March 31, 2020

Via Electronic Mail to publiccomments@njcleanenergy.com

Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350

Re: Request for Comments - Proposed NJCEP Fiscal Year 2020 Second Budget Revisions and Charge Up New Jersey Program

On behalf of the Sierra Club and its over 20,000 New Jersey members, we submit the following comments on the Board of Public Utilities's Proposed NJCEP Fiscal Year 2020 Second Budget Revisions and Charge Up New Jersey Program. Our comments center on two key areas.

We strongly oppose shifting $5 million into the administrative costs category. As the proposal notes, the entire Electric Vehicle Program budget is only $30 million. As a result, the proposal contemplates using fully 16.67% of the total fund for administrative costs. The picture is even worse if, as the table in the proposal suggests, the $5 million is just for administration of the Charge Up New Jersey Program, to which a total of $15 million is to be allocated; in that case, the proposal contemplates fully 33.33% or **one-third** of the Program budget is to be spent on administrative costs. This is a relatively colossal amount of administrative expenditure, and is unlikely to represent the actual costs of administering the program.

By comparison, C.26:2C-51(7)(b)(4)(c)(2) states that the Board of Public Utilities "may **use up to two percent** of the total amount in the fund each year to pay for administrative costs." (emphasis added).[1] The proposal is wildly inconsistent with this, and would accordingly constrict the availability of millions of dollars for substantive incentives for electric vehicles. Transition of New Jersey's electric vehicle fleet from internal combustion engines to electric vehicles is absolutely essential for reduction of greenhouse gas emissions. The Legislative intent of using money for programs should be used for incentives. BPU can get money from other sources to implement this program. Indeed, for New Jersey to be able to meet the NJ-PACT goals or the 45% reduction by 2030 recommended by the 2018 Intergovernmental Panel on Climate Change (IPCC) report, electric vehicle implementation needs to be accelerated. Overallocating precious funds towards administrative costs limits the resources available to the

[1] By comparison, the same Act limits the Department of Environmental Protection to an administrative cost level of 4%, and the New Jersey Economic Development Authority to 2%. *Id.* at (7)(b)(4)(c)(1), (3).

Board for use in the rebates, grants, and other direct incentives that will more swiftly encourage electric vehicle adoption.

As such, given the critical importance of incentivizing the transition from internal combustion engines in New Jersey's vehicle fleet to electric vehicles the Sierra Club strongly recommends that much less than $5 million of the $30 million Electric Vehicle Program budget be allocated to administrative costs.

Second, the Sierra Club is concerned by the proposal to zero out spending on the multifamily program. While we appreciate that the program has "not yet launched," and that the projected funding is to be re-allocated towards other efficiency programs, we are troubled that the proposal does not anticipate the program launching at all in FY2020. Efficiency programs for multifamily units are extremely important. Multifamily housing makes up a significant fraction of all housing in New Jersey, and as a result lacking a program to secure energy efficiency gains from such housing will mean fewer efficiency gains for the state as a whole. Similarly, multifamily housing presents unique opportunities for efficiency gains. Since multifamily housing units are typically maintained by a different entity than the residents who actually pay the utility bills, there is a mismatch of incentives that cuts against efficiency upgrades for those housing units. Public programs like those administered by the Board are thus critical to achieve highly economic efficiency gains that are otherwise blocked by that incentive mismatch.

The 1/3 of people in New Jersey who live in rental housing deserve the benefit of energy efficiency programs. Multifamily efficiency programs are also critical for addressing important equity and environmental justice concerns. Multifamily housing units tend to be occupied by residents of lower incomes more so than does single-family housing; such residents also spend a significantly higher proportion of their overall income on energy. Thus, in addition to the benefits that flow from reductions in aggregate energy demand due to efficiency efforts, multifamily efficiency programs also help ameliorate the energy burden for some of the New Jersey residents who feel that burden most keenly.

Accordingly, the Sierra Club strongly recommends that the Board get its multifamily efficiency program up and running as quickly as possible, and ensure that it is fully funded.

If you have any questions, or if there is any additional information I can provide, please feel free to call me at (609) 558-9100.

Sincerely,

/s/

Jeff Tittel
Director of the New Jersey Sierra Club

March 31, 2020

Aida Camacho-Welch, Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350

RE: NJCEP FY20 Proposed Second Budget Revisions

Dear Ms. Camacho-Welch:

We write on behalf of New Jersey's 155 credit unions and their more than one-million members in response to the Request for Comments on New Jersey Clean Energy Program's (NJCEP) Fiscal Year 2020 Proposed Second Budget Revisions and Draft Electric Vehicle Program Compliance Filing.

