

States Efforts Promote Hybrid and Electric Vehicles



By Kristy Hartman
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The United States transportation system primarily relies on oil to transport people and goods from one place to another. Yet the transportation sector faces risks such as uncertain oil supplies and price volatility.

The [U.S. Energy Information Administration](#) estimates that two-thirds of all the oil consumed in the U.S. is used for transportation and, within the transportation sector, the fuel mix is far from diverse. Approximately 93 percent of the fuel used in the transportation sector comes from petroleum. Many states are working to increase the use of alternative fuels such as electricity, natural gas, hydrogen and biofuels to diversify the fuels used in the transportation sector as well as support greater energy security, reduce greenhouse gas emissions and provide price stability.

Electricity may play a significant role in meeting these goals. Plug-in electric vehicles (PEV) are powered by electricity produced primarily by domestic sources such as coal, natural gas, nuclear, and renewable sources. Powering vehicles by using domestic energy sources helps states diversify the transportation fuel mix and increase the use of local energy resources.

Vehicles requiring less gasoline may also reduce greenhouse gas emissions when compared to conventional vehicles. [Total emissions](#) from an electric vehicle are often less than those from a conventional internal combustion engine, and can be significantly lower in regions where wind, hydropower and natural gas make up a higher proportion of energy sources. For example, along the West Coast where wind and hydropower make up a higher portion of the energy mix, the emissions may be significantly lower for electric vehicles.

Additionally, the operating costs of an electric vehicle can be much lower due to the low price of electricity relative to conventional fuel, although PEVs generally cost more than

conventional vehicles. As of October 2014, the [U.S. Department of Energy](#) estimates that it costs \$1.29, on average, to drive an electric vehicle as far as a conventional car travels on \$3.30 worth of gasoline. Since electricity prices are more stable than oil prices, increasing the use of electricity for transportation can make costs more predictable and reduce the negative economic impacts caused by fluctuating oil prices.

At least 22 plug-in electric vehicle models will be available in the U.S. by 2014. However, the lack of public charging stations may discourage the adoption of electric vehicles. Consumers and fleets need access to affordable, convenient charging stations at home, at work or in public areas. Public charging stations are less common than gas stations, but manufacturers, automakers, utilities, and state and federal agencies are rapidly expanding the network. More than 8,000 charging stations now exist in the U.S., more than half of which have been built since 2012.

As electric vehicle sales increase though, there are concerns that charging PEVs may present a challenge to the nation's electric grid. However, research has shown that the grid has enough excess capacity to support over 150 million electric cars—nearly 75 percent of the vehicles driven in the U.S. today. Some solutions to help maintain grid reliability include using smart grid technologies that charge vehicles during off-peak hours, allowing a utility to limit charging when demand is high and increasing electric rates during peak hours and lowering them at night.

STATE ACTION

Many states are considering a variety of incentives to promote hybrid and plug-in electric vehicle adoption.

At least 37 states and the District of Columbia have current incentives—as of October 2014—that would provide high-occupancy vehicle lane exemptions, financial incentives, vehicle

