



State of Oregon Department of Environmental Quality

Notice of Proposed Rulemaking

Medium Heavy-Duty Zero Emissions Vehicles Rebate

June 24, 2024

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Translation or other formats

[Español](#) | [한국어](#) | [繁體中文](#) | [Русский](#) | [Tiếng Việt](#) | [العربية](#)
[800-452-4011](tel:800-452-4011) | [TTY: 711](tel:503-753-7111) | deqinfo@deq.oregon.gov₄



State of Oregon
Department of Environmental Quality

Introduction

DEQ invites public input on proposed permanent rule amendments to chapter 340 of the Oregon Administrative Rules. The 2023 Oregon Legislature passed House Bill 3409 authorizing the Oregon Environmental Quality Commission to adopt rules to implement a new rebate program supporting the purchase of zero emissions medium and heavy-duty vehicles. The 2024 Oregon Legislature passed House Bill 4901 creating a new fund for dedicated Charge Ahead rebates and removing the ability to stack certain rebates.

Request for other options

During the public comment period, DEQ asks for public comment on whether there are other options for achieving the rules' substantive goals while reducing the rules' negative economic impact on business. With statutory direction from the Oregon Legislature to the Environmental Quality Commission to establish new administrative rules for this program and the fact that it is rebate program incentivizing the purchase of new zero emissions vehicles, DEQ recommends adoption of the proposed rules and estimates negligible fiscal impact on all affected parties.

Overview

Sections 33 and 34 of HB 3409 (2023), codified at ORS 468.463 and ORS 468.469, provide \$3M in revenue for the new Zero-Emission Medium and Heavy-Duty Vehicle Incentive Fund and authorize DEQ to establish a program for providing rebates for the purchase or lease of qualifying vehicles for use in Oregon. DEQ proposes to complete a rulemaking for the rebate program, called Zero Fleet, amending OAR Chapter 340, Division 270 to specify details, including application requirements, rebate allocation criteria, other requirements included in the statute, and program elements to alleviate disproportionate air pollution burdens among frontline communities.

In Oregon, medium and heavy-duty vehicles are currently responsible for an estimated 9.3 million metric tons of greenhouse gas emissions annually—approximately 42 percent of all greenhouse gases from the on-road vehicle fleet. This new rebate program will provide critical support for Oregon's transportation fleets to transition to zero emissions technologies and reduce these emissions statewide.

This rule will also incorporate changes made to the Oregon Clean Vehicle Rebate Program in Sections 9 through 13 of HB 4109(2024), which amended ORS 468.442 to ORS 468.449. The changes include creating a new fund for dedicated Charge Ahead funding, removing the ability to stack the Standard and Charge Ahead Rebates, and creating a new rebate level for Charge Ahead applicants purchasing or leasing a new vehicle.

Affected parties include public and private fleet owners who want to purchase zero emissions vehicles. DEQ conducted extensive outreach and engagement among public and interested parties, including email invitations, one-on-one meetings, and extensive rulemaking advisory committee meetings. This proposed rule does not include fees and will have a negligible fiscal impact on all affected parties.

Procedural summary

More information

Information about this rulemaking is on this rulemaking's [Medium Heavy-Duty Zero Emission Vehicle Rulemaking web page](#):

Public hearings

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

Date: July 17, 2024

Start time: 1 p.m.

[Join via Zoom](#)

Join by phone:

Teleconference phone number: 833 548 0282 **US Toll-free**

Meeting ID: 853 8805 9231

[Instructions on how to join webinar or teleconference](#)

How to comment on this rulemaking proposal

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

- **Email:** Send comments by email to: MHDZEV.2024@DEQ.oregon.gov
- **Postal mail:**
Oregon DEQ
Attn: Gerik Kransky
700 NE Multnomah St., Room 600
Portland, OR 97232-4100
- **At public hearing:** 1 p.m., Wednesday, July 17, 2024

Comment deadline

DEQ will only consider comments on the proposed rules that DEQ receives by **4 p.m., on July 22, 2024.**

Note for public university students:

ORS 192.345(29) allows Oregon public university and OHSU students to protect their university email addresses from disclosure under Oregon's public records law. If you are an Oregon public university or OHSU student, notify DEQ that you wish to keep your email address confidential.

Sign up for rulemaking notices

Get email or text updates about this rulemaking by either:

- Signing up through this link: [Oregon Clean Vehicle Rebate GovDelivery](#)
- Signing up on the rulemaking web site: [Medium Heavy-Duty Zero Emissions Vehicles Rebate](#)

What will happen next?

