State of Oregon
DEQ Department of Environmental Quality

Oregon Clean Vehicle Rebate Program

Program Review

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Oregon Clean Vehicle Rebate Program

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Executive summary

The Oregon Clean Vehicle Rebate Program provides rebates to those who live in Oregon for the purchase or lease of an electric vehicle. It was established by the 2017 Oregon Legislature to encourage higher adoption of zero-emissions vehicles to reduce air pollution and advance the state's greenhouse gas reduction goals.

The program offers two different types of rebates:

- The Standard Rebate is available to all Oregon residents who purchase or lease a new eligible vehicle.
- The Charge Ahead Rebate for Oregon residents who are low- or moderate-income and purchase or lease a new or used eligible vehicle.

The Charge Ahead Rebate aims to make ZEVs accessible to all Oregon residents. It offers a higher rebate amount for lower income households, with the goal that no one is left behind in the transition to ZEVs.

Participation in OCVRP has steadily grown since its inception, with over 42,000 rebates issued as of June 26, 2026. It is funded through the state's Vehicle Privilege Tax, which provides DEQ with $12 million per year or 45% of the annual tax, whichever is greater. The program received a one-time allocation of $15 million from the Oregon Legislature in 2022 to ensure sufficient funds for continuing rebates. The program also received an additional $30.5 million for Charge Ahead Rebates in 2025 through the federal Climate Equity and Resilience Through Action grant. However, demand continued to outpace funding and OCVRP has had to temporarily suspend rebates every year beginning in 2023. The EQC adopted updated program rules in May 2025 aimed at stretching limited funds and greater program clarity. While these updated rules will extend the program's open windows, at current funding levels, the program expects future annual suspensions to be likely.

Key Report Findings include:

- **The Oregon Clean Vehicle Rebate Program has been successful in reducing greenhouse gas emissions related to transportation.** The purchase/lease of a new EV will result in average avoided GHG emissions of more than 35 metric tons per vehicle. The program will reduce GHG emissions by nearly 1.5 million metric tons GHG emissions over the lifetime of all the rebated vehicles.

- **Demand for rebates is consistently outpacing the funding allotted to the program.** OCVRP's popularity continues to grow. In 2025, DEQ issued over 9,100 rebates. That is more rebates than any previous year. OCVRP was forced to suspend rebates in 2023, 2024 and 2025 due to the correctly projected depletion of funds.

- **Rebate specifics in statutes provide little flexibility to the program.** Various components, such as rebate application windows, rebate amounts based on battery range, as opposed to storage capacity, or rebate amount adjustments, could help DEQ more accurately forecast and allot available funding to minimize additional program suspensions.

While program suspensions create challenges for potential participants, DEQ's metrics show the OCVRP has been immensely successful in supporting Oregon's transition to ZEVs and supporting the state's climate goals. Interestingly, the program serves as an example for other states, particularly as it relates to low- and moderate-income participants. Overall, the Oregon Clean Vehicle Rebate Program is encouraging drivers to transition to cleaner transportation choices. This is particularly true among lower-income residents who may be less able to afford the initial higher upfront cost of an electric vehicle.

DEQ staff continue to meet and collaborate with interested parties to discuss implementation and ideas for long-term financial sustainability. Without additional funding or significant programmatic changes, OCVRP expects to continue annual suspensions for both the Standard and Charge Ahead Rebates.

View the full report on the Legislative Reports web page on DEQ's website.

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Program Background

HB 2017 (2017), also known as the *Keep Oregonians Moving Act,* represented the most comprehensive transportation investment package in recent Oregon history. The legislation included a suite of investments and programs aimed at reducing greenhouse gas emissions and other pollutants from the transportation sector. In addition to direct investments in public transit and safe routes to schools, it directed the Oregon Department of Environmental Quality to develop and implement an electric vehicle rebate program.

In 2023, approximately 35% of greenhouse gas emissions in Oregon came from the transportation sector.[1] Transitioning to lower-emitting vehicles, including electric vehicles, was seen as one of many important approaches to meeting the state's statutory greenhouse gas reduction goal of reducing emissions to 75% below 1990 levels by 2050[2]. This report is submitted in accordance with the requirement in ORS 468.448 that the department report to the Legislative Assembly on even-numbered years on the effectiveness of the program, use of funds, recommendations on future legislation and the results of relevant audits.

Overview

The Oregon Clean Vehicle Rebate Program is funded through the state's Vehicle Privilege Tax. The tax is assessed as 0.5% of all new vehicle sales.[3] The Zero-Emission Incentive Fund receives 45% of the Privilege Tax, but no less than $12 million annually. No more than 10% of available funds may be used to administer the program, excluding education and outreach costs.

ORS 468.444 established the "Standard Rebates[4] " for the purchase or lease of new electric vehicles. The rebates established by statute are:

- For new, zero-emissions and plug-in hybrid electric cars and trucks with a battery capacity of 10 kilowatt hours or more, between $1,500 and $2,500.
- For new, zero-emissions or plug-in hybrid electric cars and trucks with a battery capacity of less than 10 kilowatt hours, between $750 and $1,500.
- For neighborhood electric vehicles and zero-emissions motorcycles, between $375 and $750.

ORS 468.446 established the Charge Ahead Rebate as specifically designed to ensure equitable access to the benefits of transitioning to zero-emissions vehicles. Charge Ahead Rebates

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[1] https://www.oregon.gov/deq/ghgp/pages/ghg-inventory.aspx
[2] ORS 468A.205
[3] ORS 320.405
[4] ORS 468.444, states, "The Department of Environmental Quality shall establish a program for providing rebates to persons that purchase or lease qualifying vehicles for use in this state. The Director of the Department of Environmental Quality may hire or contract with a third-party organization to implement and serve as the administrator of the program required by this section." The term "Standard Rebate" is used to differentiate from the Charge Ahead Rebate program.

provide increased rebates for the purchase or lease of new and used electric vehicles to income-eligible applicants and low-income service providers. Individuals must be from a household with an income of 400% of the federal poverty guideline or below. The rebates established by statute are:

- For new battery electric and plug in hybrid vehicles, between $2,500 and $7,500.
- For used battery electric and plug in hybrid vehicles, between $2,500 and $5,000.

HB 4109 (2024) increased the Charge Ahead Rebate amounts and removed the ability to combine the Charge Ahead and Standard Rebates. This allows Charge Ahead specific funding to fully fund new Charge Ahead Rebates at the maximum allowed by statute and rule. These changes were made in anticipation of specific federal funding discussed below.

Legislative Actions

The Legislative Assembly amended the program in 2018, 2019, 2021 and 2024. HB 4059 (2018) contained technical adjustments and simplified Charge Ahead Rebate requirements. Specifically, the legislation removed a requirement that Charge Ahead Rebate recipients scrap an older vehicle and live in an area of the state disproportionately impacted by pollution from motor vehicles. HB 2592 (2019) clarified program requirements and expanded program eligibility for Charge Ahead Rebate participants. Changes included allowing electric plug-in hybrid vehicles under the Charge Ahead Rebate, prorating reimbursement if a rebate recipient sells or terminates the lease of the electric vehicle before the end of the required 24 months, and allowing people who purchased vehicles between Jan. 1, 2018, and Aug. 2, 2018, to have an additional six-month window to apply for rebates.

