

Electric Vehicle Rebate Rules - 2021

Rule Advisory Committee Meeting

Nov. 19, 2021

Background

- In 2017, the Oregon Legislature directed DEQ to implement a zero- emission electric vehicle rebate program
- DEQ receives \$12M annually, via a “privilege tax” imposed on car dealers
 - Unspent funding from previous years can be rolled over



Background

- Legislative changes via House Bill 2165 (2021) to the Oregon Clean Vehicle Rebate Program (OCVVRP)
 - Increases allowable Charge Ahead Rebate amount
 - Allows low-income service providers to apply for Charge Ahead Rebate



Types of rebates

Standard rebates

- \$750-\$2500 rebates
- Anyone can purchase or lease a new electric vehicle or motorcycle



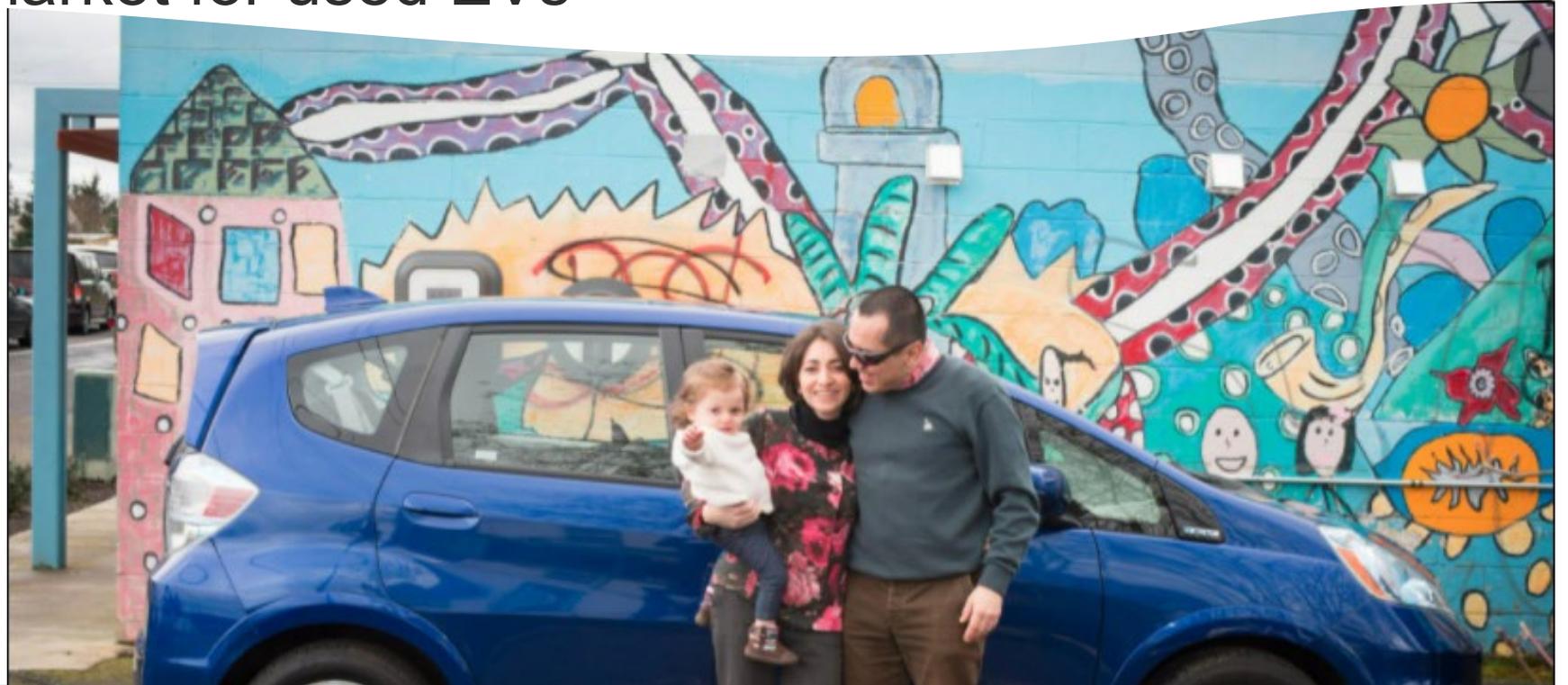
Charge Ahead rebates

- \$2500 rebate
- Low and moderate income households only
- Purchase or lease of new or used electric vehicle
- Can be combined with Standard rebate



