



State of Oregon  
Department of  
Environmental  
Quality

Oregon Department of Environmental Quality  
Nov. 1, 2018

## Notice of Proposed Rulemaking

Zero-Emission and Electric Vehicle Rebates - 2019

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# Accessibility Information

You may review copies of all documents referenced in this announcement at:

Oregon DEQ  
700 NE Multnomah St., Ste. 600  
Portland, OR, 97232

To schedule a review of all websites and documents referenced in this announcement, call Rachel Sakata, DEQ – Headquarters, 503-229-5659 (800-452-4011, ext. 5622 toll-free in Oregon). The documents are available at a location that is accessible to persons with mobile impairments.

Please notify DEQ of any special physical or language accommodations or if you need information in large print, Braille or another format, or any other arrangements necessary to accommodate a disability. To make these arrangements, contact DEQ, Portland, at 503-229-5696 or call toll-free in Oregon at 1-800-452-4011, ext. 5696; fax to 503-229-6762; or email to [deqinfo@deq.state.or.us](mailto:deqinfo@deq.state.or.us) . Hearing impaired persons may call 711.

# Introduction

DEQ invites public input on proposed permanent rule amendments to chapter 340 of the Oregon Administrative Rules.

## Background

In May 2018, the Environmental Quality Commission (EQC) adopted rules to implement a zero-emission vehicle rebate program in Oregon. The program contains two elements – one element provides rebates for the purchase or lease of eligible new zero-emission vehicles (referred to as standard rebates) if all program requirements are met. The second element, called the Charge Ahead Program, provides rebates for the purchase or lease of new or used zero-emission vehicles if the purchaser is from a low or moderate-income household and meet all program requirements.

## DEQ proposal

DEQ is proposing to amend the zero-emission vehicle rebate program by changing the definitions in OAR 340-270-0030 for rebate-eligible light duty zero emission vehicles and plug in hybrid electric vehicles to include vehicles with at least three wheels. Currently, light duty zero emission vehicles and plug in hybrid electric vehicles are defined as vehicles with at least four wheels. The proposed change would broaden the range of eligible vehicles to include those with three wheels.

# Request for Other Options

During the public comment period, DEQ asks for public comment on whether there are other options for achieving the rules' substantive goals while reducing any negative economic impact, if any, on business.

## Overview

### Short summary

DEQ recommends the EQC approve the proposed rule amendment to include three wheeled light duty zero emission vehicles and plug in hybrid electric vehicles in the Zero Emission and Electric Vehicle Rebate Rules (also known as the Oregon Clean Vehicle Rebate Program (OCVRP)).

In May 2018, EQC adopted rules to implement a zero-emission vehicle rebate program in Oregon. The program contains two elements – one element provides rebates for the purchase or lease of eligible new zero-emission vehicles (referred to as standard rebates) if all program requirements are met. The second element, called the Charge Ahead Program, provides rebates for the purchase or lease of new or used zero-emission vehicles if the purchaser is from a low or moderate-income household if all program requirements are met.

DEQ is proposing to amend the zero-emission vehicle rebate program by changing the definitions in OAR 340-270-0030 for rebate-eligible light duty zero emission vehicles and plug in hybrid electric vehicles to include vehicles with at least three wheels. Currently light duty zero emission vehicles and plug in hybrid electric vehicles are defined as vehicles with at least four wheels. The proposed change would broaden the range of eligible vehicles to include those with three wheels.

### Brief history

On August 18, 2017, Oregon Governor Kate Brown signed House Bill 2017 which, in addition to making many other transportation investments, created 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. 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. 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.

In May 2018, the EQC adopted rules to implement a zero-emission vehicle rebate program in Oregon. These rules as adopted defined rebate-eligible light duty zero emission vehicles and plug in hybrid electric vehicles as vehicles with at least four wheels. This language inadvertently prevents participants from applying for rebates for three wheeled zero-emission vehicles. DEQ is proposing to change the definition of rebate-eligible light duty zero emission vehicles and plug in hybrid electric vehicles as those with at least three wheels to make the EV Rebate Program more inclusive different vehicle types and expand options for businesses and consumers. These changes are also consistent with House Bill 2017 and House Bill 4059, which does not specify the number of wheels in the definitions of light duty zero emission vehicles and plug in hybrid electric vehicles.

### **Affected parties**

DEQ is preparing to implement the program established by the May 2018 rules. There are no 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 may 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.

