



State of Oregon
Department of
Environmental
Quality

Oregon Department of Environmental Quality
January 19, 2018

Notice of Proposed Rulemaking

Oregon Zero-Emission and Electric-Vehicle Rebate Program

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Introduction

DEQ invites public input on the adoption of new rules in chapter 340 of the Oregon Administrative Rules.

Background

The Zero-Emission and Electric Vehicle Rebate rulemaking would establish a zero-emission vehicle rebate program in Oregon. The program would contain two elements – one element would provide rebates for the purchase or lease of eligible new zero-emission vehicles (referred to as standard rebates) if all program requirements are met. The second element, called Charge Ahead rebate, would provide rebates for the purchase or lease of new or used zero-emission vehicles if the purchaser is from a low or moderate income household, resides in an area of the state with poor air quality due to transportation emissions, and scraps an internal combustion engine car that is at least 20 years old.

DEQ is proposing to establish program requirements including:

- Rebate amounts provided for the purchase or lease of certain zero-emission vehicles.
- Requirements for vehicles and purchases to qualify under the program.
- Program elements of the Charge Ahead rebate program, including eligibility criteria.

DEQ proposal

DEQ proposes introducing OAR 340, division number 270, which would develop a zero-emission vehicle rebate program for the purchase or lease of new or used zero-emission vehicles.

More information

Information about this rulemaking is on this rulemaking's web page:

<http://www.oregon.gov/deq/Regulations/rulemaking/Pages/Revrebates2018.aspx>

Public Hearings

DEQ will hold two public hearings on this rulemaking. See the Public Notice and Hearings section below for details.

How to comment on this rulemaking proposal

DEQ is asking for public comment on the proposed rules. Any person may submit comments, data, or questions about this rulemaking. A person may submit comments through an online web page, by regular mail, or at the public hearing.

Comment deadline

DEQ will only consider comments on the proposed rules that DEQ receives by 4:00 p.m., on March 14, 2018.

Submit comment online

<http://www.oregon.gov/deq/Regulations/rulemaking/Pages/Cevrebates2018.aspx>

Note for public university students:

ORS 192.501(29) allows Oregon public university and OHSU students to protect their university email addresses from disclosure under Oregon's public records law. If you are an Oregon public university or OHSU student, you may omit your email address when you complete the online form to submit a comment.

By mail

Oregon DEQ
Attn: Rachel Sakata
700 NE Multnomah St, Suite 600
Portland, OR 97232

At hearings

Portland

1:00 p.m., February 26, 2018
800 NE Oregon St
Portland, OR 97232

Medford

1:00 p.m., February 28, 2018
221 Stewart Avenue
Medford, OR 97501

Any person may attend the hearing in person. The hearings will be accessible to people with mobile impairments. DEQ invites people with disabilities to tell the agency if they need auxiliary aids and services to meaningfully participate in the hearing.

You may also participate in the hearing through a teleconference or webinar.

Teleconference call-in number: 888-278-0296

Participant ID: 8040259

Webinar link (webinar has no audio, you must listen on the teleconference):

<https://connect9.uc.att.com/service32/meet/?ExEventID=88040259>

How to join the teleconference or webinar: [Teleconference and Webinar instructions](#)

Sign up for rulemaking notices

Get email updates about future DEQ rulemaking by signing up through:

https://public.govdelivery.com/accounts/ORDEQ/subscriber/new?topic_id=ORDEQ_635.

or get updates by visiting the rulemaking web site.

What will happen next?

DEQ will include a written response to comments in a staff report DEQ will submit to the Environmental Quality Commission (EQC), which is a five-member panel appointed by the governor that serves as DEQ's policy and rulemaking board. DEQ may modify the rule proposal based on the comments.

Present proposal to the EQC

Proposed rules only become effective if the EQC adopts them. DEQ plans to present the proposed rules to the commission for a decision at its meeting on May 10-11, 2018.

Accessibility information

You may review copies of all documents referenced in this announcement at:

Oregon DEQ
700 NE Multnomah St, Suite 600
Portland, OR, 97232

To schedule a review of all websites and documents referenced in this announcement, call Rachel Sakata, Portland, at 503-229-5659 (800-452-4011, ext. 5622 toll-free in Oregon).

Please notify DEQ of any special physical or language accommodations or if you need information in large print, Braille, or another format. To make these, or any other arrangements to accommodate a disability, contact DEQ, Headquarters, at 503-229-5696 or call toll-free in Oregon at 1-800-452-4011, ext. 5696; fax to 503-229-6762; or email to deqinfo@deq.state.or.us. Hearing impaired persons may call 711.

Overview

Short summary

DEQ recommends the EQC approve the proposed rules which establish the Oregon Zero-Emission and Electric Vehicle Rebate program.

This rulemaking would establish a zero-emission vehicle rebate program in Oregon. The program would contain two elements – one element provides rebates for the purchase or lease of a new zero-emission vehicles (referred to as standard rebates). The second element, called Charge Ahead rebate, would provide rebates for the purchase or lease of a new or used zero-emission vehicles if a purchaser is from a low or moderate income household, resides in an area of the state with poor air quality due to transportation emissions, and scraps an internal combustion engine car that is at least 20 years old.

DEQ is proposing to establish program requirements including:

- Rebate amounts provided for the purchase or lease of certain zero-emission vehicles.
- Eligibility requirements for vehicles and purchases qualifying under the program.
- Program elements of the Charge Ahead rebate program, including eligibility criteria.

