



Oregon Clean Vehicle Rebate Program Program Review

Submitted to the 2024 Oregon Legislature

Sept. 15, 2024



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Executive Summary

The Oregon Clean Vehicle Rebate Program (OCVRP) provides rebates to those who live in Oregon for the purchase or lease of an electric vehicle. It was established by the 2017 Oregon Legislature to encourage higher adoption of zero-emission vehicles to reduce air pollution and advance the state's greenhouse gas reduction goals.

The program offers two different types of rebates: a Standard Rebate available to all Oregon residents who purchase or lease a new eligible vehicle and a Charge Ahead Rebate for Oregon residents who are low- or moderate-income and purchase or lease a new or used eligible vehicle. The Charge Ahead Rebate aims to make ZEVs accessible to all Oregon residents. It offers a higher rebate amount for lower income households, with the goal that no one is left behind in the transition to ZEVs

Participation in OCVRP has steadily grown since its inception, with over 31,000 rebates issued as of Aug. 5, 2024. It is funded through the state's Vehicle Privilege Tax, which provides DEQ with \$12 million per year or 45% of the annual tax, whichever is greater. Also, the program received a one-time allocation of \$15 million from the Oregon legislature in 2022 to ensure sufficient funds for continuing rebates. However, demand continued to outpace funding and OCVRP had to temporarily suspend rebates in both 2023 and 2024. At current funding levels, the program expects future annual suspensions to be likely.

OCVRP will see additional federal revenue for 2025 Charge Ahead Rebates. DEQ garnered a Climate Pollution Reduction Grant through the U.S. Environmental Protection Agency. Therefore, the total for this next year's Charge Ahead Rebates will be about \$30 million, increasing the number of rebates available to low- and moderate-income households. DEQ expects the entire amount will be used during the 2025 purchase/lease period.



State of Oregon
Department of
Environmental
Quality

Key Report Findings include:

- **The Oregon Clean Vehicle Rebate Program has been successful in reducing greenhouse gas emissions related to transportation.** The purchase/lease of a new EV will result in average avoided emissions of more than 33 tons of CO₂/vehicle. The program has facilitated a net reduction of CO₂ emissions by nearly 875,000 tons. EVs purchased or leased under the program are responsible for reducing Oregon's transportation emissions by more than 4% below 1990 levels in the five years it has been operating.
- **Demand for rebates is consistently outpacing the funding allotted to the program.** OCVRP's popularity continues to grow. Rebate demand has increased 20% year over year. In 2022, DEQ projections correctly predicted a future funding shortfall for the program. OCVRP was forced to suspend rebates in 2023 and 2024 due to the depletion of funds.
- **Rebate specifics in statutes provide little flexibility to the program.** To vary components, such as rebate application windows, rebates amounts based on battery range, as opposed to storage capacity, or rebate amount adjustments, could help DEQ more accurately forecast and allot available funding to avoid additional program suspensions.

While program suspensions create challenges for potential participants, DEQ's metrics show the OCVRP has been immensely successful in supporting Oregon's transition to ZEVs. Also, it is effective in supporting the state's climate goals. Interestingly, the program serves as an example for other states, particularly as it relates to low- and moderate-income participants. Overall, the Oregon Clean Vehicle Rebate Program is encouraging drivers to transition to cleaner transportation choices. This is particularly true among lower-income residents who may be less able to afford the initial higher upfront cost of an electric vehicle.

DEQ staff continue to meet and collaborate with relevant interested parties to discuss CPRG implementation and ideas for long term financial sustainability. Without additional funding or significant programmatic changes, the OCVRP expects to continue annual suspensions for both the Standard and Charge Ahead Rebates.

View the full report on the DEQ's website.

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Program Background

[HB 2017](#) (2017), also known as the *Keep Oregonians Moving Act*, represented the most comprehensive transportation investment package in recent Oregon history. The legislation included a suite of investments and programs aimed at reducing greenhouse gas emissions and other pollutants from the transportation sector. In addition to direct investments in public transit and safe routes to schools, it directed the Oregon Department of Environmental Quality to develop and implement an electric vehicle rebate program.

By 2021, approximately 35% of greenhouse gas emissions in Oregon came from the transportation sector.¹ Transitioning to lower-emitting vehicles, including electric vehicles, was seen as one of many important approaches to meeting the state’s statutory greenhouse gas reduction goal of reducing emissions to 75%% below 1990 levels by 2050. This report is submitted in accordance with the requirement in [ORS 468.448](#) that the department report to the legislative assembly on even-numbered years on the effectiveness of the program, use of funds, recommendations on future legislation and the results of relevant audits. that the department report to the legislative assembly on even-numbered years on the effectiveness of the program, use of funds, recommendations on future legislation and the results of relevant audits.

“This is my first EV ... With the rebate it didn't cost us a huge amount of money and **we are saving a lot on the cost of fuel as well as combatting climate change.**” - Gregory, OCVRP Charge Ahead Rebate Recipient

Overview

The Oregon Clean Vehicle Rebate Program is funded through the state's Vehicle Privilege Tax. The tax is assessed as 0.1% of all new vehicle sales.² The Zero-Emission Incentive Fund receives 45% of the Privilege Tax, but no less than \$12 million annually. No more than 10%% of available funds may be used to administer the program, excluding education and outreach costs.

[ORS 468.444](#) established the “Standard Rebates³,” for the purchase or lease of new electric vehicles. The rebates established by statute are:

¹ <https://www.oregon.gov/deq/ghgp/pages/ghg-inventory.aspx>

² ORS 320.345

³ ORS 468.444, states, “The Department of Environmental Quality shall establish a program for providing rebates to persons that purchase or lease qualifying vehicles for use in this state. The Director of the Department of Environmental Quality may hire or contract with a third-party organization to implement and serve as the administrator of the program required by this section.” The term “Standard Rebate” is used to differentiate from the Charge Ahead Rebate program.

- For new, zero-emission and plug-in hybrid electric cars and trucks with a battery capacity of 10 kilowatt hours or more, between \$2,500 and \$1500.
- For new, zero-emission or plug-in hybrid electric cars and trucks with a battery capacity of less than 10 kilowatt hours, between \$1500 and \$750.
- For neighborhood electric vehicles, between \$375 and \$750; and,
- For zero-emission motorcycles, between \$375 and \$750.

