



Oregon Department of Environmental Quality
Jan. 24-25, 2019
Oregon Environmental Quality Commission Meeting
Agency Staff Report
Rulemaking, Action Item L

Clean Vehicle Rebate Program 2019

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Accessibility Information

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

Oregon Department of Environmental Quality
700 NE Multnomah St., Ste. 600
Portland, OR, 97232

To schedule a review of all websites and documents referenced in this announcement, call Rachel Sakata, DEQ – Headquarters, 503-229-5659 (800-452-4011, ext. 5622 toll-free in Oregon).

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

DEQ Recommendation to the EQC

DEQ recommends that the Environmental Quality Commission adopt the proposed rules in pages 25 through 28 as part of Chapter 340 of the Oregon Administrative Rules.

Proposed EQC motion language:

“I move that the Oregon Environmental Quality Commission adopt the rules as seen on pages 25 through 28 of the staff report for this item as part of Chapter 340 of the Oregon Administrative Rules.”

Overview

Short summary

DEQ recommends that the EQC approve the proposed rule amendment to include three-wheeled light-duty zero-emission vehicles and plug-in hybrid electric vehicles as eligible vehicles under the Oregon Clean Vehicle Rebate Program.

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

DEQ is proposing to amend the Oregon Clean Vehicle Rebate Program rules by changing the definitions in OAR 340-270-0030 for eligible light-duty zero-emission vehicles and plug-in hybrid electric vehicles to include vehicles with at least three wheels, and to be eligible, these vehicles also must be capable of traveling at a speed of 55 miles per hour or more. Currently, light-duty zero-emission vehicles and plug-in hybrid electric vehicles are defined as vehicles with at least four wheels. The proposed change would broaden the range of eligible vehicles to include those with three wheels.

Brief history

On Aug. 18, 2017, Oregon Governor Kate Brown signed House Bill 2017 which, in addition to making many other transportation investments, created a program to provide rebates to Oregonians who purchase or lease certain types of zero-emission vehicles, including eligible plug-in hybrid zero-emission vehicles, and other eligible zero-emission vehicles. This program was designed by the Oregon Legislature to encourage higher adoption of zero-emission vehicles to reduce air pollution and progress the state towards its greenhouse gas reduction goals. House Bill 2017 was amended in 2018 by House Bill 4059. In combination, both bills establish the Oregon Clean Vehicle Rebate Program.

In May 2018, the EQC adopted rules to implement the Oregon Clean Vehicle Rebate Program in Oregon. The rules, as adopted, defined eligible light-duty zero-emission vehicles and plug-in hybrid electric vehicles as vehicles with at least four wheels. This language inadvertently prevents participants from applying for rebates for three wheeled zero-emission vehicles.

DEQ is proposing to change the definition of rebate-eligible light-duty zero-emission vehicles and plug-in hybrid electric vehicles to include vehicles with at least three wheels to make the program more inclusive of all different vehicle types, expand options for

businesses and consumers, and ensure equitable application of the Oregon Clean Vehicle Rebate Program. This change is also consistent with House Bill 2017 and the 2018 changes, which do not specify the number of wheels in the definitions of light-duty zero-emission vehicles and plug-in hybrid electric vehicles - in other words, the legislation authorizes rebates for three-wheeled vehicles.

Regulated parties

DEQ is implementing the program established by the May 2018 rules. There are no regulated parties, because the proposed rules do not impose any requirements on parties who do not wish to participate in the program. Parties who choose to participate in the program may include:

- Automobile dealers that sell or lease new and used zero-emission vehicles. Such dealers may be affected by the rules if they choose to apply a rebate to the purchase or lease at the point of sale or lease, by allowing purchasers or lessees to assign their rebates to the dealers or by otherwise assisting purchasers or lessees in obtaining rebates. Further, dealers could be affected by increased zero-emission vehicle sales or leases.
- Automobile manufacturers, such as those that manufacture zero-emission vehicles eligible for rebates. Manufacturers may be affected by the rules if they allowed purchasers to assign their rebates or otherwise assist purchasers in obtaining rebates. Further, manufacturers could be affected by increased zero-emission vehicle sales or leases. There is one manufacturer of three-wheeled electric vehicles in Oregon that is just beginning to enter commercial production – Arcimoto, based in Eugene, Oregon. Other manufacturers, include operations in Canada and China.
- Zero-emission vehicle purchasers or lessees such as Oregon residents who purchase or lease zero-emission vehicles that qualify for rebates under the program.

