



2026 EV Rebates Rulemaking

Rulemaking Advisory Committee Meeting #2

Background and Rule Concepts

Dec. 1, 2025

Agenda

Time	Topic
15 min	Welcome, introductions, charter and ground rules
30 min	Oregon Clean Vehicle Rebate Program: Rebate amounts
15 min	OCVRP: Individual rebates
20 min	OCVRP: Rule clarifications
10 min	Break
25 min	ZERO Fleet: Vehicle eligibility
20 min	ZERO Fleet: Application review and rebate reservation
15 min	ZERO Fleet: Price competition
20 min	OCVRP and ZERO Fleet: Fiscal Impact Statement & Racial Equity Impact
5 min	Public comment and next steps

Meeting Roles



DEQ staff

- Share program background and concepts
- Encourage discussion
- Listen and note all ideas
- Keep us on scope and within time



Rule Advisory Committee members

- Provide feedback and ideas based on experience and expertise
- Consult and represent constituency
- Provide DEQ staff with relevant research and documentation cited during meeting



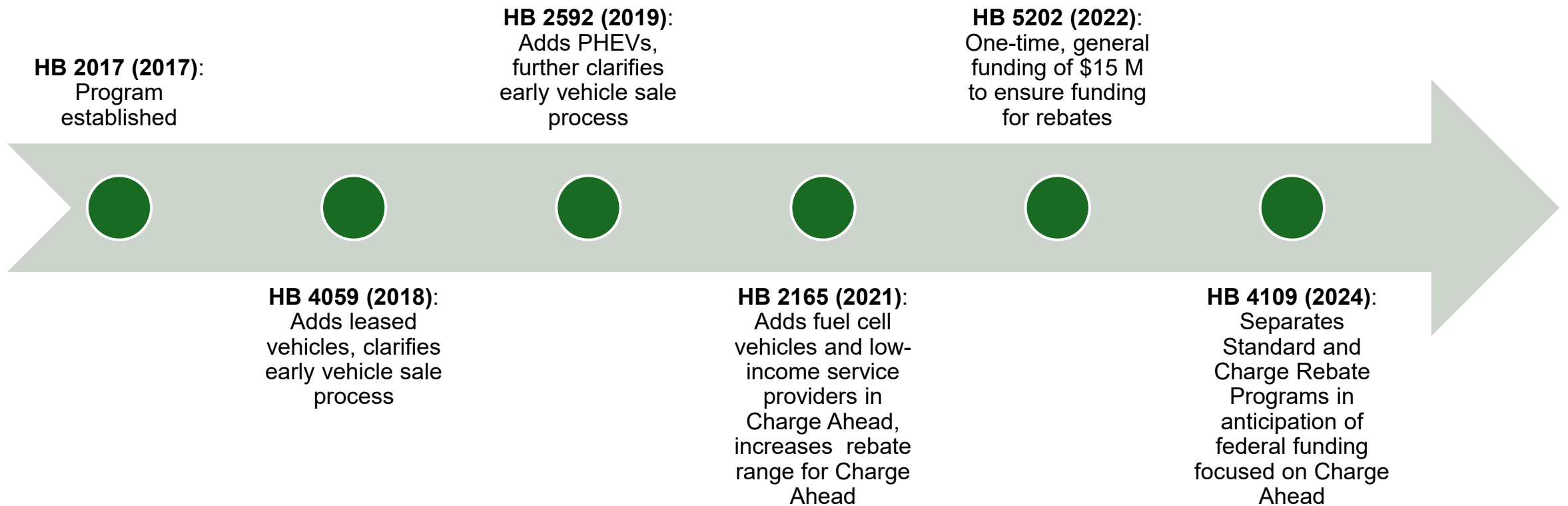
Non-committee member attendees

- Observe the meeting
- Share insights during the public feedback session at the end of the meeting