Charge Ahead rebates

- At least 20% of rebate funds must be dedicated to Charge Ahead
- Increases the market for used EVs



Rebate amounts

Rebate amounts through Dec. 31, 2021

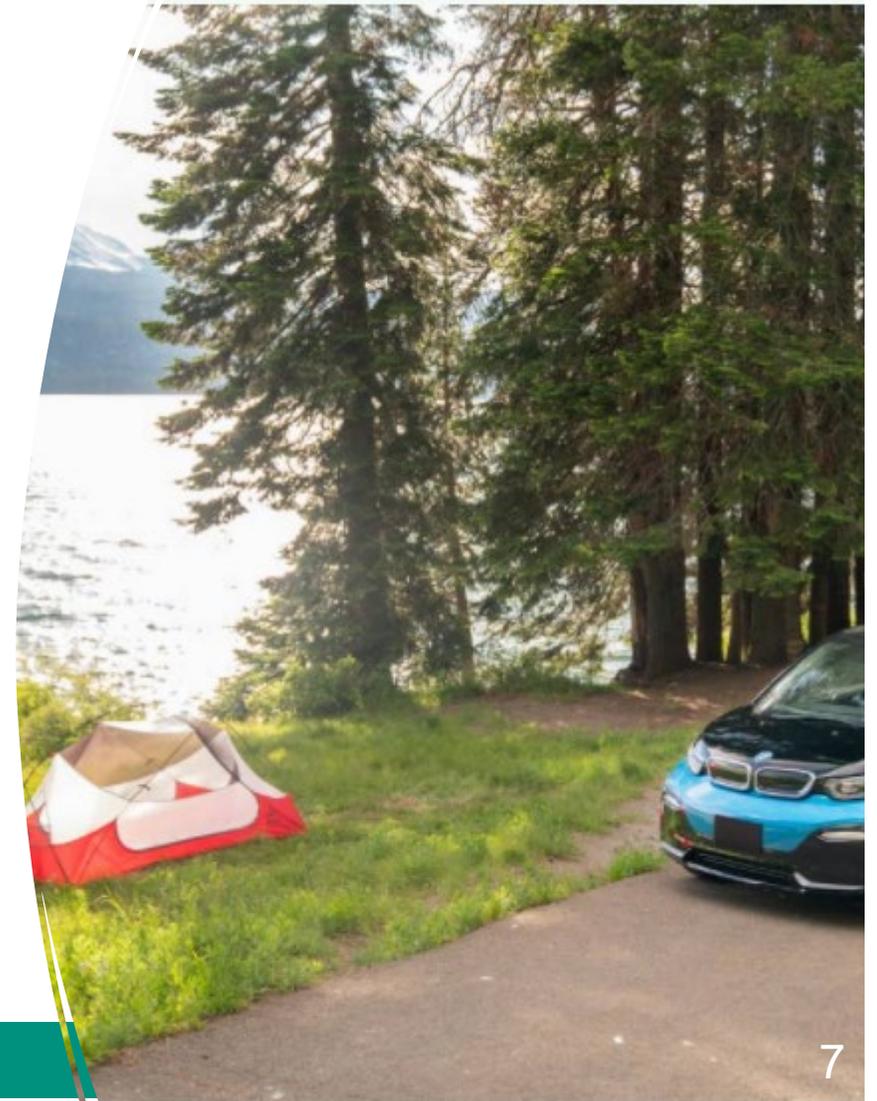
Rebate type	Amount authorized under Oregon Statute	Current rebate amount
Charge Ahead	\$1250 - \$2500	\$2500
Standard (EV with battery capacity 10kWh or more)	\$1500 - \$2500	\$2500
Standard (EV with battery capacity less than 10 kWh)	\$750 - \$1500	\$1500
Standard (motorcycle)	\$375 - \$750	\$750