Brief history

On August 18, 2017, Oregon Governor Kate Brown signed House Bill 2017 which, in addition to making many other transportation investments, creates a program to provide rebates to Oregonians who meet all program requirements and purchase certain types of zero-emission vehicles, including eligible plug-in hybrid zero-emission vehicles, and other eligible zero-emissions vehicles. This program was designed by the Oregon Legislature to encourage higher adoption of zero-emission vehicles to reduce air pollution and progress the state towards its greenhouse gas reduction goals.

Regulated parties

DEQ would implement the program established by the rules. There are no other regulated parties, because the proposed rules do not impose any requirements on parties who do not wish to participate in the program. Other parties who choose to participate in the program may include:

- Automobile dealers that sell or lease new and or used zero-emission vehicles. Such dealers may be affected by the rules if they choose to apply the rebate to the purchase at the point of sale, by allowing purchasers to assign their rebates to the dealers or by otherwise assisting purchasers in obtaining rebates. Further, dealers could be affected by increased zero-emission vehicle sales.

- Automobile manufacturers, such as those that manufacture zero-emission vehicles eligible for rebates. Manufacturers may be affected by the rules if they allowed purchasers to assign their rebates or otherwise assist purchasers in obtaining rebates. Further, dealers could be affected by increased zero-emission vehicle sales.
- Zero-emission vehicle purchasers such as Oregon residents who purchase or lease zero-emission vehicles that qualify for rebates under the program.

Request for other options

During the public comment period, DEQ requests public comment on whether to consider other options for achieving House Bill 2017's and the rules' substantive goals while reducing any negative economic impact on businesses. DEQ also requests public comment on elements of the Charge Ahead program, including specific eligibility requirements regarding residing in an area of the state with poor air quality due to transportation emissions, and scrapping an internal combustion engine car that is at least 20 years old. DEQ is also aware that the Legislature is considering making changes to the provisions of House Bill 2017. DEQ requests comments on how it may adjust its proposed rules in response to any changes adopted by the Legislature to ensure that the rules adopted remain consistent with the statutory scheme.

Statement of need

What need would the proposed rule address?

In 2017, Oregon Governor Kate Brown signed House Bill 2017 which creates a program to provide rebates to Oregonians who purchase certain types of zero-emission vehicles, including eligible plug-in hybrid zero-emission vehicles, and other zero-emissions vehicles that meet the program's specifications. This program was designed by the Oregon Legislature to encourage higher adoption of zero-emission vehicles to reduce air pollution and progress the state towards its greenhouse gas reduction goals.

How would the proposed rule address the need?

The proposed rules would implement Sections 148-157 of House Bill 2017 (2017), which directs DEQ to develop and implement a Zero-Emission and Electric Vehicle Rebate program for Oregon.

How will DEQ know the rule addressed the need?

It would establish a rebate program for the purchase or lease of new or used zero-emission vehicles. People will apply for and receive rebates.

Rules affected, authorities, supporting documents

Lead division

Environmental Solutions Division
Air Quality Planning Section

Program or activity

Zero-Emission Vehicle Rebate program

OAR Chapter 340 action

Adopt – OAR

340-270-0010	340-270-0110	340-270-0400	340-270-0500
340-270-0020	340-270-0120	340-270-0410	
340-270-0030	340-270-0200	340-270-0420	
340-270-0100	340-270-0300	340-270-0430	

Amend – OAR

None

Statutory authority – ORS

468.020

2017 Or. Law Ch. 750 Sec. 148-157

Statute implemented – ORS

2017 Or. Law Ch. 750 Sec. 148-157

Legislation

House Bill 2017 (2017)

Documents relied on for rulemaking

Document title	Document location
House Bill 2017 (2017)	https://olis.leg.state.or.us/liz/2017R1/Downloads/MeasureDocument/HB2017/Enrolled
California Code of Regulations, 1962.1 and 1962.2	https://www.arb.ca.gov/msprog/zevprog/zevregs/1962.1_Clean.pdf https://www.arb.ca.gov/msprog/zevprog/zevregs/1962.2_Clean.pdf
40 CFR 600.116-12, Special Procedures Related to Electric Vehicles and Plug-In Hybrid Electric Vehicles	https://www.gpo.gov/fdsys/granule/CFR-2012-title40-vol31/CFR-2012-title40-vol31-sec600-116-12
Oregon Department of Employment 2015 data	Employment Department 875 Union Street NE Salem OR 97311
NYSERDA 2017 Announcements, “Governor Cuomo Announces 74 Percent Increase in Electric Car Sales Since Launch of Drive Clean Rebate in March”	https://www.nyserda.ny.gov/About/Newsroom/2017-Announcements/2017-09-27-Governor-Cuomo-Announces-74-Percent-Increase-in-Electric-Car-Sales
Atlanta Journal-Constitution, “Here’s why electric car sales are plummeting in Georgia”	http://politics.myajc.com/news/state--regional-govt--politics/here-why-electric-car-sales-are-plummeting-georgia/1NGjfnDMALGkv2iUzwwXIO/

Fee Analysis

This rulemaking does not involve fees.

Statement of fiscal and economic impact

Summary

DEQ is proposing new rules for a Zero-Emission Vehicle Rebate under Division 270 of Chapter 340 of the Oregon Administrative Rules. The proposed rules would implement Sections 148 through 157 of House Bill 2017 (2017), which directs DEQ to develop and implement an Electric Vehicle Rebate program for Oregon. The Electric Vehicle Rebate program is designed to incentivize residents to purchase or lease certain types of zero-emission vehicles, thus increasing the adoption of zero-emission vehicles, reducing air pollution and advancing progress towards Oregon's greenhouse gas emissions reduction goals.

