

# Oregon Clean Vehicle Rebate Program

## Summary

### Advisory Committee Meeting #1

Nov. 19, 2021

Web-based meeting

**Advisory Committee Attendees:** Jessi Adams (Community Action Partnership Oregon), Neil Baunsgard (The Environmental Center – Central Oregon), Amy Corbett (Metropolitan Family Service), Gary Exner (Oregon Electric Vehicle Association), Ingrid Fish (BPS, City of Portland), Rhett Lawrence (Forth Mobility), Sergio Lopez (Verde), Victoria Paykar (Climate Solutions), Greg Remensperger (Oregon Auto Dealers Association), Julia Rege (Alliance of Automotive Innovation), Diane Sparks (Oregon Independent Auto Dealers Association), Linda Woodley (Diversified Energy/Prisma Point)



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Time	Topic
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9 a.m.	Welcome and introductions
9:10 a.m.	Background on the Oregon Clean Vehicle Rebate (OCVRP) Program <ul style="list-style-type: none"><li>• Rebate funding amounts &amp; program projections</li></ul>
9:55 a.m.	Review of OCVRP draft rules
10:10 a.m.	Break
10:20 a.m.	Charge Ahead Implementation Discussion <ul style="list-style-type: none"><li>• Low income service provider verification</li><li>• Communications &amp; Outreach</li></ul>
10:55 a.m.	Fiscal and Economic Impact Analysis Discussion

### Meeting Introduction

The meeting began with an overview of the program and why DEQ is proposing the rules. DEQ also provided a brief overview of the programmatic changes as a result of a recent temporary rule adoption.

### General Process Questions

- Will suggested changes need to wait until after the temporary rule expires in July 2022?
  - The temporary rules were adopted by the EQC on Wednesday, Nov. 17, 2021 and will go into effect on Jan. 1, 2022; these temporary rules will be effective for six months. If permanent rules are adopted before the six months timeframe, the permanent rules supersede the temporary rules.

### Rebate Funding Amounts and Program Projections

Rachel Sakata (DEQ) provided a brief presentation on the rebate program, recent temporary rule changes, and rebate funding amounts. The discussion also included DEQ's funding projections for the program. A synthesis of the presentation and discussion as detailed here.

- House Bill 2165 (2021), adopted by the Oregon Legislature includes the following program changes:

1. Increases the Charge Ahead (CA) rebate amount from the current amount of up to \$2500, to up to \$5000, per eligible new or used vehicle. This amount may still be stacked with the standard rebate to provide a rebate up to \$7500 toward a new, eligible vehicle.
  2. Offers an option for low- and moderate-income service providers to be eligible for the CA rebate, if used to provide services to Oregon residents.
  3. Increases the requirement that at least 20% of funding must go toward Charge Ahead rebates; the current requirement is at least 10%. This is a floor, not a ceiling; DEQ would like to see this amount continue to increase.
- At this time, \$43.2 million worth of rebates have been distributed and 12% of those were Charge Ahead rebates. The program receives a fixed \$12 million a year through the ODOT privilege tax; with 10% of that allocated for administrative costs.
    - For 2022, DEQ estimates there will be about \$14.2 million available for rebates. This amount includes a \$3.4 million carryover (due to the first program year's minimal distribution) and subtracts the administration costs. Based on past/current participation rates and the proposed increased Charge Ahead amount, DEQ estimates the program will be oversubscribed by about \$3.3 million.
  - Advisory committee members raised the question of the need for demographics of who is utilizing the program and how. DEQ shared that we currently know where rebates are being used geographically; most are along the I-5 corridor however rebates have been distributed across the entire state. Racial and income demographics are collected post-application via anonymous surveys. Charge Ahead applicants share income through the application process. Some of this information is available on the program dashboard. DEQ will work with Center for Sustainable Energy, the application processing contractor, to better understand what information is available to us and how we can use it to guide programmatic decisions moving forward. DEQ will follow up with Advisory Committee on this topic.
  - There was also an interest in considering a budget increase for the program. DEQ shared that the budget for this program comes out of the ODOT privilege tax, which varies based on vehicle sales. OCVRP receives a set amount, \$12 million, the rest goes toward ODOT multi-modal projects. A couple of committee members were concerned that if the program goes into a wait list because of funding being oversubscribed, it could be detrimental to EV adoption and vehicle sales. Some advisory committee members felt the funding gap be addressed at the earliest time possible. One member suggested that with the robust vehicle sales, now may be a good time to start this discussion.