HB 2165 (2021) made several changes to the Charge Ahead Rebate to increase use among low- and moderate-income Oregon households. It increased the rebate from $2,500 to $5,000 for new vehicles, added low-income service providers as eligible applicants, changed the household income calculation from 120% area median income to 400% of the federal poverty guideline, and increased the minimum amount of funding allocated to Charge Ahead from 10% to 20%. This bill also removed OCVRP's sunset date.

In 2024, the Legislative Assembly passed HB 4109 (2024). This bill separated the rebates under ORS 468.444 and ORS 468.446 by establishing a specific Charge Ahead Zero-Emission Vehicle Fund and creating a Charge Ahead New Vehicle Rebate of up to $7,500. The bill removed the option to stack the Charge Ahead Rebate with the Standard Rebate when applicants obtained a new vehicle but maintained the requirement that at least 20% of all available funding be used for Charge Ahead Rebates. The amendments were made in anticipation of receiving targeted Charge Ahead funding through the EPA's Climate Pollution Reduction Grant, which prioritized actions that both reduce GHG emissions and support lower-income and disadvantaged communities. While DEQ explores options to mitigate the impact of demand outpacing funding, the intent of the bill was to expand options for Charge Ahead Rebates. DEQ was granted the anticipated federal funding, and $30.5 M was directed to Charge Ahead Rebates in 2025, which enabled both rebates to remain open longer that year.

Administrative Rule Updates

The Environmental Quality Commission adopted initial program rules in May 2018. The rules were again updated in 2020, 2022 and 2024 in response to Legislative actions, and in 2026 to increase financial sustainability and program clarity.

Since the last Legislative report, DEQ underwent a rulemaking to address 2024 Legislative actions. The updated rules created a Charge Ahead Rebate level for new vehicles, removed the ability to stack the Standard and Charge Ahead Rebates and create a new fund for the Charge Ahead Program. The goal of these changes was to keep the program functionally the same, particularly for those Charge Ahead applicants obtaining a new vehicle, while also allowing the Charge Ahead Program to remain open longer if the program received focused funding. This rule change allowed the Charge Ahead Rebate to remain open for an additional 2.5 months in 2025 due to federal grant funding directed to the Charge Ahead Rebate.

In 2026, in an effort to conserve funding, enable more individuals to participate in the program and enhance clarity, DEQ proposed rules that decreased some rebate amounts, limited the number of rebates an individual may receive, and clarified definitions. The updated rebate amounts are as follows:

BEV: Battery electric vehicle; PHEV: Plug-in hybrid electric vehicle

Rebate Type	**Rebate Amount**
Charge Ahead (new vehicles)	BEV: $7,500 PHEV: $5,000
Charge Ahead (used vehicles)	BEV: $4,000 or no more than 30% vehicle price; minimum $2,500 or no more than vehicle price PHEV: $2,500 or no more than the vehicle price
Standard (battery capacity 10kWh+)	BEV: $2,000 PHEV: $1,500
Standard (battery capacity less than 10 kWh)	$750
Standard (motorcycle)	$375

Program Implementation

ORS 468.444 and ORS 468.446 both provide that DEQ may hire or contract with a third party to implement and serve as the administrator of the programs. Administrative costs related to the program include all state staff costs and contracted expenditures, except those related to outreach. The program has one full-time staff member, the Oregon Clean Vehicle Rebate

Coordinator. This position is the primary point of contact for all vendors; runs quality control measures on all rebate payment lists before rebate payments are issued; leads program planning, rulemaking and interested party engagement efforts; and responds to and coordinates internal inquiries and requests. In 2025, DEQ also hired a limited duration office specialist to support Charge Ahead applicants and work in response to the additional federal grant funding the program received. DEQ also works with several contractors to implement the program.

Rebate Processing

DEQ solicited for and retained a third-party vendor, the Center for Sustainable Energy, to implement the rebate processing portion of the program. CSE has a proven track record of successfully managing electric vehicle rebate programs in several other states. DEQ works closely with the vendor to ensure robust rebate application processing protocols, user-friendly applications for Standard and Charge Ahead rebates and a process for working with dealers to apply rebates at the point of sale. The program was subject to the State's Enterprise Information Services Stage Gate process for information technology projects due to personal identifiable information related to processing rebates. CSE developed a robust rebate application process and online platform for individual and dealer applications. CSE accepts, reviews and processes all rebate applications; serves as the primary point of contact for most customer service inquiries; administers applicant surveys; updates a program website and dashboard; and develops program reports and projections.

Program Statistics

As of June 26, 2026, DEQ has issued a total of 42,497 rebates. DEQ's Rebate Statistics website summarizes those rebates in the following ways:

Rebate Type:

- 75% Standard Rebates (31,834 rebates) and 56% of funding ($77,777,500)
- 14% Charge Ahead Rebate for new vehicles (5,831 rebates) and 28% of funding ($39,335,000)
- 11% Charge Ahead Rebate for used vehicles (4,832 rebates) and 16% of funding ($21,885,000)

Rebated Vehicles:

- **Vehicle Type:** Of all the vehicles rebated, 89% have been new vehicles and 11% used. The Standard Rebate is only available for new vehicles, so 100% of the Standard and Standard Charge Ahead vehicles have been new. If considering only vehicles receiving the Charge Ahead Rebate, 55% have been new and 45% used. Applications for the

Charge Ahead Rebate for used vehicles has increased in recent years due to the growing used EV market.

- **Vehicle Category:** Of the 31,530 rebates issued, 77% of them have been full battery electric vehicles and 22% have been plug-in hybrid electric vehicles. Zero-emissions motorcycles make up less than 1% of rebated vehicles. Standard and Standard Charge Ahead vehicles closely match the overall numbers. Charge Ahead vehicles lean more heavily toward BEVs with those making up 83% of all Charge Ahead Rebates and PHEVs being 17% of the Charge Ahead rebated vehicles.

Rebates Issued at the Dealership

Through the contract with CSE, DEQ has entered into agreements with auto dealerships across the state to allow rebates to be applied at the time of purchase or lease. Applying rebates at point-of-sale increases access for participants by allowing them to receive the rebate right away; DEQ then issues the rebate directly to the dealer. As of summer 2026, over 270 new and used dealers participate in the program across the state. As of July 20, 2026, nearly $47M, or about one-third of rebates, have been issued through participating dealerships.[5]

Standard Rebates have been issued at dealerships since February 2019. Due to the income verification component, it took longer for Charge Ahead Rebates to be available at the point of sale at dealerships. The first Charge Ahead Rebate for a new vehicle was issued at a dealership in April 2023 and Charge Ahead Rebates for used vehicles began being issued in April 2024. To date, dealers have issued 2,499 Charge Ahead Rebates, applying the rebate to the vehicle price at the time of purchase or lease.