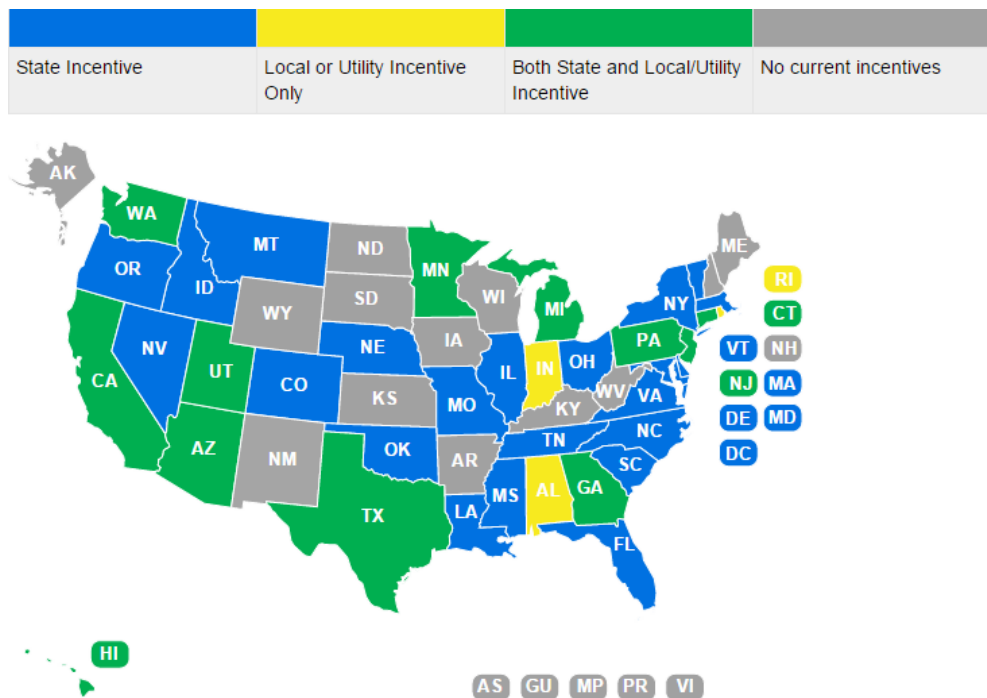
inspections or emissions test exemptions, parking incentives or utility rate reductions.

Financial incentives including tax credits and registration fee reductions are popular ways to promote adoption. State rebates or tax credits range from \$1,000 in Maryland to \$6,000 in Colorado. At least 20 states have considered legislation in 2014 to encourage the purchase and increased use of hybrid and PEVs. Minnesota passed legislation requiring investor-owned utilities to offer consumers discounted rates to charge electric vehicles during off-peak hours. Additionally, Maryland repealed a state income tax credit for electric vehicle recharging equipment, but legislation established a new recharging equipment rebate program, which provides rebates to offset the cost of installing equipment. Federal incentives are also helping boost hybrid and PEV use. A federal tax credit of up to \$7,500 is available in addition to state incentives for electric vehicles. The tax credit will expire once 200,000 qualified PEVs have been sold by each automotive manufacturer. Other incentives include electric charging infrastructure tax credits, research project grants, alternative fuel technology loans, and establishing requirements for federal fleets.

Additionally, eight states released an action plan in May 2014 detailing an agreement

originally announced in 2013 to put 3.3 million zero-emission vehicles (ZEVs) on the road by 2025. That's more than 15 times as many ZEVs projected to be on the road in the entire U.S. by 2015. The plan—agreed to by California, Connecticut, Maryland, Massachusetts, New York, Oregon, Rhode Island and Vermont—calls for consumer incentives to promote ZEVs such as high-occupancy vehicle (HOV) lane access and building additional charging stations. The plan also requires establishing rates for charging vehicles that are competitive with gasoline and supporting the adoption of public and private ZEV fleets.

States are also addressing concerns regarding the effect that the growing use of electric vehicles may have on funding for transportation infrastructure, which relies heavily on gasoline taxes. Colorado, Nebraska, North Carolina, Virginia and Washington have adopted fees for electric vehicles and several more states have considered legislation in 2014. Additionally, [Oregon](#) has agreed to a 5,000-vehicle opt-in program beginning in 2015 that allows drivers to pay a fee based on miles driven rather than gallons of fuel purchased. The Road Usage Charge System adopted in Oregon has the potential to separate transportation revenues from gasoline consumption.



STATE HYBRID AND ELECTRIC VEHICLE INCENTIVES

ALABAMA

Charging Rate Incentive: Alabama Power offers special rates for electricity purchased to charge PEVs used for [residential](#) and [non-residential](#) purposes.

ARIZONA

HOV Lane Exemption: Qualified alternative fuel vehicles may use designated HOV lanes regardless of the number of occupants in the vehicle.

Electric Vehicle Equipment Tax Credit: Maximum of \$75 available to individuals for installation of EV charging outlets.

Reduced Alternative Fuel Vehicle License Tax: Reduction in the annual vehicle license tax for an electric vehicle to a minimum of \$5 per year.

Alternative Fuel Vehicle Tax Exemption: [S.B. 1413](#), enacted in 2014, exempts certain alternative fuels such as natural gas, electricity and hydrogen from the state use tax.