The Zero-Emission Vehicle Rebate program would contain two elements. The first element would provide standard rebates for the purchase or lease of eligible new zero-emission vehicles. A second element, called Charge Ahead rebates, would provide rebates for the purchase or lease of new or used zero-emission vehicle if the purchaser is from a low or moderate income household, resides in an area of the state with poor air quality due to transportation emissions, and scraps an internal combustion engine car that is at least 20 years old.

DEQ is proposing to establish program requirements including:

- The rebate amounts provided for the purchase or lease of zero-emission vehicles.
- Eligibility requirements for the vehicles and the purchasers that qualify for the programs.
- Program elements of the Charge Ahead rebate program, including eligibility criteria, as defined in rulemaking and certain design criteria such as requirements regarding vehicle scrappage and areas of residence.

Affected parties

Parties and types of industry and business likely affected by the Zero-Emission Vehicle Rebate program include:

- Automobile dealers – Businesses that sell or lease new and or used zero-emission vehicles. Under the rules, such entities may voluntarily choose to assist the purchaser in applying for the rebate at the point of sale and receive an assignment of the rebate from the purchaser.
- Automobile manufacturers – Businesses that manufacture zero-emission vehicles eligible for the rebate. Under the rules, such entities may voluntarily choose to assist the purchaser in applying for the rebate at the point of sale and receive an assignment of the rebate from the purchaser.

- Zero-emission vehicle purchasers – Oregon residents who purchase or lease zero-emission vehicles that meets program requirements. Under the rules, such persons may apply for and receive a rebate or may choose to assign the rebate to a dealer or manufacturer.

Fiscal and Economic Impact

The proposed rules are not anticipated to have any major economic impacts on any entities and may provide a benefit to zero-emission vehicle automobile dealers or manufacturers due to a potential increase in sales as a result of the rebates. The rules may also benefit buyers of zero-emission vehicles that qualify under the program, as they would potentially receive rebates for their purchases. The proposed rules would have a fiscal impact on DEQ, since DEQ is the agency responsible for implementing and overseeing the program. It is anticipated the Agency would need to hire an additional staff person to conduct this work to oversee the third-party entity hired to implement the program. Costs for DEQ implementing the program and hiring and paying the third party entity would be covered by rebate program monies from the Zero-Emission Incentive Fund.

Statement of the Cost of Compliance

DEQ

DEQ would experience a fiscal impact as a result of the rules. The rules establish a program to issue rebates for the purchase of eligible zero-emission vehicles, and DEQ is the agency responsible for implementing and overseeing the program. Although DEQ intends to contract with a third party to implement the program, process rebate applications, and track program activity, DEQ would need to hire an additional full-time employee to manage and oversee the third party entity and ensure program requirements are being met. Costs for DEQ implementing the program and hiring and paying the third party entity would be covered by rebate program monies from the Zero-Emission Incentive Fund. Program funding is provided through a tax which does have a fiscal impact on those paying it, but that tax is imposed directly by state statute and is not a result of the proposed rules. As part of the program requirements, DEQ would also be required to analyze rebate amounts on a yearly basis. Modifications to the amounts may require rule changes and updating of program materials and publicizing those changes to potential rebate recipients. DEQ also plans to conduct community outreach to low and middle income households for the Charge Ahead program to ensure the program is promoted effectively and to assess how it is being implemented.

Other governmental agencies

There are no anticipated fiscal impacts to other state, federal, or local agencies as a result of the proposed rules.

Public

The public would not incur any mandatory compliance costs as a result of the proposed rules because the proposed rules do not impose any requirements on parties who do not wish to participate in the program. The public, however, would experience other indirect benefits from the program. It could result in the purchase of more electric vehicles, which have cleaner emissions and could potentially reduce air pollution and cause a reduction in associated health effects. Additionally, under the rules developing the program, there are two rebates that members of the public could receive. The first is that members of the public will be eligible to receive standard rebates for the purchase or lease of a new zero-emission vehicle. The second, under the Charge Ahead program, is a Charge Ahead rebate for the purchase or lease of a new or used zero-emission vehicle if the purchaser is from a low or moderate income household, resides in an area of the state with poor air quality due to transportation emissions, and scraps an internal combustion engine car that is at least 20 years old. Some zero-emission vehicle purchasers would receive a rebate to help defray the cost of a zero-emission vehicle. An additional benefit could be realized by qualified applicants in the Charge Ahead program because the Charge Ahead rebate could be combined with the standard rebate if the applicant purchases a new zero-emission vehicle.

Large businesses - businesses with more than 50 employees

Large businesses would not incur any mandatory compliance costs as a result of the proposed rules because the proposed rules do not impose any requirements on parties who do not wish to participate in the program. DEQ has identified there are at least 20 large manufacturers of zero-emission vehicles and a number of large auto dealers who could participate in the program through the assignment of rebates, and up to 29 large manufacturers and some large auto dealers who would not participate because they do not manufacture or sell zero-emission vehicles.

For affected large businesses, the cost to comply with the proposed rules is anticipated to be similar to costs described for small businesses. This applies to automobile manufacturers and some auto dealers.

Small businesses – businesses with 50 or fewer employees

Small businesses would not incur any mandatory compliance costs as a result of the proposed rules because the proposed rules do not impose any requirements on parties who do not wish to participate in the program. DEQ identified up to 253 small businesses potentially affected by this rule. This includes 245 automobile dealers (both new and used) and eight salvage companies that could participate in the scrappage component of the

Charge Ahead program. However, participation in assignment of rebates or scrappage component is entirely optional to any automobile dealer or salvage company, and any associated costs might be offset by the increased number of sales these small businesses would experience in zero-emission vehicles or costs recouped from the resale of scrapped materials.

