OLR Bill Analysis
sHB 7205

AN ACT CONCERNING THE ACCESSIBILITY OF ELECTRIC VEHICLES IN CONNECTICUT.

SUMMARY

This bill establishes standards and requires agency studies to assist the state with increasing the number of zero-emission vehicles in its fleet. It also creates a state funded rebate program to incentivize state residents to purchase such vehicles.

Regarding state vehicles, it:

1. requires, beginning January 1, 2030, minimum percentages of cars, light duty trucks, and buses purchased or leased for the state fleet to be “zero-emission;”

2. expands the Department of Administrative Services (DAS) commissioner’s annual legislative reporting requirements to include a procurement plan that aligns with these state fleet requirements and a feasibility assessment for the state’s purchase or lease of zero-emission medium and heavy duty trucks; and

3. requires the DAS commissioner to study the feasibility of creating a competitive bid process for procurement of zero-emission vehicles and buses, and authorizes the commissioner to proceed if it would achieve cost savings.

Regarding resident vehicles, the bill:

1. establishes the Connecticut Hydrogen and Electric Automobile Purchase Rebate (CHEAPR) program to provide rebates for the purchase or lease of new or used hydrogen or electric vehicles, based on an existing pilot program (see BACKGROUND); and

2. creates an administrative board to oversee the CHEAPR
program and establishes a General Fund account with state appropriations and a revenue stream to fund it.

The bill also makes conforming and technical changes.

EFFECTIVE DATE: October 1, 2019, except that the changes to the greenhouse gas reduction fee are effective January 1, 2020.

INCREASING PERCENTAGE OF ZERO-EMISSION VEHICLES IN THE STATE FLEET

Starting on January 1, 2030, the bill requires that at least 50% of the cars and light duty trucks and at least 30% of the buses purchased or leased by the state be zero-emission vehicles and zero-emission buses, respectively. The bill defines a “zero-emission vehicle” as a battery, hybrid, or range-extended electric vehicle, and any vehicle permitted under specified state regulations concerning low-emission vehicles. (The bill does not define “zero-emission bus.”) These requirements do not apply to vehicles used for law enforcement or emergency response purposes by the following state agencies and entities:

1. the Motor Vehicles, Emergency Services and Public Protection, Energy and Environmental Protection, Correction, Mental Health and Addiction Services, Developmental Services, Social Services, Children and Families, Transportation, and Judicial departments;

2. the Board of Pardons and Paroles and State Capitol Police; and

3. the Board of Regents for Higher Education, the University of Connecticut, and the University of Connecticut Health Center.

DAS ANNUAL REPORTING

The bill adds two topics to DAS’s existing annual reporting requirements to the legislature. First, the DAS commissioner must produce a three-year vehicle procurement plan that aligns with the bill’s requirements for increasing the percentage of zero-emission vehicles and buses in the state fleet. Secondly, the commissioner must assess the availability of zero-emission medium and heavy duty trucks
and the feasibility of the state purchasing or leasing those types of trucks. The DAS commissioner must work in consultation with the Department of Transportation (DOT) commissioner on these reporting requirements as well as those already existing in statute. By law, DAS must file this annual report with the Government Administration and Elections, Environment, and Energy and Technology committees.

**PROCUREMENT STUDY**

The bill requires the DAS commissioner, in consultation with the DOT commissioner, to study the feasibility of creating a competitive bid process for the aggregate procurement of zero-emission vehicles and buses and determine if the process would achieve cost savings. The DAS commissioner must report the study’s results to the Government Administration and Elections and Transportation committees by January 1, 2020. The bill also authorizes the DAS commissioner to proceed with the aggregate procurement upon determining it would achieve a cost savings.

**STATE RESIDENT REBATE PROGRAM**

*Program Creation*

The bill establishes the Connecticut Hydrogen and Electric Automobile Purchase Rebate Board within the Department of Energy and Environmental Protection (DEEP) and requires it to create and administer the CHEAPR program, from January 1, 2020 until December 31, 2025. Under the bill, the program must provide rebates of at least $3 million annually to residents who (1) purchase or lease a battery, plug-in hybrid, or fuel cell electric vehicle, or (2) purchase a used hydrogen or electric vehicle. The board must (1) establish and revise rebate levels and income eligibility for rebates for such vehicles and (2) evaluate the program annually.

*Administrative Board Membership*

Under the bill, the CHEAPR board must consist of:

1. the DEEP and Consumer Protection commissioners and the Connecticut Green Bank president, or their respective designees;
2. a member from an environmental organization knowledgeable in electric vehicle policy, appointed by the Senate president;

3. a member from an organization representing environmental justice community interests, appointed by the House minority leader; and

4. a member from an association representing Connecticut automotive retailers, appointed by the House speaker.

The bill authorizes the DEEP commissioner to appoint additional members to the board from other industrial fleet or transportation companies. The DEEP commissioner will serve as the board chairperson, and the board may meet as it deems necessary.

**Program Funding**

The bill establishes a CHEAPR program account as a separate, nonlapsing account within the General Fund and requires its funding be used towards administering the CHEAPR program. It also increases the greenhouse gas reduction fee that is required for the registration of new motor vehicles from $5 to $10 and directs its revenue to the CHEAPR program’s account, instead of the General Fund as under current law. Additionally, the bill appropriates $3 million in fiscal years 2020 and 2021 from the General Fund to DEEP for deposit in the CHEAPR program account.

**BACKGROUND**

**CHEAPR Pilot**

CHEAPR was created administratively in 2015 as a pilot program. It was developed by DEEP in partnership with Eversource Energy, Avangrid (i.e., the United Illuminating Company), and the Connecticut Automotive Retailers Association. The program is managed on a day-to-day basis by the Center for Sustainable Energy.

**COMMITTEE ACTION**

Transportation Committee

Joint Favorable
Yea  33  Nay  3  (03/20/2019)