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Zero-Emission Rebates for Oregon Fleets

Implementation Manual



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Introduction

The Implementation Manual for the Zero-Emission Rebates for Oregon Fleets ("Implementation Manual") explains terms (see [Purchaser](#) and [Dealer Responsibilities](#)) and processes associated with the Program requirements as explained in the Terms and Conditions and laid out in Oregon Administrative Rule and Oregon law. The manual also includes key timelines, required documentation and helpful resources.

The Implementation Manual and Terms and Conditions will be periodically updated to clarify Program requirements in response to changes in legislative or regulatory requirements or based on DEQ's interpretation of the relevant statutes and rules. Changes to Program requirements may impact an Applicant or Dealer's eligibility for the Program.

This Implementation Manual, including updates, will be published on the [ZERO Fleet web page](#). This document is intended to explain the administrative rules and statutory requirements that apply to the Program but is not a substitute for those sources of authority, and, in the event of a conflict between this document and those sources of authority, those sources of authority will apply.



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I. Background

The 2023 Oregon Legislature passed [House Bill 3409](#), authorizing the Oregon Environmental Quality Commission to adopt rules to implement a new rebate program supporting the purchase of zero-emissions medium- and heavy-duty vehicles.

HB 3409 authorizes DEQ to establish the Zero-Emission Rebates for Oregon Fleets program (ZERO Fleet). The Environmental Quality Commission adopted rules for the ZERO Fleet Rebate program that specify details, including application requirements, rebate allocation criteria, other requirements included in the statute, and program elements to alleviate disproportionate air pollution burdens among frontline communities.

According to the [Oregon Clean Trucks Report](#), medium- and heavy-duty vehicles are currently responsible for an estimated 9.3 million metric tons of greenhouse gas emissions in Oregon annually—approximately 42 percent of all greenhouse gases from the on-road vehicle fleet. This new rebate program will provide critical support for Oregon's transportation fleets to transition to zero-emissions technologies and reduce these emissions statewide.

II. Program Description

The ZERO Fleet Rebate Program is a new incentive to support the adoption of medium- and heavy-duty zero-emissions vehicles across the state. The program is available to eligible businesses, non-profit organizations and public agencies operating in Oregon. Rebates are available for qualifying zero-emissions vehicles, ranging from Class 2b through Class 8. Rebate amounts vary based on the vehicle's weight class, with higher incentives available for larger vehicle categories to reflect their greater potential for emissions reductions.

Applicants can receive a maximum of five (5) rebates per calendar year.

The ZERO Fleet Rebate is redeemed via a Dealership after receiving delivery of the vehicle. ZERO Fleet Rebate Applicants may not combine funds with other rebate funds, such as the [Oregon Clean Vehicles Rebate Program](#) Standard Rebate or Charge Ahead Rebate.

Please visit the [DEQ ZERO Fleet web page](#) to sign up for emails and access the ZERO Fleet Rebate Application Guide, Approved Dealer List and Eligible Vehicle List.

III. Vehicle Eligibility Requirements

Vehicles must meet the following criteria to be an eligible vehicle in the Program:

- Be a new zero-emissions vehicle.

- Retrofits and repowers of existing vehicles or those already owned by the Applicant are not eligible.
- Vehicle must not be pre-owned, re-leased from a previous lease, previously registered, a third-party lease, or transferred to Oregon from out of state registration.
- DEQ may request additional documentation if the required documentation does not satisfactorily prove the vehicle meets program guidelines.
- Be an eligible vehicle model at the time of purchase or lease (see Eligible Vehicle Models)
- Purchased or leased and registered within twelve months of receipt of rebate approval. An applicant may request and DEQ may approve an extension for up to an additional six months, on a form provided by DEQ. Any extension request will be reviewed on a case-by-case basis.
- Procured from a vehicle dealer that meets program eligibility requirements.
- Vehicles rebated by the Oregon Clean Vehicle Rebate Program, as established in OAR 340-270-0010 through OAR 340-270-0500, are not eligible for a ZERO Fleet Rebate.

