



Oregon Department of Environmental Quality  
May 10-11, 2018  
Oregon Environmental Quality Commission meeting  
Agency Staff Report  
Rulemaking, Action item L

Zero-Emission and Electric Vehicle Rebate Rule

**Table of Contents**

DEQ recommendation to the EQC.....	2
Overview.....	3
Statement of Need.....	5
Rules affected, authorities, supporting documents.....	6
Fee Analysis.....	8
Statement of fiscal and economic impact.....	9
Federal relationship.....	16
Land Use.....	17
Advisory Committee.....	18
Public Hearings.....	21
Summary of comments and DEQ responses.....	23
Commenters.....	46
Implementation.....	51
Five-year review.....	53
Draft Rules.....	54
Supporting Documents.....	60

## **DEQ recommendation to the EQC**

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DEQ recommends that the Environmental Quality Commission adopt the proposed rules as seen on pages 54 through 59 of this staff report as part of Chapter 340 of the Oregon Administrative Rules.

# Overview

## Short summary

DEQ recommends that the EQC approve the proposed rules that would establish the Oregon Zero-Emission and Electric Vehicle Rebate program.

This rulemaking would establish a zero-emission vehicle rebate program in Oregon with two elements – one element provides rebates for the purchase or lease of a new zero-emission vehicles (referred to as standard rebates). The second element, called Charge Ahead rebate, would provide rebates for the purchase or lease of a new or used zero-emission vehicle if a purchaser is from a low- or moderate-income household.

DEQ is proposing to establish program requirements including:

- Rebate amounts provided for the purchase or lease of certain zero-emission vehicles.
- Eligibility requirements for vehicles and purchases qualifying under the program.
- Program elements of the Charge Ahead rebate program, including eligibility criteria.

## Brief history

On Aug. 18, 2017, Oregon Governor Kate Brown signed House Bill 2017 which, in addition to making many other transportation investments, creates a program to provide rebates to Oregonians who meet all program requirements and purchase certain types of zero-emission vehicles, including eligible plug-in hybrid zero-emission vehicles, and other eligible zero-emissions vehicles.

In 2018, House Bill 4059 became law, which included further adjustments to the rebate program to reduce barriers for low- and moderate-income households to access rebates by removing certain program eligibility requirements included in House Bill 2017. This program was designed by the Oregon Legislature to encourage higher adoption of zero-emission vehicles to reduce air pollution and progress the state towards its greenhouse gas reduction goals.

## Regulated parties

DEQ would implement the program established by the rules. There are no other regulated parties, because the proposed rules do not impose any requirements on parties who do not wish to participate in the program. Other parties who choose to participate in the program may include:

- Automobile dealers that sell or lease new and or used zero-emission vehicles. Such dealers may be affected by the rules if they choose to apply the rebate to the purchase at the point of sale, by allowing purchasers to assign their rebates to the dealers or by otherwise assisting purchasers in obtaining rebates. Further, dealers could be affected by increased zero-emission vehicle sales.

- Automobile manufacturers, such as those that manufacture zero-emission vehicles eligible for rebates. Manufacturers may be affected by the rules if they allowed purchasers to assign their rebates or otherwise assist purchasers in obtaining rebates. Further, dealers could be affected by increased zero-emission vehicle sales.
- Zero-emission vehicle purchasers such as Oregon residents who purchase or lease zero-emission vehicles that qualify for rebates under the program.

## Statement of Need

### **What need would the proposed rule address?**

In 2017, Oregon Governor Kate Brown signed House Bill 2017 which creates a program to provide rebates to Oregonians who purchase certain types of zero-emission vehicles, including eligible plug-in hybrid zero-emission vehicles, and other zero-emissions vehicles that meet the program's specifications. In 2018, House Bill 4059 became law, which included further adjustments to the rebate program to reduce barriers for low and moderate income households hoping to access rebates by removing certain program eligibility requirements included in House Bill 2017. This program was designed by the Oregon Legislature to encourage higher adoption of zero-emission vehicles to reduce air pollution and progress the state towards its greenhouse gas reduction goals.

### **How would the proposed rule address the need?**

The proposed rules would implement Sections 148 through 157 of House Bill 2017 (2017), and Sections 18 through 21 of House Bill 4059 (2018) which directs DEQ to develop and implement a Zero-Emission and Electric Vehicle Rebate program for Oregon.

### **How will DEQ know the rule addressed the need?**

It would establish a rebate program for the purchase or lease of new or used zero-emission vehicles. People will apply for and receive rebates.

## Rules affected, authorities, supporting documents

### Lead division

Environmental Solutions Division  
Air Quality Planning Section

### Program or activity

Zero-Emission and Electric Vehicle Rebate program

### OAR Chapter 340 action

#### Adopt – OAR

340-270-0010	340-270-0110	340-270-0400	340-270-0500
340-270-0020	340-270-0120	340-270-0410	
340-270-0030	340-270-0200	340-270-0420	
340-270-0100	340-270-0300	340-270-0430	

#### Statutory authority – ORS

468.020

2017 Or. Law Ch. 750 Sec. 148-157  
House Bill 4059 (2018), Sec. 18-21

#### Statute implemented – ORS

2017 Or. Law Ch. 750 Sec. 148-157  
House Bill 4059 (2018), Sec. 18-21

### Legislation

House Bill 2017 (2017)  
House Bill 4059 (2018)

### Documents relied on for rulemaking

Document title	Document location
House Bill 2017 (2017)	<a href="https://olis.leg.state.or.us/liz/2017R1/Downloads/MeasureDocument/HB2017/Enrolled">https://olis.leg.state.or.us/liz/2017R1/Downloads/MeasureDocument/HB2017/Enrolled</a>

House Bill 4059 (2018)	<a href="https://olis.leg.state.or.us/liz/2018R1/Downloads/MeasureDocument/HB4059">https://olis.leg.state.or.us/liz/2018R1/Downloads/MeasureDocument/HB4059</a>
California Code of Regulations, 1962.1 and 1962.2	<a href="https://www.arb.ca.gov/msprog/zevprog/zevregs/1962.1_Clean.pdf">https://www.arb.ca.gov/msprog/zevprog/zevregs/1962.1_Clean.pdf</a>  <a href="https://www.arb.ca.gov/msprog/zevprog/zevregs/1962.2_Clean.pdf">https://www.arb.ca.gov/msprog/zevprog/zevregs/1962.2_Clean.pdf</a>
40 CFR 600.116-12, Special Procedures Related to Electric Vehicles and Plug-In Hybrid Electric Vehicles	<a href="https://www.gpo.gov/fdsys/granule/CFR-2012-title40-vol31/CFR-2012-title40-vol31-sec600-116-12">https://www.gpo.gov/fdsys/granule/CFR-2012-title40-vol31/CFR-2012-title40-vol31-sec600-116-12</a>
Oregon Department of Employment 2015 data	Employment Department 875 Union Street NE Salem OR 97311
NYSERDA 2017 Announcements, “Governor Cuomo Announces 74 Percent Increase in Electric Car Sales Since Launch of Drive Clean Rebate in March”	<a href="https://www.nyserd.ny.gov/About/Newsroom/2017-Announcements/2017-09-27-Governor-Cuomo-Announces-74-Percent-Increase-in-Electric-Car-Sales">https://www.nyserd.ny.gov/About/Newsroom/2017-Announcements/2017-09-27-Governor-Cuomo-Announces-74-Percent-Increase-in-Electric-Car-Sales</a>
Atlanta Journal-Constitution, “Here’s why electric car sales are plummeting in Georgia”	<a href="http://politics.myajc.com/news/state--regional-govt--politics/here-why-electric-car-sales-are-plummeting-georgia/1NGjfnDMALGkv2iUzwwXIO/">http://politics.myajc.com/news/state--regional-govt--politics/here-why-electric-car-sales-are-plummeting-georgia/1NGjfnDMALGkv2iUzwwXIO/</a>

## **Fee Analysis**

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This rulemaking does not involve fees.



# Statement of fiscal and economic impact

## Summary

DEQ is proposing new rules for a Zero-Emission Vehicle Rebate program under Division 270 of Chapter 340 of the Oregon Administrative Rules. The proposed rules would implement Sections 148 through 157 of House Bill 2017 (2017), which directs DEQ to develop and implement an Electric Vehicle Rebate program for Oregon. The Electric Vehicle Rebate program is designed to incentivize residents to purchase or lease certain types of zero-emission vehicles, thus increasing the adoption of zero-emission vehicles, reducing air pollution and advancing progress towards Oregon's greenhouse gas emissions reduction goals.

The Zero-Emission Vehicle Rebate program would contain two elements. The first element would provide standard rebates for the purchase or lease of eligible new zero-emission vehicles. A second element, called Charge Ahead rebates, would provide rebates for the purchase or lease of new or used zero-emission vehicle if the purchaser is from a low or moderate income household.

DEQ is proposing to establish program requirements including:

- The rebate amounts provided for the purchase or lease of zero-emission vehicles.
- Eligibility requirements for the vehicles and the purchasers that qualify for the programs.
- Program elements of the Charge Ahead rebate program, including eligibility criteria, as defined in rulemaking.

This fiscal impact statement was prepared prior to the adoption of House Bill 4059 (2018), which removed provisions in the Charge Ahead program requiring a purchaser to scrap a 20-year-old car and to reside in an area of poor air quality due to transportation emissions. Although the fiscal impact statement refers to those now-outdated requirements, DEQ does not believe this fiscal impact statement is inadequate because it accurately states all the potential fiscal impacts from the program.

## Affected parties

Parties and types of industry and business likely affected by the Zero-Emission Vehicle Rebate program include:

- Automobile dealers – Businesses that sell or lease new and or used zero-emission vehicles. Under the rules, such entities may voluntarily choose to assist the purchaser in applying for the rebate at the point of sale and receive an assignment of the rebate from the purchaser.

- Automobile manufacturers – Businesses that manufacture zero-emission vehicles eligible for the rebate. Under the rules, such entities may voluntarily choose to assist the purchaser in applying for the rebate at the point of sale and receive an assignment of the rebate from the purchaser.
- Zero-emission vehicle purchasers – Oregon residents who purchase or lease zero-emission vehicles that meets program requirements. Under the rules, such persons may apply for and receive a rebate or may choose to assign the rebate to a dealer or manufacturer.

## **Fiscal and Economic Impact**

The proposed rules are not anticipated to have any major economic impacts on any entities and may provide a benefit to zero-emission vehicle automobile dealers or manufacturers due to a potential increase in sales as a result of the rebates. The rules may also benefit buyers of zero-emission vehicles that qualify under the program, as they would potentially receive rebates for their purchases. The proposed rules would have a fiscal impact on DEQ, since DEQ is the agency responsible for implementing and overseeing the program. It is anticipated the Agency would need to hire an additional staff person to conduct this work to oversee the third-party entity hired to implement the program. Costs for DEQ implementing the program and hiring and paying the third party entity would be covered by rebate program monies from the Zero-Emission Incentive Fund.

## **Statement of the Cost of Compliance**

DEQ would experience a fiscal impact as a result of the rules. The rules establish a program to issue rebates for the purchase of eligible zero-emission vehicles, and DEQ is the agency responsible for implementing and overseeing the program. Although DEQ intends to contract with a third party to implement the program, process rebate applications, and track program activity, DEQ would need to hire an additional full-time employee to manage and oversee the third party entity and ensure program requirements are being met. Costs for DEQ implementing the program and hiring and paying the third party entity would be covered by rebate program monies from the Zero-Emission Incentive Fund. Program funding is provided through a tax which does have a fiscal impact on those paying it, but that tax is imposed directly by state statute and is not a result of the proposed rules. As part of the program requirements, DEQ would also be required to analyze rebate amounts on a yearly basis. Modifications to the amounts may require rule changes and updating of program materials and publicizing those changes to potential rebate recipients. DEQ also plans to conduct community outreach to low and middle-income households for the Charge Ahead program to ensure the program is promoted effectively and to assess how it is being implemented.

## **Other governmental agencies**

There are no anticipated fiscal impacts to other state, federal, or local agencies as a result of the proposed rules.

## **Public**

The public would not incur any mandatory compliance costs as a result of the proposed rules because the proposed rules do not impose any requirements on parties who do not wish to participate in the program. The public, however, would experience other indirect benefits from the program. It could result in the purchase of more electric vehicles, which have cleaner emissions and could potentially reduce air pollution and cause a reduction in associated health effects. Additionally, under the rules developing the program, there are two rebates that members of the public could receive. The first is that members of the public will be eligible to receive standard rebates for the purchase or lease of a new zero-emission vehicle. The second, under the Charge Ahead program, is a Charge Ahead rebate for the purchase or lease of a new or used zero-emission vehicle if the purchaser is from a low or moderate income household, resides in an area of the state with poor air quality due to transportation emissions, and scraps an internal combustion engine car that is at least 20 years old. Some zero-emission vehicle purchasers would receive a rebate to help defray the cost of a zero-emission vehicle. An additional benefit could be realized by qualified applicants in the Charge Ahead program because the Charge Ahead rebate could be combined with the standard rebate if the applicant purchases a new zero-emission vehicle.

