



Department of Commerce

Incentives & Policies for Vehicle Electrification in Washington State

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Legislative Update



Awaiting signature...

- **HB 2317:** Medium-speed and neighborhood EVs allowed on state highway segments with speed limits up to 30 mph
- **HB 2357:** Revolving loan/grant program for UST cleanup, includes renewable energy incentives (e.g. EV charging)
- **HB 2884:** B&O and utility tax credits for leased commercial alternative fuel vehicles (including electrification)

Unresolved...

- **HB 2778:** Sales/use tax exemption for EVs with purchase price up to \$37,000, or \$42,500 if 30 kWh battery array or range of at least 100 miles



Budget Update



Transportation

- **WSDOT:** \$1 million in seed funding for EV Infrastructure Pilot Program
- **WSDOT:** \$500,000 to continue work on Road Usage Fee Pilot Program
- **DOL:** \$20,000 to implement tax incentive changes (if HB 2778 passes, or is folded into operating budget)

Capital

- **PLIA:** \$10 million for UST revolving loan/grant cleanup program



Policy Wild Cards



Clean Air Rule

- **Additional review and comment**
- **Adoption Summer 2016**
- **Transportation protocols**
 - Individual vehicles (road usage fee program?)
 - Fleets (tiered? price differential? conversion?)
 - EVSE (data sharing? EVIPP funding? double dipping?)

Carbon Tax (I-732)

- **Good question...**



Existing Tax Incentives



Sales/Use Tax Exemption

- **Alternative Fuel Vehicles**
- **Batteries & Charging Infrastructure**

B&O/Public Utility Tax Credit

- **Alternative Fuel Commercial Vehicles**

Leasehold Tax Exemption

- **Charging Infrastructure**



“Extent Practicable” Rules



"Hey, Sisyphus, when you've got a minute I'd like to discuss this progress report with you."

Mission: Define “practicability” and how state and local governments will be evaluated in efforts to operate publicly owned vessels, vehicles and construction equipment from electricity or biofuel, “to the extent practicable.”

State Agencies: June 1, 2015 (effective May 2013)

Local Governments: June 1, 2018

- Transit agencies using CNG exempt
- Exemption for engine retrofits that void warranties
- Authority to exempt emergency response vehicles
- Highest level of biodiesel warranty when purchasing diesel vehicles



Key Considerations

Functional Differences: Equipment and fuels

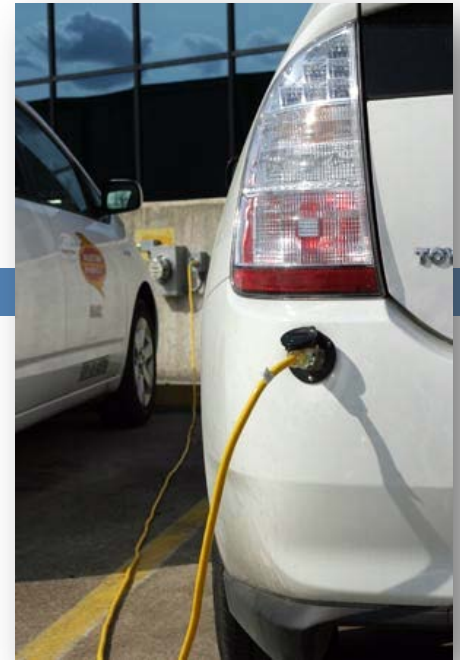
Duty Cycles: Timelines and lifecycle costs

Fleet Size: Volume of fuel, number of vehicles

Geographic Availability: Infrastructure, seasonality

Program Implementation: Administrative cost, integration

Phased Approach: Different fuel applications or quantities



Rulemaking Process



- 1) **First Step:** Define “local government”
- 2) **Work Group:** WSAC, AWC, PFMA, WSTA, WPPA, utilities, others
- 3) **Research:** State and Federal policies and programs
- 4) **Reporting Threshold:** Data gathering and tracking
- 5) **Define:** Compliance expectations
- 6) **Review:** Public hearing this Spring, adoption by Summer



Program Participation



- **All Jurisdictions Comply**
- **Annual Reporting**
 - Gas and diesel use >200,000 gallons/year
 - Cities (10), counties (18), transit (17), schools (16), PUDs (3), ports (2), RFD (1)
 - Fleet composition
 - Procurement plans
 - Obstacles and opportunities
- **Technical Assistance**
 - Alternative Fuels & Vehicles Technical Advisory Group



Program Compliance



Electric & Hybrid Electric Vehicles

- Are models available that meet operational needs?
- Are they suitable for routine use?
- Compare lifecycle cost, including charging infrastructure

Charging Infrastructure

- Encouraged for fleet parking and maintenance facilities
- Incorporate into new construction and substantial remodeling

Alternate Fuel Vehicles (natural gas and propane)

- Include engine conversions and changes to fueling infrastructure and maintenance facilities in lifecycle cost
- Renewable Natural Gas if price equal to or less than fossil natural gas, exemption if using blend of 20% RNG or higher





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