CuGreenLoans, the interest rate buydown program offered through the NJCEP's Home Performance with Energy Star program (HPwES) and financed by New Jersey credit unions, has a proven track record, and ranks as one of the most successful programs of its kind in the country. To date, the program has financed some $27 million in residential home energy improvements for more than three thousand homeowners, including nearly $2 million in projects when the homeowner was denied credit from their utility.

We note the Second Budget Revisions Draft recommends moving nearly $10 million from the Direct Install Program for the balance of the Fiscal Year 2020 (FY20). The business model that has worked so well for residential energy programs has the potential to be successful in improving energy efficiency for small- and medium-sized businesses throughout the state of New Jersey via the Direct Install Program.

We would like to propose a pilot that could both strengthen the reach of the Direct Install Program, as well as, serve as a post COVID-19 economic stimulus. This program could quickly inject much-needed funds into the economy for both contractors and the business customers of the Direct Install Program, in addition to keeping New Jersey on course with our energy efficiency goals.

In our cuGreenLoans program, homeowners receive a 0% (zero) loan up to $10,000, or a 0.99% loan up to $15,000, to finance needed energy improvements. The loans are provided by credit unions who receive a buy-down from the state in the amount of the interest that would normally be charged.

For the pilot project, we would propose that NJCEP marry this approach with its existing Direct Install Program to bridge the gap between funds provided by the state and the funds needed by the business.

For example, in the standard scenario in which Direct Install projects receive a 70% grant, we would propose that credit unions provide the remaining 30% as a zero- or very low-interest loan with a buy-down from the state on the interest forgiven.

Let's assume fifty projects at an average total cost of $100,000 each, with credit union financing needed for 30% of each of those projects. The cost of the buy-down to the NJCEP would be about $1,000,000 (50 projects x a high-end estimate of $20,000 in interest buy-down per project). The actual interest amount would vary based on the size of the project and prevailing prime rate.

Given the dollars involved, we would also suggest a loan-loss reserve to enable credit unions to lend deeper into the credit pool – important given the impact of COVID-19 related shutdowns on balance sheets. In this instance, we would recommend setting aside $250,000 as a loan-loss reserve in order to facilitate financing for less credit-worthy borrowers.

The resulting total cost to the NJCEP would be approximately $4.75 million, with the 70% grants included in the calculation:

Grants @ 70% project cost:	$3,500,000
Interest buy-down on 30%	$1,000,000
Loan-loss reserve	$ 250,000
Total:	$4,750,000

If the projects supported were less than $100k, then the numbers all scale down accordingly.

We propose that NJCEP allocate $4.75 million of the proposed $10 million reallocation to increase the number of Direct Install projects in New Jersey, in addition to the standard, up to seventy-percent project grant, with a no-interest loan for the small business's contribution to the project. Under this model, the NJCEP would buy down the interest rate on the financing in a manner similar to what the HPwES program does for homeowners.

The CrossState Credit Union Association (formerly the NJ Credit Union League) has both demonstrated experience and the infrastructure in place to be ready to launch such a pilot program as soon as the public health crisis passes. The program could play a valuable role helping to jump-start New Jersey's economy in the critical few months following the state's economic shut-down.

New Jersey's member-owner, not-for-profit credit unions stand ready to support Governor Murphy's clean energy initiative and help re-start the state's economy.

We would welcome the opportunity to discuss this at greater length.

With best regards,

Patrick C. Conway

Patrick C. Conway
President & CEO

State of New Jersey
DIVISION OF RATE COUNSEL
140 EAST FRONT STREET, 4TH FL
P.O. BOX 003
TRENTON, NEW JERSEY 08625

PHIL MURPHY
Governor

SHEILA OLIVER
Lt. Governor

STEFANIE A. BRAND
Director

March 31, 2020

By Electronic Mail
Honorable Aida Camacho-Welch, Secretary
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

Re: NJCEP Fiscal Year 2020 Proposed Second Budget Revisions and Draft FY2020 "Charge Up New Jersey" Compliance Filing
BPU Docket No. QO19050645

Dear Secretary Camacho-Welch:

Please accept for filing the attached comments being submitted on behalf of the New Jersey Division of Rate Counsel ("Rate Counsel") in connection with the above-referenced matter. Copies of Rate Counsel's comments are being provided to all parties on the service list by electronic mail only.

Please acknowledge receipt of these comments.

Thank you for our consideration and attention to this matter.

