



Edison Electric  
INSTITUTE

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VIA EMAIL

October 21, 2020

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

**Re: Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future - Electric Vehicle and Energy Storage (“CEF-EVES”) Program, Docket No. EO18101111**

Dear Secretary Camacho,

The Edison Electric Institute (EEI) respectfully submits this letter to the New Jersey Board of Public Utilities (BPU) in support of Public Service Electric and Gas Company’s (“PSE&G”) CEF-EVES proposal in the above-referenced proceeding. EEI monitors electric vehicle (EV) proceedings across the country and appreciates the opportunity to provide the BPU a national perspective on the integral role electric companies play in advancing the deployment of EV infrastructure through programs that incentivize and provide rebates for charging infrastructure, the need to rapidly electrify medium- and heavy-duty and fleet vehicles to achieve the state’s ambitious greenhouse gas reduction goals, and the importance of pilot programs to better inform and shape EV policy determinations going forward.

EEI is the association that represents all U.S. investor-owned electric companies. Our members operate in all 50 states and the District of Columbia, and provide electricity for 220 million Americans. Collectively, the electric power industry supports more than 7 million jobs in communities across the United States. EEI’s member companies, which include PSE&G, deliver safe, reliable, affordable and increasingly clean electricity that powers the economy, transforms transportation through increased use of EVs, and enhances the lives of all Americans.

To date, 48 electric companies in 26 states and the District of Columbia have received approval to invest more than **\$2.6 billion** in EV programs.<sup>1</sup> This includes two recent approvals in New York<sup>2</sup> and California,<sup>3</sup> which together represent more than \$1.1 billion in investment. While this is an impressive number, more is needed to ready infrastructure and to incentivize greater EV adoption. The type of EV program can vary by state and electric company, but usually includes at least one of the following elements: (1) investments in, or ownership of, charging infrastructure; (2) customer rebates and incentives for all or part of charging infrastructure deployment; (3) customer education

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<sup>1</sup> See Edison Electric Institute, “Electric Transportation State Biannual Regulatory Update: June 2020,” [https://www.eei.org/issuesandpolicy/electrictransportation/Documents/FINAL\\_ET%20Biannual%20State%20Regulatory%20Update\\_June%202020.pdf](https://www.eei.org/issuesandpolicy/electrictransportation/Documents/FINAL_ET%20Biannual%20State%20Regulatory%20Update_June%202020.pdf)

<sup>2</sup> See State of New York Public Service Commission, *Order Establishing Electric Vehicle Infrastructure Make-Ready Program and Other Programs*, Case 18-E-0138

<sup>3</sup> See Public Service Commission of the State of California, *Decision Authorizing Southern California Edison Company’s Charge Ready 2 Infrastructure and Market Education Programs*, Application 18-06-015

and outreach; and (4) rate design. Separately or together, these elements can unlock value for all customers by growing and making the EV market attainable for all participants, by helping to integrate EV charging into the energy grid in a cost-effective manner, and by driving outcomes that protect customer interests while maximizing customer value.

Electric companies such as PSE&G are well-positioned to make targeted and strategic investments in EV charging infrastructure that benefit the broader community and accelerate EV adoption. The enactment of Senate Bill 2252 earlier this year set the ambitious goal of having at least 330,000 EVs on New Jersey's roads by the end of 2025 and at least 2 million EVs by the end of 2035.<sup>4</sup> In addition, earlier this week, New Jersey announced that it will be transitioning away from gasoline-powered vehicles in order to meet the state's 80x50 goal.<sup>5</sup> Collectively, these policies demonstrate New Jersey's commitment to becoming a national leader in EV adoption. By mid-2019, there were approximately 30,000 light-duty EVs on the road in New Jersey,<sup>6</sup> meaning the state will need to add approximately 75,000 EVs annually over the next 4 years if it wants to achieve its statutory goals.

Nationally, the current lack of EV charging infrastructure is one of the primary barriers to widespread EV adoption. EEI and the Institute for Electric Innovation (IEI) released a report in 2018 forecasting 18.7 million electric vehicles on the road by 2030.<sup>7</sup> To support that many EVs by 2030, 9.6 million charging ports will be needed.<sup>8</sup> This penetration is unlikely to be achieved without significant electric company investment.