Vehicle Emissions Inspection Exemption: [H.B. 2226](#) and [H.B. 2580](#) (2014) exempt qualified plug-in electric vehicles from an annual emissions inspection for the first five registration years.

Plug-In Electric Vehicle Charging Rates: The [Arizona Public Service Company](#) offers a residential time-of-use plan to customers who own a qualified PEV. The pilot program is available through Dec. 31, 2014.

CALIFORNIA

HOV Lane Exemption: Qualified alternative fuel vehicles—including hydrogen, hybrid, and electric vehicles—may use designated HOV lanes regardless of the number of occupants in the vehicle. Qualified vehicles are also exempt from toll fees in High Occupancy Toll (HOT) lanes.

Alternative Fuel Vehicle Rebate Program: The Clean Vehicle Rebate Project (CVRP) [offers rebates](#) for the purchase or lease of qualified vehicles. The rebates offer up to \$2,500 for light-duty zero emission and plug-in hybrid vehicles that the California Air Resources Board (ARB) has approved or certified.

Alternative Fuel Vehicle Tax Exemption: California's Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) provides a [sales tax exclusion](#) for advanced manufacturers and manufacturers of alternative source and advanced transportation products, components or systems.

Alternative Fuel Vehicle Rebate Program: The San Joaquin Valley Air Pollution Control District administers the [Drive Clean! Rebate Program](#), which provides rebates of up to \$3,000 for the purchase or lease of eligible new vehicles, including qualified natural gas and plug-in electric vehicles.

Alternative Fuel & Vehicle Incentives: Through the [Alternative and Renewable Fuel Vehicle Technology Program](#), the California Energy Commission provide financial incentives for businesses, vehicle and technology manufacturers, workforce training partners, fleet owners, consumers and academic institutions with the goal of developing and deploying alternative and renewable fuels and advanced transportation technologies.



Insurance Discount: [Farmer's Insurance](#) offers a discount of up to 10 percent on certain insurance coverage for HEV and AFV owners.

PEV Charging Rate Reductions: The Sacramento Municipal Utility District ([SMUD](#)), Southern California Edison ([SCE](#)), Pacific Gas & Electric ([PG&E](#)), Los Angeles Department of Water and Power ([LADWP](#)), and San Diego Gas & Electric ([SDG&E](#)) provides discounted rate plans to residential customers for electricity used to charge qualified electric vehicles.

Electric Vehicle Supply Equipment Rebate: The Los Angeles Department of Water and Power (LADWP) [Charge Up L.A.!](#) program provides rebates to residential and commercial customers who install Level 2 (240 Volt) chargers. Rebates are offered to the first 2,000 customers who apply. Glendale Water and Power ([GWP](#)) also offers a \$200 rebate to residential customers owning an electric vehicle and installing a Level 2 charging station. Certain restrictions apply.

Free Parking: [Sacramento](#) offers free parking to individuals or small businesses certified by the city's Office of Small Business Development that own or lease EVs with an EV parking pass in designated downtown parking garages and surface lots. Vehicles must be 100 percent electric to qualify.

Free Parking: Free metered parking in [San Jose](#), [Hermosa Beach](#), and [Santa Monica](#) for electric vehicles displaying a Clean Air decal.

Alternative Fuel Vehicle Parking: The California Department of General Services (DGS) and California Department of Transportation (DOT) must provide 50 or more parking spaces and park-and-ride lots owned and operated by DOT to [incentivize the use of alternative fuel vehicles](#).

COLORADO

Alternative Fuel & Advanced Vehicle Technology Tax Credit: An [income tax credit](#) of up to \$6,000 is available for a motor vehicle that uses or is converted to use an alternative fuel, is a hybrid electric vehicle or has its power source replaced with one that uses an alternative fuel.

Plug-in Electric Vehicle and Electric Vehicle Supply Equipment Grants: [The Colorado Energy Office \(CEO\) and Regional Air Quality Council \(RAQC\)](#) provide grants to support PEV adoption in fleets. RAQC grants cover 80 percent of the incremental cost of a qualified PEV, up to \$8,260. Both CEO and RAQC grants fund 80 percent of the cost of electric vehicle supply equipment (EVSE), up to \$6,260.