Respectfully submitted,

STEFANIE A. BRAND
Director, Division of Rate Counsel

By: */s/ Kurt S. Lewandowski*
Kurt S. Lewandowski, Esq.
Assistant Deputy Rate Counsel

KSL
Enclosure
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New Jersey Clean Energy Program
FY19 Budget True-Up
BPU Docket No. QO19050645

Comments of the Division of Rate Counsel

March 31, 2020

Introduction

On March 20, 2020, the Office of Clean Energy ("the OCE") circulated (via e-mail) a document entitled "Request for Comments - NJCEP Fiscal Year 2020 Proposed Second Budget Revisions and Draft Electric Vehicle Program Compliance Filing" ("Request for Comments") and requested comments by March 31, 2020. The OCE proposes modifications to its Fiscal Year 2020 ("FY20") budget for New Jersey's Clean Energy Program ("CEP"). The Division of Rate Counsel ("Rate Counsel") would like to thank the Board of Public Utilities ("BPU" or "the Board") for this opportunity to present comments on the second set of revisions to the FY2020 CEP Budget and the Draft FY20 "Charge Up New Jersey" Compliance Filing.

As a general matter, Rate Counsel notes that CEP spending is likely to be affected by the COVID-19 virus affecting the wellbeing and economic activity of New Jerseyans. As this crisis unfolds its impact on OCE programs is likely to supersede the revisions filed in this matter. This impact notwithstanding, Rate Counsel submits the following comments on the OCE's proposed budget revisions.

I. CEP Budget Revisions

As set forth below and in its request for comments, the OCE proposes several budget revisions comprised of increases and decreases in subprogram budgets, as well as a reallocation of its electric vehicle ("EV") program funding. The OCE's proposed revisions are summarized below.

<u>OCE's Proposed *Increases* in CEP FY20 Subprogram Budgets:</u>

Commercial & Industrial ("C&I") Buildings	$1,609,173
Energy Efficient Products	$1,015,655
Residential New Construction	$395,217
Residential Existing Homes	$198,300*
Local Government Energy Auditing	$133,928
SREC Registration	$100,000
Combined Heat and Power ("CHP")	$68,891
NJCEP Administration Cost Category	$70,568

<u>OCE's Proposed *Decreases* in CEP FY20 Subprogram Budgets:</u>

Direct Install	($9,979,312)
Multifamily	($1,319,468)

*The adjustment for the residential Existing Homes subprogram is not included in the enumeration of increases on page 2 of the Request for Comments, but it is shown in the "FY2020 Proposed Adjustments" table on page 4.

For its second budget revision for FY20, the OCE does not propose any additional funding or reallocation of funds from other program years. As the OCE describes its rationale, "[a] review of FY20 first quarter program expenditures showed that some program spending is tracking above, and other program spending is tracking below, the original projections. In addition, Staff has otherwise updated its projections as to expected spending for the remainder of FY20."[1]

<u>Residential Programs</u>

[1] Request for Comments, page 1.

On the residential side, the most significant change is a requested $1.016 million increase in the budget for the Energy Efficient Products subprogram. According to the OCE, this proposed revision reflects the popularity of this highly cost-effective subprogram, in addition to the expected impact of an upcoming marketing campaign.[2] Rate Counsel supports this increase.

Two other increases for residential energy efficiency ("EE") subprograms, for Existing Homes (additional $198,300) and Residential New Construction (additional $395,217), represent requested increases in the administration, marketing, and rebate processing budgets for these subprograms with no apparent expectation of increased participation.[3] This is of particular concern given that OCE's previous analysis showed that these programs or their predecessor subprograms were already not cost effective on a Total Resource Cost basis.[4] The OCE should explain why its administrative costs are higher than expected while customer participation remains the same.

<u>Commercial and Industrial ("C&I")</u>

On the C&I side, the OCE proposes to shift almost $10 million from its Direct Install subprogram primarily to its C&I Buildings subprogram, with a small portion ($133,928) redirected towards its Local Government Energy Auditing ("LGEA") subprogram. In general, this appears to be a transfer from a less cost-effective subprogram to a more cost-effective one. However, this change is also accompanied by a significant shift of spending from direct customer benefits to administrative costs. In fact, the OCE is requesting a modest *increase* in

[2] Ibid., page 2.
[3] Ibid., page 4. No increase is shown for these programs under the category of "Rebates, Grants, and Other Direct Incentives".
[4] TRC FY20 Compliance Filing, dated June 20, 2019, Appendix H, page 150.

administrative spending for the Direct Install program at the same time it is reducing customer incentives by over $10 million. The OCE is also requesting an additional $500,000 for its rebate processing budget for the C&I Buildings program. In sum, the OCE proposes an 8% increase in customer incentives, but a 19% increase in costs to process those incentives. The OCE should provide an explanation for this apparent discrepancy.

Electric Vehicles

The OCE proposes to reallocate its $30 million budget for Electric Vehicle incentives such that $15 million will be allocated to the Charge-Up New Jersey program and $15 million to the Plug-In EV Incentive Fund. However, the OCE has not provided any description of the distinction between these two subprograms.

