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ARCHIVES DIVISION
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NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 340
DEPARTMENT OF ENVIRONMENTAL QUALITY

FILED
01/19/2018 11:27 AM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Electric-Vehicle Rebates 2018

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 03/14/2018 4:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

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HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 02/26/2018

TIME: 1:00 PM - 2:00 PM

OFFICER: Colin McConnaha

ADDRESS: Portland State Office Building

800 NE Oregon St

Conference Room 1E

Portland, OR 97232

SPECIAL INSTRUCTIONS:

Call-in Phone Number: 888-278-0296

Participant ID: 8040259

Webinar Link:

<https://connect9.uc.att.com/service32/meet/?ExEventID=88040259>

DATE: 02/28/2018

TIME: 1:00 PM - 2:00 PM

OFFICER: DEQ Staff

ADDRESS: DEQ – Medford Office

221 Stewart Ave

Medford, OR 97501

SPECIAL INSTRUCTIONS:

Call-in Phone Number: 888-278-0296

Participant ID: 8040259

Webinar Link:

[https://connect9.uc.att.com/service32/meet/?ExEventID=](https://connect9.uc.att.com/service32/meet/?ExEventID=88040259)

NEED FOR THE RULE(S):

What need would the proposed rule address?

In 2017, Oregon Governor Kate Brown signed House Bill 2017 which creates a program to provide rebates to Oregonians who purchase certain types of zero-emission vehicles, including eligible plug-in hybrid zero-emission vehicles, and other zero-emissions vehicles that meet the program's specifications. 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.

How would the proposed rule address the need?

The proposed rules would implement Sections 148-157 of House Bill 2017 (2017), which directs DEQ to develop and implement a Zero-Emission and Electric Vehicle Rebate program for Oregon.

How will DEQ know the rule addressed the need?

It would establish a rebate program for the purchase or lease of new or used zero-emission vehicles. People will apply for and receive rebates.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

House Bill 2017 (2017): <https://olis.leg.state.or.us/liz/2017R1/Downloads/MeasureDocument/HB2017/Enrolled>

California Code of Regulations, 1962.1 and 1962.2:

https://www.arb.ca.gov/msprog/zevprog/zevregs/1962.1_Clean.pdf;

https://www.arb.ca.gov/msprog/zevprog/zevregs/1962.2_Clean.pdf

40 CFR 600.116-12, Special Procedures Related to Electric Vehicles and Plug-In Hybrid Electric Vehicles:

<https://www.gpo.gov/fdsys/granule/CFR-2012-title40-vol31/CFR-2012-title40-vol31-sec600-116-12>

Oregon Department of Employment 2015 data: Employment Department, 875 Union Street NE, Salem OR 97311

NYSERDA 2017 Announcements, "Governor Cuomo Announces 74 Percent Increase in Electric Car Sales Since Launch of Drive Clean Rebate in March": <https://www.nyserderda.ny.gov/About/Newsroom/2017-Announcements/2017-09-27-Governor-Cuomo-Announces-74-Percent-Increase-in-Electric-Car-Sales>

Atlanta Journal-Constitution, "Here's why electric car sales are plummeting in Georgia":

<http://politics.myajc.com/news/state--regional-govt--politics/here-why-electric-car-sales-are-plummeting-georgia/INGjfnDMALGkv2iUzwwXIO/>

FISCAL AND ECONOMIC IMPACT:

Summary

DEQ is proposing new rules for a Zero-Emission Vehicle Rebate program under Division 270 of Chapter 340 of the Oregon Administrative Rules. The proposed rules would implement Sections 148 through 157 of House Bill 2017 (2017), which directs DEQ to develop and implement an Electric Vehicle Rebate program for Oregon. The Electric

Vehicle Rebate program is designed to incentivize residents to purchase or lease certain types of zero-emission vehicles, thus increasing the adoption of zero-emission vehicles, reducing air pollution and advancing progress towards Oregon's greenhouse gas emissions reduction goals.

The Zero-Emission Vehicle Rebate program would contain two elements. The first element would provide standard rebates for the purchase or lease of eligible new zero-emission vehicles. A second element, called Charge Ahead rebates, would provide rebates for the purchase or lease of new or used zero-emission vehicle if the purchaser is from a low or moderate income household, resides in an area of the state with poor air quality due to transportation emissions, and scraps an internal combustion engine car that is at least 20 years old.

