

## Accelerating the Transition to an All-Electric Fleet



Having zero emission vehicles is critical for Oregon to meet its greenhouse gas reduction goals. The benefits in the battle against the impacts of climate change are significant, but even more so are improvements to local air quality and public health. DEQ has several regulations to mandate and incentive the sale and purchase of electric vehicles but more is needed to achieve the state's long-term electrification targets. While DEQ may consider adopting additional regulations in the future, the Clean Fuels Program has several new ways to kick start this transition.

### The case for electric fleets

There are many reasons a fleet would want to change to all electric vehicles. Electric vehicles remove drivers' exposure to tail pipe emissions, have lower maintenance needs, and reduce greenhouse gases. Switching to electric vehicles are also key to improving air quality and the health of a community.

### Moving from one to many

Many fleets are currently participating in pilot programs where they have bought a few electric vehicles – but how do we get that to turn into the entire fleet? Costs of electric vehicles are still higher than diesel or gasoline vehicles. However, there are a number of programs that may provide some or all of the costs for an electric vehicle such as those offered through local utilities, federal tax credits, and the Oregon Clean Vehicle Rebate Program. In addition, the Clean Fuels Program can play a role.

### Generating credits in the Clean Fuels Program

If you own the charger to charge an electric public vehicle, you are currently eligible to generate the CFP credits for the electricity that is used. Every quarter, the fleet reports the amount of electricity to DEQ and credits are issued to their account. They can sell these credits and use the revenue to support their electrification activities.

On an individual vehicle level, the rate of credit generation may seem to be a little drop in a very large bucket. To accelerate that pace, a fleet that has a plan to convert to an all-electric fleet within 15 years can now request DEQ to issue credits in advance of when they would normally be generated. This is called advance crediting.

### How does advance crediting work?

The fleet estimates the number of miles typically driven by the electric vehicle and the amount of electricity that vehicle would use over a year. DEQ will work with the fleet to translate those estimates into the number of CFP credits that are generated in a year. Then that value gets multiplied by up to six years to calculate the number of advance credits that are available to the fleet.

### What happens next?

- Applying for advance credits – DEQ will accept applications at least one time a year.
- Negotiating the agreement – An agreement will formalize the number of advance credits issued and how long the payback period is.
- Selling the credits – Credits can be sold through the Oregon Fuels Reporting System at any time throughout the year.
- Investing the revenue – The revenue can be spent on anything related to electrifying the fleet.
- Paying back the advance – The agency will submit quarterly reports but instead of generating new credits, its balance will be drawn down.
- Returning to regular credit generation – Once the advance is paid off, the agency can continue to generate new credits.

### Oregon Clean Fuels Program

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*DEQ is a leader in restoring, maintaining and enhancing the quality of Oregon's air, land and water.*

# Electric Fleet Example

Here is an example of an electric light duty fleet vehicle that drives approximately 15,000 miles per year which uses approximately 27,900 kWh per year to charge. DEQ estimates that the fleet could get \$25,000 dollars through the advance crediting provision over a six-year period.

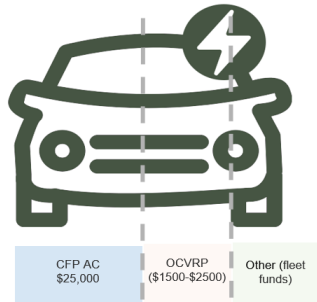
## Advance Credits: Light Duty by the Numbers

| Year | Estimated |        |         | Revenue if credits sold @ \$125 |
|------|-----------|--------|---------|---------------------------------|
|      | Miles     | kWh    | Credits |                                 |
| 2022 | 15,000    | 27,900 | 36      | \$ 4,498.64                     |
| 2023 | 15,000    | 27,900 | 35      | \$ 4,406.36                     |
| 2024 | 15,000    | 27,900 | 35      | \$ 4,314.08                     |
| 2025 | 15,000    | 27,900 | 34      | \$ 4,191.04                     |
| 2026 | 15,000    | 27,900 | 34      | \$ 4,191.04                     |
| 2027 | 15,000    | 27,900 | 34      | \$ 4,191.04                     |
|      |           |        | Total:  | \$ 25,792.19                    |

This calculation could vary depending on the source of the agency’s electricity, the type of vehicle, and the market price of the credits at the time the agency wants to sell their credits.

## Example: Light Duty Fleet

The cost of an electric light duty vehicle is approximately \$45,000



If a new electric vehicle costs \$45,000, the fleet could stitch together multiple funding sources to pay for it including the federal rebate, and Oregon Clean Vehicle Rebate program, and CFP advance crediting.

For any additional questions, contact the Clean Fuels Program at [OregonCleanFuels@deq.state.or.us](mailto:OregonCleanFuels@deq.state.or.us)

### Alternative formats

DEQ can provide documents in an alternate format or in a language other than English upon request. Call DEQ at 800-452-4011 or email [deqinfo@deq.state.or.us](mailto:deqinfo@deq.state.or.us).