Meeting ground rules

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

Oregon Clean Vehicle Rebate Program: Legislative timeline



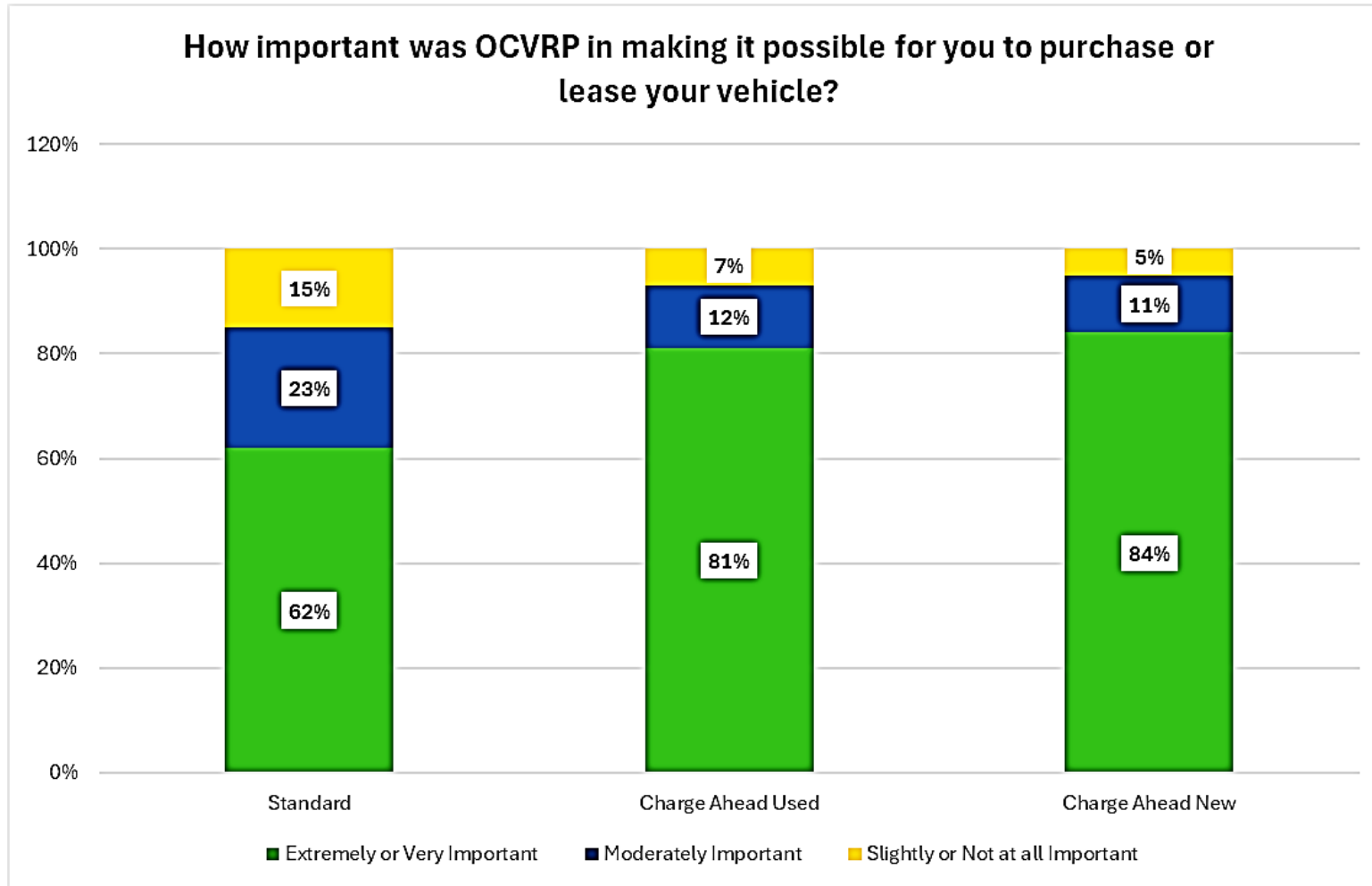
OCVRP: Rebate amounts

- Goal: financial sustainability
- Rebate amounts must remain within the “Oregon Law Requirement”