DEQ will include a written response to comments in a staff report that DEQ will submit to the Environmental Quality Commission. DEQ may modify the rule proposal based on the comments.

Proposed rules only become effective if the Environmental Quality Commission adopts them. DEQ's intended action is to present the proposed rule changes to the EQC as soon as possible after the earliest date on which the rule changes could take effect. DEQ intends to submit the proposed rule changes to the EQC on or after Aug. 14, 2024.

Statement of need

What need would the proposed rule address?

Statutory direction from the Oregon Legislature to establish a new medium and heavy duty zero emissions vehicle rebate program and to address legislative changes to the Charge Ahead program.

How would the proposed rule address the need?

Establishes program design, application requirements, and review and award process; creates a new rebate level for new Charge Ahead vehicles and removes ability to stack with the Standard Rebate; and prevents duplicative Charge Ahead and Zero Fleet rebates.

How will DEQ know the rule addressed the need?

Agency fully obligates and spends available revenue towards program goals.

Federal relationship

The proposed rules will establish a new program that is entirely voluntary and does not impose any requirements other than eligibility standards for persons choosing to request a rebate under the program. Although this program will be in addition to federal requirements, since it does not require action of any person it would be inaccurate to describe it as imposing requirements different from or in addition to federal requirements. Existing federal incentive programs for the purchase of zero emissions medium and heavy-duty vehicles are separate and distinct from Oregon's proposed program. The ZERO Fleet program will be available in addition to federal incentives, allowing them to work together to increase support for the purchase of qualifying vehicles.

What are the scientific, economic, technological, administrative, and other reasons for exceeding applicable federal requirements?

ZERO Fleet does not exceed federal requirements, it provides state funding as a compliment to related, existing federal incentive programs. It is an entirely voluntary program that does not impose any requirements at all—other than eligibility standards for those choosing to request a rebate.

What alternatives did DEQ consider and why are you not pursuing them?

DEQ did not consider alternatives due to legislative direction requiring EQC to establish new rules to implement ZERO Fleet program.

Rules affected, authorities, supporting documents

Lead division

Air Quality

Program or activity

Transportation Strategies Section – Zero Emissions Rebates for Oregon Fleets (ZERO Fleet)

Chapter 340 action

Adopt				
340-270-0600	340-270-0610	340-270-0620	340-270-0630	340-270-0640
340-270-0650	340-270-0660	340-270-0670	340-270-0680	340-270-0690
340-270-0700				
Amend				
340-270-0010	340-270-0020	340-270-0030	340-270-0100	340-270-0110
340-270-0120	340-270-0410	340-270-0420	340-270-0430	340-270-0500

Statutory Authority - ORS				
468.020	468.463(7)			

Statutes Implemented - ORS				
468.020	468.442 through 468.469			

Legislation

HB 3409 (2023)

Documents relied on for rulemaking

Document title	Document location
Oregon DEQ Vulnerable Population Map	https://geo.maps.arcgis.com/apps/instant/interactivelegend/index.html?appid=ba8d77b62d6a45b2a38b6d8d7d614f5c

Rules summary

OAR chapter 340, division 270

Rule Number	Rule Title	Explanation
340-270-0010	Zero-Emission And Electric Vehicle Rebates	Establish new medium and heavy duty zero emissions vehicle rebate program. Amend existing light duty zero emissions vehicle rebate program.
340-270-0020	Applicability and Effective Dates	Delineate light duty and medium/heavy duty programs.
340-270-0030	Definitions and Abbreviations	Define qualifying vehicles for new medium and heavy-duty rebate.
340-270-0100	Vehicles Eligible for Zero-Emission Vehicle Standard Rebates	Prohibit single vehicle from receiving rebate from light duty and heavy-duty programs.
340-270-0120	Requirements for Zero-Emission Vehicle Standard Rebates	Prohibit single vehicle from receiving rebate from light duty and heavy-duty programs.
340-270-0410	Vehicles Eligible for the Charge Ahead Program	Prohibit single vehicle from receiving rebate from light duty and heavy-duty programs.
340-270-0420	Amount of Charge Ahead Program Rebate	Creates a new rebate level for new vehicles and removes ability to stack with the Standard Rebate.
340-270-0430	Requirements for Charge Ahead Program Rebates	Prohibit single vehicle from receiving rebate from light duty and heavy-duty programs.
340-270-0500	Allocation of Rebate Funding	Balance Charge Ahead program funding when additional revenue is deposited.
340-270-0600	Vehicles Qualifying for Zero-Emission Medium and Heavy-Duty Vehicle Rebates	Establish eligibility for medium and heavy-duty rebate program.
340-270-0610	Amount of Zero-Emission Medium and Heavy-Duty Vehicle Rebates	Establish rebate amounts by vehicle class.

