



Connecticut Hydrogen and Electric Automobile Purchase Rebate Program

Vehicle Rebate Amounts and Limits

CHEAPR offers incentives to certain purchasers or lessees of an eligible battery, plug-in hybrid, or fuel cell electric vehicle (BEV, PHEV, or FCEV, see sidebar) from a Connecticut dealer or from an original equipment manufacturer (OEM) that does not have a dealer in the state (e.g., Tesla). Currently there are nearly 40 [new](#) and over 30 [used](#) vehicle models eligible. For FYs 23-27 the base manufacturer's suggested retail price (MSRP) for these eligible vehicles must not exceed \$50,000. (Prior law did not impose a cap, but in practice the MSRP was capped at \$42,000 for BEVs and PHEVs and \$60,000 for FCEVs.)

A "Standard" rebate is credited to the final purchase or lease of a new eligible vehicle after directly applying at a Connecticut car dealer or an OEM. Participants in certain [income qualified programs](#) (e.g., Medicaid) can separately apply for "[Rebate+](#)" funds when purchasing or leasing a new or used eligible vehicle, with funding paid directly to the recipient after the purchase or lease. For new vehicles, Rebate+ funds are in addition to the Standard rebate. All rebate recipients must retain ownership of their vehicles for, or lease them for a term of, at least 24 consecutive months.

Electric Vehicles 101

EV is the generic term for any vehicle that uses electricity to power the motor for propulsion:

- **BEVs** use large batteries exclusively for power; they do not contain a conventional fuel injected engine, and so emit no tailpipe emissions
- **PHEVs** contain both an electric motor and a gas engine; this allows for no tailpipe emissions while driving exclusively on electricity, with a seamless transition to gas once the batteries lose charge
- **FCEVs** generate electricity by combining hydrogen with oxygen from the air in a fuel cell stack; produce no tailpipe emissions other than water

Eligibility Expansion

CHEAPR incentives were previously only available to individual state residents. A new law extends eligibility to in-state municipalities, businesses, nonprofits, and tribal entities. It limits each of these entities to 10 incentives per year, within available funds, and 20 incentives total, but it allows the Department of Energy and Environmental Protection (DEEP) to issue additional incentives to eligible businesses or nonprofits that operate fleets exclusively in environmental justice communities.

CHEAPR At-A-Glance

Eligible CT Purchasers	Residents Businesses, Municipalities, Nonprofits, and Tribal Entities (capped)
Eligible Vehicle Types	PHEVs, BEVs, and FCEVs
Maximum MSRP Value	\$50,000
Leased Vehicles Eligible	Yes
Used Vehicles Eligible	Yes
E-Bikes Maximum MSRP	3,000
Standard Rebate for BEV	\$2,250
Standard Rebate for PHEV	\$750
Standard Rebate for FCEV	\$7,500
Income-Based Rebates	Yes
Available for Vehicles Purchased Out-of-State	Generally, no
# of Rebates Issued in 2021	1,398
Total \$ Amount of Rebates Issued for 2021 Applications	\$1,605,500

Source: [CHEAPR statistics](#)

New E-Bike Incentive

A new law requires [DEEP](#) to establish and administer an incentive program designed to maximize air quality benefits associated with electric bicycle use. For state residents meeting income eligibility requirements, the rebate must be at least \$500 and limited to E-bikes with MSRPs of \$3,000 or less. In awarding incentives, priority must be given to residents (1) of environmental justice communities, (2) of household with incomes at or below 300% of the federal poverty level (FPL), and (3) who participate in certain state and federal assistance programs.

Increased Program Funding

Beginning in FY 23, a new law increases funding for CHEAPR in two ways. First, it transfers the entirety of the greenhouse gas (GHG) reduction fee to the program's account, rather than only the first \$3 million collected previously. By law, the fee is (1) \$15 for the registration of a new vehicle and (2) generally \$7.50 for new registrations and registration renewals.

Beginning with FY 24, certain proceeds from the Regional Greenhouse Gas Initiative (RGGI, an interstate "cap and trade" program to reduce GHG emissions) will also be directed to the CHEAPR account. Existing state regulations allocate 23% of RGGI proceeds to the Green Bank for the Clean Energy Fund (Conn. Agencies Reg., § 22a-174-31(f)). Beginning with FY 24, the amount of this allocation exceeding \$5.2 million in a fiscal year must be diverted to the CHEAPR account.

Learn
More

[CHEAPR website](#)
[EVConnecticut](#)

[U.S. Department of Energy, Map of Public Charging Stations](#)
[Electric Vehicle Roadmap for Connecticut: A Policy Framework to Accelerate Electric Vehicle Adoption](#)