II. Charge Up New Jersey FY2020 Compliance Filing

The OCE provided a compliance filing for its Charge-Up New Jersey program, but it is not clear how this differs from, or relates to, the Plug-In EV Incentive Fund found in the proposed FY2020 CEP budget revisions. The OCE should provide a clear explanation of the difference between these two subprograms, including a reference to any available detailed program descriptions, along with the rationale for its proposed allocation of the $30 million in funding.

Finally, Rate Counsel is concerned about the time frame for post-purchase rebates for electric vehicle purchases or leases, which are subject to limitations in both eligibility and funding. If potential purchasers must make a significant investment without assurance that the promised rebates will be forthcoming in a timely fashion, it will further put such benefits out of reach of even middle-income consumers in New Jersey. The OCE should clarify how purchasers or lessees of such vehicles can be assured that the rebates will be available in a timely manner once they have made their EV purchases.

March 30, 2020
To: Aida Camacho, Secretary
New Jersey Board of Public Utilities
44 S Clinton Ave, Trenton NJ, 08625

RE: Charge Up New Jersey

To the Board of Public Utilities,

Thank you for the opportunity to provide comments on the proposed Charge Up New Jersey program. Such a program is critical to ensure a rapid and economically viable transition to electric transportation in New Jersey, and we appreciate the Board's ongoing efforts.

We applaud New Jersey's leadership to advance zero-emission transportation in the State, and most notably the robust purchase incentives for electric vehicles. In order to fully achieve the State's decarbonization goals, enhance utilization of public fast-charging networks, and ensure that electric vehicles are available to all communities regardless of wealth, it is critical that the incentive be available to businesses and fleets. This is because: (i) fleet vehicles drive 3-5 times as many miles per year as privately owned vehicles, and hence accrue 3-5 times as many emissions reductions, creating the most "environmental bang for the buck"; and (ii) the majority of TNC drivers identify with a minority group, and hence incentivizing fleet electrification provides access to clean transportation for drivers of color who have otherwise been historically excluded from clean jobs.

Lyft is a peer-to-peer ridesharing company that uses a smartphone application ("Lyft App" or "App") to allow customers to hail drivers, operating in the United States and Canada. Though to date we estimate that our domestic service comprises less than 1% of total vehicle miles traveled ("VMT") in the United States, we are growing rapidly and have ambition to become a viable alternative to car ownership for a large percentage of Americans.

For environmental and operational reasons, Lyft is very interested in electrifying the vehicles on its platform. Recent reports by Rocky Mountain Institute and Lawrence Berkeley National Lab (reports attached) have found that mobility services (like Lyft) performed by electric vehicles have the potential to reduce about **one gigaton** of CO2 in the US alone by the 2030s. Professor Dan Sperling's recent book "Three Revolutions" outlines opportunities and barriers to this potential low-carbon future and prominently features services like Lyft as a key enabler to making shared, electric vehicles replace personal gasoline vehicles.

But in order to begin this transformation as soon as possible (which is critical to mitigate CO_2 accumulation), governmental intervention is needed because zero-emission vehicles ("ZEVs") are not yet at cost-parity with non-ZEVs. In April of 2018, the California Public Utility Commission ("CPUC") released a report detailing the opportunities and challenges for Transportation Network Companies ("TNCs," like Lyft and Uber) to expand the number of ZEVs on their platforms. The CPUC found that the cost of ZEVs, including battery-electric vehicles ("BEVs"), was a major barrier to TNC drivers in California. According to the CPUC, the median income for a BEV-purchasing household in CA is over $170,000 per year, while the typical California resident -- including TNC drivers -- is less likely able to afford to purchase a BEV. This remains true even with the incentives available to individual vehicle owners. There are other major barriers to TNC BEV proliferation like access to fast charging, direct-current fast charging ("DCFC") installation and fuel cost, and long-range BEV availability. But for the purposes of this comment, we will focus on the primary barrier to making ZEVs affordable and accessible to TNC drivers – the cost premium of ZEVs – by leveraging the incentive programs in Charge Up New Jersey.

We propose that the Board considers allowing owners/operators of high-annual-mileage vehicles (herein referred to as "High-Mileage Fleet Owners") to capture point-of-sale incentives on ZEVs. This would include expressly granting eligibility to businesses and fleets in addition to private and individual owners. For instance, a TNC (or other High-Mileage Fleet Owner) may partner with a rental entity to purchase ZEVs and make them available to drivers. Because these high-mileage fleets are among the most utilized TNC vehicles, adding electric vehicles will directly increase electric vehicle miles traveled (eVMT) and decrease pollutants from what would otherwise be a traditional gasoline high-mileage vehicle. These high-mileage fleet ZEVs travel 3-5 times as many miles per year compared to a personal vehicle (e.g. up to 50,000 compared to 12,000 miles per year). If the vehicles are to be in TNC service for 3 years, without this incentive, the potential TNC fleet partners we've spoken with are unable to provide ZEVs at a competitive price versus traditional gasoline vehicles, and hence are unable to deploy ZEVs into high-mileage fleets. As a critical point, any ZEV incentives made available to businesses and fleets would flow directly to TNC drivers in the form of lower vehicle rental rates, and *not* the company's bottom line.

