



## Memorandum

**To:** Metropolitan Washington Council of Governments (COG) and Montgomery County  
**From:** Carrie Giles  
Director, Transportation  
**Date:** June 30, 2020  
**Re:** Work Assignment #2: Montgomery County Electric Vehicle Cooperative Research  
Task Order 19-038-039 TO 20-004

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The Metropolitan Washington Council of Governments (COG) and Montgomery County are interested in exploring various topics related to local government electric vehicle (EV) planning efforts. This memorandum summarizes the results of ICF's research into the topic of cooperative purchasing mechanisms for EVs. It is important to first note that Montgomery County is already a member of a newer EV cooperative purchasing agreement, the [Climate Mayors EV Purchasing Collaborative](#), described in more detail below.

### Overview

Cooperative purchasing mechanisms and programs seek to address some of the key barriers to increased EV adoption, namely the higher upfront cost compared to conventional vehicles and limited EV inventory at the local level. Cooperative purchasing programs leverage the collective/bulk buying power of the community to negotiate discounts to purchase or lease EVs, typically for a limited time (two or three months on average). A lead entity, such as a local government agency or non-profit organization, coordinates the program and is responsible for securing the discounts as well as generating interest. Based on ICF's research, including the programs summarized below, the cost to set up and administer the program is low, and some entities (e.g., the City of Fort Collins) used intern support to coordinate with dealerships. More substantial, however, is the cost to include an educational component, such as outreach materials, marketing, and ride-and-drive events to raise awareness of both the discount and the benefits of driving electric. Relevant education programs already exist in Maryland, such as [MarylandEV.org](#), and may be able to cross-promote any EV cooperative purchasing programs that arise.

The primary participant benefit of cooperative purchasing programs is the reduced vehicle purchase or lease cost, which can be a significant discount depending on the program and how various incentives are stacked (i.e., combined with federal and state incentives, if available and



allowable)<sup>1</sup>. Cooperative purchasing programs are also attractive to automakers and participating dealers as they generate business and provide dealers some assurance that a minimum number of vehicles will be purchased, plus the benefits of promotion and consumer education.

Cooperative purchasing programs are also referred to as purchasing collaboratives or, more commonly, group buy programs (or group buys). A related category, aggregated procurements, is more specific to public fleet vehicles and relies on a request for qualifications process coordinated by a lead procurement agency. COG is already familiar with this mechanism given its work with the Baltimore Metropolitan Council on the Mid-Atlantic Purchasing Team for the Fleets for the Future program.<sup>2</sup>

Another notable aggregated procurement program designed to leverage the buying power of state and local governments includes the [Climate Mayors EV Purchasing Collaborative](#). The Collaborative launched in January 2017 with the support of 30 mayors and has grown to include over 160 cities, counties, public transit agencies, and port authorities that are committed purchasing over 2,400 EVs. Both Montgomery County and Takoma Park have joined the Collaborative, which offers resources for procurement, policy, and some social media advertising. Discounts are available the EV purchase or lease, as well as for EVSE.<sup>3</sup> This program is ongoing, and the contract documents are [available here](#) and outline a group buy program that will expire on January 17, 2021.<sup>4</sup>

Coordinating with utilities to leverage available utility incentives would benefit any program Montgomery County develops. [Pepco](#), [Potomac Edison](#), and [BGE](#) all have EV charging pilot programs operating in the County that began in 2019, providing rebates and/or discounts for residential and multifamily charging installations.

Education and outreach activities are key elements of these pilot programs, helping to encourage customers to transition to EVs. Note that automakers, such as Nissan, have partnered with utilities to offer customers and employees discounts on certain EVs. Pepco's Maryland customers, for example, were eligible for a \$5,000 discount on the 2019 Nissan LEAF, through March 31, 2020 (see attachments).<sup>5</sup> In addition to working with Nissan to offer their

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<sup>1</sup> It is important to note that the [Maryland EV Tax Credit](#) is not currently available, as it was not renewed before the Maryland General Assembly adjourned early in 2020 due to COVID-19. It is expected that new EV Tax Credit legislation will be introduced during the 2021 Session, to be available again on July 1, 2021, depending on available budget.

<sup>2</sup> Source: <http://www.fleetsforthefuture.org/metropolitan-washington>

<sup>3</sup> Source: <https://driveevfleets.org/offerings/#1571329467543-5a17f981-aa57>

<sup>4</sup> Source: <https://www.sourcewell-mn.gov/cooperative-purchasing/120716-naf#tab-contract-documents>

<sup>5</sup> Source: <http://chooseev.com/utilities/phi/2020-leaf-pepco.pdf>



customers quarterly discounts for several years,<sup>6</sup> these utilities may be actively working on dealership outreach programs. This memorandum does not capture all of these partnership programs, but we have included some variations that were coordinated by entities other than utilities (e.g., Clean Cities coalitions).

## Summary of Relevant Programs

ICF compiled the following program details through desktop research and, if necessary, direct outreach to program points of contact. We have included hyperlinks where appropriate.

### Boulder County EV Group Buy Program

- Considered the first EV group buy program in the country, Boulder County, Adams County, and the City and County of Denver, partnered in 2015 to offer discounts on EVs (as well as solar panel discounts).
- The original program ran September through December 2015. Purchasing EVs directly through Boulder Nissan, participants received \$8,349 off a new 2015 Nissan LEAF. When combined with Colorado's generous state EV incentive and the federal tax credit at the time, participants received a 62% discount off the retail price of the vehicle.<sup>7</sup>
- **Results:** During the four-month period in 2015, Boulder Nissan's LEAF sales totaled 248, quadruple its previous monthly average.
- Boulder County offered subsequent group buys through its Benefits Boulder County discount program, including April through June 2016 and October through December 2016, resulting in additional Nissan LEAF sales.
- **Contact:** Boulder County Office of Sustainability, Climate Action & Resilience, Lea Yancey, 720-564-2723, [lyancey@bouldercounty.org](mailto:lyancey@bouldercounty.org)

### Northern Colorado Group Buy Program

- Drive Electric Northern Colorado (DENC) has coordinated multiple group buys since 2015. DENC is a partnership of the Electrification Coalition, the City of Fort Collins, the City of Loveland, and Colorado State University.
- The first program occurred November and December of 2015 and focused on the purchase of the 2015 Nissan LEAF with discounts that totaled \$11,600 including state and federal tax credits. With only one dealership involved, Tynan's Nissan (located in Fort Collins) ran out of 2015 LEAFs within the first seven days. DENC then coordinated with Tynan's to offer a 44% discount on the 2016 LEAF, which was slightly less than the 2015 LEAF discount but still attractive to participants.