Rule Number	Rule Title	Explanation
340-270-0620	Overview of ZERO Fleet Rebate Process	Describes rebate process.
340-270-0630	Purchaser Rebate Application Requirements	Establish rebate application process for purchasers.
340-270-0640	Vehicle Dealer Rebate Application Requirements	Establish rebate application process for dealers.
340-270-0650	Application Review Process	Establish application review process.
340-270-0660	Conditions to Award of Rebate Funds	Establish process to award rebates.
340-270-0670	Post-Rebate Conditions	Establish requirements for purchasers after rebate.
340-270-0680	Vehicle Ownership Provision	Establish requirements for vehicle ownership in Oregon after rebate.
340-270-0690	Allocation of Rebate Funding by Vehicle Class	Establish policy direction for rebate allocations.
340-270-0700	Allocation of Rebate Funding by Disproportionate Diesel Pollution Burden	Require minimum allocation of rebate revenue to priority populations.

Fee analysis

This rulemaking does not involve fees.

Statement of fiscal and economic impact

The proposed rules are not anticipated to create negative economic impacts for any entity. The rebate program will provide a financial benefit to vehicle and equipment dealers and manufacturers because they will see an increase in sales because of the DEQ funding. The rules will also benefit private and public entities that seek to purchase or lease new qualifying medium and heavy duty zero emissions vehicles. The new rebate program will provide direct financial incentives for these purchases, creating a positive economic impact.

Statement of cost of compliance

State agencies

The proposed rules are not anticipated to create negative economic impacts for any entity. The rules establish a program to rebate funds for the lease and purchase of medium and heavy duty zero emissions vehicles. DEQ is the agency responsible for implementing and overseeing the program. Program funding of \$3M total is available in DEQ's Zero-Emission Medium and Heavy-Duty Vehicle Incentive Fund for all rebate and administrative activities. DEQ's administrative costs, up to 15% of the total fund amount, will be covered by existing rebate program funding.

State agencies would benefit from the rebate program, and they do not face any fiscal or economic impacts from the proposed rules. Agencies that operate fleets of medium and heavy-duty vehicles and choose to apply for rebate funding for the purchase of qualifying zero emissions vehicles would incur a small cost for the time spent preparing and applying and submitting annual reports, but those costs may be offset in whole or in part by any rebates received.

Additionally, DEQ does not expect the proposed rule changes to the Oregon Clean Vehicle Rebate Program to have a significant fiscal impact on state agencies.

Local governments

There are no negative fiscal impacts to other state, federal, or local agencies because of the proposed rule. Agencies that own and operate medium and heavy-duty vehicles and choose to apply for rebate funding for qualifying zero emissions vehicles would incur a small fiscal cost for the time spent preparing and applying and submitting annual reports, but those costs may be offset in whole or in part by any rebates received.

Additionally, DEQ does not expect the proposed rule changes to the Oregon Clean Vehicle Rebate Program to have a significant fiscal impact on local governments.

Public

The public would benefit from the proposed rulemaking. People will realize a fiscal benefit from improved health outcomes due to better air quality from rebate funded projects. Proposed rules do not regulate or impact the public beyond the anticipated improvement in air quality

associated with the operation of new rebate-funded medium and heavy-duty zero emissions vehicles.

Additionally, the Oregon Clean Vehicle Rebate Program rule changes are expected to have a positive fiscal impact on the public, particularly for low- and moderate-income households. As these rule changes would allow the Charge Ahead Rebate portion of the program to remain open longer, if additional funding focused on the Charge Ahead Rebate were secured. This is timely and important, as the Oregon Clean Vehicle Rebate Program's Charge Ahead Rebate was included in the state's request for the Climate Pollution Reduction Grant through the U.S. Environmental Protection Agency.