Charge Ahead Prequalification

The Charge Ahead New and Charge Ahead Used Rebates require applicants to provide documentation that their household income meets program requirements. DEQ entered into an interagency agreement with the Department of Revenue and worked with a third-party contractor to develop a secure applicant webform that allows for prequalification for Charge Ahead applicants. The Charge Ahead Prequalification Process represented a giant leap toward making the rebate more accessible to low- and moderate-income households.

DEQ and DOR piloted the process in Spring 2023 and fully implemented it in Spring 2024. Applicants can now apply to have their income reviewed prior to their vehicle purchase or lease to see if they qualify for the Charge Ahead Rebate. This removes two barriers to Charge Ahead applicants. The applicant can confirm they are eligible for the additional incentive prior to making the vehicle purchase, removing the potential unknown, and they can apply the rebate at the time of sale or lease, decreasing the upfront price of the vehicle.

[5] 13,143 Standard Rebates, 816 Charge Ahead New Vehicle Rebates and 1,683 Charge Ahead Used Vehicle Rebates.

Potential Charge Ahead applicants complete a simple web form, providing their contact, address and household information. They can choose to authorize DEQ to work with the Department of Revenue to verify income using their tax transcripts or provide DEQ with proof of enrollment in another program that verifies income, such as SNAP or Oregon Health Plan.

If the applicant's household income meets the program requirements, they receive a Charge Ahead Prequalification Voucher that can be used at any participating dealership to receive the Charge Ahead Rebate at the time of sale or lease. The applicant provides the participating dealerships with the voucher; the dealer verifies its validity using a simple web look-up form and then provides the rebate at the time of sale. Finally, the dealership applies for the rebate as reimbursement for providing the money off the price of the vehicle at time of purchase or lease.

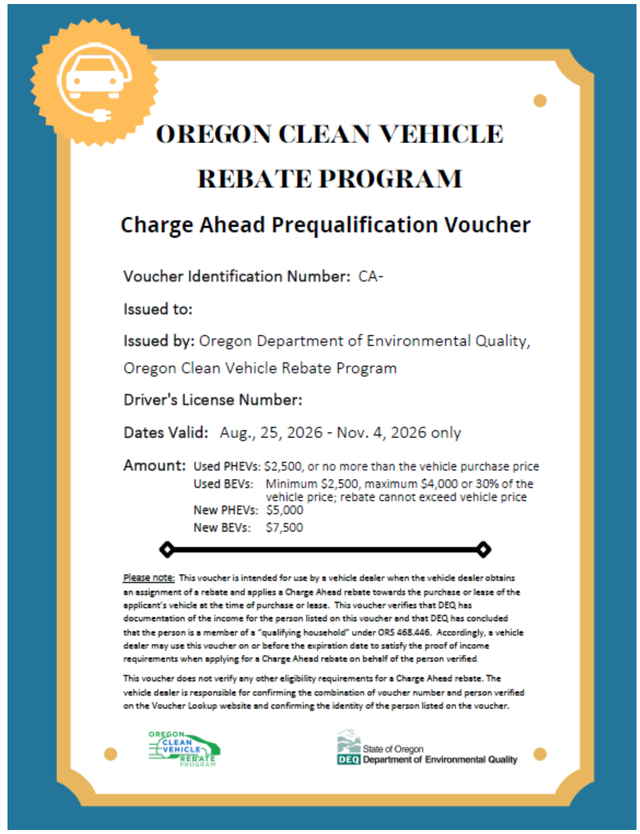

Figure 1: OCVRP Charge Ahead Prequalification Voucher Example

Between the pilot in 2023 and the closing of the program in December 2025, the program has approved a total of 9,203 Charge Ahead Prequalification Vouchers. As of July 10, 2026, 3,873 vouchers have been redeemed. Since Prequalification started, 29% of all Charge Ahead Rebates issued as of Aug. 8, 2026, used a Charge Ahead Prequalification Voucher to verify their income and 42% of applicants prequalified for Charge Ahead have redeemed their voucher and applied for the rebate.

Community Engagement

The rebate processing contract initially included a subcontract with Forth to implement education and outreach. Forth conducted marketing, education and outreach activities, including community events, dealership engagement, vehicle manufacturers and developing community partners statewide. However, the COVID-19 State of Emergency limited the scope of the initial outreach and Forth concluded its efforts in 2021.

Understanding that one of the barriers to the program is awareness, DEQ issued two RFPs for engagement work in 2022. One focused on dealership engagement, as that is the first place many people learn of vehicle incentives. The other focused on Charge Ahead communities, including low- and moderate-income and rural communities and communities of color, with the goal of collaborating with community-based organizations to reach them. DEQ selected the

Center for Sustainable Energy for the dealership-focused contract and Thuy Tu Consulting for the Charge Ahead-focused engagement contract.

CSE has long-standing relationships with dealerships, as well as staff with experience and ties to the dealership and vehicle manufacturing communities. The contract for this work was executed in January 2023. The workplan includes dealership trainings, updating program collateral and materials, consistent dealership communications and engagement, as well as listening sessions to better understand the dealership experience with the program. Since this contract began, over 165 new dealerships have signed up to participate in the program, including 80 used car dealerships. The current focus of the work is ensuring the program has accurate and responsive contacts for all dealerships, updating and training participating dealers and signing up new dealerships, especially those that are in rural areas and/or that offer used vehicles.

Thuy Tu Consulting has deep ties to several community-based organizations and experience within the transportation sector. The contract was executed in December 2022. The workplan includes partnerships with several community-based organizations with whom they have tabled and hosted over 25 events. Thuy Tu Consulting provides multi-lingual information and materials at these events. They have also hosted several focus groups and surveys, at least one of each in Spanish, as well as a multi-lingual open house focused on the program and EV FAQs, five listening sessions, updating program materials, as well as gathering participant testimonials. The work has gathered feedback from communities on their interests and potential barriers around EV adoption and OCVRP. The current focus is sharing program updates with the communities through outreach events.

Program Revenue and Expenditures

Revenue

The Department of Revenue transfers funds from the Vehicle Privilege Tax to DEQ in multiple disbursements, typically in February and May of each year. Beginning in 2023, if 45% of the revenue received from the Vehicle Privilege Tax is over $12M, an additional disbursement is also received in November. In recent years, OCVRP has received between $15-16M annually from the Vehicle Privilege Tax. The Legislative Revenue Office forecast predicts a $16.1 million annual transfer in 2026, growing to $23.9 million by 2035[6]. As of June 30, 2026, the Oregon Department of Revenue has transferred a total of $99,290,003.83 from the Vehicle Privilege Tax into the Zero-Emission Incentive Fund.

In March 2024, OCVRP was included in the state's Climate Pollution Reduction Grant requesting a total of $31 million for the Charge Ahead Program. The EPA announced the award of Oregon's CPRG on July 22, 2024. The grant enabled the Charge Ahead program to remain open for

[6] ODOT State Transportation Revenue Forecast, page 50 (PDF)

nearly seven months in 2025, rebating over 4,200 new and used vehicles for income-eligible applicants.

