

# Delaware Clean Vehicle Rebate Program: Description and Guidance

## **Purpose**

The purpose of the clean vehicle rebate program is to provide incentives for Delawareans and Delaware Businesses to purchase or lease a new/retrofitted alternative fueled vehicle. This program is aligned with Governor Markell's commitment to innovation in the transportation sector, reducing greenhouse gases, and improving Delaware's air quality.

The Clean Vehicle Rebate Program has committed an initial sum of \$750,000 for the deployment of alternative fueled vehicles in the State of Delaware. This program will encourage Delawareans and Delaware fleets to adopt and deploy alternative fueled vehicles. For more information on this program please visit [www.de.gov/cleantransportation](http://www.de.gov/cleantransportation).

## **Program**

Rebates for alternative fueled vehicles are available under the Clean Vehicle Program in the State of Delaware. The rebate breakdown is as follows:

- New Electric Vehicle Rebate: \$2,200 toward the purchase or lease of a new qualified electric vehicle.
- Retrofitted Electric Vehicle Rebate: \$1,100 towards retrofitting an internal combustion engine into an electric vehicle.
- New or Retrofitted Dedicated Propane (LPG) Vehicle Rebate: \$1,100 towards the purchase, lease, or retrofit of a qualified propane fueled vehicle.
- New or Retrofitted Dedicated Compressed Natural Gas (CNG) Vehicle Rebate: \$1,100 towards the purchase, lease, or retrofit of a qualified compressed natural gas fueled vehicle.

## **Program Deadlines**

Qualified vehicles must be purchased or leased between July 16<sup>th</sup>, 2015 and December 31<sup>st</sup>, 2016. All rebate applications must be postmarked by this date in order to be eligible for the program. The program will continue until all funding has been exhausted or December 31<sup>st</sup>, 2016, whichever comes first. Remaining funds available will be updated periodically on the program website found [here](#).

## **Applicant Eligibility**

An applicant for a rebate must be:

- A Delaware resident or,
- Business, non-profit, and organization with physical address in Delaware or,
- State agency or department, municipal government, and county government in the State of Delaware

## New Vehicle Eligibility

This program provides rebates for the purchase or lease of new plug-in electric, dedicated propane and dedicated compressed natural gas vehicles purchased between July 16<sup>th</sup>, 2015 and December 31<sup>st</sup>, 2016. The Delaware Division of Energy and Climate reserves the right to extend this program if funds are available.

Electric vehicles 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. In addition, only dedicated propane vehicles and dedicated compressed natural gas vehicles are eligible for this program. Dual-fueled/bi-fueled propane and compressed natural gas are not eligible.

### Electric Vehicle Eligibility

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

- Two types of electric vehicles are accepted by the rebate program:
  - Battery Electric Vehicles (BEV) – these are vehicles that are powered by high-capacity batteries and do not require the assistance of an internal combustion engine. The Nissan Leaf is an example of a BEV.
  - Plug-in Hybrid Electric Vehicles (PHEV) – these are vehicles use batteries in conjunction with an internal combustion engine. The Chevy Volt is an example of an eligible PHEV.
- The 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).
- The vehicle must be equipped to plug into an external power source to charge the battery.
- The 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 vehicle must have a maximum speed capability of at least 55 miles per hour.
- The vehicle must be designed and intended primarily for use on public highways, streets, and roads.
- For a list of electric vehicles that qualify for this rebate, please visit [FuelEconomy.gov](http://FuelEconomy.gov).
- The vehicle must be capable of passing the Delaware Department of Motor Vehicles Inspection.
- The vehicle must be titled and registered in Delaware.
- The vehicle must be for the use of the applicant, and not for resale purposes.
- If the vehicle is leased, the lease terms must be for NO LESS THAN 36 months/3 years.
- Vehicles must have a gross vehicle weight rating of less than (<) 26,000lbs.

### Leasing an Electric Vehicle

- Leased vehicles (classes 1-6) are eligible for the Delaware Clean Transportation Incentive Program.
- Rebates for leased electric vehicles (both plug-hybrid and battery electric) are \$2,200
- To obtain a rebate for a leased vehicle, purchasers must submit the terms of the lease program for the car. The lease terms must be NO LESS THAN 36 months/ 3 years to qualify.
- All lease documentation must be approved and signed off by a dealer to qualify.
- Please contact a dealer for details, vehicles available for lease, and information on leasing options.

