



Oregon Department of Environmental Quality

Draft Rules

MHD ZEV Rebate Rulemaking Advisory Committee Meeting 3

Proposed Administrative Rules - 5/15/2024

Key to Identifying Changed Text:

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New/inserted text

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 light-duty zero-emission vehicles. The 2018 Oregon Legislature adopted House Bill 4059, which clarified and removed existing requirements for light-duty zero emission vehicles. The 2019 Oregon Legislature adopted House Bill 2592, which clarified and removed existing requirements for light-duty zero emission vehicles. The 2021 Oregon Legislature adopted House Bill 2165, 2021 Oregon Laws chapter 95, which changed existing requirements light duty zero emission vehicles. In 2023, the Oregon Legislature adopted House Bill 3409, which authorized DEQ to establish a rebate program for medium and heavy-duty zero emission vehicles. This division 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.

340-270-0020

Applicability and Effective Dates

(1) The criteria and requirements for the light duty zero emission vehicle rebate program is established in OAR 340-270-0030 through OAR 340-270-0500.

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

(b) 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 took effect on September 29, 2019 for plug-in hybrid electric vehicles.

(2) The rebates for eligible neighborhood electric vehicles and eligible zero-emission motorcycles took effect on January 1, 2019.

[\(3\) The criteria and requirements for the medium and heavy-duty zero emission vehicle rebate program is established in OAR 340-270-0030 and OAR 340-270-0600 through OAR 340-270-0700. The rebates for qualifying new medium and heavy-duty zero emission vehicles took effect on XXXXX.](#)

(4) The effective dates of the program are contingent on appropriate funding.

340-270-0030

Definitions and Abbreviations

(1) "Area median income" means the median income for the metropolitan statistical area in which a household is located or, if the household is not located within a metropolitan statistical area, for the metropolitan statistical area in closest proximity to the location of the household, as determined by the Housing and Community Services Department, adjusted for household size.

(2) "Base manufacturer's suggested retail price" or "base MSRP" means the lowest retail prices suggested by the manufacturer for a given model of a new motor vehicle. The base MSRP does not include the price of optional accessories or equipment, destination charges, or dealership add-ons. The base MSRP model must be available for sale and purchase.

(3) "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.

(4) "DEQ" is the Oregon Department of Environmental Quality or a contractor selected by DEQ.

(5) "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) For motor vehicles as defined in OAR 340-270-0030(8)(d)(A) and (C) and (15), and for a motor vehicle as defined in OAR 340-270-0030(8)(d)(B) that was purchased or leased prior to

January 1, 2022, has a base manufacturer's suggested retail price of less than \$50,000. The manufacturer must have the base MSRP model available for sale and purchase;

(f) For a light-duty zero emission vehicle as defined in 340-270-0030(8)(d)(B), that was purchased or leased on or after January 1, 2022, has a base manufacturer's suggested retail price of less than \$60,000. The manufacturer must have the base MSRP model available for sale and purchase;

(g) 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

(h) 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.

(6) "Heavy-duty zero-emission vehicle" means an on-road vehicle with a manufacturer's Gross Vehicle Weight Rating greater than 26,000 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.

(7) "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.

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

(9) "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.

(10) "Low-income service provider" means an organization that provides health, dental, social, financial, energy conservation or other assistive services to low or moderate income households in Oregon. A low-income service provider must be registered as a 501(c)(3) organization based in Oregon at the time the eligible vehicle is purchased or leased.

(11) "Low income household" means an individual or a household with income less than or equal to 50 percent of the area median income.

(12) “Medium duty zero emissions vehicle” means an on-road vehicle with a manufacturer's Gross Vehicle Weight Rating 8,501-26,000 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.

(13) “Moderate income household” means an individual or a household with income less than or equal to 80 percent of the area median income.

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

(15) “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.

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

(17) “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.

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

(19) “Qualifying household” means a household with income that does not exceed 400 percent of federal poverty guidelines.

(20) “Qualifying vehicle” means a motor vehicle, as defined in ORS 801.360, or a combination of vehicles operated as a unit, that:

[\(a\) Has a gross vehicle weight rating of 8,501 pounds or greater;](#)

[\(b\) Has a drivetrain that produces zero exhaust emissions of any criteria pollutant \(or precursor pollutant\) or greenhouse gas under any possible operational modes or conditions;](#)

(21) "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).

(22) "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).

(23) "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..

