



Oregon Department of Environmental Quality
Jan. 23-24, 2020
Oregon Environmental Quality Commission Meeting
Agency Staff Report
Rulemaking, Action Item L

**Oregon Clean Vehicle Rebate Program – 2020 Rule
Amendments**

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DEQ Recommendation to EQC

The Department of Environmental Quality recommends that the Environmental Quality Commission adopt the proposed rules in Attachment A as part of Chapter 340, Division 270 of the Oregon Administrative Rules.

Proposed motion language:

I move that the Oregon Environmental Quality Commission approve the rules as seen in Attachment A to the staff report for this item as part of Chapter 340, Division 270 of the Oregon Administrative Rules.

Background

The Oregon Clean Vehicle Rebate Program is a program designed by the legislature and carried out by DEQ in Oregon that provides rebates for certain types of vehicle purchases. 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 rebate, 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 meets all program requirements.

Overview

Short Summary

DEQ recommends the EQC approve the proposed rule amendments to incorporate changes to the Oregon Clean Vehicle Rebate Program. These proposed rule changes include:

- Allowing plug-in hybrid electric vehicles to be eligible for the Charge Ahead rebate;
- Prorating the reimbursement amount if a rebate recipient sells or terminates the lease of the electric vehicle before the end of 24 months;
- Creating a provision that allows for waiver of the reimbursement amount if the rebate recipient sells or terminates the lease of the electric vehicle before the end of 24 months;
- Clarifying how rebate applications will be processed;
- Clarifying the definition that DEQ will use to determine what constitutes a household;
- Allowing people who purchased vehicles between Jan. 1, 2018, and Aug. 2, 2018, to have an additional six month window to apply for rebates; and
- Making other minor adjustments to ensure the program continues to operate smoothly.

Brief history

On Aug. 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 (collectively called electric vehicles or zero-emission 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, EQC adopted rules to implement a zero-emission vehicle rebate program in Oregon. In January 2019, EQC amended rules to make further adjustments to the program including allowing three wheeled zero-emission vehicles to be eligible for the rebate.

Subsequently, in 2019, the Oregon Legislature passed House Bill 2592, which incorporated additional changes to clarify program requirements and expand program eligibility, particularly for the Charge Ahead Program participants.

DEQ has promulgated temporary rules to ensure that its rules were consistent with House Bill 2592 when that bill went into effect on Sept. 29, 2019. Those temporary rules expire March 26, 2020. On Oct. 15, 2019, DEQ invited public input on proposed permanent rule amendments to Division 270 of Chapter 340 of the Oregon Administrative Rules.

Statement of Need

What need would the proposed rules address?

House Bill 2592 made changes to the Oregon Clean Vehicle Rebate Program, including allowing more flexibility for potential rebate applicants, specifically to the Charge Ahead element of the program. DEQ needs to permanently amend its rules to account for these legislative changes and to clarify other requirements contained in the rules to ensure successful on-going implementation of the program. The 2019 legislation went into effect on Sept. 29, 2019. DEQ has promulgated temporary rules to ensure that its rules are consistent with the amended legislation. DEQ needs to have permanent rules in place before those temporary rules expire on March 26, 2020, to ensure that its rules remain consistent with the amended legislation. DEQ would also like to clarify program requirements and improve its implementation of the program, which DEQ has addressed in these rules by making other minor adjustments.

How would the proposed rule address the need?

DEQ's rules will be consistent with the amended legislation and implement the changes approved by the legislature. DEQ's rules will provide greater clarity on how the OCVRP will operate and improve program functioning.

How will DEQ know the rule addressed the need?

DEQ will know the need has been addressed when its rules are consistent with the legislature's changes to the program and there is more clarity for the public on how the program operates.

Rules Affected, Authorities, Supporting Documents

Lead division: Air Quality Division

Program or activity: Air Quality Planning

Chapter 340 action

Amend (OAR)				
340-270-0010	340-270-0020	340-270-0030	340-270-0120	340-270-0200
340-270-0300	340-270-0410	340-270-0420	340-270-0430	

Statutory Authority (ORS)	
ORS 468.020	2017 Or. Law Ch. 750, Sec. 148-157
	2018 Or. Law Ch. 93, Sec. 18-21
	2019 Or. Law Ch. 491, Sec 35-37

Statutes Implemented	
2017 Or. Law Ch. 750 Sec. 148-157	2018 Or. Law Ch. 93 Sec. 18-21
2019 Or. Law Ch. 491 Sec 35-37	

Legislation

House Bill 2017 (2017), House Bill 4059 (2018), House Bill 2592 (2019)

Documents Relied on for Rulemaking

Document title	Document location
House Bill 2017 (2017) 2017 Or. Law Ch. 750 Sec. 148-157	https://olis.leg.state.or.us/liz/2017R1/Downloads/MeasureDocument/HB2017/Enrolled
House Bill 4059 (2018) 2018 Or. Law Ch. 93 Sec. 18-21	https://olis.leg.state.or.us/liz/2018R1/Downloads/MeasureDocument/HB4059/Enrolled
House Bill 2592 (2019) 2019 Or. Law Ch. 491 Sec 35-37	https://olis.leg.state.or.us/liz/2019R1/Downloads/MeasureDocument/HB2592
Oregon Department of Employment 2015 data	Employment Department 875 Union Street NE Salem OR 97311

Fee Analysis

This rulemaking does not involve fees.

Statement of Fiscal and Economic Impact

Fiscal and Economic Impact

DEQ is proposing that EQC adopt permanent revisions to the Oregon Clean Vehicle Rebate Program under Division 270 of Chapter 340 of the Oregon Administrative Rules. The OCVRP 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, referred to as the Charge Ahead rebate, provides rebates for the purchase or lease of qualifying new or used zero-emission vehicles if the purchaser or lessee is from a low or moderate-income household and meets all program requirements.

The proposed rules would revise the OCVRP rules to incorporate 2019 Legislative changes affecting the program and to make other necessary adjustments to clarify program requirements and improve DEQ's implementation of the program. The proposed rules do not significantly affect DEQ implementation of the OCVRP or otherwise significantly affect program requirements.