a. Eligible Vehicle List

Vehicle models will be reviewed by DEQ to verify they meet Program rule requirements and placed on the Program's List of Eligible Vehicles to receive a rebate. The List of Eligible Vehicles will be periodically updated as DEQ adds eligible vehicles to the Program

i. Adding a Vehicle to the Eligible Vehicle List

For a vehicle to be listed on the Program's List of Eligible Vehicles, either a vehicle manufacturer or vehicle dealer shall submit a specification sheet that includes drivetrain, fuel type, and gross vehicle weight rating to DEQ to confirm that the vehicle meets the eligibility criteria as defined for the vehicle type.

Eligible Vehicle Requests are sent to zerofleet@deq.oregon.gov.

DEQ will work with the vehicle manufacturer to ensure that all documentation is received and request any additional information needed to determine eligibility. If the vehicle meets the eligibility requirements set forth in OAR 340-270 and the Vehicle Eligibility Requirements section of the Implementation Manual, DEQ will add the vehicle to the List of Eligible

Vehicles and calculate the rebate amount. Once the vehicle is added to the List of Eligible Vehicles, an application can be submitted for the vehicle.

IV. Purchaser Eligibility Requirements

As a condition for receiving a rebate, the Purchaser must comply with all the requirements, including those in [HB3409](#) and Oregon Administrative Rules ([OAR Chapter 340, Division 270](#)). The Applicant is responsible for reviewing the Program requirements prior to applying for a rebate. The Applicant may receive only one of the following rebates for a qualifying Class 2b vehicle: Zero-Emission Rebates for Oregon Fleets, or a ZERO Fleet Rebate, an Oregon Clean Vehicle Rebate Program Charge Ahead Rebate, or an Oregon Clean Vehicle Rebate Program Standard Rebate. No other truck class is eligible for OCVRP Rebates. These rules and requirements are summarized in the ZERO Fleet Rebate Program Terms and Conditions.

The Applicant must meet the following eligibility criteria to participate in the Program:

- Be an Oregon business, non-profit, or government entity at the time of vehicle purchase or lease. All businesses must be licensed to operate in Oregon and in good standing with the Oregon Secretary of State.
- The Applicant must be listed on the purchase/lease agreement.
- Apply for a rebate and receive a Rebate Reservation.
 - Rebate Reservations hold funds until the contracting process is completed, and the vehicle is received by the Applicant. Payment will only be issued after the vehicle is received by the Applicant.
- Purchase or lease an eligible vehicle as specified in the Eligible Vehicle Models section
- Retain ownership of the vehicle in Oregon for a minimum of thirty-six (36) consecutive months immediately after the vehicle purchase or lease date.
 - If leased, the original lease must be a minimum of thirty-six (36) months. Lease extensions and lease buyouts for leases that do not meet this minimum requirement at the time of the original lease are not eligible for a rebate. Updated contracts to reflect a longer lease term cannot be accepted.
 - Applicants who do not retain the eligible vehicle for the full thirty-six (36) month ownership or lease period will be required to reimburse DEQ all or part of the original rebate amount (see Vehicle Ownership Provision).
- Register the new or used vehicle with the Oregon DMV for a minimum of thirty-six (36) consecutive months from the original purchase or lease date. The Applicant must be listed on the Registration.

- Applicants must submit annual vehicle usage reports to the Administrator for a period of at least thirty-six (36) months. Required data may include but is not limited to mileage reporting and annual fuel use by fuel type. Usage requests will be sent to the contact on file for the organization. If contact information changes during this period, it is the organization's responsibility to notify DEQ so that it can be updated on the application. Failure to submit annual usage data is a breach of the Terms and Conditions of participation in the Program and DEQ may begin enforcement activities to collect all or part of the rebate that was issued for the vehicle.
- Not make or allow any modifications to the vehicle's emissions control systems, hardware, software calibrations or hybrid system.
- Be available for follow-up inspection if requested by DEQ or any other of DEQ's designees for the purposes of project oversight and accountability.
- Rebate checks must be cashed within two (2) years of the date on the check. Checks not cashed within this timeframe will be canceled and the rebate amount returned to the Program.