## **Large businesses - businesses with more than 50 employees**

Large businesses would not incur any mandatory compliance costs as a result of the proposed rules because the proposed rules do not impose any requirements on parties who do not wish to participate in the program. DEQ has identified there are at least 20 large manufacturers of zero-emission vehicles and a number of large auto dealers who could participate in the program through the assignment of rebates, and up to 29 large manufacturers and some large auto dealers who would not participate because they do not manufacture or sell zero-emission vehicles.

For affected large businesses, the cost to comply with the proposed rules is anticipated to be similar to costs described for small businesses. This applies to automobile manufacturers and some auto dealers.

## **Small businesses – businesses with 50 or fewer employees**

Small businesses would not incur any mandatory compliance costs as a result of the proposed rules because the proposed rules do not impose any requirements on parties who do not wish to participate in the program. DEQ identified up to 253 small businesses potentially affected by this rule. This includes 245 automobile dealers (both new and used) and eight salvage companies that could participate in the scrappage component of the

Charge Ahead program. However, participation in assignment of rebates or scrappage component is entirely optional to any automobile dealer or salvage company, and any associated costs might be offset by the increased number of sales these small businesses would experience in zero-emission vehicles or costs recouped from the resale of scrapped materials.

Small business may face other indirect effects from the program. Overall, DEQ anticipates that affected small businesses would benefit from the proposed rules. Zero-emission vehicle manufacturers and dealers who sell zero-emission vehicles may see an increase in sales because the rebates would encourage more people to purchase zero-emission vehicles who might not otherwise have done so. Based on sales data from other states, zero-emission vehicle sales increased once the rebate became available. In New York, the sales of zero-emission vehicles saw a 74 percent increase over the same period in the previous year, prior to when a zero-emission vehicle rebate incentive was offered. Alternatively, in Georgia, sales of electric vehicles decreased 80 percent when the state eliminated a tax credit for such purchases in 2015.

Because the rules allow dealers and manufacturers who do not have licensed franchised new automobile dealers in Oregon to assist rebate applicants in applying for rebates at the point of sale and receive assignments of rebates from applicants, some dealers and manufacturers may see increased operating costs if they choose to take advantage of that option. For example, offering such an option presents potential additional paperwork or training requirements (approximately 4-6 hours)<sup>1</sup> to ensure employees can properly utilize any necessary electronic databases. Further, businesses that offered that option and directly applied the anticipated rebate toward a car payment, lease agreement, or to reduce the overall price of a purchased car might have to carry increased “debt” or “carryover” while waiting for the rebate application to be processed and funds to be remitted into their accounts. However, participation in assignment of rebates is entirely optional to any eligible entity, and any associated costs might be offset by the increased number of sales those entities would experience in zero-emission vehicles. Based on available information DEQ expects a net positive fiscal benefit to zero-emission dealers and manufacturers from the proposed rules.

Under the Charge Ahead program, qualified applicants would be required to scrap an internal combustion engine car in order to obtain the rebate. Automobile dealers providing a service for scrapping the car at their dealership would potentially see a delayed benefit. Incapacitating the engine block to fulfill the scrappage requirement prevents the resale of the entire car. However, the cars might still retain some value for the remaining components and parts. Vehicle scrappage companies might see a benefit because their business may increase as a result of cars being required to be scrapped in order for Charge Ahead applicants to receive their rebate.

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<sup>1</sup> Per conversation with VITU, a local vehicle software registration company.

**a. Estimated number of small businesses and types of businesses and industries with small businesses subject to proposed rule.**

Using recent employment data, DEQ identified up to 253 small businesses potentially affected by this rule. This includes 245 automobile dealers (both new and used) and eight salvage companies that could participate in the scrappage component of the Charge Ahead program.

**b. Projected reporting, recordkeeping and other administrative activities, including costs of professional services, required for small businesses to comply with the proposed rule.**

DEQ is proposing rules to issue rebates to zero-emission vehicle purchasers and to allow purchasers to assign their rebates to automobile dealers or manufacturers who do not have licensed franchised new automobile dealers in Oregon. For the automobile dealer, there may be some administrative activities required to fill out the necessary paperwork on behalf of the purchaser, submit the information to DEQ or the third party entity administering the rebate program, track the funds, and receive payment if they choose to participate in the assignment program.

Under the Charge Ahead program, there may be additional recordkeeping required for auto dealers who chose to participate in the assignment aspect of the program and vehicle scrappers who offer scrappage services to rebate applications to show proof of conventional gasoline car scrappage (in the form of a receipt or form provided by DEQ) for the qualified applicant to receive his or her rebate.

**c. Projected equipment, supplies, labor and increased administration required for small businesses to comply with the proposed rule.**

DEQ is proposing rules to issue rebates to zero-emission vehicle purchasers and to the dealers on behalf of the purchaser. For the automobile dealers and manufacturers who choose to submit the rebate information on behalf of the purchaser, there may be some minimal training necessary (approximately 4-6 hours of staff time) or additional administration to process and submit information regarding rebate program submittals and remittance.

**d. Describe how DEQ involved small businesses in developing this proposed rule.**

DEQ included small business representatives on the Electric Vehicle Rebate Rule Advisory Committee that advised DEQ on the cost of compliance for small businesses. DEQ also provided rulemaking notice through the Oregon Auto Dealers Association and the Oregon Independent Auto Dealers Association. These associations include small businesses as part of their membership.

## Documents relied on for fiscal and economic impact

Document title	Document location
Title	Link or office address
Oregon Department of Employment 2015 data	Employment Department 875 Union Street NE Salem OR 97311
NYSERDA 2017 Announcements, “Governor Cuomo Announces 74 Percent Increase in Electric Car Sales Since Launch of Drive Clean Rebate in March”	<a href="https://www.nyserda.ny.gov/About/Newroom/2017-Announcements/2017-09-27-Governor-Cuomo-Announces-74-Percent-Increase-in-Electric-Car-Sales">https://www.nyserda.ny.gov/About/Newroom/2017-Announcements/2017-09-27-Governor-Cuomo-Announces-74-Percent-Increase-in-Electric-Car-Sales</a>
Atlanta Journal-Constitution, “Here’s why electric car sales are plummeting in Georgia”	<a href="http://politics.myajc.com/news/state--regional-govt--politics/here-why-electric-car-sales-are-plummeting-georgia/INGjfnDMALGkv2iUzwwXIO/">http://politics.myajc.com/news/state--regional-govt--politics/here-why-electric-car-sales-are-plummeting-georgia/INGjfnDMALGkv2iUzwwXIO/</a>

## Advisory committee

DEQ appointed an advisory committee.

As ORS 183.333(3) requires, DEQ asked for the committee’s recommendations on:

- Whether the proposed rules would have a fiscal impact,
- The extent of the impact, and
- Whether the proposed rules would have a significant adverse impact on small businesses and comply with ORS 183.540.

The committee reviewed the draft fiscal and economic impact statement and its findings are stated in the approved minutes dated December 12, 2017.

The committee agreed with DEQ’s analysis regarding the fiscal and economic impacts. The committee determined the proposed rules would not have a significant adverse impact on small businesses in Oregon.

## **Housing cost**

As ORS 183.534 requires, DEQ evaluated whether the proposed rules would have an effect on the development cost of a 6,000-square-foot parcel and construction of a 1,200-square-foot detached, single-family dwelling on that parcel. DEQ determined the proposed rules would have no effect on the development costs because they only affect purchasers of zero-emission vehicles, auto dealers and manufacturers who sell or produce zero-emission vehicles, and salvage companies who voluntarily scrap cars under the Charge Ahead program.

## **Federal relationship**

### **Relationship to federal requirements**

ORS 183.332 and OAR 340-011-0029 require DEQ to attempt to adopt rules that correspond with existing equivalent federal laws and rules unless there are reasons not to do so.

The proposed rules are in addition to federal requirements since there are no federal regulations regarding rebates for the purchase or lease of zero-emission vehicle. The proposed rules protect the environment by reducing greenhouse gases.

### **What alternatives did DEQ consider if any?**

DEQ did not consider any alternatives to the proposed rule because the Legislature directed DEQ to adopt a program to issue rebates and implement the Zero-Emission and Electric Vehicle Rebate program.



## Land Use

In adopting new or amended rules, ORS 197.180 and OAR 340-018-0070 require DEQ to determine whether the proposed rules significantly affect land use. If so, DEQ must explain how the proposed rules comply with state-wide land-use planning goals and local acknowledged comprehensive plans.

Under OAR 660-030-0005(2) and OAR 340 Division 18, DEQ considers that rules affect land use if:

- The statewide land use planning goals specifically refer to the rule or program, or
- The rule or program is reasonably expected to have significant effects on:
  - Resources, objectives or areas identified in the statewide planning goals, or
  - Present or future land uses identified in acknowledged comprehensive plans

To determine whether the proposed rules involve programs or actions that affect land use, DEQ reviewed its Statewide Agency Coordination plan, which describes the DEQ programs that have been determined to significantly affect land use. DEQ considers that its programs specifically relate to the following statewide goals:

Goal	Title
5	Open Spaces, Scenic and Historic Areas, and Natural Resources
6	Air, Water and Land Resources Quality
9	Ocean Resources
11	Public Facilities and Services
16	Estuarial Resources

Statewide goals also specifically reference the following DEQ programs:

- Nonpoint source discharge water quality program – Goal 16
- Water quality and sewage disposal systems – Goal 16
- Water quality permits and oil spill regulations – Goal 19

## Determination

DEQ determined that these proposed rules do not affect land use under OAR 340-018-0030, OAR 660-030-0005(2), or DEQ's State Agency Coordination Program.

# Advisory Committee

## Advisory committee Background

DEQ convened the Electric Vehicle Rebate Rule advisory committee. The committee included representatives from the automobile industry and dealers, environmental groups, a citizen group, and environmental justice groups. The committee met one time. The committee's web page is located at: [Electric Vehicle Rebates 2018](#).

The committee members were:

Electric Vehicle Rebate Rulemaking Advisory Committee	
Name	Representing
Jeff Allen	Forth
Alan DeBoer	Oregon State Legislature
Steve Douglas	Alliance of Auto Manufacturers
Jana Gastellum	Oregon Environmental Council
Gary Graunke	Oregon Electric Vehicle Association
Brendan McCarthy	PGE
Leesha Posey	Portland African American Leadership Forum
Julia Rege	Global Automakers
Greg Remensperger	Oregon Auto Dealers Association
Meredith Roberts	Tesla
Gena Scott	Hacienda CDC
Diane Sparks	Oregon Independent Auto Dealers Association

## Meeting notifications

To notify people about the advisory committee's activities, DEQ:

- Sent GovDelivery bulletins, a free e-mail subscription service, to the following lists:
  - Electric Vehicle Rebate 2018 Rulemaking
- Added advisory committee announcements to DEQ's calendar of public meetings at [DEQ Calendar](#).

## Committee discussions

In addition to the recommendations described under the Statement of Fiscal and Economic Impact section above, the committee advised DEQ on certain program elements in establishing a zero-emission vehicle rebate program in Oregon. The topics included potential rebate amounts, eligibility requirements, and Charge Ahead program requirements. The committee concluded the following:

- DEQ should offer the maximum rebate amount;
- Purchases should be eligible for the rebate prior to DEQ's adoption of rules, but there were differing opinions on when that date should be. Many committee members agreed that January 1, 2018 should be the eligibility date, i.e., that persons who purchased or leased a vehicle on Jan. 1, 2018 or later would be eligible to apply for rebates;
- DEQ should potentially limit the number of rebates available for entities making fleet purchases but should not limit the number of rebates per household;
- Rebates should be made available to individuals or dealers acting on behalf of other individuals for maximum flexibility; and
- House Bill 2017 should be amended regarding elements of the Charge Ahead program. Specifically, the scrappage and residing in a poor air quality area requirement should either be removed entirely or changed to give DEQ the discretion to determine whether to make it a requirement. The rebate for low or moderate income households who purchase or lease a new or used zero-emission should remain. Additionally, the requirement for DEQ to conduct specific outreach in these communities, as well as the minimum 10% set aside of rebate funds for this program must be retained.

## EQC prior involvement

DEQ shares general rulemaking information with EQC through the monthly Director's Report.

DEQ shared information about this rulemaking with the EQC in the Director's Report on Nov. 3, 2017, at the meeting in Eugene and presented an informational item about the program and the proposed rules at the March 22, 2018, meeting in Portland.