[\(24\) "Zero Emission Rebates for Oregon Fleets - ZEROFleet" means Oregon DEQ's incentive program providing rebates for the purchase or lease of zero emissions medium and heavy-duty vehicles in OAR 340-270-0030 and OAR 340-270-0600 through OAR 340-270-0700.](#)

(25) “Zero-emission vehicle” means a motor vehicle that that is certified to zero-emission standards in California Code of Regulations, Title 13, section 1956.8, 1962, [1962.1, 1962.2, 1962.4 and 2195.1.](#)

340-270-0100

Vehicles Eligible for Zero-Emission Vehicle Standard Rebates

(1) To qualify for a standard rebate, a motor vehicle must:

(a) Qualify as an eligible vehicle, as defined in OAR 340-270-0030(6); and

(b) 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.

[\(2\) Notwithstanding subsection \(1\), a motor vehicle that otherwise qualifies for a standard rebate cannot receive a standard rebate if it has been rebated by the Zero Emission Rebates for Oregon Fleets program, as established in OAR 340-270-0030 and OAR 340-270-0600 through OAR 340-270-0700.](#)

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21 & 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, House Bill 2592 (2019), Sec. 35-37 & 2021 Or. Laws, Ch. 95, §§ 4a, 5, 6, 8 and 9

History:

DEQ 6-2022, amend filed 05/19/2022, effective 05/19/2022

DEQ 2-2020, amend filed 01/24/2020, effective 01/24/2020

DEQ 21-2019, temporary amend filed 09/27/2019, effective 09/29/2019 through 03/26/2020

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.

(6) In the event that the allocated funds in the Zero Emission Incentive Fund reach less than \$6 million when accounting for any existing balance and anticipated funding for that year, DEQ will evaluate the program's compliance with 340-270-0500. If DEQ forecasts it will not meet the targets in 340-270-0500, it will initiate a temporary rulemaking to decrease the Standard Rebate amount.

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21 & 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, House Bill 2592 (2019), Sec. 35-37 & 2021 Or. Laws, Ch. 95, §§ 4a, 5, 6, 8 and 9

History:

DEQ 6-2022, amend filed 05/19/2022, effective 05/19/2022

DEQ 2-2020, amend filed 01/24/2020, effective 01/24/2020

DEQ 21-2019, temporary amend filed 09/27/2019, effective 09/29/2019 through 03/26/2020

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 standard 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.

[\(7\) A person shall not submit an application for a vehicle for both a standard rebate and for a rebate under the Zero Emission Rebates for Oregon Fleets program, as established in OAR 340-270-0030 and OAR 340-270-0600 through OAR 340-270-0700. If potentially eligible for both a standard rebate and a rebate under the Zero Emissions Rebates for Oregon Fleets program, the person can choose which rebate to apply for, if any.](#)

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

History:

DEQ 2-2020, amend filed 01/24/2020, effective 01/24/2020

DEQ 21-2019, temporary amend filed 09/27/2019, effective 09/29/2019 through 03/26/2020

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 will provide rebates only for the purchase or lease of new or used vehicles that meet the requirements of OAR 340-270-0410 if the purchaser:

(a) For vehicles purchased or leased prior to January 1, 2022, was from a low or moderate-income household during the year the vehicle was purchased or leased; or

(b) For vehicles purchased or leased on or after January 1, 2022, is from a qualifying household or is a low-income service provider 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 & 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, House Bill 2592 (2019), Sec. 35-37 & 2021 Or. Laws, Ch. 95, §§ 4a, 5, 6, 8 and 9

History:

DEQ 6-2022, amend filed 05/19/2022, effective 05/19/2022

DEQ 19-2021, temporary amend filed 11/17/2021, effective 01/01/2022 through 06/29/2022

DEQ 2-2020, amend filed 01/24/2020, effective 01/24/2020

DEQ 21-2019, temporary amend filed 09/27/2019, effective 09/29/2019 through 03/26/2020

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

340-270-0410**Vehicles Eligible for the Charge Ahead Program**

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. [Vehicles rebated by the Zero Emission Rebates for Oregon Fleets program, as established in OAR 340-270-0030 and OAR 340-270-0600 through OAR 340-270-0700, are not eligible for a Charge Ahead rebate.](#)

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

History:

DEQ 2-2020, amend filed 01/24/2020, effective 01/24/2020

DEQ 21-2019, temporary amend filed 09/27/2019, effective 09/29/2019 through 03/26/2020

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:

(a) For vehicles purchased or leased prior to January 1, 2022, \$2,500 per vehicle or

(b) For vehicles purchased or leased on or after January 1, 2022, \$5,000 per vehicle.