Request for other options

During the public comment period, DEQ requested public comment on whether to recommend that vehicle eligibility be expanded to three-wheeled motor vehicles. There was one public comment in opposition to the recommendation, and a number of comments that were supportive.

Statement of Need

What need would the proposed rule address?

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

How would the proposed rule address the need?

The proposed rule would change the definition of eligible light-duty zero-emission vehicles and plug-in hybrid electric vehicles from those with “at least four wheels” to those with “at least three wheels.” This will make the Oregon Clean Vehicle Rebate Program more inclusive of all different vehicle types, expand options for businesses and consumers, and ensure equitable application of the program. This change is also consistent with House Bill 2017 and Legislative changes from 2018, which do not specify the number of wheels in the definitions of light-duty zero-emission vehicles and plug-in hybrid electric vehicles. This serves the purpose of the program by incentivizing more fuel-efficient and cleaner burning cars on the road.

How will DEQ know the rule addressed the need?

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

Rules Affected, Authorities, Supporting Documents

Lead division

Air Quality Division

Program or activity

Air Quality Planning

Chapter 340 action

Rules Amended – OAR 340

340-270-0030

Statutory Authority - ORS

468.020

468.065

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

Statutes Implemented - ORS

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

Legislation

House Bill 2017 (2017)

House Bill 4059 (2018)

Documents relied on for rulemaking

Document title	Document location
House Bill 2017 (2017)	https://olis.leg.state.or.us/liz/2017R1/Downloads/MeasureDocument/HB2017/Enrolled
House Bill 4059 (2018)	https://olis.leg.state.or.us/liz/2018R1/Downloads/MeasureDocument/HB4059/Enrolled

Fee Analysis

This rulemaking does not involve fees.

Statement of Fiscal and Economic Impact

Fiscal and Economic Impact

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

DEQ is recommending that the EQC amend the Oregon Clean Vehicle Rebate Program by changing the definitions in OAR 340-270-0030 for light-duty zero-emission vehicles and plug-in hybrid electric vehicles to include vehicles with at least three wheels. Currently light-duty zero-emission vehicles and plug-in hybrid electric vehicles are defined as vehicles with at least four wheels. The recommended change would broaden the range of eligible vehicles to include those with three wheels.

DEQ is unable to quantify the potential impact of the proposed rule change at this time because it is unknown how many three wheeled rebate eligible vehicles would be available for use by consumers seeking to participate in the Oregon Clean Vehicle Rebate Program, and it is also unknown how many applications DEQ could receive for these vehicles. Because three wheeled light-duty zero-emission vehicles and plug-in hybrid electric vehicles are currently not widely available, DEQ expects that the number of rebate applications for these type of vehicles will be small for the time being, amounting to a minimal fiscal impact. There could be a positive fiscal impact on large and small businesses potentially selling or leasing three wheeled vehicles from rebate incentives, and a positive fiscal impact on the public from expanded consumer options for low cost rebate eligible vehicles.

Statement of Cost of Compliance

State agencies

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

Local governments

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

Public

The public would not incur any mandatory compliance costs as a result of the proposed rule changes because the proposed rules do not impose any requirements on parties who do not wish to participate in the program. Allowing rebates for eligible three-wheeled vehicles may have a positive fiscal impact on consumers choosing to participate in the Oregon Clean Vehicle Rebate Program. Inclusion of three-wheeled vehicles could increase the range of choices and could provide additional opportunities for people to potentially buy or lease

lower cost vehicles and receive the same level of rebates they could receive for potentially more costly four wheeled vehicles eligible for the program. Members of the public would be eligible to receive standard rebates of \$2,500 for the purchase or lease of new three wheeled zero-emission vehicles. Under the Charge Ahead program, qualified low and moderate-income applicants purchasing or leasing new zero-emission three-wheeled vehicles could realize additional benefits by combining the \$2,500 standard rebate with the \$2,500 Charge Ahead rebate for a total of \$5,000.