Rebate amounts authorized by Oregon Legislature and current rebate amounts

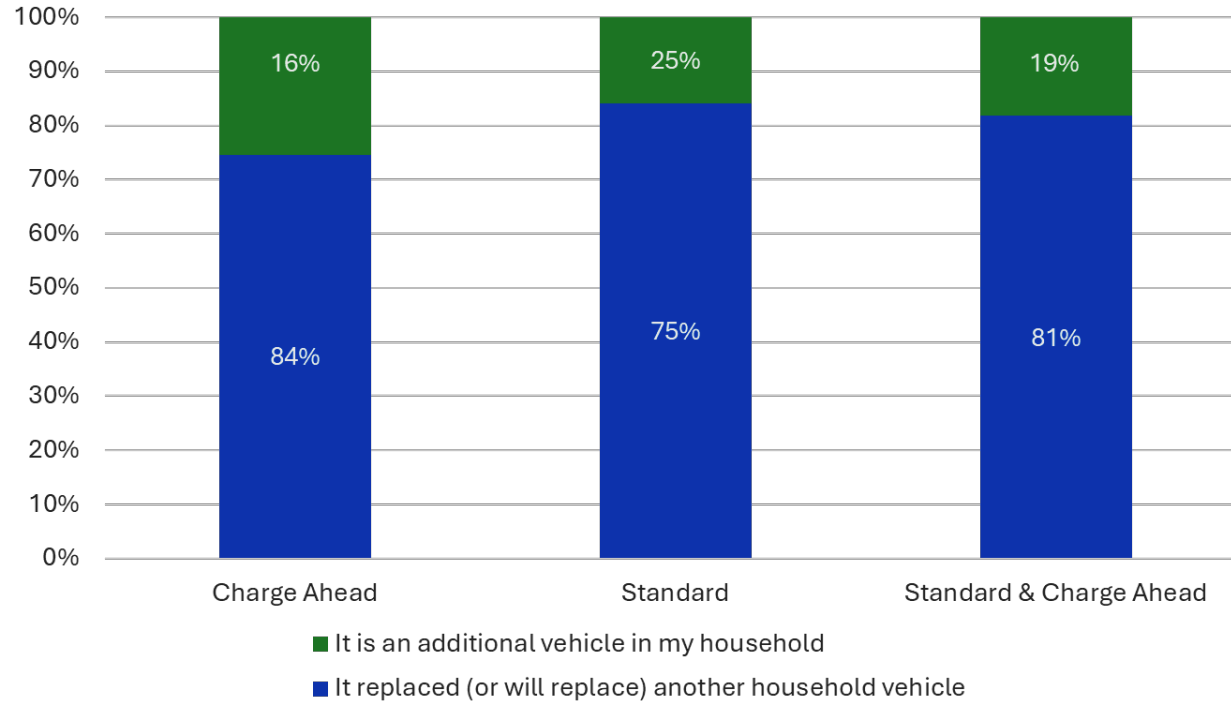
Rebate type	Oregon law requirement	Current rebate amount	% (#) of vehicles rebated in 2024
Charge Ahead for New Vehicles	\$2,500 - \$7,500	\$7,500	24% (857)
Charge Ahead for Used Vehicles	\$2,500 - \$5,000	\$5,000	19% (675)
Standard (battery capacity 10kWh or more)	\$1,500 - \$2,500	\$2,500	57% (2,059)
Standard (battery capacity less than 10 kWh)	\$750 - \$1,500	\$1,500	0% (1)
Standard (motorcycle)	\$375 - \$750	\$750	0% (4)