These proposed rule changes include:

- Making plug-in hybrid electric vehicles eligible for rebates under the Charge Ahead program;
- Allowing people who purchased vehicles between Jan. 1, 2018, and Aug. 2, 2018, to have an additional six month window to apply for the rebate;
- Prorating the payback amount if a rebate recipient sells or terminates the lease of the electric vehicle before the end of 24 months;
- Creating a provision that allows for waiver of the payback amount if the rebate recipient sells or terminates the lease of the electric vehicle before the end of 24 months;
- Clarifying how rebate applications will be processed;
- Clarifying the definition that DEQ will use to determine what constitutes a household; and
- Making other minor adjustments to ensure the program continues to operate smoothly.

DEQ anticipates that the proposed rules will have positive fiscal impacts on affected parties. DEQ has also identified potential negative fiscal impacts. Overall, DEQ expects any fiscal impacts to be minor, given that the proposed rules do not significantly change the program as it exists now.

Statement of Cost of Compliance

State agencies

DEQ does not expect the proposed rule changes to have a significant fiscal impact on state agencies. State agencies may be affected to the same extent as the public if state agencies are involved in purchasing or leasing of automobiles.

Local governments

DEQ does not expect the proposed rule changes to have a significant fiscal impact on local governments. Local governments may be affected to the same extent as the public if local governments are involved in purchasing or leasing of automobiles.

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.

The rule changes are expected to have a positive fiscal impact on the public.

Generally, the requirements allowing prorated paybacks and payback waivers are anticipated to make members of the public more willing to purchase or lease vehicles that are eligible for a rebate, because the program creates less of a financial burden if unanticipated events result in early termination of ownership or lease. Further, the rule changes that clarify program requirements are expected to increase program participation by making it easier for members of the public to participate. Increased participation can result in more rebates being issued resulting in a positive fiscal impact to the public.

Allowing Charge Ahead rebates for eligible plug-in hybrid vehicles may have a positive fiscal impact on consumers choosing to participate in the OCVRP. Inclusion of plug-in hybrid vehicles would increase the range of choices for low and moderate income households who wish to apply for a rebate. Specifically, under the proposed changes, Charge Ahead applicants are eligible to obtain a \$1,500 to \$2,500 rebate for the purchase or lease of a new or used plug-in hybrid vehicle. This is anticipated to have a positive fiscal impact to the public.

The proposed rule would provide additional beneficial impacts to members of the public who may have purchased or leased an electric vehicle between Jan. 1, 2018, and Aug. 2, 2018, but failed to submit an application to DEQ within the six month deadline. Under the proposed rule changes, these applicants are eligible to submit an application to receive a rebate between \$1,500 and \$2,500, and for those qualifying Charge Ahead applicants a rebate up to \$5,000.

The proposed rule changes are not expected to have significant negative fiscal impacts on the public. However, if rebate applications increased such that DEQ did not have enough funding to fund all eligible applications, there could be a negative fiscal impact on members

of the public who were eligible for a rebate but did not receive a rebate as a result of funding limitations. The clarification defining household size could have a negative fiscal impact on members of the public who do not qualify for Charge Ahead rebates under the clarified definition.

Large businesses - businesses with more than 50 employees

There are no businesses or industries subject to the proposed rules because the rules do not impose any requirements on parties who do not wish to participate in the program. Businesses or industries that are likely to be impacted by the proposed rules are those that manufacture or sell automobiles.

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. There are no projected reporting, recordkeeping, or other administrative activities required for compliance. There are no anticipated additional equipment, supplies, labor, or increased administration required for compliance with the proposed rules.

Large business automobile manufacturers and car dealerships, such as those that manufacture or sell plug-in hybrid electric vehicles eligible for Charge Ahead rebates or other vehicles eligible for a rebate, could be affected by increased sales or leases, which could result in a positive fiscal impact. Large business automobile manufacturers and car dealerships that manufacture or sell cars other than plug-in hybrid electric vehicles or other vehicles eligible for a rebate could be affected by decreased sales or leases of non-rebated cars, if buyers or lessees opted to purchase rebate-eligible vehicles as a result of the added financial incentive provided by rebates. This could result in a negative fiscal impact for these manufacturers and dealerships.

Small businesses – businesses with 50 or fewer employees

There are no businesses or industries subject to the proposed rules because the rules do not impose any requirements on parties who do not wish to participate in the program. Businesses or industries that are likely to be impacted by the proposed rules are those that manufacture or sell automobiles. DEQ identified up to 1,100 small businesses potentially affected by this rule. This includes 245 automobile dealers (that sell both new and used vehicles).

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. There are no projected reporting, recordkeeping, or other administrative activities required for compliance. There are no anticipated equipment, supplies, labor, or increased administration required for compliance with the proposed rules.

Overall, DEQ anticipates that affected small businesses would benefit from the proposed rules. The proposed rule would expand incentives for the sale or lease of plug-in hybrid electric vehicles to Charge Ahead rebate applicants and adopt other changes that clarify program

requirements and allow a prorated repayment or repayment waiver. There could be a positive fiscal impact on small businesses manufacturing, selling, or leasing plug-in hybrid electric vehicles or other vehicles eligible for a rebate, as a larger pool of applicants could utilize this incentive and increase sales or leases in Oregon. There could be a negative fiscal impact on small businesses manufacturing, selling, or leasing cars other than plug-in hybrid electric vehicles or other vehicles eligible for a rebate, as a result of customers choosing to purchase rebate-eligible vehicles.

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

DEQ originally identified up to 1,100 small business automobile dealers (that sell both new and used vehicles) that could participate in the OCVRP. Any of the small business automobile dealers could potentially participate in assignment of rebates for plug-in hybrid electric vehicles for Charge Ahead applicants.

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

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 rules.

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

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, the Oregon Independent Auto Dealers Association, and the Oregon Vehicle Dealers Association. These associations include small businesses as part of their membership.

Documents relied on for fiscal and economic impact

Document title	Document location
Oregon Department of Employment 2015 data	Employment Department 875 Union Street NE Salem OR 97311

Advisory committee fiscal review

DEQ appointed an advisory committee for this permanent rulemaking.

