

Think you can't afford an electric car? California wants to help drivers make the switch

By Isabella Bloom

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Buying a new car means making a lot of choices, but if things go according to Gov. Gavin Newsom's plan, by 2035 there will be one less thing to consider: whether to buy an electric or gasoline-fueled car.

He handed down an executive order last year that would ban the sale of new gas-powered passenger cars and trucks by 2035. It's part of the state's effort to reduce greenhouse gas emissions over time.

California has a long way to go. Electric cars made up 6.2% of all new cars sold in the state last year, according to a report from the California New Car Dealers Association.

Newsom's executive order "is arguably the most dramatic change in transportation policy in 100 years or more," said Brian Maas, president of the California New Car Dealership Association. "It's going to take a tremendous commitment across all kinds of industries to get us there."

Californians, despite showing a strong interest in buying electric cars at some point in the future, have reservations about the mandate, according to a Consumer Reports survey.

The top three consumer hesitations include worries about an insufficient number of public charging stations, the price of electric vehicles and the limited distance a vehicle can travel on a full charge.

Newsom's state budget proposal includes plans to increase the pace and scale of electric vehicle charging stations around the state. It also would set aside \$650 million for new buyer incentives.

Those incentives are critical in nurturing a market for zero-emission vehicles because the cars tend to cost more than gas-powered ones, at least up front.

"Tax credits by the state would probably be a very powerful tool to help grease the skids, to get the numbers that we're looking for and that they're looking for," said Rick Niello, CEO of The Niello Company auto dealer. The Niello Company sells new and used vehicles including BMW, Volkswagen, Audi and Acura. "That will have to remain at a fairly healthy level to really make that market respond."

WHAT KIND OF ELECTRIC CAR REBATES ARE AVAILABLE?

Some of the popular federal and state incentives include:

The federal government provides a tax credit of \$2,500 to \$7,500 for people who purchase a new electric vehicle. The credit depends on tax liability, so if individuals do not owe any federal taxes, they will not receive any credit.

The popular California Clean Vehicle Rebate Project (CVRP) offers rebates of up to \$4,500 for the purchase of new electric vehicles, and up to \$7,000 for low-to-moderate-income drivers who make up to 400% of the federal poverty level — \$51,520 for individuals. As of April 23, the program has a waitlist for applicants because funding has dried up.

The California Clean Fuel Reward offers a point-of-sale reward up to \$1,500 to consumers buying or leasing eligible vehicles.

ANYTHING EXTRA FOR LOWER-INCOME BUYERS?

California offers even more electric vehicle incentives for people earning less than \$100,000, as well as some extra perks for communities that experience more air pollution than others.

For instance, Drive Clean in the San Joaquin offers incentives for low-income residents in the eight-county San Joaquin Valley who earn up to 400% of the federal poverty limit. Incentives are offered at the time of sale and vary depending on an individual's income and vehicle.

Inland communities like the San Joaquin Valley tend to be disproportionately affected by tailpipe emissions, and most electric vehicle charging stations are currently located in wealthier communities.

There are similar Clean Vehicle Assistance programs for income-qualified households throughout California, including in the Bay Area.

Brian Dodds, program manager of the grants and incentives department at the San Joaquin Valley Air Pollution Control District, said the income-based benefits are intended to give more people an opportunity to buy a zero-emission vehicle.

“Electric vehicles were more of a luxury or a novelty item” when state incentives first became available, Dodds said. “But there weren’t a lot of lower-income residents throughout the state that were able to purchase new vehicles. And so this program was really developed to help support that.”

Here’s a look at the benefits available to lower-income households:

The Clean Cars 4 All Program allows low-income consumers making up to about \$51,000 to exchange their older, higher-polluting vehicles for up to \$9,500 toward a new or used electric vehicle, or even up to \$7,500 in other mobility options like public transit passes. There are also grants for up to \$2,000 to install a home charger.

The Clean Vehicle Assistance Program, administered by the Beneficial State Foundation, offers grants up to \$5,000 and affordable financing assistance to low-income drivers making up to about \$51,000 to purchasing new or used hybrid or electric vehicles. It also includes up to \$2,000 for a Level 2 home charger or a \$1,000 prepaid charge card and free portable Level 1 charger.

California Clean Vehicle Rebate Project Rebate Now is a pilot program where low-to-moderate-income drivers in San Diego County and the counties that make up the San Joaquin Valley can be preapproved for a rebate. This program, like the general CVRP program, has limited funding.