Small business may, however, face other indirect effects from the program. Overall, DEQ anticipates that affected small businesses would benefit from the proposed rules. Zero-emission vehicle manufacturers and dealers who sell zero-emission vehicles may see an increase in sales because the rebates would encourage more people to purchase zero-emission vehicles who might not otherwise have done so. Based on sales data from other states, zero-emission vehicle sales increased once the rebate became available. In New York, the sales of zero-emission vehicles saw a 74 percent increase over the same period in the previous year, prior to when a zero-emission vehicle rebate incentive was offered. Alternatively, in Georgia, sales of electric vehicles decreased 80 percent when the state eliminated a tax credit for such purchases in 2015.

Because the rules allow dealers and manufacturers who do not have licensed franchised new automobile dealers in Oregon to assist rebate applicants in applying for rebates at the point of sale and receive assignments of rebates from applicants, some dealers and manufacturers may see increased operating costs if they choose to take advantage of that option. For example, offering such an option presents potential additional paperwork or training requirements (approximately 4-6 hours)¹ to ensure employees can properly utilize any necessary electronic databases. Further, businesses that offered that option and directly applied the anticipated rebate toward a car payment, lease agreement, or to reduce the overall price of a purchased car might have to carry increased “debt” or “carryover” while waiting for the rebate application to be processed and funds to be remitted into their accounts. However, participation in assignment of rebates is entirely optional to any eligible entity, and any associated costs might be offset by the increased number of sales those entities would experience in zero-emission vehicles. Based on available information DEQ expects a net positive fiscal benefit to zero-emission dealers and manufacturers from the proposed rules.

Under the Charge Ahead program, qualified applicants would be required to scrap an internal combustion engine car in order to obtain the rebate. Automobile dealers providing a service for scrapping the car at their dealership would potentially see a delayed benefit. Incapacitating the engine block to fulfill the scrappage requirement prevents the resale of the entire car. However, the cars might still retain some value for the remaining components and parts. Vehicle scrappage companies might see a benefit because their business may increase as a result of cars being required to be scrapped in order for Charge Ahead applicants to receive their rebate.

¹ Per conversation with VITU, a local vehicle software registration company.

a. Estimated number of small businesses and types of businesses and industries with small businesses subject to proposed rule.

Using recent employment data, DEQ identified up to 253 small businesses potentially affected by this rule. This includes 245 automobile dealers (both new and used) and eight salvage companies that could participate in the scrappage component of the Charge Ahead program.

b. Projected reporting, recordkeeping and other administrative activities, including costs of professional services, required for small businesses to comply with the proposed rule.

DEQ is proposing rules to issue rebates to zero-emission vehicle purchasers and to allow purchasers to assign their rebates to automobile dealers or manufacturers who do not have licensed franchised new automobile dealers in Oregon. For the automobile dealer, there may be some administrative activities required to fill out the necessary paperwork on behalf of the purchaser, submit the information to DEQ or the third party entity administering the rebate program, track the funds, and receive payment if they choose to participate in the assignment program.

Under the Charge Ahead program, there may be additional recordkeeping required for auto dealers who chose to participate in the assignment aspect of the program and vehicle scrappers who offer scrappage services to rebate applications to show proof of conventional gasoline car scrappage (in the form of a receipt or form provided by DEQ) for the qualified applicant to receive his or her rebate.

c. Projected equipment, supplies, labor and increased administration required for small businesses to comply with the proposed rule.

DEQ is proposing rules to issue rebates to zero-emission vehicle purchasers and to the dealers on behalf of the purchaser. For the automobile dealers and manufacturers who choose to submit the rebate information on behalf of the purchaser, there may be some minimal training necessary (approximately 4-6 hours of staff time) or additional administration to process and submit information regarding rebate program submittals and remittance.

d. Describe how DEQ involved small businesses in developing this proposed rule.

DEQ included small business representatives on the Electric Vehicle Rebate Rule Advisory Committee that advised DEQ on the cost of compliance for small businesses. DEQ also provided rulemaking notice through the Oregon Auto Dealers Association and the Oregon Independent Auto Dealers Association. These associations include small businesses as part of their membership.

Documents relied on for fiscal and economic impact

Document title	Document location
Title	Link or office address
Oregon Department of Employment 2015 data	Employment Department 875 Union Street NE Salem OR 97311
NYSERDA 2017 Announcements, “Governor Cuomo Announces 74 Percent Increase in Electric Car Sales Since Launch of Drive Clean Rebate in March”	https://www.nyserda.ny.gov/About/Newsroom/2017-Announcements/2017-09-27-Governor-Cuomo-Announces-74-Percent-Increase-in-Electric-Car-Sales
Atlanta Journal-Constitution, “Here’s why electric car sales are plummeting in Georgia”	http://politics.myajc.com/news/state--regional-govt--politics/here-why-electric-car-sales-are-plummeting-georgia/1NGjfnDMALGkv2iUzwwXIO/

Advisory committee

DEQ appointed an advisory committee.

As ORS 183.333(3) requires, DEQ asked for the committee’s recommendations on:

- Whether the proposed rules would have a fiscal impact,
- The extent of the impact, and
- Whether the proposed rules would have a significant adverse impact on small businesses and comply with ORS 183.540.

The committee reviewed the draft fiscal and economic impact statement and its findings are stated in the approved minutes dated December 12, 2017.

The committee agreed with DEQ’s analysis regarding the fiscal and economic impacts. The committee determined the proposed rules would not have a significant adverse impact on small businesses in Oregon.

