State of Oregon Department of Environmental Quality

Racial Equity Impact Statement

Low Emission Vehicle (LEV)/Zero Emission Vehicle (ZEV) Program
2022 Rule Update – Advanced Clean Cars II
Advisory Committee Meeting 2

Racial equity impact of the proposed rules

The proposed rules will require light- and medium-duty vehicle manufacturers to produce and deliver increasing percentages of zero emission vehicles (ZEV) in successive years culminating with a 100% ZEV requirement for the 2035 model year. It requires the sale of battery electric vehicles, the cleanest possible plug-in hybrid electric vehicles, and hydrogen fuel cell vehicles while concurrently reducing smog-forming emissions from new gasoline vehicles. The proposed rule also requires ZEV assurance measures that include minimum warranty and durability requirements, increased ZEV charging capability, and battery labeling, and will help ensure consumers can successfully replace their gasoline vehicles with new or used ZEVs and plug-in hybrid electric vehicles (PHEV). These standards are also anticipated to reduce the total cost of vehicle ownership, saving drivers money in the long term.
The proposed rules apply to vehicle manufacturers, not individuals, therefore the rule will not have any direct racial equity impact. However, the proposed rules will have indirect effects on vehicle purchasers and users and on businesses that sell and repair vehicles. These rules are also expected to reduce pollutant emissions, including greenhouse gases and other pollutants, which will result in mitigating the effects of climate change and causing fewer harmful air pollutants Oregonians breathe.
The pollution and public health impacts from on-road vehicle emissions are significant in many overburdened and underserved communities. Communities that are adjacent to or near transportation facilities and corridors are disproportionately impacted by those emissions and are traditionally lower-income and have a higher percentage of Black, indigenous, and other peoples of color residents.[1] Underserved communities are also especially vulnerable to the economic impacts and health burdens associated with climate change, as the most severe harms from climate change fall disproportionately upon these underserved communities who are least able to prepare for and recover from associated impacts.[2] Frontline workers, and especially those that work outdoors such as farmworkers, who are majority-Hispanic or Latino in Oregon, bear disproportionate exposure to the negative impacts of climate change and worsening air quality.

DEQ is aware that the cost of electric vehicles is traditionally higher than conventional gasoline vehicles and is an additional barrier to vehicle ownership. It is anticipated vehicle costs will decrease as battery prices continue to decline and as manufacturers produce increasing numbers of electric vehicles and these economies of scale allow the manufacturers to minimize their costs. While there is a higher purchase price of an electric vehicle, there is a lower total cost of ownership through decreased maintenance and fuel costs. These future savings, in addition to other DEQ programs such as Oregon's Clean Vehicle Rebate Program offers "Charge Ahead Rebates" for low- and moderate-income households to lower the

[1] US Census Bureau's American Community Survey, https://data.census.gov/cedsci/table?q=United%20States&t=Income%20and%20Earnings&g=0400000US41&tid=ACSST5Y2020.S1903
[2] EPA 2021c. United States Environmental Protection Agency. Climate Change and Social Vulnerability in the United States: A Focus on Six Impact Sectors. (EPA 430-R-21-003) *https://www.epa.gov/cira/social-vulnerability-report* September 2021.

cost of electric vehicles. Additionally, the Clean Fuels Program works with electric utilities and charging service providers to bring down the cost to fuel them.

The proposed rules also seek to ensure equity by ensuring that as the new electric vehicles are transitioned to the used vehicle market, these vehicles are long-lasting and durable for many years to come. These include technical requirements such as requiring a minimum range, battery and propulsion parts warranties, and incorporating direct current fast charging (DCFC) standardization and capability for all vehicles, recognizing those without access to home charging will be more reliant on public fast charging. Ensuring there are durable and reliable used ZEVs can help increase access to clean vehicle technologies for communities that may not be buying new vehicles.

Another element of the the proposed rules include provisions to encourage manufacturers to take actions that improve access to ZEVs for disadvantaged, low-income, and other frontline communities. These actions will help ensure that everyone can access zero-emission transportation, including new and used electric vehicles through affordable access and exposure to ZEV technologies. Manufacturers can invest in community car share programs, produce low-cost ZEVs, and direct used ZEVs for purchase to communities needing financial assistance. Increasing accessibility to ZEVs ensures BIPOC communities are not left behind in acquiring cleaner modes of transportation and reducing air pollution within their communities.

As described above, these proposed rules may have both positive and negative indirect racial equity impacts. The proposed rules include provisions to help mitigate the negative indirect racial equity impacts, and DEQ is also implementing other programs to mitigate those indirect negative impacts through incentives and reduced fueling costs. Overall, DEQ believes these rules will have net positive indirect racial equity impacts, due to reduced exposure to air quality pollutants and lessening the harmful effects of climate change.

Advisory committee review of racial equity impact

DEQ will ask for the committee's input on how adoption of this rule will affect racial equity in this state. The committee members will be asked to review and provide comment on the draft racial equity impact statement.

Alternative formats

Documents can be provided upon request in an alternate format for individuals with disabilities or in a language other than English. To request a document in another format or language, call DEQ in Portland at 503-229-5696, or toll-free in Oregon at 1-800-452-4011, ext. 5696; or email deqinfo@deq.oregon.gov.