

Washington EV Instant Rebates

Presentation to the Washington State
Transportation Commission

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TRANSPORTATION ELECTRIFICATION POLICY LEAD

MAY 16, 2024



Washington State
Department of
Commerce

Program background

Funding and timeline



Background information

- Funded by \$120 million in state general funds that were transferred to the EV Incentive Account
- So far, \$50 million has been appropriated to Commerce for 23-25 budget cycle
- Of the \$50 million, \$45 million will be available for point-of-sale rebates (at time of purchase or lease)
- Program is expected to launch in Aug. 2024 and last through at least May 2025. It can be extended with more funding.

Implementation timeline



Community and partner engagement

6 listening sessions

- In-person in Spokane and Seattle
 - Included ride-and-drive opportunities with EVs
- Four virtual sessions

15 implementation partner interviews

- Automakers, dealers, charging companies, and consumer associations

3,000+ person statistically valid survey

- Findings:
 - Income below \$75,000, home ownership vs. renting are key disparities
 - Disparities in South Puget Sound & Northeast WA



Spokane residents participate in community listening session after experiencing electric vehicles in ride and drive event

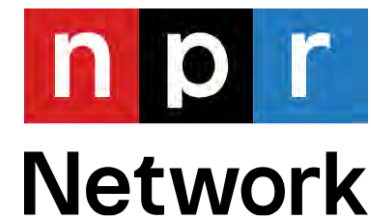
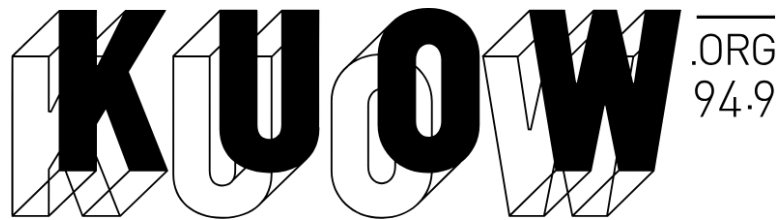
State of the EV Market