The table below reviews the revenue received each biennium by funding source.

OCVRP Revenue by Biennium

Biennium	Vehicle Privilege Tax	Interest and Adjustments	Other
2017-19	$ 20,394,417.00	$ 266,635.00	$ 0
2019-21	$ 27,605,582.71	$ 479,800.13	$ 0
2021-23	$ 24,000,000.00	$ 335,727.57	$ 15,000,000.00[7]
2023-25	$ 27,290,004.12	$ 511,928.08	$ 30,996,336.00[8]
2025-27	$ 11,438,100.74[9]	$ 349,398.19	$ 0
Total	$ 110,728,104.57	$ 1,943,488.97	$ 45,996,336.00

Expenditures

DEQ categorizes the program costs into three different areas: Rebates, Administrative and Education, and Outreach. The rebate costs include all rebates issued to individuals and dealers, including both the Standard Rebate and the Charge Ahead Rebate. As of June 26, 2026, DEQ has awarded over $138 million in rebates, composed of 31,834 Standard Rebates, 5,831 Charge Ahead New Rebates and 4,832 Charge Ahead Used Rebates.

DEQ administrative costs to date are 7% of the total budget, well under the 10% cap. Education and outreach costs, which are not capped, involve all engagement-related contracts, including both the dealership- and Charge Ahead-focused education and outreach contracts.

The following table reflects expenditures from Aug. 2, 2018 (when DEQ first had access to funding), through June 30, 2026.

OCVRP Expenditures (2018 –2026)

Expenditures	State Dollars	Other Funded Source Dollars
Rebate Payments	$112,399,755.01	$24,212,315.41
Administrative Costs	$8,918,304.21	$200,633.05
Education and Outreach	$989,367.15	$100,000.00

[7] In 2022, there was a one-time General Fund allocation of $15 million.
[8] In 2024, as part of the federally funded CERTA grant, OCVRP received additional funding focused on the Charge Ahead Rebate.
[9] The 2025-27 biennium disbursement as of June 30, 2026.

Total OCVRP Related Expenditures	**$122,307,426.37**	**$24,512,948.46**

Internal Audit Results

During the 2022 fiscal year, DEQ contracted with the Portland State University Audit Office to perform an audit of OCVRP. This audit focused on obtaining reasonable assurance that internal controls over OCVRP rebates were implemented and working effectively. The scope of the audit focused primarily on transactions and events occurring from the start of the program through Oct. 29, 2021.

The audit conformed with auditing standards and included interviews with DEQ staff and CSE (the rebate processing contractor), a review of the rebate processing contract and amendments, observed and reviewed operating procedures, testing of dealership and individual payments, data analysis on a sampling of rebate payment lists and a review of OCVRP banking statements.

The audit found that the processes and controls were working well for dealership payments and verification of those records was easily obtainable. The audit noted that it was difficult to confirm the eligibility requirements for the Charge Ahead Rebates, as CSE was unable to share the income records due to the confidential nature of the records and agreements CSE signed with the IRS regarding taxpayer privacy. The auditor also recommended enhanced monitoring controls over vehicle ownership and rebate eligibility, obtaining access to CSE's applicant database system and a review of CSE's standard operating procedures.

DEQ has incorporated many of the recommendations identified in the audit, such as including additional vehicle ownership data into the program, obtaining access to CSE's applicant database, and reviewing and requesting more detailed SOPs from CSE. DEQ is also working with the Oregon Department of Revenue to create an internal income review process for Charge Ahead applicants applying for Charge Ahead Prequalification, meaning the agency now has greater access to income eligibility records for many participants. DEQ continues to review program protocols and look for ways to enhance processes and data access.

Program Suspension

In 2021, DEQ projections began to indicate that rebate demand would begin outpacing projected funding beginning in 2022. During the 2022 Legislative Session, OCVRP was allocated a one-time $15 million disbursement of general fund dollars to enable the program to remain open for the full 2022 calendar year. The Assembly also changed the funding structure from a flat $12 million per year to 45% of the revenue, or at least $12 million per year. The $15 million general fund allocation allowed the program to remain open throughout all of 2022 and provided about $3.5 million in carryover funds to 2023.

In 2023, despite the carryover funds and an increase in Privilege Tax revenue, rebate demand continued to grow and OCVRP was suspended for the first time on May 1, 2023, due to demand exceeding available funding. To alleviate challenges associated with the suspension, DEQ announced the suspension about six weeks in advance of the projected funding shortfall through multiple channels. The program utilized GovDelivery, press releases, website banners and dealership communications to broadcast the suspension. The announcement led to a surge in demand and applications outpaced projections. The program instituted a waiting list which grew to over 1200 applicants. Under program rules, waitlisted applicants receive their rebates on a first come first served basis as funding is replenished. Some wait list applicants received their checks in late 2023 upon the program receiving their fourth quarter disbursement of Privilege Tax funding. However, most received their rebate in Spring 2024 after the first quarter disbursement.

Per program rules, OCVRP did not reopen in 2024 or 2025 until all the previous year's wait list applicant's checks were processed. Upon reopening, DEQ also prioritized Charge Ahead applications until at least 20% of the funding was issued to Charge Ahead rebates to ensure the Legislative requirement was met. Due to a continued growth in demand, OCVRP was only able to open in 2024 for two months (April 3, 2024, through June 3, 2024). Additional federal funding allowed both OCVRP rebates to remain open longer in 2025. The Standard Rebates were available for three and half months (May 22, 2025, through Sept. 9, 2025) and the Charge Ahead Rebates remained open for six and half months (May 22, 2025, through Dec. 4, 2025).

Interested parties have expressed concern about the barriers program suspension can create, especially for lower income consumers who may not have as much of a choice as to when they purchase or lease their vehicle. This means those lower income households that need the rebate the most have less access to ZEVs and cleaner transportation choices. DEQ and interested parties continue to work together to identify ways to limit the length and impact of future program suspensions to consumers and Oregon's GHG goals and identify additional funding opportunities. In 2026, a rulemaking focused on funding conservation lowered rebate levels for some rebate types and limited the number of rebates per individual in order enable the program to remain open a little longer in future years and enable more individuals to participate. Additional discussions on how to approach and limit suspensions can be found in the "Recommendations" section of the report.

Program Effectiveness

The OCVRP has been successful by several metrics. It has helped to lower greenhouse gas emissions related to transportation, demand for rebates to purchase ZEVs continues to be high every year, and it has had quantifiable impacts on individual Oregonians being able to take actions to decrease their carbon footprint.

