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**Date:** Feb. 26, 2026  
**To:** Environmental Quality Commission  
**From:** Leah Feldon, Director  
**Subject:** Agenda item C, informational item: EV Rebates 2026 Rulemaking Update  
March 12, 2026, EQC meeting

## Purpose and importance of item

This information item will provide an overview of DEQ's ongoing EV Rebates 2026 rulemaking for the Oregon Clean Vehicle Rebate Program and the Zero-Emissions Rebates for Oregon Fleets Program. The OCVRP provides rebates to help offset the upfront cost of purchasing or leasing new and used zero-emission light-duty vehicles (passenger cars), with targeted support for low- and moderate-income households through the Charge Ahead Rebate. The ZERO Fleet Rebate Program offers incentives to help fleets transition to zero-emission medium- and heavy-duty vehicles. The item will provide information on why updates are being considered and how growing demand, changes in the vehicle market and limited funding have affected program availability. Proposed rule changes focus on improving long-term financial sustainability, increasing program clarity, and better aligning program design and incentive levels with available funding and market conditions.

OCVRP and ZERO Fleet support DEQ's mission of advancing environmental protection and justice for all communities and ecosystems in Oregon by reducing air pollution and greenhouse gases. Additionally, OCVRP's Charge Ahead Rebate provides higher rebates to low- and moderate-income households and ZERO Fleet prioritizes rebate funding for areas most affected by diesel pollution.

## Prior EQC involvement

DEQ has not provided a specific update to the EQC focused on this proposed rule revision. However, DEQ has regularly provided the commission with updates on overall program implementation and status. This informational item will provide an overview of the OCVRP and ZERO Fleet rebate programs and the proposed rule changes.

## Background

DEQ will bring the proposed rules for the 2026 EV Rebates to the EQC as an action item at the May 2026 meeting. This informational item provides an overview of the two rebate programs and the proposed rulemaking.

## OCVRP overview

The OCVRP is a rebate program, established by House Bill 2017 (2017), to encourage the adoption of zero-emission passenger cars and light-duty trucks to reduce air pollution and advance the state's progress toward meeting its greenhouse gas reduction goals. The program contains two elements. The first is the Standard Rebate, which provides rebates for the purchase or lease of eligible new, zero-emission vehicles. The second is the Charge Ahead Rebate, which provides rebates for the purchase or lease of qualifying new or used zero-emission vehicles for purchasers or lessees from low- or moderate-income households.

DEQ currently receives at least \$12 million per year, or up to 45% of revenue, from the Vehicle Privilege Tax to fund rebate payments and administer the program. In addition, the program received a one-time \$30 million allocation through EPA's Climate Equity and Resilience Through Action (CERTA) grant, dedicated exclusively to Charge Ahead Rebates.

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In recent years, participation in OCVRP has consistently exceeded available funding. As demand has increased, funding has not kept pace, resulting in short program open periods and recurring waitlists. At current budget levels, the program is projected to remain open for only two to three months a year, limiting access for many interested applicants. Without program adjustments, this eligibility window is expected to shorten further as demand continues to grow. The proposed rules are intended to better align rebate levels and the program structure with available funding, allowing DEQ to extend program availability for a longer period of the year and provide more opportunities for people to access the rebate.

In addition, the current OCVRP rule also lacks specificity regarding vehicle and applicant eligibility, rebate options, application review procedures and the appeals process. The proposed rule would clarify these requirements to improve transparency, reduce confusion and support more consistent program administration.

### **ZERO Fleet overview**

The Zero-Emission Rebates for Oregon Fleets Rebate Program is a medium- and heavy-duty vehicle rebate program established by the Legislature through House Bill 3409 (2023). The program provides point-of-sale rebates to support the purchase or lease of new zero-emission medium- and heavy-duty vehicles by Oregon businesses, non-profit organizations and public agencies.

ZERO Fleets is designed to reduce emissions from vehicles that are among the largest contributors to diesel pollution, particularly in communities located near freight corridors and high-traffic areas. Eligible vehicles range from Class 2b through Class 8, with rebate amounts scaled by vehicle weight to reflect the potential for emissions reduction.

The proposed rule would reduce uncertainty and provide greater clarity for the ZERO Fleet program by more clearly describing how vehicle eligibility is determined and how rebate applications are reviewed. These clarifications would support more consistent, transparent administration of the medium- and heavy-duty vehicle rebate program. The proposed rule also addresses the need for greater pricing flexibility for fleet purchasers participating in the ZERO Fleet program. Clarifying that rebate reservations are not tied to a single dealer reduces uncertainty and supports competitive pricing in a market with limited vehicle availability and long procurement timelines.

### **Proposed rulemaking**

This rulemaking proposes amendments to revise and clarify rules for both the OCVRP, which addresses light-duty electric vehicles, and the ZERO Fleet Rebate program, which addresses medium- and heavy-duty electric vehicles. The focus of this rulemaking is on adjusting program rules for financial sustainability and clarity.

The proposed rules update existing rebate programs and administrative rules relating to state-issued rebates. There are no federal regulations regarding rebates under these programs. Relevant statutory authorities for DEQ and the commission include: ORS 468.020, 468.444, 468.446, 468.463, 468.442, 468.446 and 468.463.