OCVRP Survey: Rebate importance

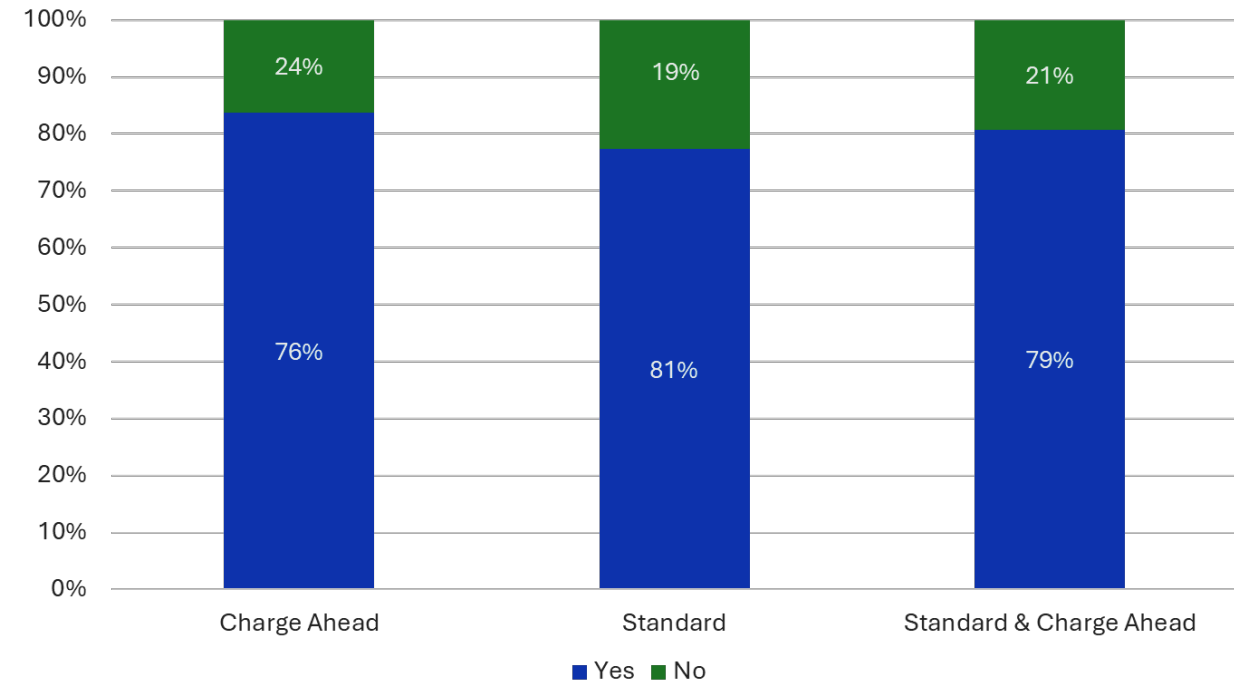


OCVRP Survey: Vehicle insights

Which of the following best describes your EV purchase/lease?



“Is your rebated vehicle the first EV you have purchased or leased?”



New vehicle market

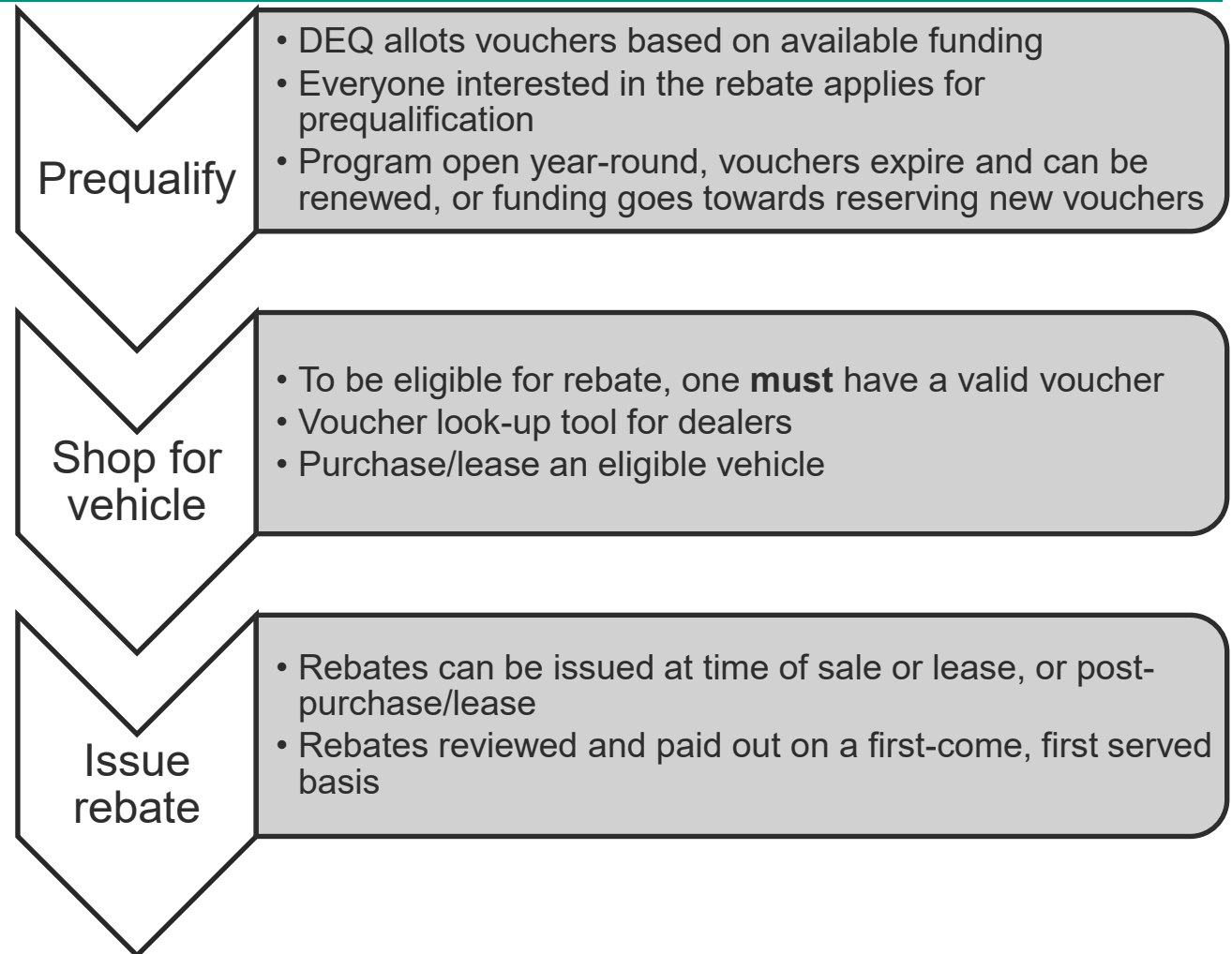
- Price parity for longer-range EVs closer to 2030
- Decreasing affordability for all new vehicles
- Decreasing affordable model diversity, especially for EVs

