



Agenda Date: 01/27/21

Agenda Item: 8A

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
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Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

DIVISIONS OF CLEAN ENERGY
AND ENERGY

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) DECISION AND ORDER
) APPROVING STIPULATION
)
)
)
) BPU DOCKET NO. EO18101111

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Matthew M. Weissman, Esq., on behalf of Public Service Electric and Gas Company
Matthew S. Slowinski, Esq., on behalf of CCMT and MSSIA
Murray E. Bevan, Esq., on behalf of ChargePoint Inc.
Christopher E Torkelson, Esq., on behalf of Direct Energy Business, LLC, et al.
Steven G. Goldenberg, Esq., on behalf of NJLEUC
William Harla, Esq., on behalf of Enel X North America, Inc.
Daniel Greenhouse, Esq., on behalf of ENJ, EDF, and NRDC
James H. Laskey, Esq., on behalf of Burns and McDonnell Engineering Company, LLC
Lauri A. Mazzuchetti, Esq., on behalf of Sunrun, Inc.
Martin C. Rothfelder, Esq., on behalf of EVgo Services, LLC
Nathan Howe, Esq., on behalf of Greenlots
Kevin Auerbacher, Esq., on behalf of Tesla
Paul Yousif, Esq., on behalf of Blue Bird Body Company
Ira G. Megdal, Esq., on behalf of Electrify America, LLC
Umar A Sheikh, Esq., on behalf of Power Edison, LLC

BY THE BOARD:

On October 11, 2018, Public Service Electric and Gas Company (“PSE&G” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) requesting approval of its Clean Energy Future – Electric Vehicle and Energy Storage Program (“CEF-EVES Program” or “Program”) (“October 2018 Petition”). By this Decision and Order, the Board considers a stipulation of settlement (“Stipulation”) executed by PSE&G, the New Jersey Division of Rate Counsel (“Rate Counsel”), Board Staff (“Staff”), New Jersey Large Energy Users Coalition (“NJLEUC”), Enel X North America, Inc. and Electric Motor Works, Inc. (“Enel X”), Blue Bird Body

Company ("Blue Bird"), Burns & McDonnell Engineering Company, Inc. ("Burns & McDonnell"), ChargePoint Inc. ("ChargePoint"), Climate Change Mitigation Technologies LLC ("CCMT"), EVgo Services, LLC ("EVgo"), Mid-Atlantic Solar & Energy Storage Industries Association ("MSSIA")¹, Tesla Inc. ("Tesla"), Sunrun Inc. ("Sunrun"), Direct Energy Business, LLC, Direct Energy Business Marketing, LLC, Direct Energy Services, LLC, Gateway Energy Services Corporation, Centrica Business Solutions, NRG Energy, Inc., and Just Energy Group Inc., (collectively, "Market Participants"), and Power Edison, LLC ("Power Edison") (collectively, "Signatory Parties"), intended to address the Company's requests related to the above docketed matter.

OCTOBER 2018 PETITION

In the October 2018 Petition, PSE&G proposed to invest approximately \$370.4 million between two (2) programs over a six (6) year period. In the proposed electric vehicle ("EV") Program, PSE&G would invest up to \$261 million over a six (6) year period with additional expenses of approximately \$103 million. The proposed EV Program would consist of four (4) subprograms – (1) Residential Smart Charging, (2) Level 2 Mixed Use Charging, (3) Public DC Fast Charging, and (4) Vehicle Innovation. In the proposed energy storage ("ES") Program, PSE&G would invest approximately \$109.4 million with additional expenses of approximately \$70 million. The proposed ES Program would consist of five (5) subprograms – (1) Solar Smoothing, (2) Distribution Deferral, (3) Outage Management, (4) Microgrids for Critical Facilities, and (5) Peak Reduction for Public Sector Facilities. The proposed EV and ES subprograms are described below.

EV Subprograms:

1. Residential Smart Charging (\$93 million) – PSE&G proposed to provide rebates for networked EV chargers at residences in PSE&G's service territory and provide customer incentives to encourage charging during off-peak periods. PSE&G also proposed to perform a technical trial to collect data from up to 500 EV customers to provide PSE&G with valuable vehicle data that is not available from home charging stations.
2. Level 2 Mixed Use Charging (\$39 million) – PSE&G proposed to deploy electrical infrastructure and provide rebates, tiered by customer type, towards the upfront cost of Level 2 charging equipment and installation. PSE&G proposed to own, maintain and operate all electrical infrastructure up to the utility meter and the electrical panel, conduits and wires up to the charger stub. The Level 2 charging stations would be installed, owned and maintained by a third party. The Level 2 Mixed Use Charging subprogram would target a diverse set of customers (e.g., multifamily residences, workplaces, fleets, municipalities, overnight lodging) and serve a variety of end-use EV charging needs.
3. Public DC Fast Charging (\$62 million) – PSE&G proposed to deploy make-ready electrical infrastructure and either own or provide financial incentives towards the upfront cost of direct current fast charging ("DCFC") equipment and installation. PSE&G also proposed to provide financial incentives to offset electricity costs. PSE&G proposed two (2) different ownership models. Under the proposed Third-Party Ownership Model, a third party would install, own, maintain and operate the DCFC stations. Under the proposed Utility-Ownership Model, PSE&G would deploy the make-ready infrastructure and install, own, maintain and operate the DCFC stations. According to PSE&G, the Utility-Ownership

¹ Formerly known as Mid-Atlantic Solar Energy Industries Association.

model would only be utilized if the competitive market is unable to support DCFC station development using the Third Party Ownership Model.

4. Vehicle Innovation (\$45 million) – PSE&G proposed to provide incentives towards electric school buses and EV charging infrastructure that would service school districts in PSE&G's service territory, as well as hold an open bidding process to fund high-impact, customized electrification projects for customers with non-standard medium and heavy-duty vehicle electrification needs.
5. Cross-Subprogram Investment (\$22 million) – Investment that are common to all subprograms and includes investment in information technology ("IT") as well as education and outreach.

ES Subprograms:

1. Solar Smoothing (\$13.1 million) – The Company proposed to develop and construct energy storage systems ("ESS") to help relieve rapid power fluctuations from solar arrays that result from changes in cloud cover. According to PSE&G, the proposed ESSs are expected to provide customers with power quality benefits, as well as allow PSE&G to gain further knowledge of the operation and integration of the combination of renewables and storage and provide infrastructure that enables growth in renewable energy development.
2. Distribution Deferral (\$38.6 million) – PSE&G proposed to develop and construct ESSs as supplemental capacity to defer distribution system upgrades. According to PSE&G, the ESSs in this subprogram would help supplement the operating capacity of the substation transformer, thereby ensuring that demand can be met during peak periods during the deferral period.
3. Outage Management (\$20 million) – PSE&G proposed to utilize mobile ESSs for outage management solutions. These ESSs would be deployed to reduce the peak load on impacted substations to reduce the number of mobile transformers and/or unit substations required to complete the work. PSE&G asserted that this subprogram should allow the Company to deploy fewer mobile transformers and unit substations than would otherwise be needed, since the peak demand on the station would be reduced below the threshold that would require an additional contingency resource. The ESSs in this subprogram could also be mobilized to address outage management conditions ranging from emergency response, to equipment failure, to temporary load relief.
4. Microgrids for Critical Facilities (\$25.7 million) – PSE&G proposed to develop, install, and operate microgrids with ES. Through this subprogram, PSE&G would hope to achieve improved resiliency of electric supply for critical facilities in the communities served by PSE&G and an understanding of how to configure a microgrid in a way that utilizes PSE&G's existing assets and day-to-day-operation expertise.
5. Peak Reduction for Public Sector Facilities (\$11.9 million) – PSE&G proposed to locate ESSs at public sector facilities to both help provide energy cost management services for the customer and to potentially defer traditional distribution upgrades. PSE&G asserted that these systems could offer utility benefits in the form of distribution deferral, in addition to behind the meter benefits for the host customers. PSE&G believes that the three key potential outcomes from this subprogram are: (1) greater customer engagement and

satisfaction, (2) improved resiliency and (3) reduced transmission and distribution investments.

PSE&G proposed to recover costs associated with the CEF-EVES Program through the Technological Investment Charge ("TIC"). PSE&G proposed rate treatment similar to that afforded to the Company's Green Programs Recovery Charge ("GPRC"), which would be reset nominally on an annual basis. Additionally, as proposed, the cost recovery mechanism would include interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month, accrued monthly on an under- or over- recovered balance and be reset each month. The Company proposed some modifications from the GPRC recovery mechanism for the rate treatment as it relates to the CEF-EVES Program. PSE&G proposed that recovery of the revenue requirements associated with all CEF-EVES Program costs be partially offset by the revenues derived from the CEF-EVES Program, including but not limited to EV charging revenues associated with PSE&G owned chargers, and any PJM revenues derived from the ES subprograms or from the assets installed in the CEF-EVES Program. Additionally, PSE&G stated that if the Company can derive any additional revenue in the future from these programs, all net proceeds would be credited to ratepayers as a reduction to revenue requirements.

Under the proposed TIC, there would be two (2) components, one for CEF-EV and one for CEF-ES. After the proposed initial period, the TIC would be filed annually. As proposed, the initial rate for the CEF-EV component would be \$0.000162 per kilowatt-hour ("kWh") including Sales and Use Tax ("SUT") and the initial rate for the CEF-ES component would be \$0.000012 per kWh including SUT.

Based on the October 2018 Petition, on a combined basis, a typical PSE&G residential customer using 740 kWh in a summer month and 6,920 kWh annually would experience an initial increase in their annual bill of \$1.24.

PROCEDURAL HISTORY

By Order dated October 29, 2018, the Board determined that the October 2018 Petition should be retained by the Board for hearing and, pursuant to N.J.S.A. 48:2-32, designated Commissioner Upendra J. Chivukula as the presiding officer, and directed that any entities seeking to intervene or participate in this matter file the appropriate application with the Board by November 13, 2018.²

On December 7, 2018, Rate Counsel filed a Motion to Stay ("Stay Motion"), requesting the Board to stay the October 2018 Petition until the conclusion of several administrative proceedings.

By Order dated April 22, 2020, Commissioner Chivukula issued an Order approving a procedural schedule and ruling on motions to intervene and participate.³ In the Prehearing Order, Commissioner Chivukula granted intervenor status to NJLEUC, Enel X, Blue Bird, Burns and McDonnell, ChargePoint, CCMT, EVgo, Zeco Systems, Inc. d/b/a Greenlots ("Greenlots"),

² In re 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 - Designation of Commissioner Order, BPU Docket No. E018101111, Order dated October 29, 2018.