WA led nation in 2023 EV growth

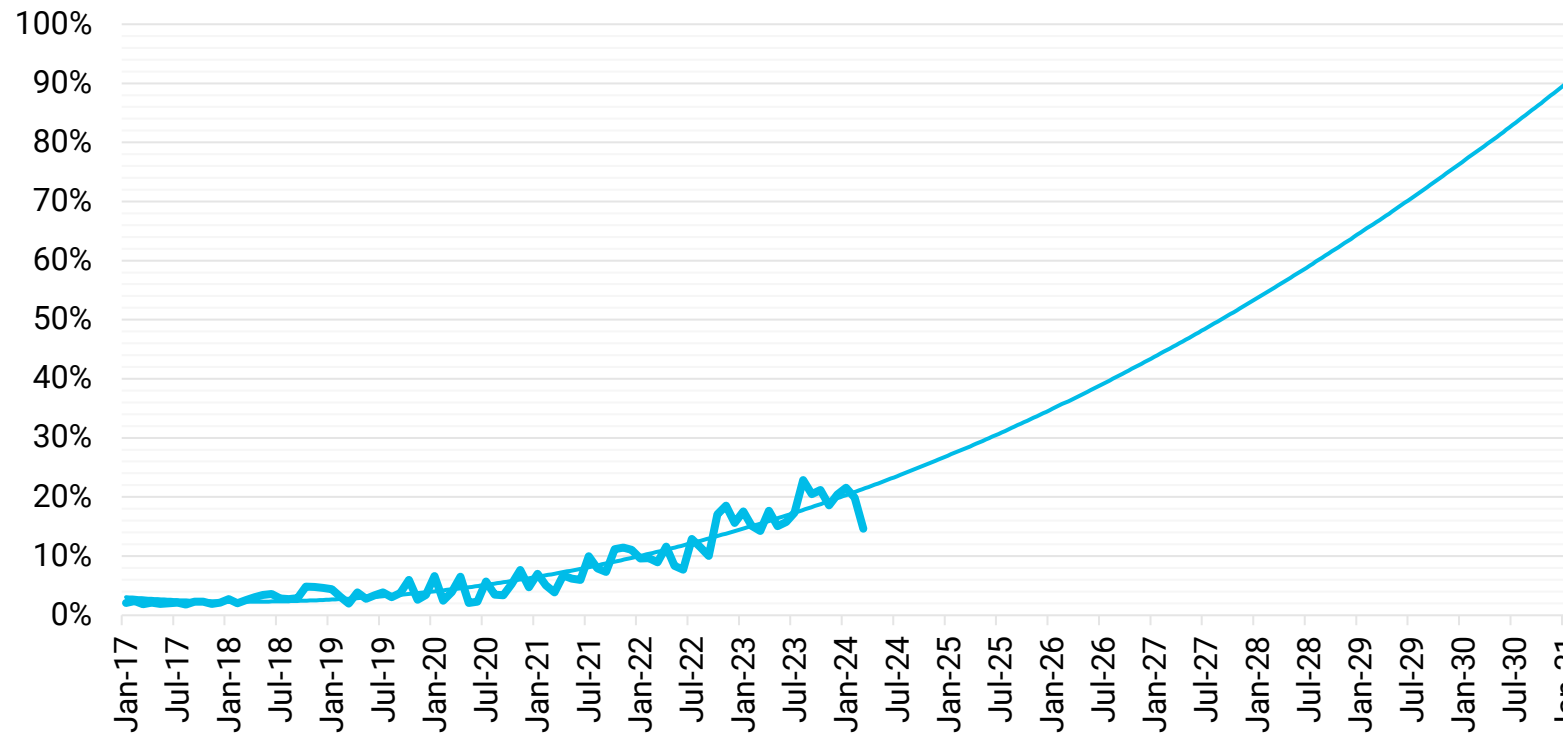
“Demand for electric vehicles has been surging more in Washington than in any other state...its growth was the highest in the country in 2023.”

- More than 20% of new cars purchased in Washington state are electric (May 27, 2023)