Plug-In Electric Vehicle Fee: Colorado requires PEV owners to pay an annual fee of \$50.

CONNECTICUT

Alternative Fuel Vehicle Funding: [The Connecticut Clean Fuel Program](#) provides funding to municipalities and public agencies that purchase, operate, and maintain alternative fuel and advanced technology vehicles, including those that operate on compressed natural gas, propane, hydrogen, and electricity. The [Connecticut Department of Energy and Environmental Protection](#) also provides funding to municipalities and state agencies for the project cost and installation of electric vehicle supply equipment.

Alternative Fuel and Hybrid Electric Vehicle Parking: [Free parking](#) on all city streets for qualified AFVs and HEVs registered in New Haven.

DELAWARE



Vehicle-to-Grid Energy Credit: Retail electricity customers with at least one grid-integrated electric vehicle may qualify to receive kilowatt-hour credits for energy discharged to the grid from the EV's battery at the same rate that the customer pays to charge the battery.

DISTRICT OF COLUMBIA

Alternative Fuel and Fuel-Efficient Vehicle Title Tax Exemption: Qualified alternative fuel vehicles are exempt from the excise tax imposed on an original certificate of title.

Reduced Registration Fee: A new motor vehicle with a U.S. Environmental Protection Agency estimated average city fuel economy of at least 40 miles per gallon is eligible for a [reduced vehicle registration fee](#) of \$36. This reduced rate applies to the first-time registration only.

Alternative Fuel Vehicle Tax Credit: An income tax credit of 50 percent—up to \$19,000 per vehicle—is available for the incremental or conversion cost for qualified vehicles. A tax credit is also available for 50 percent of the equipment costs for the purchase and installation of alternative fuel infrastructure. The maximum credit is \$1,000 per residential electric vehicle charging station and \$10,000 for each public fueling station.

FLORIDA

HOV Lane Exemption: Qualified alternative fuel vehicles may use designated HOV lanes regardless of the number of occupants in the vehicle. The vehicle must display a Florida Division of Motor Vehicles issued decal, which is renewed annually. Vehicles with decals may also use any HOV lane designated as a HOV toll lane without paying the toll.

Electric Vehicle Supply Equipment Financing: Property owners may apply to their local government for funding to help [finance EVSE installations](#) on their property or enter into a financing agreement with the local government for the same purpose.

Electric Vehicle Supply Rebate: Orlando Utilities Commission (OUC) offers a rebate of up to \$1,000 for the purchase and installation of a commercial electric vehicle supply equipment. The rebate amount varies by program year and expires on Sept. 30, 2016.

GEORGIA

HOV Lane Exemption: Qualified EVs and PHEVs may use designated HOV lanes regardless of the number of occupants in the vehicle.

Alternative Fuel Vehicle Tax Credit: An income tax credit is available to individuals who purchase or lease a new dedicated AFV or convert a vehicle to operate solely on an alternative fuel. The amount of the tax credit is 10 percent of the vehicle cost, up to \$2,500.

Zero Emission Vehicle Tax Credit: An [income tax credit](#) is available for 20 percent or up to \$5,000 for individuals who purchase or lease a new zero emission vehicle.

Electric Vehicle Supply Equipment Tax Credit: An [income tax credit](#) of 10 percent of the cost of the electric vehicle charging equipment, up to \$2,500.

PEV Charging Rate Incentive: [Georgia Power](#) offers a time-of-use electricity rate for residential customers who own a hybrid or electric vehicle.



HAWAII

HOV Lane Exemption: Qualified EVs and PHEVs may use designated HOV lanes regardless of the number of occupants in the vehicle.

Parking Fee Exemption: Qualified vehicles with electric vehicle license plates are [exempt from certain parking fees](#) charged by any non-federal government authority.

Parking Requirement: Public parking systems with 100 parking spaces or more must include at least one designated [parking space for EVs](#) and provide an EV charging system.

PEV Charging Rate Incentive: [Hawaiian Electric Company](#) offers time-of-use rates for residential and commercial customers who own an electric vehicle. This pilot program is offered to customers on Oahu, Maui County, and the Island of Hawaii.