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<sup>6</sup> The previous discounts expired March 31, 2020 and new discount is not available at this time.

<sup>7</sup> Source: <https://swenergy.org/group-buy-programs-boost-electric-car-sales>



- **2015 Results:** 52 LEAFs were sold by Tynan’s during the group buy, quadrupling the dealer’s EV sales compared to the previous November and December.<sup>8</sup>
- In August and September of 2019, Tynan’s Nissan again participated in a DENC-coordinated group buy, along with Co’s BMW Center in Loveland.<sup>9</sup> The BMW discount was \$2,400 off a 2019 i3 as well as discounts for the i8 and 530xe. The Nissan discount demonstrates how incentives can be stacked as follows:

2019 Nissan LEAF retail price	\$32,575
Nissan dealer discount	-\$1,000
Xcel (utility) rebate	-\$3,500
Colorado state tax credit	-\$5,000
Federal tax credit	-\$7,500
<b>Discounted Nissan LEAF price</b>	<b>\$15,575</b>

- In addition to promoting the program through flyers (see attachments), articles, and other channels (see attachments), the City of Fort Collins held a ride-and-drive event during the program’s duration to coincide with National Drive Electric Week.
- **2019 Results:** More than 60 EVs were sold in Northern Colorado. In addition, Tynan’s was the leading Nissan dealership based on the volume of Nissan LEAFs sold and was able to sell their entire inventory of LEAFs.<sup>10</sup> Because of the success of the program, DENC planned to offer another one in the fall of 2020, though that may be delayed because of COVID-19.
- **Contacts:**
  - City of Fort Collins, Michelle Finchum, 970-416-2327, [mfinchum@fcgov.com](mailto:mfinchum@fcgov.com)
  - Drive Electric Northern Colorado, [info@driveelectricnooo.org](mailto:info@driveelectricnooo.org)

### **Green Energy Consumers Alliance Drive Green Program (Massachusetts and Rhode Island)**

- Drive Green is a rolling group buy program, meaning discounts are available indefinitely. Participating dealerships and automakers are able to continue their discounts from month to month.
- The Green Energy Consumers Alliance originally launched an EV group buy program in November 2016 with 14 participating dealerships and intending to offer discounts through February 2017. The program’s popularity led to its continuation through June 2017. As with most group buys, dealerships were only able to guarantee pricing from month to month, so the Alliance moved to establish an ongoing program that would

<sup>8</sup> Source:

[http://www.swenergy.org/data/sites/1/media/documents/publications/documents/Colorado\\_EV\\_Group\\_Purchase\\_Programs\\_Mar-2016.pdf](http://www.swenergy.org/data/sites/1/media/documents/publications/documents/Colorado_EV_Group_Purchase_Programs_Mar-2016.pdf)

<sup>9</sup> Co’s BMW continued to offer the discount into late October 2019.

<sup>10</sup> Source: e-mail correspondence with Michelle Finchum, City of Fort Collins, March 26, 2020



provide customers with continued EV selection and discounts. Drive Green grew to more than 30 dealerships at its peak.<sup>11</sup>

- **Results:** In the first 18 months after the program launched, Drive Green sold or leased a total of 354 EVs. Compared to other group buy programs surveyed between 2015 and 2018, Drive Green had monthly sales that were 25% below average. This suggests that while rolling group buy programs increase choices for consumers, it may also come at an expense of short-term sales growth. Through July 2019, Drive Green sold over 650 EVs.<sup>12</sup>
- **Contact:** Green Energy Consumers Alliance, 800-287-3950, [hello@greenenergyconsumers.org](mailto:hello@greenenergyconsumers.org)

### [REV UP WISCONSIN Group Buy](#)

- From August 2016 through September 2017, REV UP WISCONSIN was available to all Wisconsin-based employees and customers of Alliant Energy, Madison Gas and Electric, Minnesota Power, We Energies, Wisconsin Public Service, and Xcel Energy.
- The program was coordinated by Wisconsin Clean Cities, partnering with Nissan to provide the discounts. Wisconsin Clean Cities also hosted more than a dozen ride-and-drive events to promote the program.
- The REV UP WISCONSIN program occurred in two rounds, with Nissan offering discounts of \$8,231 and \$10,000, respectively. Participants were also able to leverage the federal tax credit.
- **Results:** The program resulted in the purchase of more than 100 new Nissan LEAFs.
- **Contact:** Wisconsin Clean Cities, Lorrie Lisek, 414- 221-4958, [info@wicleancities.org](mailto:info@wicleancities.org)

### [Northern Virginia LEAF Group Buy Program](#)

- Virginia Clean Cities coordinated a Nissan LEAF group buy program in 2016 to provide lease and purchase discounts on the 2016 LEAF. Residents of Virginia, Maryland, and Washington, D.C. were eligible.
- The 36-month lease rates ranged from \$178 to \$269 per month, depending on the model, with the federal tax credit factored into the pricing.
- Discounted purchase prices, including the federal tax credit, were between \$14,039 and \$19,767, depending on the model.
- While not related to this group buy program, Virginia Clean Cities has also partnered with local cooperatives to encourage bulk purchases of Level 2 EV charging stations.
- **Contact:** Virginia Clean Cities, Alleyn Harned, 540-568-8896, [aharned@vacleancities.org](mailto:aharned@vacleancities.org)

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<sup>11</sup> Source: <https://swenergy.org/group-buy-programs-boost-electric-car-sales>

<sup>12</sup> Source: <https://www.greenenergyconsumers.org/drivegreen>



### [CleanTX Group Buy for Central Texas](#)

- Occurring in November 2016, this was the first EV group buy in Texas.
- CleanTX partnered with Town North Nissan to offer an \$8,500 discount off any LEAF model, in addition to the \$7,500 federal tax credit. The discounted lease payment was set at \$199 per month.
- As a bonus incentive, the first 10 LEAF purchasers were eligible to win a free year of Austin Energy's [Plug-In EVerywhere](#) unlimited public charging.

## **Useful Resources and Lessons Learned**

While somewhat dated, ICF recommends COG and Montgomery County review these relevant resources produced by the Southwest Energy Efficiency Project (SWEET) for a deeper dive into EV cooperative purchasing programs. For example, the following excerpts are from the July 2018 report:

- “Group buy programs have consistently delivered sales results in communities all over the country boosting dealership sales by up to 10 times the monthly average.”
- “The biggest challenges for dealerships are securing sufficient EV inventory to satisfy program demand and preparing the staff to answer questions about the technology.”

