

A large, stylized lightbulb graphic on the left side of the slide. The bulb is light green and contains a blue checkmark. The base of the bulb is composed of several horizontal green bars.

# New EV Incentive Program Proposed Updates

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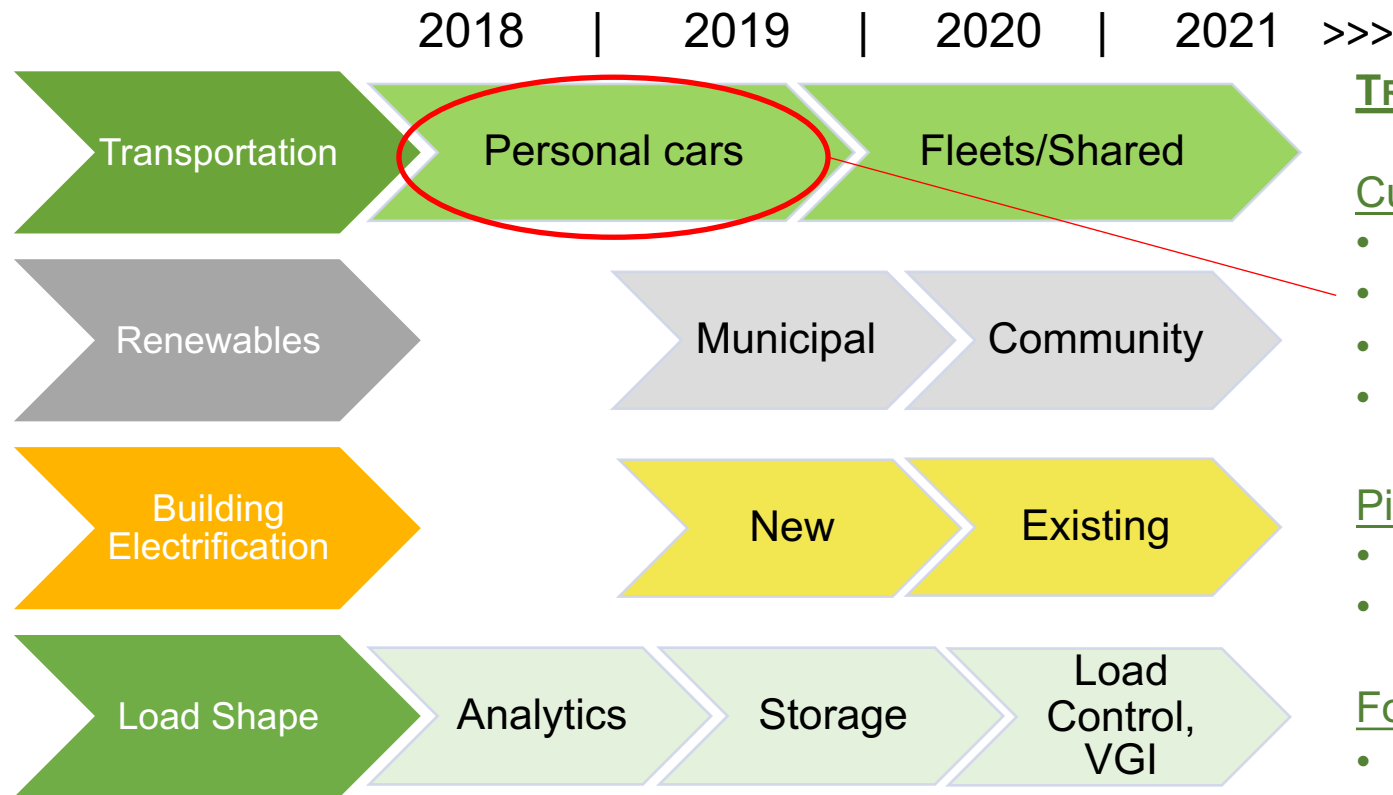
Executive Committee, July 13, 2020

# Agenda

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1. 2018-19 Program Recap
2. Market Survey & Conditions Review
3. New EV Incentive Program options

# High-Level Roadmap: Transportation



## TRANSPORTATION ELECTRIFICATION

### Current

- EV Ride & Drive Campaign (hiatus)
- New EV Incentive Program
- Low Income Used EV Program
- EV Ready (EV Charging Infrastructure Program)