As ORS 183.33 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; if so, then how DEQ can comply with ORS 183.540 to reduce that impact.

The committee reviewed the draft fiscal and economic impact statement and its findings are stated in the approved minutes dated Sept. 10, 2019.

The committee agreed with DEQ's analysis regarding the fiscal and economic impacts. The committee discussed how the proposed definition of household might adversely affect some members of the public who would not be able to qualify under DEQ's proposed definition. The committee acknowledged that the definition that DEQ had proposed at the time of public comment was consistent with how California administers its rebate program (that includes an income qualification component) and has been successful in its implementation. 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 it only affects purchasers of electric 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 making small changes to the program to improve and clarify program requirements and proposed such changes in the rulemaking notice. DEQ considered alternative definitions to household that were consistent with the legislation establishing the OCVRP. DEQ considered the alternatives and suggestions put forth by commenters that were consistent with the legislation establishing the program and revised the proposed rules in response to comments.

Land Use

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 statewide 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.

EQC Prior Involvement

DEQ shared information about this rulemaking with EQC in the Oregon Clean Vehicle Rebate Program temporary rule adoption proposal at the Sept. 27, 2019, meeting in Madras, Oregon.

Advisory Committee

Background

DEQ convened the OCVRP 2020 Rule advisory committee. The committee included representatives from the automobile industry and dealers, environmental groups, a citizen group, utilities, and environmental justice groups. The committee met one time. The committee's web page is located at: [Clean Vehicle Rebate Program 2020](#)

The committee members were:

Oregon Clean Vehicle Rebate Rulemaking Advisory Committee	
Name	Affiliation
Alan DeBoer	Public Citizen - Former State Senator
Steve Douglas	Alliance of Auto Manufacturers
Gary Exner	Oregon Electric Vehicle Association
Darrell Fuller	Oregon Vehicle Dealers Association
Jana Gastellum	Oregon Environmental Council
Dan Jarman	Tesla
Aaron Milano	Portland General Electric
Julia Rege	Association of Global Automakers
Greg Remensperger	Oregon Auto Dealers Association
Jaclyn Sarna	Hacienda CDC
Vivian Satterfield	Verde
Cory Scott	PacifiCorp
Diane Sparks	Oregon Independent Auto Dealers

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:
 - Rulemaking
 - DEQ Public Notices
 - Electric Vehicle Rebate 2018 Rulemaking
 - Low Emission/Zero Emission Vehicle Program
 - Oregon Clean Vehicle Rebate Program

Committee discussions

In addition to the recommendations described under the Statement of Fiscal and Economic Impact section above, the committee provided input to DEQ on certain program elements.

The committee specifically discussed:

- Maintaining the current rebate amounts;
- Vehicle ownership provision and how DEQ will be able to track and enforce;
- The definition of household and how the definition could affect eligibility for the program.
- Implementation and notification of the provision allowing certain applicants to be able to apply for a rebate if the person purchased or leased an electric vehicle between Jan. 1, 2018, through Aug. 2, 2018. Applicants will have six months to apply, starting Sept. 29, 2019. Applicants who have already submitted an application would not need to reapply; and
- Other opportunities that individuals might be able to receive Charge Ahead rebates. This included discussion about whether rebates could be offered through a lending institution on behalf of the applicant to reduce any potential loan amount taken to purchase or lease a vehicle.

Public Engagement

Public notice

DEQ provided notice of the proposed rulemaking and rulemaking hearing by:

- On Oct. 15, 2019, filing notice with the Oregon Secretary of State for publication in the November 2019 Oregon Bulletin;
- Posting the Notice, Invitation to Comment and Draft Rules on the web page for this rulemaking, located at:
<https://www.oregon.gov/deq/Regulations/rulemaking/Pages/revrebate2020.aspx> ;
- Emailing approximately 14,800 interested parties on the following DEQ lists through GovDelivery:
 - DEQ Public Notices
 - Rulemaking
 - Oregon Clean Vehicle Rebate Program
 - Low Emission/Zero Emission Vehicle Program
 - Electric Vehicle Rebate 2018 Rulemaking
- Emailing the following key legislators required under [ORS 183.335](#):
 - Senator Lee Beyer, Co-Chair, Joint Committee on Transportation
 - Representative Caddy McKeown, Co-Chair, Joint Committee on Transportation
 - Senator Brian Boquist, Co-Vice Chair, Joint Committee on Transportation
 - Representative Ron Noble, Co-Vice Chair, Joint Committee on Transportation
- Emailing advisory committee members,
- Postings on Twitter and Facebook
- Posting on the DEQ event calendar: [DEQ Calendar](#)

Public Hearing

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

Presiding Officer's Record

Hearing 1

Date	Nov. 18, 2019
Place	700 NE Multnomah Street Room: 3 rd floor conference room Portland, Oregon 97232
Start Time	1:12 p.m.
End Time	1:22 p.m.
Presiding Officer	Morgan Schafer

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.

As OAR 137-001-0030 requires, the presiding officer summarized the content of the rulemaking notice.

Four people attended the hearing in person and no one attended by teleconference or webinar. One person commented orally and no one submitted written comments at the hearing.

Summary of Public Comments and DEQ Responses

Public comment period

DEQ accepted public comment on the proposed rulemaking from Oct. 15, 2019, until 4 p.m. on Nov. 22, 2019.

For public comments received by the close of the public comment period, the following table organizes comments into 18 categories with cross references to the commenter number. DEQ’s response follows the summary. Original comments are on file with DEQ.

DEQ changed the proposed rules in response to comments as described in the response sections below. DEQ also made an additional change to OAR 340-270-0030(2) because it discovered the existing definition was not consistent with the legislative definition of Charge Ahead.