Large businesses - businesses with more than 50 employees

Large businesses' cost to comply with the proposed rules is identical to costs described below under small businesses. Those that choose to participate in the rebate program would benefit from the proposed rules. Businesses that manufacture and sell qualifying zero emissions medium and heavy-duty trucks will additionally benefit from the proposed rules due to increased incentives to support their purchase among Oregon fleets.

Similarly, large businesses would not incur any mandatory compliance costs because of the proposed Oregon Clean Vehicle Rebate Program rules because the proposed rules do not impose any requirements on parties who do not wish to participate in the program. Large business automobile manufacturers and car dealerships, such as those that manufacture or sell electric vehicles eligible for Charge Ahead rebates or other vehicles eligible for a rebate, could be affected by increased sales or leases if the Charge Ahead Rebate Program does receive additional funding, which could result in a positive fiscal impact.

Small businesses – businesses with 50 or fewer employees

Small businesses that choose to apply for funding and sell eligible equipment would benefit from the proposed rules. Under the program rules, small businesses would be eligible to apply for rebate funding to lease and purchase new medium and heavy-duty zero emissions vehicles. Businesses that apply for rebate funding would be responsible for the costs of preparing and applying and submitting annual reports.

Zero emissions vehicle dealers and manufacturers will benefit from the proposed rules. Under the ZERO Fleet rebate program, businesses can receive rebate funding to replace older diesel vehicles and equipment purchase new medium and heavy-duty zero emissions vehicles which would provide a benefit in the form of increased sales for businesses that provide this type of equipment.

Small businesses would not incur any mandatory compliance costs as a result of the proposed Oregon Clean Vehicle Rebate Program rules because the proposed rules do not impose any requirements on parties who do not wish to participate in the program. Small business car dealerships, such as those that sell electric vehicles eligible for Charge Ahead rebates or other vehicles eligible for a rebate, could benefit from increased sales or leases if the Charge Ahead Rebate Program does receive additional funding, which could result in a positive fiscal impact.

Small businesses – businesses with 50 or fewer employees

ORS 183.336 - Cost of Compliance for Small Businesses

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

Using recent employment data, DEQ identified up to 2,358 truck transportation businesses potentially affected by this rule. Other sectors likely to benefit from newly available rebate funding include 392 couriers and messengers and up to 304 transit and ground passenger transportation businesses. All these businesses could see benefits associated with newly available rebate funding resulting from proposed rules if they choose to apply for rebate funding.

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

Businesses that apply for rebate funding would be responsible for the costs of preparing and applying and submitting annual reports. DEQ estimates these costs would be minimal, under 2 hours of staff time total, and would occur for those businesses that choose to purchase of new medium and heavy-duty zero emissions vehicles and apply for a ZERO Fleet rebate for their fleets. Those costs may be offset in whole or in part by any rebates received. No additional activities are required to comply with the proposed Oregon Clean Vehicle Rebate Program rules.

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

The proposed rules will not require any additional resources for small businesses to comply.

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

DEQ included small business representatives on the Medium Heavy-Duty Zero Emissions Vehicles Rebate Rule Advisory Committee that made recommendations to DEQ on the cost of compliance for small businesses, and this statement incorporates those recommendations. The agency will consider recommendations from the advisory committee in preparing the statement of fiscal impact required by ORS 183.335(2)(b)(E). A separate meeting with Oregon Clean Vehicle Rebate Program interested parties also discussed these impacts and those recommendations were considered and incorporated. DEQ also provided rulemaking notice through the Oregon Trucking Association, Professional Business Development Group, Columbia Willamette Clean Cities Coalition, and Breaking Barriers Collaborative. These associations include small businesses as part of their membership.

Documents relied on for fiscal and economic impact

Document title	Document location
<p>Covered Employment and Wages (QCEW) Oregon, 2023 Annual</p>	<p>https://qualityinfo.org/ewind?rt=1&qcewOwnership=00&qcewIndustrySuperSector=0000&qcewIndustrySector=&qcewIndustryLvl=0&qcewIndustry=00000&qcewPeriodyear=2023&qcewPeriod=00&qcewArea=4101000000&toggleState=e0010~e5010~e9010~e0010~e5010~e9010~e501011~e501012~e501013~e501021~e5048~e50484~e0010~e5010~e9010~e501011~e501012~e501013~e501021~e5048~e50484~c501011~c501012~c501013~c5048~c9010~e5048~c50484</p>

Advisory committee fiscal review

DEQ appointed an advisory committee and convened the group on May 29th, 2024.