### Pilots

- Smart Charging
- Low Power Charging

### Forthcoming

- Ride-Hailing Electrification
- Curbside Charging Pilot
- Municipal Fleets

# 2018/2019 New EV Incentive Recap

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## Objectives

- Draw more likely adopters to choose EVs late in the sales cycle
- Increase overall awareness of EVs through county-wide marketing

## Overview

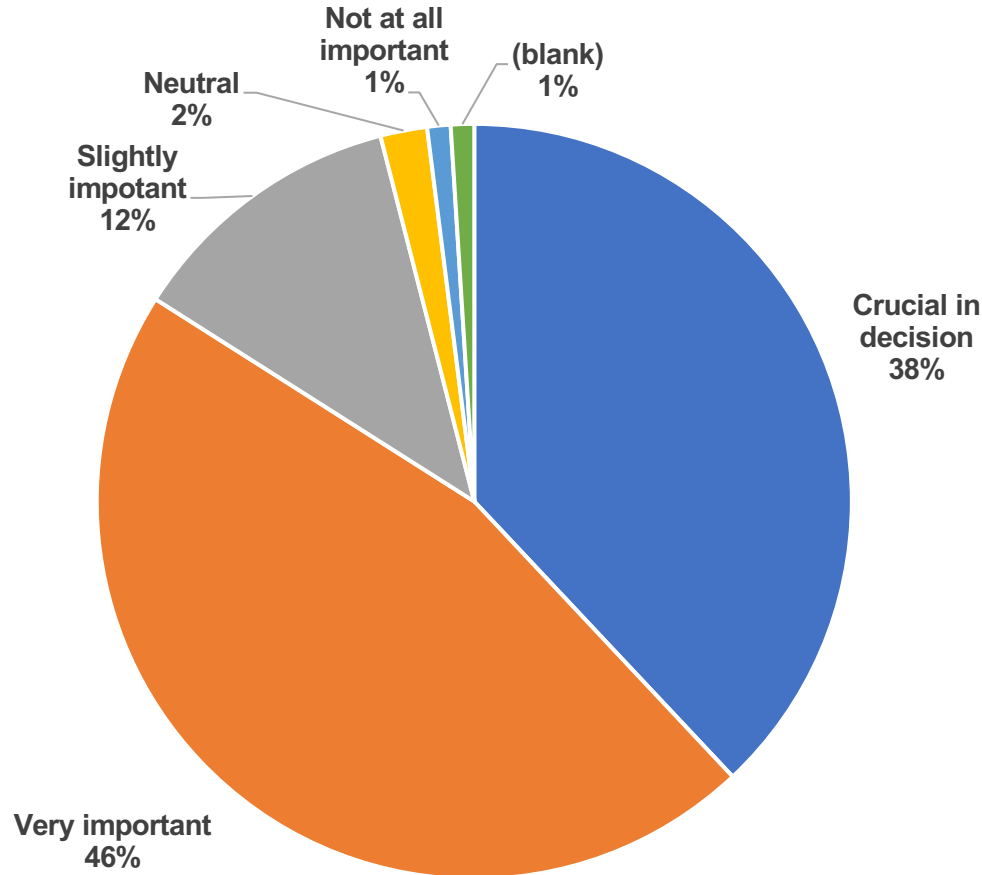
- Time-limited Q4 incentives & dealers discounts for new EVs
- County-wide marketing
- Only available at select dealerships in San Mateo County
- Started in 2018, repeated in 2019

## Results

- 2018: 4 vehicle makes; 120 vehicles sold/leased
- 2019: 7 vehicle makes; 167 vehicles sold/leased

# 2019 EV Incentive Program Survey Results

HOW ESSENTIAL WAS THIS EV INCENTIVE PROGRAM IN YOUR DECISION OF GETTING AN EV?