Large businesses - businesses with more than 50 employees

Large businesses would not incur any mandatory compliance costs as a result of the proposed rules because the proposed rules do not impose any requirements on parties who do not wish to participate in the program. DEQ has identified there are at least 20 large manufacturers of zero-emission vehicles and a larger number of automobile dealers who could participate in the program through the assignment of rebates, and up to 29 large manufacturers and some large automobile dealers who would not participate because they do not manufacture, sell, or lease zero-emission vehicles. DEQ lacks data on the number of large manufacturers of three wheeled zero-emission vehicles. However any of the large auto dealers could potentially participate in the program through assignment of rebates for three wheeled vehicles.

There could be a positive impact on large businesses manufacturing, selling, or leasing three wheeled rebate eligible vehicles, as rebates could provide an incentive that would increase sales in Oregon.

Large business automobile dealers that sell or lease new and or used zero-emission vehicles may be affected by the rule changes if they choose to apply the rebate to the purchase at the point of sale or lease, by allowing purchasers to assign their rebates to the dealers or by otherwise assisting purchasers or lessees in obtaining rebates. Further, dealers could be affected by increased zero-emission three wheeled vehicle sales or leases.

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

Small businesses – businesses with 50 or fewer employees

Small businesses would not incur any mandatory compliance costs as a result of the proposed rules because the proposed rules do not impose any requirements on parties who do not wish to participate in the program. The proposed rule could potentially offer additional incentives for sale or lease of three wheeled vehicles that could positively impact small businesses. There could be a positive impact on small businesses manufacturing, selling, or leasing three wheeled eligible vehicles, as rebates could provide an incentive that would increase sales or leases in Oregon.

Small business automobile dealers that sell or lease new and or used zero-emission vehicles may be affected by the rule changes if they choose to apply the rebate to the purchase at the point of sale or lease, by allowing purchasers or lessees to assign their rebates to the dealers or by otherwise assisting purchasers or lessees in obtaining rebates.

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

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

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

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

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

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

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

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

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

Documents relied on for fiscal and economic impact

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

Advisory committee fiscal review

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

Housing cost

As ORS 183.534 requires, DEQ evaluated whether the proposed rules would have an effect on the development cost of a 6,000-square-foot parcel and construction of a 1,200-square-foot detached, single-family dwelling on that parcel. DEQ determined the proposed rules would have no effect on the development costs.

Federal Relationship

Relationship to federal requirements

ORS 183.332 and OAR 340-011-0029 require DEQ to attempt to adopt rules that correspond with existing equivalent federal laws and rules unless there are reasons not to do so.

The proposed rules are in addition to federal requirements since there are no federal regulations regarding rebates for the purchase or lease of zero-emission vehicle, or federal regulations regarding inclusion of three wheeled vehicles in rebate programs. The proposed rules protect the environment by reducing greenhouse gases.

What alternatives did DEQ consider if any?

DEQ considered not amending the Oregon Clean Vehicle Rebate Program rules to include three wheeled vehicles, but decided to propose including them to make the program more inclusive of all eligible vehicle types, expand options for businesses and consumers, and ensure equitable application of the Oregon Clean Vehicle Rebate Program to all eligible vehicles.

Land Use

Land-use considerations

In adopting new or amended rules, ORS 197.180 and OAR 340-018-0070 require DEQ to determine whether the proposed rules significantly affect land use. If so, DEQ must explain how the proposed rules comply with statewide land-use planning goals and local acknowledged comprehensive plans.

