

**VALLEY CLEAN ENERGY ALLIANCE  
COMMUNITY ADVISORY COMMITTEE**

**Staff Report – Item 8**

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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: Phase 2 of the Electric Vehicle Rebate Pilot Program

Date: August 24, 2023

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**RECOMMENDATION**

Review and recommend Board approval of Phase 2 of Valley Clean Energy’s Electric Vehicle Rebate Pilot Program.

**BACKGROUND**

In September 2022, VCE launched 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.

Phase 1 provided rebates for new electric vehicles with proof that the customer received a rebate from the California Vehicle Rebate Project (CVRP). The program has been very successful, with 10 low-income rebates disbursed, and 32 standard rebates disbursed. VCE received a lot of positive feedback from participating customers, and at least one previously opted-out customer returned to VCE in order to qualify for the rebate. In May 2023, the Board extended Phase 1 funding by \$20,000 and staff moved over an additional unused \$20,000 allotted to program administration for rebates. This funding was exhausted within two months, demonstrating a growing demand for EV Rebates among VCE customers.

In April 2023, the CAC provided feedback on additional program design elements for Phase 2, and staff has developed a proposal involving an expanded program scope based on that feedback, and feedback from the Programs and Outreach Task Group (POTG). Staff also sent out a survey on EV Program Design to customers, after POTG review.

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## PROGRAM DESIGN

Staff recommends adjustment of the amounts of the EV Rebates in Phase 2, while continuing to provide a generous incentive for low-income customers. Staff believes the lower amounts will still incentivize customers to purchase an electric vehicle, but will allow for a budget to be able to benefit more VCE customers.

According to the US Department of Energy, 80% of EV charging is done at home<sup>1</sup>. Without incentives for charging, the transition to an electric vehicle can seem out of reach for many customers. Staff recommends providing incentives for in-home residential charging installations and panel upgrades in Phase 2. Customers would be able to stack the incentives for charging and panel upgrades because the need for panel upgrades can sometimes stall the charger installation process. Charging availability in multi-family housing is also very important to incentivize, as EVs are sometimes inaccessible for customers who do not own their home or have easy access to charging.

Proposed incentive amounts are as follows:

Proposed Incentive	Proposed Amount	Proposed Budget
EV Rebates	\$3,000 (low-income BEV or plug-in hybrid); \$2,000 (BEV); \$1,500 (plug-in hybrid)	\$120,000
In-home residential charging	\$500	\$40,000
In-home panel upgrades	\$500	
Multi-family housing charging	\$3,000 each, up to \$21,000/property	\$75,000
Program Contingency	---	\$20,000
<b>Total</b>	---	<b>\$255,000</b>

Staff recommends continuing to align program eligibility with receipt of the Clean Vehicle Rebate Program 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 approach worked well for VCE in Phase 1, because it proved to be relatively easy for a smaller program administration staff.

If Board approval is given for implementation of Phase 2, the terms and conditions from Phase 1 will be modified to prioritize the following:

- Further clarify eligibility criteria and timing
- Diverse geographical distribution of multi-family charging incentives
- Efficient administrative process for customers and staff

### Phase 3

VCE is currently involved in 2 grant proposals for pilots that would provide incentives for Vehicle-to-Grid integration (VGI) for residential, workplace and agricultural charging. VGI allows bidirectional charging: customers can charge their EVs on the grid, as well as provide electricity

<sup>1</sup> <https://www.nrel.gov/docs/fy21osti/78540.pdf>

for their home or place of business in times of electrical outages. Staff acknowledges CAC feedback, and agrees that VGI capability is important. Should these VGI grants not be funded, staff recommends adding incentives for VGI charging capability in Phase 3 of the EV Rebate Program (expected launch Q3/4 2024).

### **FINANCIAL IMPACT**

Total proposed Phase 2 program budget is \$255,000. The majority would be allotted to rebates. Should demand for rebates be high, staff has reserved \$20,000 in the budget for as-needed consultant support. That amount would be reallocated to rebates should staff not need the program support. As with Phase 1, 25% of rebate funds would be reserved for income-qualified applicants. If these reserved funds were not exhausted 6 months after program launch, the funds are released for standard applications.

