

**HB 2165 B STAFF MEASURE SUMMARY****Carrier:** Rep. Power**Joint Committee On Transportation****Action Date:** 04/29/21**Action:** Do pass with amendments to the A-Eng bill and rescind subsequent referral to Ways and Means. (Printed B-Eng).**House Vote****Yeas:** 4 - Evans, McLain, Nathanson, Power**Nays:** 3 - Boshart Davis, Lewis, Noble**Senate Vote****Yeas:** 4 - Beyer, Findley, Frederick, Gorsek**Nays:** 1 - Boquist**Fiscal:** Has minimal fiscal impact**Revenue:** Revenue impact issued**Prepared By:** Patrick Brennan, LPRO Analyst**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 (PUC). Sunsets provision January 2, 2031. Authorizes PUC 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. Increases maximum suggested retail price for qualifying hydrogen fuel cell vehicles from \$50,000 to \$60,000. 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.

**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
- Spreading cost of charging infrastructure to all retail electric utility customers
- Effect of utility infrastructure provisions primarily on urban and suburban areas; limited applicability to rural areas

**EFFECT OF AMENDMENT:**

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

**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.

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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 meet low- or moderate-income household criteria. Both rebate programs are set to sunset on January 2, 2024.

House Bill 2165 B eliminates the sunset on Oregon's two electric vehicle rebate programs, which will continue to be funded by \$12 million per year from vehicle privilege tax revenues. It also doubles the maximum rebate from the Charge Ahead Oregon program from \$2,500 to \$5,000, and makes hydrogen fuel cell vehicles that cost up to \$60,000 eligible for rebates. Finally, the measure allows electric companies to recover costs for infrastructure related to transportation electrification, and requires certain large electric companies to increase retail consumer rates by 0.25 percent to fund transportation electrification.