### **Request for other options**

During the public comment period, DEQ requests public comment on whether to consider other options for including three wheeled vehicles in the Oregon Clean Vehicle Rebate Program.

# Procedural Summary

## More information

Information about this rulemaking is on this rulemaking's web page: [Electric Vehicle Rebate 2019](#)

## Public Hearings

DEQ plans to hold one public hearing. Anyone can attend a hearing in person, or by webinar or teleconference. See the Public Notice and Hearings section below for details.

## How to comment on this rulemaking proposal

DEQ is asking for public comment on the proposed rules. Anyone may submit comments, data, or questions about this rulemaking. A person may submit comments through an online web page, by regular mail or at the public hearing.

## Comment deadline

DEQ will only consider comments on the proposed rules that DEQ receives by 4 p.m., on Nov. 27, 2018.

## Submit comment online

[Electric Vehicle Rebate 2019 Comment Page](#)

## Note for public university students:

ORS 192.345(29) allows Oregon public university and OHSU students to protect their university email addresses from disclosure under Oregon's public records law. If you are an Oregon public university or OHSU student you may omit your email address when you complete the online form to submit a comment.

## By mail

Oregon DEQ  
Attn: Rachel Sakata  
700 NE Multnomah St., Room 600  
Portland, OR 97232-4100

## At hearing

3:00 p.m., November 20, 2018  
700 NE Multnomah St, 3<sup>rd</sup> Floor conference room  
Portland, OR 97232

Any person may attend the hearing in person. The hearing will be accessible to people with mobile impairments. DEQ invites people with disabilities to tell the agency if they need auxiliary aids and services to meaningfully participate in the hearing.

You may also participate in the hearing through a teleconference.

Teleconference call-in number: 888-278-0296

Participant ID: 8040259

## **Sign up for rulemaking notices**

Get email or text updates about this rulemaking by signing up through this link:

[Electric Vehicle Rebate 2019 Rulemaking Email List](#);

or on the rulemaking web site: [Electric Vehicle Rebate 2019 rulemaking web page](#).

Get email or text updates about other, future DEQ rulemaking by signing up through this link:

[DEQ Email Notice List](#).

## **What will happen next?**

DEQ will include a written response to comments in a staff report DEQ will submit to the EQC, which is a five-member panel appointed by the governor that serves as DEQ's policy and rulemaking board. DEQ may modify the rule proposal based on the comments before submitting its recommendations to the EQC.

## **Present proposal to the EQC**

Proposed rules only become effective if the EQC adopts them. DEQ plans to present the proposed rules to the commission for a decision at its January 2019 meeting.

## Statement of need

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

The proposed rule would address the need for a definition of rebate-eligible light duty zero emission vehicles and plug in hybrid electric vehicles that include three wheeled vehicles.

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

The proposed rule would change the definition of rebate-eligible light duty zero emission vehicles and plug in hybrid electric vehicles from those with “at least four wheels” to those with “at least three wheels.” This will make the Oregon Clean Vehicle Rebate Program more inclusive of all vehicle types and expand options for businesses and consumers to participate in the program. The changes are also consistent with House Bill 2017, which does not specify the number of wheels in the definitions of light duty zero emission vehicles and plug in hybrid electric vehicles.

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

DEQ will know the need has been addressed when applicants are able to apply for a rebate for three wheeled vehicles.

# Rules affected, authorities, supporting documents

## Lead division

Air Quality Division

## Program or activity

Air Quality Planning

## Chapter 340 action

### Adopt – OAR

340-270-0030

### Statutory authority – ORS

468.020

2017 Or. Law Ch. 750 Sec. 148-157

468.065

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

<b>Document title</b>	<b>Documents relied on for rulemaking</b>	<b>Document location</b>
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>
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# Fee Analysis

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This rulemaking does not involve fees.

# Statement of fiscal and economic impact

## Fiscal and Economic Impact

In May 2018, the EQC adopted rules to implement a zero-emission vehicle rebate program in Oregon. The program, contains two elements – one element provides rebates for the purchase or lease of eligible new zero-emission vehicles (referred to as standard rebates) if all program requirements are met. The second element, called the Charge Ahead Program, provides rebates for the purchase or lease of new or used zero-emission vehicles if the purchaser is from a low or moderate-income household and if all program requirements are met.

DEQ is proposing to amend the zero-emission vehicle rebate program by changing the definitions in OAR 340-270-0030 for rebate-eligible light duty zero emission vehicles and plug in hybrid electric vehicles to include vehicles with at least three wheels. Currently light duty zero emission vehicles and plug in hybrid electric vehicles are defined as vehicles with at least four wheels. The proposed change would broaden the range of eligible vehicles to include those with three wheels.

