

HB 2165 A -A2 STAFF MEASURE SUMMARY

Joint Committee On Transportation

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 4/6, 4/29

WHAT THE MEASURE DOES:

Requires electric companies that sell electricity to 25,000 or more retail electricity consumers in Oregon to collect an amount from all retail electricity customers to be expended to support transportation electrification according to a plan accepted by the Oregon Public Utility Commission. Sunsets provision January 2, 2031. Authorizes Commission to allow electric companies to recover costs from retail electricity consumer for prudent infrastructure measures to support transportation electrification, provided certain criteria are met. Modifies eligibility for, and increases value of, Charge Ahead zero-emission and electric vehicle rebates. Modifies provisions related to administrative costs of program. Repeals the sunset on zero-emission vehicle rebate program and Charge Ahead zero-emission and electric vehicle rebate programs. Maintains funding for programs through vehicle privilege tax.

FISCAL: *Minimal fiscal impact, no statement issued*

REVENUE: *Revenue impact statement issued on A-engrossed measure*

ISSUES DISCUSSED:

- Previous work on transportation electrification
- Increase in sales of electric vehicles as percentage of total vehicle sales
- Role of charging infrastructure in electric vehicle proliferation
- Utility investment in charging infrastructure
- Oregon's electric vehicle rebate program
- Role of electric vehicles in meeting Oregon climate and air quality goals

EFFECT OF AMENDMENT:

-A2 Increases maximum suggested retail price of hydrogen fuel cell vehicles that qualify for electric vehicle rebates from \$50,000 to \$60,000.

FISCAL: *Minimal fiscal impact, no statement issued*

REVENUE: *Revenue impact statement issued on measure with the -A2 amendment.*

BACKGROUND:

The Legislative Assembly initiated Oregon's electric vehicle rebate program with the passage of House Bill 2017 (2017). The measure initiated a 0.5 percent tax on the privilege of selling new passenger motor vehicles, intended to generate \$12 million per year to provide rebates for purchase of zero-emission vehicles, with excess revenue accruing to the Connect Oregon Fund for grants to non-highway freight infrastructure projects.

The measure created two separate rebate programs, which can both be received by eligible applicants. The standard zero-emission vehicle rebate program provides up to \$2,500 in rebate on the purchase or lease of a new plug-in hybrid vehicle or new battery electric vehicle. The Charge Ahead Rebate program provides rebates up to \$2,500 for purchase or lease of new or used battery electric vehicles, but includes requirements that the purchaser or lessee to meet low- or moderate-income household criteria. Both rebate programs are set to sunset on January 2, 2024.