EV growth trend line outpaces automaker requirements...for now

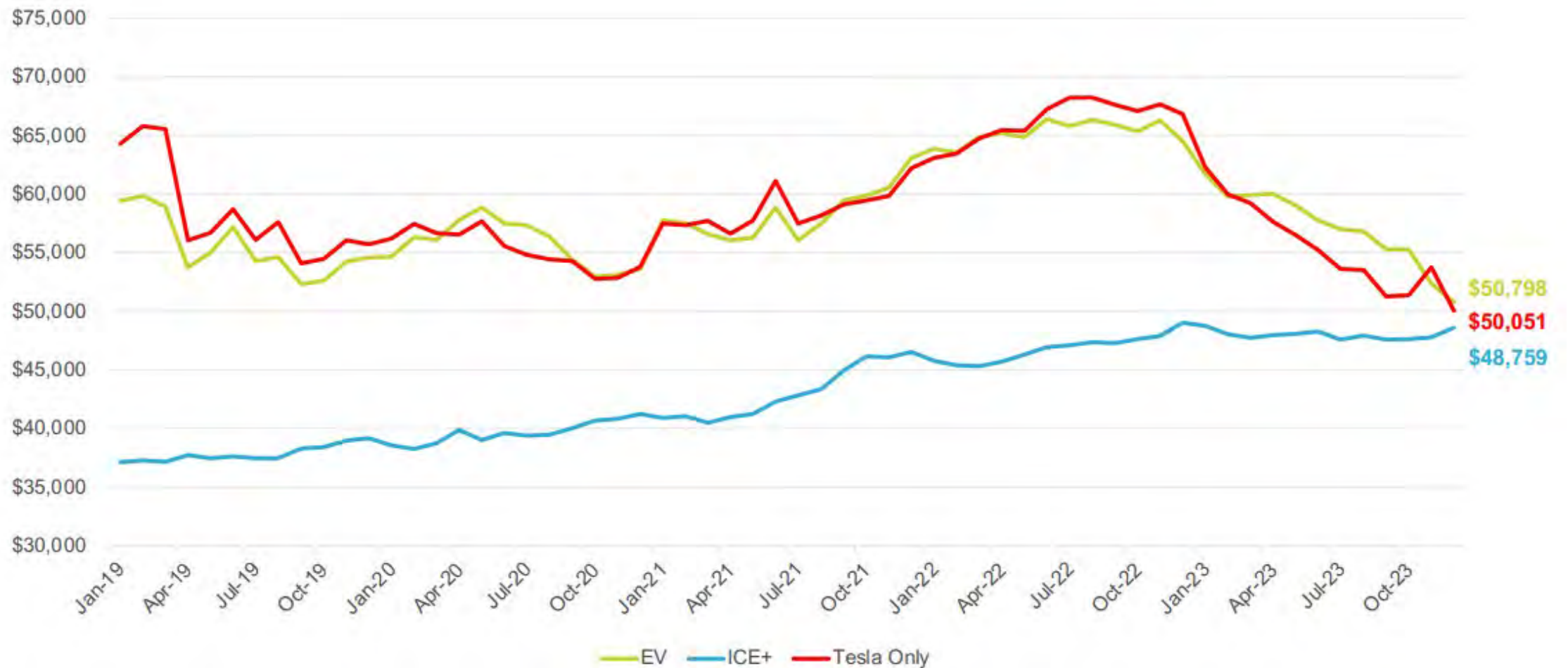
Electric market share of new title transactions in WA



- Pace is ahead of regulatory requirements
- Modeling expects pace of growth to slow (68% in 2030)
- 2024 market has EV sales slowing nationally, too soon to say in WA

EV prices near parity with gas vehicles

Source: (Kelley Blue Book, Cox Automotive)



Price parity ≠ equitable access

Used market must be a priority

- In 2023, 79% of all title transactions were in used market.
- Used EV market share is roughly 2% vs. 20% in new market.
- 55% of the used EV market is now under \$30,000, 30% is under \$25,000 (Recurrent data).

Income continues to be an access factor

- Income is strongly correlated with EV adoption, with \$75,000 and \$100,000 as key thresholds, even though interest in EVs and purchase timelines are *not* correlated with income.

Income	Total share of population (%)	Share of current EV drivers (%)	Percent point difference
Less than \$7,000	3.9	1.4	-2.5
\$7,000-\$15,999	4.1	1.6	-2.5
\$15,000-\$24,999	5.4	4.8	-0.6
\$25,000-\$49,999	17.9	10.4	-7.5
\$50,000-\$74,999	19.5	11.8	-7.7
\$75,000-\$99,999	13.4	13.2	-0.2
\$100,000-\$149,999	13.3	22.7	+9.4
\$150,000-\$200,000	7.6	13.0	+5.4
More than \$200,000	4.7	18.1	+13.4

Washington EV Instant Rebate Program

Program Details, Goals and Design Features



Increase equitable access to EV market

Above all else, WAEVIR is designed to increase access for drivers who could not get an EV without a rebate.

- The average Washington new car buyer can get an EV for less than a gas car with existing federal and state incentives.
- However, residents on the edge of the new/used market and those who cannot afford new cars need financial support to have EV option.

Program decision: Limit eligibility to WA residents at or below 300% of federal poverty level (\$93,600 for family of four).