List of Comments		
Comment #	Comment Summary	Commenter Numbers
General support		
1	<p>Commenter expressed support for the proposed rules.</p> <p>DEQ response: DEQ acknowledges the commenter’s support.</p>	3, 4
Definition of Household		
2	<p>The current definition of “household” will disqualify or disincentivize program participants for people, such as young adults who may live in group housing, renters, and those who work in the nonprofit sector. This definition will have an adverse effect on low and moderate income individuals, as many of these individuals cannot afford to live alone and choose to live with roommates. DEQ should change the definition to allow individuals with roommates who do not share income (beyond housing and utility costs) to qualify for the rebate.</p> <p>DEQ response: DEQ recognizes that there are disadvantages to adopting a broad definition of household, including that the definition may make certain persons who are living in group housing situations, such as young adults who may live in group housing, renters, and those who work in the nonprofit sector, ineligible for the Charge Ahead rebate. After considering this</p>	9, 10, 11, 12, 13, 14, 15, 17, 18, 19

List of Comments

Comment #	Comment Summary	Commenter Numbers
	<p>comment and other comments, the policy objectives of the Charge Ahead program, and the legislature’s likely intent, DEQ has decided to modify its proposed rule defining a household.</p> <p>Ultimately, DEQ has decided to be more inclusive in the Charge Ahead program, because DEQ wants to ensure persons who are truly living in low and moderate income households, including those who are living with roommates but who are not operating as a single economic unit with roommates nor in a familiar relationship with roommates, are able to obtain a Charge Ahead rebate. DEQ believes the modified proposed rule is generally more inclusive.</p> <p>Further, DEQ has determined that being more inclusive is better in line with the legislative intent of the program, which was to benefit and to provide an additional incentive to low and moderate income households and to push the state towards higher adoption of electric vehicles and towards meeting its greenhouse gas emission reduction goals. Because the legislature chose to reference the Oregon Housing and Community Services Department (OHCSO) in defining area median income, DEQ opted to use the OHCSO’s definition of household that best met its policy goals (<i>see</i> OAR 813-046-0011(12)). DEQ believes that this definition has a similar effect to that proposed by the commenter. By using a definition already employed by the OHCSO, DEQ hopes to obtain guidance on program implementation and effectiveness from the OHCSO to ensure that persons are not able to exploit loopholes in the program and to ensure that DEQ can administer and enforce the program in a fair and efficient manner.</p>	
3	<p>The definition of household does not make sense in terms of how people use and purchase cars – roommates and extended family are less likely to share cars or share transportation costs.</p> <p>DEQ response: DEQ recognizes that there are disadvantages to adopting a broad definition of household, including that the definition may make certain persons who are living in group housing situations ineligible for the Charge Ahead rebate when those persons “are less likely to share cars or share transportation costs” and, accordingly, should arguably be eligible for a Charge Ahead rebate. After considering this comment and other comments, DEQ has decided to modify its proposed rule. Ultimately, DEQ has determined the definition should be more inclusive because DEQ wants to ensure persons who are truly living in low and moderate income households, including those who are living with roommates but who are not operating as</p>	14, 15, 18

List of Comments

Comment #	Comment Summary	Commenter Numbers
	<p>a single economic unit with their roommates nor in a familial relationship with those roommates, are able to obtain a Charge Ahead rebate.</p> <p>Further, DEQ has determined that being more inclusive is better in line with the legislative intent of the program, which was to benefit and to provide an additional incentive to low and moderate income households and to push the state towards higher adoption of electric vehicles and towards meeting its greenhouse gas emission reduction goals.</p>	
4	<p>The current definition of household adds a burden on the applicant to gather personal information from their unrelated roommates, instead of making it easier for people to apply.</p> <p>DEQ response: DEQ recognizes that there are disadvantages to adopting a broad definition of household, including that it adds a burden on the applicant to gather personal information from unrelated roommates. DEQ has decided to modify its proposed rule defining a household. Although the modified definition will not remove all burdens on applicants to show they qualify as members of low or moderate income households when applying for Charge Ahead rebates, DEQ believes that the modified definition will reduce the burden on applicants. This is because the modified definition focuses on economic units and familial relationships in defining a household.</p> <p>Additionally, DEQ plans to allow those applicants who already participate in an income-qualified program to simply provide documentation from the qualified social service provider in lieu of having to provide proof of income eligibility and obtaining information from unrelated roommates.</p>	17
5	<p>DEQ could retain the current definition of household but provide an exemption that allows individuals that only share housing costs to apply for the waiver. These individuals would be excluded from being counted as part of the applicant's household.</p> <p>DEQ response: DEQ has decided to modify its proposed rule defining a household to be more inclusive. DEQ wants to ensure persons who are truly living in low and moderate income households, including those who are living with roommates but who are not operating as a single economic unit with their roommates nor in a familiar relationship with those roommates, are able to obtain a Charge Ahead rebate.</p>	18

List of Comments

Comment #	Comment Summary	Commenter Numbers
	As an alternative to adopting the original proposed definition of household, DEQ considered retaining the definition of household that it originally proposed and allowing individuals who only share housing costs with those in their household to apply for an exemption or waiver, as proposed by the commenter. However, DEQ does not believe the legislature provided it with authority to provide exemptions or waivers to persons who are not members of a low income or moderate income household to allow those persons to obtain Charge Ahead rebates.	
6	<p>DEQ's definition of household needs to be inclusive and should consider the intent of the program with as few barriers as possible. The current definition benefits higher income individuals and excludes those the program was designed to serve. The definition is restrictive and DEQ should consider one that is more general and includes the low and moderate income households it was designed to serve.</p> <p>DEQ response: DEQ recognizes that there are disadvantages to adopting a broad definition of household, including that it imposes more barriers to persons seeking to obtain a Charge Ahead rebate. DEQ has decided to modify its proposed rule defining a household to make that definition narrower, which has the effect of making the Charge Ahead program more inclusive.</p> <p>Ultimately, DEQ wants to ensure persons who are truly living in low and moderate income households are able to obtain a Charge Ahead rebate. DEQ believes the modified proposed rule allows more people the Charge Ahead program was designed to serve to be eligible for a Charge Ahead rebate. Further, DEQ has determined that being more inclusive is better in line with the legislative intent of the program, which was to benefit and to provide an additional incentive to low and moderate income households and to push the state towards higher adoption of electric vehicles and towards meeting its greenhouse gas emission reduction goals.</p> <p>DEQ does not believe that its original proposal or the modified proposed definition makes higher income persons eligible for the Charge Ahead rebate and, accordingly, disagrees with the commenter that the definition benefits higher income individuals.</p>	18
7	The definition of household differs from those used for other assistance and rebate programs.	13

