

February 10, 2015

The Honorable Paul R. Doyle
Joint Energy & Technology Committee Co-Chair
Energy & Technology Committee
Legislative Office Building, Room 3900
Hartford, CT 06106

The Honorable Lonnie Reed
Joint Energy & Technology Committee Co-Chair
Energy & Technology Committee
Legislative Office Building, Room 3900
Hartford, CT 06106

Re: HB 6030 & HB 6031, Zero-Emission Vehicle Incentives; Support

Dear Chairs Doyle and Reed:

On behalf of the Association of Global Automakers, Inc. (“Global Automakers”)¹ and its members, we wish to express our strong support for HB 6030 and HB 6031. This legislation establishes zero-emission vehicle (“ZEV”) incentives to encourage the growth of the ZEV market with sales incentive measures and infrastructure development.

Connecticut’s adoption of the California ZEV program comes with the state’s duty to promote and ensure a robust market for these vehicles. Governor Malloy recognized the state’s obligation by signing on to the eight states’ Memorandum of Understanding and through ongoing work to develop and implement a Multi-State ZEV Action Plan. Additional action by the legislature is needed, however, to support these efforts.² Sales of hydrogen fuel cell, battery-electric, and plug-in hybrid electric vehicles in Connecticut, as a percentage of all new light duty vehicles registered in the state³, have actually experienced a decrease in the past calendar years – 0.05 percent in 2011, 0.40 percent in 2012, 0.71 percent in 2013, and 0.46 percent in 2014.⁴ At the current rate, the state will

¹ The Association of Global Automakers represents international motor vehicle manufacturers, original equipment suppliers, and other automotive-related trade associations. We work with industry leaders, legislators, regulators, and other stakeholders in the United States to create public policy that improves motor vehicle safety, encourages technological innovation and protects our planet. Our goal is to foster an open and competitive automotive marketplace that encourages investment, job growth, and development of vehicles that can enhance Americans’ quality of life. For more information, visit www.globalautomakers.org.

² State Zero-Emission Vehicle Programs Memorandum of Understanding, October 24, 2013, <http://www.nescaum.org/documents/zev-mou-8-governors-signed-20131024.pdf/view>.
[Multi-State ZEV Action Plan](http://www.nescaum.org/topics/zero-emission-vehicles), May 29, 2014, <http://www.nescaum.org/topics/zero-emission-vehicles>

³ Connecticut light duty vehicle sales were 149,091 in 2011; 158,128 in 2012; 169,819 in 2013; and 160,832 in 2014 (January through November).

⁴ Source: IHS Global. Note: the data for 2014 only includes January through November 2014.

not fulfill the ZEV program of 15.4 percent of new vehicle sales by 2025. In contrast, California has seen a significant and positive change in ZEV sales over the past few years. This is in part because the state has invested in both direct and indirect consumer incentives for ZEV owners and substantially supported the infrastructure these vehicles need. With incentives and greater infrastructure in place, ZEV sales in California increased from 1.28 percent in 2011, to 2.47 percent in 2012, 3.10 percent in 2013, and 3.12 percent in 2014⁵.

Because HB 6030 and HB 6031 do not yet specifically delineate the details of these proposed incentives, Global Automakers, which has studied the efficacy of various programs, would like to offer the following suggestions:

1. Legislators should support solutions that include incentives and infrastructure for all types of ZEV technologies, including plug-in hybrid electric, battery electric, and fuel cell electric vehicles;
2. Legislation should prioritize direct incentives such as point-of-sale rebates and sales tax exemptions, followed by tax credits and license and registration tax exemptions or reductions, and reduced electricity or hydrogen fueling costs;
3. Convenience incentives, particularly offering ZEV drivers unrestricted access to High Occupancy Vehicle or reduced fees in toll lanes, as well as free or preferred parking, and emissions test exemptions;
4. Additional incentives to develop infrastructure – both electric and hydrogen – are necessary to support the market; and
5. Expand the availability and amount of investment capital available for consumers and public entities for clean vehicle infrastructure through programs like the Connecticut Green Bank.

These types of incentives and infrastructure development have proven to be a larger driver for purchasing ZEVs and are just one of the many actions and efforts needed to meet Connecticut's commitments under the MOU and the Multi-State ZEV Action Plan.

Global Automakers' members ask that you support HB 6030 and HB 6031 to help us ensure the success of ZEV technology. We look forward to working with you to find real and attainable solutions. If you have any questions, please call me at 202-650-5547 or e-mail me at jpudnos@globalautomakers.org or Global Automakers' Director of Environment & Energy Julia Rege, at 202-650-5559 or jrege@globalautomakers.org.

Sincerely,



Josh Pudnos
State Relations Manager

⁵ California light duty vehicle sales were 1,222,935 in 2011; 1,529,238 in 2012; 1,711,032 in 2013; and 1,671,868 in 2014 (January through November).



Cc: Members of the Connecticut Joint Energy & Technology Committee