Under OAR 660-030-0005(2) and OAR 340 Division 18, DEQ considers that rules affect land use if:

- The statewide land use planning goals specifically refer to the rule or program, or
- The rule or program is reasonably expected to have significant effects on:
 - Resources, objectives or areas identified in the statewide planning goals, or
 - Present or future land uses identified in acknowledged comprehensive plans

To determine whether the proposed rules involve programs or actions that affect land use, DEQ reviewed its Statewide Agency Coordination Program, which describes the DEQ programs that have been determined to significantly affect land use. DEQ considers that its programs specifically relate to the following statewide goals:

Goal	Title
5	Open Spaces, Scenic and Historic Areas, and Natural Resources
6	Air, Water and Land Resources Quality
9	Ocean Resources
11	Public Facilities and Services
16	Estuarial Resources

Statewide goals also specifically reference the following DEQ programs:

- Nonpoint source discharge water quality program – Goal 16
- Water quality and sewage disposal systems – Goal 16
- Water quality permits and oil spill regulations – Goal 19

Determination

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

EQC Prior Involvement

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

Advisory Committee

Background

DEQ did not convene an advisory committee in developing this proposal because it involves a minor rule revision that does not impose any regulatory requirements and is consistent with House Bill 2017 and House Bill 4059, which do not specify the number of wheels in the definitions of light-duty zero-emission vehicles and plug-in hybrid electric vehicles.

Public Engagement

Public notice

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

- On Oct. 31, 2018, filing notice with the Oregon Secretary of State for publication in the November 2018 Oregon Bulletin;
- Notifying the EPA by mail;
- Posting the Notice, Invitation to Comment and Draft Rules on the web page for this rulemaking, located at: [Electric Vehicle Rebate 2019](#);
- Emailing approximately 11,402 interested parties on the following DEQ lists through GovDelivery:
 - Rulemaking
 - Oregon Clean Vehicle Rebate Program
 - Low Emission/Zero Emission Vehicle Program
 - Electric Vehicle Rebate 2018 Rulemaking
 - DEQ Public Notices
- Emailing the following key legislators required under ORS 183.335:
 - Senator Lee Beyer, Co-Chair, Joint Committee on Transportation Preservation and Modernization
 - Representative Caddy McKeown, Co-Chair, Joint Committee on Transportation Preservation and Modernization
 - Senator Brian Boquist, Co-Vice Chair, Joint Committee on Transportation Preservation and Modernization
 - Representative Andy Olson, Co-Vice Chair, Joint Committee on Transportation Preservation and Modernization
- Emailing advisory committee members,
- Postings on Twitter and Facebook
- Posting on the DEQ event calendar: [DEQ Calendar](#)

Public Hearing

DEQ held one public hearing. DEQ received one comment at the hearing. Later sections of this document include a summary of the one comment received during the open public comment period, DEQ's response, and the name of the commenter. The original comment is on file with DEQ.

Presiding Officers' Record

Hearing 1

Date	Nov. 20, 2018
Place	700 NE Multnomah Street, Room: 3 rd floor conference room Portland, Oregon 97232-4100
Start Time	2:30 p.m.
Ending Time	3:30 p.m.
Presiding Officer	Sarah Armitage

The presiding officer convened the hearing, summarized procedures for the hearing, and explained that DEQ was recording the hearing. The presiding officer asked people who wanted to present verbal comments to sign the registration list, or if attending by phone, to indicate their intent to present comments. The presiding officer advised all attending parties interested in receiving future information about the rulemaking to sign up for GovDelivery email notices.

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

One person attended the hearing in person and one person attended by teleconference or webinar. One person commented orally.

Summary of Public Comments and DEQ Responses

Public comment period

DEQ accepted public comment on the proposed rulemaking from Oct. 31, 2018, until 4 p.m. on Nov. 27, 2018.

The following summaries represent the oral comment received at the public hearing, written comments that were received by the close of the public comment period, and DEQ's response to the comments. Original comments are on file with DEQ. DEQ did not change the proposed rules in response to comments.