IDAHO

Vehicle Inspection Exemptions: Hybrid and electric vehicles are exempt from state [motor vehicle inspection and maintenance programs](#).

ILLINOIS

Alternative Fuel Vehicle and Alternative Fuel Rebates: The [Illinois Alternate Fuels Rebate Program](#) provides a rebate of 80 percent, or up to \$4,000 of the cost of purchasing an alternative fuel vehicle or converting a conventional vehicle.

Electric Vehicle Supply Equipment Rebates: The Illinois Department of Commerce and Economic Opportunity provides [rebates to offset the cost of Level 2 EVSE](#). The maximum possible total rebate award is \$49,000 or 50 percent of the total project cost for up to 15 EVSE, whichever is less.

Electric Vehicle Registration Fee Reduction: The owner of an EV may register for a discounted registration fee not to exceed \$35 for a two-year registration period or \$18 for a one-year registration period.

INDIANA

Plug-In Electric Vehicle Charging Rate Incentive: Indianapolis Power & Light Company (IPL) offers [special plug-in EV charging rates](#) for residential and fleet customers who own a licensed electric or plug-in electric vehicle.

Electric Vehicle Supply Equipment Credit and Charging Incentive: [NIPSCO's IN-Charge Electric Vehicle Program](#) offers a credit of up to \$1,650 to purchase and install residential EVSE, as well as free plug-in electric vehicle charging during off-peak hours.

LOUISIANA

Alternative Fuel Vehicle and Fueling Infrastructure Tax Credit: An income tax credit is available for 50 percent of the cost of converting or purchasing an alternative fuel vehicle or constructing an alternative fueling station. Alternatively, a tax credit of 10 percent of the cost of the motor vehicle, up to \$3,000 is available for alternative fuel vehicles registered in the state.



Authorization for Alternative Fuel Vehicle Loans: The Louisiana Department of Natural Resources will administer the AFV Revolving Loan Fund to provide loan assistance to local government entities, including cities, parishes, school boards, and local municipal subdivisions for the cost of converting conventional vehicles to operate on alternative fuels, or the incremental cost of purchasing new AFVs.

MARYLAND

HOV Lane Exemption: [S.B. 33](#) (2014) allows qualified alternative fuel vehicles may use designated HOV lanes regardless of the number of occupants in the vehicle.

Plug-in Electric Vehicle Tax Credit: Effective July 1, 2013 through June 30, 2014, a tax credit of up to \$1,000 is available against the excise tax imposed for the purchase of a qualified plug-in electric vehicles. Effective July 1, 2014, [H.B. 1345](#) and [S.B. 908](#) (2014) replace the existing tax credit by providing a tax credit equal to \$125 times the number of kilowatt-hours of battery capacity of the vehicle, or up to \$3,000.

Electric Vehicle Supply Equipment Tax Credit: [The Maryland Energy Administration \(MEA\)](#) offers an income tax credit equal to 20 percent of the cost of qualified electric vehicle supply equipment. The credit may not exceed the lesser of \$400 or the state income tax imposed for that tax year.

MASSACHUSETTS

Plug-In Electric Vehicle Rebates: The Massachusetts Department of Energy Resources has a program called Massachusetts Offers Rebates for Electric Vehicles (MOR-EV), which offers rebates of up to \$2,500 to customers purchasing PEVs. The [program](#) will launch in the summer of 2014.

Alternative Fuel Vehicle and Infrastructure Grants: The Massachusetts Department of Energy Resources' [Clean Vehicle Project](#) provides grant funding for public and private fleets to purchase alternative fuel vehicles and infrastructure, as well as idle reduction technology.

MICHIGAN

Vehicle Inspection Exemption: Alternative fuel vehicles are exempt from emissions inspection requirements.

Electric Vehicle Supply Equipment Rebate: [Indiana Michigan Power](#) provides rebates of up to \$2,500 to residential customers who purchase or lease a new plug-in electric vehicle and install a Level 2 EVSE with a separate meter. Customers must also sign up for the Indiana Michigan Power PEV time-of-use rate. The rebate is available to the first 250 qualified customers who submit a completed application. [Consumers Energy](#) provides qualified customers with a reimbursement of up to \$2,500 to cover the purchase, installation, and wiring for qualified Level 2 electric vehicle supply equipment. Additionally, [DTE Energy](#) will provide up to \$2,500 for the purchase and installation of separately metered EVSE to the first 2,500 qualified customers who purchase PEVs and enroll in the DTE PEV rate.

