



To: Members of the House Committee on Revenue
From: Rhett Lawrence, Pacific Northwest Policy Manager
Date: February 25, 2020
RE: House Bill 4151

Chair Nathanson and Members of the Committee:

My name is Rhett Lawrence and I am the Pacific Northwest Policy Manager for Forth. We are a nonprofit trade association that advocates for the advancement of electric, hydrogen, shared, smart, connected, and autonomous mobility. On behalf of our more than 180 members – including auto manufacturers, electric vehicle charging suppliers, industry partners, utilities, local governments, and non-profit environmental organizations – I am pleased to present this written testimony to urge your support for House Bill 4151.

As you know, Oregon has ambitious greenhouse gas reduction goals and we are already behind in meeting them. Given that the transportation sector is now the state's largest source of greenhouse gas emissions, it is critical that we take immediate and significant steps to reduce our transportation emissions. The Oregon Department of Transportation (ODOT) recommends in its Statewide Transportation Strategy that 95% of Oregon's vehicles be electric, plug-in hybrids, or hybrids by 2050 in order to achieve our emissions reduction goals. Electric and hybrid vehicles currently make up less than 5% of registered vehicles in Oregon, and ODOT projects that on our current trajectory, they will only account for 24% of all vehicles by 2050.

Climate is not the only reason to care about electrifying transportation. Transportation is the second-highest expense for most households (second only to housing), and electric vehicles and other new mobility services can dramatically reduce those costs. Using cheap, clean Northwest electricity to fuel a car is roughly equivalent to buying gasoline for \$1 per gallon. Owning and operating EVs can allow people to keep more of their own money in their pockets and become more self-sufficient.

For these reasons, Forth is very supportive of any policy proposals which would speed up the rate of EV adoption in Oregon, and we believe that HB 4151 would do just that. By increasing the privilege tax on vehicles sold in the Portland metropolitan area by 0.5% (just \$150 for a \$30,000 car) and directing those revenues to Oregon's existing EV rebate programs, we could dramatically increase the funding for those rebates.

As you likely know, Oregon has two options under the Clean Vehicle Rebate Program established in 2017. Today, the standard rebate offers up to \$2,500 towards the purchase or lease of a new plug-in hybrid or battery electric vehicle. The Charge Ahead rebate is geared

toward assisting low- and moderate-income families and offers up to \$2,500 towards the purchase or lease of a new or used battery electric vehicle. The standard and Charge Ahead rebates can be combined for certain income-eligible families, resulting in up to \$5,000 off the cost of an EV or plug-in hybrid.

These rebate programs have been a very effective tool over the last few years in increasing the sales of EVs and plug-in hybrids in our state. According to DEQ, they have already issued more than 4,500 rebates already and the program is just now really getting up and running. Using the additional privilege tax revenue that would be generated by HB 4151 would allow us to increase the standard rebate to \$5,000 and the combined standard/Charge Ahead rebate to \$7,500, making a real difference in getting Oregonians into EVs. Studies have shown that the \$5,000 amount is something of a magic number when it comes to influencing people's auto purchasing decisions, so the increase contemplated by HB 4151 delivers the right amount to dramatically impact consumer behavior and motivate people to buy EVs.

As the number of EVs in Oregon increases, we will need significantly more EV charging infrastructure to meet the growing demand. HB 4151 would help fund major investments in charging infrastructure by requiring investor-owned utilities to spend 0.5% of their revenue from customers within the Portland metro area on transportation electrification projects to help serve metro area EV owners.

Forth would prefer to see both this 0.5% utility investment requirement and the 0.5% increase in the vehicle privilege tax applied statewide, so that all Oregonians could benefit from these increased investments in transportation electrification. However, we appreciate the bill's innovative approach to getting Oregon on the necessary path to a marked increase in zero-emission transportation. Forth strongly supports HB 4151, and we urge Committee members to do the same. Thank you for the opportunity to provide this testimony and I'm happy to answer any questions you may have.

FORTH Empowering Mobility

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