



February 19, 2018

Co-Chairs Lee Beyer and Caddy McKeown
Members of the Joint Committee on Transportation
900 Court St., NE
Salem, OR. 97301

Support for HB 4060

Dear Co-Chairs Beyer and McKeown,

Forth is a non-profit trade association that advocates for the advancement of electric, smart, connected, and autonomous mobility. Forth supports these initiatives through demonstration pilot projects, public outreach and education, and legislative and regulatory advocacy in the Pacific Northwest. Forth has over 130 members representing automakers, Electric Vehicle Supply Equipment ("EVSE") suppliers, industry partners, utilities, local governments, nonprofits, and many other stakeholders within the transportation electrification "ecosystem". Forth operates the nation's first brand-neutral electric mobility showcase in downtown Portland, Oregon.

Importance of Electric Car Incentive

The United States is currently the leader in electric car technology and innovation, thanks in part to the federal tax credit that has helped bridge the gap in cost between electric cars and their conventional gas-powered counterparts. However, electric vehicles (EVs) are still quite expensive for moderate and low-income individuals to purchase, which is why over twenty states also provide some form of purchase incentive.

Numerous research studies show that incentives play a key role in building the electric car market by creating policy certainty for automakers and encouraging the purchase of EVs. Electric car maintenance and operating costs are much lower than for conventional vehicles, but the higher upfront cost of purchasing an EV often presents a barrier to access, particularly for moderate and low-income consumers. Purchase rebates are a proven way to mitigate this initial cost barrier. In 2017, a systematic literature review by the Institute of Transportation Studies (ITS) at University of California Davis found that 32 out of the 35 studies examined in the review identified clear relationships between financial purchase incentives and sales.

The ITS review also found that removing incentives too early, as happened with Georgia's EV rebate program, could negatively impact EV markets. When Georgia's state purchase rebate was removed at the end of 2015, sales dropped significantly and shifted back to conventional cars.

Impact on Electric Car Market

Research shows electric car incentives have a real impact on the electric car market. Surveys conducted by the ITS show that nearly 30% of consumers who leased or bought electric cars in early markets cited the electric car incentive as a factor that influenced their purchasing decisions. According to the Center for Sustainable Energy (CSE) surveys between 2012-2015 in California, Massachusetts, and Connecticut, over 70% of respondents said the state rebate was either extremely or very important in making it possible to acquire an electric car. With regards to the rebate amount, CSE also found that keeping incentive levels as high as possible and as long as possible was most impactful. Approximately 76% of respondents to a CSE survey would not have leased or purchased an electric car if the incentive was below \$3,000.

Oregon's Rebate is Appropriately Targeted

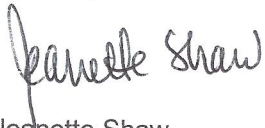
Oregon's rebate is targeted at potential owners who most need an incentive. Oregon based its rebate on the vehicle manufacturer's suggested retail price (MSRP) and includes a program that provides an additional incentive to consumers in disadvantaged communities. Research demonstrates that incentives are critical in purchase decisions, and Oregon's rebate is specifically designed to assist low and moderate income markets.

DEQ's Electric Vehicle Rules Advisory Committee (RAC)

Forth supports the electric vehicle rebate changes embodied in HB 4060. These changes were carefully developed, vetted, and improved upon by DEQ's Electric Vehicle RAC. RAC members included policy experts, auto industry stakeholders, equity groups, environmental organizations and public utilities. These experts had months to study how to improve the electric car portion of HB 4060, and any other changes made to the electric car rebate should be subject to the same level of scrutiny and process.

Forth supports the passage of HB 4060 as written and appreciates all the hard work by the Co-Chairs and the Members of the Joint Transportation Committee in passing the 2017 transportation package.

Sincerely,



Jeanette Shaw
Director, Government Relations
Forth