

Delaware Clean Vehicle Rebate Program: Description and Guidance

July 1, 2018- December 31, 2019 (Funding Round 3)

Purpose

The purpose of the Clean Vehicle Rebate Program is to provide incentives for Delawareans and Delaware businesses to purchase or lease new clean vehicles. This program encourages the deployment of electric, natural gas, and propane powered vehicles and is aligned with Delaware's commitment to innovation in the transportation sector, reducing greenhouse gases, and improving Delaware's air quality.

Program

Rebates for the purchase or lease of eligible new clean vehicles are available to qualified applicants under the Clean Vehicle Rebate Program. Rebates are available for a variety of different vehicles that meet eligibility standards below:

- **New Battery Electric Vehicles:** Rebates of \$3,500 are available for the purchase or lease of a new battery electric vehicle or Vehicle-to-Grid (V2G) capable vehicle with a base MSRP of up to \$59,999. Battery electric vehicles with a base MSRP of over \$60,000 are eligible for a \$1,000 rebate.
- **New Plug-in Hybrid Vehicles (including vehicles with gasoline range extenders):** Rebates of \$1,500 are available for the purchase or lease of a new plug-in hybrid vehicle with a base MSRP of up to \$59,999. Plug-in hybrid vehicles with a base MSRP of over \$60,000 are eligible for a \$1,000 rebate.
- **Retrofitted Electric and Plug-in Hybrid Vehicles:** Rebates of \$1,500 are available for retrofits of an internal combustion engine into an electric vehicle.
- **New or Retrofitted Dedicated Propane (LPG) Vehicles:** Rebates of \$1,500 are available for the purchase, lease, or retrofit of an eligible propane fueled vehicle.
- **New or Retrofitted Bi-Fuel Propane (LPG) Vehicles:** Rebates of \$1,350 are available for the purchase, lease, or retrofit of an eligible bi-fuel propane fueled vehicle.
- **New or Retrofitted Dedicated Compressed Natural Gas (CNG) Vehicles:** Rebates of \$1,500 are available for the purchase, lease, or retrofit of a eligible compressed natural gas fueled vehicle.
- **New or Retrofitted Bi-Fuel Compressed Natural Gas (CNG) Vehicles:** Rebates of \$1,350 are available for the purchase, lease, or retrofit of a bi-fuel eligible compressed natural gas fueled vehicle.

Program Deadlines

Eligible new or retrofitted alternative fuel vehicles must be purchased or leased between July 1, 2018 and December 31, 2019. All rebate applications must be postmarked before January 15, 2020 in order to be eligible for the program. The program will continue until all funding has been exhausted or until December 31, 2019, whichever comes first.

Vehicles purchased between November 1, 2016 and June 30, 2018 (11:59 pm EST) are eligible for rebates under Funding Round 2 of the program. More information on this program can be found at www.de.gov/cleantransportation.

Applicant Eligibility

The following individuals and entities are eligible for rebates under the Delaware Clean Vehicle Rebate Program:

- Delaware residents;
- Businesses, non-profit organizations, or other organizations with both a physical address in Delaware and a Delaware business license;
- State agencies or departments, municipal governments, or county governments in the State of Delaware or;
- Active duty military members stationed in Delaware with a temporary Delaware residential address but with permanent residency in another state.

New Vehicle Eligibility

The Delaware Clean Vehicle Rebate Program provides rebates for the purchase or lease of new battery electric and plug-in hybrid electric vehicles as well as dedicated propane and dedicated compressed natural gas vehicles.

To be eligible for a rebate under Funding Round Three, the vehicle must be new and purchased or leased between July 1, 2018 and December 31, 2019. The Delaware Division of Climate, Coastal, and Energy reserves the right to suspend or extend the program at any time based on availability of funding.

Purchased Electric Vehicle Eligibility

The following criteria must be met in order for an electric vehicle to qualify for a rebate:

- Vehicle must be one of the following:
 - **Battery Electric Vehicles** – Vehicles that are powered by high-capacity batteries that are charged using an external power source. Battery Electric Vehicles do not have a gasoline or diesel internal combustion engine or a range extender (e.g. the Nissan Leaf).
 - **Plug-in Hybrid Electric Vehicles (PHEV)** – Vehicles that use batteries that are charged by an external power source in conjunction with a gasoline or diesel internal combustion engine, range extender, or backup generator (e.g. the Chevy Volt).
 - **Vehicle to Grid Capable Vehicles**- The vehicle must meet the definition of a grid-integrated vehicle as described in [26 Delaware Code § 1001\(17\)](#)
 - The conversion system must be certified or approved by either the U.S. EPA or California Air Resources Board (CARB) for that particular make, model, model year,

and engine type. Conversions that are not certified or approved by U.S. EPA or CARB for the particular vehicle are not eligible for this program.

