September 24, 2019

The Honorable Robert DeLeo Speaker, Massachusetts House of Representatives 24 Beacon Street, Room 356 Boston, MA 02133 The Honorable Aaron Michlewitz Chair, House Committee Ways & Means Room 24 Beacon Street, Room 243 Boston, MA 02133

Re: Outside Section 36 of H.4067, An Act Making Appropriations for Fiscal Year 2019 to Provide for Supplementing Certain Existing Appropriations and for Certain Other Activities and Projects.

Dear Mr. Speaker & Chairman Michlewitz:

The undersigned write in support of **Outside Section 36 of H.4067**, *An Act Making Appropriations for Fiscal Year 2019 to Provide Supplementing Certain Existing Appropriations and for Certain Other Activities and Projects*. Section 36 of the supplemental budget filed by Governor Baker on September 9, 2019, would extend funding for the Green Communities Program and Massachusetts Offers Rebates for Electric Vehicles (MOR-EV) program through December 31, 2021, by temporarily prioritizing the allocation of proceeds from the Regional Greenhouse Gas Initiative (RGGI) auctions for this purpose.

Green Communities and MOR-EV are integral to reducing greenhouse gas (GHG) emissions in the Commonwealth and deliver myriad benefits to communities and consumers. Unfortunately, beyond a modest allocation of RGGI proceeds, neither program has ever benefited from dedicated funding at a level commensurate with their contribution to Massachusetts' GWSA compliance. As a result, these programs are perpetually at risk of losing funding.

Many of us previously opposed outside sections 18 and 20 of H.1. We similarly opposed amendment #879 to H.3800. At that time, we expressed concern that MOR-EV was at risk of being eliminated without additional dollars. However, we objected to efforts being made to reallocate RGGI proceeds and lift restrictions on how they could be utilized because the approach proposed in H.1 and H.3800 would have been permanent and the strategy for reinvestment lacked specificity.

Outside section 36 of H.4067 addresses these concerns by proposing a time-limited reallocation for a very specific purpose: to support Green Communities and to sustain MOR-EV.

We are particularly concerned that without an immediate infusion of money, MOR-EV, the only direct incentive offered by the state to spur adoption of electric vehicles, will be <u>terminated</u> on September 30<sup>th</sup>.

Emissions from the transportation sector are the largest contributor to GHGs in Massachusetts. Vehicle electrification is a key strategy for reducing sector emissions, and thus a critical component of the states' path to GWSA compliance. Additionally, Massachusetts is a Zero Emission Vehicle (ZEV) state and as such has committed to registering 300,000 ZEVs by 2025. We are far from that goal, but MOR-EV is working to nudge us along: approximately 15,000 electric vehicles have been registered in Massachusetts. 14,930 rebates have been reserved or issued since MOR-EV was introduced in 2014. Consumer incentives are an important means of helping to reduce upfront costs of EVs, which is a primary barrier to adoption. Without MOR-EV, it is highly unlikely that Massachusetts will get on the trajectory needed to comply with GWSA and meet our ZEV target.

It would be irresponsible to let this program expire at a time when we must be doing everything we can to accelerate EV adoption and to make EVs more accessible to Massachusetts drivers. Toward that end, in addition to extending the program, we further encourage policymakers to consider ways to expand this important program to reach more Bay Staters, particularly low- and moderate-income drivers and communities with high rates of exposure to pollution from fossil fuels.

It is incumbent upon the Baker administration, the legislature, and the advocacy community to collaborate in the development of a long-term funding strategy to sustain these important programs. In the meantime, we support outside section 36 as an imperfect but necessary step that should be taken immediately in order to continue offering the state's very popular incentive program for electric vehicles.

Thank you for your consideration.

Sincerely,

Alliance

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cc: Members of House Ways & Means