*Electric Vehicle Group Buy Programs: Handbook & Case Studies*, July 2018,  
[https://drive.google.com/file/d/1rNlnMle518d\\_W0pZ6gdq4pUNm7RSDAlf/view](https://drive.google.com/file/d/1rNlnMle518d_W0pZ6gdq4pUNm7RSDAlf/view)

*Evaluation of Colorado Electric Vehicle Group Purchase Programs*, February 2016,  
[http://www.swenergy.org/data/sites/1/media/documents/publications/documents/Colorado\\_EV\\_Group\\_Purchase\\_Programs\\_Mar-2016.pdf](http://www.swenergy.org/data/sites/1/media/documents/publications/documents/Colorado_EV_Group_Purchase_Programs_Mar-2016.pdf)

*The Electric Vehicle and Photovoltaic Power Purchase Handbook*,  
[http://www.swenergy.org/data/sites/1/media/documents/publications/documents/Power\\_Purchase\\_Handbook.pdf](http://www.swenergy.org/data/sites/1/media/documents/publications/documents/Power_Purchase_Handbook.pdf)

Additionally, the proposed Rockville EV Buyers Co-op, created in 2018 by the Rockville Environment Commission, is also attached.



## Attachments

### Pepco 2019 Nissan LEAF discount flyer



An Exelon Company

Special Rebate Code: B73028



Innovation that excites

## 2019 Nissan LEAF®

# SIMPLY AMAZING

Starting MSRP: \$29,990<sup>1</sup>



As shown 2019 LEAF S Plus starting at \$36,550<sup>1</sup>

## Up to \$5,000 Special Nissan LEAF Rebate<sup>2</sup>

FOR ELIGIBLE CUSTOMERS. PROOF OF ELIGIBILITY REQUIRED.<sup>2</sup>

<p>Eligible customers can receive</p> <p><b>\$5,000</b> rebate<sup>2</sup> off MSRP on 2019 LEAF</p> <p>+ up to \$7,500 potential federal tax incentive<sup>3</sup></p> <p><b>Up to \$12,500 in Total Savings!</b></p> <p>Additional state and local benefits may also be available!<sup>3</sup></p>	<p>Eligible customers can receive</p> <p><b>\$2,500</b> rebate<sup>2</sup> off MSRP on 2019 LEAF Plus</p> <p>+ up to \$7,500 potential federal tax incentive<sup>3</sup></p> <p><b>Up to \$10,000 in Total Savings!</b></p> <p>Additional state and local benefits may also be available!<sup>3</sup></p>
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### More Range, More Power, More Confidence

Join us in making a difference.

As part of our effort to accelerate electric vehicle transportation alternatives throughout the United States, Nissan North America, Inc. is offering eligible employees and customers of Pepco a special opportunity to purchase the 100% electric Nissan LEAF®. Take advantage of these special rebate offers<sup>2</sup> and potential federal, state, and local benefits<sup>3</sup> that may be available to you!

**How to get this exclusive offer:**

Simply bring to your participating Nissan dealership (i) a copy of this flyer, (ii) proof of eligible residency, and (iii) your current proof of employment or your current monthly electric bill from Pepco.<sup>2</sup> Must be presented at the time of purchase. This exclusive offer expires March 31, 2020.

See your local participating Nissan Dealer for complete details: [NissanUSA.com/nissanddealers](http://NissanUSA.com/nissanddealers)

<sup>1</sup> 2019 LEAF S starts at \$29,990. As shown 2019 LEAF Plus S starting at \$36,550. Price is Manufacturer's Suggested Retail Price excluding \$895 destination charge, tax, title, license. Dealer sets actual price.

<sup>2</sup> ELIGIBILITY REQUIREMENTS AND OTHER RESTRICTIONS APPLY. PROOF OF ELIGIBILITY REQUIRED. The \$5,000 Nissan rebate off MSRP for 2019 LEAF and \$2,500 Nissan rebate off MSRP for 2019 LEAF Plus are available to eligible employees and customers of Pepco who reside in one of the following: Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island and Vermont. Must present to the participating Nissan dealer the following proofs of eligibility: (1) proof of current employment or a copy of your current utility bill with Pepco and (2) a copy of this flyer. Available on purchase from new dealer stock. This incentive cannot be combined with any other Nissan special incentives. Purchase only, not lease. See dealer for details. Ends 3/31/2020.

<sup>3</sup> The incentives referenced are for informational purposes only. This information does not constitute tax or legal advice. All persons considering use of available incentives and additional perks should consult with their own tax or legal professional to determine eligibility, specific amount of incentives available, if any, and further details. The incentives and additional perks are not within Nissan's control and are subject to change without notice. Interested parties should confirm the accuracy of the information before relying on it to make a purchase. Residency restrictions may apply.

Ends 3/31/2020





Example dealership flyer from the 2019 Northern Colorado group buy

**FAMILY OWNED AND OPERATED SINCE 1963!**

# TYNAN'S






Tynan's Nissan Fort Collins presents an EV Group Buy opportunity in partnership with Drive Electric Northern Colorado and City of Fort Collins.

**Take up to \$17,000 (or 52%) off the MSRP of the innovative**

## 2019 Nissan LEAF

- 100% ELECTRIC
- NO GAS...EVER
- NO OIL CHANGES
- NO TAILPIPE EMISSIONS
- 3 YEARS ROADSIDE ASSISTANCE
- 8 YEAR/100,000 MILE WARRANTY



<b>2019 NISSAN LEAF S</b>	MSRP	\$32,575
	Tynan's Discount	\$1,000
	Nissan Xcel Energy Fleetail	
	Customer Cash Rebate	\$3,500*
	Colorado Instant Tax Credit	\$5,000**
	Federal Income Tax Credit (up to)	\$7,500***

**Final Group Buy Price (as low as) \$15,575 (or 52% off MSRP!)**

Or get 0.9% APR financing for 60 months! | Or lease for only \$159/mo with \$1,999 due at signing!