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 reduce that impact.

The committee reviewed the draft fiscal and economic impact statement, and its findings are stated in the approved minutes dated 5/29/2024.

The committee members supported DEQ's fiscal impact statement, which found finding no significant impact on small businesses or other affected stakeholders. The committee members determined the proposed rules would not have a significant adverse impact on small businesses in Oregon. Committee members also recommended DEQ include potential benefits of the new program for public fleets that participate.

Housing cost

As ORS 183.534 requires, DEQ evaluated whether the proposed rules would influence the development cost of a 6,000-square-foot parcel and construction of a 1,200-square-foot detached, single-family dwelling on that parcel.

DEQ determined the proposed rules would have no effect on the development costs because they provide rebates to commercial and public fleets' zero emissions vehicles. The rebate revenue reduces the purchase price of this equipment and, if anything, could reduce development costs if rebated vehicles are deployed in support of construction of new housing. The incentive amount is unlikely to influence development costs in any way.

Racial equity

ORS 183.335(2)(a)(F) requires state agencies to provide a statement identifying how adoption of this rule will affect racial equity in this state.

Longstanding systemic barriers built into government systems have left communities of color behind in accessing the programs and services that would offset the effects of history. As Oregon's demographics shift over time, governmental policies and practices have both a historic and current role in striving to alleviate racial and other inequities. DEQ's racial equity analysis focuses on how the proposed Medium and Heavy Duty Zero Emissions Vehicle Rebate and Oregon Clean Vehicle Rebate Program's proposed rules impact racial equity.

The cost of zero emissions medium and heavy-duty vehicles is higher than conventional fossil fuel vehicles and is a barrier to vehicle ownership. It is anticipated that these vehicle costs will decrease as technology advances, battery prices decline, as manufacturers produce increasing numbers of these vehicles, and the economies of scale allow manufacturers to reduce costs over time. The proposed rules will reduce these costs by providing direct incentives at the point of purchase for awarded applications. While there is currently a higher purchase price for zero emissions medium and heavy-duty vehicles, there is also a lower total cost of ownership through decreased maintenance and fuel costs.

There are additional indirect costs to businesses owned and operated among communities of color due to the need to install charging infrastructure for vehicles at their fleet's base of operations. Oregon is working to increase equitable access to charging by providing direct funding to businesses through our Oregon Zero Emissions Fueling grant program to install chargers. Additionally, the Clean Fuels Program works with electric utilities and charging service providers to incentivize delivery of low carbon content fuels and help bring down the cost to fuel medium and heavy duty zero emissions vehicles.

The Oregon Clean Vehicle Rebate Program rule enables the Charge Ahead Rebate Program, which is available to low- and moderate-income households, increases EV accessibility. In Oregon, data shows that Black, Indigenous, and People of Color (BIPOC) are more likely to have low- and moderate-incomes than other groups. Increasing accessibility to EVs ensures BIPOC communities are not left behind in acquiring cleaner modes of transportation, reducing their vulnerability to fossil fuel price increases, and reducing air pollution within their communities.

DEQ estimates that proposed rules will advance racial equity in the state by reducing greenhouse gas emissions from trucks and buses in Oregon, with an emphasis in areas that face disproportionate burdens from air pollution. Incentivizing purchase of zero emissions vehicles will help Oregon achieve co-benefits such as improved air quality through reduced emissions particulate matter, oxides of nitrogen, and carbon dioxide. The program is designed to provide adequate support for commercial and public fleet managers to choose to purchase zero emissions vehicles to replace their traditionally fossil fuel burning equipment. This transition will enhance public welfare for Oregon communities, particularly among environmental justice communities.

Environmental Justice Considerations

ORS 182.545 requires natural resource agencies to consider the effects of their actions on environmental justice issues. DEQ considered these effects by including a requirement in proposed rules that at least 40% of rebate revenue be spent in areas of Oregon that experience disproportionate burdens from air pollution. This will be accomplished by prioritizing rebate applications from the top two quintiles of vulnerable populations as identified on the [demographic information, population density, and prevalence of diesel pollution](#) map:

For people living in the red and orange areas of this map, DEQ expects the ZERO Fleet rebate program to support improved air quality as the agency issues rebates to vehicles that operate in these areas. Since rebates can only go for qualified zero-emissions vehicles, over time this will improve air quality.