The single biggest impact the Board could have on climate impacts in the transportation sector is to support policies that enable electrification of fleet vehicles. The Board should strive to ensure that High-Mileage Fleet Owners have access to subsidies and incentives designed to support zero-emission vehicles to the greatest extent possible. In addition because we know TNC drivers tend to be middle income and/or identify with a minority group, an additional benefit of such a program would be an economic way for non-wealthy drivers and drivers of color to access clean transportation and clean jobs. As such, this is one of the best ways to get EVs into the hands of drivers most impacted by the harms of air pollution and climate change.

Finally, a critical component of P.L.2019, c.362 is the development of a robust public network of EV charging stations. High mileage fleets provide a significant utilization boost to regional charging networks, accelerating charging operators' ROI, allowing for the possibility of charging fees to decrease for all users. Lyft's EV deployments thus far have increased utilization of regional charging networks by 2 - 4 times, which charging operators strongly need to keep fees down.

We applaud New Jersey's efforts to promote low-carbon transportation. We have a unique opportunity for this program to eliminate the cost gap between electric and petroleum-based transportation for TNC drivers while giving the State the greatest "environmental bang for its buck." Providing a mechanism for fleet operators to capture these incentives, especially at the point of sale, could enable hundreds more high-mileage EVs on New Jersey roads, avoiding hundreds of thousands of gallons of gasoline and electrifying millions of miles traveled. Such a program could put EVs into the hands of ordinary New Jerseyans instead of only the wealthy, and expose hundreds of thousands more riders to EV technology every year. We look forward to working together to make Charge Up New Jersey as effective and impactful as possible, reducing emissions and contributing to a cleaner and more sustainable New Jersey.

Sincerely,

Samuel M. Arons

Sam Arons
Director of Sustainability
Lyft, Inc.

Submitted via E-Mail
March 30, 2020

State of New Jersey, Board of Public Utilities
44 S Clinton Ave, 3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ
08625-0350

RE: Draft FY20 "Charge Up New Jersey" Compliance Filing

Secretary Camacho-Welch:

The Natural Resources Defense Council ("NRDC") is pleased to submit these comments on the New Jersey Board of Public Utilities ("BPU" or "Board") Draft FY20 "Charge Up New Jersey" Compliance Filing ("Compliance Filing").

Respectfully Submitted,

Kathy Harris
Clean Vehicles and Fuels Advocate
NRDC
kharris@nrdc.org

Eric Miller
Director, New Jersey Energy Policy
NRDC
emiller@nrdc.org

NRDC applauds the BPU for issuing its first Compliance Filing to implement New Jersey's landmark electric vehicle ("EV") legislation signed into law earlier this year.[1] As the primary agency charged with implementing New Jersey's ambitious EV goals, the BPU has broad discretion to establish programs and promulgate regulations to expand the number of EV's on the road as well as increase the state's charging infrastructure. As such, this rebate program will set the state up as the east coast leader for transportation electrification. The rebate program created by the BPU will jump-start the EV market and help New Jersey meet its climate, zero-emission vehicle, and clean air goals.

After reviewing the Compliance Filing, NRDC has several recommendations that it believes will strengthen and improve both the "Stage 1" post-purchases rebate program, as well as the "Stage 2" point-of-purchase rebate program currently being designed by the Board and hired consultant, Center for Sustainable Energy ("CSE").

1. The BPU Should Continue its Stage 1's "Post-Purchase" Incentive Program Indefinitely, Even After the Stage 2 "Point-of-Purchase" Program Once is Launched in July

Although the EV law rightly highlights the importance of point-of-sale rebates, which will begin in Stage 2, NRDC recommends the Board continue to offer the option for individuals to apply for post-purchase rebates, as outlined in Stage 1. Some drivers may prefer to complete the paperwork individually and allowing this flexibility will strengthen the program. Several other states throughout the country have both point-of-sale and individual rebates including Delaware and Vermont.[2][3] Connecticut's CHEAPR rebate application is completed by the dealership, but the driver is able to determine if the rebate is applied to the purchase or lease or received directly via a check.[4]

2. The BPU Should Shorten the Time Period Between When an Applicant Submits Their Application to When an Applicant Receives Their Rebate to Well Under 120 Days.

The Compliance Filing states that applicants will receive their rebate within 120 days of submitting their EV purchase documentation, subject to availability. NRDC believes that a four-month period is too long, and that BPU should endeavor to provide rebate checks within one month after receiving a completed application. Since drivers will most likely rely on the rebate when considering purchasing or leasing an EV, 120 days is a long time to wait for up to $5,000, especially for low- or moderate-income drivers who may not be able to front that money for four months. Additionally, the Commission should release guidance on how drivers will know whether there is enough funding left when they purchase the vehicle.