(c) For vehicles purchased or leased on or after January 1, 2025:

[\(A\) \\$7,500 for the purchase or lease of a new light-duty zero-emission vehicle or plug-in hybrid electric vehicle; or](#)

[\(B\) \\$5,000 for the purchase or lease of a used light-duty zero-emission vehicle or plug-in hybrid electric vehicle](#)

~~(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.~~

(32) 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 & 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, House Bill 2592 (2019), Sec. 35-37 & 2021 Or. Laws, Ch. 95, §§ 4a, 5, 6, 8 and 9

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DEQ 21-2019, temporary amend filed 09/27/2019, effective 09/29/2019 through 03/26/2020

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 Charge Ahead 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:

(A) For vehicles purchased or leased prior to January 1, 2022, 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; or

(B) For vehicles purchased or leased on or after January 1, 2022, that either:

(i) The applicant is a member of a qualifying 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 federal poverty level determinations of the U.S. Department of Health and Human Services available at the time of application; or

(ii) The applicant is a low-income service provider during the year the vehicle was purchased or leased. The applicant must provide documentation that demonstrates to DEQ's satisfaction that the applicant is a low-income service provider, as defined in OAR 340-270-0030(9).

(d) Purchase or lease an eligible vehicle from a vehicle dealer or from 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;

(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) A low income service provider that applies for a rebate is limited to 10 rebates per calendar year.

(6) The application review process established by OAR 230-270-0200 applies to applications for Charge Ahead rebates.

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

(8) DEQ will conduct community outreach to qualifying households and low-income service providers, in order to:

(a) Solicit feedback on program implementation; and

(b) Take steps to ensure the program is promoted effectively.

[\(9\) A person shall not submit an application for a vehicle for both a charge ahead rebate and for a rebate under the Zero Emission Rebates for Oregon Fleets program, as established in OAR 340-270-0030 and OAR 340-270-0600 through OAR 340-270-0700. If potentially eligible for both a standard rebate and a rebate under the Zero Emissions Rebates for Oregon Fleets program, the person can choose which rebate to apply for, if any.](#)

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

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DEQ 2-2020, amend filed 01/24/2020, effective 01/24/2020

DEQ 21-2019, temporary amend filed 09/27/2019, effective 09/29/2019 through 03/26/2020

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

340-270-0500

Allocation of Rebate Funding

DEQ will allocate at least 20 percent of available moneys deposited per biennium into the Zero-Emission Incentive Fund for rebates under the Charge Ahead Program. [The amount required to be allocated for the Charge Ahead Program rebates from the Zero-Emission Incentive Fund shall be reduced, but not below zero, by the amount deposited from any other source in the Charge Ahead Zero-Emission Incentive Fund.](#)

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21 & 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, House Bill 2592 (2019), Sec. 35-37 & 2021 Or. Laws, Ch. 95, §§ 4a, 5, 6, 8 and 9

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DEQ 21-2019, temporary amend filed 09/27/2019, effective 09/29/2019 through 03/26/2020

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

340-270-0600

Vehicles Qualifying for Zero-Emission Medium and Heavy Duty Vehicle Rebates

To be eligible for a medium and heavy-duty vehicle rebate, a motor vehicle must be:

(1) A qualifying vehicle, as defined in 340-270-0030(21), 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(3);

(2) A new zero emission vehicle. Retrofits and repowers of existing vehicles or those already owned by the Applicant are not eligible;

(3) Purchased or leased and registered within twelve months of receipt of rebate approval. An applicant may request and DEQ may approve an extension for up to an additional six months, on a form provided by DEQ. Any extension request will be reviewed on a case-by-case basis; and;

(4) Procured from a vehicle dealer that meets program eligibility requirements.

(5) Vehicles rebated by the Oregon Clean Vehicle Rebate Program, as established in OAR 340-270-0010 through OAR 340-270-0500, are not eligible for a ZERO Fleet rebate.