³ In re 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- Prehearing Order, BPU Docket No. E018101111, Order dated April 22, 2020 ("Prehearing Order").

MSSIA, Tesla, Sunrun, the Market Participants, and Environment New Jersey , Environmental Defense Fund (“EDF”), Natural Resources Defense Council (“NRDC”) and Sierra Club (collectively, “Environmental Intervenors”). Commissioner Chivukula granted participant status to Atlantic City Electric Company, Jersey Central Power & Light Company, Rockland Electric Company, SemaConnect, and the Alliance for Transportation Electrification. The Prehearing Order also denied Rate Counsel’s Stay Motion. Subsequently, Commissioner Chivukula issued Orders granting Power Edison and Electrify America, LLC (“Electrify America”) intervenor status.⁴

On April 17, 2020, Rate Counsel filed a Motion to Dismiss the October 2018 Petition. Responses to Rate Counsel’s motion were filed by PSE&G, CCMT, EVgo, MSSIA, Greenlots, Burns and McDonnell, and Blue Bird. The Market Participants supported Rate Counsel’s motion. By Order dated July 1, 2020, Commissioner Chivukula denied Rate Counsel’s Motion to Dismiss and ordered the parties to continue to move through the procedural schedule so that the record may benefit from discovery.⁵

On September 4, 2020, direct testimony was filed by Rate Counsel, Blue Bird, Burns and McDonnell, ChargePoint, Electrify America, Enel X, the Environmental Intervenors, EVgo, Greenlots, the Market Participants, Sunrun and Tesla. On October 16, 2020, PSE&G, Tesla, Greenlots, the Environmental Intervenors and ChargePoint submitted rebuttal testimony.

Following proper public notice, public hearings were held telephonically on October 21 and October 22, 2020 at 5:30 pm.⁶ Members of the public, the parties, and municipal officials participated in the public hearings. At the October 21, 2020 hearing eighteen individuals spoke on the record, and ten individuals spoke at the October 22, 2020 hearing. The Board also received several letters in support of the Petition.

On December 1, 2020, Commissioner Chivukula suspended the Procedural Schedule and deadline for submission of documents, and adjourned the evidentiary hearings in this matter to afford the parties additional time to work toward possible settlement.

STIPULATION

Following extensive discovery and settlement meetings, the Signatory Parties executed the Stipulation, which provides the following:⁷

⁴ In re 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 - Order on Power Edison Motion to Intervene, BPU Docket No. E018101111, Order dated May 14, 2020; and In re 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 - Order on Electrify American to Intervene, BPU Docket No. E018101111, Order dated September 17, 2020.

⁵ In re 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 - Order on Rate Counsel Motion to Dismiss, BPU Docket No. E018101111, Order dated July 1, 2020.

⁶ Due to the COVID-19 pandemic, public hearings were held telephonically.

⁷ Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions of this Order. Paragraphs are numbered to coincide with the Stipulation.

A. CEF-EV Program Investment Levels

14. Subject to Board approval of the Stipulation, PSE&G is authorized to invest up to \$166.2 million in facilities associated with its CEF-EV programs and to incur up to \$39 million of incremental operation and maintenance (“O&M”) expenses, including administrative costs incurred to support the programs. The Signatory Parties acknowledge that the proposed CEF-EV program is consistent with the Board’s Minimum Filing Requirements (“MFR”) Order⁸ and it is in the public interest for the Company to proceed with CEF-EV programs as described in the Stipulation. The CEF-EV programs consist of the following three (3) subprograms: (i) a Residential Smart Charging Program, (ii) a Level 2 Mixed Use Charging Program, and (iii) a DCFC Program. The CEF-EV programs also provide for cross-program investments for IT system upgrades and modifications described more fully below. PSE&G will use first-come-first-served implementation (*i.e.*, not based on geographical area or any other preference) to encourage early participation and to mitigate the risk of bias or favoritism.

15. A breakdown of the Company’s \$166.2 million of CEF-EV investments, as well as the associated incremental O&M expenses, are as follows:

Program Components – Investments

Residential Smart Charging Program

Make Ready – meter to charger stub⁹ \$60 million

Make Ready – Service Upgrade – pole to meter¹⁰ \$20 million

Mixed Use Commercial L2¹¹

Make Ready – meter to charger stub \$26.25 million

⁸ In re Minimum Filing Requirements For Light-Duty, Publicly Accessible Electric Vehicle Charging, BPU Docket No. QO20050357, Order dated September 23, 2020 (“MFR Order”).

⁹ Make Ready from the meter to the charger stub includes the pre-wiring of electrical infrastructure at a parking space, or set of parking spaces, to facilitate easy and cost-efficient future installation of Electric Vehicle Service Equipment (“EVSE”), including, but not limited to, Level Two EVSE and DC Fast Chargers. Making a site Charger-Ready includes expenses related to service panels, junction boxes, conduit, wiring, etc., necessary to make a particular location able to accommodate EVSE on a “plug and play” basis. “Make-Ready” is synonymous with the term “Charger-Ready” as these terms are used in and defined in the MFR Order.

¹⁰ Make Ready – Service Upgrade pole to meter means activities and facilities needed to upgrade an electric service to accommodate EV service equipment.

¹¹ This program is comprised of the following sub-elements and approximate budgets:

Sector	# Sites	# Chargers	Inv. (\$M)
Multi-Family Unit (MUD)	325	1,300	\$13
Government Entity	275	1,100	\$11
Public Entity	275	1,100	\$11
Total	875	3,500	\$35

Make Ready – Service Upgrade – pole to meter	\$8.75 million
DCFC Public Charging ¹²	
Third party-owned Make Ready – meter to charger stub	\$25 million
Third party-owned charging sites for Make Ready – Service Upgrades – pole to meter	\$15 million
Rate Schedule GLP and LPL-S demand charge rebates	\$5 million
IT System Upgrades	
Cross Program Investments – IT system upgrades and modifications	\$6.2 million
Total Investment	\$166.2 million

O&M Expenses

Residential Vehicle Tracking Devices – Telematic tracking devices to understand residential charging behaviors for 500 customers	\$0.6 million
Marketing Education and Outreach	\$8.0 million
Data Acquisition – Ongoing platform use and services including charging data acquisition for all deployed chargers for six years	\$13.8 million
Administrative costs – All O&M costs to support programs including IT O&M	\$16.6 million
O&M Expense Total	\$39 million

16. The specific per site make ready incentives are detailed as follows:

Residential

- Utility incentives to offset up to \$1,500 of the Make Ready cost (utility meter to charger stub) per charger stub for up to 40,000 charger stubs, up to a total investment of \$60 million.
- Utility incentives to offset up to \$5,000 of the Make Ready costs (service upgrade) per location for up to 4,000 locations, up to a total investment of \$20 million.

Mixed Use Commercial L2

- Utility incentives to offset up to \$7,500 of the Make Ready cost (utility meter to charger stub) per charger stub for up to 3,500 charger stubs, up to a total investment of \$26.25 million.
- Utility incentives to offset up to \$10,000 of the Make Ready costs (service upgrade) per location for up to 875 locations, up to a total investment of \$8.75 million.

DCFC Public Charging

- Utility incentives to offset up to \$25,000 of the Make Ready cost (utility meter to charger stub) per charger stub for up to 1,200 charger stubs, up to a total investment of up to \$30 million.¹³
- Utility incentives to offset up to \$50,000 of the Make Ready costs (service upgrade) per location for up to 300 locations, up to a total investment of \$15 million.

¹²Colocation of a non-Combined Charging System (“CCS”) capable charger with one CCS capable charger makes a site eligible for 50% of the make-ready incentives, colocation with two or more CCS capable chargers grants full Make Ready eligibility to the site.

¹³ Five million dollars of the total of \$30 million will be applied to the DCFC Demand Charge Rebate; to the extent those rebates are provided, the number of make ready sites receiving incentives may be reduced.

17. All customers or stations receiving an incentive must be networked (i.e. charging station capable of sending and receiving communications via wi-fi or cellular network). Site owners and operators may purchase the smart networked charging hardware and network technology of their choice from no less than two hardware vendors and two software vendors prequalified by PSE&G as compatible with the technical needs of its electric distribution system for make ready eligibility. Consistent with the MFR Order, "site owner and operator" means site host, property manager, an EVSE Infrastructure Company, or an EDC with Board approval that is responsible for installing EVSE. For purposes of the Stipulation, "site host" means the entity that owns, leases, manages, or otherwise possesses the premises upon which the electric vehicle charging station is or is planned to be located for the purpose of charging an electric vehicle, and "site host" may or may not be the same entity as the station operator.

18. The Signatory Parties agree that in order to facilitate the Cost of Service Study ("COSS") referenced in Paragraphs 33 and 35 of the Stipulation and the Distribution Grid Impact Study ("DGIS") referenced in Paragraph 38 of the Stipulation, and to support calculation of demand charge rebates for DCFC charging discussed in Paragraph 34 of the Stipulation, PSE&G and/or Company's contractors performing those studies must have access to EV Charging Data, with provisions to ensure that adequate data privacy and security measures are in place. Therefore, to be eligible for the CEF-EV incentives described in Section E of the Stipulation, program participants must agree to share session-level EV Charging Data with PSE&G. For purposes of the Stipulation:
 - "EV Charging Data" may include each plug-in/plug-out transaction per vehicle and includes: timestamps showing session duration (between plug-in and plug-out); charging duration; energy delivered (kWh); average power during charging session (kW); and other information as may be determined to be necessary by the Company during program implementation. Additionally, for EV charging that is conducted on a meter that is not an EV charging-only dedicated meter, with the exception of minor ancillary items such as lighting, the data required further includes: timestamps showing when customers plug-in and plug-out; timestamps showing when charging starts and when it ends; peak power delivered during charging session (kW); interval data (15 minutes or shorter) for the charging duration; and unique device and port (where applicable) identifiers.
 - Data should be submitted to PSE&G at least quarterly.
 - PSE&G will work collaboratively with the Signatory Parties regarding additional detail as to the type, period, and frequency of non-residential customer EV Charging Data delivery as well as the delivery format and methods; and to refine data reporting requirements for specific technology and use cases during program implementation to ensure that reported data effectively informs program analysis. The Signatory Parties agree that data quality, format, and delivery must be deemed by PSE&G within its reasonable discretion to be sufficient to facilitate necessary processes to enable the programs contemplated in the Stipulation.
 - EV Charging Data will be aggregated by PSE&G for the purposes set forth in the Stipulation.