If adopted, DEQ would implement the rules as soon as possible. The OCVRP is not currently accepting applications and would implement all proposed changes before reopening the window for eligible purchases/leases including any adopted rules.

### **EV Rebates 2026 rulemaking update**

The focus of this proposed rulemaking is on adjusting program rules for financial sustainability and clarity.

#### **OCVRP rulemaking focus**

For OCVRP, proposed changes include limiting the number of rebates an individual can receive and adjusting rebate amounts for the Standard Rebate and the Charge Ahead Rebate for used vehicles. The current rebate levels are set at the highest amounts allowed by statute, and there is not currently a limit on the number of

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rebates per individual.

The table below shows the current rebate amounts, the statutory requirement, and the proposed rebate level adjustments in the draft rules:

**Table 1: Current Rebate Amounts, Statutory Requirements, and Proposed Rebate Level Adjustments**

Rebate Type	Oregon Law Requirement	Current Rebate Amount	Proposed Future Rebate Amount
Charge Ahead (New Vehicles)	\$2,500 - \$7,500	\$7,500	\$7,500
Charge Ahead (Used Vehicles)	\$2,500 - \$5,000	\$5,000	\$4,000 or no more than 30% vehicle price, but no less than the statutory minimum, if the vehicle is at least \$2,500.
Standard (battery capacity 10kWh+)	\$1,500 - \$2,500	BEV: \$2,500 PHEV: \$2,500	BEV: \$2,000 PHEV: \$1,500
Standard (battery capacity less than 10 kWh)	\$750 - \$1,500	\$1,500	\$750
Standard (motorcycle and neighborhood electric vehicle <sup>1</sup> )	\$375 - \$750	\$750	\$375

Now in its seventh year, OCVRP has provided opportunities for past participants to receive multiple rebates over time. About 6% of rebates have been issued to individuals who previously received a rebate for another vehicle. Current statutes and rules allow multiple rebates, provided recipients continue to meet program requirements, including maintaining vehicle ownership and Oregon registration. To conserve limited rebate funds and expand access to new participants, DEQ is proposing a rule change to cap rebates to two per person.

Adjusting rebate amounts and limiting the number of rebates per individual are expected to help moderate demand and allow more people to participate in the program over time.

OCVRP is also proposing changes to enhance clarity. This includes updating outdated citations and retired processes referenced in the rules, updating and adding new program definitions. The proposed rules also clarify DEQ's authority to request additional documentation from applicants and detail follow-up actions, as well as enable appellants to submit appeals by email.

### **ZERO Fleet rulemaking focus**

The proposed rulemaking will revise and clarify provisions of the ZERO Fleet program for medium- and heavy-duty zero-emission vehicles. The proposal includes establishing an eligible vehicle list and clarifying DEQ's authority to request additional documentation and conduct follow-up actions. Creating a defined vehicle eligibility list would provide applicants with clear, upfront information about which vehicles qualify for rebates and help ensure program funds are used for their intended purpose. Clarifying DEQ's ability to review documentation and conduct follow-up after a rebate is issued would further support program integrity and reduce the risk of fraud or misuse, including ensuring vehicles are operated in Oregon as intended.

The proposed rule also includes changes to provide greater flexibility for purchasers. Specifically, it would allow a purchaser with an approved rebate reservation to complete a purchase with any approved dealer and

<sup>1</sup> As of Jan. 27, 2026, the program has not reviewed and approved any NEV eligible vehicle applications, so they are not included on the current eligible vehicle list.

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request an extension of the reservation if needed. Under the current rule, applicants must select a specific dealer and vehicle before applying for a rebate. The proposed changes would allow applicants to receive a rebate reservation for a vehicle class first and then select an eligible vehicle and approved dealer, reducing uncertainty and improving program usability for fleet purchasers.

### Rulemaking process update

DEQ convened the EV Rebates 2026 advisory committee in Fall 2025. The Rule Advisory Committee included representatives of affected communities, including vehicle manufacturers, dealers and industry groups, purchasers of new and used eligible vehicles, vehicle fleets, environmental and community-based organizations, EV associations, a rural conservation and development council, the City of Portland and the public. The committee met twice, in November 2025 and December 2025, and reviewed the proposed rules with attention to policy, fiscal and economic impacts.

A summary of the OCVRP discussion includes:

- Openness to rebate level adjustments to increase financial sustainability, with an interest in ensuring that those who need the rebate the most are prioritized.
- Most RAC members supported a moderate decrease to the Standard Rebate and a fractional rebate for the Charge Ahead Rebate for used vehicles.
- An interest in limiting the number of individual rebates but maintaining some ability for individuals to apply more than once over the lifetime of the program.
- Support in clarifying definitions, especially in ways that would ensure the used vehicles rebated by the program are reliable for the applicants throughout the required 24-month ownership period.
- Interest in a rebate reservation system, or another process that would allow the program to remain open year-round but want to ensure the process is accessible and that unused rebate funds would quickly move back into the program for new reservations.