- The vehicle conversion must be performed by a U.S. EPA and California Air Resources Board (CARB) certified Delaware retrofitter. All retrofits must be approved by the Division of Climate, Coastal, and Energy.
- Vehicles must be class 1-6 and have a gross weight rating of less than (<) 26,000lbs.
- Vehicle must be listed as eligible for the [federal tax credit](#) (as of December 31, 2014) in order to qualify for the Delaware Clean Vehicle Rebate Program.
- Vehicle must be titled and registered as new in Delaware. Vehicles with transfer registrations are not eligible for a rebate.
- Vehicles purchased out of state are eligible if:
 - Applicant is a Delaware resident, active duty military member stationed in Delaware, or a Delaware based businesses at the time of vehicle purchase or lease.
 - The vehicle is new and registered for the first time in Delaware. Transfer registrations are not eligible under this rebate program.
- Vehicle must utilize an external power source to recharge on-board rechargeable batteries which provide energy to an electric motor, which then powers the vehicle (the vehicle must be able to be plugged in).
- Vehicle must be propelled by an electric motor that draws electricity from a battery that has a rating of no less than 4 kilowatt hours.
- Vehicle must have a maximum speed capability of at least 55 miles per hour.
- Vehicle must be designed and intended primarily for use on public highways, streets, and roads.
- Vehicle must be capable of passing the Delaware Department of Motor Vehicles Inspection.
- Vehicle must be for the use of the applicant, business, or organization, and not for resale purposes.

Leased Electric Vehicle Eligibility

In addition to the above,

- Lease terms must be no less than 36 months/3 years
- All lease documentation must be approved and signed off by a dealer to qualify.

Purchased Compressed Natural Gas (CNG) and Propane Vehicle Eligibility

- There are two types of vehicles that are eligible for a CNG or Propane Vehicle:
 - **Bi-fuel vehicles** are those vehicles that that have two separate fueling systems that enable them to run on either propane OR natural gas and a conventional fuel (gasoline or diesel)
 - **Dedicated** vehicles run solely on CNG and Propane and do not use a conventional fuel (i.e. gasoline or diesel)
- Must be class 1-6 vehicle.
- Vehicle must have a maximum speed capability of at least 55 miles per hour.
- Vehicle must be designed and intended primarily for use on public highways, streets, and roads.
- Vehicle must be capable of passing the Delaware Department of Motor Vehicles Inspection.
- Vehicle must be titled and registered in Delaware.
- Vehicle must be for the use of the applicant, business, or organization, and not for resale purposes.
- Vehicles must have a gross vehicle weight rating of less than (<) 26,000 lbs.

Leased Compressed Natural Gas or Propane Vehicle Eligibility

In addition to the above,

- Lease terms must be no less than 36 months/3 years
- All lease documentation must be approved and signed off by the dealer to qualify.

Retrofitted Vehicle Eligibility

Retrofitted Electric Vehicle Eligibility

The following criteria must be met in order for a retrofitted electric vehicle to qualify for a rebate:

- The vehicle must have an existing internal combustion engine being retrofitted to a dedicated electric engine.
- The retrofit must be certified or approved by either the U.S. EPA or California Air Resources Board (CARB) for that particular make, model, model year, and engine type. Conversions that are not certified or approved by U.S. EPA or CARB for the particular vehicle are not eligible for this program.
- The vehicle conversion must be performed by a U.S. EPA and California Air Resources Board (CARB) certified Delaware retrofitter. All retrofits must be approved by the Division of Climate, Coastal, and Energy.
- The retrofitted vehicle must be propelled by an electric motor that draws electricity from a battery that has a capacity of no less than 4 kilowatt hours.
- The retrofitted vehicle must be capable of being recharged from an external source of electricity.
- The retrofitted vehicle must have a maximum speed capability of at least 55 miles per hour.
- The retrofitted vehicle must be designed and intended primarily for use on public highways, streets, and roads.
- The retrofitted vehicle must be capable of passing the Delaware Department of Motor Vehicles Inspection.
- The retrofitted vehicle must be titled and registered in Delaware.
- The vehicle must be retrofitted for the use of the applicant, and not for resale purposes.
- Vehicles must have a gross vehicle weight rating of less than (<) 26,000 lbs.

Retrofitted Propane (LPG) Vehicle Eligibility

The following criteria must be met in order for a retrofitted propane vehicle to qualify for a rebate:

- The vehicle to be retrofitted must have an existing internal combustion engine being retrofitted to a dedicated propane fueled engine.
- The conversion system must be certified or approved by either the U.S. EPA or California Air Resources Board (CARB) for that particular make, model, model year, and engine type. Conversions that are not certified or approved by U.S. EPA or CARB are not eligible for this program.
- The vehicle conversion must be performed by a U.S. EPA and California Air Resources Board (CARB) certified Delaware retrofitter. All retrofits must be approved by the Division of Climate, Coastal, and Energy.
- The retrofitted vehicle must be designed and intended primarily for use on public highways, streets, and roads.