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[1] P.L. 2019, c. 362, codified at N.J.S.A. 48:25-1 to 11.

[2] State of Delaware Clean Transportation Incentive Program (https://de.gov/cleantransportation)

[3] Drive Electric Vermont Program (https://www.driveelectricvt.com/why-go-electric/purchase-incentives)

[4] Connecticut CHEAPR Program (https://portal.ct.gov/DEEP/Air/Mobile-Sources/CHEAPR/CHEAPR---FAQ#faq9)

3. The BPU Should Require Eligible Vehicles to be leased for 3 years/ 36 months.

The BPU should require that eligible vehicles be leased for a minimum of 3 years/ 36 months rather than 2 years/ 24 months, as other states have done.[5] The goal of the rebate program is to increase—and keep—electric vehicles on the road to improve air quality and mitigate the effects of climate change. Increasing the length of the lease requirements to three years will ensure this, while also more equitably distributing funds and preventing one driver from getting a new $5,000 incentive up to five-times throughout the length of this program.

4. The BPU Should Extend rebate eligibility to businesses, fleets, non-profits, and government agencies.

The rebate program should incentivize not only personal light-duty vehicles to electrify, but also vehicles owned by public and private entities. This will help fleets and organizations clean up their fleet vehicles, while also reducing the upfront costs and making electric vehicles viable options. As the law requires the New Jersey state fleet to completely electrify light duty vehicles by 2035, allowing state agencies to apply for the rebates will help to reduce costs and ease the transition.

5. The BPU Should Make Rebate Program Data Publicly Available, and Update Information Monthly.

To ensure transparency, the BPU should monthly update an online website and data portal that allows the public to access data—that is not personally identifiable information—on the rebate program. This data should include at minimum, rebate funds spent and remaining, rebate amounts by zip code, and number of rebates by vehicle makes and models.

Conclusion

The above suggestions and recommendations will help to create a robust, simple, and used rebate program to support the electric vehicle program in New Jersey. Pulling from examples from rebate programs in other states, New Jersey can implement the lessons learned to ensure the programs development is smooth and implemented quickly to achieve the goals outlined in the EV Law.

We again thank the Board for this opportunity to provide comments on Stage 1 of the EV Rebate Program. If you have any questions or would like any additional information, please do not hesitate to reach out. We look forward to reviewing the final Stage 1 guidance and continuing to support New Jersey as the state works to reduce greenhouse gas emissions in the transportation sector.

Sincerely,

Kathy Harris
Clean Vehicles and Fuels Advocate
NRDC
kharris@nrdc.org

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[5] Delaware, Massachusetts, and New York are just a few examples of states that utilize the 3 year/36 months lease terms.

Eric Miller
Director, New Jersey Energy Policy
NRDC
emiller@nrdc.org

Via electronic submission to publiccomments@NJCleanEnergy.com

March 31, 2020

TO: Aida Camacho, Secretary

New Jersey Board of Public Utilities

44 South Clinton Avenue, 3rd Floor, Suite 314, CN 350,

Trenton, New Jersey 08625

FROM: Pamela Frank, CEO

On behalf of ChargEVC

417 Denison Street

Highland Park, New Jersey 08648

RE: Request for Comments - Proposed NJCEP Fiscal Year 2020 Second Budget Revisions and Charge Up New Jersey Program

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Secretary Camacho:

Enclosed please find the comments submitted on behalf of ChargEVC, pursuant to the notice released by the Board of Public Utilities regarding the Proposed NJCEP Fiscal Year 2020 Second Budget Revisions and Charge Up New Jersey Program, dated March 31, 2020.

Thank You.

INTRODUCTION & BACKGROUND

ChargEVC is a not for profit coalition of automotive retailers, utilities, technology companies, local governments, environmental, community, equity and labor advocates and manufactures. The coalition's work focuses on accelerating the transition to electrically fueled transportation in New Jersey. Based on research and analysis, including input from its members with expertise in the diverse segments relevant to market development, ChargEVC develops and advocates for program and policies that will accelerate market development. The program and policies recommended will deliver the broadest and deepest benefits to New Jersey.

