



# Oregon's Medium and Heavy Duty Zero Emissions Vehicle Rebate Program

Rulemaking Advisory Committee Meeting #2

Draft Rules

Zero Emission Rebates for Oregon Fleets - ZERO Fleet

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# Agenda

- 1 p.m. – Meeting Ground Rules and Program Overview
- 1:20 p.m. – Rebate Amounts, Process, and Application Requirements
- 1:40 p.m. – Key Questions
- 2:30 p.m. – Break
- 2:40 p.m. – Application Review, Award Process, and Ownership
- 3:20 p.m. – Key Questions
- 3:30 p.m. – Oregon Clean Vehicle Rebate Program
- 3:40 p.m. – Public Comment & Next Steps
- 4:00 p.m. – Adjourn

# Meeting Ground Rules

- Prepare and set aside time for the meetings
- Raise hand to speak
- Stay focused on the specific agenda topics for each meeting
- Comment constructively and in good faith
- Consult regularly with constituencies to inform the process and gather input
- Treat everyone with respect
- One person speaks at a time
- Avoid representing to the public or media the views of any other committee member or the whole group

# Overview, Applicability, and Definitions

## OAR 340-270-0010 - 340-270-0030

- Establishes program per statute
- Defines key terms for program, please review
- Example:
  - “Heavy-duty zero-emission vehicle” means an on-road vehicle with a manufacturer's GVWR greater than 14,000 pounds with a drivetrain that produces zero exhaust emissions of any criteria pollutant (or precursor pollutant) or greenhouse gas under any possible operational modes or conditions .

# Qualifying Vehicles

## OAR 340-270-0600

- To be eligible for a medium and heavy-duty vehicle rebate:
  - Gross vehicle weight rating of 8,501 pounds or greater and
  - Drivetrain that produces zero exhaust emissions of any criteria pollutant (or precursor pollutant) or greenhouse gas under any possible operational modes or conditions and
  - Must be a new zero emission vehicle. Retrofits and repowers of existing vehicles or those already owned by the Applicant are not eligible and
  - Be purchased and registered within twelve months of receipt of rebate approval. An extension for up to an additional six months may be permitted and will be reviewed on a case-by-case basis

# Rebate Amounts

## OAR 340-270-0610

GVWR (lbs.)	Vehicle Class	Incentive Amount
8,501 – 10,000	Class 2b	\$2,500
10,001 – 14,000	Class 3	\$45,000
14,001 – 16,000	Class 4	\$60,000
16,001 – 19,500	Class 5	\$60,000
19,501 – 26,000	Class 6	\$85,000
26,001 – 33,000	Class 7	\$85,000
33,001 +	Class 8	\$120,000

- Provide significant support to reduce financial barriers to MHD ZEV adoption
- Will be set annually based on available revenue, technology, and program goals
- Class 2b set to match OCVRP rebate amount
- Consistent with California's HVIP and Washington MHD ZEV rebate programs
- Ensures Oregon remains competitive with other state programs for national fleets

# Overview of ZERO Fleet Rebate Process

## OAR 340-270-0620

Purchaser  
and Dealer  
Applications

DEQ  
Review for  
funds  
available for  
specific  
purchase

DEQ review  
and award -  
12 mo.  
rebate  
reservation

Purchaser  
and Vehicle  
Dealer fulfill  
PO

DEQ  
provides 6  
mo.  
extension  
as needed

DEQ pays  
rebate after  
all terms  
met

# Purchaser Rebate Application Requirements

## OAR 340-270-0630

- Public or commercial fleet requirement, no fleet size restriction
- Apply to purchase or lease new qualifying vehicle
- Must register and operate in Oregon
- Minimum 36-month lease or intent to operate
- Provide quote or contingent purchase order, vehicle delivery plan, and additional info as needed
- Participate in research efforts regarding ZEV in Oregon



# Vehicle Dealer Rebate Application Requirements

## OAR 340-270-0640

- Be registered or register to conduct business in Oregon
- Document vehicle specifications, charging/fueling needs, design appropriate to Applicant's planned use, and eligibility
- Timeline for delivery of vehicle
- Agree to accept DEQ's rebate amount as a portion of the Purchaser's final vehicle payment, deducting the full rebate amount from the upfront cost
- Provide additional information as needed

# Key Questions for Committee Members

- Are proposed vehicle definitions clear and comprehensive?
- Comments on rebate amounts?
- Questions about purchaser application process?
- Questions about vehicle dealer application process?
- Comments on rebate limit per entity?
- Other comments?