New Considerations

Since the last Legislative report in 2024, two important events occurred:

- In July 2024, EPA announced that Oregon would receive $197 million to implement the measures developed through the Priority Climate Action Plan, called the Climate Equity and Resilience Through Action. This funding focuses on implementing climate actions to achieve the maximum reduction in greenhouse gas emissions, providing benefits to surrounding communities and fund programs that are ready to receive funds and can be implemented quickly. OCVRP received nearly $31 million focused on the Charge Ahead Rebate for new and used vehicles, enhancing access and affordability to EVs for lower income Oregonians.
- On Sept. 30, 2025, the federal EV tax incentive was retired. OCVRP survey results indicate that the federal tax incentive played a meaningful role in 75% of previous OCVRP rebate recipients vehicle purchases and leases. Additionally, 41% of recipients said that they would not have obtained their rebated EV without the tax credit. These results illustrate the credit's influence and the historical importance of the ability to stack the OCVRP rebate with the federal tax incentive to increase the buying power for many rebate recipients.

Additionally, the EV market and vehicle affordability have shifted. A recent brief from Atlas Public Policy explores the affordability of new EV and internal combustion engine vehicles and has found both to be increasing in price. The brief shows that affordability is declining. Variety amongst affordable models is also decreasing, especially for EVs.

Recurrent, a company that analyzes EV driving miles and battery health, found that used EV inventory is increasing and selling more quickly than previously. Used EV inventory will continue to increase in the coming years as off-lease EVs are set to return to the market. They've also found that used EVs are nearing price parity. 34% of the used EV inventory is priced under $25,000 with the average selling for around $1000 less than the average used gas-powered vehicle.

Electric Vehicle availability in Oregon could be impacted by federal policy uncertainty around California's Advanced Clean Cars II rule. In November 2022, the Oregon Environmental Quality Commission adopted ACC II. The ACC II regulation requires increasing percentages of zero-emission and plug-in hybrid electric vehicle sales starting with the 2026 model year. It is a vital component of Oregon's climate and public health strategies, consistent with statutory goals for reducing greenhouse gas emissions. However, recent congressional action aimed at undermining the federal waiver authorizing California's implementation of ACC II, and the subsequent litigation by California and other states, including Oregon, have created legal uncertainty about the program. While California is continuing to certify new vehicles for the ACC II program, the overall uncertainty is impacting market conditions, as many manufacturers announced their plans to scale back electric vehicle production in 2026 and beyond.

Greenhouse Gas, Air Quality and Economic Impacts

According to the U.S. Department of Energy, the transportation sector accounts for approximately 30% of total U.S. energy needs and 70% of U.S. petroleum consumption.[10] Transportation emissions are Oregon's largest source of greenhouse gas emissions. Transitioning to zero-emissions vehicles is a key strategy to decrease these emissions. OCVRP helps make EVs more affordable and accessible, supporting Oregon's goal.

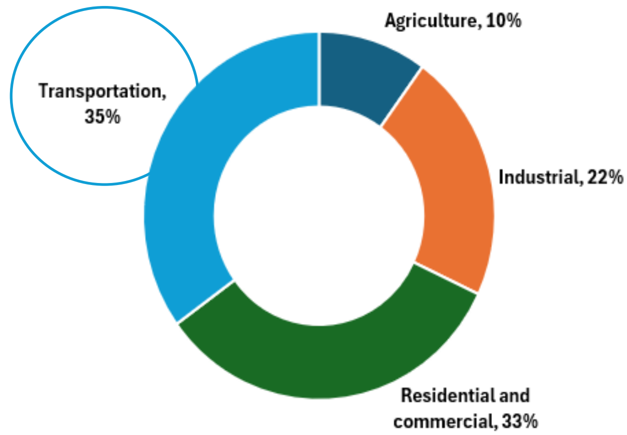

Figure 2 - 2023 Oregon GHG Emissions by Sector

DEQ calculates GHG and air quality impacts of the OCVRP using the Alternative Fuel Life-Cycle Environmental and Economic Transportation (AFLEET) tool. This model considers the environmental and economic costs and benefits of alternative fuel vehicles. The estimates are then compared to traditional gasoline powered vehicles to see the impacts of OCVRP rebated vehicles. This analysis found that the vehicles rebated by OCVRP through Spring 2026 have the following impacts:

- When looking at lifetime vehicle emission reductions, it is estimated that OCVRP rebated vehicles will reduce GHG emissions by nearly 1.5 million metric tons. For reference, transportation emissions totaled about 20 million tons in 2023[11].
- The purchase/lease of a typical new EV will result in average avoided emissions of more than 35 metric tons of CO_2/vehicle.
- Select criteria air pollution levels are lower with transition to more EVs; OCVRP rebated vehicles will result in long-term decreases of NOx emissions by over 435,300 pounds and PM2.5 emissions by 40,000 pounds.

While the upfront purchase price of a new EV may be higher than a gasoline-powered vehicle, incentives like OCVRP can help lower that initial vehicle purchase or lease price. Also, driving electric can decrease the lifetime cost of the vehicle through fuel and maintenance cost savings. Oregonians who drive battery electric vehicles save an estimated $1,720 annually in fuel costs compared to purchasing gasoline. Plug-in hybrid electric vehicle drivers save an estimated $1,025 annually on fuel costs.

Electric vehicles are one of several technologies helping to reduce petroleum use and diversify transportation energy sources.

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[10] https://afdc.energy.gov/fuels/electricity-benefit

[11] Oregon Greenhouse Gas Sector-Based Inventory Data: https://www.oregon.gov/deq/ghgp/pages/ghg-inventory.aspx

Growing Participation

The consistent and growing popularity of the program is another key measure of success. In 2019, the first full year of the program being open, OCVRP received and issued just over 5,000 rebates. In 2022, the last full year the program was open, 8,374 rebates were received and issued. By 2023 and 2024, the number of rebates issued throughout the partial year open period was just shy of those issued for the whole of 2019. The Charge Ahead Prequalification Program may have been a factor in the growth of Charge Ahead Rebates since 2023.

In 2025, the program issued more rebates in a single year than any previous year with the help of the additional federal grant funding. The growth over time is shown in the chart below.