- Pending the development and implementation of a Third Party Data Access Plan in accordance with Section F of the Stipulation, PSE&G agrees to treat EV Charging Data provided as a condition of service or eligibility for the Company's EV programs as confidential and proprietary to the providing party, and agrees to maintain the confidentiality of the information provided to PSE&G. The Company further agrees that it will comply with any regulations promulgated by the Board regarding access to, and the use of EV Charging Data.

19. The Signatory Parties recognize that there is uncertainty as to the precise timing and budgets for the CEF-EV Program and sub-programs. In particular, the ongoing COVID-19 pandemic and related health state-of-emergency is of unpredictable duration and may affect the Company's ability to invest in CEF-EV facilities. Accordingly, the Company may adjust the CEF-EV investment levels in response to real market and service conditions experienced. Further, with the exception of the \$5 million of Rate Schedule GPL and LPL-S demand charge rebates, the estimated allocation of the \$166.2 million of total investment among the sub-programs listed in paragraph 15 of the Stipulation may change due to market demand and customer requirements. PSE&G will use first-come-first-served implementation (*i.e.*, not based on geographical area or any other preference) to encourage early participation and to mitigate the risk of bias or favoritism. Accordingly, the Signatory Parties agree that a process enabling the Company to make adjustments to sub-program budgets in response to real market conditions experienced is justified. The process shall be as follows:

- PSE&G can shift its sub-program budgets for the Residential Smart Charging, Mixed Use Commercial L2 and DCFC Public Charging sub-programs up to 5% of each sub-program's total budget with notification to Staff and Rate Counsel (which should be provided 30 days in advance of the change), 5-25% with Staff approval, and over 25% with Board approval.
- All requests for budget adjustments shall be submitted to Staff and Rate Counsel. Staff retains the right to reject shifts requiring Staff notification. All requests for budget adjustments, including those necessitating Staff approval shall be submitted to Staff and Rate Counsel with a written description of and rationale for the proposed transfers, and objections, if any, shall be made within 30 days.

B. CEF-EV Reporting and Performance Metrics

20. PSE&G will provide semi-annual reports on the CEF-EV deployment ("CEF-EV Report") to the BPU Staff, and Rate Counsel, and will post the reports on the Company's website which is accessible to all other Signatory Parties, setting forth the following information:

- the estimated quantity of work and the quantity completed to date or, if the activity cannot be quantified with numbers, the major tasks completed, e.g., Residential, Mixed Use Commercial L2, and DCFC Public Charging Make Ready to Charger Stub units completed and number of service upgrades;
- the usage and balance remaining of the \$5 million DCFC EV C&I Distribution Charge Rebate funding;

- the forecasted and actual CEF-EV capital costs to date for the reporting period and for the program-to-date; and
- the forecasted and actual CEF-EV O&M expenses to date for the reporting period and for the program-to-date.

The project expenditures shall be broken out between labor, material and other costs. This reporting will be submitted by September 1, 2021 based on actual results through June 30, 2021. The second semi-annual report will be submitted by March 1, 2022 based on actual results through December 31, 2021. The Company will continue to submit semi-annual reports by March 1st and September 1st of each year through the completion of the CEF-EV investment.

21. PSE&G agrees to post on the Company's website public maps that detail areas which are best suited for EV infrastructure build-out by the end of calendar year 2021, and earlier if possible. These would be prepared and updated by the Company on a regular basis, at least annually, and available to the public in a timely manner in order to provide reasonably current maps showing options for EV charging in PSE&G's territory. The Company-prepared maps will be posted for information only and will not be used by the Company in responding to service requests. The Company further agrees that it will comply with any regulations promulgated by the Board regarding mapping EV sites and capacity.

C. Cost Deferral and Recovery Details

22. The Company will invest in EV infrastructure as described in paragraph 15 of the Stipulation. Until being rolled into base rates, as described further below, those CEF-EV-related capital costs shall be deferred and placed in a regulatory asset, for recovery in the Company's next base rate case, to be filed no later than January 1, 2024 (the "Next Base Rate Case"). Incremental CEF-EV-related O&M costs as defined above in paragraph 15 of the Stipulation will be deferred separately for recovery in the Company's Next Base Rate Case. Nonetheless, all costs incurred in connection with this proceeding remain subject to prudence review in the Next Base Rate Case.
23. The reasonable and prudent costs associated with the CEF-EV investment that are likely to be in-service by the end of six (6) months after the end of the test year in the Company's Next Base Rate Case shall be reflected in the rates established in that case, consistent with the Board's Elizabethtown Water¹⁴ standards.
24. CEF-EV investment that is not likely to be in-service by the end of six (6) months after the end of the test year, shall be deferred and placed in a regulatory asset. The Signatory Parties agree the Next Base Rate Case will remain open so that CEF-EV investment placed in service more than six (6) months after the end of the test year in the Next Base Rate Case will be reviewed and placed into rates, if deemed reasonable and prudent, as soon as practicable after the associated infrastructure has been placed into service, through annual roll-in filings following the Next Base Rate Case. The annual roll-in filings will include three (3) months of forecast data that will be trued-up with actual data no later than 20 days after the end of the final forecast month. The annual roll-in filing will request that new rates be implemented three (3) months after the end of the final forecast month.

¹⁴ In re Elizabethtown Water Company Rate Case, BPU Docket No. WR8504330, Decision on Motion for Determination of Test Year and Appropriate Time Period for Adjustments, Order dated May 23, 1985.

The schedule of such annual roll-in filings shall be determined in the Company's Next Base Rate Case.

D. Cost Deferral Mechanism Details

25. As noted above, the Company will book a regulatory asset ("CEF-EV Regulatory Asset") comprised of the capital investments described in paragraph 15 of the Stipulation.

26. The formula for the CEF-EV Monthly Investment Deferral component of the CEF-EV Regulatory Asset is:

CEF-EV Monthly Investment Deferral = (((Pre-Tax Cost of Capital /12) * Average Monthly Rate Base) + Monthly Depreciation and/or Amortization Expense) + (Average Monthly Investment Deferral Balance * (WACC /12))

- a. The term "Pre-Tax Cost of Capital" means PSE&G's pre-tax overall weighted annual average cost of capital ("WACC") in effect at the time of the deferral. The WACC is based on the ROE, long-term debt and capital structure approved by the Board in PSE&G's most recently approved base rate case, which is currently 6.99%, or 9.02% on a pre-tax basis based on current tax rates. Any change in the WACC authorized by the Board in a subsequent base rate case will be applied to CEF-EV investment in subsequent periods. Also, any change to current tax rates will be reflected in the WACC in a subsequent period.
- b. The term "Average Monthly Rate Base" refers to the total of the beginning and ending monthly balances for the following items, divided by 2:
 - CEF-EV related Utility Plant in Service and Regulatory Asset Gross Plant
 - Less the associated Accumulated Depreciation and/or Amortization
 - Less the associated Accumulated Deferred Income Tax
- c. The term "Depreciation and/or Amortization Expense" provides for the recovery of PSE&G's CEF-EV investment over the useful book lives of the assets as well as the recovery of the Program's regulatory assets. The CEF-EV investments are comprised of the following categories:

Investment Category	Depreciations/Amortization
Make-Ready – Service Upgrade Pole to Meter – Capital	BPU approved depreciation rates by asset installed
Make-Ready – Service Upgrade Pole to Meter – Expense (Regulatory Asset)	30 years
CEF-EV Related IT Systems – Capital	Amortized over remaining life of specific system(s)
CEF-EV Related IT Systems – Expense (Regulatory Asset)	5 years
C&I Demand Charge Rebates (Regulatory Asset)	5 years

Make-Ready to Charger Stub (Regulatory Asset)	30 years
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The Make-Ready to Charger Stub book life will be 30 years based on the weighted average life of make-ready investments included in the Company's CEF-EV filing. Any future changes in Board approved asset depreciation/amortization rates will be reflected in the deferral during the relevant future period.

- d. The term "Average Monthly Investment Deferral Balance" refers to the cumulative sum of the Monthly Investment Deferrals at the beginning and the end of each month divided by two. The term "WACC" refers to the Company's annual weighted average cost of capital from its most recently approved base rate case. Any change in the WACC authorized by the Board in a subsequent base rate case will be utilized.
27. PSE&G's Next Base Rate Case will include a request for recovery in base rates of all prudently incurred capital expenditures associated with the CEF-EV program. Those costs will include the CEF-EV Regulatory Asset described above, actual costs of engineering, design and construction, and deferred cost of removal (net of salvage), including actual labor, materials, overhead, and capitalized Allowance for Funds Used During Construction associated with the projects (the "Capital Investment Costs"). Capital Investment Costs will be recorded, during construction, in an associated Construction Work In Progress ("CWIP") account or in a Plant In Service account upon the respective investment being deemed used and useful. The Company will follow its current policies and practices with regard to capitalizing costs, including overhead. All CEF-EV investment not recovered through a base rate case proceeding will be tracked separately from all other base investments.
 28. The revenue requirement in the Next Base Rate Case or a subsequent base rate case, if applicable, will include a return of and on the CEF-EV Regulatory Asset defined in paragraph 25 of the Stipulation. The return on the deferred investment will be based on the approved WACC in the Next Base Rate Case, or subsequent base rate case, adjusted for income taxes and BPU and Rate Counsel assessment fees. The return of the deferred investment will be based on the Board approved depreciation/amortization rates determined in the Next Base Rate Case or any other appropriate period approved by the Board.
 29. The Company will defer incremental CEF-EV-related O&M costs as described in paragraph 15 of the Stipulation("CEF-EV O&M Regulatory Asset"), with a monthly carrying charge at the prior month 2-year treasury rate plus 60 basis points, for recovery in the Company's Next Base Rate Case. The amortization period of the CEF-EV O&M Regulatory Asset will be determined in the Next Base Rate Case.
 30. The CEF-EV investment that is placed into service, but not yet reflected in customer base rates, will record a monthly accrual of a deferred return that will be capitalized and included in the plant balance. For ratemaking purposes, depreciation expense will not begin on CEF-EV investment until reflected in base rates in the Next Base Rate Case or any subsequent base rate case or rate case reopener. Since depreciation expense must be booked when the investment is placed in service for tax and financial reporting purposes, the Company will defer the depreciation in the CEF-EV investment regulatory asset.