# Stretch Break

- Up next
  - Application Review Process
  - Conditions to Award Rebate Funds
  - Post Rebate Conditions
  - Vehicle Ownership Requirements
  - Rebate Allocation Policy Goals
  - Disproportionate Burden Allocation

# Application Review Process

## OAR 340-270-0650

- If the purchaser, vehicle dealer, and vehicle are eligible and funds are available for the specific purchase, DEQ approves rebate and sends a rebate reservation letter.
- If funding is exhausted, DEQ will not accept new applications
- DEQ will reject ineligible rebate applications based on rules

# Conditions to Award of Rebate Funds

## OAR 340-270-0660

- DEQ will reserve awarded rebate funds for twelve months
- Vehicle dealer and the purchaser must execute their respective program agreements and submit all documentation to DEQ
- Vehicle dealer must deliver qualifying vehicle to purchaser and purchaser must register the vehicle in Oregon
- Purchaser submits all program documentation to DEQ, including verification that vehicle is delivered and registered in Oregon
- DEQ may renew rebate reservations for one six-month extension if requested prior to expiration
- Purchaser may provide the awarded rebate to the vehicle dealer or submit the awarded rebate to DEQ for funding.

# Post-Rebate Conditions

## OAR 340-270-0670

- Limit of five rebates per entity, per calendar year
- No limit for vehicle dealers or OEMs
- For three years after issuance of rebate, recipient must:
  - Maintain records of miles driven
  - Maintain records of miles driven or hours used in Oregon
  - Provide an annual report to Oregon DEQ demonstrating over 50% of usage in Oregon

# Vehicle Ownership Provision

## OAR 340-270-0680

- If a rebate recipient sells or terminates the lease before the end of 36 months
  - The rebate recipient must notify DEQ and
  - Reimburse DEQ in a prorated amount based on the number of months that the rebate recipient owned or leased
- DEQ may waive this repayment provision

# Allocation of Rebate Funding by Vehicle

## OAR 340-270-0690

- DEQ will prioritize;
  - Air quality benefits among disproportionately burdened communities;
  - Deploying zero emissions vehicle technologies that are available in Oregon;
  - Early adoption of zero emissions vehicles among fleets that apply.
- Goal is to issue rebates until funds are exhausted, rather than wait for applications for a specific vehicle type



# Allocation of Rebate Funding by Disproportionate Diesel Pollution Burden

## OAR 340-270-0690

- At least 40 percent of the moneys deposited in the fund per biennium are allocated to fund the provision of rebates for vehicles located in communities disproportionately burdened by diesel pollution;
- DEQ will analyze air quality, population density, and vulnerable populations to determine the geographic scope of disproportionately burdened populations, and allocate reserved 40 percent of rebate money for projects in designated areas;
- If DEQ determines that the total amount of rebates provided to purchasers for qualifying vehicles in areas disproportionately burdened by diesel pollution is unlikely to exceed 40 percent of the total amount of moneys deposited in the fund during a biennium, DEQ will release rebate money for all qualifying projects.

# Key Questions for Committee Members

- How to streamline application process?
- Circumstances when vehicle ownership requirement should be waived?
- Is 12 months long enough to procure MHD ZEV?
- Is 6 months long enough for an extension?
- What policy priorities should DEQ apply to rebates by vehicle class?
- Other comments?

# Oregon Clean Vehicle Rebate Program

OAR 340-270-0100 - 340-270-0500

Include updates from HB 4109, which includes modifications to the Charge Ahead program.

The bill's intention is to:

- Develop a new fund to accept Charge Ahead focused funding
- Create a new rebate level for Charge Ahead new vehicles (up to \$7500)
  - Charge Ahead used vehicle rebate remains the same
- Remove the option to stack the Standard and Charge Ahead rebates



# Public Comment and Next Steps

- Public comment opportunity for attendees
  - Please raise hand, 3 minutes for comment
- DEQ staff welcomes written comments on meeting materials until 4/23/2024 at [MHDZEV.2024@DEQ.oregon.gov](mailto:MHDZEV.2024@DEQ.oregon.gov)
- Next meeting tentatively scheduled for Mid-May, 2024 to discuss final draft rules and fiscal impact

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