List of Comments

Comment #	Comment Summary	Commenter Numbers
	<p>DEQ response: DEQ agrees with the commenter that various programs in Oregon use different definitions of household. Even within the programs administered by the OHCSO, there are a number of different definitions of household used in different program areas. Because the legislature chose to reference the OHCSO in defining area median income, DEQ opted to use OHCSO's definition of household that best met its policy goals in implementing the OCVRP (<i>see</i> OAR 813-046-0011(12)).</p>	
8	<p>DEQ should evaluate further options regarding household definition that balances administration time/expense, applicant time/burden, anticipated abuse, impact of the abuse, and overall intent of the program.</p> <p>DEQ response: DEQ considered adopting other definitions of a household. In doing so, DEQ weighed administrative time and expense, applicant time and burden, potential and anticipated abuse of the program, the impact of any potential and anticipated abuse of the program, the overall intent of the Charge Ahead program and the OCVRP as a whole, and other relevant factors. DEQ ultimately determined, after weighing all relevant factors, that the modified definition of household would best achieve its policy goals and minimize any adverse or unintended consequences. DEQ is aware that this definition may impose greater administrative time and expensive and create more loopholes or potentials for abuse, but DEQ determined that these and other negative impacts were outweighed by to overall positives, including that the modified definition is, in DEQ's opinions, better in line with the overall intent of the program. Because the legislature chose to reference the OHCSO in defining area median income, DEQ opted to use OHCSO's definition of household that best met its policy goals (<i>see</i> OAR 813-046-0011(12)).</p>	18
Plug-in hybrid electric vehicle (PHEV) eligibility		
9	<p>Plug-in hybrid electric vehicles should be eligible for a Charge Ahead rebate if they were purchased before September 2019.</p> <p>DEQ response: When the Oregon legislature created the OCVRP in House Bill 2017 (2017), it limited the availability of the Charge Ahead rebate to persons who purchased or leased a new or used light duty zero-emission vehicle in Oregon. In House Bill 2592 (2019), the legislature expanded the availability of the Charge Ahead rebate to persons who purchased or leased a new or used light duty zero-emission vehicle or PHEVs in Oregon. When it broadened the Charge Ahead program, the legislature did not clearly make</p>	7, 16

List of Comments

Comment #	Comment Summary	Commenter Numbers
	the changes retroactive. Accordingly, DEQ believes that the best interpretation of the legislation is that persons who purchased PHEVs prior to effective date of the 2019 amendments, which was in September 2019, are not eligible for a rebate.	
10	<p>All hybrid and electric vehicles should qualify for the rebate. Hybrids such as Volts provide safe travel if the electric supply is exhausted or unavailable.</p> <p>DEQ response: All PHEVs, including Volts, qualify for a rebate. The rebate amount may differ for different vehicles depending on the type of PHEVs, based on the electrochemical storage capacity of the battery.</p>	1
11	<p>Commenter supports inclusion of PHEVs to qualify for rebate.</p> <p>DEQ response: DEQ acknowledges the commenter's support.</p>	2
12	<p>Commenter opposes inclusion of plug-in hybrids for the Charge Ahead rebate. Only 100% electric vehicles will address impacts of climate change. Adding PHEVs does not give Charge Ahead rebate recipients better access to electric transportation since the cost is the same as full EVs.</p> <p>DEQ response: The legislature included PHEVs as a vehicle that is eligible for a rebate under the Charge Ahead Program, and DEQ does not have the ability to override this legislative intent. Further, while PHEVs are not fully 100% electric, they primarily run on an electric charge until the battery is exhausted. DEQ believes that this supports the goal of working to address the impacts of climate change. DEQ also believes that, for some applicants, PHEVs might provide better access to electric transportation since not all applicants can rely on the limited range of the available electric cars to meet their transportation needs. Because Charge Ahead recipients receive the higher rebate of \$2,500, this will assist in lowering the overall cost of an EV purchase or lease and attempts to make it more achievable for Charge Ahead recipients to access these vehicles. The goal of the program is to encourage as many people as possible to purchase or lease an electric vehicle, and the inclusion of PHEVs provides options for recipients to choose from a wider choice of electric vehicles.</p>	5

List of Comments		
Comment #	Comment Summary	Commenter Numbers
Rebate Amounts and Eligibility		
13	<p>DEQ should increase the rebate amount for Charge Ahead Rebates, particularly for the lowest income levels, to encourage low and moderate households to purchase electric vehicles, as opposed to making PHEVs eligible.</p> <p>DEQ response: The legislature included PHEVs as a vehicle that is eligible for a rebate under the Charge Ahead Program, and DEQ does not have the ability to override this legislative intent. Further, under 2017 Or. Law Ch. 750 Sec. 148-157, the legislature provided that the Charge Ahead Rebate shall be in an amount up to \$2,500 but not less than \$1,250. DEQ selected the maximum rebate amount allowable under the law, establishing a \$2,500 Charge Ahead rebate to encourage low and moderate income households to purchase vehicles eligible for such a rebate. DEQ is not able to increase the amount unless the legislature amends the maximum rebate amount set in statute.</p>	5
14	<p>The changes prorate the payback amount – is there an opportunity for those who have already paid back the full amount under the current rules to obtain a retroactive payback?</p> <p>DEQ response: Changes to the program that allowed a prorate of the payback amount did not go into effect until Sept. 29, 2019 and were not clearly retroactive. Accordingly, DEQ believes that the best interpretation of the legislation that established the OCVRP is that any payback amounts prior to that date must repay the amount in full.</p>	6
15	<p>Rebates should be eligible to those who purchased prior to January 1, 2018.</p> <p>DEQ response: DEQ believes that the best interpretation of the legislation establishing the OCVRP is that persons who purchased vehicles prior to Jan. 1, 2018, are not eligible for a rebate. Because of this, DEQ is retaining Jan. 1, 2018, as the point at which purchases would become eligible for rebates.</p>	8
Incentives – General		
16	<p>DEQ should provide incentives for gas stations to transition to EV charging, as there is a lack of good infrastructure for current EV charging.</p>	2

