Memorandum of Support

NYS Electric Vehicle Rebate Program
Budget Bills
S.6408-B Part EE / A.9008-B Part X

In concert with the 2016-17 Executive Budget proposal to dedicate $9 Million dollars for building Electric Vehicle (EV) charging infrastructure, the Sierra Club applauds the Senate and Assembly for including electric vehicle rebate programs in their separate one house budget bills. As we have seen in other states, a consumer rebate for the purchase or lease of electric vehicles (both plug-in hybrid vehicles and full battery electric vehicles) is the most effective way to accelerate the market for this clean transportation technology.

With recent innovations in electric vehicle options, battery range and charging capabilities combined with the right mix of consumer incentives and convenience, New York’s electric vehicle market could see exponential growth. This growth in EVs can deliver tremendous emissions reductions, customer benefits, and grid benefits. As a recent NYSERDA EV study found, controlled charging of EVs could save ratepayers up to $46 million annually in reduced generating and capacity costs and an additional $103 million in reduced infrastructure upgrade costs over the next 15 years.

The Assembly and Senate EV budget proposals are not identical, but each offers important components to a robust electric vehicle rebate program if enacted. The Sierra Club supports the following elements to such a program:

• The rebate program for the purchase or lease of an electric vehicle should be largely developed and administered by the New York State Research and Development Authority (NYSERDA).

• The rebate should offer at least $1,500 for Plug in Hybrid Electric Vehicles with less than 10kwh battery capacity and at least $2,500 (up to $5,000) for electric vehicles with battery Capacity of 10 kwh or greater.

• The program ideally should provide the rebate at the point of sale to better incentivize sales to prospective buyers (rather than an after the fact application process).

• The rebate program should promote access to EVs to as wide and diverse of a population as possible. To do so, however, we believe an income cap is preferable to an MSRP cap because it evaluates consumer need more directly. Additional rebates should be considered for low-income residents. The state should also pursue other ways to expand EV access, such as including pre-owned EVs in the rebate program and incentivizing local EV car-sharing programs geared toward low-income residents.
• The rebate should not be conditional upon a mandatory vehicle trade-in, which could limit the program.

• The rebate legislation should not exclude any vehicles from safety inspections and should not exclude plug-in hybrid electric vehicles from emission testing or annual vehicle inspection requirements.

New York is a member of the eight-state Zero Emission Vehicle Memorandum of Understanding (“ZEV MOU”) to achieve a collective goal of 3.3 million EVs on the road by 2025. New York’s own Charge NY program, established in 2013, has set a statewide goal of 3,000 charging stations and 40,000 electric vehicles on the road by 2018. Our assessment is that, to meet its share of the eight-state ZEV commitment, New York needs to have upwards of 230,000 EVs on the road by 2020 and more than 850,000 by 2025. With less than 15,000 electric vehicles on the road now, New York has a long way to go to achieving these goals. Establishing an electric vehicle rebate program in the 2016-17 budget is the single most effective thing we can do to meeting this target. Massachusetts, Connecticut, Pennsylvania, Delaware and Rhode Island all offer a consumer rebate for the purchase or lease of an EV. It's time for New York to truly take the lead.

Sierra Club Atlantic Chapter strongly urges the Senate, Assembly and Governor Cuomo to come to agreement in the support of a comprehensive electric vehicle rebate program for NY in the 2016-17 Budget.