340-270-0610

Amount of Zero-Emission Medium and Heavy Duty Vehicle Rebates

- (1) The amount of the rebate for qualifying medium-duty zero-emission vehicles that are Class 2b vehicles between 8,501 – 10,000 Gross Vehicle Weight Rating is \$2,500.00.
- (2) The amount of the rebate for qualifying medium-duty zero-emission vehicles that are Class 3 vehicles between 10,001 – 14,000 Gross Vehicle Weight Rating is \$45,000.00.
- (3) The amount of the rebate for qualifying medium-duty zero-emission vehicles that are Class 4 vehicles between 14,001 – 16,000 Gross Vehicle Weight Rating is \$60,000.00.
- (4) The amount of the rebate for qualifying medium-duty zero-emission vehicles that are Class 5 vehicles between 16,001 – 19,500 Gross Vehicle Weight Rating is \$60,000.00.
- (5) The amount of the rebate for qualifying medium-duty zero-emission vehicles that are Class 6 vehicles between 19,501 – 26,000 Gross Vehicle Weight Rating is \$85,000.00.
- (6) The amount of the rebate for qualifying heavy-duty zero-emission vehicles that are Class 7 vehicles between 26,001 – 33,000 Gross Vehicle Weight Rating is \$85,000.00.
- (7) The amount of the rebate for qualifying heavy-duty zero-emission vehicles that are Class 8 vehicles 33,000+ Gross Vehicle Weight Rating is \$120,000.00.
- (8) 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 these rebate amounts.

340-270-0620

Overview of ZERO Fleet Rebate Process

- (1) Purchaser selects an eligible vehicle dealer or an original equipment manufacturer that does not have licensed franchised new automobile dealers in Oregon and selects a qualifying vehicle.
- (2) Purchaser and vehicle dealer prepare and submit their separate applications pursuant to OAR 340-270-0630 and OAR 340-270-0640, respectively, including proof of eligibility and application fee. If a vehicle dealer has already been approved, the vehicle dealer does not need to obtain a new approval unless there is a change from the prior vehicle dealer application and approval.
- (3) DEQ reviews the applications pursuant to OAR 340-270-0650 and, if the purchaser, vehicle dealer, and vehicle are eligible and funds are available for the specific purchase, approves rebate(s) and sends the purchaser a rebate reservation approval letter.
- (4) DEQ will award approved rebate funds pursuant to and subject to the conditions set forth in OAR 340-270-0660.

(5) The rebate recipient will remain subject to and be responsible for complying with the ongoing program requirements set forth in OAR 340-270-0670 and OAR 340-270-0680.

340-270-0630

Purchaser Rebate Application Requirements

(1) A person may only apply for a rebate if the person:

(a) Intends to purchase or leases a vehicle that will be registered and operated primarily in Oregon that meets the requirements established in OAR 340-270-0600. A lease must have a minimum term of 36 months;

(b) Intends to retain the registration of the qualifying vehicle for a minimum of 36 consecutive months after the purchase or lease date; and

(c) Be an organization such as a nonprofit, government, or private entity licensed to do business in Oregon;

(2) To qualify for a rebate, an applicant must:

(a) Apply using a form approved by DEQ;

(b) Provide proof of intent to purchase in the form of a quote or contingent purchase order from a vehicle dealer who has successfully applied under OAR 340-270-0640 or an original equipment manufacturer that does not have licensed franchised new automobile dealers in Oregon;

(c) Provide vehicle delivery plan, providing purchaser-specific anticipated date of delivery and contingencies;

(d) Provide any additional information and documentation requested by DEQ that is necessary to ascertain that the applicant, vehicle, and vehicle dealer qualify for a rebate; and

(e) Participate in ongoing research efforts and surveys regarding the program.

340-270-0640

Vehicle Dealer Rebate Application Requirements

Rebates are only available for qualified purchases from an approved vehicle dealer or an original equipment manufacturer that does not have licensed franchised new automobile dealers in Oregon. For a vehicle dealer or original equipment manufacturer without franchised dealers in Oregon to be eligible, it must:

(1) Be registered or register to conduct business in Oregon.

(2) Provide documentation to support buyer applications and functionality of the vehicle, including:

(a) A link to vehicle dealer website that indicates qualifying vehicles available for sale, and their related specifications or other documentation that provides this information;

(b) A specification sheet or, if custom vehicle, specification sheets for all major components, corroborating vehicle capabilities, charging/fueling needs, design appropriate to Purchaser's planned use, and eligibility;

(c) Timeline and process/plans by which vehicle dealer intends to comply with the terms of the rebate (e.g., delivery of vehicle,) prior to expiration of rebate; and

(d) Agree to accept DEQ's rebate amount as a portion of the Purchaser's final vehicle payment, deducting the full rebate(s) amount from the upfront cost.

(3) Provide any additional information and documentation requested by DEQ that is necessary to ascertain that the applicant, vehicle, and vehicle dealer qualify for a rebate.