List of Comments

Comment #	Comment Summary	Commenter Numbers
	<p>DEQ response: Funding for the program is legislatively directed to providing rebates for the purchase or lease of electric vehicles only, and DEQ does not have authority to override this legislative intent. However, there are other efforts underway through separate programs (utility rate payer funds, Clean Fuels Program, Volkswagen settlement funds) that provide incentives or funding for EV charging infrastructure.</p>	
17	<p>DEQ should provide disincentives for gas and diesel usage to accelerate change to EV adoption.</p> <p>DEQ response: These rules are intended to encourage people to purchase and use electric vehicles. DEQ does not believe it has authority under the legislation establishing the program to create disincentives for gas and diesel usage; the legislatively-designed program only establishes incentives for electric vehicle adoption.</p>	2
18	<p>DEQ should minimize or eliminate hydrogen fuel cell incentives, should focus only on electric vehicles.</p> <p>DEQ response: Vehicles using hydrogen fuel cell technology are eligible for rebates under the program, if the vehicle and the applicant meet all program requirements. The legislature included certain fuel cell vehicles in the definition of light duty zero emission vehicles which may be eligible for rebates. Further, DEQ believes that inclusion of certain hydrogen fuel cell vehicles in the program supports the goal of working to address the impacts of climate change.</p>	2

List of Commenters

#	Name	Organization	Comment Number	Hearing #
1	James and Carla Aydelott	General public	1	
2	James Marquard	General public	2	
3	Andrew Harbison	General public	3	
4	Sara Grigsby	Healthy Systems	4	
5	Sid Baum	350 Eugene Electric Transportation Action Group (E-TAG)	5	
6	Robert Kremers	General public	6	
7	Alex Lopez	General public	7	
8	Lisa Battaglia	General public	8	
9	Paul Gress	General public	9	
10	Joe Hull	Midstate Electric Cooperative	10	
11	Zach Sippel	General public	11	
12	Ani Kasch	General public	12	
13	Ryan McLaughlin	General public	13	
14	Anastacia Compton	350 Deschutes	14	
15	Megan Michell	General public	15	
16	Paul Ahrns	General public	16	

List of Commenters

#	Name	Organization	Comment Number	Hearing #
17	Neil Baunsgard	The Energy Center	17	1
18	Neil Baunsgard	General public	18	1
19	Marianne Pyott	General public	19	

Implementation

Notification

The proposed rules would become effective upon filing on approximately Jan. 24, 2020.

DEQ would notify affected parties by:

- Emailing approximately 14,800 interested parties on the following DEQ lists through GovDelivery:
 - DEQ Public Notices
 - Rulemaking
 - Oregon Clean Vehicle Rebate Program
 - Low Emission/Zero Emission Vehicle Program
 - Electric Vehicle Rebate 2018 Rulemaking
- Emailing the following key legislators required under [ORS 183.335](#):
 - Senator Lee Beyer, Co-Chair, Joint Committee on Transportation
 - Representative Caddy McKeown, Co-Chair, Joint Committee on Transportation
 - Senator Brian Boquist, Co-Vice Chair, Joint Committee on Transportation
 - Representative Ron Noble, Co-Vice Chair, Joint Committee on Transportation
- Emailing advisory committee members,
- Postings on Twitter and Facebook

Five-year Review

Requirement

Oregon law requires DEQ to review new rules within five years after EQC adopts them. The law also exempts some rules from review. DEQ determined whether the rules described in this report are subject to the five-year review. DEQ based its analysis on the law in effect when EQC adopted these rules.

Exemption from five-year rule review

The Administrative Procedures Act exempts all of the proposed rules from the five-year review because the proposed rules would:

- Amend or repeal an existing rule. ORS 183.405(4).
- Correct errors or omissions in the existing rules. ORS 183.405(d).

Accessibility Information

You may review copies of all documents referenced in this announcement at:
Oregon Department of Environmental Quality
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, 800-452-4011, ext. 5622 toll-free in Oregon.

DEQ can provide documents in an alternate format or in a language other than English upon request. Call DEQ at 800-452-4011 or email deqinfo@deq.state.or.us.

Key to text changes:

~~Red strikethrough: Text removed~~

Red underline: Text added

Note: Some rule text seen in blue, with underline, represents links and is not a proposed change within the rules.

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~~DEQ to establish a rebate program for zero-emission vehicles. The 2018 Oregon Legislature adopted House Bill 4059, which clarified and removed existing requirements. The 2019 Oregon Legislature adopted House Bill 2592, which clarified and removed existing requirements. OAR division 270 of chapter 340 implements ~~those~~at laws.

(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.

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

History:

[DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018](#)

[340-270-0020](#)

Effective Dates

(1) The rebates for eligible new light-duty zero-emission vehicles and eligible plug-in hybrid electric vehicles ~~take~~took effect on January 1, 2018.

(2) The rebates for the Charge Ahead Program took effect on January 1, 2018 for light duty zero emission vehicles. The rebates for the Charge Ahead Program take effect on January 1, 2018~~September 29, 2019 for plug-in hybrid electric vehicles.~~

(3) The rebates for eligible neighborhood electric vehicles and eligible zero-emission motorcycles ~~take~~took 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.

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~₂, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~₂, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

History:

DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018

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 or lease of a new or used light-duty zero-emission vehicle with an electrochemical storage capacity or a plug-in hybrid electric vehicle 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)~~ "Household" means an individual living alone, a family with or without children, or a group of individuals who are living together as one economic unit. For all motor vehicles with a purchase or lease date before the effective date of these rules, DEQ will apply the definition of household that most benefits the applicant, with this new definition of household applying retroactively if it is in the benefit of the applicant. For all motor vehicles with a purchase or lease date on or after the effective date of these rules, DEQ will apply this new definition of household.

(6) "Lease date" means the day that the lease agreement is signed.

(7) "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.

~~(78)~~ “Low income household” means a household with income less than or equal to 80 percent of the area median income.

~~(89)~~ “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.

~~(910)~~ “Motor vehicle” has the meaning given that term in ORS 801.360.