Rebate amounts allowed after Jan. 1, 2022

Rebate type	Amount authorized under Oregon Statute	Current rebate amount
Charge Ahead	\$2500 - \$5000	\$5000
Standard (EV with battery capacity 10kWh or more)	\$1500 - \$2500	\$2500
Standard (EV with battery capacity less than 10 kWh)	\$750 - \$1500	\$1500
Standard (motorcycle)	\$375 - \$750	\$750

Program status

- As of Nov. 15, 2021, DEQ has awarded:
 - 16,094 rebates
 - \$38.75 million over the lifetime of the program (beginning in 2018)
 - 12% of total rebates were Charge Ahead



Rebate funding projections

- DEQ projects the program may be oversubscribed in 2022

	2021	2022
Program funds available	\$20.1 M	\$14.2 M (estimated)
Estimated program funds expended	\$16.7 M	\$17.5 M
Total	\$3.4 M	(\$3.3 M)

Assumptions based on:

- existing rebate participation
- increased Charge Ahead Rebate amount of \$5000

Rebate amounts – options for consideration

Goal: Maximize available funding and increase number of EV purchases, particularly for Charge Ahead Rebates

1) Take no action

- Keep the rebate amounts at 2021 levels (Standard = \$750-\$2500; Charge Ahead rebate = \$2500)

2) Recommend adopting the temporary rule change

- Raising the rebate amount for only Charge Ahead Rebates (Charge Ahead rebate = \$5000)

Rebate amounts – options for consideration

3) Adjusting both Standard and Charge Ahead Rebate amounts

– Decrease rebate amount for Standard rebates while maintaining the maximum amount for Charge Ahead rebates (\$5000)

- Offer the lower range allowed under statute
 - Battery capacity < 10 kWh = \$750
 - Battery capacity > 10 kWh = \$1500
- Base the rate on driving range and battery capacity
 - Battery capacity > 10 kWh + high driving range = \$2500
 - Battery capacity > 10kWh + low driving range = \$1500

4) Limiting the number of rebates per household or entity

Rebate amounts – options for consideration

5) Prioritize CA first, then pay out Standard rebates

- Set aside certain \$ amount and when exhausted then pay out Standard

or

- Apply prioritization when wait list is instituted

6) Revisit how we interpret MSRP caps for vehicles

Charge Ahead Rebate rule changes

Charge Ahead Rebate Program

- Modifies who is eligible for the Charge Ahead Rebate
 - Allows low-income service providers to apply for the Charge Ahead rebate
 - Simplifies income threshold determinations



Draft rule language

- Definition of low-income service provider:
 - **“Low-income service provider” means an organization that provides health, dental, social, financial, energy conservation or other assistive services to low- or moderate-income households in Oregon.** Providers must be registered as a 501(c)(3) organization based in Oregon or have an Oregon-based affiliate at the time the eligible vehicle is purchased or leased.

Draft rule language



- Definition of qualifying household (for Charge Ahead Rebates):
 - “Qualifying household” means a household with income that does not exceed 400 percent of federal poverty guidelines.

Income eligibility amounts

- Income amounts changing Jan. 1, 2022
 - Relying on federal poverty guidelines set by U.S. Dept of Health and Human Services

Beginning Jan. 1, 2022

Current – up through Dec. 31, 2021

400% of 2021 federal poverty guideline		120% of Median Area Income for Metro Area (current)					
Persons in family/household	400% Poverty guideline	Bend-Redmond	Corvallis	Eugene-Springfield	Medford	Portland-Vancouver-Hillsboro	Salem
1	\$51,520	\$67,560	\$71,400	\$59,880	\$57,480	\$81,240	\$59,400
2	\$69,680	\$77,280	\$81,600	\$68,400	\$65,640	\$92,880	\$67,920
3	\$87,840	\$86,880	\$91,800	\$76,920	\$73,800	\$104,520	\$76,440
4	\$106,000	\$96,480	\$102,000	\$85,440	\$81,960	\$116,040	\$84,840
5	\$124,160	\$104,280	\$110,160	\$92,280	\$88,560	\$125,400	\$91,680
6	\$142,320	\$111,960	\$118,320	\$99,120	\$95,160	\$134,640	\$98,520
7	\$160,480	\$119,640	\$126,480	\$105,960	\$101,640	\$144,000	\$105,240
8	\$178,640	\$127,440	\$134,640	\$112,800	\$108,240	\$153,240	\$112,080