E. Rate Design Details

Residential EV Rates

31. Residential customers with one or more household members who own or lease EVs can participate in the Company's existing Rate Schedule Residential Load Management ("RLM") tariff for whole house time of use ("TOU") rates to promote EV charging during off-peak periods.
32. Alternatively, residential customers can choose to remain on the Company's existing Rate Schedule Residential Service ("RS") and, if eligible per the criteria below, effectively receive RLM on-peak and off-peak distribution energy charges exclusively for their EV usage under the "EV RLM Distribution Only Provision." This option will be issued as a credit on the customer bill on at least a quarterly basis.
 - a. In order to qualify for the EV RLM Distribution Only Provision, a residential customer must install or utilize smart charging hardware and network technology of their choice from no less than two hardware vendors and two software vendors that are PSE&G-approved and is capable of sending and receiving communications via wi-fi or cellular network to PSE&G, and that is compatible with the technical needs of PSE&G's electric distribution system. Customers must also agree to share the EV Charging Data with PSE&G. Data must be available to the Company and necessary billing system changes must be in place in order for these incentives to begin. The Company agrees to implement billing system changes as soon as possible and estimates completion by the end of calendar year 2021.
 - b. The EV credit will be calculated at least quarterly using the EV usage at the Rate Schedule RLM distribution rates less the EV usage billed at Rate Schedule RS distribution rates for the corresponding billing period. If the credit calculation results in charges that would be in excess of the bill calculated using the RS rate, no adjustment for the corresponding period will be applied.
 - c. For ratemaking purposes, the EV RLM Distribution Only Provision credits will be reflected as a reduction to the Rate Schedule RS distribution revenue. The credit will be applied at least quarterly to the customer bill and will indicate the corresponding period(s) for which the credit applies.
 - d. The EV RLM Distribution Only Provision for Rate Schedule RS will remain in effect until the conclusion of the Company's Next Base Rate Case.
33. The Signatory Parties agree that the Company will perform a COSS based on the EV Charging Data available to PSE&G to develop and present an EV specific rate schedule or new EV provision under the existing RS Rate Schedule in its Next Base Rate Case for residential customers. The Signatory Parties further agree that, subject to customer consent, the Company will collect EV charging data required to support the establishment of Basic Generation Service ("BGS") rates for the rate options discussed above in a future BGS proceeding.

DCFC EV Rates

34. The Signatory Parties agree that commercial customers whose sole usage is for DCFC EV charging and ancillary energy consumption (communications, area lighting, etc.) and who meet the requirements of part (a), below, will qualify for a C&I Distribution Demand Charge Rebate, as illustrated in Table 1 of the Stipulation, [excluding New Jersey Sales and Use Tax ("SUT")], totaling \$5 million for all qualifying customers in aggregate. The rebate will remain in effect until the \$5 million total has been reached or an EV tariff rate is established as a result of the Company's Next Base Rate Case.
- a. To qualify for the Demand Charge Rebate, a DCFC customer must agree to provide EV Charging Data to PSE&G in accordance with Paragraph 18 of the Stipulation.
 - b. Qualifying DCFC customers will be issued an off bill rebate quarterly that will indicate the corresponding period(s) for which the credit applies, and that will apply to a portion of the approved demand charges in the Company's General Lighting Purposes ("GLP") or Large Power Lighting – Secondary ("LPL-S") tariff, as described in paragraph 34(c) of the Stipulation. All rebates are contingent on timely availability of EV Charging Data for rebate calculation. The timing of rebate issuance will be as follows:
 - DCFC charging stations that enroll for the C&I Demand Charge Rebate within 90 days of a Board order approving the Stipulation will be issued their first Demand Charge Rebate within 150 days from program enrollment. The first rebate issued will apply to demand charges incurred beginning with the first billing cycle following the Board's approval order, assuming EV Charging Data is available to support the rebate calculation, or for the billing periods for which EV Charging Data is available. Demand Charge Rebates will be issued quarterly thereafter.
 - DCFC charging stations that enroll for the C&I Demand Charge Rebate more than 90 days following the Board's order approving the Stipulation will be issued their first Demand Charge Rebate by the end of the first quarter following their enrollment for demand charges incurred beginning with the first billing cycle following enrollment, assuming EV Charging Data is available to support the rebate calculation, or for the billing periods for which EV Charging Data is available. Demand Charge Rebates will be issued quarterly thereafter.
 - c. For years one and two of the Program, the monthly distribution demand charges will be rebated by 75%. For years three and until new rates become effective from the Company's Next Base Rate Case or the \$5 million budget is depleted, monthly distribution demand charges will be rebated by 50%. The effective rebated rates based upon current rates are shown in the table below. To the extent the GLP and LPL-S distribution demand charges change in response to non-base rate case rate adjustments applicable to all rates (such as infrastructure adjustments, NJ SUT, etc.), the rebated demand charges will be adjusted to maintain the same percentage relationship to the GLP or LPL-S rates, as applicable.

Table 1: Effective DCFC C&I Demand Charges After Rebate Based Upon Current Rates

Season	# of Months	EV Provision			
		Monthly Distribution Demand Charge (\$/kW)			
		Years 1-2		Year 3 - Eff date of Rates, Next Base Case	
		GLP	LPL-S (on-peak)	GLP	LPL-S (on-peak)
Summer	4	2.4687	2.2374	4.9373	4.4748
Annual	12	0.9845	0.9404	1.9689	1.8809

Rates are inclusive of the NJ SUT at the current rate.

- d. Participants do not need to enroll-in the Make-Ready provisions of the Company's DCFC EV program to be eligible for the C&I Demand Charge Rebate.
 - e. Both new and existing DCFC Charging Locations are eligible for the C&I Demand Charge Rebate.
35. The Signatory Parties agree that the Company will perform a COSS based on the EV Charging Data available to PSE&G to develop and present a non-residential EV specific rate schedule or new EV provision under existing non-residential rate schedules in its Next Base Rate Case for commercial customers. The Signatory Parties further agree, subject to customer consent, to collect agreed-upon EV data required to support the establishment of BGS rates for rate options discussed above in a future BGS proceeding.

F. Third Party Data Access Plan

36. Upon consent, customers may choose to, but are not required to, share their EV Charging Data, including the number of charging events, times, duration, usage and load profile with other third parties including for example, but not limited to, third party suppliers ("TPSs") and energy services market participants. A customer's consent to provide EV Charging Data with PSE&G as a condition of service or eligibility for the Company's EV programs to facilitate a COSS or DGIS does not constitute consent to provide data to third parties for other, non-Company purposes. The Signatory Parties acknowledge that a customer's EV Charging Data may constitute confidential or proprietary data in accordance with New Jersey laws and regulations and agree to treat any such data in accordance with applicable laws and regulations.
37. The development of an EV Charging Data access plan to facilitate third party access to Customer EV Charging Data ("Third Party Data Access Plan") shall be deferred pending the final outcome of the statewide proceeding at Docket No. QO20050357 and the resulting rulemaking process related to the MFRs for light-duty EVs. If that statewide proceeding does not produce a Board-approved Third Party Data Access Plan within 300 days of a BPU Order approving PSE&G's CEF-EVES Petition, then within 60 days after that period, BPU Staff, with the assistance of PSE&G, will convene at least one (1) meeting with the parties to discuss the data access issues raised by the Market Participants in this proceeding. The data access issues included in testimony submitted

by the Market Participants and PSE&G in this proceeding may be supplemented at that time. The Signatory Parties agree to use best efforts to reach agreement on third party EV Charging Data access within 120 days of the initial stakeholder meeting. Consideration of the Third Party Data Access Plan shall include evaluation of data aggregation provisions and reporting requirements, which may include, but are not limited to, location (latitude/longitude), charging session duration, session frequencies, load curves, and utilization of home charging. If there is no agreement on the third party data access issues within 120 days, this proceeding will be reopened for the limited purpose of adjudicating data access issues, and the parties may supplement the record on third party data access issues at that time.

G. Distribution Grid Impact Study

38. The Company will perform a DGIS and submit it to the Board as part of the Integrated Distribution Plan ("IDP") required under New Jersey's Energy Master Plan. The IDP will consider, inter alia, the impact of anticipated growth in EV charging on the Company's electric distribution system.

H. Vehicle Innovation and Energy Storage Program

39. The proposals advanced by PSE&G in this proceeding concerning a Vehicle Innovation subprogram and Energy Storage Program will be held in abeyance in this proceeding pending a future proceeding that will be commenced by the Board in 2021 to address policy guidance related to medium- and heavy-duty trucks and busses charging infrastructure and battery storage. Nothing in the Stipulation shall prejudice the Company's rights to advance these or other programs relating to medium- and heavy-duty battery electric trucks and school buses charging infrastructure or energy storage in future proceedings.

I. Applicable Public Funding

40. If funding or credits from any subsequent state or federal action or program becomes available to the Company through the federal government, State of New Jersey, a County or Municipality for installation or project reimbursement, the Company agrees that any such funds or credits applicable to work related to any of the CEF-EV subprograms referenced in the Stipulation will be used to benefit customers by offsetting the costs for which recovery will be sought to the extent permitted by law. The Company will also require program participants to disclose if they are seeking public funding, and in no case shall the combination of 1) any Federal funding, 2) other State, any other Government entity, or New Jersey Clean Energy Program incentive funding, and 3) incentives provided as part of this approved program (excluding program incentive financing) fund 90% of an installation or project's costs through rebates or other direct incentives at the time of installation. If it is determined that an installation or project would be funded through 90% rebates or incentives the Signatory Parties agree that, subject to any restrictions set forth in the enabling law and other applicable law, incentive funding approved as part of this program shall be reduced to bring the total rebates and incentives under 90% of the program costs. The determination of the funding sources for a project shall be based on a certification by the program customer or participant. Nothing in this paragraph shall reduce the Company's ability to invest up to \$166.2 million pursuant to the program, as described in Paragraphs 15 and 16 of the Stipulation. Additionally, the Company may increase the number of sites

eligible for incentives as described in paragraph 16 of the Stipulation, to the extent necessary to meet this level of investment if the application of this paragraph results in excess available CEF-EV program funding.

Comments on the Stipulation

Comments on the Stipulation were filed by Greenlots, Electrify America and the Environmental Intervenors on January 22, 2021.

Greenlots

In its comments, Greenlots stated that it does not object to the Stipulation, but does not support it. See Greenlots Comments at 2. Greenlots stated that it is deeply concerned that the Program, as modified by the Stipulation, will be insufficient to achieve the foundational backbone of critical infrastructure necessary for New Jersey to meet its climate and electrification goals. Ibid. Greenlots asserted that the Stipulation is deficient in two (2) key aspects: it withdraws or delays medium- and heavy-duty vehicle (“MHDV”) provisions that would more equitably accelerate electrification across multiple customer segments; and it fails to take advantage of the benefits that utility ownership of charging stations will provide. Greenlots claimed that these deficiencies will position the State to de-emphasize supporting equitable and inclusive EV deployment. Ibid. Greenlots maintained that the originally filed program with modifications proposed in its direct testimony would be “needed, prudent and targeted utility investment that will have a significant beneficial impact in accelerating both the adoption of EVs and the market for EV charging infrastructure products and services...” Id. at 3.

