



April 1, 2015

Representative Jessica Vega Pederson  
Chair, House Committee On Energy and Environment  
Oregon State Legislature  
900 Court St. NE, H-285  
Salem, Oregon 97301

RE: House Bill 2092

Dear Chair Vega Pederson, and Members of the Committee:

Drive Oregon is pleased to support House Bill 2092.

**About Drive Oregon.** Drive Oregon is a nonprofit organization working to grow the electric vehicle industry and promote electric transportation in Oregon. Our primary focus is to attract more investment and more jobs in the electric vehicle supply chain to Oregon. We believe that Oregon can attract the attention of global companies, and expand opportunities for Oregon companies, by remaining a national leader in transportation electrification and a “living laboratory” for new businesses. This is the same phenomenon we have seen with the green building, clean energy, and outdoor apparel industries, which have grown in Oregon partly because of the strong early adopter market in their back yard. Drive Oregon is funded in part by Oregon State Lottery funds, but our work on this proposal is funded by our 100+ member companies and organizations; no state funds are ever used for such purposes.

**Electric cars are increasingly affordable and popular.** Electric vehicle sales are growing faster than hybrid car sales did in their early years, with more models being offered every year and costs dropping rapidly. There are several electric cars available for lease for under \$200 per month, and driving on electricity is like paying about \$1 per gallon for gas.<sup>1</sup>

**Electric cars produce an “electric dividend” for Oregon families.** An average Oregon family can save \$200 per month - \$2,400 per year – driving an electric vehicle instead of a conventional combustion engine.<sup>2</sup> That extra \$2,400 can be used for clothing, food, or even college tuition.

**The “electric dividend” also helps Oregon’s economy.** Oregon has no oil wells or refineries; when families shift spending away from gasoline, more of that money stays in Oregon. That shift creates up to 16 times more jobs<sup>3</sup> and contributes to economic growth

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<sup>1</sup> <http://energy.gov/maps/egallon>

<sup>2</sup> Total Cost of Ownership for Current Plug-in Electric Vehicles: Update to Model 2013 and 2014 Model Year Vehicles: <http://www.epri.com/abstracts/Pages/ProductAbstract.aspx?productId=000000003002004054>

<sup>3</sup> <http://www.caletc.com/wp-content/uploads/2012/11/economic-jobs-assessment-fact-sheet.pdf>

and increased tax revenue. Oregon's electric car families already add up to \$10 million annually to our economy, and every time a family chooses an electric vehicle, it increases Oregon tax revenue by up to \$1,503.<sup>4</sup>

**The most effective way to advance electric vehicles is “cash on the hood.”** Multiple studies show that lowering the upfront purchase cost of these cars is the best way to increase sales. There are also several strong “real world” examples – for example, the Atlanta area has emerged as a top electric vehicle market thanks primarily to a \$5,000 state incentive. While Oregon has been a leader in many ways, electric vehicle sales are still lower here than in neighboring California and Washington State, which both provide incentives for vehicle purchase.

**Rebates make electric cars affordable for middle class Oregon families.** A rebate can be used as the down payment on a vehicle lease or purchase, is certain and immediate, and is available even to working families that don't have much tax liability. These factors make rebates the best way to make electric vehicles more affordable for middle class families

**House Bill 2092 does the following:**

- Creates a program offering rebates of up to \$3,000 for electric vehicles
- Funds at least 3 pilot projects around the state to demonstrate how best to increase electric vehicle use in rural communities and among low income households
- Directs that the Oregon Department of Energy contract with independent third party organizations to manage both programs
- Provides funding for the rebates through a proposed auction of tax credits

Oregon has done a good job in providing charging infrastructure and supportive public policy; a purchase incentive for the vehicles themselves is the key policy we are missing.

Thank you again for the opportunity to testify.

Best regards,



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<sup>4</sup> [The Returns to Vehicle Electrification, www.driveoregon.org](http://www.driveoregon.org)