The following oral comment was presented at the Nov. 20, 2018, public hearing:

Comment #1

Name: Jessie Fittipaldi

Organization: Arcimoto

Comment	Response
Support for the rule proposal, specifically, align the regulations with technology to allow three wheeled vehicles to participate in the program. The three wheeled vehicle platform is ultra efficient and because of lower cost can be available to a broader audience that may not be able to afford four wheeled vehicles. There was legislative support to include three wheeled vehicles in the program.	Thank you for your comment.

The following are written comments submitted via the [Electric Vehicle Rebate 2019 Comment Page](#):

Comment #2

Name: Bill Farmer

Organization: Farmers Table Grapes

Comment	Response
Support for the proposed rule proposal.	Thank you for your comment.

Comment #3

Name: Chris Brown

Organization: Holey Joe Engrng

Comment	Response
Support for the rule proposal. Adding three wheeled vehicles will boost the desire for those vehicles, help Oregon manufacturing and the environment.	Thank you for your comment.

Comment #4

Name: David Moore

Comment	Response
Opposition to the rule proposal. Adding three wheeled vehicles to the program will slow the adoption of electric vehicles because not many people will buy them. Three wheeled vehicles will be a small population with little impact in the transportation sector and limited rebate funds should not be spent towards them.	Because of the expected small population of three wheeled vehicles, they are likely to consume only a small proportion of the rebate funds, and could be well matched to consumer needs in some situations.

Comment #5

Name: Elizabeth Purta

Comment	Response
Support for the rule proposal because it will increase the number of electric vehicles and decrease gas vehicles.	Thank you for your comment.

Comment #6

Name: Edward Hurtley

Comment	Response
Support for the rule proposal. It will benefit an Oregon business manufacturing three wheeled electric vehicles.	Thank you for your comment.

Comment #7

Name: Jacob Strandlien

Comment	Response
Support for the rule proposal.	Thank you for your comment.

Comment #8

Name: Thomas Jackman

Comment	Response
Support for the rule proposal. Because of safety and efficiency, three wheeled vehicles can be good choices for consumers.	Thank you for your comment.

Comment #9

Name: Chris Scruton

Organization: California Energy Commission

Comment	Response
Support for the rule proposal. Because three-wheeled vehicles can be simpler, lighter, and less expensive than four-wheel vehicles, while providing a large improvement in stability and safety over two -wheeled vehicles, they can have an important role in Oregon’s transition to cleaner transportation.	Thank you for your comment.

Comment #10

Name: Jon Miller

Organization: Arcimoto

Comment	Response
Support for the rule proposal. Three wheel vehicles have a smaller footprint, are easier to park, ease congestion, and are much more efficient than four-wheel vehicles. This category is going to explode in the coming years, and we should include three-wheel vehicles so Oregon may benefit.	Thank you for your comment.

Comment #11

Name: Dennis Iverson

Comment	Response
Support for the proposal. Commenter hopes to purchase an Arcimoto that would be eligible for a rebate.	Thank you for your comment.

Comment #12

Name: Katalin Pusztavari

Comment	Response
Support for the proposal. Commenter hopes to purchase an Arcimoto that would be eligible for a rebate. This will help an Oregon business.	Thank you for your comment.

Comment #13

Name: Steven Ingham

Comment	Response
Support for the proposal. Range and not battery size is important in three wheel electric vehicles. These vehicles make a great choice for lower income persons.	Thank you for your comment.