Greenlots stated that, when considering the Stipulation, the Board should also consider the statutory commitments embodied in the Electric Vehicle Act of 2020 (“EV Act”), N.J.S.A. 48:25-1 et seq.¹⁵, the goals called for in the 80 x 50 Report¹⁶, and the zero emission commitments for MHDV sales contained in the medium and heavy duty zero emission vehicle Memorandum of Understanding¹⁷. Additionally, Greenlots asserted that the Board should further consider how to achieve these goals in an equitable way for all New Jerseyans. Id. at 4-5.

According to Greenlots, the Stipulation reduces the funding for all subprograms, eliminates utility ownership of charging stations, and overly relies on private market investment. Greenlots asserted that the private market has proven inadequate to electrify New Jersey’s transportation sector at the scale and speed required. Greenlots maintained that utility ownership of DCFC should be firmly encouraged because utility ownership offers multiple benefits to ratepayers and the private EV charging industry. Id. at 5-6.

¹⁵ The EV Act, N.J.S.A. 48:25-1 et seq., directs the New Jersey Board of Public Utilities to adopt policies and programs to advance the adoption of electric vehicles and the development of EV charging infrastructure.

¹⁶ Pursuant to the Global Warming Response Act, the New Jersey Department of Environmental Protection is required to assess the state’s progress in meeting the Act’s carbon reduction goal of reducing total carbon emissions by 80% by 2050. (Source: <https://www.nj.gov/dep/climatechange/docs/nj-gwra-80x50-report-2020.pdf>)

¹⁷ Governor Murphy signed a joint memorandum of understanding on July 14, 2020 to support and advance medium and heavy-duty electrification in the state.

(Source: <https://www.nj.gov/governor/news/news/562020/20200714a.shtml>)

Greenlots believes Board approval of utility ownership will accelerate EV adoption and increase driver demand for charging services, thereby increasing the size of the market, enabling greater opportunity for all market participants and hastening the arrival of a truly competitive and profitable EV charging market in New Jersey. According to Greenlots, Board approval of utility ownership will provide market predictability for private market participants and send a very positive market signal that New Jersey is fully committed to achieving New Jersey's ambitious goals for electrification. Id. at 7.

Additionally, Greenlots took exception to the Vehicle Innovation subprogram being held in abeyance. Greenlots argued that delaying this subprogram to an uncertain date and reducing its funding will make it that much more challenging for New Jersey to achieve its electrification goals for school buses, ground service equipment and other MHDV classes. Further, Greenlots asserted that delaying the Vehicle Innovation subprogram works at cross-purposes to New Jersey's efforts to advance equity because this subprogram would address vehicle classes that are imperative to support equitable electrification. Id. at 9-10.

Greenlots recommended modifications to the Stipulation in three (3) key areas: utility ownership of charging station, overall funding levels, and the schedule for the Vehicle Innovation subprogram. Greenlots recommended modifying the budgets and regulatory conditions of the DCFC public charging subprogram, the Commercial L2 subprogram and the Innovation Fund subprogram to allocate 25 percent for utility ownership of charging stations and retain the rest – 75 percent – for incentives for third-party ownership such as the make-ready incentives proposed in the Stipulation. Greenlots further recommended allowing PSE&G to commence implementation of utility ownership at the start of the CEF-EVES Program. Id. at 10-11.

Additionally, Greenlots recommended raising the funding levels for the subprograms to be closer to the amounts initially proposed and modifying the Vehicle Innovation subprogram by fully funding the subprogram as proposed in the Company's initial filing, rather than holding it in abeyance as the Stipulation proposes. Id. at 14.

Electrify America

Electrify America does not object to the Stipulation, but did not sign it for several reasons. See Electrify America Comments at 1.

Electrify America argued that there is no relief provided in the form of reduced demand charges related to BGS rate components, the distribution demand charge solution is not sufficient, the data-sharing obligations are onerous and costly, and PSE&G's right to determine what EV charging company equipment will qualify potentially will not meet automotive demands and fail to keep up with technological changes. Id. at 1-2. Electrify America asserted that its position may differ from other charging companies because it 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. Id. at 2.

Electrify America asserted that the Stipulation and proposed DCFC rate structure have 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. Ibid. According to Electrify America, 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. Ibid.

With respect to BGS related demand charges, Electrify America argued that TPSs suppliers do not sufficiently offset the burden of high demand charges to the BGS component. Electrify America expressed concern that the proposed rate structure will make it difficult for the private market to succeed which could lead to the utility's Last Resort measures and higher subsidization from ratepayers. Id.

Environmental Intervenor

The Environmental Intervenor submitted comments on the Stipulation expressing concern in four (4) areas. The Environmental Intervenor do not believe the Stipulation goes far enough to ensure that New Jersey will meet the goals for vehicle electrification or to lower electric rates for all customers or to meet deadlines for action on storage and MHDV charging infrastructure. See Environmental Intervenor Comments at 1-2.

The Environmental Intervenor asserted that the Stipulation takes significantly smaller steps toward vehicle electrification than PSE&G's original proposal in terms of the size and scope of the programs, citing the smaller total budget, the fact that no ES is included in the Stipulation, and the lack of addressing the Vehicle Innovation Fund and MHVD investment. Additionally, the Environmental Intervenor are concerned that the Stipulation does not include utility investment. Id. at 8.

The Environmental Intervenor asserted that larger investment, including a role for utility investment, is needed and urged the Board to incentivize additional charging stations to fully meet projected statewide need. The Environmental Intervenor stated that the Stipulation should be viewed as a starting place, and not as programs that preclude further investments in light-duty charging infrastructure. Id. at 11.

The Environmental Intervenor also commented on the fact that the Stipulation would hold consideration of ES and MHDV pending some "future proceeding". The Environmental Intervenor urged the Board to order a rapid timeline and a deadline for the commencement and conclusion of the "future proceeding" the Stipulation contemplates being a condition precedent to evaluation of PSE&G MHDV and ES proposals. Id. at 11, 13.

The Environmental Intervenor requested that a separate EV Grid Impact Study be paid for by the Company. While the Environmental Intervenor recognized the Stipulation calls for inclusion in the IDP, they requested the Board to set a date certain for the study and more comprehensive description of the study. Id. at 13. The Environmental Intervenor asserted that the Board should clarify the requirements for a DGIS, which should include a truck and bus electrification load study, addressing the market readiness and potential for medium- and heavy-duty electrification in the school bus, transit authority, ports & airports, and medium-duty charging depot (serving private sector fleets) sectors, as well as consider the impact of incremental electric load on the transmission and distribution system and ability to meet EV-related load growth in a timely manner. Id. at 14.

Lastly, the Environmental Intervenors expressed concern and confusion about the public funding provision in the Stipulation. The Environmental Intervenors recommended that, if the Stipulation is approved, the Board should make it clear that the intent of the public funding provision is to ensure that the Company doesn't double-recover and that it is not intended to either reduce the size of the programs authorized by the Stipulation or hobble the use of future public funding to achieve additional vehicle electrification. Id. at 15.

DISCUSSION AND FINDINGS

The Board is cognizant that not all parties signed the Stipulation in this proceeding. In evaluating a proposed settlement, the Board must review the record, balance the interests of the ratepayers and the shareholders, and determine whether the settlement represents a reasonable disposition of the issues that will enable the Company to provide its customers in this State with safe, adequate and proper service at just and reasonable rates. In re Petition of Pub. Serv. Elec. & Gas, 304 N.J. Super. 247 (App. Div.), certif. denied, 152 N.J. 12 (1997). The Board has carefully reviewed the record in this matter, including the October 2018 Petition, extensive stipulated discovery and pre-filed testimony, comments from the public hearings, the Stipulation, and the comments on the Stipulation submitted Greenlots, Electrify American and the Environmental Intervenors. As discussed below, the Board finds that the Stipulation represents a fair and reasonable resolution of this matter and is in the public interest.

In reaching its determination herein, the Board is mindful of the legislative and policy context in which it acts. The Board is committed to Governor Murphy's stated goal of having 330,000 EVs on New Jersey's roads by 2025.¹⁸ The Governor's objectives were endorsed and amplified by the Legislature with the passage of the EV Act, highlighting the importance of addressing range anxiety through the build-out of EV charging infrastructure. The EV Act adopted aggressive targets for installation of vehicle chargers over the next five (5) years.¹⁹ And, through the MFR Order, the Board began to lay the groundwork for EV charging in New Jersey. The Board **FINDS** that the Stipulation furthers State EV policy as expressed by the EV Act and Governor Murphy's stated EV goals.

Having found that the proposed Stipulation furthers State EV policy, the Board now turns to the comments submitted by the non-signatory parties. The Board carefully considered all comments including the comments submitted by Greenlots and the Environmental Intervenors regarding utility investment. The Board notes that while the goals established in the EV Act are aggressive, they are not goals for publicly funded charging but for the industry as a whole. The Board **FINDS** that the funding levels included in the Stipulation are adequate and that the "Shared Responsibility" model adopted in the MFR Order and in the Stipulation appropriately prioritizes private investment over utility ownership.

With respect to comments encouraging utility ownership, the Board points to its previous findings that ownership and operation of EV charging stations should be driven by the market, and, therefore, EVSE Infrastructure Companies, site owners, and property management companies are the preferred owners and operators of EVSE.²⁰ However, there are occasional and narrow

¹⁸ *Governor Murphy Announces State Interagency Electric Vehicle Partnership*, June 3, 2019, available at <https://www.nj.gov/governor/news/news/562019/20190603b.shtml>.

¹⁹ N.J.S.A. 48:25-3.

²⁰ MFR Order at 25.

instances where it is appropriate for the utility to own and operate EV charging stations. The Board reiterates its finding that those narrow instances shall be addressed by future petitions for areas of Last Resort.²¹ The MFRs adopted in the MFR Order provide utilities the opportunity to file a petition for ownership of charging stations in areas of Last Resort 12 months after the program began in overburdened areas and 18 months in all other areas. Without information on how many or where such areas of Last Resort are, utilities cannot appropriately petition the Board and justify use of ratepayer dollars for such investment. The Board **FINDS** that after the prescribed timelines PSE&G may petition the Board for approval of areas of Last Resort.