Housing cost

As ORS 183.534 requires, DEQ evaluated whether the proposed rules would have an effect on the development cost of a 6,000-square-foot parcel and construction of a 1,200-square-foot detached, single-family dwelling on that parcel. DEQ determined the proposed rules would have no effect on the development costs because they only affect purchasers of zero-emission vehicles, auto dealers and manufacturers who sell or produce zero-emission vehicles, and salvage companies who voluntarily scrap cars under the Charge Ahead program.

Federal relationship

Relationship to federal requirements

ORS 183.332 and OAR 340-011-0029 require DEQ to attempt to adopt rules that correspond with existing equivalent federal laws and rules unless there are reasons not to do so.

The proposed rules are “in addition to federal requirements” since there are no federal regulations regarding rebates for the purchase or lease of zero-emission vehicle. The proposed rules protect the environment by reducing greenhouse gases.

What alternatives did DEQ consider if any?

DEQ did not consider any alternatives to the proposed rule because the Legislature directed DEQ to adopt a program to issue rebates and implement the Zero-Emission and Electric Vehicle Rebate program.

Land use

In adopting new or amended rules, ORS 197.180 and OAR 340-018-0070 require DEQ to determine whether the proposed rules significantly affect land use. If so, DEQ must explain how the proposed rules comply with state-wide land-use planning goals and local acknowledged comprehensive plans.

Under OAR 660-030-0005(2) and OAR 340 Division 18, DEQ considers that rules affect land use if:

- The statewide land use planning goals specifically refer to the rule or program, or
- The rule or program is reasonably expected to have significant effects on:
 - Resources, objectives or areas identified in the statewide planning goals, or
 - Present or future land uses identified in acknowledged comprehensive plans

To determine whether the proposed rules involve programs or actions that affect land use, DEQ reviewed its Statewide Agency Coordination plan, which describes the DEQ programs that have been determined to significantly affect land use. DEQ considers that its programs specifically relate to the following statewide goals:

Goal	Title
5	Open Spaces, Scenic and Historic Areas, and Natural Resources
6	Air, Water and Land Resources Quality
9	Ocean Resources
11	Public Facilities and Services
16	Estuarial Resources

Statewide goals also specifically reference the following DEQ programs:

- Nonpoint source discharge water quality program – Goal 16
- Water quality and sewage disposal systems – Goal 16
- Water quality permits and oil spill regulations – Goal 19

Determination

DEQ determined that these proposed rules do not affect land use under OAR 340-018-0030, OAR 660-030-0005(2), or DEQ's State Agency Coordination Program.

Stakeholder and public involvement

Advisory committee Background

DEQ convened the Electric Vehicle Rebate Rule advisory committee. The committee included representatives from the automobile industry and dealers, environmental groups, a citizen group, and environmental justice groups. The committee met one time. The committee's web page is located at: [Electric Vehicle Rebates 2018](#)

The committee members were:

Electric Vehicle Rebate Rulemaking Advisory Committee	
Name	Representing
Jeff Allen	Forth
Alan DeBoer	Oregon State Legislature
Steve Douglas	Alliance of Auto Manufacturers
Jana Gastellum	Oregon Environmental Council
Gary Graunke	Oregon Electric Vehicle Association
Brendan McCarthy	PGE
Leesha Posey	Portland African American Leadership Forum
Julia Rege	Global Automakers
Greg Remensperger	Oregon Auto Dealers Association
Meredith Roberts	Tesla
Gena Scott	Hacienda CDC
Diane Sparks	Oregon Independent Auto Dealers Association

Meeting notifications

To notify people about the advisory committee's activities, DEQ:

- Sent GovDelivery bulletins, a free e-mail subscription service, to the following lists:
 - Electric Vehicle Rebate 2018 Rulemaking
- Added advisory committee announcements to DEQ's calendar of public meetings at [DEQ Calendar](#).

Committee discussions

In addition to the recommendations described under the Statement of Fiscal and Economic Impact section above, the committee advised DEQ on certain program elements in establishing a zero-emission vehicle rebate program in Oregon. The topics included potential rebate amounts, eligibility requirements, and Charge Ahead program requirements. The committee concluded the following:

- DEQ should offer the maximum rebate amount;
- Purchases should be eligible for the rebate prior to DEQ's adoption of rules, but there were differing opinions on when that date should be. Many committee members agreed that January 1, 2018 should be the eligibility date, i.e., that persons who purchased or leased a vehicle on Jan. 1, 2018 or later would be eligible to apply for rebates;
- DEQ should potentially limit the number of rebates available for entities making fleet purchases but should not limit the number of rebates per household;
- Rebates should be made available to individuals or dealers acting on behalf of other individuals for maximum flexibility; and
- House Bill 2017 should be amended regarding elements of the Charge Ahead program. Specifically, the scrappage and residing in a poor air quality area requirement should either be removed entirely or changed to give DEQ the discretion to determine whether to make it a requirement. The rebate for low or moderate income households who purchase or lease a new or used zero-emission should remain. Additionally, the requirement for DEQ to conduct specific outreach in these communities, as well as the minimum 10% set aside of rebate funds for this program must be retained.

EQC prior involvement

DEQ shares general rulemaking information with EQC through the monthly Director's Report.

DEQ shared information about this rulemaking with the EQC in the Director's Report on November 3, 2017 at the meeting in Eugene.