**Visit Tynan's and speak to an EV Ambassador today**

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\*This \$3,500 Nissan customer cash rebate is available only to Colorado residents who are customers of Xcel Energy with qualifying proof (copy of current utility bill) and cannot be combined with any special lease or financing offer. Finance Offer: 0.9% APR for 60 months offer equals monthly payments of \$17.05 per \$1,000 financed. Must finance through NMAC with approved credit. Offer not compatible with Xcel Energy rebate program. \*\*Colorado Instant Tax Credit requires financing through NMAC (WAC) either at standard or the incentivized 0% APR programs and for the consumer to assign their State of Colorado Innovative Motor Vehicle Tax Credit to NMAC who then passes it back to the consumer in the form of an instant rebate at the time of sale. \*\*\*Based on \$7,500 federal income tax credit of zero to \$7,500 for the purchase of a qualifying plug-in electric motor vehicle. Lease offer: 2019 Nissan LEAF S (40kWh), model code 17019, MSRP \$32,575. Lease end value \$15,310. 36-month lease through NMAC at \$159 per month at 12,000 miles per year (\$0.15 each thereafter.) \$650 acquisition fee included. \$1,999 plus first payment due at inception. \$0 security deposit required. \$9,150 NMAC lease customer cash rebate and \$2,500 Colorado State Tax Credit applied as cap reduction. Taxes and fees extra. With approved credit. Must take delivery from dealer stock. Dealer-added accessories may add to cost. Offer Subject to change w/o prior written consent. Stk# 190785 (VIN KC314532). Expires 9/30/19.





Example social media toolkit, used by the City of Fort Collins for the 2019 Northern Colorado group buy (and shared with permission from the City)



## Social Media



## MEDIA TOOLKIT

### DENC 2019 Group Buy

- ✓ Please be sure to tag us so we can follow activity!
- ✓ Tweets and Posts with images or website previews get more attention- include the thumbnail or website whenever possible.

## Twitter

### Handles

- [@DriveElectricNC](#) – Drive Electric Northern Colorado
- [@TynansFoCo](#) – Tynan's Nissan of Fort Collins
- [@CosBMWCenter](#) – Co's BMW of Loveland
- [@XcelEnergy](#) – Xcel Energy
- [@FortCollinsGov](#) – City of Fort Collins

### Hashtags

#GroupBuy, #EV, #EVs, #ElectricVehicle, #Electric, #DriveElectric, #GoElectric, #LEAF, #i3

### Sample Posts (on or after Aug. 15)

- DENC has launched another #GroupBuy! Check out the great deals being offered by @TynansFoCo and @CosBMWCenter <http://driveelectricnoco.org/group-buy/>
- Did you know @TynansFoCo is offering up to 52% savings on a new Nissan #LEAF? Find more info for the @DriveElectricNC #groupbuy here: <http://driveelectricnoco.org/group-buy/>
- Did you know @CosBMWCenter is offering up to 30% savings on a new BMW #i3? Find more info for the @DriveElectricNC #groupbuy here: <http://driveelectricnoco.org/group-buy/>
- Hate haggling but love saving? We get it- that's why @DriveElectricNC has pre-negotiated some amazing deals for you to take advantage of. Register for the #groupbuy to see how you can save on an all #electric Nissan #LEAF or BMW #i3. <http://driveelectricnoco.org/group-buy/>



## Facebook

Posts in this category can also be used on other platforms, Google+, LinkedIn, etc. if you choose to reach your audience through those mediums.

### Pages



Drive Electric Northern Colorado –

<https://www.facebook.com/DriveElectricNoCo/>

City of Fort Collins –

<https://www.facebook.com/fortcollinsgov/>

Tynan's Nissan –

<https://www.facebook.com/TynansFortCollinsNissan/>

Co's BMW Center -

<https://www.facebook.com/cosbmw/>

Xcel Energy -

<https://www.facebook.com/xcelenergy/>

### Hashtags

#EV, #EVs, #ElectricVehicle, #DriveElectric, #GoElectric, #LEAF, i3

### Sample Posts (on or after Aug. 15<sup>th</sup>)

- [TAG] **Drive Electric Northern Colorado** is excited to launch another group buy with [TAG] **Xcel Energy** and [TAG] **City of Fort Collins - Government**. Check out the great deals being offered by [TAG] **Tynan's Nissan Fort Collins** and [TAG] **Co's BMW Center**. <http://driveelectricnoco.org/group-buy/>
- Interested in **#DrivingElectric**? [TAG] **Drive Electric Northern Colorado** has helped organize a group buy to bring you the best savings on popular EVs. Get a LEAF from [TAG] **Tynan's Nissan Fort Collins** for as low as \$15,575- a 52% savings!! Learn more here: <http://driveelectricnoco.org/group-buy/>
- Ready to **#GoElectric**? [TAG] **Drive Electric Northern Colorado** has helped organize a group buy to bring you the best savings on popular EVs. Get an i3 from [TAG] **Co's BMW Center** for as low as \$34,245- a 30% savings!! Learn more here: <http://driveelectricnoco.org/group-buy/>
- Hate haggling but love saving? We get it- that's why [TAG] **Drive Electric Northern Colorado** has pre-negotiated some amazing deals for you to take advantage of. Register for the **#groupbuy** to see how you can save on an all **#electric** Nissan **#LEAF** or BMW **#i3**. <http://driveelectricnoco.org/group-buy/>



## Content

Drive Electric Northern Colorado's (DENC) successful group buy program is back! Beginning August 19<sup>th</sup>, Colorado residents can purchase a new **2019 Nissan LEAF for as low as \$15,575** (a 52 percent discount from MSRP) or a **2019 BMW i3 for as low as \$34,245** (a 30% savings).

This offer is a pre-negotiated group buy discount, offering Coloradoans a hassle-free opportunity to drive electric and never pay for gas again. This latest group buy program from DENC is set to improve on the success of the previous three programs, which brought electric vehicle (EV) adoption up to two to three times the national average.

Betty Dall, who was the first to purchase a LEAF in DENC's 2017 group buy, described the process as pressure-free and easy. "It was simple," she said. "Having it all pre-negotiated made it very easy."



DENC has constantly strived to deliver affordable options for driving electric and has consistently advocated for improved EV infrastructure. It has acted as a third party through which consumers have comfortably and confidently made the decision to drive electric and has spurred a community of EV owners and advocates, making Northern Colorado an early leader in EV adoption.

Supplies of models are limited, and the deal ends on September 30, so interested parties should act quickly.

To learn more about the 2019 group buy, visit [DENC's webpage](#). Please note, a copy of the flyer is required to receive this pricing.

## Email / Newsletter

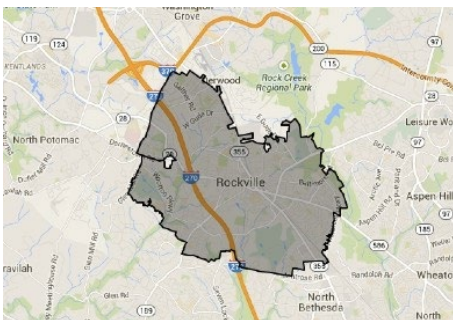


Rockville, Maryland Proposed EV Buyers Co-op

# Rockville Electric Vehicle (EV) Buyers Co-op

A proposal to increase the number of EVs in Rockville in 2019

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Clark Reed, Chair, Energy Committee  
Rockville Environment Commission  
December 20, 2018



## Introduction

In the last several years, there have been over 40 group buy programs in 20 states to help people purchase electric vehicles (EVs) at a discount. The early programs were created by local governments (20) but in later years non-profits, universities, utilities, and school districts got into the game, too.