Plug-In Electric Vehicle Charging Rate Reduction: [Indiana Michigan Power](#) and [Consumers Energy](#) offer a special time-of-use rate option to residential customers who own a qualified PEV.

MINNESOTA

Electric Vehicle Charging Tariff: [H.B. 2834](#) (2014) requires each public utility selling electricity to file a tariff that allows a customer to purchase electricity solely for the purpose of recharging an electric vehicle. The tariff must include either a time-of-day or off-peak rate.

Plug-In Electric Vehicle Charging Rate Reduction: [Dakota Electric](#) offers a discounted rate for electricity used to charge electric vehicles during off-peak times. [Connexus Energy](#) also offers a reduced rate and a \$270 rebate to install a time-of-day meter.

MISSISSIPPI

Revolving Loan Fund: The Mississippi Development Authority established a [revolving loan program](#) to provide zero-interest loans for public school districts and municipalities to purchase alternative fuel school buses and other motor vehicles, convert school buses and other motor vehicles to use alternative fuels, purchase alternative fuel equipment, and install fueling stations. [Loans provide](#) up to \$300,000 for the purchase of vehicles and up to \$500,000 for the purchase and installation of fueling infrastructure.

MISSOURI

Alternative Fueling Infrastructure Tax Credit: Between Jan. 1, 2015 and Jan. 1, 2018, [S.B. 729](#) (2014) provides an income tax credit for the cost of installing a qualified alternative fueling station. The credit provides 20 percent or up to \$15,000 for residential and \$20,000 for commercial installation of qualified refueling property.

Vehicle Inspection Exemption: Alternative fuel vehicles are exempt from state emissions inspection requirements.

MONTANA

Alternative Fuel Vehicle Conversion Tax Credit: Businesses or individuals are eligible for an income tax credit of up to 50 percent of the equipment and labor costs for converting vehicles to operate using alternative fuels.

NEBRASKA

Alternative Fuel Vehicle and Fueling Infrastructure Loans: The Nebraska Energy Office administers the [Dollar and Energy Saving Loan Program](#), which provides low-cost loans for a variety of alternative fuel projects, including the replacement of conventional vehicles with AFVs, the purchase of new AFVs, the conversion of conventional vehicles to operate on alternative fuels, and the construction or purchase of a fueling station or equipment.

Alternative Fuel Vehicle Registration Fee: Nebraska requires a \$75 fee for the registration of an alternative fuel vehicle that operates on electricity or any other source of energy not otherwise taxed under the state motor fuel tax laws.

NEVADA

HOV Lane Exemption: The Nevada Department of Transportation may establish a program allowing federally certified low emission, energy-efficient, and alternative fuel vehicles to operate in HOV lanes regardless of the number of passengers.



Plug-In Electric Vehicle Charging Rate Incentive: [NV Energy](#) offers discounted electricity rates to residential customers who charge electric or plug-in hybrid electric vehicles during off-peak hours.

Vehicle Inspection Exemption: Alternative fuel vehicles are [exempt from emissions testing](#) requirements. A new HEV is exempt from emissions inspection testing for the first five model years, after which the vehicle must comply with emissions inspection testing requirements on an annual basis.

Parking Fee Exemption: All local authorities with public metered parking areas within their jurisdiction must establish a program for AFVs to park in these areas without paying a fee.

NEW JERSEY

Vehicle Toll Incentive: [The New Jersey Turnpike Authority](#) offers a 10 percent discount from off-peak toll rates on the New Jersey Turnpike and Garden State Parkway through NJ EZ-Pass for drivers of vehicles that have a fuel economy of 45 miles per gallon or higher and meet the California Super Ultra Low Emission Vehicle standard. The discount will expire Nov. 30, 2013.

Zero Emission Vehicle Tax Exemption: ZEVs sold, rented or leased in New Jersey are [exempt from state sales and use tax](#).