ORS 468.446 established the Charge Ahead Rebate, which is specifically designed to ensure equitable access to the benefits of transitioning to zero-emission vehicles. Charge Ahead Rebates provide a flat \$5,000 rebate for the purchase or lease of a new **or used** electric vehicle to applicants with an income of 400% of the federal poverty line or below. They are available to qualifying households and service providers serving low- to moderate-income individuals or households. If the applicant is obtaining a new vehicle, the Charge Ahead Rebate can be combined with a Standard Rebate for a maximum total incentive of up to \$7,500; these rebates are referred to as “Standard Charge Ahead” Rebates.

Legislative Actions

The Legislative Assembly amended the program in 2018, 2019, 2021 and 2024. [HB 4059 \(2018\)](#) contained technical adjustments and simplified Charge Ahead Rebate requirements. Specifically, the legislation removed a requirement that Charge Ahead Rebate recipients scrap an older vehicle and live in an area of the state disproportionately impacted by pollution from motor vehicles. [HB 2592 \(2019\)](#) clarified program requirements and expanded program eligibility for Charge Ahead Rebate participants. Changes included allowing electric plug-in hybrid vehicles under the Charge Ahead Rebate, prorating reimbursement if a rebate recipient sells or terminates the lease of the electric vehicle before the end of the required 24 months, and allowing people who purchased vehicles between Jan. 1, 2018, and Aug. 2, 2018, to have an additional six-month window to apply for rebates.

[HB 2165 \(2021\)](#) made several changes to the Charge Ahead Rebate to increase use among low- and moderate-income Oregon households. It increased the rebate from \$2,500 to \$5,000, added low-income service providers as eligible applicants, changed the household income calculation from 120% area median income to 400% of the federal poverty guideline, and increased the minimum amount of funding allocated to Charge Ahead from 10% to 20%. This bill also removed OCVRP’s sunset date.

In 2024, the Legislative Assembly passed [HB 4109](#). This bill separated the rebates under ORS 468.444 and ORS 468.446 by establishing a specific Charge Ahead Zero-Emission Vehicle Fund and creating a Charge Ahead New Vehicle Rebate of up to \$7,500. The bill removed the option to stack the Charge Ahead Rebate with the Standard Rebate when applicants obtained a new vehicle but maintained the requirement that at least 20% of all available funding be used for Charge Ahead Rebates. The amendments were made in anticipation of receiving targeted Charge Ahead funding through the EPA’s Climate Pollution Reduction Grant, which

prioritized actions that both reduce GHG emissions and support lower-income and disadvantaged communities. While DEQ explores options to slow the impact of demand outpacing funding, the intent of the bill was to expand options for Charge Ahead Rebates. This would, in turn, result in less stress on funding for Standard Rebates.

Administrative Rule Updates

The Environmental Quality Commission adopted initial program rules in May 2018. The rules were updated in 2020 and 2022 in response to legislative action.

OCVRP explored rulemaking in 2022 as budget forecasts began to indicate that demand would soon outpace available funding. The program met with interested parties in 2022 and 2023 to discuss decreasing the rebate amounts to the extent allowed under statute to control program costs. DEQ ultimately did not move forward with any rulemaking due to concerns from interested parties regarding the impact of the adjustments on lower-income households.

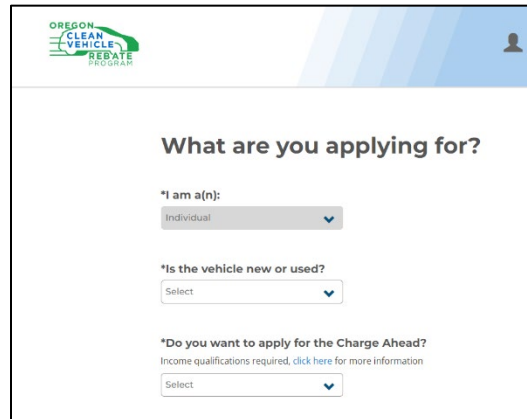
DEQ is currently undergoing a rulemaking in order to incorporate the 2024 legislative actions. Proposed rules create a Charge Ahead Rebate level for new vehicles, remove the ability to stack the Standard and Charge Ahead Rebates and create a new fund for the Charge Ahead Program. The goal of these changes is to keep the program functionally the same, in particular for those Charge Ahead applicants obtaining a new vehicle, while also allowing the Charge Ahead Program to remain open longer if the program receives focused funding. The proposed rule is expected to go to the Environmental Quality Commission for consideration in September 2024.

Program Implementation

ORS 468.444 and ORS 468.446 both provide that DEQ may hire or contract with a third party to implement and serve as the administrator of the programs. Administrative costs related to the program include all state staff costs and contracted expenditures except those related to outreach. The program has one full-time staff member, the Oregon Clean Vehicle Rebate Coordinator. This position is the primary point of contact for all vendors, runs quality control measures on all rebate payment lists before rebate payments are issued, leads program planning and interested party engagement efforts, and responds to and coordinates internal inquires and requests. DEQ also works with several contractors to implement the program.

Rebate Processing

DEQ solicited for and retained a third-party vendor, the Center for Sustainable Energy, to implement the rebate processing portion of the program. CSE has a proven track record of successfully managing electric vehicle rebate programs in several other states. DEQ works closely with the vendor to ensure robust rebate application processing protocols, user-friendly applications for Standard and Charge Ahead rebates and a process for working with dealers to apply rebates at the point of sale. The program was subject to the State’s Enterprise Information Services Stage Gate process for information technology projects due to personal identifiable information related to processing rebates. CSE developed a robust rebate application process and online platform for individual and dealer applications. CSE accepts, reviews and processes all rebate applications, serves as the primary point of contact for most customer service inquiries, administers applicant surveys, updates a program website and dashboard and develops program reports and projections.



Program Statistics

As of August 5th, 2024, DEQ has issued a total of 31,778 rebates. DEQ’s [Rebate Statistics](#) website summarizes those rebates in the following ways:

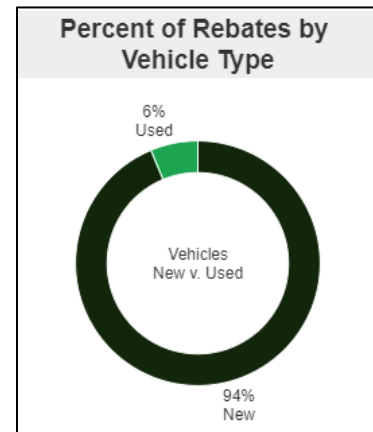
Rebate Type:

- 83% Standard Rebates (26,385 rebates) and 69% of funding (\$64,162,500)
- 10% Standard Charge Ahead Rebate (3,320 rebates) and 22% of funding (\$20,688,500)
- 7% Charge Ahead Rebate (2,073 rebates) and 9% of funding (\$8,007,500)

Rebated Vehicles:

- **Vehicle Type:** Of all the vehicles rebated, 94% have been new vehicles and 6% used. The Standard rebate is only available for new vehicles, so 100% of the Standard and Standard Charge Ahead vehicles have been new. If considering only vehicles receiving the Charge Ahead Rebate (Standard Charge Ahead and Charge Ahead only), 63% have been new and 37% used.