In 2015, the Rockville Environment Commission created the Rockville Solar Co-op, a group buy program to help residents save 15% on the purchase price of their solar array. Sixty-three families purchased solar arrays, worth \$1.3 million which accounted for 16% of the solar installations that year. Another 88 homeowners from the co-op went solar in 2016, accounting for 15% of solar installations. In 2017, Rockville's co-op merged with the Montgomery County solar co-op, enabling 207 Rockville residents to add solar to their rooftops.

An EV Buyers Co-op would be a natural extension of the Rockville Solar Co-op. Significant discounts combined with community-based marketing will likely result in substantial increases in EV sales, just as they did with solar arrays. Solar co-op members would be a key target audience for an EV co-op since they have the same interests, financial profile, and environmental concerns that motivated them to sign up.

## Early Success

In September of 2015, Boulder County launched the nation's first electric vehicle group buy program. The County worked with a local Nissan dealership to offer an \$8,349 group discount off the 2015 Nissan LEAF. When combined with state and federal tax credits, the net price for the LEAF was \$12,130, a 62 percent discount off the retail price of the vehicle. **The EV group buy program was the first of its kind and with 248 LEAF sales in four months, Boulder Nissan quadrupled its monthly average of LEAF sales.**

Group buy programs have consistently delivered sales results in communities all over the country, boosting dealership sales by up to 10 times the monthly average. In developed EV markets with pre-existing demand like Rockville, the programs have built on strengths and accelerated market growth. In underdeveloped markets, they have played a pivotal role in getting EVs on the lot at local dealerships.

At its most basic, EV buyer co-ops extend vehicle discounts to consumers through strategic partnerships and community-based outreach and marketing. A lead agency, such as a local





government or nonprofit designs an RFP (Request-for-Proposal) and distributes the document to local car dealerships and national auto-manufacturers. These documents encourage dealership participation, which results in greater consumer choice. Other co-ops have used derivations of this model. Local governments for example have negotiated with dealerships directly to save costs or offered rolling discounts updated on a monthly basis if dealerships were only able to guarantee pricing month-to-month.

Nissan has been the most active participant in group buy programs, with the LEAF accounting for the majority of program sales. With the exception of Nissan and BMW, the majority of EV manufacturers have been reluctant to contribute corporate dollars for EV group buy programs. However, many local dealerships chose to join community co-ops and support EV discounts with their own resources, in order to stay competitive in regional car markets.

According to the *U.S. Consumer Guide to Electric Vehicles* (EPRI, 2018), the number of EV models in the US is projected to increase from 40 to 53 during 2018. By 2022, there will be at least 90 EV models on the U.S. market with a diverse selection of SUVs, crossovers, and minivans.

### How Expensive is it to run a co-op?

One of the great advantages of a group buy program is that it very inexpensive for a local agency to run, but it still produces large benefits. The lead agency's role is harnessing the collective buying power of the community to negotiate a discount from private sector providers (car dealers), and then using access to the community to get the word out. Existing state and federal tax credits improve the deals. For a very **small outlay of staff time** and money, lead agencies can create a big improvement in the community. For example, Boulder County invested only **\$7,000 in staff time and advertising costs, but leveraged its dollars by a factor of 750**. The specific tax on vehicle sales alone is nearly 35 times greater than the county's initial investment. **Boulder County reported a total of only 165 hours of staff time used for this effort.**

Northern Colorado spent approximately **40 hours of staff time, primarily on outreach and web portal setup**, and reported spending about five minutes each workday sharing information with the participating dealers. The group had no out-of-pocket expenses.



One of the keys to success is a vigorous community-based outreach effort. After all, an individual car dealer could simply offer a deep discount on its own, but, what makes these programs different is the ability of trusted messengers – such as local government or environmental groups – to reach their constituents. The Rockville Environment Commission recruited solar co-op members at the **local farmers market**, during **Hometown Holidays**, and special **open house events**. City staff placed stories in **Rockville Reports**, the city paper and on **Channel 11**, the city’s cable station. These avenues can be used again for an outreach program for EVs.

### City Benefits and Expertise

Stakeholder	Example	Why participate?	What do they have to offer?
<b>Local Government</b>	Boulder County, City of Aurora, Salt Lake City, City of Eugene	<ul style="list-style-type: none"> <li>• Advance climate goals</li> <li>• Promote clean transportation alternatives</li> <li>• Consumer choice for local residents</li> <li>• Keep money in local economy</li> </ul>	<ul style="list-style-type: none"> <li>• Trusted voice in the community</li> <li>• Marketing &amp; outreach channels</li> <li>• Experienced program administrators</li> </ul>

**On-road transportation** (cars, trucks, buses, etc.) accounts for **30% of Rockville’s GHG emissions** (2015) and is the second largest contributor after commercial buildings. While Rockville has taken initial steps to address building emissions through mandatory energy disclosure laws and green building codes, among others, the city has done little to address transportation related emissions. An EV buyers co-op is a cost-effective, proven program that can be adopted to meet climate goals and provide significant benefits to city residents, from first-cost savings to emission reduction benefits.

In addition, group buy programs provide an opportunity for diverse community stakeholders to work together toward a common goal. The most effective marketing campaigns keep the focus local and engage with community EV and clean energy advocates like the Electric Vehicle Association of Greater Washington. This combination provides the most credibility and reduces a major barrier to buyers in making the purchase.



## Proposed Rockville Goals

**Dealership Participation Goal:** At least 2 Rockville auto dealerships participate in the co-op

**Vehicle Sales Goal:** Generate the purchase or leases of at least **50 EVs**.

**Public EV Charging Goal:** A 25% increase in charging stations in Rockville, from the current 25 stations with 58 charging ports to a new total of **31 stations with 72 ports**, by July 2020.

### 2019 Time line:

Upon REC approval, this initiative will achieve the following milestones:

**May:** Engage with auto dealers - RFP or negotiation, partner with utility or other entities that build public charging stations.