DEQ is proposing to establish program requirements including:

- The rebate amounts provided for the purchase or lease of zero-emission vehicles.
- Eligibility requirements for the vehicles and the purchasers that qualify for the programs.
- Program elements of the Charge Ahead rebate program, including eligibility criteria, as defined in rulemaking and certain design criteria such as requirements regarding vehicle scrappage and areas of residence.

Affected parties

Parties and types of industry and business likely affected by the Zero-Emission Vehicle Rebate program include:

- Automobile dealers – Businesses that sell or lease new and or used zero-emission vehicles. Under the rules, such entities may voluntarily choose to assist the purchaser in applying for the rebate at the point of sale and receive an assignment of the rebate from the purchaser.
- Automobile manufacturers – Businesses that manufacture zero-emission vehicles eligible for the rebate. Under the rules, such entities may voluntarily choose to assist the purchaser in applying for the rebate at the point of sale and receive an assignment of the rebate from the purchaser.
- Zero-emission vehicle purchasers – Oregon residents who purchase or lease zero-emission vehicles that meets program requirements. Under the rules, such persons may apply for and receive a rebate or may choose to assign the rebate to a dealer or manufacturer.

Fiscal and Economic Impact

The proposed rules are not anticipated to have any major economic impacts on any entities and may provide a benefit to zero-emission vehicle automobile dealers or manufacturers due to a potential increase in sales as a result of the rebates. The rules may also benefit buyers of zero-emission vehicles that qualify under the program, as they would potentially receive rebates for their purchases. The proposed rules would have a fiscal impact on DEQ, since DEQ is the agency responsible for implementing and overseeing the program. It is anticipated the Agency would need to hire an additional staff person to conduct this work to oversee the third-party entity hired to implement the program. Costs for DEQ

implementing the program and hiring and paying the third party entity would be covered by rebate program monies from the Zero-Emission Incentive Fund.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

DEQ

DEQ would experience a fiscal impact as a result of the rules. The rules establish a program to issue rebates for the purchase of eligible zero-emission vehicles, and DEQ is the agency responsible for implementing and overseeing the program. Although DEQ intends to contract with a third party to implement the program, process rebate applications, and track program activity, DEQ would need to hire an additional full-time employee to manage and oversee the third party entity and ensure program requirements are being met. Costs for DEQ implementing the program and hiring and paying the third party entity would be covered by rebate program monies from the Zero-Emission Incentive Fund. Program funding is provided through a tax which does have a fiscal impact on those paying it, but that tax is imposed directly by state statute and is not a result of the proposed rules. As part of the program requirements, DEQ would also be required to analyze rebate amounts on a yearly basis. Modifications to the amounts may require rule changes and updating of program materials and publicizing those changes to potential rebate recipients. DEQ also plans to conduct community outreach to low and middle income households for the Charge Ahead program to ensure the program is promoted effectively and to assess how it is being implemented.

Other governmental agencies

There are no anticipated fiscal impacts to other state, federal, or local agencies as a result of the proposed rules.

Public

The public 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 public, however, would experience other indirect benefits from the program. It could result in the purchase of more electric vehicles, which have cleaner emissions and could potentially reduce air pollution and cause a reduction in associated health effects. Additionally, under the rules developing the program, there are two rebates that members of the public could receive. The first is that members of the public will be eligible to receive standard rebates for the purchase or lease of a new zero-emission vehicles. The second, under the Charge Ahead program, is a Charge Ahead rebate for the purchase or lease of a new or used zero-emission vehicle if the purchaser is from a low or moderate income household, resides in an area of the state with poor air quality due to transportation emissions, and scraps an internal combustion engine car

that is at least 20 years old. Some zero-emission vehicle purchasers would receive a rebate to help defray the cost of a zero-emission vehicle. An additional benefit could be realized by qualified applicants in the Charge Ahead program because the Charge Ahead rebate could be combined with the standard rebate if the applicant purchases a new zero-emission vehicle.

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 number of large auto dealers who could participate in the program through the assignment of rebates, and up to 29 large manufacturers and some large auto dealers who would not participate because they do not manufacture or sell zero-emission vehicles.

For affected large businesses, the cost to comply with the proposed rules is anticipated to be similar to costs described for small businesses. This applies to automobile manufacturers and some auto dealers.

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. DEQ identified up to 253 small businesses potentially affected by this rule. This includes 245 automobile dealers (both new and used) and eight salvage companies that could participate in the scrappage component of the Charge Ahead program. However, participation in assignment of rebates or scrappage component is entirely optional to any automobile dealer or salvage company, and any associated costs might be offset by the increased number of sales these small businesses would experience in zero-emission vehicles or costs recouped from the resale of scrapped materials.