The bulk of PSE&G's proposal aims at reducing obstacles to installing EV charging infrastructure for residential customers, multi-family dwellings, workplaces, fleets, municipalities, and public fast charging. The proposal, as designed, is an example of how electric company investment in EV charging infrastructure can guide outcomes that protect all customer interests and maximize customer value, both directly and indirectly. The CEF-EVES Program directly benefits customers by lowering the barrier to entry for EV adoption by providing rebates for the installation of in home and public charging stations, incentives to residential customers for charging during off-peak hours, and on-bill interest-free repayments to reduce the upfront cost of EV equipment installation. Indirectly, all customers benefit through the system-level efficiencies of smart electric company investment, more access to public charging, and the creation of up to 3,900 job-years. Moreover, the additional electricity demand from EVs, added to the grid in an efficient manner, puts downward pressure on rates for all customers.<sup>9</sup> Furthermore, investment in EV infrastructure such as that proposed by PSE&G would allow them to leverage their system-planning capabilities to locate charging infrastructure in a way that is cost-effective for the grid and improve access to all customers—including those in disadvantaged and low-income communities, thereby making this technology within reach for everyone.

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<sup>4</sup> See Senate and General Assembly the State of New Jersey, "Senate Bill 2252," approved January 17, 2020, [https://www.njleg.state.nj.us/2018/Bills/PL19/362\\_.PDF](https://www.njleg.state.nj.us/2018/Bills/PL19/362_.PDF).

<sup>5</sup> See New Jersey Department of Environmental Protection, "New Jersey's Global Warming Response Act 80x50 Report," October 15, 2020, <https://www.nj.gov/dep/climatechange/docs/nj-gwra-80x50-report-2020.pdf#page=30>.

<sup>6</sup> ChargeEVC, "Full Market Vehicle Electrification in New Jersey," October 7, 2020, <http://www.chargevc.org/wp-content/uploads/2020/10/ChargeEVC-Full-Market-Electrification-Study-FINAL-Oct-7-2020.pdf>

<sup>7</sup> See Edison Electric Institute and the Institute for Electric Innovation, Electric Vehicle Sales Forecast and the Charging Infrastructure Required Through 2030, November 2018, available at [https://www.edisonfoundation.net/-/media/Files/IEI/publications/IEI\\_EEI-EV-Forecast-Report\\_Nov2018.ashx](https://www.edisonfoundation.net/-/media/Files/IEI/publications/IEI_EEI-EV-Forecast-Report_Nov2018.ashx)

<sup>8</sup> See *Id.*

<sup>9</sup> See Synapse Energy, "Electric Vehicles Are Driving Electric Rates Down: June 2019 Update," <https://www.synapse-energy.com/sites/default/files/EV-Impacts-June-2019-18-122.pdf>; See also Energy and Environmental Economics, "Cost-Benefit Analysis of Plug-in Electric Vehicle Adoption in the AEP Ohio Service Territory," [https://www.ethree.com/wp-content/uploads/2017/10/E3-AEP-EV-Final-Report-4\\_28.pdf](https://www.ethree.com/wp-content/uploads/2017/10/E3-AEP-EV-Final-Report-4_28.pdf)

PSE&G's proposal includes a variety of investment mechanisms that, based on our experience in other states, will help New Jersey achieve its policy goals around EVs. Thirteen other states have allowed electric companies to invest in at least two of the following infrastructure models: make-ready, ownership of charging stations, and rebates.<sup>10</sup> In this proceeding, the BPU should consider a more flexible investment model that allows PSE&G to contribute to the deployment of infrastructure through a variety of means, including both direct rebates/incentives and ownership of EVSE charging stations. Because the SB 2252 targets are projected to be achieved in such a short timeframe, limiting PSE&G's role and preventing individual customers rebates that would incent EV adoption may unintentionally and unnecessarily delay the market's growth.