V. Dealer Eligibility Requirements

As a condition for participating in the program, a dealer must comply with all the requirements, including those in HB 3409 and Oregon Administrative Rules (OAR) Chapter 340, Division 270. The Dealer (Dealer) is responsible for reviewing the Program requirements prior to participating in the program. The Dealer must meet the following eligibility criteria to participate in the Program:

- Be active and in good standing with the Oregon Secretary of State.
- Have an active dealer license and be in good standing with the state DMV.
 - Out of state dealers must be active and in good standing with the DMV in the Dealer's home state.
- Register with DEQ as an "Approved Dealer" to participate in the program.
- Agree to deduct rebate amounts at point of sale and submit required paperwork for reimbursement.
- Maintain records sufficient for audit for a specified retention period.

VI. Rebate Amounts and Availability

a. Rebate Amounts by GVWR Class

ZERO Fleet Rebates by GVWR Class	
GVWR Class	Rebate Amount
CLASS 2B (8,501 – 10,000lbs)	\$2,500
CLASS 3 (10,001 – 14,000lbs)	\$45,000
CLASS 4 (14,001 – 16,000lbs)	\$60,000
CLASS 5 (16,001 – 19,500lbs)	\$60,000
CLASS 6 (19,501 – 26,000lbs)	\$85,000
CLASS 7 (26,001 – 33,000lbs)	\$85,000
CLASS 8 (33,000lbs+)	\$120,000

b. Maximum Rebates per Entity

Applicants are limited to five (5) rebates per calendar year. DEQ will enforce this requirement by the Rebate Reservation submitted for that year.

c. Rebate Reservations

Rebate funds are reserved for twelve months.

i. Rebate Reservation Extensions

Extensions available upon request (up to one additional six-month period) – subject to review by DEQ. To request a rebate extension, the Purchaser must submit a written request to zerofleet@deq.oregon.gov.

VII. Purchaser Responsibilities

a. Rebate Application Process

- i. The Purchaser is responsible for creating a profile in the ZERO Fleet Application Portal through the [Purchaser Eligibility Application](#). The Purchaser is responsible for ensuring the accuracy of the information on all applications and required documentation submitted to DEQ. Please contact DEQ immediately if there is a mistake on your application form. Eligibility will be reviewed based on the Terms and Conditions in place at the time a new application is submitted.

- ii. Profile creation establishes eligibility and is subject to review by DEQ staff. Initial applications ARE NOT rebate applications. Rebates are applied for by the Purchaser after initial approval.
- iii. Purchasers can [login to the ZERO Fleet Application Portal](#) once their Eligibility Application is approved and apply for a Rebate Reservation.
- iv. Rebates must be applied for before purchasing a vehicle. Up to five (5) rebates per calendar year can be awarded.
- v. Each vehicle will need its own application.
- vi. Purchasers have twelve months from the approval of the Rebate Reservation to take delivery and ownership of the vehicle. Rebate Reservations can be extended by up to one six- month periods for a total of 18 months from the date of the Rebate Reservation approval. Requests must be submitted BEFORE the end of the initial twelve-month timeframe.
- vii. The Purchaser shall notify the Oregon Department of Environmental Quality (DEQ) in writing of any changes to the anticipated vehicle delivery date no later than ten (10) business days prior to the originally scheduled delivery date.