DEQ included equitable business development trade groups and environmental justice advocacy organizations on the formal rulemaking advisory committee as part of developing these proposed rules. Feedback from these groups informed DEQ's approach, ensuring that the agency considered environmental justice issues during rulemaking. DEQ discussed and considered outreach methods, engagement best practices, program design, and funding allocation priorities with all groups involved to help inform our approach.

The Oregon Clean Vehicle Rebate Program is required to allocate at least 20% of funds to Charge Ahead Rebates for low- and moderate-income households. The rules enable this portion of the program to remain open longer, if additional funding is available for only the Charge Ahead Rebate Program, increasing access to the program and EVs and thereby reducing air pollution within the nearby communities of the applicants.

Land use

The proposed rules create a new medium and heavy duty zero emissions vehicle rebate program and do not affect state land use goals.

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 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, objects, or areas identified in the statewide planning goals, or
- Present or future land uses identified in acknowledge comprehensive plans

DEQ determined whether the proposed rules involve programs or actions that affect land use by reviewing its Statewide Agency Coordination plan. The plan describes the programs that DEQ determined significantly affect land use. DEQ considers that its programs specifically relate to the following statewide goals:

Goal	Title
5	Natural Resources, Scenic and Historic Areas, and Open Spaces
6	Air, Water and Land Resources Quality
11	Public Facilities and Services
16	Estuarine Resources
19	Ocean 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 or DEQ's State Agency Coordination Program.

EQC prior involvement

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

Advisory committee

Background

DEQ convened the Medium and Heavy Duty Zero Emissions Vehicle Rebate advisory committee. The committee included representatives from the public, automobile industry, environmental groups, community groups, environmental justice groups, trucking advocacy organizations, small business, local government, and freight industry and met 3 times in early 2024. The committee’s web page is located at: [Medium Heavy-Duty Zero Emissions Vehicles Rebate](#).

The committee members were:

Rulemaking Name Advisory Committee		
Name	Organization	Sector
Craig Beaver	Beaverton School District	School District
Tom Brotherton	CALSTART	Incentive Program Expert
Russell Thomas	City of Newberg	Small City Fleet
Alan Bates	City of Portland	Large City Fleet
Michael Graham	Columbia-Willamette Clean Cities	Fleet Electrification
Meredith Connolly	Climate Solutions	Environmental Group
Sean Waters	Daimler	Truck Manufacturer
Paul Bloom	Fleet Decarbonization Accelerator	ZEV Technical Assistance
Don Emerson	FMI Truck Sales & Service	Truck Dealer
Michael Brown	Iron Oxen	Small Business
Erik Zander	Omega Morgan	Freight Industry
Greg Remensperger	Oregon Auto Dealers Association	Auto Dealers
Brock Dittus	Oregon Department of Education – School Buses	State Agency Ex Officio
Mary Brazell	Oregon Department of Transportation	State Agency Ex Officio
Jacqui Treiger	Oregon Environmental Council	Environmental Group
Mark Gibson	Oregon Trucking Association	Trade Association
Khanh Le	Professional Business Development Group	MWDBE Association
Taylor Calvin	Sysco	Statewide Business
Keith Wilson	Titan Freight Systems	Trucking Company
Young Park	TriMet	Transit Electrification
Indi Namkoong	Verde	Frontline Communities

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:

- Diesel/Biodiesel
- Diesel Emissions Identification Program
- LEV/ZEV Program
- Oregon Clean Fuels Program
- Oregon Clean Vehicle Rebate Program
- Regional Haze Program
- Truck Efficiency/Idling
- VW Settlement Funds
- Greenhouse Gas Programs
- VIP

DEQ also sent a one-time notice to MHD ZEV Rebate Rulemaking subscribers to describe how to sign up for advisory committee meeting notices, and people who signed up for the advisory committee bulletin. In addition, DEQ added advisory committee announcements to [DEQ's calendar of public meetings](#).

Committee discussions

In addition to the recommendations described under the Statement of Fiscal and Economic Impact section above, the committee provided input on key program design elements, including:

- Develop agency approach to administering rebates, either in-house or with contractor support.
- Consider variable rebate amounts for vehicle leases compared to vehicle purchases.
- Propose program approach to direct dealer and consumer rebate processing.
- Establish rebate amounts and eligibility requirements for vehicle vocations and classes.
 - Class 2b-8.10
 - Personal vehicles, refuse haulers, port drayage, short haul truck, long haul truck, school bus, transit bus, shuttle bus, and other medium and heavy duty vehicles.
- Respond to statutory requirement that 40% of rebates be provided to vehicles located in communities disproportionately burdened by diesel pollution and providing for additional rebates in these areas.
- Determine strategy and approach with \$3M initial revenue allocation, including 15% for administrative expenses.

