



House of Representatives

General Assembly

File No. 124

January Session, 2021

Substitute House Bill No. 6485

House of Representatives, March 24, 2021

The Committee on Transportation reported through REP. LEMAR of the 96th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE CONNECTICUT HYDROGEN AND ELECTRIC AUTOMOBILE PURCHASE REBATE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (*Effective from passage*) The Connecticut Hydrogen and
2 Electric Automobile Purchase Rebate Board, established pursuant to
3 section 22a-202 of the general statutes, as amended by this act, shall
4 study ways to ensure the equitable distribution of rebates to residents
5 of the state who purchase or lease a battery electric vehicle, plug-in
6 hybrid electric vehicle, fuel cell electric vehicle or electric bicycle, or
7 purchase a used hydrogen vehicle, electric vehicle or electric bicycle.
8 Such study shall, at a minimum, consider how other states that
9 administer a similar program to provide such rebates ensure the
10 equitable distribution of rebates and target areas most impacted by
11 vehicle pollution. On or before February 1, 2022, the board shall submit
12 the results of such study, in accordance with the provisions of section
13 11-4a of the general statutes, to the joint standing committee of the
14 General Assembly having cognizance of matters relating to

15 transportation.

16 Sec. 2. Subsection (b) of section 22a-202 of the general statutes is
17 repealed and the following is substituted in lieu thereof (*Effective from*
18 *passage*):

19 (b) On and after January 1, 2020, until December 31, 2025, inclusive,
20 the board shall establish and administer a program to provide rebates
21 that total at least three million dollars annually to residents of this state
22 who (1) purchase or lease a battery electric vehicle, plug-in hybrid
23 electric vehicle, or fuel cell electric vehicle or electric bicycle, as defined
24 in section 14-1, or (2) purchase a used hydrogen vehicle, or electric
25 vehicle or electric bicycle. The board shall establish and revise, as
26 necessary, appropriate rebate levels and maximum income eligibility for
27 rebates for used hydrogen vehicles, or electric vehicles or electric
28 bicycles. The board shall evaluate such program on an annual basis.

| | | |
|---|---------------------|-------------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section | <i>from passage</i> | New section |
| Sec. 2 | <i>from passage</i> | 22a-202(b) |

Statement of Legislative Commissioners:

In Section 1, "in accordance with the provisions of section 11-4a of the general statutes" was added for clarity.

TRA *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 22 \$ | FY 23 \$ |
|---|--|------------------|------------------|
| Department of Energy and Environmental Protection | CT Hydrogen & Electric Automobile Purchase Rebate - Cost | At least 100,000 | At least 100,000 |

Municipal Impact: None

Explanation

The bill expands the uses of the Connecticut Hydrogen and Electric Automobile Rebate (CHEAPR) program to include electric bicycles ("e-bikes"). Currently, the CHEAPR program provides rebates of at least \$3 million annually to residents who purchase or lease certain types of hydrogen or electric vehicles.

This program expansion is expected to result in increased costs estimated to be at least \$100,000 annually, to the CHEAPR account, a separate nonlapsing account within DEEP. These costs include: (1) onboarding a vendor to design the new e-bike program, (2) creating a new web-based customer interface, and (3) issuance of a new request for proposals process since the current agreement does not include e-bikes. There would also be increased costs to the CHEAPR account associated with the issuance of incentives, based on the number of eligible participants.

The current balance of the CHEAPR program is \$2,754,236.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 6485*****AN ACT CONCERNING THE CONNECTICUT HYDROGEN AND ELECTRIC AUTOMOBILE PURCHASE REBATE.*****SUMMARY**

This bill adds electric bicycles (e-bikes) to the list of vehicles eligible for rebates under the Connecticut Hydrogen and Electric Automobile Purchase Rebate (CHEAPR) program (see BACKGROUND), specifically e-bikes purchased as new or used or leased as new. Under current law, from January 1, 2020, until December 31, 2025, the CHEAPR 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.

By law and under the bill, rebate levels and income eligibility for rebates for those used vehicles are established and revised by the CHEAPR board, which is responsible for administering the program and evaluating it annually. Under the bill, the CHEAPR board must also conduct a study on ways to ensure the equitable distribution of rebates under the program. The study must consider how other states administering similar programs distribute rebates equitably and target areas most impacted by vehicle pollution. The board must report the study's result to the Transportation Committee by February 1, 2022.

EFFECTIVE DATE: Upon passage

BACKGROUND***E-Bikes***

Existing law defines three types of e-bikes, all of which must have operable foot pedals and a motor of, at most, 749 watts:

1. A Class 1 e-bike's motor must operate only when the rider is

peddling. The motor must disengage when the e-bike reaches 20 mph.

- 2. A Class 2 e-bike’s motor may be used exclusively to propel the e-bike (i.e., without peddling). The motor must disengage when the e-bike rider applies the brakes or reaches 20 mph.
- 3. A Class 3 e-bike’s motor must operate only when rider is peddling. The motor must disengage when the e-bike rider stops peddling or reaches 28 mph.

State law’s definition of e-bike specifically excludes dirt bikes and all-terrain vehicles (CGS § 14-1).

CHEAPR Program

CHEAPR was created administratively in 2015 as a pilot program. It was developed by the Department of Energy and Environmental Protection in partnership with Eversource Energy, Avangrid (i.e., the United Illuminating Company), and the Connecticut Automotive Retailers Association. The 2019 state budget (PA 19-117) formally established the program and an administrative board to oversee it as well as create a General Fund account with a revenue stream generated by the greenhouse gas reduction fee to fund it (CGS §§ 22a-202 and -201c).

COMMITTEE ACTION

Transportation Committee

Joint Favorable Substitute

Yea 35 Nay 0 (03/10/2021)