- The retrofitted vehicle must be capable of passing the Delaware Department of Motor Vehicles Inspection.
- The retrofitted vehicle must be titled and registered in Delaware.
- The vehicle must be retrofitted for the use of the applicant, and not for resale purposes.
- Vehicles must have a gross vehicle weight rating of less than (<) 26,000 lbs.

Retrofitted Compressed Natural Gas (CNG) Vehicles Eligibility

The following criteria must be met in order for a retrofitted compressed natural gas vehicle to qualify for a rebate:

- The vehicle must have an existing internal combustion engine being retrofitted to a dedicated CNG fueled engine.
- The conversion system must be certified or approved by either the U.S. EPA or California Air Resources Board (CARB) for that particular make, model, model year, and engine type. Conversions that are not certified or approved by U.S. EPA or CARB for your particular vehicle are not eligible for this program.
- The vehicle conversion must be performed by a U.S. EPA and California Air Resources Board (CARB) certified Delaware retrofitter. All retrofits must be approved by the Division of Climate, Coastal, and Energy.
- The retrofitted vehicle must be designed and intended primarily for use on public highways, streets, and roads.
- The retrofitted vehicle must be capable of passing the Delaware Department of Motor Vehicles Inspection.
- The retrofitted vehicle must be titled and registered in Delaware.
- The vehicle must be retrofitted for the use of the applicant, and not for resale purposes.
- Vehicles must have a gross vehicle weight rating of less than (<) 26,000 lbs.

Application Process

To apply for a rebate under the Clean Vehicle Rebate Program, please download an [application](#) and submit the completed application via email to DNREC.Transportation@state.de.us or via mail to The Delaware Division of Climate, Coastal, and Energy, 100 W. Water Street, Energy & Climate – Suite 5A, Dover, DE 19904. Applications must be signed by the applicant and dealership owner or manager and all supporting documents must be submitted. Applications may be scanned and emailed to DNREC.Transportation@state.de.us or mailed to the mailing address above.

All applicants are required to submit the following documentation:

- A complete Clean Vehicle Rebate application and,
- A proof of residency or operation in the state of Delaware:
 - A copy of the applicant's driver's license, or
 - A copy of a military proof of service letter, or
 - A copy of an applicant's Delaware business license
- A copy of the sales slip, financing agreement, or lease agreement (which must be for a minimum of 3 years/ 36 months)
- Electronic W-9 form (see below)

Individuals who do not have a Delaware driver's license will be required to provide a legible copy of a current alternate unique identifier, such as proof of Delaware residency in the form of a utility or cable

bill within the last 3 months, a copy of the current DMV registration of the vehicle, a signed, dated, and notarized residential rental agreement, or other valid form of Delaware residency as approved by DNREC.

In addition, the applicant must submit a W-9 form ONLINE, which can be found at <https://esupplier.erp.delaware.gov>. Paper forms cannot be accepted.

Applicants should consult and use the “Application Guide” to ensure that all required information has been submitted. This guide can be found at www.de.gov/cleantransportation

Additional Guidelines

- Documents submitted should be legible and complete, with all necessary supporting documents. All incomplete or illegible documents will be returned to the applicant, leading to delays in rebate processing time.
- Applications that are missing supporting documents will be returned to the applicant without being processed. It is the applicant’s responsibility to ensure that all documentation and signatures are included in the application package.
- Rebates are limited to one rebate per eligible vehicle. DNREC reserves the right to limit the number of rebates given to an individual or business based upon funding limitations.
- DNREC, or an authorized representative, reserves the right to contact all rebate applicants in the future regarding satisfaction with the Clean Vehicle Rebate Program, driving and charging behavior, and alternative fuel vehicle satisfaction.
- The Delaware Division of Climate, Coastal, and Energy reserves the right to suspend or extend the program at any time based on availability of funding. The program will continue until all funding has been exhausted or December 31, 2019, whichever comes first. The Delaware Division of Climate, Coastal, and Energy may extend the program if additional funding is available.

Taxability of Vehicle Rebates

This rebate may be considered taxable income by the U.S. Internal Revenue Service and the Delaware Department of Revenue. It shall be the sole responsibility of the recipient, individually, to seek professional advice and determine the tax consequences of this rebate.

Participating Dealerships

There are many dealerships in Delaware who are able to accept the rebate on the customer’s behalf and provide the rebate at point-of-sale. For a list of the participating dealerships in Delaware, please visit www.de.gov/cleantransportation.

Frequently Asked Questions

Please visit www.de.gov/cleantransportation to view a list of Frequently Asked Questions. If you have additional questions, please email DNREC.Transportation@state.de.us