Submission of false information or false documents as part of the ZERO Fleet Rebate Program may be a criminal offense and may be punishable as perjury under the laws of the State of Oregon. DEQ or its designee may seek to recoup rebates which were paid based upon submission of false information or false documents, whether that information was submitted intentionally or merely in error, or for which the dealership, manufacturer, or Purchaser is in significant or continual non-compliance with the rules governing the Program or State Law. If any person is found to have provided false information or fraudulent documents – whether that person receives a rebate – DEQ or its designee reserves the right to forward that person’s information to any entity that may take enforcement action. This may include a referral for criminal prosecution. DEQ or its designee also reserve the right to take any other action allowable under the law in response to submission of false information or fraudulent documents.

b. Participant Support Cost Agreement

The Participant Support Cost Agreement (PSC) is a binding contract between DEQ and the Purchaser agreeing to terms and conditions as well as fiscal responsibility. The Purchaser must review and sign the Participant Support Cost Agreement once approved for a Rebate Reservation.

c. Required Documentation

All Program documentation must be supplied to DEQ to submit a rebate application. Program communications will be sent via email. Program communications may include but are not limited to requests for additional documentation or information. It is the responsibility of the Applicant to submit a correct email address in the application and ensure the email address allows emails from DEQ. Purchasers are responsible for emails sent from the Program. We encourage Purchasers to include zerofleet@deq.oregon.gov to their Safe Senders list, and review Spam and Junk folders for email from the Program. Purchasers are responsible for checking their emails related to the Program.

Required documentation will include:

- i. A complete legible copy of the signed purchase order with all pages included. The Purchaser's name and the name of the dealership must be listed on the purchase order in addition to the related VIN
- ii. Proof of temporary vehicle registration, application for title and registration, or permanent vehicle registration for the vehicle listed in the application. The Purchaser's name must be on the registration, the registration must be current (not expired), and it must be legible.
- iii. Local and state agencies may submit other documents with the prior approval of DEQ. Unacceptable forms of proof of registration include, but are not limited to:
 - A DMV File copy.
 - An expired registration.
- iv. Participant Support Costs Agreement. This is a binding contract between DEQ and the Purchaser.

Additional documentation is required to be submitted with Exhibit B.

d. Contact

- i. Program Beneficiaries will be contacted via email with application status updates, requests for information and various reminders. DEQ Staff will

track application submission dates, approval dates, status changes and outstanding items within the ZERO Fleets portal and internally to keep the rebate process on schedule and accountable

e. Rebate Denial or Cancellation

All Participants that have had an application denied or canceled will receive a written explanation from zerofleet@deq.oregon.gov to the email address on file. Rebate applications that have been denied or canceled by DEQ may be appealed within sixty (60) calendar days of the date of denial/cancellation. The appeal letter must set forth all facts that form the basis for the appeal. If the only basis for an appeal is that the Applicant disagrees with the policies set forth in [HB3409](#) and OAR Chapter 340, Division 270, , DEQ will deny the appeal. An email must be submitted and received within sixty (60) calendar days of application denial/cancellation and sent to: zerofleet@deq.oregon.gov. DEQ will respond to an appeal in writing as soon as it is practicable. DEQ's response to an appeal is an order in other than a contested case.

VIII. Dealer Responsibilities

In addition to the Purchaser Responsibilities, Dealerships must meet requirements if they wish to receive reimbursement and rebate amounts.

a. Rebate Application and Reimbursement Process

- i. Dealers must [apply to become a ZERO Fleet Approved Dealer](#). A ZERO Fleet Application Portal profile is created upon approval and the dealership will be authorized to participate in the ZERO Fleet Rebate Program.
- ii. Dealers can [login to the ZERO Fleet Application Portal](#) to manage Rebate Reservations connected to the Dealership.
- iii. All participants wishing to purchase a vehicle must have a Rebate Reservation approved from DEQ. Upon the purchase or lease of an Eligible Vehicle and execution of the Terms and Conditions, the Dealership must apply the rebate to the purchase or lease price of the Eligible Vehicle(s).
- iv. After the Dealership applies the amount of the applicable rebate to the purchase or lease price of an Eligible Vehicle, they must upload documentation connected to the relevant application in

the ZERO Fleet Dealer Portal. All requirements must be met in accordance with the Implementation Manual to seek reimbursement for such rebate. DEQ will review the application to determine whether the Dealership has met all the terms, conditions and requirements set forth in the Program documents. If the request for the rebate reimbursement is approved by DEQ, the rebate will be paid to the Dealership.