## Public Notice

DEQ provided notice of the proposed rulemaking and rulemaking hearings on January 19, 2018 by:

- On January 19, 2018, filing notice with the Oregon Secretary of State for publication in the February 1, 2018 Oregon Bulletin;
- Notifying the federal Environmental Protection Agency by mail;
- Posting the Notice, Invitation to Comment and Draft Rules on the web page for this rulemaking, located at: [Electric Vehicle Rebates 2018](#);
- Emailing approximately 8,738 interested parties on the following DEQ lists through GovDelivery on January 19, February 21 and March 7, 2018:

- Rulemaking
- Electric Vehicle Rebate 2018 Rulemaking
- DEQ Public Notices
- Emailing the following key legislators required under ORS 183.335:
  - Senator Lee Beyer, Co-Chair, Joint Committee on Transportation Preservation and Modernization;
  - Representative Caddy McKeown, Co-Chair, Joint Committee on Transportation Preservation and Modernization;
  - Senator Brian Boquist, Co-Vice Chair, Joint Committee on Transportation Preservation and Modernization; and
  - Representative Cliff Bentz, Co-Vice Chair, Joint Committee on Transportation Preservation and Modernization.
- Emailing advisory committee members;
- Multiple postings on Twitter and Facebook; and
- Posting on the DEQ event calendar: [DEQ Calendar](#).

## **Request for other options**

During the public comment period, DEQ requested public comment on whether to consider other options for achieving House Bill 2017's and the rules' substantive goals while reducing any negative economic impact on businesses. DEQ also requested public comment on elements of the Charge Ahead program, including specific eligibility requirements regarding residing in an area of the state with poor air quality due to transportation emissions, and scrapping an internal combustion engine car that is at least 20 years old. DEQ was aware that the Legislature was considering making changes to the provisions of House Bill 2017. DEQ requested comments on how it may adjust its proposed rules in response to any changes adopted by the Legislature to ensure that the rules adopted remain consistent with the statutory scheme. This document includes a summary of comments and DEQ responses.

# Public Hearings

## Public hearings

DEQ held two public hearings. DEQ received 6 comments at the hearing. Later sections of this document include a summary of the 44 comments received during the open public comment period, DEQ's responses, and a list of the commenters. Original comments are on file with DEQ.

## Presiding Officers' Record

### Hearing 1

Date: Feb. 26, 2018

Place: Portland State Office Building, Conference Room 1E, Portland, Oregon

Start Time: 1 p.m.

Ending Time: 2 p.m.

Presiding Officer: Colin McConnaha, Senior Climate Policy Advisor, Air Planning

Twelve people attended the hearing, 12 in person and an undetermined number remotely.

The presiding officer convened the hearing, summarized procedures for the hearing, and explained that DEQ was recording the hearing. The presiding officer asked people who wanted to present verbal comments to sign the registration list, or if attending by phone, to indicate their intent to present comments. The presiding officer advised all attending parties interested in receiving future information about the rulemaking to sign up for GovDelivery email notices.

In accordance with to [OAR 137-001-0030](#), the presiding officer summarized the content of the notice given under [ORS 183.335](#). This summary took approximately 3 minutes and included staff responses to questions about the rulemaking.

Six people commented orally. There were no written comments.

### Hearing 2

Date: Feb. 28, 2018

Place: DEQ – Medford office, 221 Stewart Ave, Medford, Oregon

Start Time: 1 p.m.

Ending Time: 1:35 p.m.

Presiding Officer: Rachel Sakata, Air Quality Planner

Six people attended in-person and an undetermined number attended remotely.

The presiding officer convened the hearing, summarized procedures for the hearing, and explained that DEQ was recording the hearing. The presiding officer asked people who wanted to present verbal comments to sign the registration list, or if attending by phone, to indicate their intent to present comments. The presiding officer advised all attending parties interested in receiving future information about the rulemaking to sign up for GovDelivery email notices.

There was no oral testimony or written comments.

## **Public comment period**

DEQ accepted public comment on the proposed rulemaking from Jan. 19, 2018 until 4 p.m. on March 14, 2018.

## Summary of comments and DEQ responses

DEQ changed the proposed rules in response to comments described in the response sections below. Original comments are on file with DEQ.

### **Comment #1: General support for the zero-emission and electric vehicle rebate program**

DEQ received 55 comments in this category from commenters # 2, 6, 10, 11, 13, 15, 16, 18, 20, 21, 23-25, 27, 28, 29, 31, 32, 34, 38, 41, 43, 47, 49, 50, 52, 55, 57, 58, 60, 61, 64, 65, 67, 71, 72, 74, 75, 79-81, 84, 85-90, 92, 93, 94, 97, 98, 100, and 101, identified in the *Commenters* table below. These commenters expressed general support for the zero-emission (ZEV) and electric vehicle rebate program. They also provided support for the Charge Ahead program for the low and moderate income households.

#### **Response**

DEQ thanks you for your comments in support of these proposed rules.

### **Comment #2: Opposition to the program**

DEQ received 1 comment in this category from commenter # 17, identified in the *Commenters* table below. The commenter expressed opposition to subsidizing the electric car industry.

#### **Response**

DEQ notes House Bill 2017 requires DEQ to establish a ZEV and electric vehicle rebate program for the state. The purpose of the program is to reduce air pollution and advance progress toward the state's greenhouse gas reduction goals.

### **Comment #3: Effective date of rebate**

DEQ received 24 comments in this category from commenters # 5, 6, 7, 9, 12, 19, 22, 32, 33, 37, 40, 42, 44, 46, 49, 56, 59, 66, 69, 70, 77, 84, 96, and 98, identified in the *Commenters* table below.

Commenters # 5, 19, 32, 44, 49, 69, 96, and 98 support a purchase date on or after January 1, 2018 for vehicles to be eligible for the rebate. Commenters note the January start date is fair. Commenter # 44 says delaying the eligibility date to after the EQC approves the regulations, or even some later date, would have a chilling effect on ZEV sales because consumers committed to a ZEV would delay purchasing until after the rebate is available, while those not committed will simply choose non-ZEVs.

Commenters # 6, 7, 9, 12, 33, 37, 56, 66, and 84 support a purchase date starting October 6, 2017 for vehicles to be eligible for the rebate. Commenters assert that this is the date when the legislation went into effect. Commenters # 6, 7, 33, and 46 state

that they purchased their cars in October because, based on the effective date of the bill, they thought those purchases would be eligible. Commenter # 9 says the legislation states “rebates may be issued for vehicles that were leased on or after the effective date of HB 2017” (October 6). Commenter # 66 states making the eligibility date in January is not fair to those who purchased earlier. Commenter # 37 does not think DEQ has the authority in the legislation to change the eligibility date.

Commenter # 22, 42, 59, and 70 support a purchase date of August 2017 for qualifying vehicles to be eligible for the rebate. This is the date when the Governor signed the bill into law. Commenter # 42 purchased an electric vehicle in 2017 thinking the rebate was effective in August.

Commenter # 77 states rebates should be offered to the very early adopters of electric vehicles, not to those who purchased in either 2017 or 2018. Otherwise, it rewards those who purchased electric vehicles recently and ignore those who foresaw the issue long ago and took action.

Commenter # 40 believes rebates should be effective upon adoption of rules, not retroactively starting January 1, 2018. Allowing purchases to be eligible starting January 1 will drain the program of funds prematurely.

### **Response**

DEQ has chosen to keep the January 2018 eligibility date. While the legislation has an effective date of October 6, 2017, the legislation also states the provisions are operative starting January 1, 2018. Additionally, under the legislation, DEQ may not provide rebates until there are funds available to make the rebates, which will come from a fee that is effective on January 1, 2018. Because of this, DEQ chose the January 1, 2018 as the point at which purchases would become eligible for rebates.

### **Comment #4: Rebate amount**

DEQ received 17 comments in this category from commenters # 5, 8, 9, 19, 25, 30, 32, 40, 44, 45, 48, 53, 77, 82, 83, 96, and 98, identified in the *Commenters* table below.

Commenters # 5, 8, 9, 19, 25, 30, 40, 44, 82, 96, and 98 all express support for DEQ’s proposal offering the maximum amount allowed under the statute for both the standard and Charge Ahead rebates.

Commenter # 9 supports a tiered rebate amount for low speed vehicles and motorcycles to allow for more total rebates. Commenters # 32 and 83 support a rebate of up to \$7,500 to match the federal tax credit. Commenter # 48 suggests increasing the rebate amount to \$7,000 to match California’s rebate amount. Commenter # 53 suggests the rebate amount in Charge Ahead program seems too low. Commenter # 77 suggests greater incentives should be given to 100% electric vehicles versus PHEVs. Commenter # 45 thinks the rebate amounts should be gradually reduced. Commenter # 8 requested the full rebate amount be extended past 2019.



## **Response**

Under House Bill 2017, which establishes the rebate program, DEQ is directed to set a rebate amount within a certain dollar range. These ranges are as follows:

- For qualifying vehicles with an electrochemical energy storage capacity of 10 kWh or more, an amount between \$1,500 and \$2,500
- For qualifying vehicles with an electrochemical energy storage capacity of 10 kWh or less, an amount between \$750 and \$1,500
- For zero-emission motorcycles and neighborhood electric vehicles, an amount between \$375 and \$750

The rebates are based on the battery capacity of the electric vehicle. DEQ is proposing to offer the maximum amount allowed under the legislation for the rebates. Because the legislature set these allowable ranges, and DEQ has chosen to offer the maximum amount in each range, DEQ does not have authority to offer a higher rebate amount.

DEQ believes that a high rebate amount will encourage participation in the program. DEQ is required to set rebate amounts annually, and if rebate participation is high and there is not sufficient funding to pay out the rebates in a given year, DEQ may choose to adjust the amount offered for rebates to accommodate demand through rulemaking.

## **Comment #5: Rebate availability**

DEQ received 3 comments in this category from commenters # 36, 50, and 51, identified in the *Commenters* table below.

Commenters indicate the rebate should be available to everyone regardless of income level or whether they live in a poor air quality area.

## **Response**

DEQ agrees that the standard rebate should be available without regard to income level or area of residence. Under the proposed standard rebate program, anyone who purchases an eligible vehicle is eligible to receive a rebate, regardless of income level or area of residence. The Charge Ahead rebate is an additional program specifically targeted for low and moderate-income households. While the original provisions of the Charge Ahead program did require rebate recipients to reside in a poor air quality area, during the 2018 Legislative session, House Bill 4059 was passed, which eliminated that requirement for Charge Ahead rebate recipients. DEQ adjusted its rules to conform to House Bill 4059. However, the law still requires that DEQ provide Charge Ahead rebates only to low or moderate-income households. Accordingly, DEQ does not have authority to remove this program requirement.

## **Comment #6: Prioritizing rebates**

DEQ received 1 comment in this category from commenter # 40, identified in the *Commenters* table below.

The commenter recommended DEQ prioritize rebates to Charge Ahead first, as opposed to providing all rebates on a first-come, first-served. Additionally, the commenter suggested that if rebate funds become depleted, DEQ should restrict rebates by not allowing business fleet vehicle purchases and then not allowing high income households of \$100,000 or more to be eligible for the rebate.

**Response**

At this time, DEQ is allowing rebates to be issued on a first-come, first-served basis. Until DEQ is able to assess the demand for rebates, DEQ wants to maximize participation in the program. DEQ has concluded it does not have clear statutory authority to limit rebates based on high-income. However, during implementation of the program DEQ will target low and moderate-income households throughout the state to publicize the program, encourage participation, and help facilitate rebate application for persons who may be eligible for a Charge Ahead rebate. OAR 340-270-0500 also requires DEQ to prioritize 10 percent of overall program funds to the Charge Ahead program. If overall demand for the program is high and funding runs out, DEQ may propose rules in the future to further prioritize rebates to Charge Ahead.

The proposed rule in OAR 340-270-0120(5) would currently limit business fleet purchases to only 10 rebates a year per entity. If funding becomes limited due to popularity of the program, DEQ may also consider whether to restrict business fleet vehicle purchases in a future rulemaking proposal.

Overall, the program is geared not only to provide low and moderate income households a mechanism by which they can potentially purchase or lease electric vehicles, but it seeks to add more electric vehicles to the vehicle fleet and provide the benefit of air quality improvement for all Oregonians.

**Comment #7: Rebates only support upper-middle-class households**

DEQ received 1 comment in this category from commenter # 63, identified in the *Commenters* table below.

The commenter noted many of the vehicles targeted by the rebate policy are for the upper middle class with Tesla and BMW taking the lead and expressed that this demographic does not need the assistance of a rebate. The commenter also noted Oregon's infrastructure loses funding (such as the loss of revenue from gas taxes) as electric vehicles become commonplace.

**Response**

The rebate program limits the vehicle eligibility to a purchase price with a base MSRP of \$50,000 or less. This requirement makes most luxury vehicles ineligible for a rebate under this program. The program is geared not only to provide low and moderate income households a mechanism by which they can potentially purchase or lease an electric vehicle, but it seeks to add more electric vehicles to the vehicle fleet and provide the benefit of air quality improvement for all Oregonians.