A summary of the ZERO Fleet Rebate Program discussion includes:

- Most RAC members expressed support for implementing a vehicle eligibility list, while seeking clarity on the decision-making process for adding vehicles.
- Members agreed to allow Purchasers an additional six-month window to receive and register their zero-emission vehicles.
- There was interest in the program's launch timeline and questions about the duration of the development process for medium- and heavy-duty rebates.
- Members asked about the maximum number of rebates a Purchaser can receive.
- Questions arose regarding manufacturer requirements and the necessary infrastructure to support heavy-duty EVs.
- Members showed interest in permitting used vehicles to qualify for ZERO Fleet rebates in the future as more medium- and heavy-duty EVs enter the market.

The RAC also reviewed DEQ's fiscal impact statement and concluded that the proposed rules would not have a significant adverse impact on small businesses or other affected interested parties. RAC input informed the proposed rule package, and a notice of proposed rulemaking was issued on Jan. 20, 2026. The public comment period closed Feb. 25, 2026, and public hearings occurred on Feb. 18 and Feb. 23, 2026.

### EV Rebates 2026 rulemaking key issues

DEQ has generally heard broad support for the rulemaking and the proposed rule concepts. Feedback has been constructive, with most of the discussion focused on OCVRP rebate level adjustments, limits on the number of rebates per individual, and vehicle eligibility considerations for the ZERO Fleet program.

For OCVRP, RAC members generally supported adjusting rebate levels to improve long-term financial sustainability, while emphasizing the importance of maintaining meaningful incentives. Some noted that the program is funded through the Vehicle Privilege Tax on new vehicle sales and supported preserving stronger rebates for new vehicles, while others emphasized the importance of used vehicle rebates for low- and moderate-income households. Overall, RAC members viewed DEQ's proposed rebate adjustments as moderate and fair.

RAC members shared varying interests in limiting the number of OCVRP rebates individuals may receive. Some RAC members suggested limiting the number to one rebate over the lifetime of the program, citing Plug-in America survey results indicating that once someone purchases or leases an EV, over 90% will purchase or lease another EV as their next car. Other members felt it should be an annual limit to support and encourage early adopters. DEQ proposed a lifetime limit of two rebates. RAC members generally viewed this as a reasonable compromise that conserves funding, expands access, and maintains limited flexibility for repeat participation.

The ZERO Fleet eligible vehicle list may contain some model limitations. Certain luxury electric sport utility vehicles and trucks can fall into the Class 3 medium-duty category based on their Gross Vehicle Weight Rating. However, the rebate levels for Class 3 are designed to support the adoption of fleet-oriented vehicles, such as work trucks and vans. Rebates are therefore not intended to apply to luxury vehicles that meet the weight threshold but do not align with the program's intended purpose. DEQ noted that this distinction may affect manufacturers or purchasers interested in vehicles that meet the weight threshold but do not clearly align with typical fleet uses. DEQ plans to review these vehicles on a case-by-case basis to determine if the use meets the intent of the rebate program.

During the public comment period, DEQ also asked for feedback on additional topics not included in the rule to ensure we heard the public's thoughts on two OCVRP-related topics: a rebate reservation system and an adjustment to the rebate level of Charge Ahead Rebates for new PHEVs.

The RAC considered the rebate reservation system and identified substantial implementation considerations. During the Rule Advisory Committee meetings, members explored the concept of implementing a rebate reservation system for the Oregon Clean Vehicle Rebate Program. The model would require all interested applicants to complete a simple rebate reservation form and receive a reservation to be eligible for the rebate. After considering the RAC feedback, DEQ decided to request public comment, but not include it in the proposed rule. DEQ is requesting feedback on whether this reservation-based model would improve program accessibility and equity, reduce uncertainty for applicants and help avoid annual program suspensions. DEQ is also interested in comments on potential impacts to vehicle purchasing decisions, dealer participation, administrative complexity and the program's ability to increase zero-emission vehicle adoption as they relate to OCVRP.

The RAC did not address adjusting the rebate level for Charge Ahead Rebates for new PHEVs, but members did consider a similar concept was discussed for the Standard Rebate. In the proposed rules, DEQ proposes adjusting the Standard Rebate by lowering the rebate amount for plug-in hybrid vehicles to focus funds on those that provide the greatest air quality benefits. DEQ is interested in whether it should also be considered for the Charge Ahead Rebate for new vehicles, so DEQ is requesting specific public feedback in the notice of proposed rulemaking.

During the 2026 legislative session, the legislature considered HB 4009, a measure that proposes changes to OCVRP statutes, including allocating all funding to Charge Ahead Rebates, prohibiting Standard Rebates, limiting rebates to one per household and requiring additional reporting to the legislature. DEQ will report on the outcome of those legislative proceedings as part of this informational item.

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### **EQC involvement**

DEQ intends to bring a rule proposal for commission action at the May 14-15, 2026, EQC meeting.

### **Supporting materials**

- A. [EV Rebates 2026 Rulemaking Web page](#)
- B. [EV Rebates 2026 Notice of Proposed Rulemaking](#)

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### **Non-discrimination statement**

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