~~(1011)~~ “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.

~~(1112)~~ “Person” means a person as defined in ORS 174.100 or a public body as defined in ORS 174.109.

~~(1213)~~ “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.

~~(1314)~~ “Purchase date” means the day that the purchase and sales agreement is signed.

~~(1415)~~ “Used electric vehicle” means a light-duty zero-emission or plug-in hybrid electric 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).

~~(1516)~~ “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).

~~(1617)~~ “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.

(1718) “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.

[NOTE: View a PDF of California Implementation Manual by clicking on "Tables" link below.]

[ED. NOTE: To view tables referenced in rule text, [click here to view rule.](#)]

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~, House Bill 4059 (2018), Sec. 18-21, [and House Bill 2592 \(2019\), Sec. 35-37](#)

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~, House Bill 4059 (2018), Sec. 18-21, [and House Bill 2592 \(2019\), Sec. 35-37](#)

History:

[DEQ 6-2019, amend filed 01/28/2019, effective 01/28/2019](#)
[DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018](#)

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.

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~, House Bill 4059 (2018), Sec. 18-21, [and House Bill 2592 \(2019\), Sec. 35-37](#)

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~, House Bill 4059 (2018), Sec. 18-21, [and House Bill 2592 \(2019\), Sec. 35-37](#)

History:

[DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018](#)

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.

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

History:

DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018

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; except that persons who purchased or leased an eligible vehicle between January 1, 2018 and August 2, 2018 may apply for the rebate if an application is submitted to DEQ by March 30, 2020. If DEQ has already received an application from the rebate applicant who purchased or leased an eligible vehicle between January 1, 2018 and August 2, 2018, and the applicant has been notified by DEQ of its receipt, the applicant does not need to reapply;

(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~~2 years.

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~₂, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~₂, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

History:

[DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018](#)

340-270-0200

Application Review Process

(1) DEQ will process applications on a first-come, first-serve basis as received by DEQ; except in circumstances where a rebate recipient assigns a rebate to a vehicle dealer, or to an original equipment manufacturer, that does not have licensed franchised new automobile dealers in Oregon.-

(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.

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

History:

DEQ 200-2018, temporary amend filed 12/04/2018, effective 12/04/2018 through 06/01/2019

DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018

340-270-0300

Vehicle Ownership Provision

(1) If a rebate recipient sells the eligible vehicle, or terminates the eligible vehicle's lease for which a rebate was received, 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 in a prorated amount based on the number of months that the rebate recipient owned or leased the vehicle.

(2) DEQ may waive the reimbursement requirement if DEQ determines a waiver is appropriate given unforeseeable or unavoidable or other appropriate circumstances that gave rise to a need for the rebate recipient to sell the vehicle or terminate the lease before the end of the 24-month period.

(3) To request a waiver, a person must submit a written application for a waiver to DEQ after the termination of the lease or sale of the vehicle that includes an explanation of why the person believes the waiver is appropriate.

(4) DEQ will consider the following factors in determining whether waiver is appropriate:

(a) the extent to which repayment would be harsh under the circumstances;

(b) the extent to which the rebate recipient appears to be inappropriately taking advantage of the rebate program; or

(c) any other factors that DEQ considers appropriate.

(d) DEQ generally considers waiver appropriate in the following circumstances, unless the factors weigh strongly against a waiver under the individual facts and circumstances: military duty; death of the rebate recipient; and totaling of the eligible vehicle. This is a non-exclusive list.

(5) DEQ will provide a written explanation for all rejected waiver applications. If DEQ rejects a waiver 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.

(6) 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.

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~₂, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~₂, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

History:

DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018

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.

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~₂, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~₂, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

History:

DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018

340-270-0410

Vehicles Eligible for the Charge Ahead Program

(1) To ~~be eligible~~qualify for a Charge Ahead rebate, a motor vehicle must be either a new or used light-duty zero-emission vehicle with an electrochemical storage capacity and have a purchase or lease date on or after January 1, 2018 ~~or a-~~

new or used plug-in hybrid electric vehicle and have a purchase or lease date on or after September 29, 2019.

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

History:

DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018

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.

(3) 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.

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

History:

DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018

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;~~ a vehicle that meets the requirements established in OAR 340-270-0410;

(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 household 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;~~ vehicle that meets the requirements established in OAR 340-270-0410 in Oregon;

~~(f) Submit an application within 6 months after the vehicle purchase or lease date;~~

(f) Submit an application within 6 months after the vehicle purchase or lease date, except that persons who purchased or leased a vehicle that meets the requirements established in OAR 340-270-0410 between January 1, 2018 and August 2, 2018 may apply for a rebate if an application is submitted to DEQ by March 30, 2020. If DEQ has already received an application from the person who purchased or leased a vehicle that meets the requirements established in OAR 340-270-0410 between January 1, 2018 and August 2, 2018, and the applicant has been notified by DEQ of its receipt, the applicant does not need to reapply;

(g) Provide any additional information and documentation requested by DEQ that is necessary to ascertain that the applicant qualifies for a rebate; ~~and~~

~~(h) Provide information requested by DEQ that DEQ determines is necessary to ascertain that the person is not buying, selling, or leasing vehicles in a manner that DEQ determines circumvents the intent of the Charge Ahead Program, including an attestation that the person has not in the past owned or leased the vehicle for which a rebate is sought; and~~

(i) 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) The vehicle ownership requirements established by OAR 230-270-0300 will apply to Charge Ahead Rebates.

(7) 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.

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

History:

DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018

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.

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157-~~&~~, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

History:

DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018

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 DEQ to establish a rebate program for zero-emission vehicles. The 2018 Oregon Legislature adopted House Bill 4059, which clarified and removed existing requirements. The 2019 Oregon Legislature adopted House Bill 2592, which clarified and removed existing requirements. OAR division 270 of chapter 340 implements those laws.

(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.

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

History: [DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018](#)

340-270-0020

Effective Dates

(1) The rebates for eligible new light-duty zero-emission vehicles and eligible plug-in hybrid electric vehicles took effect on January 1, 2018.