**June:** Produce a signed written agreement to confirm terms and conditions of program

**July:** Finalize communications plan and marketing materials and coordinate between partners

**September:** Launch EV buyers co-op at Pepco's Watershed Sustainability Center

**October:** Ride and Drive EV events at Farmer's Market

**November:** End EV buyers co-op

**December:** Program evaluation

EV group buy programs are intended to spark short bursts of activity in the market in order to push the population toward the critical mass required to sustain continued growth. A 3-month time limit creates a sense of urgency – motivating customers to participate now rather than later.

Limited-time EV group buy programs have time lines ranging from one to six months, with an average program length of three months. For the initial pilot programs, the plan was to offer a shorter program, typically one month, but the programs were all extended due to customer demand. Customers need time to learn about the program, attend the workshops, decide whether an EV fits into their budget plan, and then make a purchase. Dealerships and program sponsors can get a head start by getting the word out early.

For EVs, tax credits play a large role in determining when car sales peak since customers can't claim federal tax credits on purchased goods until the following year. Thus, customers are more motivated to participate at the end of the year.



### Proposed Budget

T-shirts*	\$10/shirt x 50 shirts = \$500
Magnets^	\$2/magnet x 100 magnets = \$200
Food/Drinks	\$300/event x 3 events = \$900
Banner	\$400

Total \$2,100

\*One t-shirt given to each family or person who joins the co-op and makes a purchase.

^Magnets given to residents who join the co-op

Because the budget exceeds the annual cap given to the REC, a special funding request will be made to the city that would not impact the 2019 REC budget.

#### **Source document:**

Electric Vehicle Group Buy Programs: Handbook and Case Studies

An evaluation of EV group buy programs and toolkit for developing new opportunities with regional stakeholders

By Matt Frommer

Colorado Energy Office

July 2018



## Appendices

### Appendix 1. EV dealerships in Rockville

*Search performed on December 4, 2018*

Approximately five auto dealers in Rockville sell EVs. Their combined inventory in Rockville equaled approximately seventy-seven (77) EVs in December 2018. However, the inventory of EVs across the region is much higher. When local dealerships don't have a particular model on their lot, they find other dealerships in the region that do. While the Rockville EV buyers co-op would target Rockville-based auto dealers, any shortages of particular models would be effectively met by the hundreds of dealerships in the DMV area.

BMW of Rockville  
1300 Rockville Pike  
(5) 2019 i3

DARCARS Nissan Rockville  
15911 Indianola Drive  
(7) 2018 Leafs

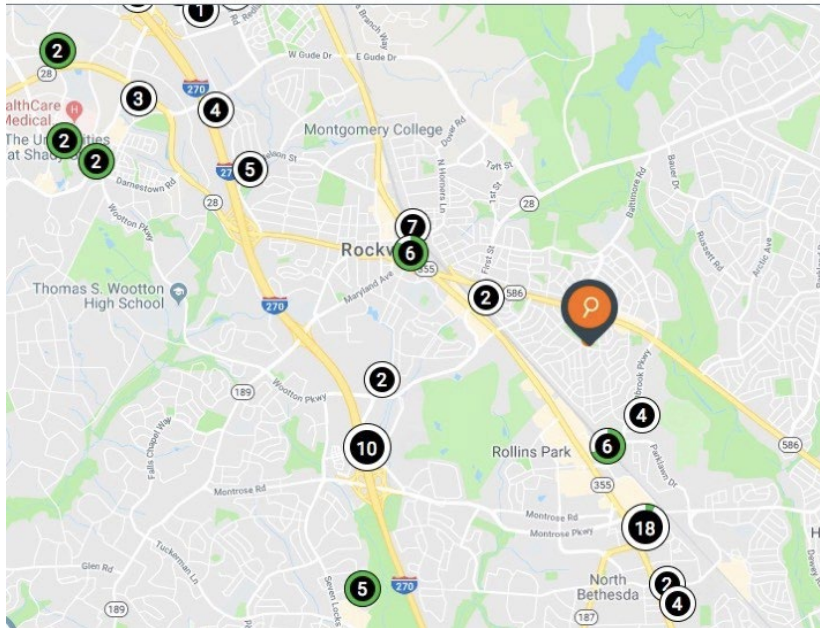
Fitzgerald Hyundai  
11411 Rockville Pike  
(6) 2019 Ioniqs

Herson's Kia  
15531 Frederick Rd  
(0) 2018 Souls

Ourisman Chevrolet of Rockville  
807 Rockville Pike  
(59) 2019 Bolts



## Appendix 2. Public EV charging stations in Rockville



There are approximately 25 public charging stations in the Rockville area, according to [www.solveingev.com](http://www.solveingev.com), built and maintained by four private companies - Blink, ChargePoint, Semacharge, and eVgo – operating 58 charging ports offering standard and fast charging options. Most cost from 45 - 55 cents per kWh, with estimated total charges between \$1.72 - \$3.00. Four sites offer free charging.

## Appendix 3. Incentives to purchase EVs

### Federal

The federal Internal Revenue Service (IRS) **tax credit** is for \$2,500 to \$7,500 per new EV purchased for use in the U.S. This **tax credit** will be **available** until 200,000 qualified EVs have been sold in the United States by each manufacturer, at which point the **credit** begins to phase out for that manufacturer.

### Maryland

- **Maryland Excise Tax Credit** of \$100 per kilowatt-hour of battery capacity up to a **maximum of \$3,000** for Electric Vehicle or Plug-in Hybrid.
- **Maryland offers a rebate of 40% of the cost of Electric Vehicle Charging Equipment and Installation.** The rebate is up to \$700 for individuals; \$4,000 for businesses; and \$5,000 for retail service stations.
- **Pepco** offers customers who own a plug-in vehicle the option for time-of-use charging rates. The programs offer a reduced electric rate during off-peak hours to save PEV drivers even more.



## **Appendix 4. RFP template** *(Electric Vehicle Group Buy Programs: Handbook and Case Studies, July 2018)*

### **Sample language for an EV group purchase RFP**

This section is intended to give a sample of the types of questions to ask of potential providers for an EV group purchase program. It is not intended to be a full RFP, as RFP requirements will vary based upon each agency's procurement policies. The language in this RFP is largely drawn from an RFP used by the University of Utah and Utah Clean Energy; however, it has been modified both to remove specific references, and based on lessons learned from the Boulder County and Northern Colorado programs. We would like to thank the University of Utah and Utah Clean Energy for sharing their RFP language.