**Comment #8: Providing rebates at the point of sale (e.g. at the auto dealership)**

DEQ received 4 comments in this category from commenters # 40, 82, 96, and 98, identified in the *Commenters* table below.

Commenter # 82 suggested the program rules should further clarify the option for an eligible consumer to assign the rebate to the dealer.

Commenters # 96 and 98 both support rebates being offered at point of sale because this would allow consumers to factor this into upfront decision making and help attract new electric vehicle drivers and help provide the maximum flexibility. Commenter # 40 also suggested if the rebate is offered at the point of sale, the dealer should be assigned the rebate and receive it so as to minimize the amount of debt the dealer would carry while waiting for the rebate to be processed.

**Response**

The proposed rules currently allow the consumer to assign the rebate to the dealer so that the rebate can be applied at the point of sale. This will provide more options for the consumer and assist in facilitating electric vehicle sales and adoption.

**Comment #9: Number of rebates allowed per consumer and per fleet**

DEQ received 6 comments in this category from commenters # 40, 82, 96, and 98, identified in the *Commenters* table below.

Commenter #96 and 98 support not having limits on individual households at this time.

Commenter #40 recommended DEQ allow only one rebate per person because the rebate is supposed to influence someone's purchasing decision. Those who have already accepted the technology should not be getting public money to help sweeten the deal on their car purchase. Putting such a restriction would also help ensure that the electric vehicle gets used and driven rather than sitting on a driveway or in a garage which is not good for the environment as it takes a lot of material and energy to create a car.

Commenter # 96 and 98 support the limitations on the number of rebates a business can access in a year.

Commenter # 82 supports volume limits on fleet rebates as outlined in subsection OAR 340-270-0120(5). This provision will help ensure that program funds primarily benefit individual consumers, while also maintaining a mechanism to support small to mid-sized fleets.

Commenter # 82 recommends DEQ increase the number of fleet rebates per calendar year to 15 to reflect economies of scale and increase the likelihood of success for a fleet transitioning to electric vehicles. For example, Commenter # 82 has seen small-sized local governments successfully add 15 or more electric vehicles annually. Even higher annual limits in California have resulted in fleet consumers receiving less than 5% of total rebate funding. However, a fleet rebate funding cap or separated fleet funding could be established in conjunction with a 15 per year limit to mitigate any concerns.

**Response**

DEQ is retaining the number of allowed rebates to 10 per calendar year for fleet purchases. While DEQ wants to encourage as much participation in the program as possible and help ensure the state meets the Governor's goal of achieving 50,000 electric vehicles by 2020. Until DEQ is able to assess the demand for rebates, DEQ wants to maximize participation in the program and ensure individual households have access to the rebates. Therefore DEQ is not establishing any limits on households at this time. Depending upon who utilizes the program and how successful it is, in the future DEQ may propose a rule to increase or decrease the number of allowed rebates for fleet purchases or limit the number of rebates per household.

**Comment #10: Fleet purchase requirements to qualify for the rebate**

DEQ received 1 comment in this category from commenter # 82, identified in the *Commenters* table below.

Commenter # 82 stated if DEQ were to require capped or separated fleet funding it would also facilitate the creation of program features that accommodate the differences between individual car shopping and fleet vehicle procurement. Fleet managers typically make their purchase decisions months prior to physically acquiring vehicles. If they think there will be any disruption in rebate funding by the time an electric vehicle is delivered, they will be less likely to order it in the first place. Commenter # 82 recommends DEQ give fleets the ability to reserve rebates at least 6 months in advance of vehicle delivery. Rebate reservations also give fleet managers time to ensure that adequate charging stations are in place prior to vehicle delivery. Additionally, Commenter # 82 recommends that entities receiving fleet rebates be required to submit annual usage data to measure program effectiveness.

**Response**

At this time, DEQ is not establishing separate fleet funding. If in the future, DEQ raises the limit on the number of rebates allowed for fleet purchases or if rebate requests from fleet purchases use up a large percentage of available funding, it may consider establishing a cap on the amount of funding that can be used for fleet purchases.

DEQ will also retain the provision of a first-come, first-served process for all requested rebates. Once the program is underway and once DEQ can assess the level of interest in the program, DEQ may propose rules in the future to alter the criteria to allow for advance rebate reservations for fleets as well as other programmatic changes (e.g. further prioritize Charge Ahead rebates).

DEQ's proposed rules require recipients to participate in ongoing research efforts and surveys regarding the program. However, DEQ is modifying the rules to specifically require entities receiving fleet rebates to submit annual usage data to help with program metrics and effectiveness.

**Comment #11: Vehicle eligibility – fuel cell vehicles**

DEQ received 1 comment in this category from commenter # 44, identified in the *Commenters* table below.

Commenter # 44 supported DEQ's inclusion of fuel cell vehicles as a potentially eligible vehicle under the rebate program.

**Response**

DEQ thanks the commenter for its support.

**Comment #12: Vehicle eligibility – PHEVs should not qualify for the rebate**

DEQ received 1 comment in this category from commenter # 76, identified in the *Commenters* table below.

Commenter # 76 thought DEQ should not allow plug-in hybrid electric vehicles (PHEVs) to qualify for the rebate, because most PHEVs have very small battery packs (less than 10kWh), which often provide electric-only ranges well below the average commute. In electric-only mode with most PHEVs, pressing the gas pedal down far enough will engage the internal combustion engine to assist. Commenter # 76 thought these cars continue to harm our health, the environment, and maintain our reliance on oil.

**Response**

House Bill 2017 directs DEQ to provide rebates for PHEVs, therefore DEQ is keeping PHEVs as an eligible vehicle under the rebate program.

**Comment #13: Vehicle eligibility – manufacturer requirements**

DEQ received 4 comments in this category from commenters # 74, 79, 94, and 97 identified in the *Commenters* table below.

Commenters # 74, 79, 94, and 97 commented DEQ should ensure that taxpayer subsidies aimed at incentivizing ZEV adoption (such as ZEV rebates) only be available from employers who meet basic labor standards and create safe, high-quality jobs. The commenters propose amending the draft rules in OAR 340-270-0100 to include a provision that manufacturers must meet high-road labor standards such as paying livable wages, maintaining safe working conditions, and respecting workers' rights in order for their vehicles to qualify for Oregon's electric vehicle consumer rebate. The change would declare DEQ's (or another relevant agency with the applicable regulatory authority) intent to establish a "fair and responsible" standard for employers. This rule change should be followed by a process for determining how this standard will be defined and implemented, like what is currently occurring in California.

**Response**

DEQ has concluded it does not have clear statutory authority to impose “fair and responsible” labor standards that manufacturers must meet in order for their vehicles to qualify for the Oregon ZEV and electric vehicle rebate.

**Comment #14: Vehicle eligibility - purchase price**

DEQ received 10 comments in this category from commenters # 1, 9, 14, 35, 73, 76, 82, 86, and 92, identified in the *Commenters* table below.

Commenters # 1, 9, 14, 35, 73, 82, and 92 said the maximum price of \$50,000 for eligible vehicles should be based on the base MSRP. This should exclude additional upgrade options like longer range batteries or software packages. This would allow for the quicker adoption of electric vehicles by purchasers who are already stretching their budgets to purchase clean vehicles. If DEQ limits the \$50,000 to the total purchase price, it could limit options to vehicles with shorter range and slower charging capabilities. In order to promote the quickest transition of the vehicle fleet to ZEVs and economies of scale that can reduce the price of ZEVs and negate the need for ZEV incentives early adopter consumers will need to purchase cars that hover in the \$50,000s. This will incentivize the greatest number of people who aren't interested in the least capable electric vehicle currently offered but will adopt the electric vehicle that meets their needs that currently cannot be purchased for an MSRP of under \$50,000.

Commenter # 35 said base MSRP also needs to be specifically defined. The rebate should allow the Tesla Model 3, because it is important in showing how ZEVs are superior to internal combustion engine cars in terms of safety, efficiency, technology, performance, maintenance, and aesthetics.

Commenter # 1 also noted if the \$50,000 cap is based on the entire purchase price, this artificial limit prevents people from transitioning to the best electric vehicle cars available. Over time, electric cars will come down in price, but the initial batches will be more expensive. By adding limits in this way, it discourages people from getting the best product available, thus delaying the time that they transition to sustainable resources.

Commenter # 86 encouraged DEQ to not have a maximum on the electric vehicle car purchase to qualify for a rebate, because the more expensive cars have a longer range, and a limit on price would discourage people from buying cars with longer ranges. It may also discourage others living in rural areas from considering electric vehicles.

Commenter # 76 said any fully electric or hydrogen fuel cell vehicle should be a candidate for a rebate, regardless of base price. A maximum base price would only prevent some of the longer range battery electric vehicles from qualifying, such as the Tesla Model X, Model S, and Jaguar I-Pace.

**Response**

House Bill 2017, the legislation that establishes the requirements for the ZEV and electric vehicle program, clearly states only cars with a base MSRP less than \$50,000

qualify for rebates. Thus, DEQ does not have authority to allow vehicles with a higher base MSRP to receive a rebate.

There are some cars available with a base MSRP of less than \$50,000 with a long range battery, which can accommodate those consumers interested in the longer range cars. These cars include the Tesla Model 3, which has a base price of \$35,000, and would be eligible for the rebate under the program.

DEQ has chosen not to further define base MSRP in the rules because DEQ did not feel it was necessary to do so. DEQ will also make a list of eligible vehicles available on its website, once the rules are adopted and the program is being implemented, to help identify which cars would qualify for the rebate program.

**Comment #15 - Vehicle eligibility regarding mileage and battery capacity**

DEQ received 1 comment in this category from commenter # 82, identified in the *Commenters* table below.

Commenter # 82 suggested increasing the minimum electric range required for PHEVs to 20 all-electric U.S. EPA rated miles. The diversity of product choice, consumer familiarity, and comfort with the behavior of plugging in vehicles (regardless of resultant range) are important factors to the market success of EVs. However, focusing public funds on more impactful vehicles (20-mile minimum) is more consistent with the goal of zero-emission commuting.

**Response**

DEQ is retaining the minimum range of 10 miles, which is the range established by the legislature in House Bill 2017, to allow for maximum choice regarding eligible PHEVs. If DEQ were to change the PHEV requirement to 20 all electric miles of capacity, it would eliminate 5 potentially eligible vehicles from the program. At this time, DEQ wants to provide maximum number of choices for consumers to purchase or lease electric vehicles to encourage adoption of electric vehicles.

**Comment #16 - Vehicle eligibility – registration requirement**

DEQ received 1 comment in this category from commenter # 82, identified in the *Commenters* table below.

Commenter #82 recommended increasing the 24-month requirement to not more than 35 months. For example, 30 months would allow dealerships to proactively re-engage with receptive consumers 6 months before a typical 3-year lease fully expires. 24-month leases are less common and can be more expensive than financing, which reduces their importance as a target of public support.

**Response**

DEQ is retaining the 24-month requirement of registration to be eligible for the rebate. Because the rebate recipient is required to refund the entire amount if he or she does not

fulfill this requirement, a requirement of a longer term would act as a deterrent for anyone to wanting to terminate a lease or sell a vehicle before the end of 24 months.

**Comment #17 - Vehicle ownership requirements**

DEQ received 1 comment in this category from commenter # 40, identified in the *Commenters* table below.

Commenter # 40 stated the vehicle registration provision should apply to both the standard and the Charge Ahead rebate program.

**Response**

DEQ agrees with this comment. The proposed rules that went out for public comment require a rebate recipient under the standard or Charge Ahead program to retain registration for a minimum of 24 months. DEQ has reworded the application requirements of the Charge Ahead Program to clarify that this requirement applies.

**Comment #18 - Allocation of funds for the Charge Ahead program**

DEQ received 3 comments in this category from commenters # 40, 82, and 96, identified in the *Commenters* table below.

Commenters # 82 and 96 supported the proposed rule that requires at least 10% of available monies be allocated for the Charge Ahead Program.

Commenter # 40 supported having a minimum amount of funding reserved for the Charge Ahead program to more than 10%.

**Response**

At this time, DEQ is keeping the requirement of a minimum of 10% of funding be set aside for Charge Ahead rebates. DEQ will conduct outreach to low-income households, moderate-income households, and community-based organizations to encourage participation in the program. In the future, DEQ may propose rules requiring a larger percentage of funding be set aside depending upon interest in the Charge Ahead program.

**Comment #19 - Charge Ahead program – general requirements**

DEQ received 11 comments in this category from commenters # 5, 40, 44, 54, 55, 78, 82, 84, 96, and 98, identified in the *Commenters* table below.

