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VIA EMAIL

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

Re: In the Matter of the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future - Electric Vehicle and Energy Storage ("CEF-EVES") Program on a Regulated Basis, BPU Docket No. EO18101111

Dear Secretary Camacho-Welch:

This firm represents Electrify America, LLC ("Electrify America") in this matter. Electrify America does not object to the adoption by the Board of the Stipulation which has been executed by numerous parties in this proceeding. Electrify America applauds the diligent efforts of BPU Staff and Rate Counsel to reconcile the difficult competing interests of the various parties to this matter, including PSE&G and the charging company intervenors. In particular, Electrify America supports adoption of the Make-Ready program and views this as progress in incentivizing the EV industry. However, Electrify America will not be signing the Stipulation for the following reasons:

- There is no relief provided in the form of reduced demand charges related to BGS rate components. Electrify America believes that this will result in non-competitive rates and inhibition of needed infrastructure development in this nascent industry.
- On the distribution side, the limited reduction to distribution demand charges is not sufficient to address a well-documented barrier to economically-sustainable operation of publicly-accessible EV charging stations, and therefore may not be sufficient to attract new third-party investment and market growth.
- As a result, the effective price per kilowatt hour with all demand charges included for DC Fast Charging stations in PSE&G's service area is higher than the equivalent retail price of gasoline, and charging companies must choose to either price their fast charging services at a higher price than the equivalent price of gasoline or accept operating losses at their stations until the customer base expands.
- The effective price per kilowatt hour with all demand charges included is much greater than residential rates paid by those that have the privilege of charging an EV at home. A substantial portion of the population rents their residence or lives in multi-unit dwellings, particularly in urban areas, where charging at home is not feasible, and this portion of the population will increasingly depend on public charging stations to fuel their vehicles as New Jersey pursues its transportation electrification goals. In order to provide fairness and equity to this population, which is disproportionately low-income, the difference in utility costs for public charging and residential charging must be addressed and reduced.

- The data-sharing obligations are onerous and costly, and seek more information than necessary to prepare a cost-of-service study (the stated purpose).
- PSE&G retains the right to determine what EV charging company equipment will qualify for its programs, creating the potential that PSE&G's prequalified options do not meet the automotive demands and fail to keep up with technological changes that are important in this developing market.

Electrify America's position may differ from other charging companies because Electrify America is uniquely situated as the only charging network providing more than 150 kW to capable vehicles in PSE&G's service territory as the customer of record using non-proprietary connectors. This faster refueling speed has been recognized as instrumental to increase EV adoption. However, the proposed rate structure, while addressing many concerns, has not reduced the demand charges to the degree necessary to allow Electrify America to price its product at a reasonable price (for example, gasoline equivalency) without covering ongoing energy expenses for the foreseeable future nearly every time someone charges their vehicle, with no ability to recover investments even with support from a make-ready program. Electrify America's investment plan evaluates the utility environment of each potential market as one of four objective, data-driven metrics when assessing which markets to prioritize for future charging station investments. Because other jurisdictions have approved rates that reduce or eliminate demand charges entirely for low-load commercial customers and EV charging infrastructure in order to meet state policy goals, these other regions have improved the utility environment and made third-party investment in DC fast charging more economically justifiable and appealing.

PSE&G originally proposed an effective cost per kilowatt hour that included *all* demand charges, however this was abandoned in favor of only addressing demand charges on the distribution side. Electrify America has explained that the State should invest in the EV charging market to incentivize EV adoption and that there is no substantiated additional cost to support high volume, short duration loads at public charging stations. Further, third-party providers do not sufficiently offset the burden of high demand charges to BGS components. It is Electrify America's concern that the proposed rate structure will make it difficult for the private market of charging companies to succeed and could lead to the utility's last resort measures to fill the absence of sufficient charging stations. In that case, ratepayers will ultimately be paying more to subsidize utility owned and operated charging stations and the effective kilowatt hour rates will continue to inhibit competition. With more significant demand charge reform, New Jersey can reach its policy goals, incentivize transportation electrification, and ultimately save money for ratepayers in the long term.

Respectfully,

COZEN O'CONNOR, PC

By: William Lesser

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