This change is likely to have positive economic impact on purchasers of 3-wheel vehicles who would now be eligible to receive a rebate, and to manufacturers of such 3-wheel vehicles, who may experience greater demand for their vehicles due to the incentive. To the extent there is a finite amount of rebates available, this change could have a negative economic effect on some electric vehicle (EV) purchasers if rebate funds are used up and later purchasers are not able to obtain a rebate. DEQ is unable to quantify the potential fiscal and economic impact of the proposed rule change at this time because it is unknown how many three wheeled rebate eligible vehicles would be available for use by consumers seeking to participate in the OCVRP, and it is also unknown how many applications DEQ could receive for these vehicles. Because three wheeled light duty zero emission vehicles and plug in hybrid electric vehicles are not currently widely available, DEQ expects that the number of rebate applications for these type of vehicles would be low, amounting to a minimal fiscal impact.

## Statement of Cost of Compliance

### State agencies

DEQ does not expect the proposed rule change to have a fiscal impact on state agencies. It would not significantly affect DEQ implementation of the Oregon Clean Vehicle Rebate Program.

### Local governments

DEQ does not expect the proposed rule change to have a fiscal impact on local governments.

## **Public**

The public would not incur any mandatory compliance costs as a result of the proposed rule changes because the proposed rules do not impose any requirements on parties who do not wish to participate in the program. Allowing rebates for eligible three wheeled vehicles may have a positive fiscal impact on consumers choosing to participate in the Oregon Clean Vehicle Rebate Program. Inclusion of three wheeled vehicles could increase the range of choices and could provide additional opportunities for people to buy lower cost vehicles and receive the same level of rebates they could receive for more costly four wheeled vehicles eligible for the program. Members of the public would be eligible to receive standard rebates of \$2,500 for the purchase or lease of new three wheeled zero-emission vehicles. Under the Charge Ahead program, qualified low and moderate-income applicants purchasing new zero-emission three wheeled vehicles could realize an additional benefits by combining the \$2,500 standard rebate with the \$2,500 Charge Ahead rebate for a total of \$5,000.

## **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. DEQ lacks data on the number of large manufacturers of three wheeled zero-emission vehicles. However any of the large auto dealers could potentially participate in the program through assignment of rebates for three wheeled vehicles.

There could be a positive impact on large businesses manufacturing, selling or leasing three wheeled rebate eligible vehicles, as rebates could provide an incentive that would increase sales in Oregon. Conversely, there may also be a chance the sales of other types of vehicles could go down because purchasers are buying three wheeled vehicles instead of other vehicles.

Large business automobile dealers that sell or lease new and or used zero-emission vehicles may be affected by the rule changes 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 three wheeled vehicle sales and also could experience reduced sales of other types of vehicles.

Large business automobile manufacturers, such as those that manufacture zero-emission vehicles eligible for rebates may be affected by the rule changes if they allowed purchasers to assign their rebates or otherwise assist purchasers in obtaining rebates. Further, dealers could be affected by increased zero-emission three wheeled vehicle sales.

## **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. The proposed rule could potentially offer additional incentives for sales of three wheeled vehicles that could positively impact small businesses. There could be a positive impact on small businesses manufacturing, selling or leasing three wheeled rebate eligible vehicles, as EV rebates could provide an incentive that would increase sales in Oregon.

Small business automobile dealers that sell or lease new and or used zero-emission vehicles may be affected by the rule changes 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.

Small business automobile manufacturers, such as those that manufacture zero-emission vehicles eligible for rebates may be affected by the rule changes if they allowed purchasers to assign their rebates or otherwise assist purchasers in obtaining rebates.

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

DEQ originally identified up to 245 small business automobile dealers (both new and used) that could participate in the Oregon Clean Vehicle Rebate Program. However, participation in assignment of rebates is entirely optional to any automobile dealer, and any associated costs might be offset by the increased number of sales these small businesses would experience in zero-emission vehicles. Any of the small business automobile dealers could potentially participate in assignment of rebates for three wheeled vehicles. DEQ is aware of one Oregon-based business planning to market three wheeled vehicles that could potentially qualify for EV rebates.

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

No additional activities are required to comply with the proposed rules.

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

No additional activities are required to comply with the proposed rules.