NEW YORK

HOV Lane Exemption: Through the [Clean Pass Program](#), qualified vehicles may use the Long Island Expressway HOV lanes regardless of the number of passengers in the vehicle.

Alternative Fuel Vehicle Recharging Tax Credit: [S.B. 2609](#) and [A.B. 3009](#), passed in 2013, provide a tax credit for 50 percent of the cost, up to \$5,000, for the purchase and installation of alternative fuel vehicle refueling and electric vehicle recharging property. The credit is available through Dec. 31, 2017.

NORTH CAROLINA

HOV Lane Exemption: Qualified alternative fuel vehicles may use designated HOV lanes regardless of the number of occupants in the vehicle.

Vehicle Inspection Exemption: Qualified PEVs are exempt from state emissions inspection requirements.

Alternative Fuel Tax Exemption: The retail sale, use, storage, and consumption of alternative fuels is exempt from the state retail sales and use tax.

Plug-In Electric Vehicle Fee: [S.B. 402](#) (2013) requires electric vehicle owners to pay an annual registration fee of \$100.

OHIO

Alternative Fuel and Fueling Infrastructure Incentives: [The Alternative Fuel Transportation Grant Program](#) may provide grants and loans for up to 80 percent of the cost of purchasing and installing fueling facilities offering alternative fuels.

OKLAHOMA

Alternative Fueling Infrastructure Tax Credit: A tax credit is available for up to 75 percent of the cost of installing alternative fueling infrastructure, including electric vehicle charging stations.

OREGON

Alternative Fueling Infrastructure Tax Credit for Residents: Through the [Residential Energy Tax Credits](#) program, qualified residents may receive a tax credit for 25 percent of alternative fuel infrastructure project costs, up to \$750.

Alternative Fueling Infrastructure Tax Credit for Businesses: Business owners and others may be eligible for a tax credit of 35 percent of eligible costs for qualified alternative fuel infrastructure projects.

Pollution Control Equipment Exemption: Dedicated original equipment manufacturer natural gas and electric vehicles are not required to be equipped with a certified pollution control system.

PENNSYLVANIA

Alternative Fuel Vehicle Funding: The [Alternative Fuels Incentive Grant \(AFIG\) Program](#) provides financial assistance for qualified projects and information on alternative fuels, including plug-in hybrid electric vehicles. The AFIG Program also offers Alternative Fuel Vehicle Rebates to assist with the incremental cost of the purchase of new AFVs. Rebates of \$3,000 are available for qualified EVs and PHEVs.

Plug-In Electric Vehicle Rebate: [PECO](#) provides rebates of \$50 to residential customers who purchase a new, qualified PEV.

RHODE ISLAND

Alternative Fuel Vehicle Tax Exemption: The town of Warren may allow excise tax exemptions of up to \$100 for qualified AFVs registered in Warren.

SOUTH CAROLINA

Fuel Cell Vehicle Tax Credit: Residents who claim the federal fuel cell vehicle tax credit are eligible for a state income tax credit equal to 20 percent of the federal credit.

TENNESSEE

HOV Lane Exemption: Qualified alternative fuel vehicles may use designated HOV lanes regardless of the number of occupants in the vehicle.

TEXAS

Alternative Fuel Vehicle Rebate: Qualified vehicles purchased or leased may be eligible for a rebate of up to \$2,500. [The Light-Duty Motor Vehicle Purchase or Lease Incentive \(LDPLI\) Program](#) is available until June 26, 2015 or until total funding of \$7.75 million is awarded. Only purchases made on or after May 13, 2014 are eligible to apply for the rebate.



Alternative Fueling Infrastructure Grants: The Texas Commission on Environmental Quality administers the [Alternative Fueling Facilities Program](#), which provides grants for 50 percent of eligible costs, up to \$600,000, to construct, reconstruct, or acquire a facility to store, compress, or dispense alternative fuels, including electricity, in Texas air quality nonattainment areas.

Vehicle Replacement Vouchers: The Texas Commission on Environmental Quality administers the [AirCheckTexas, Drive a Clean Machine](#) program, which provides vouchers of \$3,500 to qualified individuals for the purchase of hybrid, electric or natural gas vehicles.