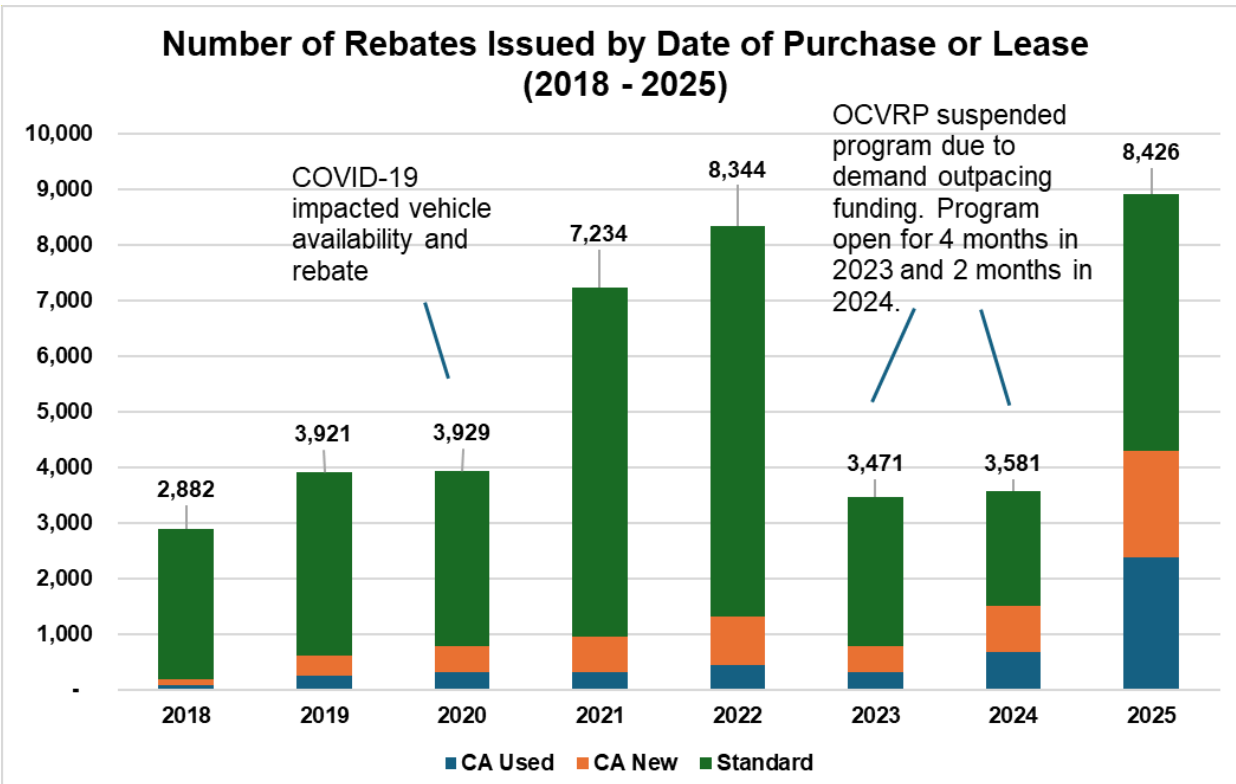

Figure 3: Number of rebates issued by date of purchase or lease (2018-2025)

Applications for Charge Ahead New and Charge Ahead Used rebates have been growing as well. In 2019, the first full year of the program 91% of the applications were for the Standard Rebate, while the Charge Ahead New Rebate comprised only 6% and the Charge Ahead Used Rebate was 3%. In 2025, the most recent year where all applications have been processed and where additional federal funding for Charge Ahead Rebates was available, Standard Rebates comprised 51%, while the Charge Ahead New Rebate comprised 21% and the Charge Ahead Used Rebate was 27% of all rebates.

Participant Survey Highlights

CSE, on behalf of OCVRP, sends out an OCVRP adoption survey to all individual rebate recipients after their rebate is awarded. The survey explores multiple aspects of their experience purchasing an EV and receiving an incentive, as well as applicant and household demographics. On average, the survey has about a 40% response rate.

The below charts and descriptions are from data analyzed by CSE from applications received through Spring 2026:

OCVRP Rebate Importance

The survey asked participants, "How important was the OCVRP rebate in making it possible for you to purchase/lease your EV?" The chart below shows the moderately to extremely important responses by each rebate category. All rebate recipients indicate the OCVRP rebate is important, with 86% of Standard Rebate Recipients responding that OCVRP was moderately to extremely important in making it possible for them to purchase or lease the rebated EV. Both Charge Ahead New (95%) & Charge Ahead Used (95%) rebate recipients reported higher levels of importance of the rebate in making it possible for them to acquire an EV.

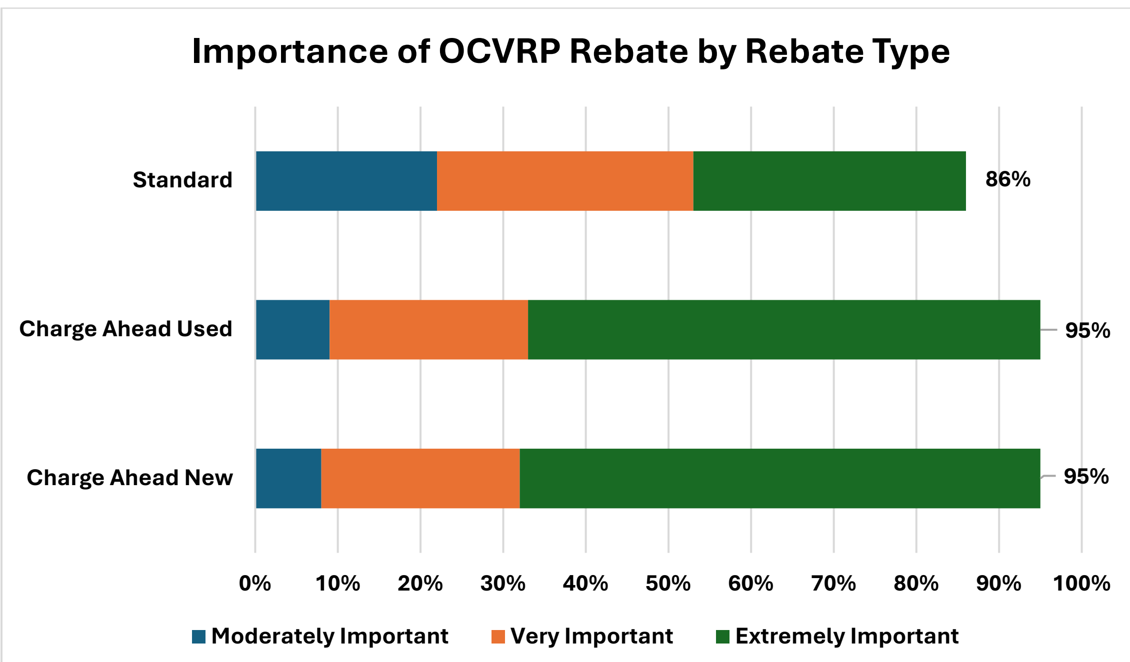

Figure 4: Importance of OCVRP Rebate by rebate type

Replacement Vehicle Age

The bar chart shows that the average age of the replacement vehicle for a Standard Rebate is 7.3 years, the age of a replacement vehicle for a Charge Ahead New Rebate is 8.2 years, and

11.1 years for the Charge Ahead Used Rebate. Charge Ahead Rebate recipients reported replacing older model year vehicles with their rebated vehicle.