- **Vehicle Category:** Of the 31,530 rebates issued, 77% of them have been full battery electric vehicles and 22% have been PHEVs. Zero emission motorcycles make up less than 1% of rebated vehicles. Standard and Standard Charge Ahead vehicles closely match the overall numbers. Charge Ahead vehicles lean more heavily toward BEVs with those making up 84% of all Charge Ahead Rebates and PHEVs being 16% of the Charge Ahead rebated vehicles.



Rebates Issued at the Dealership

Through the contract with CSE, DEQ has entered into agreements with auto dealerships across the state to allow rebates to be applied at the time of purchase or lease. Applying rebates at point of sale increases access for participants by allowing them to receive the rebate right away; DEQ then issues the rebate directly to the dealer. Over [171 dealers](#) currently participate in the program across the state. As of July 18, 2024, over \$27.7M, or about 1/3 of rebates, have been issued through participating dealerships.⁴

Standard Rebates have been issued at dealerships since February 2019. Due to the income verification component, it took longer for Charge Ahead Rebates to be available at the point of sale at dealerships. The first Standard Charge Ahead Rebate for a new vehicle was issued at a dealership in April 2023 and Charge Ahead Rebates for used vehicles began being issued in April 2024.

Charge Ahead Prequalification

The Charge Ahead and Standard Charge Ahead Rebates require applicants to provide documentation that their household income meets program requirements. DEQ entered into an interagency agreement with the Department of Revenue and worked with a third-party contractor to develop a secure applicant webform that allows for prequalification for Charge Ahead applicants. The Charge Ahead Prequalification Process represented a giant leap toward making the rebate more accessible to low- and moderate-income households.

DEQ and DOR piloted the process in Spring 2023 and fully implemented it in Spring 2024. Applicants can now apply to have their income reviewed prior to their vehicle purchase or lease

⁴ 10,517 Standard Rebates, 103 Standard Charge Ahead Rebates and 238 Charge Ahead Rebates

to see if they qualify for the Charge Ahead Rebate. This removes two barriers to Charge Ahead applicants. The applicant can confirm they are eligible for the additional incentive prior to making the vehicle purchase, removing that potential unknown and they can apply the rebate at the time of sale or lease, decreasing the upfront price of the vehicle.

Potential Charge Ahead applicants complete a simple webform, providing their contact, address and household information. They can choose to authorize DEQ to work the Department of Revenue to verify income using their tax transcripts or provide DEQ with proof of enrollment in another program that verifies income, such as SNAP or Oregon Health Plan.

If the applicant's household income meets the program requirements, they receive a Charge Ahead Prequalification Voucher that can be used at any participating dealership to receive the Charge Ahead Rebate at the time of sale or lease. The applicant provides the participating dealerships with the voucher, the dealer verifies its validity using a simple web look-up form and then provides the rebate at the time of sale and applies for the rebate on the applicant's behalf.

Between the pilot in 2023 and the closing of the program in June 2024, the program has approved a total of 1,804 Charge Ahead Prequalification Vouchers. As of July 24, 2024, DEQ 725 have been redeemed. 59% of all 2024 Charge Ahead Rebates issued as of July 24, 2024, used a Charge Ahead Prequalification Voucher to verify their income and 40% of applicants prequalified for Charge Ahead have redeemed their voucher and applied for the rebate.



Community Engagement

The rebate processing contract initially included a subcontract with Forth to implement education and outreach. Forth conducted marketing, education and outreach activities including community events, dealership engagement, vehicle manufacturers and developing community partners statewide. However, the COVID-19 State of Emergency limited the scope of the initial outreach in scope and Forth concluded in 2021.

Understanding that one of the barriers to the program is awareness, DEQ issued two RFPs for engagement work in 2022. One focused on dealership engagement, as that is the first place many people learn of vehicle incentives. The other focused on Charge Ahead communities, including low- and moderate-income communities, rural communities and communities of color, with the goal of collaborating with community-based organizations to reach these communities. DEQ selected CSE for the dealership focused contract and Thuy Tu Consulting for the Charge Ahead focused engagement contract.

CSE has long-standing relationships with dealerships, as well as staff with experience and ties to the dealership and vehicle manufacturing communities. The contract for this work was executed in January 2023. The workplan includes dealership trainings, updating program collateral and materials, consistent dealership communications and engagement, as well as listening sessions to better understand the dealership experience with the program. Since this contract began, over 65 new dealerships have signed up to participate with the program, including 18 used car dealerships. The current focus of the work is ensuring the program has accurate and responsive contacts for all dealerships, updating and training participating dealers and signing up new dealerships, especially those that are in rural areas and/or that offer used vehicles.



Thuy Tu Consulting has deep ties to several community-based organizations and experience within the transportation sector. The contract was executed in December 2022. The two-year workplan includes community partnerships with several community-based organizations that have tabled and hosted over 25 events, including one session and survey conducted in Spanish in 2024. Outreach has included a multi-lingual open house focused on the program and EV FAQs, five listening sessions, updating program materials, as well as gathering participant testimonials, some of which are shared in text boxes within this report. The current focus of the work is gathering feedback from communities on their interests and potential barriers around EVs and OCVRP, including an ongoing community survey, and sharing program updates with their communities. With the additional CPRG funding, 2025 will focus on more engagement events and outward promotion of the program.

“This is our first EV/PHEV and we were definitely incentivized by the rebate. **It was instrumental in giving us the push we needed to move to EV,** especially because it included used EVs in the rebate. The process was pretty easy. We have been very happy with our new car.” – Pierson, Charge Ahead Rebate Recipient

Program Revenue and Expenditures

Revenue

As of May 31, 2024, the Oregon Department of Revenue has transferred \$83,654,278.89 from the Vehicle Privilege Tax into the Zero-Emission Incentive Fund. The Department of Revenue transfers funds in multiple disbursements, typically in February and May of each year, and beginning in 2023, if 45% of the revenue received from the Vehicle Privilege Tax is over \$12M, an additional disbursement is also received in November. In 2021 and 2022, the program received \$12 million, and in 2023 the program received \$15,395,232.25, and in 2024 \$12 million to date with an expected fourth quarter disbursement. The Legislative Revenue Office forecast predicts a \$16 million annual transfer in 2025, growing to \$20 million by 2030⁵.