Used vehicle market

- Used EV inventory increasing and selling more quickly
- Model variety
- Used EVs nearing price parity
- Affordability in Oregon is still in progress
- Incentives encourage used EV sales

Alternative rebate processing concept

- Request for DEQ consider a rebate application model that:
 - Avoids annual program suspension
 - Limits rebate spending to the available funding each year
 - Distributes funds throughout the year
 - Increases ZEV adoption



OCVRP: Rebate adjustment proposal

- Implement a voucher system for all rebates
- Consider the following rebate adjustments

Rebate type	% (#) of vehicles rebated in 2024	Oregon law requirement	Current rebate amount	Proposed future rebate amount
Charge Ahead (new vehicles)	24% (857)	\$2,500 - \$7,500	\$7,500	\$7,500
Charge Ahead (used vehicles)	19% (675)	\$2,500 - \$5,000	\$5,000	\$4,000 or no more than 30% vehicle price
Standard (battery capacity 10kWh+)	57% (2,059)	\$1,500 - \$2,500	\$2,500	BEV: \$2,000 PHEV: \$1,500
Standard (battery capacity less than 10 kWh)	0% (1)	\$750 - \$1,500	\$1,500	\$750
Standard (motorcycle)	0% (4)	\$375 - \$750	\$750	\$375

OCVRP: Rebate adjustment discussion

- Based on your understanding of the program goals and current market conditions, what is your feedback on DEQ's initial proposal?
- From your perspective, do you feel a voucher system for all interested applications would be beneficial to the program and users of the program?
 - What concerns do you have about this approach?
- Are there other rebate adjustment scenarios you would like DEQ to consider?



OCVRP: Limiting individual rebates

- Goal: financial sustainability
- ~5% of individuals received multiple rebates
- 2025 National Plug-in America Survey
 - 90% of EV drivers say it's likely their next vehicle will be an EV
- Proposal:
 - Limit future rebates to two total for all rebates

OCVRP: Rebate limit discussion

- Does data support the idea of limiting the number rebates an individual may receive?
- Do you have concerns about DEQ limiting total future rebates to two?
- Do you have concerns with DEQ limiting anyone that has already received five or more rebates from receiving any additional rebates?



OCVRP: Rule clarifications

- Update citations and processes
- Clarify definitions and requirements
- Enable appeals to be submitted by email



OCVRP: Rule clarification discussion

- Do you have any suggestions for documentation DEQ should require to review ZEM eligibility?
- Do you have recommendations for used vehicle requirements to ensure vehicles are drivable and perform as expected for applicants?
- Do you have concerns about DEQ allowing appeals by email?



Break (10 minutes)



ZERO Fleet overview & goals

- **Focus:**
 - Incentivize and support Oregon fleets in the transition to zero emissions vehicles
- **Timeline:**
 - Established in 2023 with House Bill 3409
 - Development 2024/2025
 - Program launch early 2026
 - CERTA funding ending late 2029
- **Goals:**
 - Focus funding
 - Account for build and delivery times
 - Enhance transparency and mitigate risk
 - Support affordability



ZERO Fleet:

rebate amounts by GVWR class

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

OAR 340

OAR 340-270-0600 Vehicle Eligibility

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.