The coalition was formed in 2016 in response to technological progress that makes the electric vehicle (EV) market one of the most advanced clean transportation technologies available capable of delivering broad and significant benefits to all the people in New Jersey. **A focused state effort can leverage significant momentum emerging in the transportation industry and achieve significant progress on state goals, relatively quickly, with relatively minimal investment.**

COMMENTS: CHARGE UP NEW JERSEY PROGRAM

We offer the following comments on the EV Compliance Filing:

1. <u>The Charge Up New Jersey rebate program should NOT be limited only to individuals. The rebate program, in addition to individuals, should be available to businesses, not-for-profits, and government entities.</u>

There is no basis in the EV law to restricting access to the Charge Up New Jersey rebate program to only individuals. Given ChargEVC's extensive involvement early on with the legislation that started nearly two years before the law was enacted, and in our many discussions with sponsors over that time period, restricting the rebate in this way was never contemplated and never discussed.

The rebate program is a tool for us to achieve our statewide goal of 330,000 registered EVs on the road by 2025. Eliminating the price premium of EVs, which are generally $10-15,000 more expensive than an ICE vehicle, will help New Jersey to reach this goal in a compressed time frame. Local governments, other state entities and businesses have demonstrated interest in replacing outdated ICE cars with electric cars. Many municipalities are very focused on sustainability and involved in Sustainable Jersey which gives points to communities who drive EVs and invest in EV infrastructure. Acquiring EVs in municipal

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fleets is a relatively simple and impactful action local governments and businesses can take. However, local governments are especially challenged in purchasing EVs due to budget constraints. It is our municipalities that need help from the rebate program. Municipal participants also play an important role increasing consumer awareness.

Further, an important and obvious strategy to reach our goal is to encourage electric fleet adoption. Local governments and businesses are likely to electrify their fleets. Excluding one of the highest potential growth areas—fleet electrification—from the rebate frustrate reaching the statewide goal.

We recognize that as the program becomes popular and more vehicles become available, there may be a need to narrow the definition of entities that are eligible for rebates. We are not at that place today. In fact, we are still very much behind. This is not the time to narrow the program. Since we are still about 300,000 EVs away from the goal, we must start with the broadest brush possible. That means allowing all businesses, not-for-profits, and government entities to participate in the rebate program in addition to individuals.

2. <u>The BPU should issue checks to vehicle owners who participate in the Charge Up New Jersey Program within 10 days of a completed transaction.</u>

The BPU should have a 10-day turnaround in issuing a check to the vehicle owner. The BPU has engaged with the Center for Sustainable Energy (CSE) to assist in the development and administration of the rebate program. CSE was also involved in the development and currently administers the EV rebate program in the State of New York. This program delivers the same function in only 10 days. The efficiency of our program should be on par with our neighboring states.

3. <u>Clarify if Stage 1 of the Charge Up program comes to a definitive end.</u>

We applaud BPU's signaling of a definitive date by which Stage 2 of the Charge Up program will launch. For those who will access the rebate program before July 15th, the BPU should provide guidance on when individuals will no longer be able to get a check on their own, and if this will continue to be a feature of the rebate program.

4. <u>The rebate will be available for both purchased and leased vehicles.</u>

We agree that the rebate should be available for both the purchase and lease of a qualifying EV. Both purchase and lease options put EVs on the road and bring New Jersey towards the statewide goal of 300,000 EVs by 2025.

5. <u>Applicant must be a resident of New Jersey. Delivery out of state is not permitted.</u>

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CHARGEVC
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info@chargevc.org

All applicants to the Charge Up New Jersey program must ensure EVs purchased through this program are registered at a New Jersey address.

COMMENTS: PROPOSED NJCEP FY-2020 2nd BUDGET REVISIONS

The EV law specified that administrative costs should not come out of the fund allocated for the rebate program. While we understand the current budget and the proposed budget revisions may not include the monies allocated under the new law, this new law provides the strongest policy signal that should inform the first year of the program including setting the full $30M aside for vehicle rebates which should not include Administrative fees.

In particular, we object to the use of $5M to be allocated to administration of the Charge Up program that reduces the total available budget for the EV rebate program to $25M.

For the balance of the current fiscal year, BPU should allocate the full $30M for the Charge Up New Jersey program. This should include the $15M allocated to the EV rebate program in this year's fiscal budget through the Plug In EV Incentive Fund.

Further, any money that is unused from this year's budget should be rolled over into the following year's budget to account for the exponentially growing EV market in New Jersey.

CONCLUSION

We appreciate the opportunity to contribute to the Charge Up New Jersey Program and Proposed NJCEP Fiscal Year 2020 Second Budget Revisions.