In 2022, the Program also received an additional one-time General Fund allocation of \$15 million to help ensure the program was able to fulfill projected rebate demand. OCVRP has received a total of \$98,654,278.89 in Vehicle Privilege and General Fund dollars over the course of the program.

⁵ ODOT State Transportation Revenue Forecast, page 43:
https://www.oregon.gov/odot/Data/Revenue%20Forecasts%20%20Economic%20Reports/Apr%202024%20Forecast%20document_final_update.pdf

In March 2024, OCVRP was included in the state's Climate Pollution Reduction Grant requesting a total of \$31 million for the Charge Ahead Program. The EPA announced the award of Oregon's CPRG on July 22, 2024. 5. The grant allows the Charge Ahead program to reopen in Spring 2025 and DEQ anticipates it will remain open throughout the rest of the year

Expenditures

DEQ categorizes the program costs into three different areas: Rebates, Administrative and Education and Outreach. The rebate costs include all rebates issued to individuals and dealers, including both the Standard Rebate and the Charge Ahead Rebate. As of June 30, 2024, DEQ has awarded over \$91 million in rebates, comprised of 26,268 Standard Rebates, 3,232 Standard & Charge Ahead Rebates and 2,030 Charge Ahead Rebates.

DEQ administrative costs to date are 7% of the total budget, well under the 10% cap. Education and outreach costs, which are not capped, involve all engagement related contracts, including both the dealership and focused Charge Ahead education and outreach contracts.

The following table reflects expenditures from August 2, 2018 (when DEQ first had access to funding) through June 30, 2024.

OCVRP Expenditures (2018 – 2024)

| Expenditures | Total Amount |
|---|-------------------------|
| Rebate Payments | \$ 91,820,255.01 |
| Administrative Costs | \$ 7,165,709.48 |
| Education and Outreach | \$ 521,292.54 |
| Total OCVRP Related Expenditures | \$ 99,160,956.78 |

Internal Audit Results

During the 2022 fiscal year, DEQ contracted with the Portland State University Audit Office to perform an audit of OCVRP. This audit focused on obtaining reasonable assurance that internal controls over OCVRP rebates were implemented and working effectively. The scope of the audit focused primarily on transactions and events occurring from the start of the program through October 29, 2021.

The audit conformed with auditing standards and included interviews with DEQ staff and CSE (the rebate processing contractor), a review of the rebate processing contract and amendments, observed and reviewed operating procedures, testing of dealership and individual payments,

data analysis on a sampling of rebate payment lists and a review of OCVRP banking statements.

The audit found that the processes and controls were working well for dealership payments and verification of those records was easily obtainable. The audit noted that it was difficult to confirm the eligibility requirements for the Charge Ahead Rebates, as CSE was unable to share the income records due to the confidential nature of the records and agreements CSE signed with the IRS regarding taxpayer privacy. The auditor also recommended enhanced monitoring controls over vehicle ownership and rebate eligibility, obtaining access to CSE's applicant database system and a review of CSE's standard operating procedures.

DEQ has incorporated many of the recommendations identified in the audit, such as including additional vehicle ownership data into the program, obtaining access to CSE's applicant database, and reviewing and requesting more detailed SOPs from CSE. DEQ is also working with the Oregon Department of Revenue to create an internal income review process for Charge Ahead applicants applying for Charge Ahead Prequalification, meaning the agency now has greater access to income eligibility records for many participants. DEQ continues to review program protocols and look for ways enhance processes and data access.

Program Suspension

In 2021, DEQ projections began to indicate that rebate demand would begin outpacing projected funding beginning in 2022. During the 2022 Legislative Session, OCVRP was allocated a one-time \$15 million disbursement of general fund dollars to enable the program to remain open for the full 2022 calendar year. In addition, the percentage of Privilege Tax allocated to OCVRP was increased from a flat \$12 million per year to 45% of the revenue, or at least \$12 million per year. The \$15 million general fund allocation allowed the program to remain open through all of 2022 and provided about \$3.5 million in carryover funds to 2023.

In 2023, despite the carryover funds and increase in Privilege Tax revenue, rebate demand continued to grow and OCVRP was suspended for the first time on May 1, 2023, due to demand exceeding available funding. To alleviate challenges associated with the suspension, DEQ announced the suspension about six weeks in advance of the projected funding shortfall through multiple channels. The program utilized GovDelivery, press releases, website banners and dealership communications to broadcast the suspension. The announcement led to a surge in demand and applications outpaced projections. The program instituted a waiting list which grew to over 1200 applicants. Under program rules, waitlisted applicants receive their rebates on a first come first served basis as funding is replenished. Some waiting list applicants received their checks in late 2023 upon the program receiving their fourth quarter disbursement of Privilege Tax funding. However, most received their rebate in Spring 2024 after the first quarter disbursement.

“First EV. I found the program through personal research as I work for a nonprofit which provides energy incentives. **The rebate played a crucial role in me selecting and affording an EV!** The process was OK to navigate, and I successfully received the check in the mail at a new address, so the customer service from your team was excellent. I also had many questions before starting and everyone answered helpfully. I love this program and hope it grows! The \$7500 total cash rebate and being able to directly apply \$2500 at the dealership signing upfront was amazing. This seriously made the EV more affordable upfront and I’m very pleased with how the program was executed.” – Taylor, Charge Ahead Rebate Recipient

Per program rules, OCVRP did not reopen in 2024 until all 2023 waiting list applicant’s checks were processed. Upon reopening, DEQ also prioritized Charge Ahead applications until at least 20% of the funding was issued to Charge Ahead rebates to ensure the legislative requirement was met. Due to a continued growth in demand, OCVRP was only able to open in 2024 for two months (April 3, 2024 - June 3, 2024). Despite the short open period, OCVRP currently has a growing list of applicants that will have to wait until late 2024 or early 2025 to receive their rebate checks.

Interested parties have expressed their concern about the barriers program suspension can create, especially to lower income consumers who may not have as much of a choice as to when they purchase or lease their vehicle. This means those lower income households that need the rebate the most have less access to ZEVs and cleaner transportation choices. DEQ and interested parties are working together to identify ways to limit the length and impact of future program suspensions to consumers and Oregon’s GHG goals. These discussions can be found in the “Recommendations” section of the report.

