

# The Future of Electric and Zero-Emission Vehicles and Funding

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House Interim Committee on Climate, Energy, and Environment

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# Oregon Transportation Plan Policy Context

## Reduce Emissions



Electrify



Reduce VMT

## Secure Sufficient, Sustainable, and Reliable Funding



Price based on drivers' use and cost they impose

- Road usage charges
- Weight-based charges
- Tolls
- Congestion charges
- Carbon charges

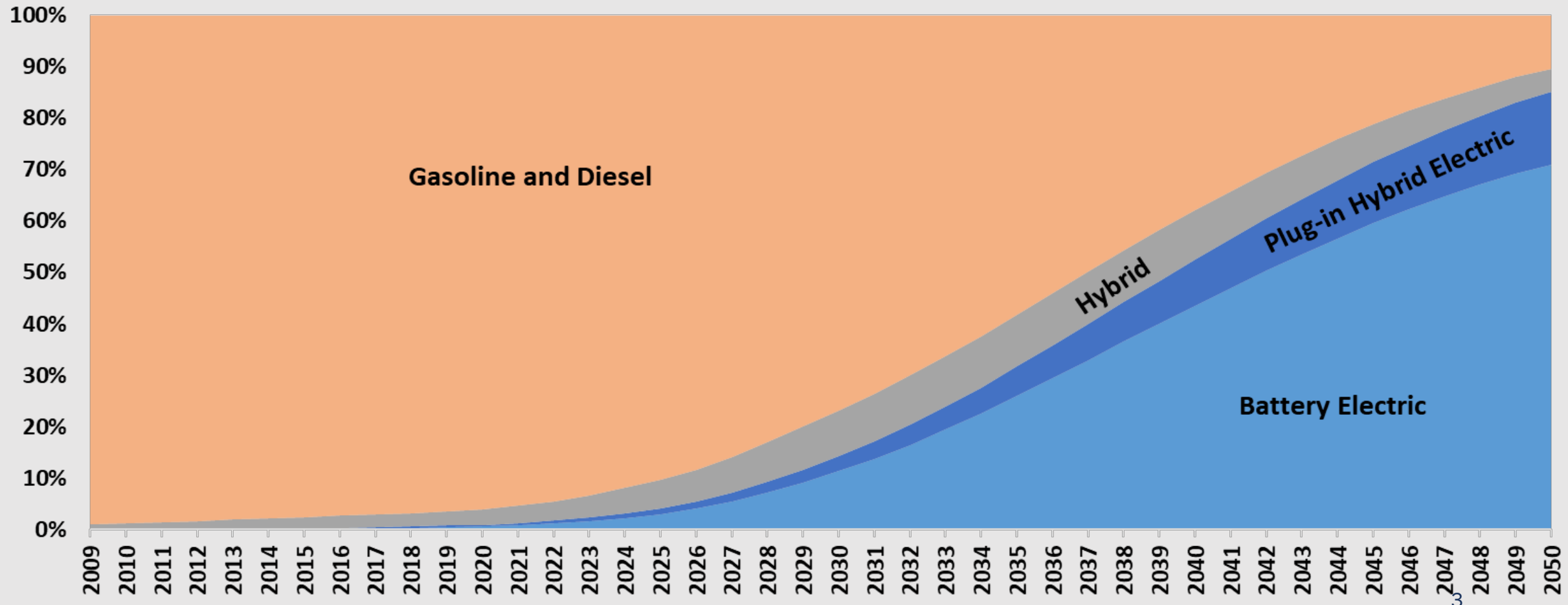


**Executive Summary**  
2023 Oregon Transportation Plan

Adopted by the  
Oregon Transportation Commission  
July 13, 2023



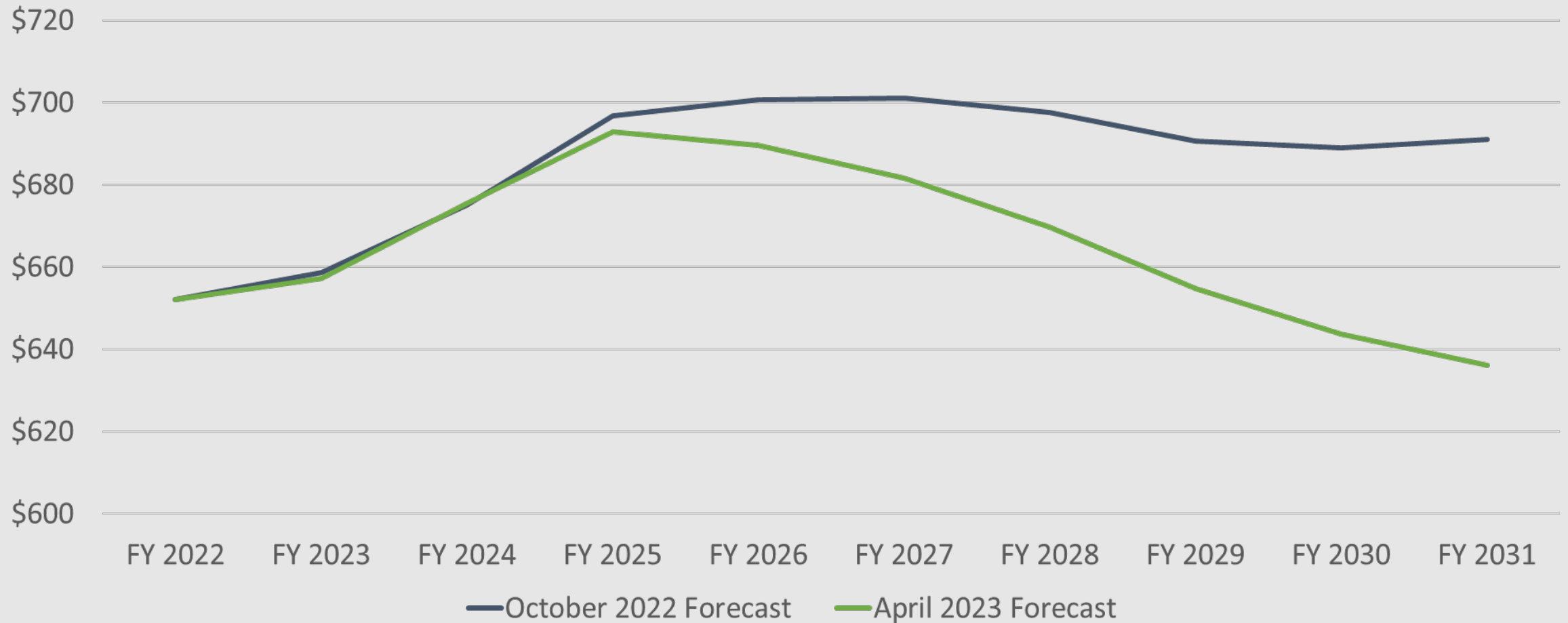
# Passenger Vehicles in Oregon are Becoming More Fuel Efficient



Source: Oregon Department of Transportation April 2023 Passenger Vehicle Stock Forecast. Actuals through 2022, forecast begins in 2023

# Oregon Motor Fuels Tax Forecast Comparison

In millions of nominal dollars



# Two Options for Addressing Passenger Vehicle Cost Responsibility



Pay Annually  
Through a Vehicle  
Registration Fee



Pay by the Mile  
Through a Road Usage  
Charge

## Paying By the Mile with OReGO

- First operational RUC program in the world when it went live in 2015
- Vehicles 20 mpg+ can voluntarily choose to pay by the mile, not pay gas tax
- Volunteers pay 1.9 cents per mile, receive credit for fuel tax paid
- Vehicles over 40 mpg don't pay supplemental registration fees if they join OReGO



**OReGO**

# Passenger Vehicle Cost Responsibility Study

- Required by Section 75 of HB 2017 (2017)
- OTC directed to study whether vehicles powered by different means are paying their fair share “for the costs of maintenance, operation and improvement of the highways in this state”
- Found high efficiency vehicles are significantly underpaying compared to lower efficiency gas-powered vehicles