### **Options to Maximizing Rebate Funding**

DEQ presented several programmatic adjustment options to maximize the number of rebates available:

1. Keep all rebate amounts the same, regardless of the opportunity to increase Charge Ahead
2. Increase Charge Ahead rebates to \$5,000
3. Decrease the Standard and Increase the Charge Ahead
  - a. This could be based on battery capacity and/or range.
  - b. It may be more complicated to implement
4. Limit the number of vehicles per household for the standard rebate
5. Prioritize CA first
  - a. Some implementation challenges, as there is not currently a point-of-sale option for Charge Ahead
6. Revisit MSRP caps for vehicles

- a. Currently, as long as the base model meets the MSRP cap, all models are eligible, even if the purchase price pushes past MSRP

In the following discussion, a few themes emerged:

- A reminder that understanding the demographics and who/how the rebates are being used would be helpful in making an informed decision on what adjustments may be most effective in meeting program goals.
- A few members had initial interest in prioritizing Charge Ahead rebates first.
- Some members were concerned about the proposal to reduce rebate amounts and felt that increasing overall program budget was a more important place to focus.
- A couple of members were interested in looking more into the max MSRP; there was concern that one or more manufacturers may list a base model under \$50,000 that is not actually available to purchase for Oregon residents and wondered if that met the intent of requirement.
- Other comments included the need for prequalification and/or point of sale rebates to be available to all rebate types. And, when working with smaller, independently owned dealerships to do so, ensuring that the turnaround time on rebates is short, so it's financially possible for those dealerships to participate.

## **Charge Ahead Implementation Changes**

Low-income service provider verification

- DEQ shared that the temporary rule modifies who is eligible for the Charge Ahead rebate; previously this was only available to individuals and households, now low- and moderate-income service providers are also eligible.
- DEQ proposed limiting it to 501c3 non-profit organizations and having them provide proof of 501c3 determination and attest to being a low- and/or moderate-income service provider. DEQ is seeking recommendations on who qualifies and how to verify eligibility.
- After brief discussion, feedback from the committee supported DEQ's proposal to limit eligibility to 501c3 organizations and have them provide proof of 501c3 determination and attest to being a low- to moderate-income service provider.

Updated definition of low- and moderate-income household

- The temporary rule redefines this definition from 120% of area median income based on the nearest metropolitan statistical area to 400% of federal poverty guidelines. DEQ shared a table that shows most impacts are to those in urban areas with small households. DEQ explained that this change aims to better meet the intended spirit of low- and moderate- income and increases eligibility for larger households.
- One question was raised about the intent of the change being about meeting the spirit of low- and moderate-income or to make regional implementation easier. DEQ confirmed that both were factors in the decision, and this change also aligns us with what some other state agencies are using.
- Another committee member confirmed that this is a legislative change, and not changeable at this time. DEQ confirmed it that it was a legislative change.

Charge Ahead Pre-qualification

- DEQ provided an overview of the Charge Ahead pre-qualification process currently in design. DEQ will accept pre-qualification applications from residents and work with Department of Revenue to confirm Charge Ahead eligibility and assign a prequalification voucher that is valid for two months, and can be redeemed at participating dealerships and applied to the cost of a new or used eligible vehicle at the point of sale/lease.

- This program will only be available to those already participating in an income eligible program (e.g. SNAP) and those that have filed Oregon income taxes the previous year.
- Committee members mentioned the importance of a quick turnaround time for both applicants during the pre-qualification process and for dealers to receive their rebates.
- Dealer outreach and engagement and creating a simple process was also mentioned as a key factor for success. And, providing dealers reassurance that a voucher is valid and will be paid was another consideration.

#### Waitlist Strategy

- DEQ offered two options: first come, first served or prioritizing Charge Ahead rebates first.
- Many members would like DEQ to consider strategies that would allow Charge Ahead rebates to be prioritized, especially if the program is likely to be oversubscribed.
- There was also a risk to dealers offering cash-on-the-hood rebates mentioned.

### Communications and Outreach

DEQ shared that Charge Ahead communities would be a priority and the importance of both messaging and the messenger.

- Several members advocated to prioritize education and outreach for low- and moderate-income communities and communities of color through adequate funding and ensuring there is engagement with leaders within these communities, and fair compensation is included for their work. Some outreach methods highlighted included tv, radio, social media engagement and a train the trainer approach collaborating with other low-income service providers.
- A couple of committee members suggested looking to resources available to offer guidance, such as the EV Noire report and Center for Sustainable Energy survey results.
- Additional interest was shared around fleets, car shares and high mileage vehicles, especially those that may support accessibility for low-income residents.

### Public Comment

- No public comments were made during this time.

### Overall Comments about the Rules

- Several advisory committee members would like to see more data and demographics on who is participating and how the vehicles are used before recommending further program implementation guidance, especially as it relates to maximizing rebate funding.
- Many committee members would like to see a focus on Charge Ahead rebates and ensuring they are prioritized if the program institutes a waiting list.
- There is strong interest from the committee to increase outreach and engagement, with a focus on Charge Ahead communities and vehicle dealerships in connection with the pre-qualification process.

### Fiscal and Economic Impact Analysis

DEQ does not expect any significant impact.

- No comments on the fiscal impact.

### Additional Comments

- One committee member would like e-bikes to be considered in the future to increase accessibility and mobility for low-income residents. DEQ shared this would be a legislative change, but if additional funding were available, DEQ is eligible to receive and implement programming with it.

### Wrap up and Next Steps

- Public comment is scheduled for Dec 2021 – Jan 2022. A committee member encouraged pushing it to the end of January to avoid holidays.
- DEQ will follow up with additional data and information and update the public dashboard.

**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).