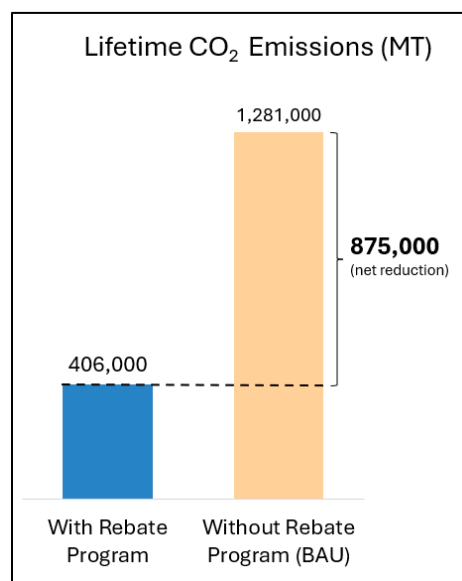
Program Effectiveness

The OCVRP has been successful by a number of metrics. It has helped to lower greenhouse gas emissions related to transportation; it has seen more than a 20% increase in demand for rebates year over year; and it has had quantifiable impacts on individual Oregonians being able to take actions to decrease their carbon footprint.

Greenhouse Gas Impacts

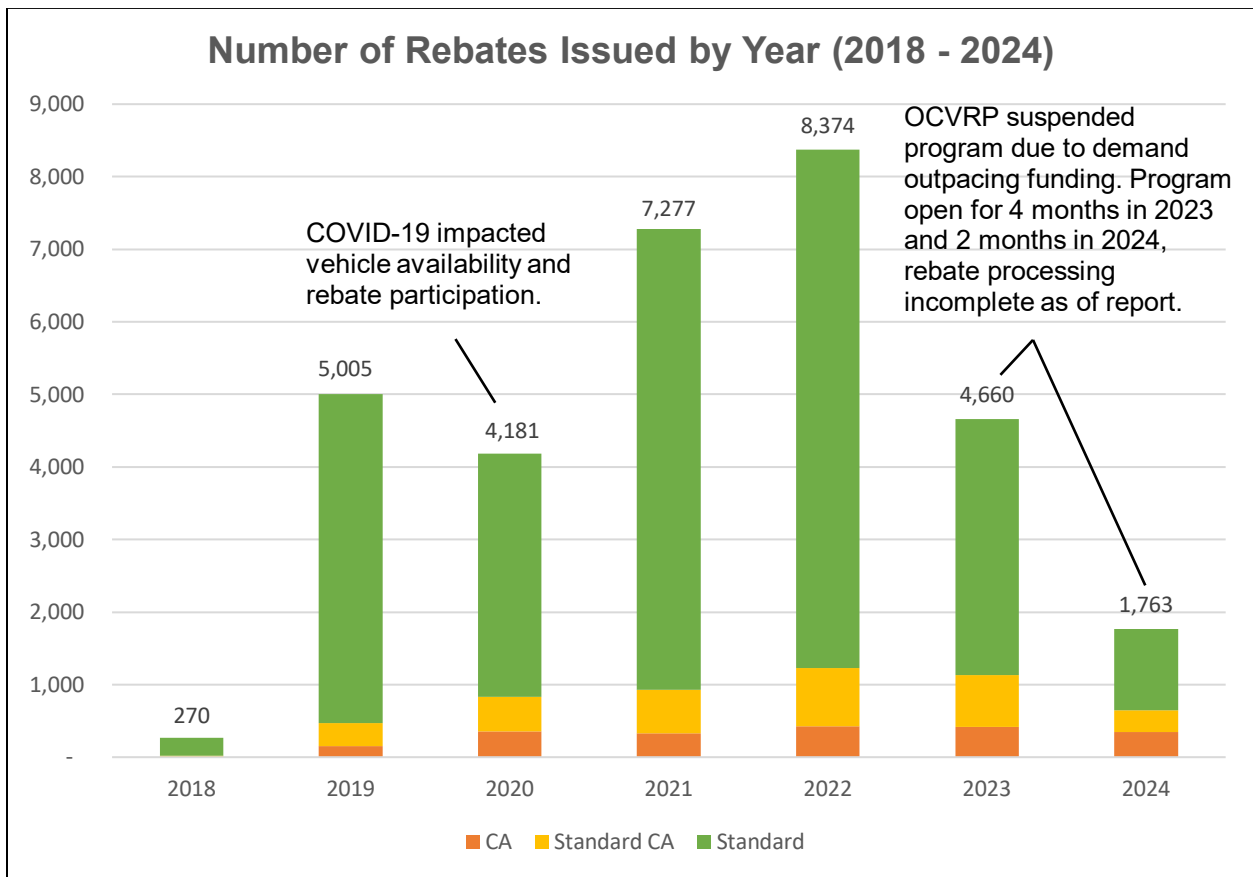
DEQ worked with Atlas Public Policy in summer and fall of 2023 with the aim of understanding the impacts of the OCVRP on greenhouse gas emissions, air pollution, and resulting health outcomes. DEQ provided Atlas Public Policy with vehicle, rebate type and address information for all rebates issued from the start of the program through July 2023. Their model considers the emission and health impacts considering the electricity generation used for EV charging and the gasoline combustion if they were alternately using a gasoline powered vehicle. Their analysis found that the vehicles rebated by OCVRP had the following impacts:

- A net reduction of CO₂ emissions by nearly 875,000 tons. For reference, transportation emissions totaled 22 million tons in 2021.
- EVs receiving the rebate are solely responsible for reducing Oregon's transportation emissions by more than 4% below 1990 levels
- The purchase/lease of a typical new EV will result in average avoided emissions of more than 33 tons of CO₂/vehicle.
- Additionally, select criteria air pollution levels are lower with transition to more EVs; in-state health impacts are net positive (\$1.5 - \$3.4M).



Growing Participation

The consistent and growing popularity of the program is another key measure of success. In 2019, the first full year of the program being open, OCVRP received and issued just over 5000 rebates. In 2022, the last full year the program was open, 8,374 rebates were received and issued. By 2023, the number of rebates issued throughout the four months the program was able to remain open in 2023 was just shy of those issued for the whole of 2019. The growth over time is shown in the chart below.



Applications for Charge Ahead and Standard Charge Ahead rebates have been growing as well. In 2019, the first full year of the program 91% of the applications were for the Standard Rebate, while the Standard Charge Ahead (new car) rebate comprised only 6% and the Charge Ahead (used car) Rebate was 3%. By 2023, the most recent year where all applications have been processed, Standard Rebates comprised 76%, while the Standard Charge Ahead Rebate comprised 15% and the Charge Ahead Rebate was 9%.

DEQ piloted the Charge Ahead Prequalification Program in 2023, which may have been a factor in the growth of Charge Ahead and Standard Charge Ahead Rebates from 2022 to 2023.