Electric Vehicle Supply Equipment Incentive: [Austin Energy](#) customers who own a plug-in electric vehicle are eligible for a rebate of 50 percent or up to \$1,500 of the cost to purchase and install a qualified Level 2 EVSE.

UTAH

HOV Lane Exemption: [Qualified vehicles may use designated HOV lanes](#) regardless of the number of occupants in the vehicle. Vehicles must display a special clean fuel decal issued by the Utah Department of Transportation.

Alternative Fuel Tax Exemption: Propane, compressed natural gas, liquefied natural gas, and electricity used to operate motor vehicles are [exempt from state fuel taxes](#).

Alternative Fuel and Fuel Efficient Vehicle Tax Credit: [H.B. 96](#) (2013), provides that [new clean fuel vehicles](#) that meet air quality and fuel economy standards may be eligible for a credit of \$605, including certain electric and hybrid electric vehicles. An income tax credit is also available for 50 percent or up to \$2,500 of the cost to convert a vehicle to run on propane, natural gas, or electricity.

Free Electric Vehicle Parking: [Free metered parking in Salt Lake City](#) for electric vehicles displaying a Clean Air license plate.

VERMONT

Alternative Fuel and Vehicle Research and Development Tax Credit: Vermont businesses that qualify as a high-tech business involved exclusively in the design, development, and manufacture of alternative fuel vehicles, hybrid electric vehicles, all-electric vehicles, or energy technology involving fuel sources other than fossil fuels are eligible for up to three of the following tax credits: 1) payroll income tax credit; 2) qualified research and development income tax credit; 3) export tax credit; 4) small business investment tax credit and 5) high-tech growth tax credit.

VIRGINIA

HOV Lane Exemption: For HOV lanes serving the I-95/I-395 corridor, only registered vehicles displaying Clean Special Fuel license plates issued before July 1, 2006, are exempt from HOV lane requirements. For HOV lanes serving the I-66 corridor, only registered vehicles displaying Clean Special Fuel license plates issued before July 1, 2011, are exempt from HOV lane requirements.

Plug-In Electric Vehicle Charging Rate Reduction: [Dominion Virginia Power](#) offers discounted electricity rates to residential customers who charge electric vehicles during off-peak hours.

Vehicle Inspection Exemption: Alternative fuel and hybrid electric vehicles are exempt from emissions testing.



Alternative Fuel Vehicle Fee: [S.B. 127](#) (2014) requires that alternative fuel vehicles and all-electric vehicles—hybrid vehicles are excluded—registered in the state pay an annual vehicle license tax of \$64. Electric vehicles must also pay a \$50 annual license tax.

WASHINGTON

Alternative Fuel Vehicle Tax Exemption: New passenger cars, light-duty trucks, and medium-duty passenger vehicles that are dedicated alternative fuel vehicles are exempt from the state motor vehicle sales and use taxes.

Electric Vehicle Infrastructure Exemptions: Public lands used for installing, maintaining, and operating EV infrastructure are exempt from leasehold excise taxes until Jan. 1, 2020. Additionally, the state sales and use taxes do not apply to EV batteries; labor and services for installing, repairing, altering, or improving EV batteries and EV infrastructure; and the sale of property used for EV infrastructure.

Vehicle Inspection Exemption: Alternative fuel and hybrid electric vehicles are exempt from emissions testing.

Electric Vehicle Supply Equipment Rebate: [Puget Sound Energy](#) (PSE) provides a rebate of \$500 to qualified customers for the purchase and installation of Level 2 EVSE. PSE expects the rebate program to remain open until Nov. 1, 2016, depending on available funds.

Plug-In Electric Vehicle Fee: Electric vehicle owners must pay an annual vehicle registration fee of \$100. The fee will expire if the legislature imposes a vehicle miles traveled fee or tax in the state.

Terms:

AFV: Alternative fuel vehicle

EV: Electric vehicle

EVSE: Electric vehicle supply equipment

HEV: Hybrid electric vehicle

HOV: High-occupancy vehicle

HOT: High-occupancy toll

PEV: Plug-in electric vehicle

PHEV: Plug-in hybrid electric vehicle

ZEV: Zero emission vehicle

Sources:

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