Public engagement

Public notice

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

- On June 24, 2024, filing notice with the Oregon Secretary of State for publication in the July 2024 Oregon Bulletin;
- Posting the Notice, Invitation to Comment and Draft Rules on the web page for this rulemaking, located at: [Medium Heavy-Duty Zero Emissions Vehicles Rebate](#)
- Emailing approximately 28,907 interested parties on the following DEQ lists through GovDelivery:
 - Diesel/Biodiesel
 - Diesel Emissions Identification Program
 - LEV/ZEV Program
 - Oregon Clean Fuels Program
 - Oregon Clean Vehicle Rebate Program
 - Regional Haze Program
 - Truck Efficiency/Idling
 - VW Settlement Funds
 - Greenhouse Gas Programs
 - VIP
- Emailing the following key legislators required under [ORS 183.335](#):
 - Janeen Sollman, Chair, Senate Interim Committee On Energy and Environment
 - John Lively, Chair, House Interim Committee On Climate, Energy, and Environment
 - Chris Gorsek, Co-chair, Joint Committee On Transportation
 - Susan McLain, Co-chair, Joint Committee On Transportation
 - Dan Rayfield, Chief Sponsor of HB 3409
 - Pam Marsh, Chief Sponsor of HB 3409
 - Khanh Pham, Chief Sponsor of HB 3409
 - Michael Dembrow, Chief Sponsor of HB 3409
 - Kate Lieber, Chief Sponsor of HB 2409
- Emailing advisory committee members,
- Posting on the DEQ event calendar: [DEQ Calendar](#)

How to comment on this rulemaking proposal

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

- **Email:** Send comments by email to: MHDZEV.2024@DEQ.oregon.gov
- **Postal mail:**
Oregon DEQ
Attn: Gerik Kransky
700 NE Multnomah St., Room 600
Portland, OR 97232-4100
- **At public hearing:** 1 p.m., Wednesday, July 17, 2024 (see below)

Comment deadline

DEQ will only consider comments on the proposed rules that DEQ receives by 4 p.m., on July 22, 2024.

Note for public university students:

ORS 192.345(29) allows Oregon public university and OHSU students to protect their university email addresses from disclosure under Oregon's public records law. If you are an Oregon public university or OHSU student, notify DEQ that you wish to keep your email address confidential.

Public hearing

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

Date: July 17, 2024

Start time: 1 p.m.

[Join via Zoom](#)

Join by phone:

Teleconference phone number: 833-548-0282 (toll-free in the U.S.)

Meeting ID: 853 8805 9231

[Instructions on how to join webinar or teleconference](#)

DEQ will consider all comments and testimony received before the closing date. DEQ will summarize all comments and respond to comments in the Environmental Quality Commission staff report.

Non-discrimination statement

DEQ does not discriminate on the basis of race, color, national origin, disability, age or sex in administration of its programs or activities. Visit DEQ's [Civil Rights and Environmental Justice page](#).

Draft rules – edits highlighted

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: ~~OAR division 270 of chapter 340~~ 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.

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:

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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

340-270-0020

Applicability and Effective Dates

~~(1)~~ (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.

~~(2)~~ (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.

~~(3)~~ (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.

Statutory/Other Authority: 2017 Or. Law Ch. 750 Sec. 148-157, ORS 468.020, 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

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

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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](#)

340-270-0030

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.

~~(78)~~ “Lease date” means the day that the lease agreement is signed.

~~(89)~~ “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.

~~(910)~~ “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.

~~(1011)~~ “Low income household” means an individual or a household with income less than or equal to 50 percent of the area median income.

~~(11)~~ “(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.

~~(1719)~~ “Qualifying household” means ~~an individual or~~ a household with income that does not exceed 400 percent of federal poverty guidelines.

~~(1820)~~ “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).

~~(1922)~~ “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).

~~(2023)~~ “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)~~ (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.

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

[ED. NOTE: To view attachments 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 & 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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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~~(5),6~~; and **must**

(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

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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~~ [as required by](#) 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

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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](#)

340-270-0410

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

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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](#)

340-270-0420

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.