340-270-0650

Application Review Process

(1) DEQ will process applications on a first-come, first-served basis as received by DEQ, pursuant to OAR 340-270-0630. If the purchaser, vehicle dealer, and vehicle are eligible and funds are available for the specific purchase, DEQ will approve rebate(s) and send the purchaser a rebate reservation approval letter.

(2) In the event that funding for rebate payments from the Zero Emission Medium and Heavy Duty Vehicle Incentive Fund is exhausted, DEQ will not accept new applications until more funds are available. Any purchases or leases made during the period DEQ ceases acceptance are not eligible for the rebate. Only applicants with approved rebates at the time funds are exhausted will be eligible to receive payment.

(3) DEQ will reject all applications that do not meet the applicable requirements of OAR 340-270-0620 through 340-270-0640.

(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 person specified on the letter rejecting the application.

(5) DEQ will respond to an appeal of a rejection in writing as soon as is practicable. DEQ's response to an appeal is an order in other than a contested case.

340-270-0660

Conditions to Award of Rebate Funds

(1) DEQ will automatically reserve awarded rebate funds for twelve months from the date of the approval and will award rebate dollars when the following conditions are met:

- (a) Vehicle dealer and the purchaser must execute their respective program agreements and submit all documentation to DEQ;
 - (b) Vehicle dealer must deliver qualifying vehicle to purchaser and purchaser must register the vehicle in Oregon; and
 - (c) Purchaser submits all program documentation to DEQ, including verification that vehicle is delivered and registered in Oregon.
- (2) DEQ may renew rebate reservations for one six-month extension if requested prior to expiration and may grant the extension based on evidence from the purchaser and vehicle dealer of a good faith efforts to deliver and register vehicle within the additional time provided.
- (3) Purchaser may provide the awarded rebate to the vehicle dealer or submit the awarded rebate to DEQ for funding.

340-270-0670

Post-Rebate Conditions

- (1) 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 (2) of this rule does not apply to vehicle dealers or automobile manufacturers who receive rebate assignments pursuant to this section.
- (2) An organization that applies for a rebate is limited to five rebates per entity per calendar year. Organizational applicants must be based in Oregon or have an Oregon-based affiliate at the time the qualifying vehicle is purchased or leased.
- (3) Recipients may not make or allow any modifications to the vehicle's emission-control systems, hardware, or software calibrations.
- (4) In each of the three years following receipt of a rebate, rebate recipients must:
- (a) Maintain records of the miles driven or hours of use for the qualifying vehicle and whether the miles driven or hours used occurred in Oregon; and
 - (b) Provide an annual report to DEQ to demonstrate that more than 50 percent of the miles driven or hours of use of the qualifying vehicle occurred in Oregon.

340-270-0680

Vehicle Ownership Provision

- (1) If a rebate recipient sells the qualifying vehicle, fails fulfill post rebate conditions of 340-270-0670 for which a rebate was received, or terminates the qualifying vehicle's lease, before the end of 36 months after the purchase or lease date, the rebate recipient must notify DEQ and reimburse DEQ for the rebate in a prorated amount based on the number of months that the rebate recipient owned or leased the qualifying vehicle. The prorated reimbursement amount required shall be due and payable immediately upon the sale or lease termination.

(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 36-month period.

(3) To request a waiver, a person must submit a written application for a waiver to DEQ before 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 the rebate recipient appears to be taking advantage of or unfairly benefitting from the rebate program; or

(b) any other factors that DEQ considers appropriate.

(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.

340-270-0690

Allocation of Rebate Funding by Vehicle Class

(1) DEQ will periodically allocate specific percentages of available rebate money among qualifying vehicle Classes 2b – 8, update allocations based on availability of revenue, and will provide an opportunity for community involvement.

(2) DEQ will allocate rebate dollars to specific vehicle classes to prioritize:

(a) Air quality benefits among disproportionately burdened communities;

(b) Deploying zero emissions vehicle technologies that are available in Oregon; and

(c) Early adoption of zero emissions vehicles among fleets that apply.

(d) For the biennium beginning July 1, 2023, DEQ will also prioritize rebates funded with Oregon's General Fund dollars allocated to the Zero-Emission Medium and Heavy-Duty Vehicle Incentive Fund for qualifying vehicles that are medium-duty, Class 3 – 6 as identified in OAR 340-270-0610.

340-270-0700

Allocation of Rebate Funding by Disproportionate Diesel Pollution Burden

(1) 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.

(2) 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 qualifying projects, irrespective of 340-270-0690(d), in designated areas.

(3) 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.

Translation or other formats

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