# Oregon Transportation Commission HB 2017

## Section 75 Report Recommendations

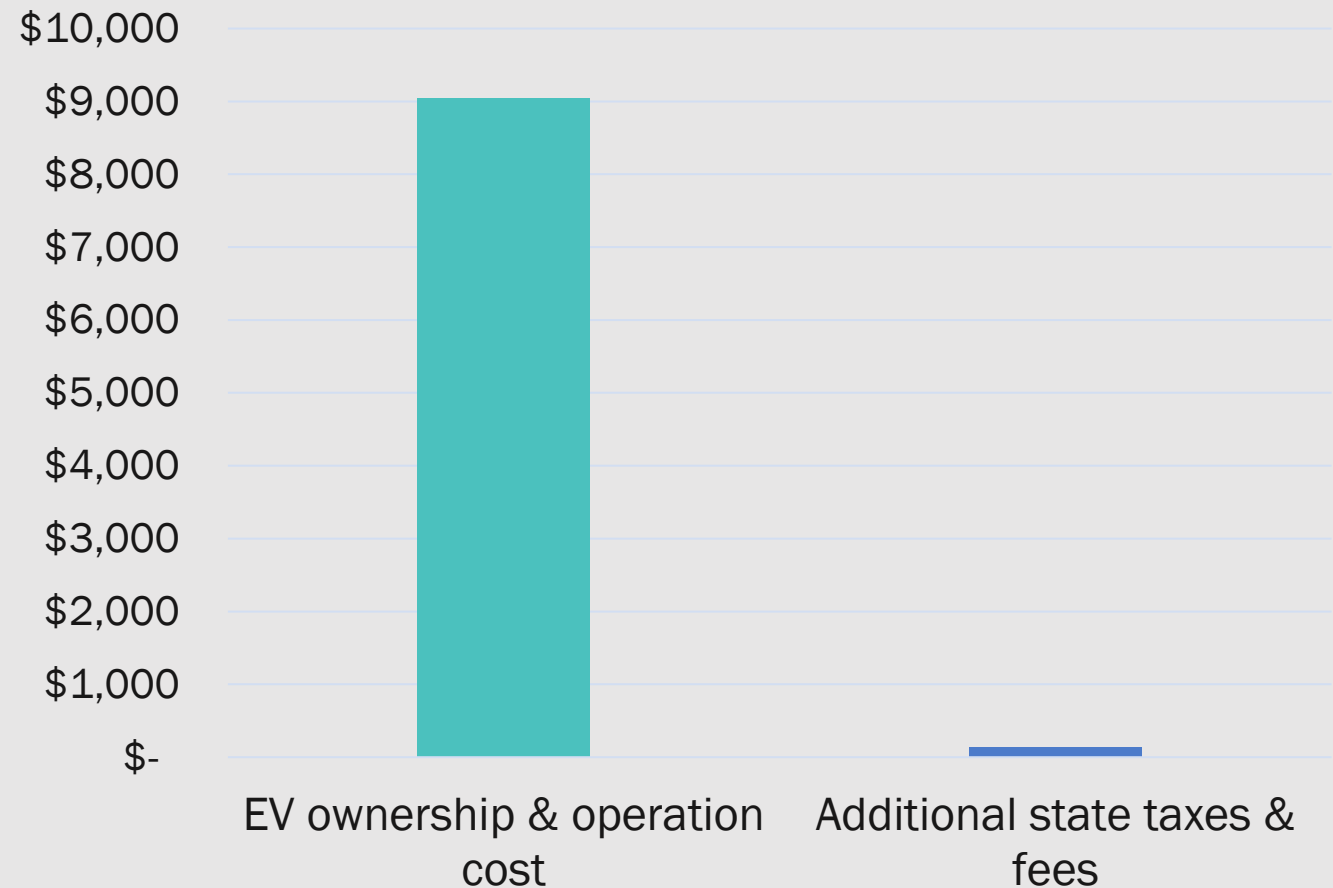
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- Ensure the totality of vehicle taxes, fees and rebates incentivize the purchase of highly efficient vehicles to address the total costs imposed on society by passenger vehicles
- Increase vehicle registration fees periodically for efficient vehicles while not decreasing the fee for low efficiency vehicles
- Maintain a per-mile road usage charge for efficient vehicles as an opt out option for higher registration fees, while we look to transition to a mandatory road usage charge
- Direct the Section 75 study be regularly updated or included in the Highway Cost Allocation Study