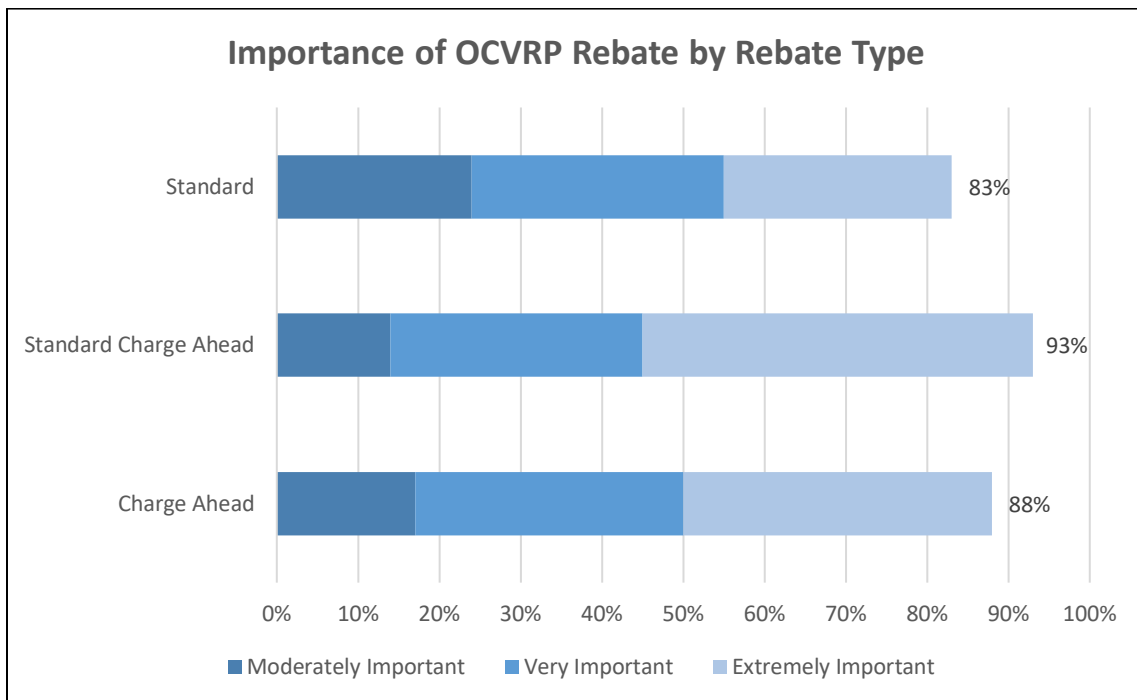
Participant Survey Highlights

CSE, on behalf of OCVRP, sends out an OCVRP adoption survey to all individual rebate recipients after their rebate is awarded. The survey explores multiple aspects of their experience purchasing an EV and receiving an incentive, as well as applicant and household demographics. On average, the survey has about a 40% response rate.

The below charts and descriptions are from data analyzed by CSE in 2023:

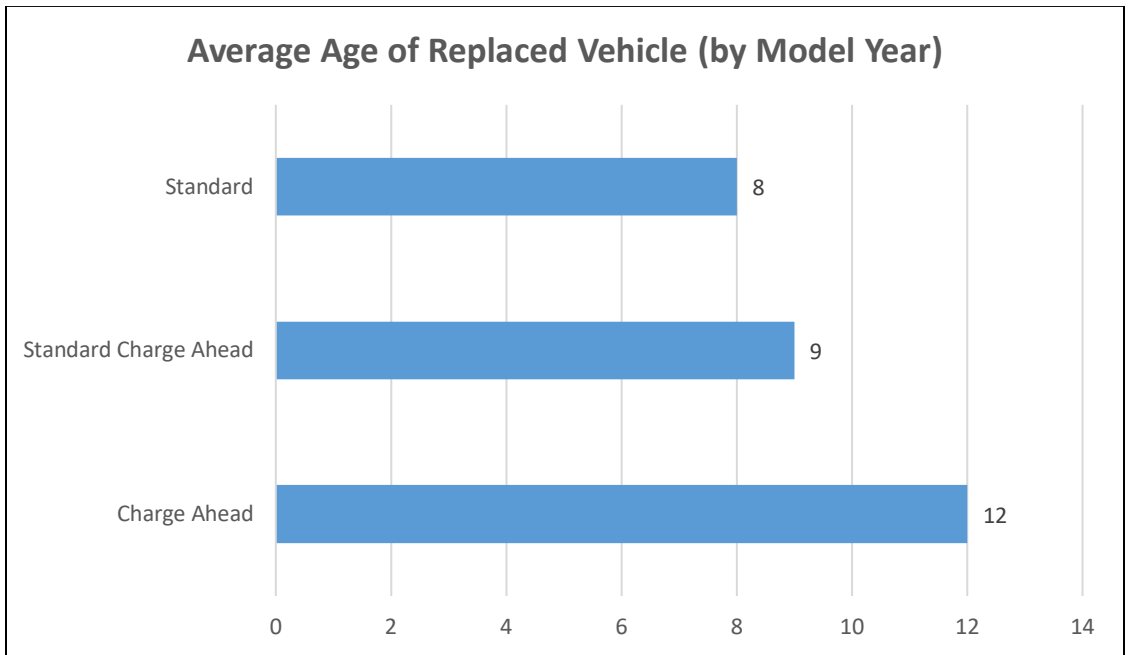
OCVRP Rebate Importance

The survey asked participants “how important was the OCVRP rebate in making it possible for you to purchase/lease your EV?” The chart below shows the moderately to extremely important responses by each rebate category. All rebate recipients indicate the OCVRP rebate is important, with 83% of Standard Rebate Recipients responding that OCVRP was moderately to extremely important in making it possible for them to purchase or lease the rebated EV. Both Charge Ahead and Standard (93%) & Charge Ahead (88%) rebate recipients reported higher levels of importance of the rebate in making it possible for them to acquire an EV.