Commenter # 5, 40, 44, 78, 82, 96, and 98 support the legislative changes to remove or modify the scrappage and residing in a poor air quality area under the Charge Ahead program. These provisions should not be required under the Charge Ahead program. Commenter # 55 said the number of people who own a car over 20 years old and live in an area with serious air pollution and meet the income requirements is probably so small that the program is meaningless. The purpose is to expedite the uptake of ZEVs, and these requirements make it especially hard for people who might not be able to buy one otherwise. Commenter # 84 wished the legislature had not included the scrap requirement or made it so



that it was a bonus rebate so that an otherwise qualified person would receive at least half of the intended rebate even if they did not scrap a car of at least 20 years old.

Commenter # 5 also stated encouraging low and moderate income people to get electric vehicles should not depend on where they live or how old their car is.

Commenter # 54 stated opposition to any program to scrap older vehicles. Not all older vehicles are fuel-inefficient. Cash for Clunkers was a disaster and deprived many Americans of affordable transportation.

### **Response**

During the 2018 Legislative session, House Bill 4059 was passed which eliminated the requirement in the Charge Ahead program that applicants have to scrap a 20-year-old vehicle and reside in an area of poor air quality due to transportation emissions. Accordingly, DEQ has removed the language from the rules.

### **Comment #20 - Charge Ahead – income criteria questions**

DEQ received 2 comments in this category from commenters # 5 and 68, identified in the *Commenters* table below.

Commenter # 5 asked a number of questions about income requirements under the Charge Ahead program and expressed confusion about the area median income. Commenter # 5 specifically asked:

- What year's median household income are we looking at? The year prior to purchase? The year of the last census?
- If one buys the car in 2018, does one determine whether one qualifies as a low or moderate income based on income on 2017 tax forms?
- What if 2017 income is moderate, but 2018 income is above that level?
- Is the median-household income based on number of occupants in the household?
- Are there different median household incomes based on household size?

Commenter # 5 stated Oregon must rely on a particular analysis to determine median household income and that the regulations should indicate where to find that analysis. Commenter # 68 asked why there is no mention of any income limits to qualify for the program.

### **Response**

As stated in OAR 340-270-0030(1), income levels which qualify as low or moderate income for the Charge Ahead program are determined by reference to data published by the Housing and Community Service Department that establishes area median incomes. OAR 340-270-0030 (7) and (8) provide that households with less than or equal to 120 percent of the area median income will qualify for the Charge Ahead program. Further, as OAR 340-270-0030(1) makes clear, the income limits are adjusted for household size.

DEQ plans to provide annual guidance that references determinations from the Housing and Community Services Department and use those determinations to calculate the precise income limits on the Charge Ahead program in various metropolitan statistical areas.

DEQ agrees that the rules should clarify which income year an applicant must use to establish eligibility for the Charge Ahead program. DEQ has determined that an applicant must be a member of a low or moderate income household during the year the vehicle is purchased or leased and has updated the rules to clarify this requirement. Thus, if an applicant would have qualified as a low or moderate-income household in 2017, but his or her 2018 income is above the level, and the applicant purchased a vehicle in 2018, that person would not be eligible for the Charge Ahead rebate.

DEQ will determine whether an applicant qualifies as a member of a low or moderate income household at the time of application. DEQ will use the most recent publication by the Housing and Community Services Department to calculate whether an applicant presently qualifies as low or median income. Thus, if an applicant applies in January of 2018 for a rebate, and the Housing and Community Services Department has not yet released its 2018 area median income determinations, DEQ will rely on the 2017 median income determination to determine whether the applicant presently qualifies for the rebate. DEQ has modified the rules to clarify this process.

The proposed rules require an applicant to provide sufficient information to allow DEQ to determine that the applicant is a member of a low or moderate income household. DEQ anticipates using tax forms, W-2s, other supporting documentation or current participation in a public assistance program to help determine an applicant's income and whether that person qualifies for the Charge Ahead rebate. Because some of these documents may not be updated for the presedirent year at the time of rebate application, DEQ has discretion to rely on prior year documentation as evidence of the current year's income level. DEQ has discretion under the rules to determine what constitutes sufficient documentation on a case-by-case basis to prevent fraud and gaming of the system.

#### **Comment #21 – Charge Ahead residing in poor air quality questions**

DEQ received 1 comment in this category from commenter # 5, identified in the *Commenters* table below.

Commenter # 5 asked how a person figures out whether they live in an area of the state with elevated concentrations of air contaminants commonly attributable to motor vehicle emissions.

#### **Response**

During the 2018 legislative session, the requirement for Charge Ahead applicants needing to live in a poor air quality area due to transportation emissions was removed. Therefore, DEQ does not need to establish criteria for this requirement nor do applicants need to worry about whether or not they reside in a poor air quality area.

#### **Comment #22 – Charge Ahead scrappage requirements**

DEQ received 3 comments in this category from commenters # 5, 40, and 71, identified in the *Commenters* table below.

Commenter # 5 asked the following questions regarding the scrappage requirement:

- Why does someone with a 20-year-old car to scrap gets \$2,500, but someone with a 19-year-old car does not?
- Does the scrapped vehicle have to be registered to the person applying for the rebate for 2 years?
- What are the requirements for scrapping a car?
- What is the overall intent of the scrappage requirement?

Commenter # 71 stated the Charge Ahead scrappage requirement should be based on later model year cars, not a 20-year requirement.

Commenter # 40 suggested the scrapping of cars that are at least 20-years old should be determined based on a set of criteria besides just age, but also the condition of the car and its fuel economy.

### **Response**

House Bill 2017, the original legislation establishing the provisions of the program, required that Charge Ahead rebate recipients scrap a vehicle that was at least 20 years old. During the 2018 session, however, the legislature passed House Bill 4059, which removes the scrappage requirement for the Charge Ahead program. Accordingly, DEQ has removed this language from the proposed rules.

### **Comment #23 – Charge Ahead income requirements**

DEQ received 1 comment in this category from commenter # 68, identified in the *Commenters* table below.

Commenter # 68 said if DEQ were to set a limit on income for the Charge Ahead program, it will be very difficult for low to moderate income people to provide any details and extra paperwork. Additionally, for the Charge Ahead program, there should be no income requirement, only a requirement that a person scrap at least a 20-year-old car.

### **Response**

In implementing the Charge Ahead rebate program, DEQ will strive to keep the income verification requirements simple and easy for qualified applicant to show that they qualify for the program. DEQ wants to encourage participation in the Charge Ahead program and does not want to create paperwork barriers for qualifying people to obtain a rebate.

The purpose of the Charge Ahead program is to provide an opportunity for low and moderate income households to potentially purchase or lease an electric vehicle, hence the income requirement for this program. The scrapping requirement was removed during the 2018 legislative session.

### **Comment #24 – Charge Ahead – combining rebates**

DEQ received 1 comment in this category from commenter # 96, identified in the *Commenters* table below.

Commenter # 96 stated low and moderate income households that qualify for the Charge Ahead program should be able to combine the Charge Ahead Rebate with the standard rebate.

**Response**

DEQ agrees with this comment. The proposed rules allow a person to combine rebates.

**Comment #25 – Charge Ahead – vehicle eligibility requirements**

DEQ received 3 comments in this category from commenter # 82 identified, in the *Commenters* table below.

Commenter # 82 recommends that DEQ clarify if new or used PHEVs are eligible for Charge Ahead rebates, noting that uptake of PHEVs can be proportionately higher in communities with limited access to charging, longer commutes, in rural communities, or by residents of multi-unit dwellings.

Commenter # 82 also recommends development of program terms requiring that rebated used electric vehicle models either were eligible for the standard electric vehicle rebate at the time of their original sale or lease, or are a direct model predecessor of an eligible electric vehicle. This will provide 3 categories of benefits:

1. It will help assure that as many of the beneficial vehicle characteristics listed in OAR 340-270-0030(4)(d), as appropriate, are maintained for Charge Ahead participants;
2. It will provide greater consistency and clarity surrounding vehicle eligibility; and
3. It will avoid the unintended consequences of incentivizing low and moderate-income consumers to adopt discontinued models that may have inherent problems or minimal repair and related support infrastructure.

Commenter # 82 suggests modifying the language in the rules at OAR 340-270-0430(1) to read “To qualify for a Charge Ahead rebate, an applicant must meet the requirements in OAR 340-270-0120 except that the requirements in OAR 340-270-0120(1)(a) do not apply for *used vehicles (for which separate criteria will be developed)* and the applicant must . . . ” This clarification will provide dealers and consumers consistent information about new vehicle eligibility.

**Response**

House Bill 2017 states that only new and used light-duty ZEVs, specifically battery electric vehicles, qualify for the Charge Ahead rebate. Unfortunately, while PHEVs are eligible for the standard rebate, there are not any PHEVs which are eligible for the Charge Ahead program at this time. At the time of rule proposal, DEQ did not realize that no PHEVs were eligible for the Charge Ahead program. DEQ plans to work with legislators and stakeholders in the 2019 legislative session to seek the necessary authority to specifically include PHEVs, as defined in the statute as an eligible vehicle under the Charge Ahead program.

DEQ also agrees that it should clarify what qualifies as a used light-duty ZEV. DEQ believes that this term refers to any used electric vehicle models that would have been eligible for the standard rebate at the time of their original sale or lease or are a direct model predecessor of an eligible electric vehicle if OAR 340-270-0010 to -0500 had existed at that time.

DEQ has also modified the requirements of the Charge Ahead Program and added a definition of “used vehicles” to the rules to reflect the concerns above. DEQ has also clarified the requirements for Charge Ahead Rebates in OAR 340-270-0430.

#### **Comment #26 – Charge Ahead – PHEV requirements**

DEQ received 1 comment in this category from commenter # 82, identified in the *Commenters* table below.

Commenter # 82 noted that although careful consideration of the emissions and deterioration of PHEVs should be taken into account, PHEVs, particularly new PHEVs with at least 20 all electric miles of capacity may be an appropriate option to maintain for Charge Ahead recipients.

#### **Response**

Under the existing statute, while PHEVs are eligible for the standard rebate, there are not any PHEVs which are eligible for the Charge Ahead program at this time. This is based on the way the statute defines eligible vehicles under the program. DEQ plans to work with legislators and stakeholders in the 2019 legislative session to obtain the necessary authority to include PHEVs as an eligible vehicle under the Charge Ahead program.

#### **Comment #27 – Charge Ahead – program implementation**

DEQ received 1 comment in this category from commenter # 84, identified in the *Commenters* table below.

Commenter # 84 hopes DEQ develops simple forms to help Charge Ahead program applicants meet the requirement of showing how they meet income, residential location, and scrap requirements.

#### **Response**

In implementing the Charge Ahead program, DEQ will work closely with the third-party entity who will be administering the program to keep the forms simple and easy for qualified applicants to show that they qualify for the program. In accordance with legislative changes, DEQ has eliminated the residential location and scrap requirements, so proof of meeting these qualifications is no longer necessary.

#### **Comment #28 – Electric motorcycle requirements**

DEQ received 2 comments in this category from commenters # 80 and 99, identified in the *Commenters* table below.

Commenter # 80 suggested DEQ consider modifying the proposed rebate program to include 30 to 50 mph, 2 wheel, zero-emission motor vehicles. A speed of 55 mph or greater would suggest that the primary focus of this rebate program is intended for vehicles capable of highway transportation. DEQ should reconsider the vast use of vehicles used for inner city, urban transportation and commuting needs that will never see a mile of 55 mph + highway use. This performance speed class of electric vehicles is growing and will continue to evolve in our cities and urban environment as an affordable choice for daily transportation. Commenter # 99 also noted that the definition of "zero-emission motorcycle" requires that the vehicle be able to attain a speed of 55 mph, a speed not desirable or even legal for most urban trips.

### **Response**

DEQ is retaining the definition of zero-emission motorcycle (ZEM). House Bill 2017 defines a ZEM as a motorcycle that can attain a speed of 55 miles per hour or more; therefore, vehicles which cannot attain that speed are not allowed under the statute. DEQ is clarifying the rules to require qualified ZEMs to complete the California Zero-Emission Motorcycle Evaluation Procedure and be issued a "pass determination" by the California Air Resources Board in order to show it meets the speed requirements in OAR 340-270-0030(16)(b).

### **Comment #29 – Small electric vehicle eligibility**

DEQ received 3 comments in this category from commenters # 95, 96, and 99, identified in the *Commenters* table below.

Commenters # 95 and 99 requested that the rules be modified for qualifying vehicles to include small electric vehicles (SEVs). There are many makes and models of SEVs on the market, including scooters, bicycles, tricycles, and velomobiles. This could benefit low-income residents, for whom purchase of large electric vehicles, even used vehicles, is prohibitively expensive. Encouraging use of these vehicles would produce additional economic benefit for SEV manufacturers in Oregon.