Implementation

Notification

The proposed rules would become effective upon filing on approximately Jan. 25, 2019. DEQ would notify affected parties by:

- Emailing approximately 11,402 interested parties on the following DEQ lists through GovDelivery:
 - Rulemaking
 - Oregon Clean Vehicle Rebate Program
 - Low Emission/Zero Emission Vehicle Program
 - Electric Vehicle Rebate 2018 Rulemaking
 - DEQ Public Notices

- Emailing the following key legislators required under ORS 183.335:
 - Senator Lee Beyer, Co-Chair, Joint Committee on Transportation Preservation and Modernization
 - Representative Caddy McKeown, Co-Chair, Joint Committee on Transportation Preservation and Modernization
 - Senator Brian Boquist, Co-Vice Chair, Joint Committee on Transportation Preservation and Modernization
 - Representative Andy Olson, Co-Vice Chair, Joint Committee on Transportation Preservation and Modernization

- Emailing advisory committee members,
- Postings on Twitter and Facebook
- Posting on the DEQ event calendar: [DEQ Calendar](#)

Five-year review

Requirement

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

Exemption from five-year rule review

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

- Amend or repeal an existing rule. ORS 183.405(4).

Draft Rules – With Edits Highlighted

Key to Identifying Changed Text:

~~Strikethrough: Deleted Text~~

Underline: New/inserted text

DEPARTMENT OF ENVIRONMENTAL QUALITY

Division 270

ZERO-EMISSION AND ELECTRIC VEHICLE REBATES

340-270-0030

Definitions and Abbreviations

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

(2) “Charge Ahead rebate” means a rebate for the purchase of a new or used light-duty zero-emission vehicle with an electrochemical storage capacity issued through the Charge Ahead Program.

(3) “DEQ” is the Oregon Department of Environmental Quality or a contractor selected by DEQ.

(4) “Eligible vehicle” means a motor vehicle that:

(a) Qualifies as a:

(A) Light-duty zero-emission vehicle with an electrochemical energy storage capacity;

(B) Plug-in hybrid electric vehicle;

(C) Neighborhood electric vehicle; or

(D) Zero-emission motorcycle;

(b) Is new, or has been previously used only as a dealership floor model or test-drive vehicle;

- (c) Has not previously been registered in Oregon;
 - (d) Is constructed entirely from new parts that have never been the subject of a retail sale;
 - (e) Has a base manufacturer's suggested retail price of less than \$50,000;
 - (f) Is covered by a manufacturer's express warranty on the vehicle drive train, including the applicable energy storage system or battery pack, for at least 24 months from the purchase or lease date; and
 - (g) Is certified by the manufacturer to comply with all applicable federal safety standards issued by the National Highway Traffic Safety Administration for new motor vehicles and new motor vehicle equipment.
- (5) "Lease date" means the day that the lease agreement is signed.
- (6) "Light-duty zero-emission vehicle" means a motor vehicle that:
- (a) Has a gross vehicle weight rating of 8,500 pounds or less;
 - (b) Is capable of travelling at a speed of 55 miles per hour or more;
 - (c) Has at least ~~4~~three wheels; and
 - (d) Is powered:
 - (A) Primarily by an electric battery and may or may not use a flywheel energy storage device or a capacitor that also stores energy to assist in vehicle operation;
 - (B) By polymer electrolyte membrane fuel cells or proton exchange membrane fuel cells that use hydrogen fuel and oxygen from the air to produce electricity; or
 - (C) Primarily by a zero-emission energy storage device that provides enough power for the vehicle to travel 75 miles or more using only electricity and may or may not use a backup alternative power unit that does not operate until the energy storage device is fully depleted.
- (7) "Low income household" means a household with income less than or equal to 80 percent of the area median income.
- (8) "Moderate income household" means a household with income less than or equal to 120 percent and greater than 80 percent of the area median income.
- (9) "Motor vehicle" has the meaning given that term in ORS 801.360.
- (10) "Neighborhood electric vehicle" means a motor vehicle that:

- (a) Is powered using an electric battery;
 - (b) Has a gross vehicle weight not exceeding 3,000 pounds;
 - (c) Is capable of traveling at a speed of up to 25 mph; and
 - (d) Has at least four wheels.
- (e) DEQ will require certification to zero-emission standards in California Code of Regulations Title 13, section 1962.2 to show a vehicle meets these specifications.
- (11) “Person” means a person as defined in ORS 174.100 or a public body as defined in ORS 174.109.
- (12) “Plug-in hybrid electric vehicle” means a motor vehicle that:
- (a) Has zero evaporative emissions from its fuel system when operating as an electric vehicle;
 - (b) Has an onboard electrical energy storage device with useful capacity of 10 or more miles of urban dynamometer driving schedule range, as described by the United States Environmental Protection Agency in 40 CFR 600.116-12, on electricity alone;
 - (c) Is equipped with an onboard charger;
 - (d) Is rechargeable from an external connection to an off-board electrical source;
 - (e) Meets the super ultra-low emission vehicle standards for exhaust emissions, as certified to standards in California Code of Regulations, Title 13, section 1961(a)(4) (2003);
 - (f) Has a warranty of at least 15 years and 150,000 miles on emission control components;
 - (g) Is capable of travelling at a speed of 55 miles per hour or more;
 - (h) Has an on-board internal combustion engine; and
 - (i) Has at least ~~four~~three wheels.
- (13) “Purchase date” means the day that the purchase and sales agreement is signed.
- (14) “Used electric vehicle” means a light-duty zero-emission vehicle that:
- (a) Would have been eligible for the standard rebate at the time of its original sale or lease had the rebate program in OAR 340-270-0010 to -0500 existed or;

(b) Is a direct model predecessor of an eligible vehicle as defined in OAR 340-270-0030(4)(a)(A).

(15) “Vehicle dealer” means:

(a) A person engaged in business in this state that has been issued a vehicle dealer certificate under ORS 822.020; or

(b) A person engaged in business in another state that would be subject to ORS 822.005 if the person engaged in business in this state.

(c) It does not include a person who:

(A) Conducts an event that lasts less than 7 consecutive days, for which the public is charged admission and at which otherwise eligible vehicles are sold at auction; or

(B) Sells an otherwise eligible vehicle at auction at an event as described in (A).

(16) “Zero-emission motorcycle” means a motor vehicle that:

(a) Has zero evaporative emissions from its fuel system;

(b) Is capable of attaining a speed of 55 miles per hour or more;

(c) Is designed to travel on two wheels; and

(d) Is powered by electricity.

(e) DEQ will require documentation of the following as proof that a motorcycle meets these specifications:

(A) Successful completion of the most current California Zero-Emission Motorcycle Evaluation Procedure, as defined in California’s Implementation Manual for the Clean Vehicle Rebate Project; and

(B) Issuance of a “pass” determination and verification that the vehicle meets the specified range and acceleration requirements by the California Air Resources Board.

(17) “Zero-emission vehicle” means a motor vehicle that that is certified to zero-emission standards in California Code of Regulations, Title 13, section 1962.2.

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

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

Draft Rules – With Edits Included

DEPARTMENT OF ENVIRONMENTAL QUALITY

Division 270

ZERO-EMISSION AND ELECTRIC VEHICLE REBATES

340-270-0030

Definitions and Abbreviations

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

(2) “Charge Ahead rebate” means a rebate for the purchase of a new or used light-duty zero-emission vehicle with an electrochemical storage capacity issued through the Charge Ahead Program.

(3) “DEQ” is the Oregon Department of Environmental Quality or a contractor selected by DEQ.

(4) “Eligible vehicle” means a motor vehicle that:

(a) Qualifies as a:

(A) Light-duty zero-emission vehicle with an electrochemical energy storage capacity;

(B) Plug-in hybrid electric vehicle;

(C) Neighborhood electric vehicle; or

(D) Zero-emission motorcycle;

(b) Is new, or has been previously used only as a dealership floor model or test-drive vehicle;

(c) Has not previously been registered in Oregon;

(d) Is constructed entirely from new parts that have never been the subject of a retail sale;

(e) Has a base manufacturer’s suggested retail price of less than \$50,000;

(f) Is covered by a manufacturer's express warranty on the vehicle drive train, including the applicable energy storage system or battery pack, for at least 24 months from the purchase or lease date; and

(g) Is certified by the manufacturer to comply with all applicable federal safety standards issued by the National Highway Traffic Safety Administration for new motor vehicles and new motor vehicle equipment.

