



HB 2704

Electric Vehicle Rebate

2017 Oregon Legislative Session

Why electric vehicles?

Electric vehicles (EVs) improve Oregon's environment, economy, and cut transportation costs for working families.

- Oregon's environment: Cars, trucks, and buses are a major source of smog and air pollution—and disproportionately impact low-income communities, who are more likely to live near highways and other sources of vehicle-related pollution.
- Oregon's economy: Oregon has no oil wells or refineries. When families buy less gas, more money stays in Oregon, creating up to 16 times more jobs.¹ Every time a person chooses an EV, it increases tax revenue by up to \$1,503.² Third-party analysis shows that a rebate would, on a net basis, increase Oregon GDP by \$83 million.³
- Working families: For most families, transportation is the second highest monthly expense, with an average cost of \$713 per month per automobile.⁴ Many electric cars can be leased for \$200 per month or less, and driving on electricity is equivalent to paying \$0.99 per gallon for gas.⁵ Oregon families can save hundreds of dollars per month by driving an EV.

The problem:

Oregon set a 2020 greenhouse gas reduction goal that is almost 30% below today's levels. However, Oregon is substantially behind in meeting this goal, and the biggest problem is our transportation sector. If we don't make a strong—and fast—effort to electrify our transportation system, we'll never reach our goals. The best way for Oregon to make a significant dent in our GHG emissions, and to do so quickly, is to electrify the transportation sector.

EVs dramatically reduce the environmental impacts of driving and are cheaper to operate. However, they have higher up-front purchase costs and represent just over 1% of new cars sold in Oregon. A short-term investment is needed to encourage the market and move our state down the path toward the long-term benefits of EVs.

The solution, HB 2704:

The Oregon Global Warming Commission recommends that the 2017 Legislature use Oregon's overall transportation and transportation funding needs as a way "to devise and adopt measures that will bring transportation GHG emissions under control and aligned with Oregon's Greenhouse Gas Reduction Goals."⁶ One of the measures needed to ensure transportation GHG emissions are brought under control and aligned with Oregon's Greenhouse Gas Reduction Goals is the passage of HB 2704.

Time is of the essence and the quickest and most efficient way to do this is through an EV point of purchase rebate, HB 2704.

HB 2704 will jump start the EV market, equitably. Studies show that lowering the upfront cost is the best way to increase EV sales and make them affordable for drivers at lower income levels.⁷ The bill sets up the following EV rebates:

- \$1,500 to \$2,500 for electric cars, depending on their battery size
- \$250,000 for electric transit buses
- \$750 for zero-emission motorcycles and low speed electric vehicles

How does this bill ensure equity?

Even with a rebate, some families will still have difficulty affording a new EV. HB 2704 will fund a pilot project to provide incentives for low income families to trade in their older, more polluting vehicles for new or used electric vehicles.

How will it be funded?

- The program's costs are capped at \$23 million for the 2017-2019 biennium.
- Funding mechanisms include Volkswagen settlement funds, reallocation of existing Oregon DOE tax credits, and other sources.
- To minimize costs and avoid creating new agency overhead, the Oregon DOE will contract with an independent third party contractor to manage the programs, following the model of successful programs in California, Connecticut, and Massachusetts.



Forth is a nonprofit organization working to transform the way we get around. Through innovation, demonstration projects, advocacy, and engagement, we are advancing electric, smart, and shared transportation in the Pacific Northwest and beyond. Learn more at www.forthmobility.org.

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¹ California Electric Transportation Coalition, Economic Jobs Assessment

² Forth, The Returns to Vehicle Electrification

³ Forth, Economic Impact of State EV Program

⁴ AAA, Your Driving Costs

⁵ U.S. Department of Energy, EGAfford

⁶ Oregon Global Warming Commission, Biennial Report to the Legislature, 2017

⁷ New York Times, Norway is Global Model for Encouraging Sales of EVs