Small business may, however, face other indirect effects from the program. Overall, DEQ anticipates that affected small businesses would benefit from the proposed rules. Zero-emission vehicle manufacturers and dealers who sell zero-emission vehicles may see an increase in sales because the rebates would encourage more people to purchase zero-emission vehicles who might not otherwise have done so. Based on sales data from other states, zero-emission vehicle sales increased once the rebate became available. In New York, the sales of zero-emission vehicles saw a 74 percent increase over the same period in the previous year, prior to when a zero-emission vehicle rebate incentive was offered. Alternatively, in Georgia, sales of electric vehicles decreased 80 percent when the state eliminated a tax credit for such purchases in 2015.

Because the rules allow dealers and manufacturers who do not have licensed franchised new automobile dealers in Oregon to assist rebate applicants in applying for rebates at the point of sale and receive assignments of rebates from applicants, some dealers and manufacturers may see increased operating costs if they choose to take advantage of that option. For example, offering such an option presents potential additional paperwork or training requirements (approximately 4-6 hours) to ensure employees can properly utilize any necessary electronic databases. Further,

businesses that offered that option and directly applied the anticipated rebate toward a car payment, lease agreement, or to reduce the overall price of a purchased car might have to carry increased "debt" or "carryover" while waiting for the rebate application to be processed and funds to be remitted into their accounts. However, participation in assignment of rebates is entirely optional to any eligible entity, and any associated costs might be offset by the increased number of sales those entities would experience in zero-emission vehicles. Based on available information DEQ expects a net positive fiscal benefit to zero-emission dealers and manufacturers from the proposed rules.

Under the Charge Ahead program, qualified applicants would be required to scrap an internal combustion engine car in order to obtain the rebate. Automobile dealers providing a service for scrapping the car at their dealership would potentially see a delayed benefit. Incapacitating the engine block to fulfill the scrappage requirement prevents the resale of the entire car. However, the cars might still retain some value for the remaining components and parts. Vehicle scrappage companies might see a benefit because their business may increase as a result of cars being required to be scrapped in order for Charge Ahead applicants to receive their rebate.

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 253 small businesses potentially affected by this rule. This includes 245 automobile dealers (both new and used) and eight salvage companies that could participate in the scrappage component of the Charge Ahead program.

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

DEQ is proposing rules to issue rebates to zero-emission vehicle purchasers and to allow purchasers to assign their rebates to automobile dealers or manufacturers who do not have licensed franchised new automobile dealers in Oregon. For the automobile dealer, there may be some administrative activities required to fill out the necessary paperwork on behalf of the purchaser, submit the information to DEQ or the third party entity administering the rebate program, track the funds, and receive payment if they choose to participate in the assignment program.

Under the Charge Ahead program, there may be additional recordkeeping required for auto dealers who chose to participate in the assignment aspect of the program and vehicle scrappers who offer scrappage services to rebate applications to show proof of conventional gasoline car scrappage (in the form of a receipt or form provided by DEQ) for the qualified applicant to receive his or her rebate.

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

DEQ is proposing rules to issue rebates to zero-emission vehicle purchasers and to the dealers on behalf of the purchaser. For the automobile dealers and manufacturers who choose to submit the rebate information on behalf of the purchaser, there may be some minimal training necessary (approximately 4-6 hours of staff time) or additional administration to process and submit information regarding rebate program submittals and remittance.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

DEQ included small business representatives on the Electric Vehicle Rebate Rule Advisory Committee that advised DEQ on the cost of compliance for small businesses. DEQ also provided rulemaking notice through the Oregon Auto Dealers Association and the Oregon Independent Auto Dealers Association. These associations include small businesses as part of their membership.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

HOUSING IMPACT STATEMENT:

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 because they only affect purchasers of zero-emission vehicles, auto dealers and manufacturers who sell or produce zero-emission vehicles, and salvage companies who voluntarily scrap cars under the Charge Ahead program.

RULES PROPOSED:

340-270-0010, 340-270-0020, 340-270-0030, 340-270-0100, 340-270-0110, 340-270-0120, 340-270-0200, 340-270-0300, 340-270-0400, 340-270-0410, 340-270-0420, 340-270-0430, 340-270-0500

ADOPT: 340-270-0010

RULE SUMMARY: Overview of the ZERO-EMISSION AND ELECTRIC VEHICLE REBATES program.