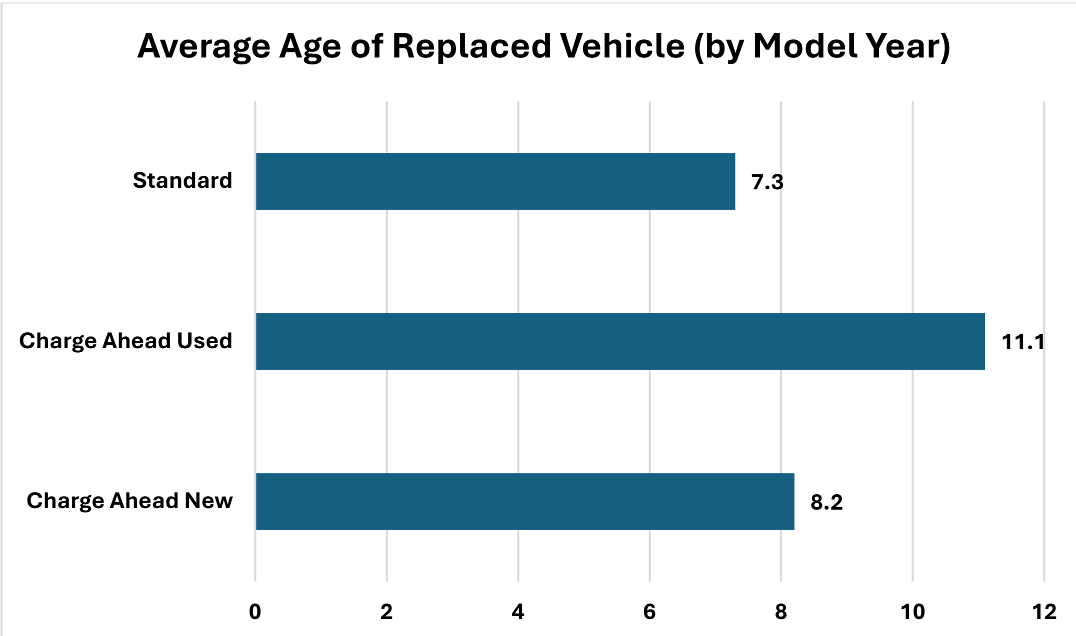

Figure 5: Average age of replacement vehicle

Is the Rebated Vehicle their First EV?

For 75% of Standard Rebates, 76% of Charge Ahead Used and 79% of Charge Ahead Used rebate recipients, this was their first EV. This has decreased slightly since the last report, whereas over 80% of both Charge Ahead New and Used rebate recipients reported the rebated vehicle being their first EV.

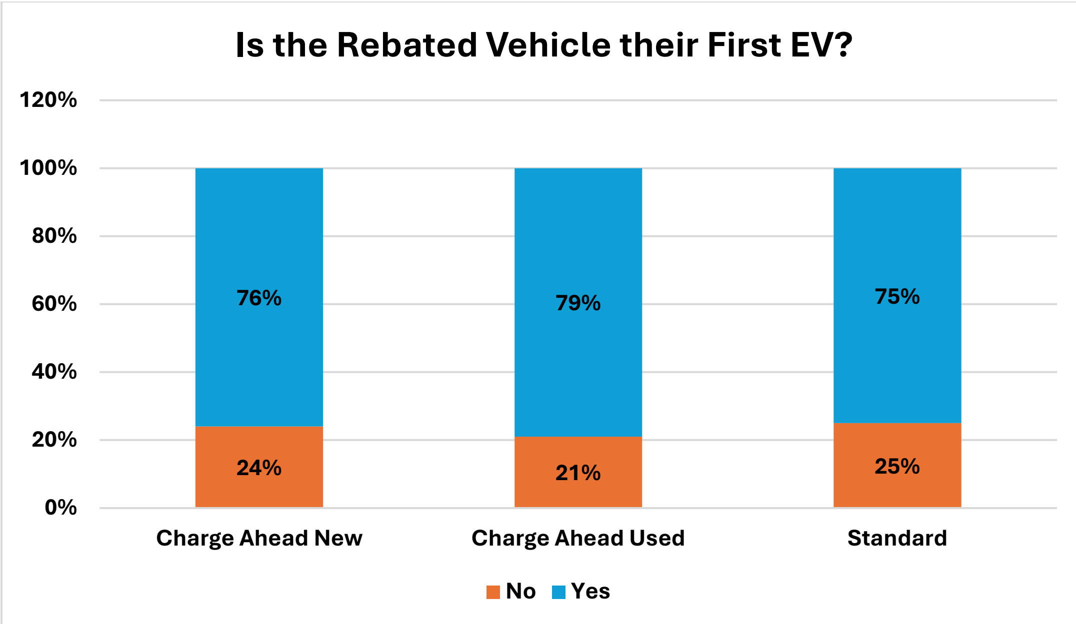

Figure 6: Percent of rebated vehicles that were applicant's first EV

Survey Demographics

In the post-participant survey, rebate recipients are asked about their individual and household demographics. Below are a sampling of those demographics showing survey respondents racial identity and residence type:

Racial Identity: Most survey respondents self-identify as white (71%), followed by Asian (10%) and Hispanic or Latino (5%). In comparison to racial demographics reported by the Census Bureau for the State of Oregon, a greater percent of survey respondents identify as Asian than proportional. Based on survey results, those that identify as Black or African American, Hispanic or Latino, Native American or Alaska Native or identify as more than one race may not be participating in OCVRP at the expected level based on their population in Oregon. OCVRP will continue to work with our engagement contractor to further refine the program's outreach strategy to effectively reach and engage those that appear to be less involved. Future opportunities include attending culturally focused engagement events and staffing events with multi-lingual members involved in the community to build awareness, answer questions and better understand barriers and concerns.

Racial Identity	State of Oregon[12]	OCVRP Survey Respondents
Asian Alone[13]	5.4%	10%
Black or African American	2.5%	1%

[12] State of Oregon demographics obtained from the 2025 Census Quick Facts

[13] OCVRP column combines survey respondents that identified as East, South and Southeast Asian

Hispanic or Latino	16.2%	5%
Middle Eastern or North African	n/a	1%
Native American or Alaska Native	2.6%	0.1%
Native Hawaiian or other Pacific Islander	0.6%	0.1%
White Alone	82.2%	71%
More than One Race	6.8%	5%
Prefer not to Answer	n/a	12%

Residency Type: The majority of rebate recipients live in detached housing, with the following two largest types being apartment/condominium (8%) and attached house (6%). As public and multi-family charging becomes more widespread due to private and public investment (e.g., ODOT's Community charging rebate program, NEVI), we expect these percentages to grow.

Applicant Insights:

- **Applicant Type:** Of the 42,497 rebates issued, 99.4% have been to individuals and less than half of a percent to businesses, organizations and agencies. Of those businesses or organizations, all but 5 of have been issued as Standard rebates: two Charge Ahead New Rebates and three Charge Ahead Used Rebates.
- **Acquisition Type:** Of all vehicles rebated, 77% of applicants have purchased their vehicles and 23% have chosen to lease their vehicles. If considering only those applicants receiving the Charge Ahead Rebate, 83% have purchased their vehicle and 17% have leased the vehicle. All leases have been at least 24 months in duration.