**84%** reported that the incentive was **Very Important** or **Crucial**

**Time limited program** creates urgency and **accelerates action**

# EV Sales Uncertainties

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## Uncertainty Ahead

- April new vehicle sales down 53%
- Vehicle sales declined 40% during 2007-09 recession
- Vehicle sales may be increasing after shelter in place lifted in China
- Likely major reductions in state vehicle incentive programs

BEV adoption increases 8% per \$1,000 purchase incentive\*

\*MIT/NREL study

## California faces \$54B budget deficit

## Shrinking fossil fuel demand could hit California's cap-and-trade auction, experts say



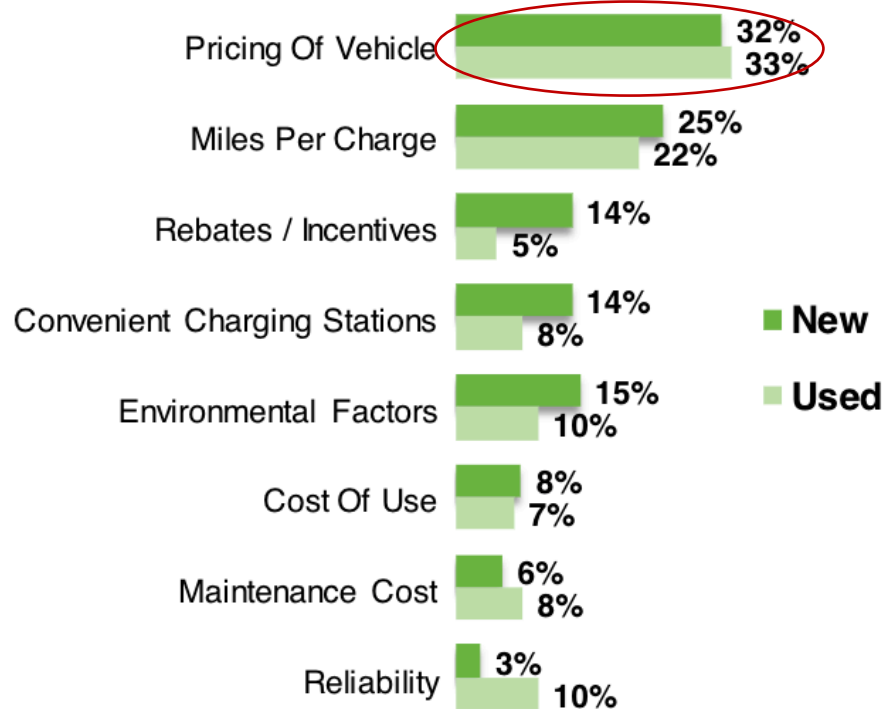
Transportation electrification programs could see hit



