



Sophie Warren
P.O. Box 1
Scarborough, ME 04070
Phone: (207) 450-0765
Sophie.Warren@legislature.maine.gov

HOUSE OF REPRESENTATIVES
2 STATE HOUSE STATION AUGUSTA,
MAINE 04333-0002
(207) 287-1400
TTY: MAINE RELAY 711

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Testimony of Representative Sophie Warren Presenting
**L.D. 1258, An Act to Include Qualified Out-of-state Electric Vehicle
Providers and Clarify Provisions Regarding Electric Bicycles Under the Electric Vehicle
Fund**

Before the Joint Standing Committee on Energy, Utilities and Technology

Good morning, Chair Lawrence, Chair Sachs, and respected colleagues of the Joint Standing Committee on Energy, Utilities and Technology. I appreciate the opportunity to present **L.D. 1258, An Act to Include Qualified Out-of-state Electric Vehicle Providers and Clarify Provisions Regarding Electric Bicycles Under the Electric Vehicle Fund**.

This bill comes before you at the request of my constituents, who have repeatedly brought to my attention what I believe is a legitimate problem: the consequences of the state's Electric Vehicle Fund including only in-state purchases, and excluding all out-of-state vehicle purchases.

To help Maine achieve its climate goals, it is crucial for Mainers to transition from gasoline-powered vehicles to electric and plug-in hybrid vehicles. However, EVs remain costly, and for many consumers, access to financial incentives is essential. Unfortunately, sensible and equitable reasons to purchase out-of-state make access to the Efficiency Maine rebate program impossible. This is within a broader context where these state-level rebates can be more important than ever to help someone make this important purchase, and as doing so contributes to our states EV and emissions goals within our most high-emitting sector, transportation.

I want to share just a couple of stories from my constituents to explain the impact of the exclusive in-state policy in practice:

One example is of a constituent who found a vehicle that would otherwise qualify for the program in New Hampshire for nearly \$3,000 less than one on the market an hour and a half away in Maine.

Another example is of a constituent who sought a particular vehicle that would qualify for the program but was in very short supply. Despite a close call where she had missed out on a sale, she had not again been able to find the vehicle for sale in the state in a used condition that met the parameters she needed in a car. She ultimately instead purchased a non-electric, internal combustion vehicle.

A third example is modeled through the brand Mini, which sells one of the least expensive EVs and who is expanding their EV offerings but does not have a dealership in Maine¹ and does not use a direct sales model. Thus, any EVs sold by Mini are not eligible for the Efficiency Maine rebate (up to \$7,500) even though Mini is a popular brand owned by Maine citizens. A constituent who came to this realization later bought a used Mini in Connecticut and was able to access a federal rebate but was therefore not eligible for the state's program – though there is no direct competition even possible for this product within the state.

One constituent, Mr. John Grew, wrote to me and eloquently summarized the problem and its relationship to our state's climate goals:

“As a constituent who is very concerned about climate change, I am contacting you about a provision in state statute that prevents the purchaser of an electric vehicle (EV) not sold by a dealer located within the state and not sold via a direct sales method (such as Tesla) from receiving the rebates that otherwise would be available through Efficiency Maine.

I have contacted staff from Efficiency Maine and they have advised that there are two possible remedies through amending current statute (Title 35-A, Part 8, Chapter 97):

- 1. Remove the in-state franchise dealer requirement.*
- 2. Add a waiver option for any EV not sold at a dealership in Maine under rules to be established by Efficiency Maine.*

For Maine to attain its goal to reach carbon neutrality, it is essential that citizens convert from gasoline powered vehicles to EVs. However, EVs remain expensive and for most consumers, availability of financial incentives is essential. Unfortunately, recently enacted changes to the federal tax credits for EVs have significantly reduced the number of EVs that are eligible for the credit and thus eligibility for the EM rebate program is even more important.

The bill before you would direct Efficiency Maine Trust to allow out-of-state dealers to qualify if they meet the same parameters as in-state dealers. I offer this remedy because it reflects the preferences of the majority of constituents I've spoken with regarding the rebate program. However, I am also open to working with the committee and the Trust to explore solutions that address any negative or unintended impacts, such as a waiver option for cars that cannot be purchased within the state, or a price threshold that triggers the ability to use the waiver, among other reasonable exceptions. Bottom line, this bill is not intended to harm the electric vehicle industry in Maine or show preference for a solution beyond offering what I hear from my community about out-of-state exceptions. I acknowledge that this is a complex and nuanced area of statute and Trust practices, and I do not claim to have the expertise to determine whether these proposed remedies are effective in resolving the issue without causing undue harm.

Given the impact on my constituents, I ask this committee to consider a proposal to amend the rebate program to include out-of-state dealers. I present this suggestion based on conversations within my community, hoping it can contribute to finding a viable solution moving forward. Thank you for your time and consideration of this bill. I would be happy to answer any questions you may have.

¹ Closest dealerships are in Bedford, New Hampshire and either Peabody or Boston, Massachusetts. See, https://www.miniusa.com/model/electric-vehicles.html?srsId=AfmBOor1_8C-HQkxOpcKmxlGeg9VhYRblIveVfcwNEdnJca6pFID1LRA.