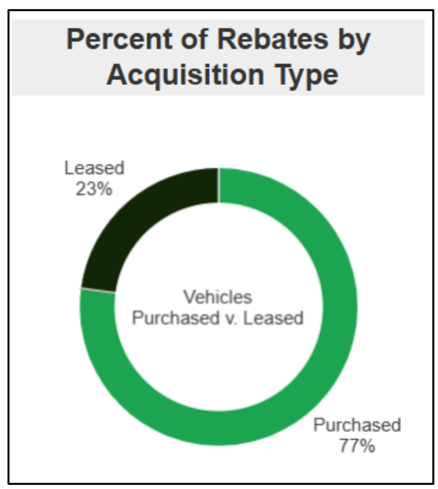

Figure 7: Percent of OCVRP Rebates by Acquisition Type

- A total of 1,930 individuals and 26 non-individual applicants have received multiple rebates over the lifetime of program, totaling 4,413 rebates (10% of all rebates). Most of those applicants have received two rebates (87%). The number of applicants applying for and receiving multiple rebates will likely continue to grow over time as applicants purchase or lease additional eligible vehicles in the future. This was one of the reasons the May 2026 rule update limited the number of rebates an individual can receive to a total of two over the lifetime of the program.

Geography of Rebates Issued:

While rebates have been issued across the state, the majority of rebates have been issued within Oregon's metropolitan areas and along the I-5 corridor, where the majority of Oregon's population resides. OCVRP's engagement contracts highlight the importance of rural dealer and community engagement. Deepening our outreach across Oregon will continue to remain a priority to help ensure the rebate program is known and accessible to people living and working across the state.

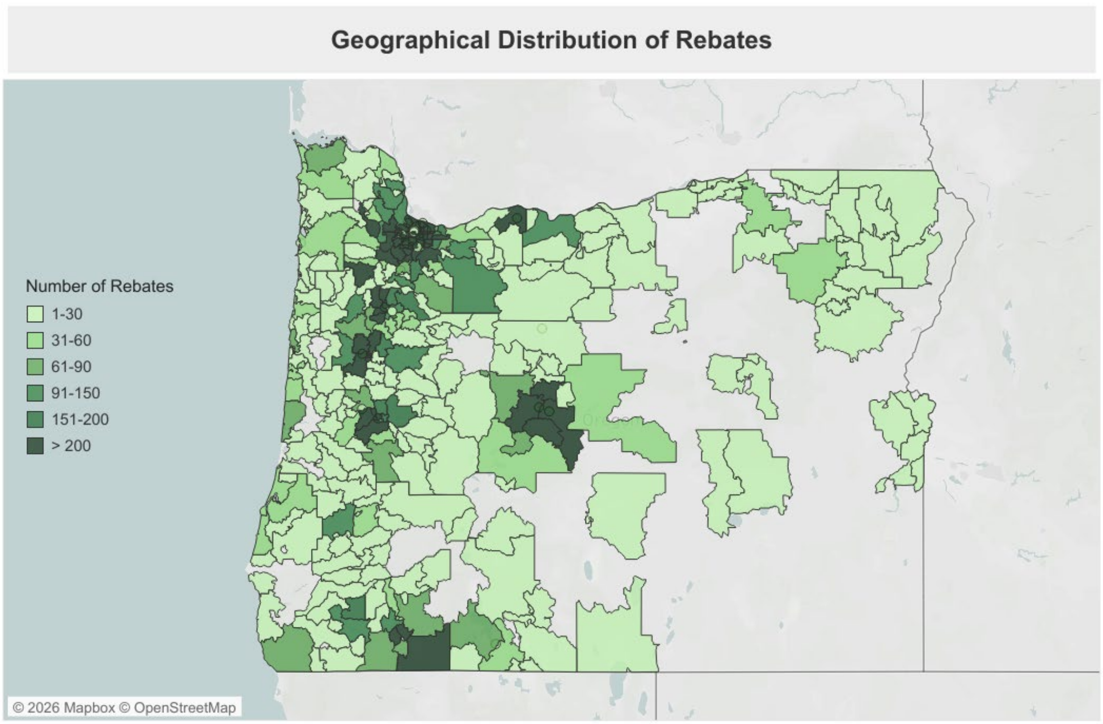

Figure 8: 2018 – 2025: OCVRP Rebates by Zip Code

The program is in the process of adding an OCVRP impacts page to its website to increase transparency around program effectiveness.

Recommendations

DEQ recommends the following technical and substantive Legislative changes based on input from stakeholders, feedback from legislators, concerns raised directly by Oregonians and other issues encountered by staff during rule and program development. Both of the following would require a Legislative change. The order in which changes are presented does not represent priority.

Application Window Adjustment

DEQ has found that the six-month application window creates challenges in forecasting revenue shortfalls accurately. In reviewing the available data, DEQ has found that historically, the majority (78.4% in recent years) of applicants submit their application within the three months after purchase or lease. This suggests a shorter application window would not likely adversely impact most applicants but would help DEQ create more accurate projections and assist in tracking funding.

Standard Rebate Amount – Vehicle Range vs Battery Capacity

The Standard Rebate currently uses the electrochemical energy storage capacity in kilowatt hours to determine rebate amounts. For example, the rebate level ranges are as follows:

- For light-duty zero-emission vehicles and plug-in hybrid electric vehicles with an electrochemical energy storage capacity of 10 kilowatt hours or more, up to $2,500 but no less than $1,500.
- For light-duty zero-emission vehicles or plug-in hybrid electric vehicles with an electrochemical energy storage capacity of less than 10 kilowatt hours, up to $1,500 but no less than $750.

The current electric and plug in hybrid vehicle market has very few models with a storage capacity of less than 10 kilowatt hours. Currently, all vehicles on the OCVRP eligible vehicle list are eligible for the higher rebate level. This means that PHEVs that can travel 35 miles on one charge and BEVs that can travel over 250 miles on a single charge are both within the same rebate range. While both these vehicles positively impact air quality and GHG emissions, the higher range vehicle has a greater potential to contribute. Additionally, consumers are often shopping for a vehicle based on the vehicle mile range, rather than the battery storage capacity.

Changing the base of the rebate amount from battery capacity to electric mile range would increase consumer clarity and encourage the purchase or lease of higher range vehicles.

OCVRP continues to meet with interested parties and discuss program implementation updates and seek insight on ways the program can serve Oregon effectively and consider long-term financial sustainability for the program. Past discussions have included reviewing the financial and community impact of rebate amount adjustments, vehicle type limitations, Manufacturer's Suggested Retail Price adjustments and limits on the number of rebates per person.

Looking Forward

In July 2024, DEQ was awarded federal funding to support Charge Ahead Rebates. The grant allowed the Charge Ahead program to reopen in Spring 2025 and remained open through Dec. 3, 2025. The additional funding supported lower-income households transition to EVs. These are often the consumers most impacted by a program suspension since they may not have the financial flexibility to plan their purchase around the program's open period.

DEQ staff continue to meet and collaborate with OCVRP's interested parties to discuss ideas for long-term financial sustainability and additional funding opportunities. These conversations resulted in rebate amount and implementation changes made in May 2026. However, without additional funding or more significant programmatic changes, the program will continue to have annual program suspensions for both the Standard and Charge Ahead Rebate programs as demand outpaces resources.

DEQ continues to work on enhancing tracking and reporting of program effectiveness and impact by including greenhouse gas reduction and public health reduction estimates in future annual reports.