# Market Conditions: 2020 Survey

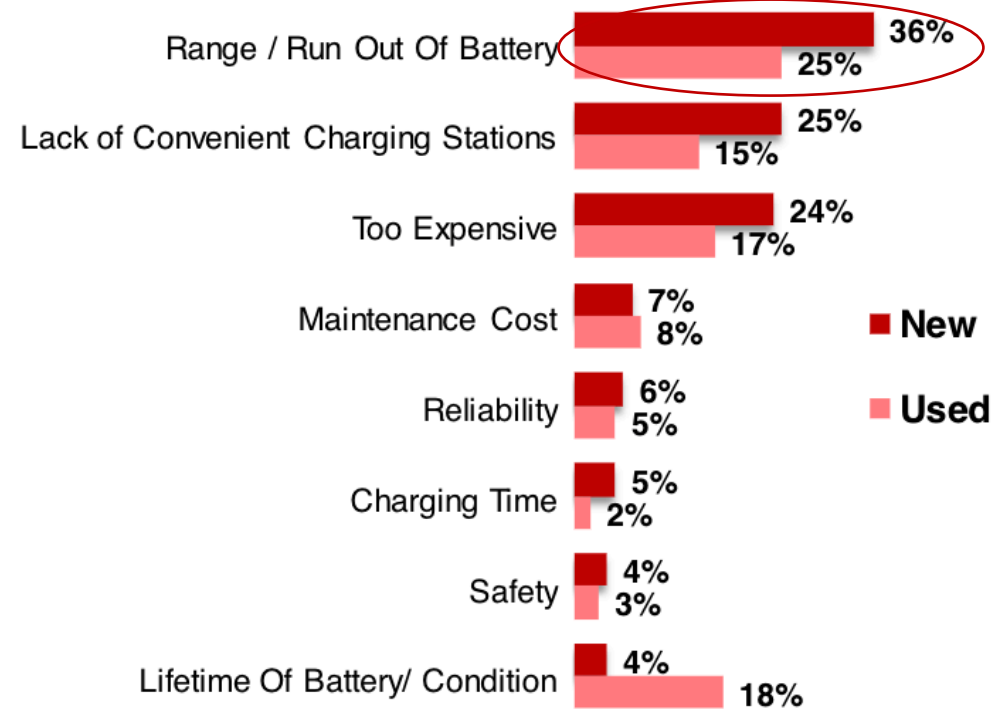
## Motivators

### Licensed Drivers / Decision Makers



## Barriers

### Licensed Drivers / Decision Makers

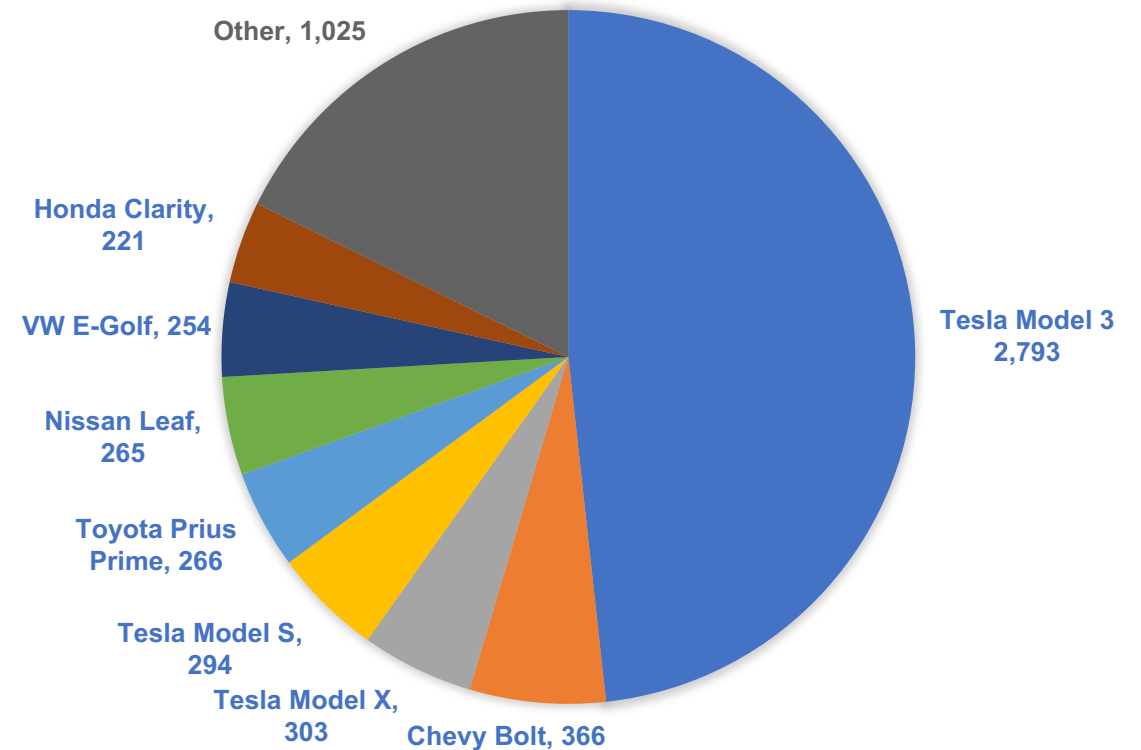


*Range anxiety likely due to low familiarity*

# Market Conditions: Sales Mix

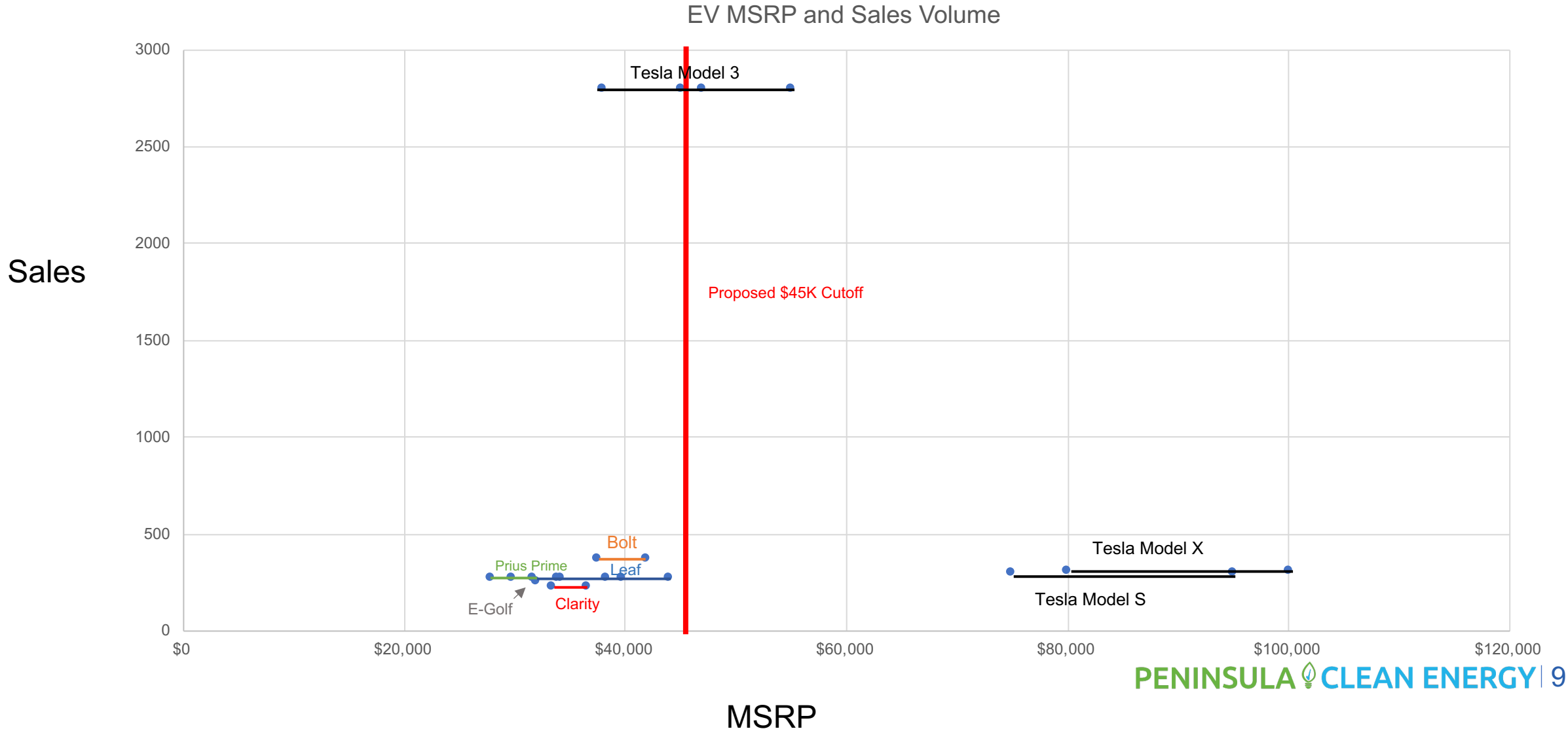
- ~5,800 total new EV sales in 2019 by San Mateo County residents
- ~16% of EVs purchased at dealers within SMC
- Median household income: \$225,000
- Vehicle cost cap can limit incentive “free ridership”

2019 SMC NEW EV SALES BY MODEL





# Sales Volumes and MSRP



# New EV Program Options

Scenario	Timeframe	Eligible Purchases	Incentive Level	Estimated Max. Rebate Amount **
1*	Q4	<ul style="list-style-type: none"> <li>All new EVs &lt;\$45K</li> <li>In county and out of county sales</li> </ul>	Plug-in Hybrid: \$700 Battery Elec.: \$1,000	~920 vehicles
2	Q4	<ul style="list-style-type: none"> <li>All new EVs &lt;\$45K</li> <li>In county and out of county sales</li> <li>Tesla excluded</li> </ul>		~450 vehicles
3 (existing program)	Q4	<ul style="list-style-type: none"> <li>All new EVs &lt;\$45K</li> <li>In-county purchase only</li> </ul>		~190 vehicles
4	Annual	<ul style="list-style-type: none"> <li>All new EVs &lt;\$45K</li> <li>In-county purchase only</li> </ul>		~750 vehicles

\*PCE Staff Recommendation

\*\* Based on 2019 New vehicles sales by San Mateo County residents