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

DEQ did not involve small businesses in developing this proposal because it is a minor rule revision that does not impose any regulatory requirements, and could potentially provide positive fiscal impacts.

## 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

## Advisory committee fiscal review

DEQ did not appoint an advisory committee in developing this proposal because it is a minor rule revision that does not impose any regulatory requirements and has relatively straightforward likely fiscal impact.

## 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.

# 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, or federal regulations regarding inclusion of three wheeled vehicles in rebate programs. The proposed rules protect the environment by reducing greenhouse gases.

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

DEQ considered not amending the Oregon Clean Vehicle Rebate Program to include three wheeled vehicles, but decided to propose including them to make the Oregon Clean Vehicle Rebate Program more inclusive, and expand options for businesses and consumers. This change is also consistent with House Bill 2017, which does not specify the number of wheels in the definitions of light duty zero emission vehicles and plug in hybrid electric vehicles.

## Land-use considerations

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.



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

## **EQC Prior Involvement**

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DEQ did not present additional information specific to this proposed rule revision.

# Advisory Committee

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## Background

DEQ did not convene an advisory committee in developing this proposal because it is a minor rule revision that does not impose any regulatory requirements and is consistent with House Bill 2017, which does not specify the number of wheels in the definitions of light duty zero emission vehicles and plug in hybrid electric vehicles.

# Public Engagement

## Public notice

DEQ provided notice of the proposed rulemaking and rulemaking hearing on Nov. 1, 2018 by:

- On Oct. 31, 2018 filing notice with the Oregon Secretary of State for publication in the November 2018 Oregon Bulletin;
- Notifying the EPA by mail;
- Posting the Notice, Invitation to Comment and Draft Rules on the web page for this rulemaking, located at: [Electric Vehicle Rebate 2019](#);
- Emailing approximately 11,402 interested parties on the following DEQ lists through GovDelivery:
  - Rulemaking
  - Oregon Clean Vehicle Rebate Program
  - Low Emission/Zero Emission Vehicle Program
  - 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
  - Representative Andy Olson, Co-Vice Chair, Joint Committee on Transportation Preservation and Modernization
- Postings on Twitter and Facebook
- Posting on the DEQ event calendar: [DEQ Calendar](#)

# Public Comment

## How to comment on this rulemaking proposal

DEQ is asking for public comment on the proposed rules. Anyone may submit comments and questions about this rulemaking. A person may submit comments through an online web page, by regular mail or at the public hearing.

### Comment deadline

DEQ will only consider comments on the proposed rules that DEQ receives by 4:00 p.m., on November 27, 2018.

### Submit comment online

[Electric Vehicle Rebate 2019 Comment Page](#)

### Note for public university students:

ORS 192.345(29) allows Oregon public university and OHSU students to protect their university email addresses from disclosure under Oregon's public records law. If you are an Oregon public university or OHSU student you may omit your email address when you complete the online form to submit a comment.

### By mail

Oregon DEQ  
Attn: Rachel Sakata  
700 NE Multnomah St., Room 600  
Portland, OR 97232-4100

### At hearing

November 20, 2018  
3:00 p.m.  
700 NE Multnomah St., 3<sup>rd</sup> floor conference room  
Portland, OR 97232

You can also participate in the hearing through a teleconference.

Teleconference call-in number: 888-278-0296  
Participant ID: 8040259

# Public Hearing

## Public hearings

DEQ plans to hold one public hearing. Anyone can attend a hearing in person or by teleconference.

Information about the public hearing:

November 20, 2018  
3:00 p.m.  
700 NE Multnomah St  
3<sup>rd</sup> floor conference room  
Portland, OR 97232

Teleconference phone number: 888-278-0296  
Participant code: 8040259

DEQ will consider all written comments received at the hearings listed below before completing the draft rules. DEQ will summarize all comments and respond to comments in the EQC staff report.

Any person can submit comments on the proposed rules as described in the Introduction section of this document.

# Draft Rules - With Edits Highlighted

## Key to Identifying Changed Text:

~~Deleted Text~~

New/inserted text

## DEPARTMENT OF ENVIRONMENTAL QUALITY

### Division 270

### ZERO-EMISSION AND ELECTRIC VEHICLE REBATES

#### **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 three 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 three 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

(B) 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.

**Statutory/Other Authority:** ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157 & House Bill 4059 (2018), Sec. 18-21

**Statutes/Other Implemented:** 2017 Or. Law Ch. 750 Sec. 148-157 & House Bill 4059 (2018), Sec. 18-21