Public notice and hearings

Public notice

DEQ provided notice of the proposed rulemaking and rulemaking hearing on January 19, 2018 by:

- On January 19, 2018, filing notice with the Oregon Secretary of State for publication in the February 1, 2018 Oregon Bulletin;
- Notifying the federal Environmental Protection Agency by mail;
- Posting the Notice, Invitation to Comment and Draft Rules on the web page for this rulemaking, located at: [Electric Vehicle Rebates 2018](#);
- Emailing 7,998 interested parties on the following DEQ lists through GovDelivery:
 - Rulemaking; and
 - Electric Vehicle Rebate 2018 Rulemaking;
- Emailing the following key legislators required under [ORS 183.335](#):
 - Senator Lee Beyer, Co-Chair, Joint Committee on Transportation Preservation and Modernization;
 - Representative Caddy McKeown, Co-Chair, Joint Committee on Transportation Preservation and Modernization;
 - Senator Brian Boquist, Co-Vice Chair, Joint Committee on Transportation Preservation and Modernization; and
 - Representative Cliff Bentz, Co-Vice Chair, Joint Committee on Transportation Preservation and Modernization.
- Emailing advisory committee members;
- Postings on Twitter and Facebook; and
- Posting on the DEQ event calendar: [DEQ Calendar](#).

Public hearings

DEQ plans to hold two public hearings. The details are listed below. Any person may attend the hearing in person or by teleconference. The hearings will be accessible to people with mobile impairments. DEQ invites people with disabilities to tell the agency if they need auxiliary aids or other services to meaningfully participate in the hearing.

DEQ will consider all written comments received at the hearings listed below before completing the draft rules. DEQ will summarize all comments and respond to comments in the EQC staff report.

	Hearing 1	Hearing 2
Date	February 26, 2018	February 28, 2018
Time	1:00 – 2:00 p.m.	1:00 – 2:00 p.m.
Location Name	Oregon State Office Building	DEQ – Medford Office
Street Address	800 NE Oregon St	221 Stewart Ave
City	Portland	Medford
Presiding Officer	Colin McConnaha	DEQ staff
Call-in Phone Number	888-278-0296	
Participant ID	8040259	
Webinar Link	https://connect9.uc.att.com/service32/meet/?ExEventID=88040259	
Instructions on how to access webinar and teleconference	Webinar instructions	

How to comment on the proposed rules:

Submit comment online

[Electric Vehicle Rebates 2018 Comment Page](#)

Note for public university students:

ORS 192.501(29) allows Oregon public university and OHSU students to protect their university email addresses from disclosure under Oregon’s public records law. If you are an Oregon public university or OHSU student, you may omit your email address when you complete the online form to submit a comment.

By mail

Oregon DEQ
 Attn: Rachel Sakata
 700 NE Multnomah St, Suite 600
 Portland, OR 97232

At the hearing

Close of public comment period

The comment period will close 4 p.m. on March 14, 2018

Accessibility Information

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 Oregon DEQ

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Portland, OR, 97232

To schedule a review of all websites and documents referenced in this announcement, call Rachel Sakata, DEQ - Headquarters, 503-229-5659 (800-452-4011, ext. 5622 toll-free in Oregon).

Please notify DEQ of any special physical or language accommodations or if you need information in large print, Braille or another format. To make these arrangements, contact DEQ, Headquarters, at 503-229-5696 or call toll-free in Oregon at 1-800-452-4011, ext. 5696; fax to 503-229-6762; or email to deqinfo@deq.state.or.us. Hearing impaired persons may call 711.

DEPARTMENT OF ENVIRONMENTAL QUALITY

DIVISION 270

ZERO-EMISSION AND ELECTRIC VEHICLE REBATES

340-270-0010

Overview

- (1) Purpose. The purpose of this division is to establish a rebate program and eligibility requirements for the purchase or lease of new or used zero-emission vehicles in Oregon.
- (2) Background. The 2017 Oregon Legislature adopted House Bill 2017 that authorizes the Department of Environmental Quality to establish a rebate program for zero-emission vehicles. OAR division 270 of chapter 340 implements that law.
- (3) Administration. DEQ administers this division in all areas in the state of Oregon, including the areas of the state subject to the jurisdiction of the Lane County Regional Air Protection Agency.

340-270-0020

Effective Dates

- (1) The rebates for eligible light-duty zero-emission vehicles and eligible plug-in hybrid electric vehicles take effect on January 1, 2018.
- (2) The rebates for the Charge Ahead Program take effect on January 1, 2018.
- (3) The rebates for eligible neighborhood electric vehicles and eligible zero-emission motorcycles take effect on January 1, 2019.
- (4) The rules in this division expire on January 2, 2024.
- (5) The effective dates of the program are contingent on appropriate funding.

340-270-0030

Definitions and Abbreviations

- (1) “Area median income” means the median income for the metropolitan statistical area in which a household is located or, if the household is not located within a metropolitan statistical area, for the metropolitan statistical area in closest proximity to the location of the household, as determined by the Housing and Community Services Department, adjusted for household size.
- (2) “Charge Ahead rebate” means a rebate for the purchase of a new or used light-duty zero-emission vehicle with an electrochemical storage capacity issued through the Charge Ahead Program.
- (3) “DEQ” is the Oregon Department of Environmental Quality or a contractor selected by DEQ.
- (4) “Eligible vehicle” means a motor vehicle that:

