



July 13, 2018

Executive Office of Energy and Environmental Affairs
100 Cambridge St
Boston, MA 02114

Re: Refinements to the MOR-EV program

Dear Deputy Secretaries Sieger, Theoharides, and Woodcock:

We strongly support the efforts of Executive Office of Energy and Environmental Affairs (EEA) and its agencies regarding the MOR-EV program, which provides rebates to Massachusetts consumers who purchase or lease new electric vehicles (EVs). This program has helped accelerate the EV market in Massachusetts, and a rapid switch to EVs will go a long way to slash transportation emissions in the Commonwealth. We have made significant progress over the last several years, though much more is needed to achieve the Commonwealth's climate requirements as well as the specific Massachusetts goal of 300,000 EVs by 2025. Continuing the MOR-EV program will be one important component of that effort.

Based on discussions at the Zero Emissions Vehicle Commission, where the three signatories to this letter are members filling seats reserved for environmental organizations, we appreciate that there are short-term issues with the budget of the MOR-EV program, and that EEA is considering ways to make the program more cost-effective, while keeping intact the integrity and success of the program as a consumer incentive. With that in mind, we make the following recommendations for your consideration, including overall principles, more specific recommendations for reform, and two potential examples.

Overall Principles:

- It is important to keep the program going and the rebate offerings consistently and broadly available to provide certainty to consumers and dealers. If changes are made in the short-term, we recommend not changing the core program guidelines again in the medium-term.
- We recommend the Commonwealth explore other sources of funding to keep the program going.
- It will be important to focus the rebates on the people who are most likely to use a rebate to help them make the switch to EVs and may not do so without the rebate.

- The program should incentivize a switch to full battery electric vehicles (BEV) and plug-in hybrids (PHEV) but should incentivize the BEV switch more.
- The program should be kept relatively simple to make it understandable to consumers, manufacturers, and dealers and straightforward to administer.
- Either through the current MOR-EV program and/or through other opportunities, it is also essential to expand the rebate program geared toward low-income residents. The Commonwealth can learn from other states, such as California and Oregon, that have made their low-income EV rebate programs available to much larger numbers and are thus expanding access to EVs.

Specific Short-Term Recommendations:

- No rebates for people who purchase or lease new models with base MSRP of greater than \$50,000.
- All qualifying BEVs remain at the \$2,500 rebate level or are uniformly reduced to a \$2000 level.
- Place all qualifying PHEVs at the \$1,500 rebate level, or uniformly reduce them to \$1000.
- Do not adopt income qualification requirements for the core MOR-EV program.
- Consider the pros and cons of introducing a new rebate tier at \$500 for a subset of shorter range qualifying PHEVs and/or removing as qualifying vehicles the PHEVs with the smallest batteries.

Potential Examples:

- **Simple Example**
 - No rebates for people who purchase or lease new BEV and PHEV models with base MSRP of greater than \$50,000.
 - All qualifying BEVs receive a \$2000 rebate.
 - All qualifying PHEVs receive a \$1000 rebate.
- **Alternative Example**
 - No rebates for people who purchase or lease new models with base MSRP of greater than \$50,000.
 - Qualifying BEVs with greater than 150-mile electric range receive a \$2500 rebate.
 - Qualifying BEVs with less than 150-mile electric range and qualifying PHEVs with 30+ mile electric range receive a \$1500 rebate.
 - Qualifying PHEVs with less than 30-mile electric range receive \$500 rebate.

Thank you for the opportunity to provide guidance on this matter.

Sincerely,
 Gina Coplton-Newfield, Sierra Club
 Mark LeBel, Acadia Center
 Amy Laura Cahn, Conservation Law Foundation