As mentioned above, EVs provide numerous benefits to drivers and non-drivers, including potential downward pressure on overall electricity rates, but it is also important to emphasize that electric companies' direct participation in the EV market is vital to ensure that these benefits are realized by all customers, regardless of socio-economic situation, geographic location or whether they own an EV. Approximately a quarter of all approved investment in electric company programs have an equity component.<sup>11</sup> This can include dedicating a portion of program funds to deploying infrastructure in a low-income community or investing a certain portion of funds to the electrification of transit or school buses, such as proposed in PSE&G's Vehicle Innovation subprogram. Make-ready infrastructure, ownership of charging stations, and/or rebates are mechanisms electric companies utilize to support markets that private investors may not find attractive because of unfavorable economics. This is because electric companies take seriously their role of serving all customers. However, when evaluating whether an EV program proposal is reasonable, the BPU should not only consider equity in customer rates, but also the impacts on the community including increasing access to zero-emission transportation options, impacts on jobs, and reductions in air pollution.

In addition to all the direct customer benefits summarized above, EVs emit less air pollution than traditional gasoline powered vehicles, which enhances communities' efforts to reduce their carbon emissions. Currently, New Jersey's transportation sector accounts for 42 percent of greenhouse gas (GHG) emissions, which is the largest single sector of carbon emissions.<sup>12</sup> When looking to reduce emissions, light-duty vehicles should not be the only vehicle segment up for consideration. Medium- and heavy-duty vehicles, including trucks, buses and fleets should also be prioritized as they usually account for a larger share of air pollutants and have lower fuel efficiency when compared to light-duty vehicles.<sup>13</sup> Many states have recognized the value of electrifying trucks and buses and have dedicated more than \$890 million in public funds to this technology.<sup>14</sup>

PSE&G's proposal includes pilots to address the charging infrastructure needs of these larger use segments. While EEI acknowledges that the BPU intends to hold stakeholder discussions on these segments next year, it would be helpful to have real world data in advance of these discussions as medium- and heavy-duty segments are diverse, may require different rate structures, and impact the

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<sup>10</sup> See EEI, "Electric Transportation State Biannual Regulatory Update: June 2020."

<sup>11</sup> See Atlas Public Policy EV Hub, "25 Percent of Approved Utility Investment Going to Underserved Communities," December 2, 2019, [https://www.atlasevhub.com/data\\_story/25-percent-of-approved-utility-investment-going-to-underserved-communities/](https://www.atlasevhub.com/data_story/25-percent-of-approved-utility-investment-going-to-underserved-communities/)

<sup>12</sup> See State of New Jersey Department of Environmental Protection, "Transportation & Emissions," accessed June 9, 2020, <https://www.nj.gov/dep/aqes/opea-trans-emissions.html#:~:text=While%20emissions%20from%20individual%20cars,air%20toxics%20and%20greenhouse%20gases.>

<sup>13</sup> See ChargeEV

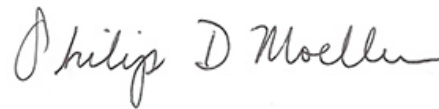
<sup>14</sup> See Atlas Public Policy, "Public and Electric Utility Support for Electric Buses and Trucks," December 2019, <https://atlaspolicy.com/wp-content/uploads/2020/02/Electric-Buses-and-Trucks-Public-and-Utility-Funding.pdf>

energy grid in different ways. It would be beneficial to get some preliminary data to inform the potential policy outcomes of these stakeholder discussions as relying on hypotheticals and projections in perpetuity is not enough to make informed decisions as the BPU refines its views on what is needed for EV market development.

As New Jersey works to implement policies that support greater deployment of EVs and grow the market for all participants, electric companies should not only be permitted to participate in this space but also be given an important role in designing and implementing programs that best meet the needs of all customers while also helping to integrate EV charging into the grid in a cost-effective manner. PSE&G's CEF-EVES program aims to do just that. PSE&G's proposal provides the BPU with an opportunity to take immediate, concrete action to advance the state's goals, make EV technology available for all customers, maintain leadership in advanced transportation technologies, and expand the benefits of electric transportation.

EEI thanks the BPU for the opportunity to share our thoughts on PSE&G's Petition and the overall growth of EVs in New Jersey.

Respectfully submitted,

A handwritten signature in dark ink, reading "Philip D Moeller". The signature is fluid and cursive, with the first name "Philip" and last name "Moeller" clearly legible.

Philip D. Moeller  
Executive Vice President,  
Business Operations Group and  
Regulatory Affairs  
Edison Electric Institute  
701 Pennsylvania Avenue, N.W.  
Washington, DC 20004-2696  
202-508-5500  
PMoeller@eei.org