



JANET MILLS
GOVERNOR

STATE OF MAINE
OFFICE OF THE GOVERNOR
1 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0001

DAN BURGESS
DIRECTOR OF GOVERNOR'S
ENERGY OFFICE

TESTIMONY BEFORE THE ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE

An Act to Include Qualified Out-of-state Electric Vehicle Providers and Clarify Provisions Regarding Electric Bicycles Under the Electric Vehicle Fund L.D. 1258

GOVERNOR'S ENERGY OFFICE
April 9, 2025

Senator Lawrence, Representative Sachs, and Members of the Joint Standing Committee on Energy, Utilities and Technology (EUT): My name is Caroline Colan, and I am the Legislative Liaison for the Governor's Energy Office (GEO).

The GEO testifies in opposition to L.D. 1258.

Thank you for the opportunity to provide testimony on this bill today. This testimony addresses only Section 1 of the proposed language.

Maine's climate action plan, *Maine Wont' Wait*, recognizes that transportation is responsible for 49 percent of Maine's carbon emissions from fossil fuels, making the sector one of Maine's largest opportunities to combat climate change. With the majority of these emissions coming from light-duty passenger vehicles, the plan also notes that accelerating the sales of new and used electric vehicles (EVs), including plug-in hybrid vehicles (PHEVs), is both the least costly and the most effective way to deeply cut greenhouse gas emissions and improve air quality and public health. For several years, rebates have been identified as one tool to help make electric vehicles more affordable for more Maine people. Since 2019, through the Electric Vehicle Fund established under Title 35-A, Section 10126, Efficiency Maine has administered a point-of-sale purchase rebate for EVs in Maine. Under this statute, the Electric Vehicle Fund was specifically established by the trust to "transform markets toward the adoption of electric vehicles and to support the purchase of electric vehicles in the State."¹ This establishing statute recognizes the critical market-building role EV rebates can hold in Maine and supports the purchase of EVs *in the State*. It is our belief that allowing EV rebates under Maine's Electric Vehicle Fund to go to a dealer located outside of the state as proposed by this bill would hinder the growth of a robust EV market in Maine while also placing an increased administrative burden on Efficiency Maine to verify out of state dealers, ultimately at the expense of Maine ratepayers.

We do recognize that limited dealer inventory of EVs in Maine can deter buyers from ultimately deciding to make the purchase of an unfamiliar vehicle type. This is one of several barriers that state policy and

¹ <https://www.mainelegislature.org/legis/statutes/35-a/title35-Asec10126.html>

targeted program support are working to address. The most recent Efficiency Maine Triennial Plan identifies four primary market barriers to EV adoption in Maine: upfront costs, range anxiety, limited product inventory, and lack of familiarity.² To date, millions of dollars of state, federal, and ratepayer funds have been committed to addressing these barriers through targeted income-eligible rebates, charging network buildout, educational campaigns, and training programs. Recognizing the limited availability of funds to sustain these efforts, we believe these investments should primarily be used to build a market that supports Maine businesses and consumers through the purchase of EVs in the State, not to benefit out of state dealers.

Just as Maine developed a strong, in-state heat pump industry that supports and sustains thousands of Maine jobs, similar market building is needed for the Maine EV market. The December 2024 report on the Motor Vehicle Regulatory Program Status presented to the ENR Committee illustrates a cycle, primarily driven by Covid-19 induced supply-side limitations that have largely been addressed, that has hindered the growth of the Maine EV market: without strong demand, dealerships are less likely to stock EVs, which in turn reduces inventory, resulting in fewer vehicles for consumers to view and consider for purchase.³ We know demand for EVs in Maine is growing—in the third quarter of 2024, EV sales accounted for 6.7% of all new light-duty vehicles, up from 1.5% in 2020, however, spreading consumer demand to out-of-state dealerships may have the unintended effect of exacerbating demand and inventory challenges at Maine dealers if Maine dealers are less incentivized to increase the amount of diversity of EV supply, negatively impacting market building efforts.

Adding out-of-state dealerships to the pre-qualified dealer list may also have the additional impact of increasing the administrative burden placed on Efficiency Maine to do outreach and extend the trainings and informational resources to a wider pool of dealerships, increasing the overall costs required to administer the rebate program. It should be noted that Massachusetts and New York do not qualify out-of-state dealerships for their respective point-of-sale EV rebates.

We would be happy to work with the committee, Efficiency Maine Trust, and in-state dealers to explore other opportunities to address market barriers, such as by providing additional trainings to qualified Maine dealerships to improve literacy around EV technology, charging requirements, and federal and state incentives to continue to build the Maine EV market and support Maine businesses and consumers.

Thank you for your consideration.



Caroline Colan, Legislative Liaison
Governor's Energy Office

² <https://www.efficiencymaine.com/triennial-plan-vi/>

³ "The Status of Light-Duty Motor Vehicle Regulatory Programs in the United States, Zero-Emission Vehicle Adoption Rates, and Barriers to Greater Zero-Emission Vehicle Adoption." December 2024. Report to the Joint Standing Committee on Environment and Natural Resources.