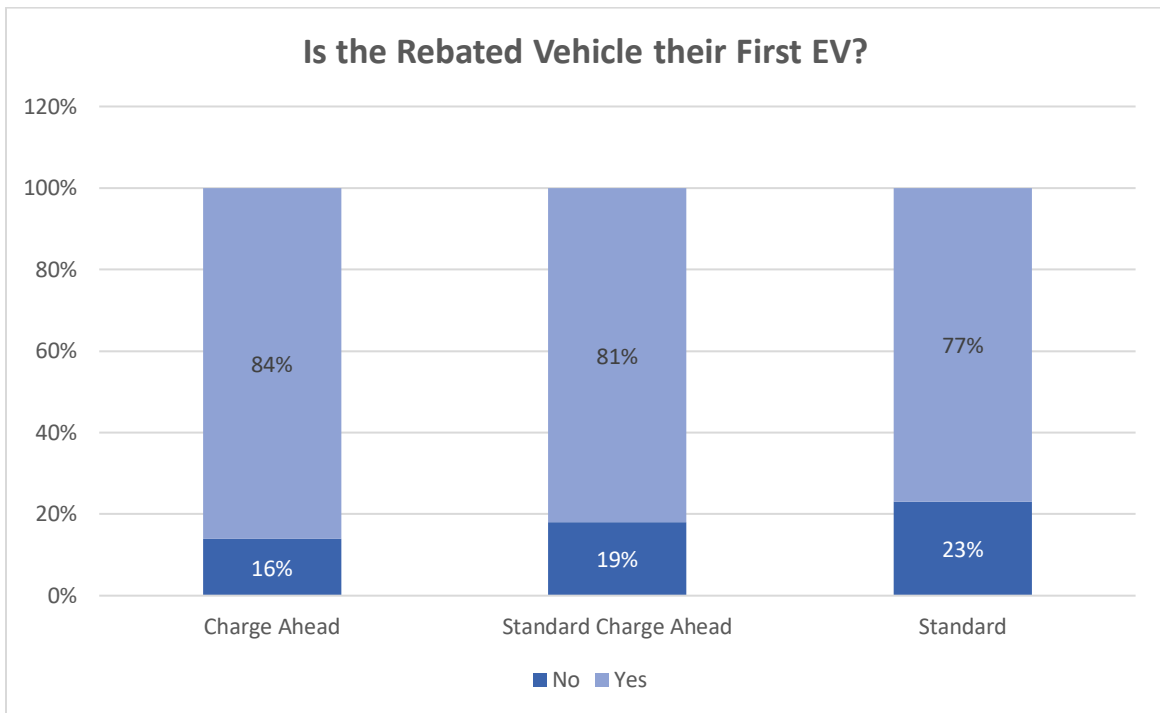
Replacement Vehicle Age

The bar chart shows that the average age of the replacement vehicle for a Standard Rebate is 8 years, a Standard Charge Ahead Rebate is 9 years, and the Charge Ahead Rebate is 12 years. Charge Ahead Rebate recipients reported replacing older model year vehicles with their rebated vehicle.



Is the Rebated Vehicle their First EV?

For all rebates, the rebated vehicle is the first EV the applicant has purchased or leased. For 77% of Standard Rebates, 82% of Standard Charge Ahead and 86% of Charge Ahead applicants, this was their first EV.



Survey Demographics

In the post-participant survey, rebate recipients are asked about their individual and household demographics. Below are a sampling of those demographics showing survey respondents racial identity and residence type:

Racial Identity: The majority of survey respondents self-identify as white (72.7%), followed by Asian (9.4%) and Hispanic or Latino (4%). In comparison to racial demographics reported by the Census Bureau for the State of Oregon, a greater percent of survey respondents identify as Asian than live in Oregon. Based on survey results, those that identify as Black or African American, Hispanic or Latino, Native American or Alaska Native or identify as more than one race may not be participating in OCVRP at the expected level based on their population in Oregon. OCVRP will continue to work with our engagement contractor to further refine the program's outreach strategy to effectively reach and engage those that appear to be less involved. Future opportunities include attending culturally focused engagement events, staffing events with multi-lingual members involved in the community and continuing to host listening sessions and conduct surveys to understand program barriers.

| Racial Identity | State of Oregon | OCVRP Survey Respondents |
|---|-----------------|--------------------------|
| Asian Alone* | 5.2% | 9.4% |
| Black or African American | 2.4% | 0.9% |
| Hispanic or Latino | 14.9% | 4.0% |
| Middle Eastern or North African | n/a | 0.5% |
| Native American or Alaska Native | 1.9% | 0.4% |
| Native Hawaiian or other Pacific Islander | 0.5% | 0.3% |
| White Alone | 85.6% | 72.7% |
| More than One Race | 4.4% | 2.7% |
| Prefer not to Answer | n/a | 13.1% |

State of Oregon demographics obtained from

<https://www.census.gov/quickfacts/fact/table/or,US/PST045217>

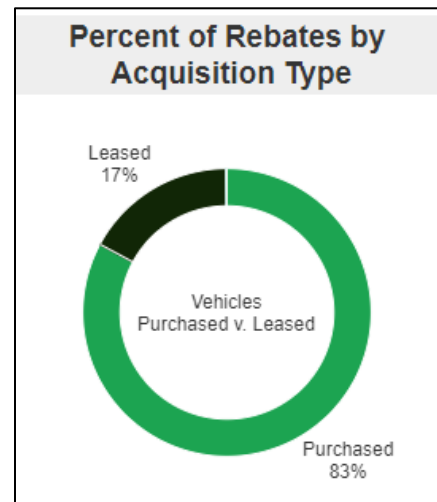
* OCVRP column combines survey respondents that identified as East, South and Southeast Asian

Residency Type: The majority of rebate recipients live in detached housing, with the following two largest types being apartment/condominium (7%) and attached house (6%). As public and

multi-family charging becomes more widespread due to private and public investment (e.g., ODOT's Community charging rebate program, NEVI), we expect these percentages to grow.

Applicant Insights:

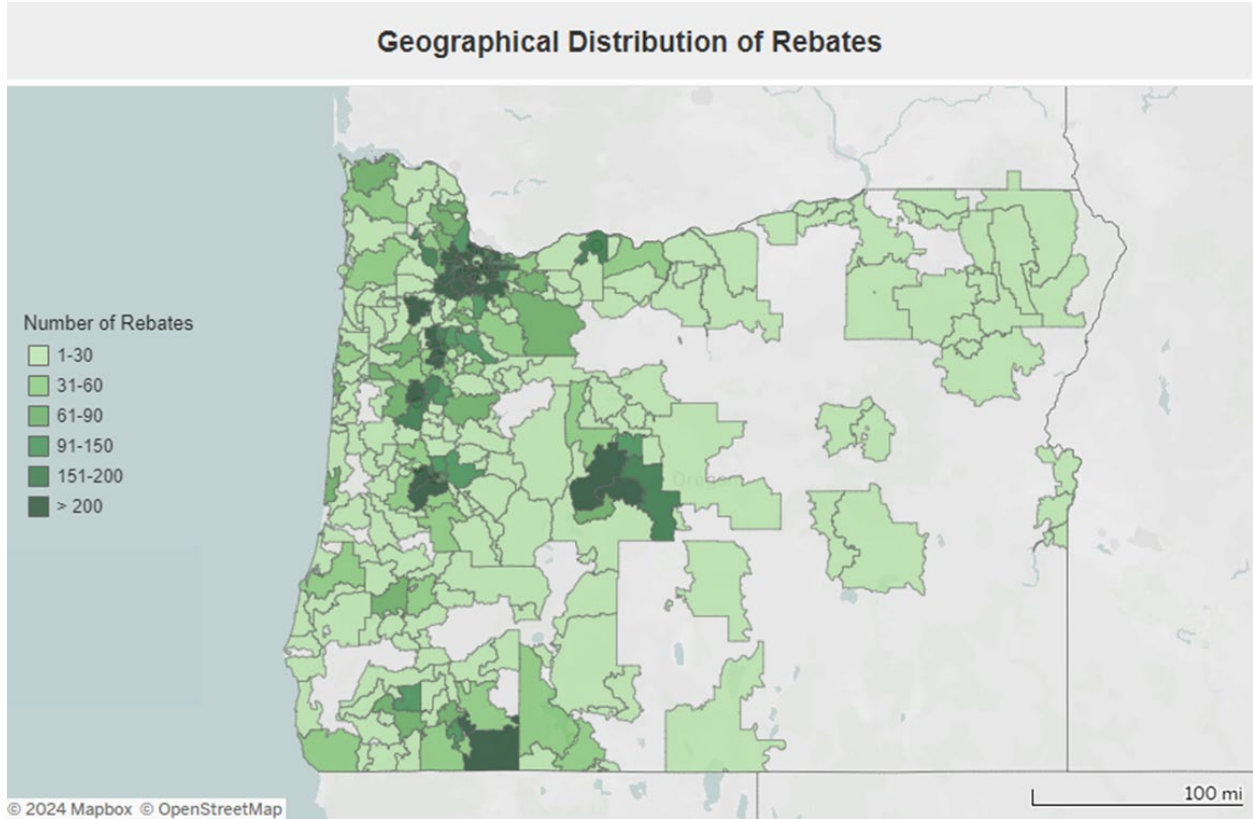
- **Applicant Type:** Of the 31,530 rebates issued, 99% have been to individuals and 1% to businesses, organizations and agencies. All but 6 of those have been issued as Standard rebates, with three being issued as a Standard Charge Ahead and three as a Charge Ahead Rebate.
- **Acquisition Type:** Of all vehicles rebated, 83% of applicants have purchased their vehicles and 17% have chosen to lease their vehicles. If considering only those applicants receiving the Charge Ahead Rebate, 89% have purchased their vehicle and 11% have leased the vehicle. All leases have been at least 24 months in duration.



- A total of 1,230 individuals and 38 non-individual applicants have received multiple rebates over the lifetime of program, totaling 2,862 rebates (11% of all rebates). Most of those applicants have received two rebates (89%) and the maximum amount received was 29 rebates issued to business. The number of applicants applying for and receiving multiple rebates will likely continue to grow over time as applicants purchase or lease additional eligible vehicles in the future.

Geography of Rebates Issued:

While rebates have been issued across the state, the majority of rebates have been issued within Oregon's metropolitan areas and along the I-5 corridor, where the majority of Oregon's population resides. OCVRP's engagement contracts highlight the importance of rural dealer and community engagement. Deepening our outreach across Oregon will continue to remain a priority to help ensure the rebate program is known and accessible to people living and working across the state.



Recommendations

DEQ recommends the following technical and substantive changes based on input from stakeholders, feedback from legislators, concerns raised directly by Oregonians and other issues encountered by staff during rule and program development. The order in which changes are presented does not represent priority.

- **Application Window Adjustment**

DEQ has found that the six-month application window creates challenges in forecasting revenue shortfalls accurately. In reviewing the data, DEQ has found that historically, the majority (80% in recent years) of applicants submit their application within the first three months. This suggests a shorter application window would not likely adversely impact applicants, but would help DEQ create more accurate projections and assist in tracking funding.

- **Standard Rebate Amount – Vehicle Range vs Battery Capacity**

The Standard Rebate currently uses the electrochemical energy storage capacity in kilowatt hours to determine the rebate level range. For example, the rebate level ranges are as follows:

- For light-duty zero-emission vehicles and plug-in hybrid electric vehicles with an electrochemical energy storage capacity of 10 kilowatt hours or more, up to \$2,500 but no less than \$1,500.
- For light-duty zero-emission vehicles or plug-in hybrid electric vehicles with an electrochemical energy storage capacity of less than 10 kilowatt hours, up to \$1,500 but no less than \$750.

The current electric and plug in hybrid vehicle market has very few models with a storage capacity of less than 10 kilowatt hours; all but one vehicle on the current OCVRP eligible vehicle list is eligible for a \$2,500 rebate. This means that PHEVs that can travel 35 miles on one charge and BEVs that can travel over 250 miles on a single charge are receiving the same rebate amount. While both these vehicles are positively impacting air quality and GHG emissions, the higher range vehicle has the potential to contribute to a greater degree. Additionally, consumers are often shopping for a vehicle based on the vehicle mile range, rather than the battery storage capacity.

Changing the rebate amount to be based on electric mile range versus battery capacity would increase consumer clarity and encourage the purchase or lease of higher range vehicles. This action requires a legislative change.

OCVRP continues to meet with interested parties and discuss program implementation updates and seek insight on ways the program can serve Oregon effectively and consider long-term financial sustainability for the program. Past discussions have included reviewing the financial and community impact of rebate amount adjustments, vehicle type limitations, MSRP adjustments and limits on the number of rebates per person.

Looking Forward

In July 2024, DEQ was awarded CPRG funding to support Charge Ahead rebates. The grant allows the Charge Ahead program to reopen in Spring 2025 and DEQ anticipates it will remain open throughout the rest of the year. It supports lower income households transition to EVs, as these are often the consumers most impacted by a program suspension and may not have the financial flexibility to plan their purchase around the program's open period.

DEQ staff continue to meet and collaborate with OCVRP interested parties to discuss CPRG implementation and ideas for long term financial sustainability. Without additional funding or significant programmatic changes, the program will continue to have annual program suspensions for both the Standard and Charge Ahead Rebate programs.

DEQ continues to work on enhancing tracking and reporting of program effectiveness and impact by including greenhouse gas reduction and public health reduction estimates in future

annual reports. The program will also be adding a sampling of survey question responses to the program's [rebate dashboard](#) in 2025 to increase transparency around program effectiveness.