Commenters # 95 and 99 noted the proposed rules exclude SEVs in a few ways: (1) the definition of "light-duty zero-emission vehicle" includes only vehicles capable of traveling at 55 mph, (2) the definition requires that the vehicle have 4 wheels, (3) the requirement that the vehicle be able to travel 75 miles on a charge, and (4) the definition of "neighborhood electric vehicle" as one can travel at 25 mph excludes electric-assist bicycles, tricycles, and velomobiles, as Oregon law requires that they have a top speed of 24 mph. The rule seems tailored to exclude these efficient vehicles from the program, so that the state funds can be spent on the heavy, inefficient electric vehicles that currently require "charging stations" provided by the electric utilities. Commenter # 95 also noted the requirement for 24-month manufacturer's warranty on the drive train will also exclude some SEVs. Additionally, the rules should be improved to support hybrid human-electric powered tricycles, which reduce diesel pollution from trucks and increase energy efficiency in transporting freight.

Commenter # 95 noted SEVs are 10 to 50 fold more efficient than the large electric vehicles that would be subsidized by the rules, such as ordinary electric cars weighing over 3,000 pounds. Further, they would reduce traffic congestion by reducing the number of cars and trucks taking up the full width of every lane. Many of these vehicles can ride 2 or even 3 abreast on existing roads, and many can use bike lanes. The rules also overlook a very effective way of reducing pollution from diesel trucks and greatly increasing energy efficiency in transporting freight.

Commenter # 96 expressed hope that the electric vehicle rebate program can be expanded to include a broader set of vehicle types, including 3-wheeled vehicles and electric bicycles and tricycles. These vehicles can effectively displace gasoline and diesel vehicles, reducing air and climate pollution and reducing congestion. Electric delivery bikes are being used by FedEx, DHL, and UPS and have the added benefit of being manufactured in Portland.

**Response**

The Oregon Legislature, through House Bill 2017 and House Bill 4059 does not include SEVs as vehicle eligible for the rebate program. Therefore, DEQ is not including SEVs as an eligible vehicle under the program.

Under the statute, neighborhood electric vehicles must have at least four wheels. DEQ has corrected the rules to reflect this definition.

**Comment #30 – Program implementation**

DEQ received 1 comment in this category from commenter # 82, identified in the *Commenters* table below.

Commenter # 82 noted Phase 1 applications are already being accepted, and consumers will need to submit Phase 2 applications once program eligibility and requirements have been established. This phased approach will necessitate clear communication with consumers and dealers, as well as careful program quality control and assurance. These factors increase the importance of dealer and consumer outreach and make customer service capacity a key element of program launch and ongoing success.

**Response**

DEQ agrees with this comment. In implementing the program, DEQ will work closely with that third party entity that will be administering the program to ensure there is clear communication about program requirements and how to apply, and to ensure a successful program launch and continued success.

**Comment #31 – Rebate application - process**

DEQ received 1 comment in this category from commenter # 82, identified in the *Commenters* table below.

Commenter # 82 recommends DEQ reduce the number of days allowed for applicants to supply requested information or documentation, as currently proposed in OAR 340-270-0200(3). Commenter # 82's experience indicates that requiring applicants to submit

requested information and documentation within 10 to 14 days of the request both prompts action while providing an adequate amount of time for response.

**Response**

DEQ agrees with this comment and has amended the rules accordingly. Reducing the days for a person to submit additional documentation in response to a request from DEQ from 30 to 14 will help facilitate action by applicants to ensure they follow up to receive their rebate. A potentially longer time period may increase the risk that applicants will fail to follow up.

**Comment #32 – Rebate application - appeals**

DEQ received 3 comments in this category from commenter # 82, identified in the *Commenters* table below.

Commenter # 82 recommends the timeframe for written explanations of an appeal listed in OAR 340-270-0200(4)(b) be reduced from 60 days. For comparison purposes, California’s EV rebate program asks for participants to submit their appeals within 10 days. Commenter # 82 also requested DEQ clarify the intent of OAR 340-270-0200(4)(c). Is the intent for an applicant to have a single point of contact throughout the appeals process? Lastly, Commenter # 82 recommends the appeals to denied applications be handled directly by DEQ and not the third-party program administrator, if DEQ decides to contract with one. This reassures the applicant that their appeal is considered by the state agency charged with program oversight and not determined by the same process that led to the denied application.

**Response**

DEQ has retained the 60-day timeframe by which applicants can submit an appeal. DEQ wants to ensure applicants have sufficient time to write and submit an appeal to DEQ. DEQ has also clarified that the Agency itself, and not a third-party administrator, will be responsible for considering appeals to the denial of a rebate application.

**Comment #33 – Returning rebates**

DEQ received 1 comment in this category from commenter # 82, identified in the *Commenters* table below.

Commenter # 82 recommended prorating the required reimbursement if vehicle ownership is less than 24 months. Under DEQ’s proposed rules in OAR 340-270-0300, the participant “must reimburse DEQ for the entire rebate amount” if vehicle ownership is less than 24 months.

**Response**

Under House Bill 2017, it requires the participant to “reimburse DEQ for the entire rebate amount.” Therefore, DEQ is not modifying the proposed rule language.

**Comment #34 – Program transparency & utilization of data**

DEQ received 2 comments in this category from commenter # 82, identified in the *Commenters* table below.



Commenter # 82 recommends DEQ, as part of tracking program activity, make a portion of program data, processed to protect privacy, be made publicly available. The use of public data dashboards would help assure Oregonians that funds are being used responsibly and otherwise increase program transparency.

Commenter # 82 also supports DEQ's desire to create a program that fosters learning, as demonstrated in OAR 340-270-0120(2), which will allow for the program team to respectfully implement participant surveys, another common element across states and a valuable program resource.

### **Response**

DEQ appreciates these comments and agrees it should make a portion of program data available to the public. DEQ will work closely with the third-party entity administering the program to ensure this information is made available to enable people to assess the progress of the program. Additionally, the public is free to submit public records request for information that is not publicly made available, and DEQ would release that information as required by the Oregon Public Records Law.

### **Comment #35 – Education, outreach and research for the program**

DEQ received 3 comments in this category from commenter # 82, identified in the *Commenters* table below.

Commenters # 82 and 96 suggested the provisions mandated by legislation, to “conduct community outreach to low income households, moderate-income households and community-based organizations” as part of the Charge Ahead Program to “solicit feedback on program implementation” and “take steps to ensure that the program is promoted effectively” be included as an additional section in rules.

Commenter # 82 noted it conducts outreach in disadvantaged communities and communities of color to inform residents about the Charge Ahead program's rebates for low and moderate-income consumers. Successful education and outreach efforts in these communities should contain development of multi-lingual and culturally sensitive outreach campaign, partnering with community based organizations (CBOs) and coordination with existing community events. Partnerships with CBOs in low income communities are a key to program success and will ensure the outreach meets the language, locational, and cultural needs of the targeted communities.

Commenter # 82 noted House Bill 2017 does not include education and outreach provisions for the standard rebates. If outreach to general consumers is not conducted, it would be a disservice to the impact of the program and its effectiveness in getting more ZEVs on the road. If DEQ intends to have outreach and education for standard rebates, it might consider adding a rule or subsection to indicate this.

**Response**

DEQ agrees the provisions mandated by legislation to conduct community outreach and solicit feedback should be incorporated in the rules. This will ensure outreach occurs and provides a greater chance of adoption in communities by understanding the most effective approaches to facilitate adoption of electric vehicle purchases or leases. DEQ has added this provision to OAR 340-270-0430(6).

DEQ agrees partnering with CBOs is a key element to success in disadvantage communities or communities of color.

DEQ agrees that it would be prudent to have education and outreach provisions for the general population, regardless of whether they choose to apply for the Charge Ahead program or the standard rebate program. DEQ is not incorporating this provision in rule, but intends to have guidance available for these programs once implementation of the program is underway.

**Comment #36 – General rule corrections**

DEQ received 2 comments in this category from commenters # 5 and 82, identified in the *Commenters* table below.

Commenter # 82 recommended that DEQ align the language in OAR 340-270-0120(1)(c) with Section 149(7)(d) of House Bill 2017 to strike out the words “intends to retain” with “retains” the registration of the eligible vehicle for a minimum of 24 consecutive months after the purchase or lease date.

Commenter # 5 said there is a typographical error in OAR 340-270-0120(2)(f) where the word “agrees” should be “agree”

**Response**

DEQ has removed the word “agrees” in that portion of the rules, now located at OAR 340-270-0120(2)(g), to clarify any rebate recipient must participate in ongoing research efforts for the program.

DEQ has retained the intent language in OAR 340-270-0120(1)(c), because, at the time of application, a person can only intend to retain registration. An applicant must apply for a rebate within 6 months of purchase or lease of a vehicle, and, accordingly, it is not possible for a person to have met the 24-month retention requirement at the time of application. DEQ did modify the language in OAR 340-270-0300 to replace the “intent to sell” language with “sells” to be consistent with changes made in House Bill 4059. Thus, if a person does not follow with his or her intent at the time of application and *actually retain* the registration for 24 months, then OAR 340-270-0300 requires a recipient to notify DEQ and refund the rebate.

**Comment #37 – Definition**

DEQ received 1 comment in this category from commenter # 82, identified in the *Commenters* table below.

Commenter # 82 supports a definition of “electric range” throughout the rulemaking and for all technology types – to be both all-electric and based upon EPA ratings. This will provide clarity and consistency in the determination of eligibility and program impact. Commenter # 82 further recommends that electric range thresholds be defined and communicated using publicly available sources (e.g. using the combined city and highway numbers available at [www.fueleconomy.gov](http://www.fueleconomy.gov), or other sources to which consumers can be referred) so that consumers can easily understand and access information about current and future vehicle eligibility.

**Response**

House Bill 2017 has specific definitions for light-duty ZEVs and PHEVs. Although DEQ has clarified in the rules what qualifies as a PHEV, DEQ does not believe it has clear authority to change the definition to include “electric range.” However, DEQ hopes to provide informal guidance to consumers regarding which cars are eligible for the program, through pictures and descriptions as to which cars qualify for rebates and corresponding rebate amounts.

**Comment #38 – PHEV – general discussion**

DEQ received 1 comment in this category from commenter # 91, identified in the *Commenters* table below.

Commenter # 91 stated PHEVs do not fully deplete the battery before partially recharging by means of the internal combustion engine and generator.

**Response**

DEQ thanks you for your comment.

**Comment #39 – Federal rules versus state rules for rebates**

DEQ received 1 comment in this category from commenter # 62, identified in the *Commenters* table below.

Commenter # 62 states the proposed rules indicate there are no federal rules concerning rebates for ZEVs, where in fact there are rules. The commenter had the following questions:

- Shouldn't these rules be addressed and some discussion as to why the proposed Oregon rules are different as pertaining to the eligible vehicles?
- Shouldn't Oregon use a phase out approach for certain vehicles similar to the federal rules?
- Why is Oregon selecting a 10 kWh battery size versus the federal 5 kWh battery size?

The rule also adds a minimum of 10 miles electric range for eligible vehicles, but it should discuss why it is different from the federal rules.

**Response**

DEQ did not discuss the federal rules because the federal rules provide a program that is separate from Oregon’s program. The federal program provides a tax credit, which is

different from Oregon's rebate program. The state program is completely separate from the federal program. Because of this, DEQ did not consider the tax credit program to be federal rules requiring an analysis of how they differ from Oregon's rebate program.

**Comment #40 – Global warming and diesel pollution concerns**

DEQ received 3 comments in this category from commenters # 26, 27, and 71, identified in the *Commenters* table below.

Commenters #26 and 27 expressed concern about global warming and the need to stop it, otherwise future generations will suffer harm.

Commenter # 71 noted Oregon needs to ban diesel cars and buses from the roads.

**Response**

DEQ thanks you for your comments. This program is intended to provide air quality benefits; DEQ does not have authority to consider the commenter's request to ban diesel cars under this legislation.

**Comment #41 – General EV program – solar panels**

DEQ received 2 comments in this category from commenters # 57 and 81, identified in the *Commenters* table below.

Commenter # 57 suggested incentivizing solar panels on vehicle roofs and on parking lots to power charging stations and plug-in stations. Oregon should make rules and pass laws for all of these features to better clean our air of exhaust pollution. Commenter # 81 suggested DEQ maintain rebates for solar panels and do more advertising to encourage people to use solar panels and plug-in cars.

**Response**

DEQ thanks you for your comments. The Oregon Department of Energy previously offered tax credits through its Residential Energy Tax Credit program for the purchase and installation of solar panels, but the tax credit program was discontinued at the end of 2017. DEQ will continue to work with state agencies to encourage residents to purchase solar panels and other alternative energy sources. However, DEQ does not have authority to incentivize the purchase of solar panels under House Bill 2017 or House Bill 4059.

**Comment #42 – Eliminate fossil fuel dependency**

DEQ received 1 comment in this category from commenter # 56, identified in the *Commenters* table below.

Commenter # 56 noted DEQ should tax the fossil fuel industry heavily and use those funds to get people in electric vehicles and on electrical generation and off fracked gas. Now is the time to transition away from fossil fuels and switch to electric vehicles and 100% renewable energy sources.