With respect to the Environmental Intervenors comments that the Stipulation does not go far enough, the Board notes that the Stipulation represents, and is, a first step for the Board to jump start the light-duty charging market while prioritizing private investment over ratepayer funding of light-duty charging infrastructure. Nothing in the Stipulation precludes private investment without use of the Program or utility ownership utilizing their own investor dollars. As for the Environmental Intervenors comments regarding the IDP process, the Board acknowledges the importance of understanding the impact these new uses will have on the grid and notes that in order to achieve a full view of how all of EV and clean energy initiatives called for by the EMP will impact the grid, it is necessary to consider them together. The Board also notes that requiring duplicative studies of the same nature is not a prudent use of ratepayer dollars. The Board **FINDS** that such studies should be addressed in future proceedings as indicated in the Stipulation.

As to the Environmental Intervenors concerns regarding the clarity of public funding caps, the Board notes that the Stipulation requirement that public funding not exceed 90% of the cost of installation and hardware for a charging site will reduce the use of ratepayer dollars for projects with excess public funding and will increase the number of sites able to be funded in this program.

With respect to Electrify America's comments on BGS rate, the Board notes that BGS rates and rate structures are reviewed and approved in a separate, annual filing. Additionally, as the BGS is a pass through of supply costs for customers who choose not to shop through a TPS, there are several considerations that must be taken into account, including assuring that the appropriate customers are paying for their actual BGS supply costs. The Board **FINDS** that the instant proceeding is not the appropriate venue to implement modifications to the BGS rate design. The Board's annual BGS process is open to all parties who wish to file proposals.

Electrify America also asserted that the demand charge agreement in the Stipulation was not sufficient. Having considered Electrify America's comments, the Board **FINDS** the Stipulation provides a reasonable balance while allowing the Company to collect the data necessary to develop an appropriate rate based on actual cost causation in a future rate case. The Board **FINDS** that data sharing requirements are necessary for both future rate creation as well as to better understand future charging eco-system investment. Furthermore, the data sharing requirements in the Stipulation appropriately reference compliance with future rulemaking and in the absence of that rulemaking, require future collaboration with the EVSE companies, Rate Counsel and Board Staff. Additionally, nothing in the Stipulation precludes PSE&G from approving multiple technologies; rather it ensures that the Company does not limit it to one specific manufacturer or type.

²¹ Id. at 26.

Having carefully considered the comments on the Stipulation submitted by Greenlots, Electrify America and the Environmental Intervenors, the Board **FINDS** that the Stipulation represents a fair and reasonable resolution of this matter and is in the public interest.

The Stipulation modifies the October 2018 Petition in several ways. Pursuant to the MFR Order at page 7, MHDV initiatives, such as those included in the proposed Vehicle Innovation fund, will be addressed in a future straw proposal. Therefore, the Stipulation's removal of those subprograms from PSE&G's EV offerings is appropriate at this time. Similarly, subprograms relating to Last Resort²² ownership of EV charging stations by utilities will be addressed in future filings in a cohesive and transparent manner as outlined in the MFR Order.

The ES offerings proposed in the October 2018 Petition are likewise premature and excluded from the programs agreed upon in the Stipulation. On June 12, 2019, the Board authorized Staff to initiate a proceeding to establish a process and mechanism for achieving the ES goals set forth in the Clean Energy Act, L. 2018, c.17. Staff is currently developing a straw proposal for stakeholder review and comment that will set forth the proposed process and mechanism for achieving ES goals. ES as part of the charging ecosystem is best addressed in conjunction with MHDV charging uses. As agreed upon in the Stipulation, the proposals advanced by PSE&G concerning an ES Program will appropriately be held in abeyance in this proceeding pending future policy guidance from the Board.

The Company's EV program as detailed in the Stipulation contains a variety of offerings including residential, multi-unit dwelling, workplace, and public charging. Each of these individual facets of EV charging is critical to light-duty EV charging, and the offerings here begin to lay the foundation for decreased range anxiety in the State. Additionally, the Stipulation addresses barriers to multi-unit dwelling charging infrastructure, which has been identified as an equity issue in many overburdened areas.

By bridging the gap between public and private roles in EV infrastructure build-out through the shared responsibility model the Board established in the MFR Order, barriers to electrification are lessened and provide long-lasting benefits for residents who utilize this technology. The Company's EV programs, as revised in the Stipulation, align with the policy initiatives of the Board and the State by providing necessary services to the residents of New Jersey and by providing information that will inform future developments in the EV market and continue the growth and benefits that the electrification of transportation brings.

The Board acknowledges that the cost recovery mechanism agreed to by the Signatory Parties will allow the Company to establish a regulatory asset to be reviewed in its next base rate case. The Board is persuaded that the mechanism proposed in the Stipulation allows the Company to seek recovery for program expenditures that have been placed in service in future base rate cases. These costs will be subject to review by Board and the parties. The Board believes the cost recovery mechanism adopted in the Stipulation strikes an effective balance between giving the Company an opportunity to recover prudent and reasonable program costs while still protecting ratepayers from paying more than is necessary. The Stipulation goes further and

²² In areas where installation of publicly-accessible EV chargers has not yet materialized, Electric Distribution Companies ("EDCs") may then, and only then, own and operate EV Chargers and EVSE as a "Last Resort." Areas of Last Resort are locations that have not generated private investment interest for a minimum of 12 months after the EDC program has begun, for overburdened communities, or 18 months for other areas.

requires the Company to provide semi-annual reports that include project expenditures which will serve as an additional protection to ratepayers. Finally, the Board notes that the Stipulation requires the Company to conduct a COSS to determine a cost-based rate for EV charging sites operating on the Company's distribution system, and seek the Board's approval to impose the rate(s) determined in that COSS in a future base rate proceeding.

The Board carefully reviewed the record in this proceeding, including the October 2018 Petition, extensive stipulated discovery and pre-filed testimony, comments from the public hearings, the Stipulation, and the comments filed in response to the Stipulation. The Board **FINDS** that the negotiated terms of the Stipulation appropriately balance the interests of the Company, the parties and the ratepayers.

EV adoption is a central component to the 2019 Energy Master Plan and the Board has made significant progress in the last year, including launching the country's most generous EV incentive program to great success in 2020. The Board is committed to upholding the Legislature and the Governor's goal to combat the consequences of climate change through the electrification of the transportation sector. The Board understands that all of New Jersey — its residents, its businesses, its economy, its environment — will benefit from the widespread adoption of EVs. The Board continues its support of EV adoption this year through its rulemaking called for as part of the light-duty minimum filing requirements and through the MHDV Straw Proposal that the Board anticipates releasing in fiscal year 2021. Moreover, the Board continues to collaborate with other State agencies to ensure a coordinated effort to encourage EV adoption statewide. As stated above, the Stipulation in this proceeding furthers the State's goal of EV adoption.

The Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the attached Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as if fully stated in this Order.

The Board **HEREBY RATIFIES** the decisions made by Commissioner Chivukula during the pendency of this proceeding for the reasons stated in his decisions and Orders.

The Board **HEREBY ORDERS** PSE&G to file revised tariff sheets conforming to the terms of the Stipulation prior to February 1, 2021.

The Company's costs, including those related to the Program, remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions deemed to be appropriate as a result of any such audit.

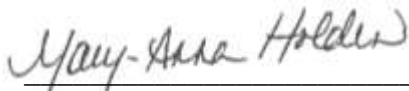
The effective date of this Order is January 30, 2021.

DATED: January 27, 2021

BOARD OF PUBLIC UTILITIES
BY:



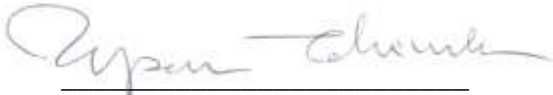
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ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

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

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January 19, 2021

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") ON A REGULATED BASIS

BPU Docket No. EO18101111

VIA ELECTRONIC MAIL

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

Dear Secretary Camacho-Welch:

Attached please find the executed Stipulation in the above-referenced case resolving all aspects of this matter. The following parties have signed the Stipulation: Public Service Electric and Gas Company ("PSE&G" or "Company"); the Staff of the New Jersey Board of Public Utilities; the New Jersey Division of Rate Counsel; New Jersey Large Energy Users Coalition; Direct Energy Business, LLC, Direct Energy Business Marketing, LLC, Direct Energy Services, LLC, Gateway Energy Services Corporation, NRG Energy, Inc., Just Energy Group Inc., and Centrica Business Solutions (collectively, "Market Participants"); Climate Change Mitigation Technologies LLC; Mid-Atlantic Solar & Storage Industries Association (formerly known as "Mid-Atlantic Solar Energy Industries Association"); ChargePoint, Inc.; Enel X North America, Inc. and Electric Motor Werks, Inc.; Burns & McDonnell Engineering Company, Inc.; Sunrun, Inc.; EVgo Services, LLC; Tesla, Inc.; Blue Bird Body Company; and Power Edison, LLC.

There are no parties that object to the settlement; however, the following parties have not joined the settlement: Environment New Jersey, Environmental Defense Fund, Natural Resources Defense Council, and Sierra Club (collectively, "Environmental Intervenors"); Zeco Systems, Inc. d/b/a Greenlots; and Electrify America, LLC. It is PSE&G's understanding that these parties do not oppose the settlement, and intend to file comments stating their positions.

In accordance with the Order issued by the Board in connection with I/M/O the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations, BPU Docket No. EO20030254, Order dated March 19, 2020, this document is being electronically filed. No paper copies will follow.

It is PSE&G's understanding and request that the attached submission and proposed settlement agreement reflected therein will not be posted to the BPU website unless and until the settlement may be approved by the Board.

If you have any questions, please do not hesitate to contact me.

Thank you for your consideration in this matter.

Very truly yours,



Matthew M. Weissman

Attach.

C Attached Service List (E-Mail)

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EO18101111

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

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") ON A REGULATED BASIS

STIPULATION OF SETTLEMENT
BPU DOCKET NO.

EO18101111

APPEARANCES:

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Umar A. Sheikh, Esq., Offit Kurman for Power Edison, LLC

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

It is hereby AGREED, by and between Public Service Electric and Gas Company (“Public Service,” PSE&G”, or “Company”); the Staff of the New Jersey Board of Public Utilities (“Board Staff”); the New Jersey Division of Rate Counsel (“Rate Counsel”); New Jersey Large Energy Users Coalition (“NJLEUC”); Direct Energy Business, LLC, Direct Energy Business Marketing, LLC, Direct Energy Services, LLC, Gateway Energy Services Corporation, NRG Energy, Inc., Just Energy Group Inc., and Centrica Business Solutions (collectively, “Market Participants”); Climate Change Mitigation Technologies LLC (“CMMT”); Mid-Atlantic Solar & Storage Industries Association (“MSSIA”, formerly known as “Mid-Atlantic Solar Energy Industries Association”); ChargePoint, Inc. (“ChargePoint”); Enel X North America, Inc. and Electric Motor Werks, Inc. (collectively, “Enel X”); Burns & McDonnell Engineering Company,

Inc. (“Burns & McDonnell”); Sunrun, Inc. (“Sunrun”);¹ EVgo Services, LLC (“EVgo”); Tesla, Inc. (“Tesla”); Blue Bird Body Company (“Blue Bird”); and Power Edison, LLC (“Power Edison”); the undersigned parties and interveners (hereinafter referred to as “Signatory Parties”) to execute this Settlement Agreement resolving PSE&G’s Petition (“Petition”) for approval of the Clean Energy Future – Electric Vehicles and Energy Storage program (“CEF-EVES” or “Program”).