~~(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)(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) 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~~ as required by 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 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 & 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](#)

340-270-0500

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 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](#)

340-270-0600

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.

Statutory/Other Authority: ORS 468.020, ORS 468.463(7)

Statutes/Other Implemented: ORS 468.463, ORS 468.469

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.

Statutory/Other Authority: ORS 468.020, ORS 468.463(7)

Statutes/Other Implemented: ORS 468.463, ORS 468.469

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 as required by 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 as required by 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 as required by 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.

Statutory/Other Authority: ORS 468.020, ORS 468.463(7)

Statutes/Other Implemented: ORS 468.463, ORS 468.469

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.

Statutory/Other Authority: ORS 468.020, ORS 468.463(7)

Statutes/Other Implemented: ORS 468.463, ORS 468.469

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.

Statutory/Other Authority: ORS 468.020, ORS 468.463(7)

Statutes/Other Implemented: ORS 468.463, ORS 468.469

340-270-0650

Application Review Process

(1) DEQ will process applications on a first-come, first-served basis as received by DEQ, as required by 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.

Statutory/Other Authority: ORS 468.020, ORS 468.463(7)

Statutes/Other Implemented: ORS 468.463, ORS 468.469

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.

Statutory/Other Authority: ORS 468.020, ORS 468.463(7)

Statutes/Other Implemented: ORS 468.463, ORS 468.469

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 as required by 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.

Statutory/Other Authority: ORS 468.020, ORS 468.463(7)

Statutes/Other Implemented: ORS 468.463, ORS 468.469

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.

Statutory/Other Authority: ORS 468.020, ORS 468.463(7)

Statutes/Other Implemented: ORS 468.463, ORS 468.469

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.

Statutory/Other Authority: ORS 468.020, ORS 468.463(7)

Statutes/Other Implemented: ORS 468.463, ORS 468.469

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.

Statutory/Other Authority: ORS 468.020, ORS 468.463(7)

Statutes/Other Implemented: ORS 468.463, ORS 468.469

Draft rules – edits included

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.

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](#)

340-270-0020

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.

Statutory/Other Authority: 2017 Or. Law Ch. 750 Sec. 148-157, ORS 468.020, 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

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 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](#)

340-270-0030

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.

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

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

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

(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,

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History:

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[DEQ 21-2019, temporary amend filed 09/27/2019, effective 09/29/2019 through 03/26/2020](#)

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 as required by 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](#)

340-270-0410

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) 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

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](#)

340-270-0430

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 as required by 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 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 & 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](#)

340-270-0500

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

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](#)

340-270-0600

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.

Statutory/Other Authority: ORS 468.020, ORS 468.463(7)

Statutes/Other Implemented: ORS 468.463, ORS 468.469

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.

Statutory/Other Authority: ORS 468.020, ORS 468.463(7)

Statutes/Other Implemented: ORS 468.463, ORS 468.469

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 as required by 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 as required by 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 as required by 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.

Statutory/Other Authority: ORS 468.020, ORS 468.463(7)

Statutes/Other Implemented: ORS 468.463, ORS 468.469

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.

Statutory/Other Authority: ORS 468.020, ORS 468.463(7)
Statutes/Other Implemented: ORS 468.463, ORS 468.469

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.

Statutory/Other Authority: ORS 468.020, ORS 468.463(7)
Statutes/Other Implemented: ORS 468.463, ORS 468.469

340-270-0650 Application Review Process

(1) DEQ will process applications on a first-come, first-served basis as received by DEQ, as required by 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.

Statutory/Other Authority: ORS 468.020, ORS 468.463(7)

Statutes/Other Implemented: ORS 468.463, ORS 468.469

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.

Statutory/Other Authority: ORS 468.020, ORS 468.463(7)

Statutes/Other Implemented: ORS 468.463, ORS 468.469

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 as required by 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.

Statutory/Other Authority: ORS 468.020, ORS 468.463(7)

Statutes/Other Implemented: ORS 468.463, ORS 468.469

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.

Statutory/Other Authority: ORS 468.020, ORS 468.463(7)

Statutes/Other Implemented: ORS 468.463, ORS 468.469

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.

Statutory/Other Authority: ORS 468.020, ORS 468.463(7)

Statutes/Other Implemented: ORS 468.463, ORS 468.469

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.

Statutory/Other Authority: ORS 468.020, ORS 468.463(7)

Statutes/Other Implemented: ORS 468.463, ORS 468.469