**Response**

DEQ thanks you for your comment. These rules are intended to encourage people to purchase and use electric vehicles.

**Comment #43 – Court challenge on funding mechanism for EV rebates**

DEQ received 1 comment in this category from commenter # 39, identified in the *Commenters* table below.

Commenter # 39 noted DEQ staff should update the public on the lawsuit currently being considered by the Oregon Supreme Court. The lawsuit challenges the funding mechanism for the rebate program. Depending upon on what the Court decides (and the timing of this is uncertain), the decision might impact issuance of rebates, if at all. Commenter # 39 is concerned there is too much uncertainty for dealers and public to participate in a program that may not be funded.

**Response**

DEQ recognizes that several private organizations have challenged the legality of the funding mechanism established by House Bill 2017 to pay for this rebate program in *AAA Oregon/Idaho Auto Source, LLC v. State of Oregon*. This case is currently pending before the Oregon Supreme Court in Case Number S065394. Until the Supreme Court renders a decision in the case, DEQ agrees there is a level of uncertainty with the program. For this reason, DEQ’s proposed rules explicitly provide, in OAR 340-270-0020(5), that the effective dates of the program are contingent on funding. However, DEQ is proceeding with establishing the program elements because if funding is made available, DEQ would like to be prepared to begin processing rebates as quickly as possible. Once DEQ learns of the court’s decision, it will disseminate this information through its GovDelivery email list and on its website. Any interested parties are encouraged to sign up for updates via the GovDelivery email list. In addition, the public will have access to this information on the Oregon Supreme Court’s website where the Court’s decision will be published.

**Comment #44 – Miscellaneous**

DEQ received 1 comment in this category from commenter # 12, identified in the *Commenters* table below.

Commenter # 12 asked about his voucher verifying his purchase of a new, clean wood stove that was supposed to be submitted with a 2016 income tax return.

**Response**

DEQ does not administer the wood stove tax credit program. The Oregon Department of Energy is responsible for administering and issuing tax credits for the purchase of a qualifying new, premium efficient wood stove. DEQ encourages the commenter to contact the Oregon Department of Energy.

## Commenters

### Comments received by close of public comment period

The table below lists 101 people and organizations that submitted public comments about the proposed rules by the deadline. Original comments are on file with DEQ.

List of Commenters				
#	Name	Organization	Comment Number	Hearing #
1	Patrick Gibson		14	
2	Kerry Skemp		1	
3	Kevon Lindenberg		1	
4	Debbie Jimmerson		14	
5	Joshua Shulman		3, 4, 19, 20, 21, 22, 36	
6	Marl Miller		1, 3	
7	Alan Knowles		3	
8	Greg Watson		4	
9	Joshua Webster		3, 4, 14	
10	Ron Drickey		1	
11	Anonymous		1	
12	Randy Stone		3, 44	
13	Carey Booth		1	
14	Kent Hughes		14	

## List of Commenters

#	Name	Organization	Comment Number	Hearing #
15	Brian Stewart		1	
16	Pasala Ravichandran	Healthcare	1	
17	Patrick Duhachek		2	
18	Jayson Rambo		1	
19	Fran Hewitt		3, 4	
20	Patrick Connor	Oregon Electric Vehicle Association	1	
21	Jennie Mull-Scotty		1	
22	Matthias Bauer		3	
23	Cooper Morrow		1	
24	Eric Miller	Squishymedia	1	
25	Morris Green		1, 4	
26	Claude Poliakoff	OHSU	40	
27	James Marquard		1, 40	
28	Thalia Ohara		1	
29	Richard Espenscheid		1	
30	David Regan		4	
31	Frank J Perruccio		1	
32	Neal Keefer		1, 3, 4	
33	Shawn Looney		3	
34	Cynthia Care		1	

## List of Commenters

#	Name	Organization	Comment Number	Hearing #
35	Brian Cochran		14	
36	Bill Farmer	Farmers Table Grapes	5	
37	David Edrington	David Edrington, Architect	3	
38	Andrew Harbison		1	
39	Ken Nichols	EQL Energy	43	1
40	Edward Louie		3, 4, 6, 8, 9, 17, 18, 19, 22	1
41	Debra Hollenback		1	
42	Mark Lander		3	
43	Nathan Howell		1	
44	Steven Douglas	Alliance of Automobile Manufacturers Global Automakers	3, 4, 11, 19	1
45	David Kruse		4	
46	Jennifer Cambier		3	
47	Thomas Payne		1	
48	Tauran Ivall		4	
49	Robert Levy		1, 3	
50	Doris Payne		1	
51	Erin Quinn	UO	5	
52	George Feldman	Physicians for Social Responsibility	1	
53	Brenda Pace		4	



## List of Commenters

#	Name	Organization	Comment Number	Hearing #
54	Dave Ganslein	Outcasts Car Club	19	
55	Hope Robertson	Robertson's Current analysis	1, 19	
56	James Neu	350.Eug	3, 42	
57	Dave Potter		1, 41	
58	Virginia Feldman		1	
59	Mark Adams		3	
60	Verna Triller		1	
61	Rustam Kocher		1	
62	Richard Durst		39	
63	Ron Miller		7	
64	Debra McGee	350Eugene	1	
65	Nancy Padberg		1	
66	Mark Sommers		3	
67	Patricia Hine	350Eugene	1	
68	Rohit Jain		20, 23	
69	Sridhar Balakrishnan		3	
70	David Looney		3	
71	Louise Shawkat		1, 22, 40	
72	Marlene Winn		1	
73	Ari		14	

## List of Commenters

#	Name	Organization	Comment Number	Hearing #
74	Jill Reese	International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW)	1, 13	
75	David Carnese		1	
76	Traig Van Dyke		12, 14	
77	James Hannan		3, 4	
78	Byron Carrier			
79	Graham Trainor	Oregon AFL-CIO	1, 13	
80	Robert Ralston	Ubco Bikes US, LLC	1, 28	
81	Leslie Lowe		1, 41	
82	Fabiola Lao	Center for Sustainable Energy	4, 8, 9, 10, 14, 15, 16, 18, 19, 25, 26, 30, 31, 32, 33, 34, 35, 36, 37	
83	Terrance Hawley		4	
84	Charles Smith		1, 3, 19, 27	
85	Travis Gintz		1	
86	Judith Huck		1, 14	
87	Quinn Sullivan		1	
88	Pete Jorgensen	OEVA	1	
89	Aundreen Mitchell		1	
90	Jill Messecar		1	

<b>List of Commenters</b>				
<b>#</b>	<b>Name</b>	<b>Organization</b>	<b>Comment Number</b>	<b>Hearing #</b>
91	David Reeck	Douglas County Smart Energy	38	
92	Scott Phelan		1, 14	
93	Reed Arce		1	
94	Kayse Jama	Unite Oregon	1, 13	
95	Dan Meek	Independent Party of Oregon	29	
96	Jana Gastellum	Oregon Environmental Council	3, 4, 8, 9, 18, 19, 24, 29, 35	1
97	Ranfis Villatoro		1, 13	
98	Jeff Allen	Forth	1, 3, 4, 8, 9, 19	
99	Regna Merritt	Oregon PSR	28, 29	
100	Linda White	BMW	1	1
101	Jeff Blanton	Center for Sustainable Energy	1	1

After the comment period had closed, 200 people submitted a form letter encouraging DEQ to only provide rebates to manufacturers of electric vehicles who are “fair and responsible” employers. DEQ is not considering these comments because they were untimely.

## **Implementation**

### **Notification**

If approved, the proposed rules would become effective upon filing on approximately May 14, 2018. DEQ would notify affected parties by email:

- Interested parties through the same email list used when noticing the public comment period
- Advisory Committee members

- DEQ Regional Solutions Team
- Oregon and Washington automobile dealers
- Auto manufacturers
- The following key legislators:
  - Senator Lee Beyer, Co-Chair, Joint Committee on Transportation Preservation and Modernization;
  - Representative Caddy McKeown, Co-Chair, Joint Committee on Transportation Preservation and Modernization;
  - Senator Brian Boquist, Co-Vice Chair, Joint Committee on Transportation Preservation and Modernization; and
  - Representative Cliff Bentz, Co-Vice Chair, Joint Committee on Transportation Preservation and Modernization.

### **Systems**

- Website – DEQ will update the rulemaking and program websites with applicable information
- Necessary program forms and documents will be created and existing documents revised to reflect new program requirements
- Postings on Facebook and Twitter

### **Training**

- Affected parties – Stakeholder organizations, the general public, state transportation and energy agencies

# Five-year review

ORS 183.405

## Requirement

Oregon law requires DEQ to review most new rules within 5 years of EQC adoption. The law exempts some rules from review. DEQ determined whether the rules described in this report are subject to the 5-year review. DEQ based its analysis on the law in effect when EQC adopts these rules.

## 5-year rule review required

DEQ has determined that ORS 183.405 requires it to conduct a 5-year review of the rules contained in OAR 340-270-0010 to -0500. No later than May 2023, DEQ will review these rules to determine whether:

- The rules have had the intended effect;
- The anticipated fiscal impact of the rules was underestimated or overestimated;
- Subsequent changes in the law require that the rules be repealed or amended; and
- There is continued need for the rules.

DEQ will use “available information” to comply with the review requirement, as required by ORS 183.405(2).

DEQ will provide the 5-year rule review report to the advisory committee, as well as the Secretary of State, to comply with ORS 183.405(3).

# Draft Rules

*Note: Since these are all new rules there are no changes from existing rules to highlight.*

## **DIVISION 270 ZERO-EMISSION AND ELECTRIC VEHICLE REBATES**

### **340-270-0010**

#### **Overview**

- (1) Purpose. The purpose of this division is to establish a rebate program and eligibility requirements for the purchase or lease of new or used zero-emission vehicles in Oregon.
- (2) Background. The 2017 Oregon Legislature adopted House Bill 2017 that authorizes the Department of Environmental Quality to establish a rebate program for zero-emission vehicles. The 2018 Oregon Legislature adopted House Bill 4059, which clarified and removed existing requirements. OAR division 270 of chapter 340 implements that law.
- (3) Administration. DEQ administers this division in all areas in the state of Oregon, including the areas of the state subject to the jurisdiction of the Lane County Regional Air Protection Agency.

### **340-270-0020**

#### **Effective Dates**

- (1) The rebates for eligible light-duty zero-emission vehicles and eligible plug-in hybrid electric vehicles take effect on January 1, 2018.
- (2) The rebates for the Charge Ahead Program take effect on January 1, 2018.
- (3) The rebates for eligible neighborhood electric vehicles and eligible zero-emission motorcycles take effect on January 1, 2019.
- (4) The rules in this division expire on January 2, 2024.
- (5) The effective dates of the program are contingent on appropriate funding.

### **340-270-0030**

#### **Definitions and Abbreviations**

- (1) “Area median income” means the median income for the metropolitan statistical area in which a household is located or, if the household is not located within a metropolitan statistical area, for the metropolitan statistical area in closest proximity to the location of the household, as determined by the Housing and Community Services Department, adjusted for household size.
- (2) “Charge Ahead rebate” means a rebate for the purchase of a new or used light-duty zero-emission vehicle with an electrochemical storage capacity issued through the Charge Ahead Program.
- (3) “DEQ” is the Oregon Department of Environmental Quality or a contractor selected by DEQ.
- (4) “Eligible vehicle” means a motor vehicle that:

- (a) Qualifies as a:
  - (A) Light-duty zero-emission vehicle with an electrochemical energy storage capacity;
  - (B) Plug-in hybrid electric vehicle;
  - (C) Neighborhood electric vehicle; or
  - (D) Zero-emission motorcycle;
- (b) Is new, or has been previously used only as a dealership floor model or test-drive vehicle;
- (c) Has not previously been registered in Oregon;
- (d) Is constructed entirely from new parts that have never been the subject of a retail sale;
- (e) Has a base manufacturer's suggested retail price of less than \$50,000;
- (f) Is covered by a manufacturer's express warranty on the vehicle drive train, including the applicable energy storage system or battery pack, for at least 24 months from the purchase or lease date; and
- (g) Is certified by the manufacturer to comply with all applicable federal safety standards issued by the National Highway Traffic Safety Administration for new motor vehicles and new motor vehicle equipment.
- (5) "Lease date" means the day that the lease agreement is signed.
- (6) "Light-duty zero-emission vehicle" means a motor vehicle that:
  - (a) Has a gross vehicle weight rating of 8,500 pounds or less;
  - (b) Is capable of travelling at a speed of 55 miles per hour or more;
  - (c) Has at least 4 wheels; and
  - (d) Is powered:
    - (A) Primarily by an electric battery and may or may not use a flywheel energy storage device or a capacitor that also stores energy to assist in vehicle operation;
    - (B) By polymer electrolyte membrane fuel cells or proton exchange membrane fuel cells that use hydrogen fuel and oxygen from the air to produce electricity; or
    - (C) Primarily by a zero-emission energy storage device that provides enough power for the vehicle to travel 75 miles or more using only electricity and may or may not use a backup alternative power unit that does not operate until the energy storage device is fully depleted.
- (7) "Low income household" means a household with income less than or equal to 80 percent of the area median income.
- (8) "Moderate income household" means a household with income less than or equal to 120 percent and greater than 80 percent of the area median income.
- (9) "Motor vehicle" has the meaning given that term in ORS 801.360.
- (10) "Neighborhood electric vehicle" means a motor vehicle that:
  - (a) Is powered using an electric battery;
  - (b) Has a gross vehicle weight not exceeding 3,000 pounds;
  - (c) Is capable of traveling at a speed of up to 25 mph; and
  - (d) Has at least four wheels.
  - (e) DEQ will require certification to zero-emission standards in California Code of Regulations Title 13, section 1962.2 to show a vehicle meets these specifications.
- (11) "Person" means a person as defined in ORS 174.100 or a public body as defined in ORS 174.109.
- (12) "Plug-in hybrid electric vehicle" means a motor vehicle that:
  - (a) Has zero evaporative emissions from its fuel system when operating as an electric vehicle;