### **SECTION 1 – PURPOSE OF RFP**

#### **1.1 Purpose of RFP**

The purpose of this Request for Proposals (“RFP”) is to facilitate a manufacturer/dealer discount for purchases of battery-electric and/or plug-in hybrid electric vehicles (hereafter referred to as “EVs”) by members of the community. The agency is using an RFP process to facilitate the implementation of this manufacturer/dealer discount for affiliated individuals, but individuals interested in taking advantage of this discount, and not the agency, will be purchasing and paying for the EVs. For this reason, this process is not governed by the agency's procurement policies and is not subject to protest or appeal. The agency intends to select up to one or more manufacturers/ dealers offering EVs for participation in this discount program. Each selected entity will be required to enter into an agreement with the agency (referred to below as the “Contract”), wherein the selected company agrees to participate in the discount program. The companies submitting proposals in response to this RFP will hereafter be referred to as “supplier(s)”. The agency is examining several alternatives of providing this program and may decide, after reviewing proposals submitted, not to enter into any agreement.

#### **1.2 Background**

The agency desires to provide members of the community with the opportunity to purchase an EV at a discounted price. The objective is to help buyers purchase an electric vehicle at a lower cost, which in turn will reduce local and regional air emissions. The agency intends to promote the discount program and the services of selected suppliers(s) as part of the discount program.

### **SECTION 2 – RFP DETAILS**

#### **2.1 Important Dates**

The following dates are significant for this RFP:



- RFP Dated and Issued
- RFP Inquiry Questions
- Proposal Due Date
- Potential Applicant Interviews
- Selected Dealership(s) notified
- Program Launch
- Informational Workshop(s)
- Program Ends

## **SECTION 3 – SCOPE OF WORK**

### **3.1 Scope of Work Overview**

The purpose of agency EVs program is to facilitate a manufacturer/dealer discount for members of the community that is more favorable than other discounts and pricing available to participants during the program period. The selected supplier(s) will provide a discounted pricing on selected makes and models of EVs. The selected supplier(s) will generate price quotes and offer financing services for both purchases and leases of EVs in accordance with the scope of work outlined below.

Individuals who wish to participate in the discount program will sign a contract with the selected supplier(s) for the purchase of an EV. The agency will not be party to this contract and will have no responsibility or liability under this contract.

The program is outlined in terms of the following key phases, described further below:

- Participant Enrollment & Education
- Participant Engagement
- Program Completion & Assessment
- Anticipated Program Timeline

### **3.2 Participant Enrollment & Education**

It is currently anticipated that between the public launch of this discount program and the close of it, the agency will:



- Provide ongoing content management for a website customized for the purpose of promoting the discount program and maintain a social media presence;
- Conduct significant outreach including press releases, workshops, use of social media, and communication with its own employees;
- Maintain a database of customers who sign up on the website, and provide daily updates to the selected suppliers with names and contact information;
- Serve as the point of contact for inquiries about the discount program and field questions about the program.

The selected supplier(s) will:

- Receive contact information from the online signup database
- For interested customers who directly approach the supplier without first registering online, the supplier will collect all of the information needed for an online registration
- Attend workshops and present technical information about EVs.
- Attend other outreach events as requested.
- Participate in media events and interviews as requested.
- Assist with development of collateral materials or presentations.
- Assist with development of survey questions.
- Participate in semi-weekly phone calls with the agency to provide status updates and pertinent information, including: number of inquiries, number of final quotes, number of contracts signed, and any relevant issues, challenges, and/or delays.
- Coordinate with the agency to track participant progress, including those who went directly to the supplier, using a cloud-based database, and update the database at minimum three times per week
- Ask each participant to fill out an online survey developed by the agency
- Communicate regularly with the agency until all purchases are finalized.



- Participate in an Exit Interview and provide feedback on the program

## **3.2 Participant Engagement**

The participant engagement phase is concurrent with participant enrollment and education phase. As eligible participants are referred to the selected supplier(s) or directly approach the supplier(s), the selected supplier(s) will communicate with participants directly to provide each with purchase information and a quote. Purchases can begin as early as the date of the official public launch of the discount program, and will continue until the end of the discount program.

### **A. Individual Program Quotes**

The selected supplier(s) will prepare an individual quote for each assigned participant that is based on the discounted price and takes into consideration the preferences of the assigned participant.

### **B. Individual EV Contracts**

Upon receipt of their individualized quote, each participant who decides to purchase an EV must sign a contract with the supplier that reflects the pricing and other provisions applicable to the discount program. This contract is strictly between the supplier and the participant. The agency will not be a party to these contracts or be responsible for any financial or other obligations related to the individual contracts between participants and the selected suppliers.

### **C. Enrollment Period Communication**

The agency and the selected supplier(s) will coordinate regularly to track assigned participant status throughout the enrollment and education period. The agency will field calls from participants about the program and answer questions or refer individuals to the selected suppliers for more information, as appropriate.

## **3.3 Program Completion and Assessment**

After the end of the program, the selected suppliers will report on all purchases made through the program, including name, address, email address, phone number, make and model sold or leased, and price. The suppliers shall also provide a list of all customers who entered the program but did not complete a lease or sale.

## **3.4 Proposal Requirements**





This section outlines the minimum requirements for a proposal to be considered complete. Interested applicants should complete Exhibits A, B and C to respond to each of the following requirements:

### **A. Qualifications and Expertise of Staff (see Exhibit A)**

Please provide the names, titles, and years of relevant experience of key staff that will be assigned to the program. (As outlined in Exhibit A.) Selected dealership(s) shall notify the agency of any changes to key personnel during the program timeline.

### **B. Minimum Inventory Requirements (see Exhibit A)**

All applicants must adhere to the following minimum qualifications; any applicants not meeting minimum qualifications will not be considered. The applicant's submission should address the following components:

- Applicants must have at least one of each EV model available for test drive at the dealership for the duration of the program. Please confirm that you will have an EV available for test drive.
- Applicants must have at least five of each EV model available at the dealership during the program. Please specify the minimum number of proposed vehicles you expect to be available at the dealership during the program.
- If inventory is not available onsite and additional vehicles need to be ordered from outside of your dealership, please describe the timeline for procuring additional inventory (both locally and out-of-state), and any additional costs associated with placing an order.

### **C. Demonstrated Ability to Meet Scope of Work (See Exhibits B & C)**

The dealership(s) submission should address the following components:

- Proposed vehicle(s), including year(s), make(s), and model(s) to be included in the program, including total number of each type of vehicle that is expected to be available during the program. See Exhibits B and C.
- Designated point of contact for EV sales at the dealership. See Exhibit B.



- Detailed response to Customer Service Flowchart. See Exhibit B.

