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**Date:** March 6, 2018

**To:** Environmental Quality Commission

**From:** Richard Whitman, Director

**Subject:** Agenda item H, Informational item: Zero Emission and Electric Vehicle Rebate program  
March 21-22, 2018, EQC meeting

**Purpose of item** DEQ will provide information on the development and design of the upcoming Zero Emission and Electric Vehicle Rebate program. DEQ will also provide an update of the current rulemaking process for the program, which DEQ will bring for commission action at the May 2018 EQC meeting.

**Background** During the 2017 Legislative session, lawmakers passed House Bill 2017, which includes a program to encourage higher adoption of zero-emission and electric vehicles to reduce air pollution and move the state towards its greenhouse gas reduction goals. This bill directs DEQ to develop and implement a Zero Emission and Electric Vehicle Rebate program for Oregon. The 2018 Legislative session made minor revisions to the program in House Bill 4059, which has not yet been signed into law.

The Zero Emission Vehicle Rebate program, as currently proposed, will contain two elements. The first element provides rebates for the purchase or lease of eligible new zero-emission vehicles. A second element, called Charge Ahead rebates, will provide rebates for the purchase or lease of a new or used zero-emission vehicle if the purchaser or lessee is from a low or moderate income household, and resides in an area of the state with poor air quality due to transportation emissions.

DEQ convened an advisory committee to discuss various program elements in establishing this program. The committee provided input on potential rebate amounts, eligibility requirements for vehicles qualifying under the program and design features for the Charge Ahead rebate program. The committee also recommended certain requirements under the Charge Ahead program be modified to make it simpler for qualified applicants to be eligible for the rebate.

Based in part on some of the advisory committee's recommendations, HB 4059 (2018) was introduced and passed in the 2018 Legislative session to

change some elements of the Zero Emission and Electric Vehicle Rebate program. DEQ will adjust the proposed rules to ensure that they remain consistent with the revised statute.

DEQ opened the public comment period Jan. 19, 2018, with the release of the draft proposed rules. DEQ held public hearings in Portland, February 26, and Medford, February 28, two areas affected by emissions from transportation sources. DEQ's comment period is scheduled to close March 14, 2018, after which program staff will review all comments, make changes as appropriate, respond to the comments and prepare the final draft proposed rules for commission consideration at the May meeting.

**EQC involvement** There is no commission action requested at this time. DEQ will bring proposed rules to the commission for action at the May 2018 meeting.

**Supporting materials available online**

- A. House Bill 2017, Sections 148-157, <https://olis.leg.state.or.us/liz/2017R1/Downloads/MeasureDocument/HB2017/Enrolled>
- B. Draft proposed rules and notice packet, <http://www.oregon.gov/deq/Rulemaking%20Docs/evreb2018pnpacket.pdf>

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