- (a) Qualifies as a:
- (A) Light-duty zero-emission vehicle with an electrochemical energy storage capacity;
- (B) Plug-in hybrid electric vehicle;
- (C) Neighborhood electric vehicle; or
- (D) Zero-emission motorcycle;
- (b) Is new, or has been previously used only as a dealership floor model or test-drive vehicle; (c) Has not previously been registered in Oregon;
- (d) Is constructed entirely from new parts that have never been the subject of a retail sale;
- (e) Has a base manufacturer's suggested retail price of less than \$50,000;
- (f) Is covered by a manufacturer's express warranty on the vehicle drive train, including the applicable energy storage system or battery pack, for at least 24 months from the purchase or lease date; and
- (g) Is certified by the manufacturer to comply with all applicable federal safety standards issued by the National Highway Traffic Safety Administration for new motor vehicles and new motor vehicle equipment.
- (5) "High-emission passenger motor vehicle" means a motor vehicle that is:
- (a) Designed primarily for the transportation of persons;
- (b) Powered by an internal combustion engine that is 20 years old or older; and
- (c) Is not capable of transporting 10 or more passengers.
- (6) "Lease date" means the day that the lease agreement is signed.
- (7) "Light-duty zero-emission vehicle" means a motor vehicle that:
- (a) Has a gross vehicle weight rating of 8,500 pounds or less;
- (b) Is capable of travelling at a speed of 55 miles per hour or more;
- (c) Has at least four wheels; and
- (d) Is powered:
- (A) Primarily by an electric battery and may or may not use a flywheel energy storage device or a capacitor that also stores energy to assist in vehicle operation;
- (B) By polymer electrolyte membrane fuel cells or proton exchange membrane fuel cells that use hydrogen fuel and oxygen from the air to produce electricity; or
- (C) Primarily by a zero-emission energy storage device that provides enough power for the vehicle to travel 75 miles or more using only electricity and may or may not use a backup alternative power unit that does not operate until the energy storage device is fully depleted.
- (8) "Low income household" means a household with income less than or equal to 80 percent of the area median income.
- (9) "Moderate income household" means a household with income less than or equal to 120 percent and greater than 80 percent of the area median income.
- (10) "Motor vehicle" has the meaning given that term in ORS 801.360.
- (11) "Neighborhood electric vehicle" means a motor vehicle that:
- (a) Is powered using an electric battery;
- (b) Has a gross vehicle weight not exceeding 3,000 pounds;
- (c) Is capable of traveling at a speed of up to 25 mph; and
- (d) Has at least three wheels.
- (12) "Person" means a person as defined in ORS 174.100 or a public body as defined in ORS 174.109.
- (13) "Plug-in hybrid electric vehicle" means a motor vehicle that:

- (a) Has zero evaporative emissions from its fuel system when operating as an electric vehicle;
- (b) Has an onboard electrical energy storage device with useful capacity of 10 or more miles of urban dynamometer driving schedule range, as described by the United States Environmental Protection Agency in 40 CFR 600.116-12, on electricity alone;
- (c) Is equipped with an onboard charger;
- (d) Is rechargeable from an external connection to an off-board electrical source;
- (e) Meets the super ultra-low emission vehicle standards for exhaust emissions, as certified to standards in California Code of Regulations, Title 13, section 1961(a)(4) (2003);
- (f) Has a warranty of at least 15 years and 150,000 miles on emission control components; and
- (g) Is capable of travelling at a speed of 55 miles per hour or more;
- (h) Has an on-board internal combustion engine; and
- (i) Has at least four wheels
- (14) "Purchase date" means the day that the purchase and sales agreement is signed.
- (15) "Scrap" means a motor vehicle that is incapable of operating on public streets, roads, and highways because its engine has been rendered unusable.
- (16) "Vehicle dealer" means:
 - (a) A person engaged in business in this state that has been issued a vehicle dealer certificate under ORS 822.020; or
 - (b) A person engaged in business in another state that would be subject to ORS 822.005 if the person engaged in business in this state.
 - (c) It does not include a person who:
 - (A) Conducts an event that lasts less than seven consecutive days, for which the public is charged admission and at which otherwise eligible vehicles are sold at auction; or
 - (B) Sells an otherwise eligible vehicle at auction at an event as described in (A).
- (17) "Zero-emission motorcycle" means a motor vehicle that:
 - (a) Has zero evaporative emissions from its fuel system;
 - (b) Is capable of attaining a speed of 55 miles per hour or more;
 - (c) Is designed to travel on two wheels; and
 - (d) Is powered by electricity.
- (18) "Zero-emission vehicle" means a motor vehicle that that is certified to zero-emission standards in California Code of Regulations, Title 13, section 1962.2.

340-270-0100

Vehicles Eligible for Zero-Emission Vehicle Standard Rebates

To qualify for a standard rebate, a motor vehicle must qualify as an eligible vehicle, as defined in OAR 340-270-0030(4), and must have a purchase or lease date on or after effective date of the program for the type of vehicle, as established in OAR 340-270-0020.

340-270-0110

Amount of Zero-Emission Vehicle Standard Rebates

(1) The amount of the rebate for eligible light-duty zero-emission vehicles and plug-in hybrid electric vehicles with electrochemical energy storage capacities of 10 kilowatt hours or more is \$2,500.

(2) The amount of the rebate for eligible light-duty zero-emission vehicles and plug-in hybrid electric vehicles with electrochemical energy storage capacities of less than 10 kilowatt hours is \$1,500.

(3) The amount of the rebate for eligible neighborhood electric vehicles is \$750.

(4) The amount of the rebate for eligible zero-emission motorcycles is \$750.

340-270-0120

Requirements for Zero-Emission Vehicle Standard Rebates

(1) A person may only apply for a rebate if the person:

(a) Owns or leases a vehicle that meets the requirements established in OAR 340-270-0100;

(b) If leasing a vehicle, has a minimum lease term of 24 months;

(c) Intends to retain the registration of the eligible vehicle for a minimum of 24 consecutive months after the purchase or lease date; and

(d) Is an Oregon resident.