## **B. Cost (see Exhibits B & C)**

Please complete Exhibits B with information about the vehicle discounts you are offering. Provide information about the current base model cost (lease and purchase) for all EVs you propose to include in the program, and the discount amount, as a percentage or as a total dollar amount, that the dealership will offer to participants in the program for both purchases and leases. The discount amount *should not* include any federal tax credits for which the customer may qualify in the case of a sale. However, any dealer or manufacturer tax credits *should* be taken into account as part of the lease pricing. Please also indicate the time period that the discount will be available; preference will be given to respondents able to offer a consistent discount over the entire program period.

Program discounts must be made available to all eligible program participants.

For Exhibit B please indicate any type of financing or leasing you will make available to eligible participants. List any financing options that you have available for participants, as well as the criteria for accessing those financing options. Please be specific about ALL terms, including, but not limited to, interest rates, lease terms, credit qualifications, down payment requirements, etc. Please also provide any additional incentives or benefits you are willing to make available to the program or to participants in the program.

### **3.1 Proposal Evaluation Criteria**

Utah Clean Energy intends to select one or more dealerships by utilizing the criteria listed below with their relative weights in points to evaluate proposals.

- A. Qualifications and Expertise of Staff: 20 Points
- B. Minimum Inventory Requirements: 20 Points
- C. Demonstrated Ability to Meet Scope of Work: 20 Points
- D. Cost: 40 Points

### **3.2 Evaluation Process**

All proposals in response to this Request for Proposals will be evaluated as follows:

- The Agency will review all proposals received on time. Proposals that do not meet the minimum RFP requirements will be eliminated. The Agency reserves the right to disqualify any proposal that includes significant deviations or exceptions to the terms, conditions, and/or specifications in this RFP.



- At the conclusion of this initial evaluation phase, the Agency may request interviews with the highest scored applicant(s). The Agency will be the sole judge as to the overall acceptability of any proposal or to judge the individual merits of specific provisions within competing offers.

## **Exhibit A – Information about Applicant**

Dealership Name: Today's Date:

Primary Contact Name: Primary Contact Phone: Primary Contact Email: Please describe:

- a) Your ability to serve the needs of the community. For purposes of this Request for Proposals, "program area" shall include Salt Lake County, Davis County, Summit County, Utah County, Weber County and Tooele County. Please explain your experience working with residents of the geographic area of the program area and your available inventory for the program.
- b) Your plan for implementation of the Program, including sales agents made available to work with those in the program, anticipated inventory of vehicles, and expected delivery schedules for vehicles (if not available onsite).
- c) Your proposed approach to maintain high quality customer service throughout the program.
- d) Identify any possible challenges you may encounter during this process and how you plan to address them.
- e) Provide names, titles, and relevant years of experience of key staff that will be assigned to the program.

## **Exhibit B – Cost Proposal Form, Discount Pricing Structure, and Project Schedule**

Applicant Firm(s):

Today's Date: Primary Contact Name:

Primary Contact Phone: Primary Contact Email:

**Part 1:** Please provide pricing for each EV included in this proposal. Include additional lines as necessary:



[1] Dealers providing discounted pricing agree to offer this discounted price to all participants. Purchase price should not include any available federal tax credits.

Electric Vehicle <i>Purchase</i> Information			Sticker Price	Discount (% or \$ amount)	Final discounted price[1]
Model Name	Model Year	Specific configuration(s), trim, or packages (if applicable)			

Electric Vehicle <i>Lease</i> Information			Sticker Price	Total out of pocket including tax, title, and licensing	Monthly Lease Payment [1]	Lease Term [2]	Mileage /year	Residual Value
Model Name	Model Year	Specific configuration(s), trim, or packages (if applicable)						

[1] Dealers providing discounted pricing agree to offer this discounted price to all participants. Lease price should specify the customer’s annual lease payment amounts, accounting for applicable Federal tax incentives.

[2] Please include a three year lease with option to purchase vehicle at the end of the lease.

**Part 2:** Additional benefits or discounts. Be as specific as possible and include any additional options that were not addressed above. Add additional rows as necessary. For example: Level II home charger, cashback, special financing interest rate, public charging subscription, etc.

Option	Description
--------	-------------



Example: Level II Charger	Example: Free Level II Home Charger included with the purchase or lease of a vehicle

**Part 3:** Please modify this Customer Service Flowchart as needed. Dealer(s) will be responsible for following up with all program participants in addition to providing regular information to Utah Clean Energy regarding customer and project status.

Step	Expectation	Dealer Response
<b>Initial Customer Contact</b>	<i>Communicate with participating customer within ___ days upon receiving contact referral information</i>	
<b>Customer Visit to Dealership</b>	<i>Specify average time to meet with a salesperson trained in BEV/PHEV vehicles, specify if appointments will be required</i>	
<b>Presentation of Purchase Options</b>	<i>Provide information on the estimated number of models and trim levels available for customers to test drive, how will information on options be presented, etc.</i>	
<b>Financing Process</b>	<i>Provide information on what financing options will be available to customers, outline lease options, requirements, etc. Describe process for financing through third party banks and credit unions.</i>	
<b>Trade-In Protocol</b>	<i>Provide information on how vehicle trade- ins will be handled</i>	



<b>Purchase &amp; Delivery</b>	<i>Outline process for purchasing and delivery. Will vehicles be available on site, if not, estimated wait time and additional cost factor(s).</i>
<b>Total Number of Vehicles Purchased</b>	<b>Estimated vehicle availability and/or wait time</b>
0 – 25	<i>Same day availability or estimated 1 week wait time for delivery</i>
26 – 50	
51 – 100	
100+	

**Sample Program Timeline:**

<b>[Title of Program] Schedule</b>	
<b>Milestones</b>	<b>Timeline*</b>
<b>PHASE I: Request for Proposals</b>	
Distribute Request for Proposals (RFP) to EV Dealers	
Due Date for RFP questions for Agency	
Agency responses to RFP questions	
Due date for Dealers to submit proposals	
Hold for potential interview(s) with applicant(s)	
Selection of Dealer(s)	





Negotiations with Dealer(s) and project details finalized through Memorandum of Understanding (MOU)	
<b>PHASE II: Program Launch &amp; Recruitment of Participants</b>	
Pre-launch of Drive Electric Program website	
Formal launch of Drive Electric Program: Full website is published and open enrollment begins	
Informational Workshop 1	
Informational Workshop 2	
Open enrollment closes and program ends	

\*All dates are subject to change at Agency's discretion. In the event that the timeline is adapted, Agency will inform the dealer(s) of any changes to the timeline, and where necessary collaborate with the dealer(s) in adapting the timeline.