### **Compressed Natural Gas (CNG) and Propane Vehicle Eligibility**

- The vehicle must be propelled by a dedicated compressed natural gas (CNG) or propane engine. Dual-fueled/bi-fueled propane and CNG vehicles do not qualify for this rebate.
- The vehicle must have a dedicated fuel engine (i.e. dedicated CNG or dedicated propane).
- The vehicle must have a maximum speed capability of at least 55 miles per hour.
- The vehicle must be designed and intended primarily for use on public highways, streets, and roads.
- The vehicle must be capable of passing the Delaware Department of Motor Vehicles Inspection.
- The vehicle must be titled and registered in Delaware.
- The vehicle must be for the use of the applicant, and not for resale purposes.
- If the vehicle is leased, the lease terms must be for NO LESS THAN 36 months/3 years.
- Vehicles must have a gross vehicle weight rating of less than (<) 26,000lbs.

### **Leasing a Compressed Natural Gas or Propane Vehicle**

- Leased vehicles (classes 1-6) are eligible for the Delaware Clean Transportation Incentive Program.
- Rebates for leased dedicated propane or natural gas vehicles are \$1,100.
- To obtain a rebate for a leased vehicle, purchasers must submit the terms of the lease program for the car. The lease terms must be NO LESS THAN 36 months/ 3 years to qualify.
- All lease documentation must be approved and signed off by the dealer to qualify.
- Please contact a dealer for details, vehicle available for lease, and information on the leasing options.

### **Retrofitted Vehicle Eligibility**

#### **Electric Vehicle Eligibility**

The program provides rebates for electric vehicle retrofits completed between July 16<sup>th</sup>, 2015 and December 31<sup>st</sup>, 2016. The program will provide \$1,100 for the retrofit of an internal combustion engine into a plug-in electric vehicle completed by a qualified Delaware retrofitter. Home retrofits will not be accepted in the rebate program. For a list of DNREC approved retrofitters visit <http://www.autoportinc.com/> or email [DNREC.Transportation@state.de.us](mailto:DNREC.Transportation@state.de.us).

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

- The vehicle to be retrofitted must have an existing internal combustion engine being retrofitted to a dedicated electric 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 the particular vehicle are not eligible for this program.
- The vehicle retrofit must be performed by a qualified Delaware retrofitter that has been approved the Division of Energy and Climate.
- The retrofitted vehicle must be propelled by an electric motor that draws electricity from a battery that has a capacity of not 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 (<) 26,000lbs

### **Propane (LPG) Vehicle Eligibility**

The program will provide \$1,100 for the retrofit of an internal combustion engine into a propane (LPG) vehicle completed by a qualified Delaware retrofitter. Home retrofits will not be accepted in the rebate program. For a list of DNREC approved retrofitters, please email [DNREC.Transportation@state.de.us](mailto:DNREC.Transportation@state.de.us). The program provides rebates for retrofits completed between July 16<sup>th</sup> and December 31<sup>st</sup>, 2016.

The following criteria must be met in order for a 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 for your particular vehicle are not eligible for this program.
- The vehicle retrofit must be performed by a qualified Delaware retrofitter that has been approved the Division of Energy and Climate.
- 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 (<) 26,000lbs.

### **Retrofitted Compressed Natural Gas Vehicles Eligibility**

The program will provide \$1,100 for the retrofit of an internal combustion engine into a compressed natural gas vehicle completed by a qualified Delaware retrofitter. Home retrofits will not be accepted in the rebate program. For a list of DNREC approved retrofitters, please email [DNREC.Transportation@state.de.us](mailto:DNREC.Transportation@state.de.us). The program provides rebates for retrofits completed between July 16<sup>th</sup>, 2015 and December 31<sup>st</sup>, 2016.

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

- The vehicle to be retrofitted 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 retrofit must be performed by a qualified Delaware retrofitter that has been approved the Division of Energy and Climate.

- 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 (<) 26,000lbs.

### **Additional Guidelines for the Clean Vehicle Program**

- Any illegible documents will be returned to the applicant unprocessed.
- Any incomplete package that is missing supporting documents will be returned to the applicant without being processed. Please ensure that all documentation and signatures are included in the application package.
- Clean vehicles must be titled and registered in the State of Delaware.
- Individuals are limited to one (1) rebate.
- Fleets are limited to five (5) rebates.
- DNREC, or an authorized representative, may contact you in the future regarding driving and charging behavior, as well as overall electric vehicle driver satisfaction.

### **Tax Status of Vehicle Rebates**

The Delaware Controller General's Office has determined that, based on IRS rules, this State rebate is considered taxable income related to the recipient. Therefore, a Form 1099-G will be issued for vouchers received through the Clean Vehicle Rebate Program. For more information please consult your tax professional.

All rebate applicants **MUST** submit a W-9 form [ONLINE](#). The link to the State of Delaware W-9 online page is <https://w9.accounting.delaware.gov/W9form.aspx> . Applications will not be processed without this documentation.

### **Apply for a Rebate**

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

### **Frequently Asked Questions**

Please click [here](#) to see a list of Frequently Asked Questions. If you have additional questions, please email [DNREC.Transportation@state.de.us](mailto:DNREC.Transportation@state.de.us)