CHANGES TO RULE:

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 the Department of Environmental Quality to establish a rebate program for zero-emission vehicles. OAR division 270 of chapter 340 implements that law.¶

(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 2017 (2017)

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

ADOPT: 340-270-0020

RULE SUMMARY: Effective Dates for the ZERO-EMISSION AND ELECTRIC VEHICLE REBATES program

CHANGES TO RULE:

340-270-0020

Effective Dates

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

(2) The rebates for the Charge Ahead Program take effect on January 1, 2018.¶

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

(4) The rules in this division expire on January 2, 2024.¶

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

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

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

ADOPT: 340-270-0030

RULE SUMMARY: Definitions and Abbreviations for the ZERO-EMISSION AND ELECTRIC VEHICLE REBATES program.

CHANGES TO RULE:

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) "High-emission passenger motor vehicle" means a motor vehicle that is:¶

(a) Designed primarily for the transportation of persons;¶

(b) Powered by an internal combustion engine that is 20 years old or older; and¶

(c) Is not capable of transporting 10 or more passengers.¶

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

(7) "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 four 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.¶

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

(9) "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.¶

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

(11) "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 three wheels.¶

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

(13) "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; and¶

(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 wheels¶

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

(15) "Scrap" means a motor vehicle that is incapable of operating on public streets, roads, and highways because its engine has been rendered unusable.¶

(16) "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 seven 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).¶

(17) "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.¶

(18) "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 2017 (2017)

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

ADOPT: 340-270-0100

RULE SUMMARY: Vehicles Eligible for Zero-Emission Vehicle Standard Rebates

CHANGES TO RULE:

340-270-0100

Vehicles Eligible for Zero-Emission Vehicle Standard Rebates

To qualify for a standard rebate, a motor vehicle must qualify as an eligible vehicle, as defined in OAR 340-270-0030(4), 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.

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

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

ADOPT: 340-270-0110

RULE SUMMARY: Amount of Zero-Emission Vehicle Standard Rebates for the ZERO-EMISSION AND ELECTRIC VEHICLE REBATES program.

CHANGES TO RULE:

340-270-0110

Amount of Zero-Emission Vehicle Standard Rebates

(1) The amount of the rebate for eligible light-duty zero-emission vehicles and plug-in hybrid electric vehicles with electrochemical energy storage capacities of 10 kilowatt hours or more is \$2,500.¶

(2) The amount of the rebate for eligible light-duty zero-emission vehicles and plug-in hybrid electric vehicles with electrochemical energy storage capacities of less than 10 kilowatt hours is \$1,500.¶

(3) The amount of the rebate for eligible neighborhood electric vehicles is \$750.¶

(4) The amount of the rebate for eligible zero-emission motorcycles is \$750.

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

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

ADOPT: 340-270-0120

RULE SUMMARY: Requirements for Zero-Emission Vehicle Standard Rebates for the ZERO-EMISSION AND ELECTRIC VEHICLE REBATES program.

CHANGES TO RULE:

340-270-0120

Requirements for Zero-Emission Vehicle Standard Rebates

(1) A person may only apply for a 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) Provide proof of registration of the eligible vehicle in Oregon; ¶

(d) Submit an application within six months after the vehicle purchase or lease date; and ¶

(e) Provide any additional information and documentation requested by DEQ that is necessary to ascertain that the applicant qualifies for a rebate; ¶

(f) Agrees to participate in ongoing research efforts regarding the program. ¶

(3) Recipients may assign the rebate to a vehicle dealer, or to an original equipment manufacturer, that does not have licensed franchised new automobile dealers in Oregon. The limit established in subsection (5) of this rule does not apply to vehicle dealers or automobile manufacturers who receive rebate assignments pursuant to this section. ¶

(4) Recipients may not make or allow any modifications to the vehicle's emission-control systems, hardware, or software calibrations, or the vehicle's hybrid system. ¶

(5) An organization that applies for a rebate, including businesses, non-profit organizations, and state and municipal governments, is limited to ten 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.

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

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

ADOPT: 340-270-0200

RULE SUMMARY: Application Review Process for the ZERO-EMISSION AND ELECTRIC VEHICLE REBATES program.

CHANGES TO RULE:

340-270-0200

Application Review Process

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

(2) DEQ will reject all applications that do not meet the applicable requirements of OAR 340-270-0100, -0120, -0410, and -0430. ¶

(3) As provided in OAR 340-270-0120(2)(e), DEQ may require additional information or documentation to complete its review of an application. If DEQ does not receive the requested information and documentation within 30 days of its request, DEQ may reject the application. ¶

(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, 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 2017 (2017)

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

ADOPT: 340-270-0300

RULE SUMMARY: Vehicle Ownership Provision for the ZERO-EMISSION AND ELECTRIC VEHICLE REBATES program.

