emissions (GHG) from replacing or substituting gas vehicles with electric transportation. Emissions reductions will be calculated by estimating the number of miles a customer drives annually and comparing the carbon emissions per mile for gas to the emissions per mile for electric. The emissions per mile for electric will derive from the GHG emissions associate with VCE’s energy portfolio. There will be the potential to replace estimates with real customer data on average vehicle miles driven, through optional questions on rebate applications.

Goal: 26 EVs incentivized; including 10 income-qualified recipients

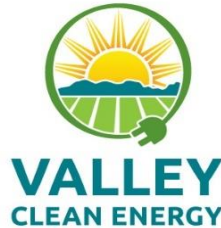
Proposed Programs Budget:

Resource	Source	Proposed Budget	\$ Remaining in Program Funds
Rebates	Programs Budget	\$80,000	
Marketing, Education & Advertising	Programs Budget	\$10,000	
Consultants (if applicable)	Programs Budget	\$10,000	
	Total	\$100,000	\$119,000

Budget details:

\$2,500 rebate for new or leased vehicles (16 rebates if 50% of budget used). Battery Electric Vehicles (BEV) will qualify for the full rebate of \$2,500, while Plug-In Hybrid Electric Vehicles (PHEV) will receive \$500 less in incentives, totaling to \$2,000.

\$4,000 rebate for income-qualified customers for new or leased vehicles (qualifying by being on CARE/FERA). Low-income customers will not be subjected to lower incentives for PHEVs versus BEVs. All qualified EVs will be eligible to receive the full incentive amount of \$4,000. (10 rebates if 50% of budget used). Total of 26 BEV rebates given if funding was split 50/50 income-qualified/not.



Organizational Goals Addressed:

Alignment with VCE's Strategic Plan? Yes

- **Goal 3.** Prioritize VCE's community benefits and increase customer satisfaction and retention and;
 - 3.2 **Objective:** *Develop programs and initiatives to better support community goals, including supporting member agency achievement of energy-sector emissions reduction targets.*
 - 3.5 **Objective:** *Develop customer programs and initiatives that prioritize decarbonization, community resiliency and customer savings.*

Phase 1 Program Eligibility:

1. Must be a Yolo County resident and an existing customer of Valley Clean Energy; one rebate per household
2. Must apply and be approved by Valley Clean Energy after being approved for a rebate from the Clean Vehicle Rebate Project
 - a. Low-income eligibility requirements set by and verified through the Clean Vehicle Rebate Project
3. Purchase an eligible vehicle:
 - a. New or leased EV
 - i. Model eligibility set by the Clean Vehicle Rebate Project
 1. Includes a luxury vehicle cap, currently set at \$45,000
 - b. Must be a plug-in hybrid or battery powered EV

Application Process:

Applications will be processed on a first-come, first-served basis until the budget is exhausted. If an applicant has been waitlisted by the Clean Vehicle Rebate Project (CVRP) because funds have become temporarily unavailable, VCE will hold program funds for them until their rebate is approved by the CVRP.

Customer applications will be available on VCE website in both English and Spanish. Delivery by email is preferred but applications will also be accepted by mail, fax, or drop-off.

Valley Clean Energy or a contracted 3rd party will provide application support to our interested customers, as well as help them find information on and apply for additional EV rebates like the Clean Vehicle Assistance Program and Drive Clean Assistance Program. We encourage all applicants, especially low-income, to apply for additional rebate programs.

Dispersal of funds:

Rev. 4/25/22



VCE will write a check using the applicant's information.

Marketing, Education and Outreach (ME+O) Strategy:

Promote on social media, website, and evaluate cross-promotion with aligned organizations (e.g. RISE, Inc., Mutual Housing, Grid Alternatives, Davis Electric Vehicle Associations). Potential to initiate targeted mail and/or email campaigns, print or radio advertisement campaigns, as well as create marketing materials for use in car dealerships.

Board, CAC, PTG Input:

The Programs Task Group (PTG) has played a fundamental role in the development of this rebate pilot from its conception in early 2021. The PTG supports the pilot's alignment with the Clean Vehicle Rebate Project.

Next Steps: Research lessons learned from sister CCAs with similar programs; formalize budget; develop full list of eligibility criteria and terms & conditions; seek Board approval; develop ME+O Strategy; implement program.

DRAFT