- (b) Has an onboard electrical energy storage device with useful capacity of 10 or more miles of urban dynamometer driving schedule range, as described by the United States Environmental Protection Agency in 40 CFR 600.116-12, on electricity alone;
  - (c) Is equipped with an onboard charger;
  - (d) Is rechargeable from an external connection to an off-board electrical source;
  - (e) Meets the super ultra-low emission vehicle standards for exhaust emissions, as certified to standards in California Code of Regulations, Title 13, section 1961(a)(4) (2003);
  - (f) Has a warranty of at least 15 years and 150,000 miles on emission control components;
  - (g) Is capable of travelling at a speed of 55 miles per hour or more;
  - (h) Has an on-board internal combustion engine; and
  - (i) Has at least four wheels.
- (13) “Purchase date” means the day that the purchase and sales agreement is signed.
- (14) “Used electric vehicle” means a light-duty zero-emission vehicle that:
- (a) Would have been eligible for the standard rebate at the time of its original sale or lease had the rebate program in OAR 340-270-0010 to -0500 existed or;
  - (b) Is a direct model predecessor of an eligible vehicle as defined in OAR 340-270-0030(4)(a)(A).
- (15) “Vehicle dealer” means:
- (a) A person engaged in business in this state that has been issued a vehicle dealer certificate under ORS 822.020; or
  - (b) A person engaged in business in another state that would be subject to ORS 822.005 if the person engaged in business in this state.
  - (c) It does not include a person who:
    - (A) Conducts an event that lasts less than 7 consecutive days, for which the public is charged admission and at which otherwise eligible vehicles are sold at auction; or
    - (B) Sells an otherwise eligible vehicle at auction at an event as described in (A).
- (16) “Zero-emission motorcycle” means a motor vehicle that:
- (a) Has zero evaporative emissions from its fuel system;
  - (b) Is capable of attaining a speed of 55 miles per hour or more;
  - (c) Is designed to travel on two wheels; and
  - (d) Is powered by electricity.
  - (e) DEQ will require documentation of the following as proof that a motorcycle meets these specifications:
    - (A) Successful completion of the most current California Zero-Emission Motorcycle Evaluation Procedure, as defined in California’s Implementation Manual for the Clean Vehicle Rebate Project; and
    - (Bi) Issuance of a “pass” determination and verification that the vehicle meets the specified range and acceleration requirements by the California Air Resources Board.
- (17) “Zero-emission vehicle” means a motor vehicle that that is certified to zero-emission standards in California Code of Regulations, Title 13, section 1962.2.

### **340-270-0100**

#### **Vehicles Eligible for Zero-Emission Vehicle Standard Rebates**

To qualify for a standard rebate, a motor vehicle must qualify as an eligible vehicle, as defined in OAR 340-270-0030(4), and must have a purchase or lease date on or after effective date of the program for the type of vehicle, as established in OAR 340-270-0020.



### **340-270-0110**

#### **Amount of Zero-Emission Vehicle Standard Rebates**

- (1) The amount of the rebate for eligible light-duty zero-emission vehicles and plug-in hybrid electric vehicles with electrochemical energy storage capacities of 10 kilowatt hours or more is \$2,500.
- (2) The amount of the rebate for eligible light-duty zero-emission vehicles and plug-in hybrid electric vehicles with electrochemical energy storage capacities of less than 10 kilowatt hours is \$1,500.
- (3) The amount of the rebate for eligible neighborhood electric vehicles is \$750.
- (4) The amount of the rebate for eligible zero-emission motorcycles is \$750.
- (5) DEQ will set the rebate amounts annually. In doing so, if DEQ determines that the rebate amounts should be adjusted, DEQ will engage in rulemaking to adjust the rebate amounts established herein.

### **340-270-0120**

#### **Requirements for Zero-Emission Vehicle Standard Rebates**

- (1) A person may only apply for a rebate if the person:
  - (a) Owns or leases a vehicle that meets the requirements established in OAR 340-270-0100;
  - (b) If leasing a vehicle, has a minimum lease term of 24 months;
  - (c) Intends to retain the registration of the eligible vehicle for a minimum of 24 consecutive months after the purchase or lease date; and
  - (d) Is an Oregon resident.
- (2) To qualify for a rebate, an applicant must:
  - (a) Apply using a form approved by DEQ;
  - (b) Provide information and documentation sufficient to allow DEQ to verify that the applicant purchased or leased an eligible vehicle;
  - (c) Purchase or lease an eligible vehicle from a vehicle dealer or an original equipment manufacturer, that does not have licensed franchised new automobile dealers in Oregon;
  - (d) Provide proof of registration of the eligible vehicle in Oregon;
  - (e) Submit an application within 6 months after the vehicle purchase or lease date;
  - (f) Provide any additional information and documentation requested by DEQ that is necessary to ascertain that the applicant qualifies for a rebate; and
  - (g) Participate in ongoing research efforts and surveys regarding the program.
- (3) Recipients may assign the rebate to a vehicle dealer, or to an original equipment manufacturer, that does not have licensed franchised new automobile dealers in Oregon. The limit established in subsection (5) of this rule does not apply to vehicle dealers or automobile manufacturers who receive rebate assignments pursuant to this section.
- (4) Recipients may not make or allow any modifications to the vehicle's emission-control systems, hardware, or software calibrations, or the vehicle's hybrid system.
- (5) An organization that applies for a rebate, including businesses, non-profit organizations, and state and municipal governments, is limited to 10 rebates per entity per calendar year. Organizational applicants must be based in Oregon or have an Oregon-based affiliate at the time the eligible vehicle is purchased or leased.
- (6) If the rebate recipient is an organization that applies for a rebate, it must submit annual usage data to DEQ for 3 years.

### **340-270-0200**

#### **Application Review Process**

- (1) DEQ will process applications on a first-come, first-serve basis as received by DEQ.
- (2) DEQ will reject all applications that do not meet the applicable requirements of OAR 340-270-0100, -0120, -0410, and -0430.
- (3) As provided in OAR 340-270-0120(2)(f), DEQ may require additional information or documentation to complete its review of an application. If DEQ does not receive the requested information and documentation within 14 days of its request, DEQ may reject the application.
- (4) DEQ will provide a written explanation for all rejected applications. If DEQ rejects an application, an applicant may appeal that rejection by:
  - (a) Providing a written explanation of why the applicant believes that DEQ misapplied the statute or its rules or otherwise improperly rejected the applicant;
  - (b) Submitting that written explanation by depositing the explanation in the mail, with proper postage, postmarked within 60 days of the date of DEQ's written rejection; and
  - (c) Submitting the explanation to the Agency itself.
- (5) DEQ will respond to an appeal of a rejection in writing as soon as is practicable. DEQ's response to an appeal is an order in other than a contested case.

### **340-270-0300**

#### **Vehicle Ownership Provision**

If a rebate recipient sells the eligible vehicle, or terminates the eligible vehicle's lease, before the end of 24 months after the purchase or lease date, the rebate recipient must notify DEQ and must reimburse DEQ for the entire rebate amount.

### **340-270-0400**

#### **Charge Ahead Program**

- (1) OAR 340-270-0400 through -0430 establish the requirements for the Charge Ahead Program.
- (2) The Charge Ahead Program provides rebates for the purchase or lease of new or used vehicles that meet the requirements of OAR 340-270-0410 if the purchaser is from a low or moderate income household during the year the vehicle was purchased or leased.

### **340-270-0410**

#### **Vehicles Eligible for the Charge Ahead Program**

- (1) To be eligible for a Charge Ahead rebate, a motor vehicle must:
  - (a) Be a new or used light-duty zero-emission vehicle with an electrochemical storage capacity; and
  - (b) Have a purchase or lease date on or after January 1, 2018.

### **340-270-0420**

#### **Amount of Charge Ahead Program Rebate**

- (1) The amount of the Charge Ahead rebate is \$2,500.
- (2) A Charge Ahead rebate may be combined with a standard rebate under OAR 340-270-0110 if the applicant meets the requirements in OAR 340-270-0100.

### **340-270-0430**

#### **Requirements for Charge Ahead Program Rebates**

- (1) A person may only apply for a rebate if the person:
  - (a) Owns or leases a vehicle that meets the requirements established in OAR 340-270-0410;
  - (b) If leasing a vehicle, has a minimum lease term of 24 months;
  - (c) Intends to retain the registration of the eligible vehicle for a minimum of 24 consecutive months after the purchase or lease date; and
  - (d) Is an Oregon resident.
- (2) To qualify for a Charge Ahead rebate, an applicant must:
  - (a) Apply using a form approved by DEQ;
  - (b) Provide information and documentation sufficient to allow DEQ to verify that the applicant purchased or leased an eligible vehicle;
  - (c) Provide sufficient information to allow DEQ to determine that the applicant is a member of a low or moderate income household during the year the vehicle was purchased or leased. DEQ will rely on documentation of an applicant's income from the year the vehicle was purchased or leased or, if that information is unavailable or inadequate, from a previous year. DEQ will rely on the most recent area median income determinations of the Housing and Community Services Department available at the time of application.
  - (d) Purchase or lease an eligible vehicle from a vehicle dealer or an original equipment manufacturer, that does not have licensed franchised new automobile dealers in Oregon;
  - (e) Provide proof of registration of the eligible vehicle in Oregon;
  - (f) Submit an application within 6 months after the vehicle purchase or lease date;
  - (g) Provide any additional information and documentation requested by DEQ that is necessary to ascertain that the applicant qualifies for a rebate; and
  - (h) Participate in ongoing research efforts and surveys regarding the program.
- (3) Recipients may assign the rebate to a vehicle dealer, or to an original equipment manufacturer, that does not have licensed franchised new automobile dealers in Oregon. The limit established in subsection (5) of this rule does not apply to vehicle dealers or automobile manufacturers who receive rebate assignments pursuant to this section.
- (4) Recipients may not make or allow any modifications to the vehicle's emission-control systems, hardware, or software calibrations, or the vehicle's hybrid system.
- (5) The application review process established by OAR 230-270-0200 will apply to applications for Charge Ahead rebates.
- (6) DEQ will conduct community outreach to low-income households, moderate-income households and community based organizations, in order to:
  - (a) Solicit feedback on program implementation; and
  - (b) Take steps to ensure the program is promoted effectively.

### **340-270-0500**

#### **Allocation of Rebate Funding**

DEQ will allocate at least 10 percent of available moneys deposited per biennium into the Zero-Emission Incentive Fund for rebates under the Charge Ahead Program.

## Supporting Documents

### **House Bill 2017 (2017)**

<https://olis.leg.state.or.us/liz/2017R1/Downloads/MeasureDocument/HB2017/Enrolled>

- (Sections 147-157)

### **House Bill 4059 (2018)**

<https://olis.leg.state.or.us/liz/2018R1/Downloads/MeasureDocument/HB4059/Enrolled>

- (Sections 19-21)

### **California Code of Regulations 1962.2**

[https://www.arb.ca.gov/msprog/zevprog/zevregs/1962.2\\_Clean.pdf](https://www.arb.ca.gov/msprog/zevprog/zevregs/1962.2_Clean.pdf)

- Full document at:  
[https://www.arb.ca.gov/msprog/levprog/cleandoc/2018+%20my%20hevtps\\_clean%20complete\\_1-16.pdf](https://www.arb.ca.gov/msprog/levprog/cleandoc/2018+%20my%20hevtps_clean%20complete_1-16.pdf)

### **California Zero-Emission Motorcycle Evaluation Procedure**

[https://www.arb.ca.gov/msprog/aqip/cvrp/appendix\\_d.pdf](https://www.arb.ca.gov/msprog/aqip/cvrp/appendix_d.pdf)