The Signatory Parties do hereby join in recommending that the New Jersey Board of Public Utilities (“Board” or “BPU”) issue a Decision and Order approving this Settlement Agreement.

BACKGROUND

1. Legislative and executive action in New Jersey over the past several years has demonstrated a general State policy in support of electric vehicles (“EVs”) and energy storage (“ES”) projects.² The State codified its energy goals in the Clean Energy Law, which reflects an objective of achieving 600 megawatts (“MWs”) of energy storage by 2021 and 2,000 MWs by 2030. In addition, the December 2015 New Jersey Energy Master Plan dictated that “the State must continue to expand its efforts to promote the use of alternative fuel vehicles.”³ Moreover, Governor Murphy’s Executive Order No. 28 issued in May 2018 called for the development of a revised New Jersey Energy Master Plan by June 1, 2019 to provide a

¹ Sunrun supports the Stipulation of Settlement with regard to holding the energy storage portion of this proceeding in abeyance pending future policy guidance from the Board. Sunrun takes no position on the Settlement Agreement with regard to the electric vehicle portion of this proceeding.

² Petition at 2-3.

³ New Jersey Energy Master Plan Update at 13 (Dec. 2015).

blueprint for the conversion of New Jersey's energy production profile to 100% clean energy sources by January 1, 2050, including exploration of methods "to incentivize the use of clean, efficient energy and electric technology alternatives in New Jersey's transportation sector and at New Jersey's ports."

2. In response, on October 11, 2018, Public Service petitioned the Board in BPU Docket No. EO18101111 for approval of the CEF-EVES program and for the recovery of costs to jumpstart the EV industry and ES technology through proposed investment in regulated EV and ES programs that the Company asserts it developed for the purposes of helping New Jersey achieve its ES and EV goals, as well as providing significant benefits, including environmentally beneficial economic development and job growth.⁴ Through the Petition, PSE&G sought approval of: (1) approximately \$261 million of investment for four (4) EV subprograms, specifically Residential Smart Charging, Level-2 Mixed Use Charging, Public Direct Current Fast Charging ("DCFC"), and Vehicle Innovation; (2) approximately \$109 million of investment for five (5) ES sub-programs, specifically Solar Smoothing, Distribution Deferral, Outage Management, Microgrids for Critical Facilities, and Peak Reduction for Public Sector Facilities; as well as (3) cross-program investments common to all programs, such as information technology ("IT") and education and outreach.⁵
3. The Petition proposed contemporaneous cost recovery for the Program investments via a new Technology Innovation Charge ("TIC") component of its electric tariff that was

⁴ Petition at 2-3.

⁵ Petition at 3-8.

consistent with the rate treatment applied to the Company's green programs via its Green Programs Recovery Charge.⁶ The Petition also proposed that PSE&G would earn a return on its net investment based upon the authorized return on equity ("ROE") and capital structure including income tax effects that was approved in the Company's 2018 base rate case for the period until the next base rate case filing.⁷

4. By Order dated October 29, 2018, the Board retained jurisdiction of the Petition and designated Commissioner Upendra Chivukula as the presiding officer in the matter to rule on all motions that arise during the pendency of the proceeding, establish and modify any schedules that may be set as necessary, and conduct public and evidentiary hearings.
5. From October 2018 through November 2020, Commissioner Chivukula ruled on various Motions to Intervene or Participate in the proceeding. Intervention was granted to: NJLEUC, Market Participants, CCMT, MSSIA, ChargePoint, Enel X, Environmental Intervenors, Burns & McDonnell, Sunrun, EVgo, Greenlots, Tesla, Blue Bird, Electrify America, and Power Edison. Participant status was accorded to: Atlantic City Electric Company, Alliance for Transportation Electrification, Jersey Central Power & Light Company, SemaConnect, and Rockland Electric Company.
6. In January 2020, the New Jersey State Legislature enacted the Plug In Vehicles Act as part of the public utility law, confirming the State's commitment to accelerated EV adoption and build-out of EV infrastructure by 2025, including aggressive goals and targets that the Board

⁶ Petition at 8-13; Swetz Direct Testimony.

⁷ *Id.*

is directed to help meet.⁸ Also in January 2020, the State issued the updated “2019 New Jersey Energy Master Plan, Pathway to 2050,” including a stated policy to move toward complete electrification of New Jersey’s transportation sector, and noting a clear role for public utility involvement in this important and challenging transition.⁹

7. On April 17, 2020, Rate Counsel filed a motion for summary dismissal of the EV sub-programs arguing that the sub-programs cannot be approved by the Board as a matter of law. On May 8, 2020, PSE&G filed an opposition to Rate Counsel’s motion, and Interveners Blue Bird, CCMT, ChargePoint, Environmental Interveners, EVgo, Greenlots, Burns & McDonnell, and MSSIA filed statements in opposition to Rate Counsel’s motion. Market Participants filed a statement in support of Rate Counsel’s motion. By Order dated July 1, 2020, Commissioner Chivukula denied Rate Counsel’s motion finding that the record would benefit from a full factual exploration of whether the proposed EV program assets benefit PSE&G customers and are used and useful.
8. On September 23, 2020, the Board issued an order in a separate docket adopting minimum filing requirements (“MFRs”) for light-duty, publicly accessible EV charging programs; however, the order notes that it does not require the re-filing of pending petitions, but would inform Staff’s position on any pending filings.¹⁰ The MFR Order also reserves issues related

⁸ *L.2019, c. 362*, codified at N.J.S.A. § 48:25-1-11.

⁹ EMP at 68.

¹⁰ *I/M/O Straw Proposal on Electric Vehicle Infrastructure Build Out*, BPU Docket No. QO20050357, Order Adopting the Minimum Filing Requirements for Light-Duty, Publicly-Accessible Electric Vehicle Charging, at 26 (Sept. 23, 2020) (“MFR Order”).

to medium- and heavy-duty EVs for further stakeholder proceedings to be held during the Board's Fiscal Year 2021.

9. Two (2) public hearings were held on the CEF-EVES Petition on the evenings of October 21 and October 22, 2020.¹¹ These hearings were well-attended by the public. Additionally, several letters of support were received by the Board.
10. On September 4 and 5, 2020, Rate Counsel and interveners, Blue Bird, Burns & McDonnell, ChargePoint, Electrify America, Enel X, Environmental Intervenors, EVgo, Greenlots, Market Participants, Sunrun, and Tesla submitted pre-filed direct testimony. On October 16, 2020, Public Service, ChargePoint, Electrify America, Environmental Intervenors, Greenlots, and Tesla submitted rebuttal testimony.

Discovery and Settlement Discussions

11. Over the course of 2020, discovery was issued and responded to in accordance with a procedural schedule issued by Commissioner Chivukula. Additionally, the parties engaged in discovery/settlement conferences during August 2020 to facilitate information gathering and to discuss opportunities for settlement. The parties also met telephonically for settlement conferences during November and December 2020.
12. At the request of the parties based on settlement negotiations, on December 1, 2020, Commissioner Chivukula issued a Prehearing Order in this matter suspending the evidentiary hearings and remaining procedural schedule.

¹¹ Public hearings were held telephonically due to the COVID-19 health state-of-emergency.

13. In this comprehensive settlement, the Signatory Parties agree, subject to submission of this Stipulation to the Board for approval, that: (1) it is prudent and reasonable for the Company to proceed with its EV program as described more fully below; (2) the associated CEF-EVES cost recovery and deferral mechanisms, modified from the mechanisms as-filed and as set forth herein, will be implemented; and (3) certain elements of the Company's CEF-EVES filing will be held in abeyance pending further policy guidance from the Board.

In light of the foregoing, the Signatory Parties have agreed to submit this Stipulation of Settlement, the terms of which are set forth below. Specifically, the Signatory Parties hereby **STIPULATE AND AGREE** to the following:

STIPULATED MATTERS

A. CEF-EV Program Investment Levels

14. Subject to Board approval of this Settlement Agreement, PSE&G is authorized to invest up to \$166.2 million in facilities associated with its CEF-EV programs and to incur up to \$39 million of incremental operation and maintenance ("O&M") expenses, including administrative costs incurred to support the programs. The Signatory Parties acknowledge that the proposed CEF-EV program is consistent with the Board's MFR Order and it is in the public interest for the Company to proceed with CEF-EV programs as described herein. The CEF-EV programs consist of the following three (3) subprograms: (i) a Residential Smart Charging Program, (ii) a Level 2 Mixed Use Charging Program, and (iii) a DCFC Program. The CEF-EV programs also provide for cross-program investments for IT system upgrades and modifications described more fully below. PSE&G will use first-come-first-served

implementation (*i.e.*, not based on geographical area or any other preference) to encourage early participation and to mitigate the risk of bias or favoritism.

15. A breakdown of the Company’s \$166.2 million of CEF-EV investments, as well as the associated incremental O&M expenses, are as follows:

Program Components - Investments

Residential Smart Charging Program

Make Ready – meter to charger stub ¹²	\$60 million
Make Ready – Service Upgrade – pole to meter ¹³	\$20 million

Mixed Use Commercial L2¹⁴

Make Ready – meter to charger stub	\$26.25 million
Make Ready – Service Upgrade – pole to meter	\$8.75 million

DCFC Public Charging¹⁵

Third party-owned Make Ready – meter to charger stub	\$25 million
Third party-owned charging sites for Make Ready – Service Upgrades – pole to meter	\$15 million

¹² Make Ready from the meter to the charger stub includes the pre-wiring of electrical infrastructure at a parking space, or set of parking spaces, to facilitate easy and cost-efficient future installation of Electric Vehicle Service Equipment (“EVSE”), including, but not limited to, Level Two EVSE and DC Fast Chargers. Making a site Charger-Ready includes expenses related to service panels, junction boxes, conduit, wiring, etc., necessary to make a particular location able to accommodate EVSE on a “plug and play” basis. “Make-Ready” is synonymous with the term “Charger-Ready” as these terms are used in and defined in the MFR Order.