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

(6) "Light-duty zero-emission vehicle" means a motor vehicle that:

(a) Has a gross vehicle weight rating of 8,500 pounds or less;

(b) Is capable of travelling at a speed of 55 miles per hour or more;

(c) Has at least three wheels; and

(d) Is powered:

(A) Primarily by an electric battery and may or may not use a flywheel energy storage device or a capacitor that also stores energy to assist in vehicle operation;

(B) By polymer electrolyte membrane fuel cells or proton exchange membrane fuel cells that use hydrogen fuel and oxygen from the air to produce electricity; or

(C) Primarily by a zero-emission energy storage device that provides enough power for the vehicle to travel 75 miles or more using only electricity and may or may not use a backup alternative power unit that does not operate until the energy storage device is fully depleted.

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

(8) "Moderate income household" means a household with income less than or equal to 120 percent and greater than 80 percent of the area median income.

(9) "Motor vehicle" has the meaning given that term in ORS 801.360.

(10) "Neighborhood electric vehicle" means a motor vehicle that:

(a) Is powered using an electric battery;

(b) Has a gross vehicle weight not exceeding 3,000 pounds;

(c) Is capable of traveling at a speed of up to 25 mph; and

(d) Has at least four wheels.

(e) DEQ will require certification to zero-emission standards in California Code of Regulations Title 13, section 1962.2 to show a vehicle meets these specifications.

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

(12) "Plug-in hybrid electric vehicle" means a motor vehicle that:

(a) Has zero evaporative emissions from its fuel system when operating as an electric vehicle;

(b) Has an onboard electrical energy storage device with useful capacity of 10 or more miles of urban dynamometer driving schedule range, as described by the United States Environmental Protection Agency in 40 CFR 600.116-12, on electricity alone;

(c) Is equipped with an onboard charger;

(d) Is rechargeable from an external connection to an off-board electrical source;

(e) Meets the super ultra-low emission vehicle standards for exhaust emissions, as certified to standards in California Code of Regulations, Title 13, section 1961(a)(4) (2003);

(f) Has a warranty of at least 15 years and 150,000 miles on emission control components;

(g) Is capable of travelling at a speed of 55 miles per hour or more;

(h) Has an on-board internal combustion engine; and

(i) Has at least three wheels.

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

(14) "Used electric vehicle" means a light-duty zero-emission vehicle that:

(a) Would have been eligible for the standard rebate at the time of its original sale or lease had the rebate program in OAR 340-270-0010 to -0500 existed or;

(b) Is a direct model predecessor of an eligible vehicle as defined in OAR 340-270-0030(4)(a)(A).

(15) "Vehicle dealer" means:

(a) A person engaged in business in this state that has been issued a vehicle dealer certificate under ORS 822.020; or

(b) A person engaged in business in another state that would be subject to ORS 822.005 if the person engaged in business in this state.

(c) It does not include a person who:

(A) Conducts an event that lasts less than 7 consecutive days, for which the public is charged admission and at which otherwise eligible vehicles are sold at auction; or

(B) Sells an otherwise eligible vehicle at auction at an event as described in (A).

(16) “Zero-emission motorcycle” means a motor vehicle that:

(a) Has zero evaporative emissions from its fuel system;

(b) Is capable of attaining a speed of 55 miles per hour or more;

(c) Is designed to travel on two wheels; and

(d) Is powered by electricity.

(e) DEQ will require documentation of the following as proof that a motorcycle meets these specifications:

(A) Successful completion of the most current California Zero-Emission Motorcycle Evaluation Procedure, as defined in California’s Implementation Manual for the Clean Vehicle Rebate Project; and

(B) Issuance of a “pass” determination and verification that the vehicle meets the specified range and acceleration requirements by the California Air Resources Board.

(17) “Zero-emission vehicle” means a motor vehicle that that is certified to zero-emission standards in California Code of Regulations, Title 13, section 1962.2.

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

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