ZERO Fleet: Vehicle eligibility proposal



- **Goal:**
 - Focus funds on intended purpose (vocational service vehicles)
- **Suggested change:**
 - Vehicle Eligibility List
- **Proposed rule language:**
 - "DEQ will produce and maintain a list of qualifying vehicles that meet the requirements of this division. Only vehicles included on this list are eligible for rebate consideration."

ZERO Fleet: Rebate extension proposal

- **Goal:**
 - Account for extended build and delivery time
- **Suggested changes:**
 - Allow an additional 6-month extension
- **Proposed rule language:**
 - "DEQ may renew rebate reservations for up to two six-month extensions 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."

Vehicle timeline		
Vehicle segment	Low end	High end
Cargo van	Today	6 months
MD step van	6 months	15 months
MD truck	6 months	15 months
HD truck	6 months	20 months
Refuse	6 months	14 months
Yard tractor	12 months	24 months

Source: CalStart

ZERO Fleet: Rebate review proposal

- **Goal:**
 - Oversight allowing reviews to confirm eligibility, prevent misuse, and ensure rebates align with program intent.
- **Suggested change:**
 - Add language to ensure DEQ has the necessary discretion to implement and manage the program effectively.
- **Objectives:**
 - Verification and Oversight
 - Fraud Prevention and Accountability
 - Program Integrity
- **Benefits:**
 - Protects public investment
 - Supports environmental goals
 - Builds trust



ZERO Fleet: Voucher proposal



- **Goal:**
 - Encourage price competition and help purchasers get the best price
- **Suggested changes:**
 - Transition to vouchers for reserved funds
- **Timeline:**
 - Up to 24 months possible
 - Vehicle must be purchased, built and delivered within original timeline
 - Time starts on voucher approval date
- **Proposed rule language:**
 - "A purchaser with an approved rebate reservation may apply the reservation toward the purchase of a qualifying vehicle from any approved vehicle dealer to obtain the best available price."

ZERO Fleet discussion

Vehicle eligibility list

- What else should DEQ consider to help sharpen the program's focus and prevent misuse of funds?
- What should we consider when assessing vehicles eligibility? Example: spec sheet from dealer including GVWR, powertrain, battery capacity, etc.

Rebate extension

- What else should we consider regarding rebate extensions?

Rebate review

- What else should we consider to ensure program requirements are met?

Vouchers

- What else should we consider regarding the voucher process?

Fiscal and Economic Impact Analysis – Requirements

- ORS 183.333 requires DEQ request 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 and complies with ORS 183.540.
 - The committee will review the draft fiscal and economic impact statement and will share its comments

Fiscal and Economic Impact Analysis – Overall

- The proposed rules are not anticipated to create significant negative economic impacts for any entity
 - OCVRP rebate adjustments could decrease rebate amounts, but ultimately enable more to be issued
 - ZERO Fleet aims to ensure funding is directed towards fleet vehicles and target funding more effectively
- DEQ anticipates the fiscal impact to continue to be a net positive

Fiscal and Economic Impact Analysis – Public

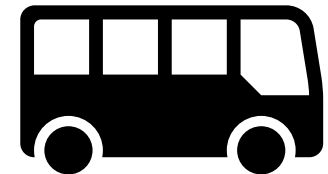
- Those that choose to participate in the rebate program would continue to benefit from the proposed rules.
 - OCVRP:
 - Rebate adjustments may decrease individual rebates amounts, potentially decreasing affordability
 - The rules aim to conserve funding, which may enable the program to remain open longer and allow more people to participate
 - ZERO Fleet:
 - Rule changes would strengthen participant confidence, protect public investments, and support Oregon businesses, non-profits, and government entities in securing better value

Fiscal and Economic Impact Analysis – Impact to large and small businesses

- Those that choose to participate in the rebate program would continue to benefit from the proposed rules.
 - All sizes of businesses would continue to be eligible to apply for rebate funding to lease and purchase qualifying vehicles, providing a benefit.
 - All sizes of businesses that sell qualifying vehicles would continue to see increased sales, providing a benefit.