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PSEG
Services Corporation

March 31, 2020

Via Email
publiccomments@NJCleanEnergy.com

Aida Camacho-Welch
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
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Trenton, New Jersey 08625-0350

RE: Request for Comments - Proposed NJCEP Fiscal Year 2020 Second Budget Revisions and Charge Up New Jersey Program

Dear Secretary Camacho-Welch:

Public Service Electric and Gas Company ("PSE&G" or the "Company") appreciates the opportunity to provide comments on the Charge Up New Jersey Program Compliance Filing pursuant to the Board's Request for Comments issued on March 19, 2020. PSE&G enthusiastically supports New Jersey's goals set forth in P.L.2019, c.362 (*N.J.S.A.* 48:25-1 to -11) ("EV Legislation") for the increased use of plug-in electric vehicles ("EVs") as a means of attaining the clean energy goals of the state's Energy Master Plan. PSE&G welcomes the launch of the "Charge Up New Jersey Program," the incentive program for purchased or leased light-duty EVs that is required by the EV Legislation. The proposed two-phase program format and structure appears to be reasonable based on the EV Legislation's directive that the light-duty EV incentive program be implemented by July of 2020.

PSE&G looks forward to partnering with the Board and with EV industry stakeholders in the development of additional programs to both incentivize expanded EV use and to build-out the supporting infrastructure, including charging stations, required to accomplish the EV Legislation's goals. The Board's partnership with PSE&G and New Jersey's other electric distribution utilities is critical to maximize the impact of increased EV usage on overall greenhouse gas emissions. For example, PSE&G has proposed an EV and energy storage program that is currently pending Board approval (Docket No. EO18101111). PSE&G's program, if approved, would include incentives for residential smart chargers and off-peak rate incentives, as well as mixed use and public DC fast charging infrastructure. These proposals can not only help the Board achieve the EV Legislation goals, but coordination with PSE&G can also help ensure that all sectors of the economy, including multi-family and low income consumers, have access to EV technology while minimizing the load on the electric distribution system to the greatest extent possible. Coordination with PSE&G and other utilities can also ensure expanded benefits of EV through utility advanced metering capabilities and strategic technical pilot studies, such as the vehicle-to-grid ("V2G") and vehicle-to-building ("V2B") technology testing proposals included in PSE&G's proposed EV program that will explore communication technology and capability for EVs to dispatch energy back into the grid.

In short, as the Board takes its initial step toward New Jersey's clean energy future through its Charge-Up New Jersey incentive program, PSE&G is willing and eager to join the Board and the EV industry in the next important steps toward expanded EV deployment in New Jersey.

Very truly yours,

Katherine E. Smith

Katherine E. Smith

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Assistant General Counsel

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March 31, 2020

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RE: Request for Comments – "Charge Up New Jersey Program"
Comments of Atlantic City Electric Company

Dear Secretary Camacho-Welch:

On behalf of Atlantic City Electric ("ACE" or the "Company"), please accept these comments in response to the Request for Comments issued on or about March 19, 2020, concerning the "Charge Up New Jersey Program." ACE thanks the New Jersey Board of Public Utilities ("BPU" or the "Board") and its Staff for this opportunity to provide feedback on the Compliance Filing issued along with the aforementioned request for comments.

As the Energy Master Plan ("EMP") recognizes, the transportation sector is a major contributor to carbon emissions in New Jersey. Accordingly, electrifying the transportation sector is critical to providing a cleaner, sustainable future for the State's citizens. ACE applauds the State's commitment to deploying 330,000 light-duty electric vehicles ("EVs") by 2025, and the Company is eager to help the State meet this goal by providing the charging infrastructure needed to achieve this goal. The EMP, along with recently-enacted EV legislation (P.L. 2019, c.362), demonstrates the State's commitment to take concrete actions to increase the deployment of electric vehicles. In particular, ACE believes the financial incentives offered through the Board's "Charge Up New Jersey" program will help to expand EV adoption among the State's residents, and accordingly, the State supports the plans currently presented by the Board in this regard.

To be sure, the State can take additional steps to achieve the goal of having 330,000 light-duty EVs on New Jersey roads by 2025. In particular, the Board can continue to advance the pending EV petitions currently under consideration, including ACE's Amended EV Petition filed on December 17, 2019 (BPU Docket No. EO18020190). Among other objectives, the portfolio of offerings set forth in ACE's pending Amended Petition seek to:

- address consumer range anxiety through the deployment of residential and public charging infrastructure;
- increase customer education and awareness regarding EV technologies, our program offerings and the associated benefits;
- increase the adoption of light duty EVs in non-residential segments;
- utilize incentives to positively influence customer charging behavior; and
- deploy smart charging stations to study and manage the impact of increased EV charging on the electric grid.

As noted within the Charge Up New Jersey Compliance Filing itself, the State's charging incentive program is still under development. Although ACE's EV application includes a Company-managed residential charger rebate program, ACE believes that its offerings can complement the State's Charge Up New Jersey program. As such, the Company looks forward to collaborating with the Board and other EV industry stakeholders to ensure all EV programs include well-designed solutions to effectively meet New Jersey residents' needs.

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ACE appreciates the opportunity to comment on the Charge Up New Jersey program. The Company looks forward to providing further input on this important topic.

Respectfully submitted,

Andrew J. McNally

Andrew J. McNally