(2) To qualify for a rebate, an applicant must:

(a) Apply using a form approved by DEQ;

(b) Provide information and documentation sufficient to allow DEQ to verify that the applicant purchased or leased an eligible vehicle;

(c) Provide proof of registration of the eligible vehicle in Oregon;

(d) Submit an application within six months after the vehicle purchase or lease date; and

(e) Provide any additional information and documentation requested by DEQ that is necessary to ascertain that the applicant qualifies for a rebate.

(3) Recipients may assign the rebate to a vehicle dealer, or to an original equipment manufacturer, that does not have licensed franchised new automobile dealers in Oregon. The limit established in subsection (5) of this rule does not apply to vehicle dealers or automobile manufacturers who receive rebate assignments pursuant to this section.

(4) Recipients may not make or allow any modifications to the vehicle's emission-control systems, hardware, or software calibrations, or the vehicle's hybrid system.

(5) An organization that applies for a rebate, including businesses, non-profit organizations, and state and municipal governments, is limited to ten rebates per entity per calendar year. Organizational applicants must be based in Oregon or have an Oregon-based affiliate at the time the eligible vehicle is purchased or leased.

340-270-0200

Application Review Process

(1) DEQ will process applications on a first-come, first-serve basis as received by DEQ.

(2) DEQ will reject all applications that do not meet the applicable requirements of OAR 340-270-0100, -0120, -0410, and -0430.

(3) As provided in OAR 340-270-0120(2)(e), DEQ may require additional information or documentation to complete its review of an application. If DEQ does not receive the requested information and documentation within 30 days of its request, DEQ may reject the application.

(4) DEQ will provide a written explanation for all rejected applications. If DEQ rejects an application, an applicant may appeal that rejection by:

(a) Providing a written explanation of why the applicant believes that DEQ misapplied the statute or its rules or otherwise improperly rejected the applicant;

(b) Submitting that written explanation by depositing the explanation in the mail, with proper postage, postmarked within 60 days of the date of DEQ's written rejection; and
(c) Submitting the explanation to the person specified on the letter rejecting the application.
(5) DEQ will respond to an appeal of a rejection in writing as soon as is practicable. DEQ's response to an appeal is an order in other than a contested case.

340-270-0300

Vehicle Ownership Provision

If a rebate recipient intends to sell the eligible vehicle, or terminate the eligible vehicle's lease, before the end of 24 months after the purchase or lease date, the rebate recipient must notify DEQ of the recipient's intent to sell the vehicle or terminate the lease and must reimburse DEQ for the entire rebate amount.

340-270-0400

Charge Ahead Program

(1) OAR 340-270-0400 through -0430 establish the requirements for the Charge Ahead Program.

(2) The Charge Ahead Program provides rebates for the purchase or lease of new or used vehicles that meet the requirements of OAR 340-270-0410 if the purchaser:

(a) Is from a low or moderate income household;

(b) Resides in an area of the state with elevated concentrations of air contaminants commonly attributable to motor vehicle emissions; and

(c) Renders a high-emission passenger motor vehicle a scrap.

340-270-0410

Vehicles Eligible for the Charge Ahead Program

(1) To be eligible for a Charge Ahead rebate, a motor vehicle must:

(a) Be a light-duty zero-emission vehicle with an electrochemical storage capacity; and

(b) Have a purchase or lease date on or after January 1, 2018.

340-270-0420

Amount of Charge Ahead Program Rebate

(1) The amount of the Charge Ahead rebate is \$2,500.

(2) A Charge Ahead rebate may be combined with a standard rebate under OAR 340-270-0110 if the applicant meets the requirements in OAR 340-270-0100.

340-270-0430

Application Requirements for Charge Ahead Program Rebate

(1) To qualify for a Charge Ahead rebate, an applicant must meet the requirements in OAR 340-270-0120, except that the requirements in OAR 340-270-0120(1)(a) do not apply, and the applicant must:

(a) Provide sufficient information to allow DEQ to determine that the applicant is a member of a low or moderate income household;

(b) Provide sufficient information to allow DEQ to determine:

(A) That the applicant resides in an area of Oregon that has elevated concentrations of air contaminants commonly attributable to motor vehicle emissions, including, but not limited to, particulate matter, benzene, and nitrogen oxides, relative to other areas of the state; and

(B) That the particular contaminate relied upon in subsection (B) is either benzene, nitrogen oxide, particulate matter, or another qualifying contaminate commonly attributable to motor vehicle emissions;

(c) Provide documentation that a high-emission passenger motor vehicle, on the date of the rebate application, is registered as operable and has been continuously registered for the last two years.

(d) Provide documentation that the applicant will render the motor vehicle described in subsection (c) a scrap. The documentation must include:

(A) How the high-emission passenger motor vehicle will be rendered a scrap;

(B) When the high-emission passenger motor vehicle will be rendered a scrap; and

(C) A signed statement certifying that the information is accurate to the best of the certifying individual's knowledge and that the individual will follow through and ensure that the high emission passenger motor vehicle is actually rendered a scrap by the means and on the date specified in subsections (A) and (B).

(2) The application review process established by OAR 230-270-0200 will apply to applications for Charge Ahead rebates.

(3) The provisions in OAR 340-270-0120(3)–(5) and -0400 apply to rebates under the Charge Ahead Program.

340-270-0500

Allocation of Rebate Funding

DEQ will allocate at least ten percent of available moneys deposited per biennium into the Zero-Emission Incentive Fund for rebates under the Charge Ahead Program.