Prioritizing leasing doubles program benefits

EV leases can be a climate-equity win-win

- All models qualify for \$7,500 federal credit
- Lower monthly payments and debt
- Faster increase in used EVs (2-3 years vs. 8-12 years)
- This is expected to increase used vehicle inventory in WA in 2026-2028, driving prices down for all used EV purchasers

Model	Monthly cost
Toyota bZ4X	\$56
Hyundai Kona	\$78
Nissan Leaf	\$87
Hyundai Ioniq 6	\$93

Per month costs are estimates calculated by Commerce based on nationally advertised automaker deals in April 2024 and should not be considered guaranteed prices when the program opens. Includes estimated fees based on public information

Program decision: Leases of new EVs are eligible for \$9,000 rebate.

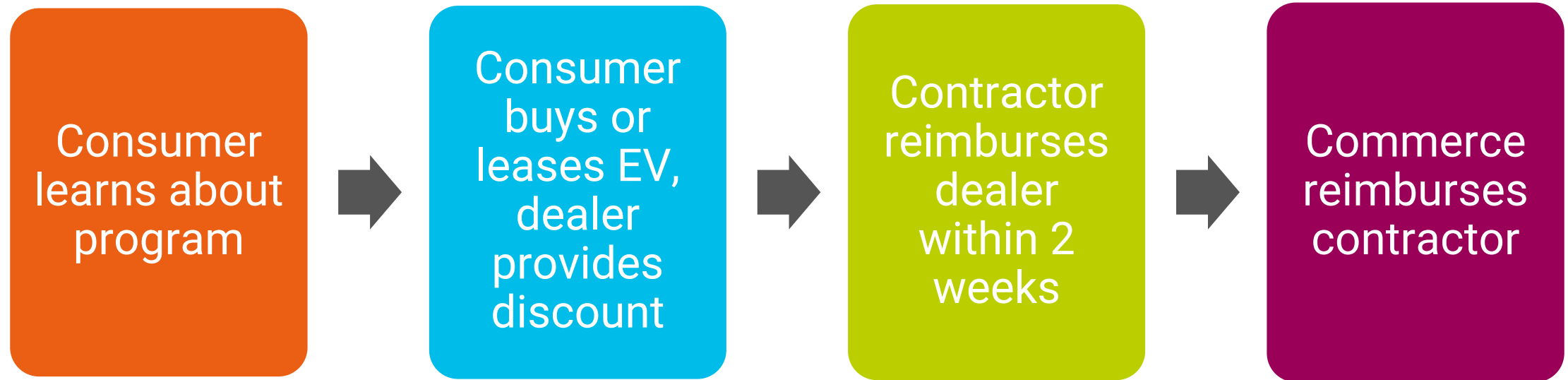
Make rebate amounts both simple and sufficient to make a difference

Both program implementation partners (automakers and dealers) and potential participants said they want easy to understand rebate amounts.

Program decision: Simple rebate amounts tailored to amount needed to change consumer decisions.

- **3+ year leases:** \$9,000
- **2+ year leases/new purchases:** \$5,000
- **Used purchases/leases:** \$2,500

How point-of-sale rebate model works



- Participating program implementation partners are registered following training. Includes automakers (i.e. Tesla), franchise dealers, and some independent used dealers.
- Consumers are not required to sign-up prior to purchase/lease, with eligibility validated post-purchase through random audit.

Qualifying EVs

- Battery electric vehicles only (plug-in hybrids and hydrogen fuel cell vehicles are not eligible)
- Manufacturer suggested retail price (MSRP) below \$90,000
- Be in good working condition and meet all Washington laws to be driven on the road
- Weigh $\leq 8,500$ lbs.
- Capable of speed greater than 35 mph in one mile (low/medium speed vehicles – i.e. e-bikes, golf carts, etc. – are not eligible)

Expected program benefits



Expected program outcomes & benefits

Total expected number of rebates	6,900 – 8,750
Expected number of leases	1,750 – 3,500
Expected number of sales	3,400 – 7,000
Carbon emissions reduced (metric tons)	18,800 – 24,000
2024-2025 new EV market % increase	7% – 8%
2026-2028 used EV market % increase	6% – 10%

Thank you!

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