



State of Oregon Department of Environmental Quality
Agenda Item E

Electric Vehicle Rebate – Charge Ahead Program Element (Vehicle Scrappage)

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Introduction

The Electric Vehicle Rebate rulemaking implements portions of House Bill 2017 (2017) that direct DEQ to develop an electric vehicle rebate program. This program will encourage a higher adoption of zero emission vehicles.

The program contains two rebate elements. One program provides rebates towards the purchase or lease of a new electric vehicle. The other component, called Charge Ahead, provides rebates towards the purchase or lease of a new or used electric vehicle if the purchaser is from a low or moderate household, resides in an area of the state with poor air quality from transportation emissions, and scraps or renders inoperable an internal combustion engine car at least 20 years old.

DEQ is convening an advisory committee as part of the rulemaking process to obtain input on the different design elements that could be incorporated in the rebate program. After receiving input from the Advisory Committee, DEQ will draft proposed rules. All interested parties will have a chance to comment on the proposed rules during the public notice period in 2018.

Background/Purpose

This discussion paper addresses one of the required elements of the Charge Ahead rebate program, specifically the scrapping or rendering inoperable a high-emission passenger motor vehicle.

Considerations in defining what is meant by scrapping or rendering inoperable

Under the Charge Ahead rebate program, eligible rebate recipients must scrap or render inoperable a high-emission passenger motor vehicle. DEQ is considering a number of different options as to how this could be defined and implemented. Vehicle scrappage could include a number of options, including:

- Dismantling the car so that it is no longer in service, but allowing all vehicle parts, including the engine to be sold or reused
- Immobilizing or destroying the engine but allowing the remaining vehicle parts to be sold or reused
- Crushing the vehicle with no parts available for resale

In a similar program, the federal Cash for Clunkers defined scrappage as disabling the engine by draining the motor oil and pouring a solution into the engine that caused it to seize. The salvage or scrap facility who likely acquires the car could then dismantle and sell any other component (including the transmission) from the scrap vehicle separately. For auto recyclers and dismantlers, a car's engine is considered to be the most valuable part of a junked car and if the engine has been destroyed, they may be less likely to purchase the car from a dealer or individual due to the limited profit potential of junking a car.

DEQ thinks the best option for defining scrappage is to immobilize the engine and allow the remaining parts of the car to be dismantled and sold. Doing so would prevent the same higher-polluting engine from being reused in another vehicle operated on the road.

Consideration for documenting vehicle scrappage

Under the HB 2017, DEQ must also determine how to document the person has scrapped or rendered inoperable the high polluting car. DMV has a form (Notice of Vehicle to be Dismantled/Proof of Compliance) that can flag VIN numbers and ensure they never obtain registration. Currently, the only people that can fill out these forms are dismantlers, so DEQ would need to work with DMV to allow dealers to submit the form, if dealers were to accept cars under the program. Requiring the vehicle dealer to submit this form is an easy solution for meeting the requirement for a customer to qualify for the Charge Ahead rebate.

Alternative formats

Documents can be provided upon request in an alternate format for individuals with disabilities or in a language other than English for people with limited English skills. To request a document in another format or language, call DEQ in Portland at 503-229-5696, or toll-free in Oregon at 1-800-452-4011, ext. 5696; or email deqinfo@deq.state.or.us