b. Required Documents

To obtain reimbursement for the rebate from DEQ, a Dealership must supply the required documentation:

- i. Purchase Order
- ii. Proof of Registration
 - A completed title and registration form (temporary is also accepted).
 - Proof of permanent registration will be requested on annual reports.
- iii. Exhibit B of the PSC agreement
- iv. Rebate extension request (if applicable)

IX. Reporting

a. Reporting Requirements

- i. The Purchaser shall notify the Oregon Department of Environmental Quality (DEQ) in writing of any changes to the anticipated vehicle delivery date no later than ten (10) business days prior to the originally scheduled delivery date.
- ii. The Purchaser must submit a total of three (3) 12-month reports annually (one per 12-month reporting period) to DEQ by October 1st. Reports must cover a 12-month period. Reports submitted that cover a partial reporting period of less than 12 months are still required but will not count towards the three (3) 12-month reports.

b. Annual Report

- i. Purchaser must maintain logs of miles driven or hours of use for the qualifying vehicle, specifying whether these occurred in Oregon.
- ii. Logs must be provided to DEQ annually demonstrating that more than 50% of the miles driven or hours of use occurred in Oregon for each of the three years following receipt of the rebate. Logs must identify all qualifying vehicles (VIN, make, model) that received a rebate from DEQ and collect the data for each individual vehicle.
- iii. Purchaser must provide photographs of vehicle (front, side, rear) and proof of current registration with report.

X. Receiving Payment

a. Invoicing (Exhibit B)

Purchaser shall submit an invoice in the form of Exhibit B and in accordance with the terms of the Participant Support Cost Agreement to the Grant Administrator at zerofleet@deq.oregon.gov. Invoices are subject to the review and approval of DEQ staff.

i. Receiving Vehicle

Each vehicle being applied for is considered an "Activity" in the Participant Support Cost Agreement. Each Activity (vehicle) must be completed as laid out in the Participant Support Cost Agreement (Exhibit A, section A) before invoices will be processed.

Each Activity will be considered complete when the following requirements are satisfied:

- Purchaser has signed the Participant Support Cost Rebate Agreement ("Agreement") and emailed the signed Agreement to zerofleet@deq.oregon.gov.
- Purchaser has received the qualifying vehicle(s) listed in Exhibit A of the Participant Support Cost Agreement.
- Purchaser has registered the qualifying vehicle(s) in Oregon.
- Dealer named in Exhibit B of the Participant Support Cost Agreement has uploaded the following required documents to the ZERO Fleet online portal:
 - Completed Purchase Order

- Proof of Registration (completed Oregon Department of Motor Vehicle registration form will be accepted)

b. Payment

Invoice payments will be sent to the Dealer named in Exhibit B of the Participant Support Cost Agreement.

Program Beneficiaries will receive the approved rebate as a reduction off the listed price. Dealers will be reimbursed the approved rebate amount.

The Purchaser must authorize DEQ to provide the rebate payment to the Dealer for the qualifying vehicles listed in the Participant Support Cost Agreement by completing and submitting Exhibit B (invoice) of the Agreement which includes rebate assignment language allowing DEQ to direct pay to the Dealer(s). A single invoice may include multiple rebates so long as the vehicle has been received by the Purchaser and all requirements laid out in this Implementation Manual and the Agreement have been completed.

More than one rebate may be included on an invoice if multiple vehicles meet all the requirements for payment at the same time and are from the same dealer.