New income calculator increases CA eligible households

New income calculator decreases CA eligible households

Oregon Clean Vehicle Rebate Program Rule Advisory Committee meeting

BREAK

(Grab your coffee/tea, stretch)

Implementation - Prequalification

- Offer prequalification to Charge Ahead Rebate recipients
 - Allows Charge Ahead rebates to be applied at time of purchase/lease
- Process for prequalification
 - Applicant submits prequalification request form to DEQ
 - Allows DEQ to request Department of Revenue to review applicant's filed tax form
 - Applicant income verified – voucher issued to applicant
 - Voucher valid for 2 months
 - Voucher tied to specific applicant
 - DEQ tracks vouchers in a database. Dealers are able to lookup the voucher number online to verify
 - Dealer provides rebate to applicant at time of sale and submits application (with voucher number) to OCVRP and receives rebate
- Require participating dealerships to be trained in process and the program (so they can educate their customers)

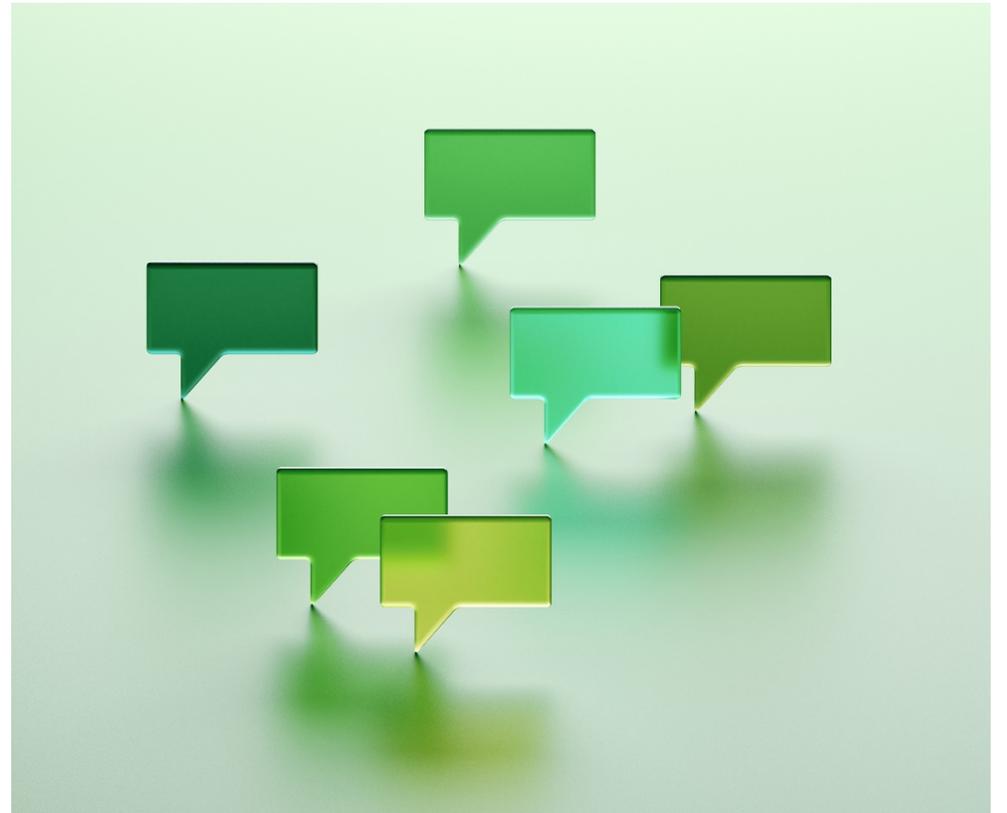
Implementation

- Low income service provider verification
 - Sign attestation they are a low-income service provider
 - Provide a copy of 501c3

- Waitlist
 - First-come, first-served vs. prioritizing Charge Ahead rebates
 - Effect on prequalification and dealer point of sale rebates

Implementation

- Communications and outreach
 - Reaching out to Charge Ahead communities
 - Messaging



Fiscal and Economic Impact Analysis

- Impact on small businesses



Next steps



- Public comment period – December 2021 – January 2022
- Rule adoption consideration at March 2022 Environmental Quality Commission meeting