Testimony of W. Wyatt Bosworth
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Before the Committee on Transportation
Hartford, Connecticut
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Commenting on:
Senate Bill No. 4: An Act Concerning The Connecticut Clean Air Act

My name is Wyatt Bosworth and I am assistant counsel for CBIA, the Connecticut Business & Industry Association. CBIA is Connecticut's largest business organization, with thousands of member companies, small and large, representing a diverse range of industries from across the state. Ninety-five percent of our member companies are small businesses, with less than 100 employees.

Thank you for the opportunity to comment on **SB 4: An Act Concerning The Connecticut Clean Air Act.** With the passage of the Infrastructure Investment and Jobs Act, it is critical that Connecticut take full advantage of the influx of federal funds for green infrastructure projects. CBIA supports a number of measures in SB 4 that incentivize businesses to purchase electric vehicles and install charging stations, provide vouchers to trucking companies to electrify their fleets, and redirect Clean Air Act fees to fund green infrastructure projects. However, we oppose Section 18, which increases the cost of regionally significant projects through new mandates and mitigation measures.

Section 5: EV Charging Station Property Tax Assessment Exemption—SUPPORT

Section 5 adds "level two electric vehicle charging stations" located on publicly available parking spaces to the property tax exemption list. CBIA supports this section because the property tax exemption, when combined with the EV charging rebates laid out in Section 11, will ease the financial burden for a small business to install charging stations on their premises.

Section 6: CHEAPR Program Expansion—SUPPORT

CBIA supports the expansion of CHEAPR eligibility to municipalities, businesses, nonprofit organizations, and tribal entities for the purchase or lease of a new or used battery electric vehicle, plug-in hybrid EV, or fuel cell

EV. Research shows that one of the biggest challenges to widespread EV adoption is cost. According to CarGurus 2019 Electric Vehicles Survey Findings, 67 percent of consumers cite purchase cost as their top concern about EVs.[1] While more manufacturers have entered the EV market in the last couple of years, the state must continue to offer financial incentives for businesses to upgrade their fleets to EV. The language in Section 5 that expands the CHEAPR program *provides* this relief. We also believe the proposed statutory cap of a $50,000 MSRP is appropriate as it covers a wide-range of EV vehicles and trucks at or coming to market.

CBIA also supports the CHEAPR expansion to cover electric bicycles. Following the COVID-19 pandemic and the increased utilization of food delivery services, many restaurants and food establishments would benefit from CHEAPR rebates for electric bicycles.

Section 8: Clean Air Act Fee—SUPPORT

Under current law, new vehicle registrations must pay a $5 annual fee as required by the federal Clean Air Act. For years, the revenue realized from this fee was deposited into the General Fund and Special Transportation Fund (57.5% to the STF and 42.5% to the General Fund) with no specific requirement for use. Under Section 8, the revenue would be redistributed into two new accounts: (1) the "transportation-related greenhouse gasses account" administered by DOT; and (2) the "federal Clean Air Act account" administered by DEEP.

CBIA supports this redistribution of the Clean Air Act fee because the $18 to $23 million realized annually will now be expended to improve air quality, reduce carbon emissions, and support environmentally-friendly transportation projects; all of which were intended to be targeted for investment under the Clean Air Act.

Section 11: EV Charging Station Voucher Program—SUPPORT

CBIA supports the establishment of a grant program to assist municipalities, businesses, nonprofits, and tribal entities located more than five miles from an alternative fuel corridor to install public EV charging stations. As previously mentioned, this new grant program, combined with the property tax exemption for level two EV chargers, provides powerful incentives to businesses to enhance the state's EV charging infrastructure.

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[1] *2019 Electric Vehicles Survey Findings*, CarGurus (October 2019) https://go.cargurus.com/rs/611-AVR-738/images/EVSummeryDeck-R3.pdf.

Under IIJA, the National Electric Vehicle Infrastructure Formula Program (NEVI) allocates $5 billion to states to strategically deploy EV charging infrastructure. Under the NEVI program, the funds are initially restricted to designated Alternative Fuel Corridors and thus off-limits for the entities subject to the above grant program. Only when the national network is fully built out, funding may be used on any public road or in other publicly accessible locations that are open to the general public or to authorized commercial motor vehicle operators from more than one company.[2]

Due to NEVI restrictions, the bill's focus on rural business entities fills an important gap that federal formula funding will take time to address.

Section 14: EV Truck Voucher Program—Support (with changes)

CBIA is supportive of the voucher program for zero-emission Class 5—Class 8 vehicles and the establishment of a "medium and heavy duty vehicle voucher account" under DEEP's purview. However, we suggest amending Section 14 to include heavy-duty commercial trucks. This can be done by simply extending the class range to "Class 5—Class 13" or by changing eligibility based on a weight range, such as anything between 10,000 and 80,000 pounds Gross Vehicle Weight Rating (GVWR) or Gross Combination Weight Rating (GCWR).

CBIA also has concerns about the source of the funding for this new voucher program. The bill states the voucher account "shall contain any moneys required by law to be deposited into the account" and vouchers can be provided "within availability of funds." We urge the committee to identify a funding source already in existence, rather than levying new taxes on the business community to fund this account.

Section 18: New Mandates for "Regionally Significant Projects"—OPPOSE

CBIA has concerns about the new construction mandate included under Section 18. Under this Section, any "regionally significant project" funded in part by the state must (1) estimate total greenhouse emissions expected and consider induced demand for such project; and (2) where the project estimates to increase net

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[2] Andrew C. Rogers, Memorandum: The National Electric Vehicle Infrastructure (NEVI) Formula Program Guidance, Federal Highway Administration (Feb. 10, 2022) https://www.fhwa.dot.gov/environment/alternative_fuel_corridors/nominations/90d_nevi_formula_program_guidance.pdf.

greenhouse gas emissions, then DOT, a municipality, or a regional organization responsible for the project must offset such emissions by undertaking greenhouse gas mitigation transportation projects (i.e. construct public transit, bikeways, walkways, electric EV chargers, etc …).

While we appreciate the ability for a municipality or regional organization to apply for a waiver from the DOT commissioner if the regionally significant transportation project is necessary for safety reasons or maintenance, we are concerned about the wide-array of projects that will be subject to this costly mandate as per the federal definition of "regionally significant project." According to federal regulations, "regionally significant project" is defined as:

> *"a transportation project (other than projects that may be grouped in the TIP and/or STIP or exempt projects as defined in EPA's transportation conformity regulations (40 CFR part 93, subpart A)) that is on a facility that serves regional transportation needs (such as access to and from the area outside the region; major activity centers in the region; major planned developments such as new retail malls, sports complexes, or employment centers; or transportation terminals) and would normally be included in the modeling of the metropolitan area's transportation network. At a minimum, this includes all principal arterial highways and all fixed guideway transit facilities that offer an alternative to regional highway travel."*[3]

CBIA welcomes the opportunity to work with the committee to modify this mandate to ensure the impact to construction costs for regionally significant projects is minimal moving forward.

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[3] Regionally significant project, 23 CFR Sec. 450.104 https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=82eb6057cf5bb58c312ccd7697f52ef6&term_occur=999&term_src=Title:23:Chapter:I:Subchapter:E:Part:450:Subpart:B:450.218#:~:text=Regionally%20significant%20project%20means%20a,such%20as%20access%20to%20and.