(2) The rebates for the Charge Ahead Program took effect on January 1, 2018 for light duty zero emission vehicles. The rebates for the Charge Ahead Program take effect on September 29, 2019 for plug-in hybrid electric vehicles.

(3) The rebates for eligible neighborhood electric vehicles and eligible zero-emission motorcycles took 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.

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

History: [DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018](#)

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 or lease of a new or used light-duty zero-emission vehicle with an electrochemical storage capacity or a plug-in hybrid electric vehicle 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) “Household” means an individual living alone, a family with or without children, or a group of individuals who are living together as one economic unit. For all motor vehicles with a purchase or lease date before the effective date of these rules, DEQ will apply the definition of household that most benefits the applicant, with this new definition of household applying retroactively if it is in the benefit of the applicant. For all motor vehicles with a purchase or lease date on or after the effective date of these rules, DEQ will apply this new definition of household.

(6) “Lease date” means the day that the lease agreement is signed.

(7) “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.

(8) “Low income household” means a household with income less than or equal to 80 percent of the area median income.

(9) “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.

(10) “Motor vehicle” has the meaning given that term in ORS 801.360.

(11) “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.

(12) "Person" means a person as defined in ORS 174.100 or a public body as defined in ORS 174.109.

(13) "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.

(14) "Purchase date" means the day that the purchase and sales agreement is signed.

(15) "Used electric vehicle" means a light-duty zero-emission or plug-in hybrid electric 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).

(16) “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).

(17) “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.

(18) “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.

[NOTE: View a PDF of California Implementation Manual by clicking on "Tables" link below.]

[ED. NOTE: To view tables referenced in rule text, [click here to view rule.](#)]

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059

(2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

History: [DEQ 6-2019, amend filed 01/28/2019, effective 01/28/2019](#)

[DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018](#)

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.

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

History: [DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018](#)

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.

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

History: [DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018](#)

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, except that persons who purchased or leased an eligible vehicle between January 1, 2018 and August 2, 2018 may apply for the rebate if an application is submitted to DEQ by March 30, 2020. If DEQ has already received an application from the rebate applicant who purchased or leased an eligible vehicle between January 1, 2018 and August 2, 2018, and the applicant has been notified by DEQ of its receipt, the applicant does not need to reapply;

(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 2 years.

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

History: [DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018](#)

340-270-0200

Application Review Process

(1) DEQ will process applications on a first-come, first-serve basis as received by DEQ; except in circumstances where a rebate recipient assigns a rebate to a vehicle dealer, or to an original equipment manufacturer, that does not have licensed franchised new automobile dealers in Oregon.

(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.

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

History: [DEQ 200-2018, temporary amend filed 12/04/2018, effective 12/04/2018 through 06/01/2019](#)

[DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018](#)

[340-270-0300](#)

Vehicle Ownership Provision

(1) If a rebate recipient sells the eligible vehicle for which a rebate was received, 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 in a prorated amount based on the number of months that the rebate recipient owned or leased the vehicle.

(2) DEQ may waive the reimbursement requirement if DEQ determines a waiver is appropriate given unforeseeable or unavoidable or other appropriate circumstances that gave rise to a need for the rebate recipient to sell the vehicle or terminate the lease before the end of the 24-month period.

(3) To request a waiver, a person must submit a written application for a waiver to DEQ after the termination of the lease or sale of the vehicle that includes an explanation of why the person believes the waiver is appropriate.

(4) DEQ will consider the following factors in determining whether waiver is appropriate;

(a) the extent to which repayment would be harsh under the circumstances;

(b) the extent to which the rebate recipient appears to be inappropriately taking advantage of the rebate program; or

(c) any other factors that DEQ considers appropriate.

(d) DEQ generally considers waiver appropriate in the following circumstances, unless the factors weigh strongly against a waiver under the individual facts and circumstances: military duty; death of the rebate recipient; and totaling of the eligible vehicle. This is a non-exclusive list.

(5) DEQ will provide a written explanation for all rejected waiver applications. If DEQ rejects a waiver 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.

(6) 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.

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

History: [DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018](#)

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.

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

History: [DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018](#)

340-270-0410

Vehicles Eligible for the Charge Ahead Program

(1) To qualify for a Charge Ahead rebate, a motor vehicle must be either a new or used light-duty zero-emission vehicle with an electrochemical storage capacity and have a purchase or lease date on or after January 1, 2018 or a new or used plug-in hybrid electric vehicle and have a purchase or lease date on or after September 29, 2019.

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

History: [DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018](#)

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.

(3) DEQ will set the rebate amounts annually. If DEQ determines that the rebate amounts should be adjusted, DEQ will engage in rulemaking to adjust the rebate amounts.

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

History: [DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018](#)

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 a vehicle that meets the requirements established in OAR 340-270-0410;

(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 household 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 vehicle that meets the requirements established in OAR 340-270-0410 in Oregon;

(f) Submit an application within 6 months after the vehicle purchase or lease date, except that persons who purchased or leased a vehicle that meets the requirements established in OAR 340-270-0410 between January 1, 2018 and August 2, 2018 may apply for a rebate if an application is submitted to DEQ by March 30, 2020. If DEQ has already received an application from the person who purchased or leased a vehicle that meets the requirements

established in OAR 340-270-0410 between January 1, 2018 and August 2, 2018, and the applicant has been notified by DEQ of its receipt, the applicant does not need to reapply;

(g) Provide any additional information and documentation requested by DEQ that is necessary to ascertain that the applicant qualifies for a rebate;

(h) Provide information requested by DEQ that DEQ determines is necessary to ascertain that the person is not buying, selling, or leasing vehicles in a manner that circumvents the intent of the Charge Ahead Program, including an attestation that the person has not in the past owned or leased the vehicle for which a rebate is sought; and

(i) 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) The vehicle ownership requirements established by OAR 230-270-0300 will apply to Charge Ahead Rebates.

(7) 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.

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

History: [DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018](#)

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.

Attachment B: Rules with edits incorporated

Jan. 23-24, 2020, EQC meeting

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Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21, and House Bill 2592 (2019), Sec. 35-37

History: [DEQ 186-2018, adopt filed 05/14/2018, effective 05/14/2018](#)