### **CONCLUSION**

Staff is asking the CAC for feedback, and to provide a recommendation to the Board for approval Phase 2 of Valley Clean Energy's Electric Vehicle Rebate Pilot Program.

### **Attachment**

Phase 2 - EV Rebates Program Design/Implementation Form Draft



**Program Preliminary Design/Implementation Form**

**Program Concept: Phase 2 - Electric Vehicle (EV) Rebates Pilot**

**Date:** 8/24/23

**Staff Resources and Support:**

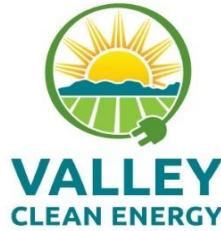
Assigned Program Managers: Rebecca Boyles, Sierra Huffman  
 Programs and Outreach Task Group members: David Springer, Rahul Athalye, Keith Taylor, Mark Aulman  
 Consultant names: (potentially; still TBD) SMUD, Jim Parks

**Scope:** Continue to disburse rebates for Electric Vehicles, add incentives for charging infrastructure and electrical panel upgrades to qualifying customers until program funds are exhausted. Income-qualified customers are eligible for higher rebates.

**Timing:** Announce phase 2 program roll-out after Board approval in Fall 2023. Begin phase 2 of program implementation in September/October 2023 (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>
<b>Reasoning for Program Score</b>	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 &amp; 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; number of charging incentives provided.

Goals:

- 40 EVs incentivized, including 10 income-qualified recipients
- 30 residential charging installations, including 10 panel upgrades
- 20 multi-family charging installations

**Proposed Programs Budget:**

Resource	Source	Proposed Budget	\$ Remaining in Program Funds
Rebates	Programs Budget	\$235,000	
Consultants (if applicable)	Programs Budget	\$20,000	
	<b>Total</b>	<b>\$255,000</b>	<b>\$557,085</b>

**Budget details:**

\$2,000 rebate for new or leased Battery Electric Vehicles (BEV). Plug-In Hybrid Electric Vehicles (PHEV) would receive \$1,500. \$3,000 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 \$3,000. (16 rebates if 50% of budget used).

**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 2 Program Eligibility:**

1. For residential customers:
  - a. Must be a Yolo County resident and an existing customer of Valley Clean Energy; one vehicle rebate per household. Vehicle rebate may be combined with charging and panel upgrade rebates.
  - b. Must apply and be approved by Valley Clean Energy after being approved for a rebate from the Clean Vehicle Rebate Project
  - c. Low-income eligibility requirements set by and verified through the Clean Vehicle Rebate Project
  - d. Purchase an eligible vehicle:
    - i. New or leased EV
      1. Model eligibility set by the Clean Vehicle Rebate Project
      2. Includes a luxury vehicle cap, currently set at \$45,000
  - e. Must be a plug-in hybrid or battery-powered EV
2. For non-residential customers:
  - a. Must be a Yolo County housing development and an existing customer of Valley Clean Energy; up to seven charger rebates per household (\$21,000 per property). Non-residential charging rebate may not be combined with residential charging and panel upgrade rebates.

### **Application Process:**

Applications will be processed on a first-come, first-served basis until the budget is exhausted. If a residential 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. As with Phase 1, 25% of rebate funds would be reserved for income-qualified applicants. If these reserved funds were not exhausted (or “on hold”) 6 months after program launch, the funds are released for standard applications.

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 3<sup>rd</sup> party will provide application support to our interested customers, as well as help them find information on and apply for additional EV rebates. We encourage all applicants, especially low-income, to apply for additional rebate programs.

### **Dispersal of funds:**

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, POTG Input:**

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

**Next Steps:** Seek Board approval, formalize budget; develop full list of eligibility criteria and terms & conditions; refine ME+O Strategy; implement program Phase 2.

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