Fiscal and Economic Impact Analysis – small business estimates

- Estimated number of small businesses and types of businesses and industries with small businesses subject to proposed rule.
 - ZERO Fleet:
 - 2,216 truck transportation businesses
 - 368 couriers and messengers
 - 318 transit and ground passenger transportation
 - OCVRP:
 - 302 new car dealers and 288 used car dealers



Fiscal and Economic Impact Analysis – reporting impact to small business

- 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 either rebate funding would continue to be responsible for the costs of preparing, applying, and submitting reports.
 - DEQ estimates these costs would be minimal, 2-3 hours of staff time total.
 - Costs may be offset in whole or in part by any rebates received.

Fiscal and Economic Impact Analysis – impact to small business

- 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.



Fiscal and Economic Impact Analysis – impact to small business (involvement)

- Describe how DEQ involved small businesses in developing this proposed rule.
 - DEQ included small businesses and trade associations that have small businesses as part of their membership in RAC.
 - DEQ will provide rulemaking notice during the public comment period to related small business associations.

Fiscal and Economic Impact Analysis – Committee feedback



Do you think the proposed rules have a fiscal impact?



What is the extent of the impact?



Will the proposed rules have a significant adverse impact on small businesses?
If so, how can DEQ reduce that impact?



Do you have any additional feedback or comments based on this discussion and your review of the draft fiscal and economic impact statement?

Racial Equity Impact – Requirements

- ORS 183.335(2)(a)(F) as amended by HB 2993, requires state agencies, when providing notice of a rulemaking, to provide a statement identifying how adoption, amendment or repeal of the proposed rules will affect racial equity in the state.
- DEQ is asking for the committee's input on how adoption of this rule may affect racial equity in the state.

Racial Equity Impact – Background

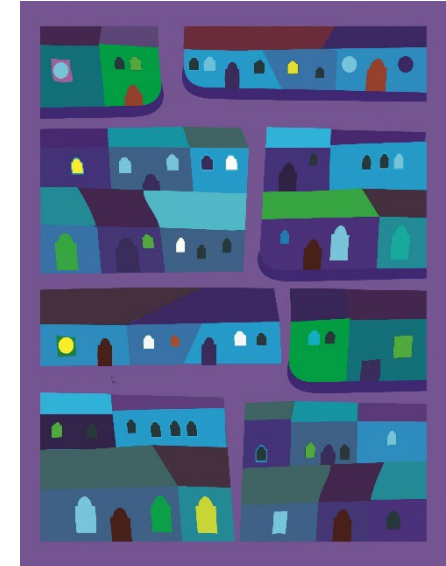
- Longstanding systemic barriers built into government systems have left communities of color behind in accessing the programs and services that would offset the effects of history.
- In Oregon, data shows that Black, Indigenous, and People of Color (BIPOC) are more likely to have low- and moderate-incomes than other groups.
- The upfront costs of ZEVs are higher than conventional fossil fuel vehicles and is a barrier to vehicle ownership.
- There are additional indirect costs due to the need to install charging infrastructure for vehicles at their fleet's base of operations for medium- and heavy-duty vehicles.

Racial Equity Impact – Statement

- The proposed rules will continue to reduce ZEV costs by providing direct incentives for awarded applications.
- There is also a lower total cost of ownership for ZEVs through decreased maintenance and fuel costs.
 - OCVRP:
 - Rebate adjustments may decrease individual rebates amounts, potentially decreasing affordability
 - The rules aim to conserve funding, which may enable the program to remain open longer and allow more people to participate
 - ZERO Fleet:
 - Rule changes help target and preserve funding more effectively, prioritizing areas most affected by diesel pollution
 - Many of these communities are home to BIPOC residents, who have historically faced higher exposure

Racial Equity Impact – Statement, continued

- DEQ estimates that proposed rules will continue to advance racial equity and environmental justice in the state by reducing air pollution from vehicles in Oregon
- ZERO Fleet continues to have 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 of particulate matter, oxides of nitrogen, and carbon dioxide



Racial Equity Impact – Committee feedback



DEQ is asking for the committee's input on how adoption of this rule may affect racial equity in the state.



How do you think the proposed changes to OCVRP and ZERO Fleet will impact racial equity?



Are there other racial equity implications DEQ should consider?

Public comment and next steps



- Public comment opportunity for attendees
 - Please raise hand, 1-2 minutes for comment
- DEQ staff welcomes written comments on meeting materials at EVRebates.2026@DEQ.oregon.gov
- Public comment period: mid-January 2026

Title VI and alternative formats

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