CHANGES TO RULE:

340-270-0300

Vehicle Ownership Provision

If a rebate recipient intends to sell the eligible vehicle, or terminate the eligible vehicle's lease, before the end of 24 months after the purchase or lease date, the rebate recipient must notify DEQ of the recipient's intent to sell the vehicle or terminate the lease and must reimburse DEQ for the entire rebate amount.

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

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

ADOPT: 340-270-0400

RULE SUMMARY: Charge Ahead Program in the ZERO-EMISSION AND ELECTRIC VEHICLE REBATES program.

CHANGES TO RULE:

340-270-0400

Charge Ahead Program

(1) OAR 340-270-0400 through -0430 establish the requirements for the Charge Ahead Program.¶

(2) The Charge Ahead Program provides rebates for the purchase or lease of new or used vehicles that meet the requirements of OAR 340-270-0410 if the purchaser:¶

(a) Is from a low or moderate income household;¶

(b) Resides in an area of the state with elevated concentrations of air contaminants commonly attributable to motor vehicle emissions; and ¶

(c) Renders a high-emission passenger motor vehicle a scrap.

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

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

ADOPT: 340-270-0410

RULE SUMMARY: Vehicles Eligible for the Charge Ahead Program in the ZERO-EMISSION AND ELECTRIC VEHICLE REBATES program.

CHANGES TO RULE:

340-270-0410

Vehicles Eligible for the Charge Ahead Program

To be eligible for a Charge Ahead rebate, a motor vehicle must be a light-duty zero-emission vehicle with an electrochemical storage capacity and have a purchase or lease date on or after January 1, 2018.

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

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

ADOPT: 340-270-0420

RULE SUMMARY: Amount of Charge Ahead Program Rebate in the ZERO-EMISSION AND ELECTRIC VEHICLE REBATES program.

CHANGES TO RULE:

340-270-0420

Amount of Charge Ahead Program Rebate

(1) The amount of the Charge Ahead rebate is \$2,500. ¶

(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.

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

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

ADOPT: 340-270-0430

RULE SUMMARY: Requirements for Charge Ahead Program Rebate in the ZERO-EMISSION AND ELECTRIC VEHICLE REBATES program.

CHANGES TO RULE:

340-270-0430

Requirements for Charge Ahead Program Rebate

(1) To qualify for a Charge Ahead rebate, an applicant must meet the requirements in OAR 340-270-0120, except that the requirements in OAR 340-270-0120(1)(a) do not apply, and the applicant must: ¶

(a) Provide sufficient information to allow DEQ to determine that the applicant is a member of a low or moderate income household; ¶

(b) Provide sufficient information to allow DEQ to determine:¶

(A) That the applicant resides in an area of Oregon that has elevated concentrations of air contaminants commonly attributable to motor vehicle emissions, including, but not limited to, particulate matter, benzene, and nitrogen oxides, relative to other areas of the state; and ¶

(B) That the particular contaminate relied upon in subsection (B) is either benzene, nitrogen oxide, particulate matter, or another qualifying contaminate commonly attributable to motor vehicle emissions;¶

(c) Provide documentation that a high-emission passenger motor vehicle, on the date of the rebate application, is registered as operable and has been continuously registered for the last two years. ¶

(d) Provide documentation that the applicant will render the motor vehicle described in subsection (c) a scrap. The documentation must include:¶

(A) How the high-emission passenger motor vehicle will be rendered a scrap; ¶

(B) When the high-emission passenger motor vehicle will be rendered a scrap; and ¶

(C) A signed statement certifying that the information is accurate to the best of the certifying individual's knowledge and that the individual will follow through and ensure that the high emission passenger motor vehicle is actually rendered a scrap by the means and on the date specified in subsections (A) and (B).¶

(2) The application review process established by OAR 230-270-0200 will apply to applications for Charge Ahead rebates.¶

(3) The provisions in OAR 340-270-0120(3)-(5) and -0400 apply to rebates under the Charge Ahead Program.

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

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

ADOPT: 340-270-0500

RULE SUMMARY: Allocation of Rebate Funding for the ZERO-EMISSION AND ELECTRIC VEHICLE REBATES program.

CHANGES TO RULE:

340-270-0500

Allocation of Rebate Funding

DEQ will allocate at least ten percent of available moneys deposited per biennium into the Zero-Emission Incentive Fund for rebates under the Charge Ahead Program.

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

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