



**Testimony of the Efficiency Maine Trust
Michael D. Stoddard, Executive Director**

NEITHER FOR NOR AGAINST

**LD 1258 –
An Act to Include Qualified Out-of-state Electric Vehicle Providers
and Clarify Provisions Regarding Electric Bicycles Under the
Electric Vehicle Fund**

Presented to the Joint Committee on Energy, Utilities, and Technology

April 9, 2025

Senator Lawrence, Representative Sachs, and Members of the Committee on Energy, Utilities and Technology, I appreciate the opportunity to testify today on behalf of the Efficiency Maine Trust (the Trust) **neither for nor against LD 1258**.

This bill establishes a new definition of an “eligible EV provider” that includes, for the first time, out-of-state dealerships and out-of-state licensees of vehicle manufacturers. Whereas previously the law only would allow the Trust to issue a rebate for the purchase or lease of a vehicle from an in-state dealership (or direct from a manufacturer if that manufacturer, such as Tesla or Rivian, did not have dealerships), this bill would extend eligibility to vehicles purchased at car (or bike) dealerships .

Generally, the Trust is indifferent to where EVs come from. That said, we understand that, all things equal, the Legislature has preferred to see financial subsidies for EVs go to sales at Maine dealerships instead of outside of Maine. Moreover, we see transforming the marketplace for vehicles as one of the important objectives for the Trust’s EV programs and for meeting the State’s longer term goals for lowering energy costs and carbon pollution. To do advance that objective, the Trust sees value in a program design that encourages Maine dealerships to stock, market, finance and service EVs.

The Trust is always concerned about how changes to the law will impact the Trust’s ability to efficiently and effectively administer any type of financial incentive, including EV rebates. We have concerns about how the proposed eligibility for out-of-state EV sales will affect our administration of the programs to promote EVs. With out-of-state sales, it will only be possible for the Trust to make the rebates available instantaneously at the “point of sale” (as we do with Maine dealers) if those out-of-state dealerships are willing to participate in the Trust’s program and agree to the Trust’s terms for doing so. This could theoretically work for dealerships in New Hampshire and Eastern Massachusetts that might see a sufficient volume of demand from Maine consumers, but seems impractical and unlikely for dealerships farther away.

However, if the expectation is that the Trust would modify its program design for sales at out-of-state dealerships by eliminating the instantaneous markdown in favor of a *ex-post*, mail-in rebate, we want to be clear that the Trust is unlikely to adopt such a design change. One reason is that this approach poses more of a challenge for low- and moderate-income consumers who must effectively “float” the cost of the rebate until the Trust is able to process it several weeks after the purchase. Of equal concern, if there are any mistakes or misinterpretations of the program rules by the out-of-state dealer or the consumer, the Trust will be required to reject the rebate claim and the consumer will not have any practical recourse. Thus, if a consumer mistakenly purchases an EV that does not meet the eligibility criteria (e.g., because the EV has an MSRP that exceeds the maximum allowable price, or fails to meet the minimum range requirement, or fails to meet the minimum standards for an eligible used EV) or the customer has failed to get their low- or moderate-income status verified, they may find themselves ineligible for the rebate they had expected. Out-of-state dealerships, especially those farther away from Maine, will not be in a position to provide guidance and eligibility screening to Maine customers about program eligibility the same way that in-state dealerships and OEMs do. So, while the Trust can administer a program in which out-of-state dealerships are eligible to participate, it will be critical to understand this will likely be limited to those dealerships that are near the Maine border and are willing to meet all of the requirements applicable to in-state dealerships, as determined by the Trust. To facilitate our ability to efficiently and effectively administer this program, we appreciate that the bill language captures this important restriction.

Respectfully submitted,

/s/MDS
Michael D. Stoddard
Executive Director