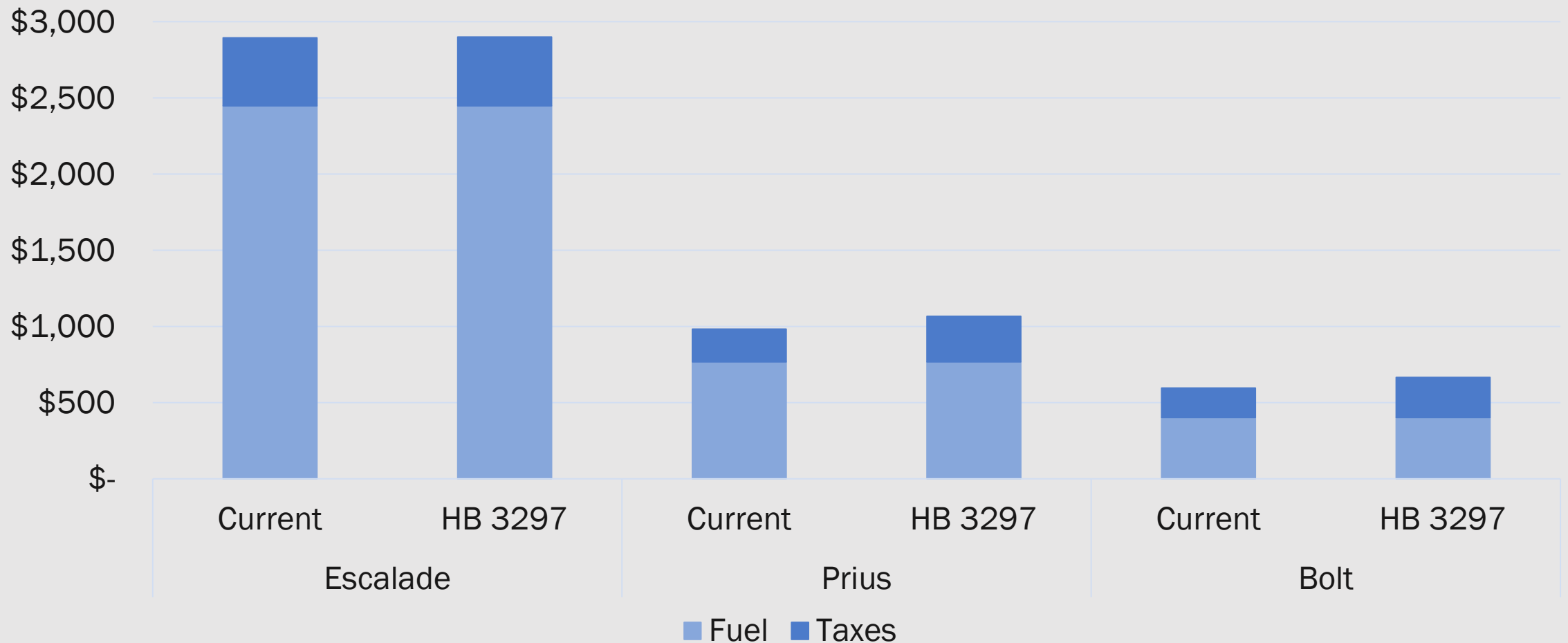
# Changes to Electric Vehicle Ownership & Operations Costs

- State taxes and fees are a modest portion of total vehicle ownership & operations costs
- Modest increases in state taxes are not likely to have a big impact on EV adoption



# Total Annual State & Federal Road Taxes and Fuel Costs for Three Vehicles

Current law compared to HB 3297 (Proposed in 2023, did not pass)



**Thank you.**

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