¹³ Make Ready – Service Upgrade pole to meter means activities and facilities needed to upgrade an electric service to accommodate EV service equipment.

¹⁴ This program is comprised of the following sub-elements and approximate budgets:

Sector	# Sites	# Chargers	Inv. (\$M)
Multi-Family Unit (MUD)	325	1,300	\$13
Government Entity	275	1,100	\$11
Public Entity	275	1,100	\$11
Total	875	3,500	\$35

¹⁵ Colocation of a non-Combined Charging System (“CCS”) capable charger with one CCS capable charger makes a site eligible for 50% of the make-ready incentives, colocation with two or more CCS capable chargers grants full Make Ready eligibility to the site.

Rate Schedule GLP and LPL-S demand charge rebates	\$5 million
IT System Upgrades	
Cross Program Investments – IT system upgrades and modifications	\$6.2 million
Total Investment	\$166.2 million

O&M Expenses

Residential Vehicle Tracking Devices – Telematic tracking devices to understand residential charging behaviors for 500 customers	\$0.6 million
Marketing Education and Outreach	\$8.0 million
Data Acquisition – Ongoing platform use and services including charging data acquisition for all deployed chargers for six years	\$13.8 million
Administrative costs – All O&M costs to support programs including IT O&M	\$16.6 million
O&M Expense Total	\$39 million

16. The specific per site make ready incentives are detailed as follows:

Residential

- Utility incentives to offset up to \$1,500 of the Make Ready cost (utility meter to charger stub) per charger stub for up to 40,000 charger stubs, up to a total investment of \$60 million.
- Utility incentives to offset up to \$5,000 of the Make Ready costs (service upgrade) per location for up to 4,000 locations, up to a total investment of \$20 million.

Mixed Use Commercial L2

- Utility incentives to offset up to \$7,500 of the Make Ready cost (utility meter to charger stub) per charger stub for up to 3,500 charger stubs, up to a total investment of \$26.25 million.

- Utility incentives to offset up to \$10,000 of the Make Ready costs (service upgrade) per location for up to 875 locations, up to a total investment of \$8.75 million.

DCFC Public Charging

- Utility incentives to offset up to \$25,000 of the Make Ready cost (utility meter to charger stub) per charger stub for up to 1,200 charger stubs, up to a total investment of up to \$30 million.¹⁶
- Utility incentives to offset up to \$50,000 of the Make Ready costs (service upgrade) per location for up to 300 locations, up to a total investment of \$15 million.

17. All customers or stations receiving an incentive must be networked (i.e. charging station capable of sending and receiving communications via wi-fi or cellular network). Site owners and operators may purchase the smart networked charging hardware and network technology of their choice from no less than two hardware vendors and two software vendors prequalified by PSE&G as compatible with the technical needs of its electric distribution system for make ready eligibility. Consistent with the MFR Order, “site owner and operator” means site host, property manager, an EVSE Infrastructure Company, or an EDC with Board approval that is responsible for installing EVSE. For purposes of this Settlement Agreement, “site host” means the entity that owns, leases, manages, or otherwise possesses the premises upon which the electric vehicle charging station is or is planned to be located for the purpose

¹⁶ Five million dollars of the total of \$30 million will be applied to the DCFC Demand Charge Rebate; to the extent those rebates are provided, the number of make ready sites receiving incentives may be reduced.

of charging an electric vehicle, and “site host” may or may not be the same entity as the station operator.

18. The Signatory Parties agree that in order to facilitate the Cost of Service Study (“COSS”) referenced in Paragraphs 33 and 35 below and the Distribution Grid Impact Study (“DGIS”) referenced in Paragraph 38, and to support calculation of demand charge rebates for DCFC charging discussed in Paragraph 34, PSE&G and/or Company’s contractors performing those studies must have access to EV Charging Data, with provisions to ensure that adequate data privacy and security measures are in place. Therefore, to be eligible for the CEF-EV incentives described in Section E below, program participants must agree to share session-level EV Charging Data with PSE&G. For purposes of this agreement:

- “EV Charging Data” may include each plug-in/plug-out transaction per vehicle and includes: timestamps showing session duration (between plug-in and plug-out); charging duration; energy delivered (kWh); average power during charging session (kW); and other information as may be determined to be necessary by the Company during program implementation. Additionally, for EV charging that is conducted on a meter that is not an EV charging-only dedicated meter, with the exception of minor ancillary items such as lighting, the data required further includes: timestamps showing when customers plug-in and plug-out; timestamps showing when charging starts and when it ends; peak power delivered during charging session (kW); interval data (15 minutes or shorter) for the charging duration; and unique device and port (where applicable) identifiers.
- Data should be submitted to PSE&G at least quarterly.

- PSE&G will work collaboratively with the Signatory Parties regarding additional detail as to the type, period, and frequency of non-residential customer EV Charging Data delivery as well as the delivery format and methods; and to refine data reporting requirements for specific technology and use cases during program implementation to ensure that reported data effectively informs program analysis. The Signatory Parties agree that data quality, format, and delivery must be deemed by PSE&G within its reasonable discretion to be sufficient to facilitate necessary processes to enable the programs contemplated herein.
 - EV Charging Data will be aggregated by PSE&G for the purposes set forth in this Settlement Agreement.
 - Pending the development and implementation of a Third Party Data Access Plan in accordance with Section F of this Settlement Agreement, PSE&G agrees to treat EV Charging Data provided as a condition of service or eligibility for the Company's EV programs as confidential and proprietary to the providing party, and agrees to maintain the confidentiality of the information provided to PSE&G. The Company further agrees that it will comply with any regulations promulgated by the Board regarding access to, and the use of EV Charging Data.
19. The Signatory Parties recognize that there is uncertainty as to the precise timing and budgets for the CEF-EV Program and sub-programs. In particular, the ongoing COVID-19 pandemic and related health state-of-emergency is of unpredictable duration and may affect the Company's ability to invest in CEF-EV facilities. Accordingly, the Company may adjust the CEF-EV investment levels in response to real market and service conditions experienced.

Further, with the exception of the \$5 million of Rate Schedule GPL and LPL-S demand charge rebates, the estimated allocation of the \$166.2 million of total investment among the Sub-programs listed in paragraph 15 above may change due to market demand and customer requirements. PSE&G will use first-come-first-served implementation (*i.e.*, not based on geographical area or any other preference) to encourage early participation and to mitigate the risk of bias or favoritism. Accordingly, the Signatory Parties agree that a process enabling the Company to make adjustments to sub-program budgets in response to real market conditions experienced is justified. The process shall be as follows:

- PSE&G can shift its sub-program budgets for the Residential Smart Charging, Mixed Use Commercial L2 and DCFC Public Charging sub-programs up to 5% of each sub-program's total budget with notification to Staff and Rate Counsel (which should be provided 30 days in advance of the change), 5-25% with Staff approval, and over 25% with Board approval.
- All requests for budget adjustments shall be submitted to Staff and Rate Counsel. Staff retains the right to reject shifts requiring Staff notification. All requests for budget adjustments, including those necessitating Staff approval shall be submitted to Staff and Rate Counsel with a written description of and rationale for the proposed transfers, and objections, if any, shall be made within 30 days.

B. CEF-EV Reporting and Performance Metrics

20. PSE&G will provide semi-annual reports on the CEF-EV deployment ("CEF-EV Report") to the BPU Staff, and Rate Counsel, and will post the reports on the Company's website which is accessible to all other Signatory Parties, setting forth the following information:

- the estimated quantity of work and the quantity completed to date or, if the activity cannot be quantified with numbers, the major tasks completed, e.g., Residential, Mixed Use Commercial L2, and DCFC Public Charging Make Ready to Charger Stub units completed and number of service upgrades;
- the usage and balance remaining of the \$5 million DCFC EV C&I Distribution Charge Rebate funding;
- the forecasted and actual CEF-EV capital costs to date for the reporting period and for the program-to-date; and
- the forecasted and actual CEF-EV O&M expenses to date for the reporting period and for the program-to-date.

The project expenditures shall be broken out between labor, material and other costs. This reporting will be submitted by September 1, 2021 based on actual results through June 30, 2021. The second semi-annual report will be submitted by March 1, 2022 based on actual results through December 31, 2021. The Company will continue to submit semi-annual reports by March 1st and September 1st of each year through the completion of the CEF-EV investment.

21. PSE&G agrees to post on the Company's website public maps that detail areas which are best suited for EV infrastructure build-out by the end of calendar year 2021, and earlier if possible. These would be prepared and updated by the Company on a regular basis, at least annually, and available to the public in a timely manner in order to provide reasonably current maps showing options for EV charging in PSE&G's territory. The Company-prepared maps will be posted for information only and will not be used by the Company in responding to service requests. The Company further agrees that it will comply with any regulations promulgated by the Board regarding mapping EV sites and capacity.

C. Cost Deferral and Recovery Details

22. The Company will invest in EV infrastructure as described in paragraph 15 above. Until being rolled into base rates, as described further below, those CEF-EV-related capital costs shall be deferred and placed in a regulatory asset, for recovery in the Company's next base rate case, to be filed no later than January 1, 2024 (the "Next Base Rate Case"). Incremental CEF-EV-related O&M costs as defined above in paragraph 15 will be deferred separately for recovery in the Company's Next Base Rate Case. Nonetheless, all costs incurred in connection with this proceeding remain subject to prudence review in the Next Base Rate Case.
23. The reasonable and prudent costs associated with the CEF-EV investment that are likely to be in-service by the end of six (6) months after the end of the test year in the Company's Next Base Rate Case shall be reflected in the rates established in that case, consistent with the Board's *Elizabethtown Water*¹⁷ standards.
24. CEF-EV investment that is not likely to be in-service by the end of six (6) months after the end of the test year, shall be deferred and placed in a regulatory asset. The Signatory Parties agree the Next Base Rate Case will remain open so that CEF-EV investment placed in service more than six (6) months after the end of the test year in the Next Base Rate Case will be reviewed and placed into rates, if deemed reasonable and prudent, as soon as

¹⁷ *In re Elizabethtown Water Company Rate Case*, BPU Docket No. WR8504330, Decision on Motion for Determination of Test Year and Appropriate Time Period for Adjustments (May 23, 1985).

practicable after the associated infrastructure has been placed into service, through annual roll-in filings following the Next Base Rate Case. The annual roll-in filings will include three (3) months of forecast data that will be trued-up with actual data no later than 20 days after the end of the final forecast month. The annual roll-in filing will request that new rates be implemented three (3) months after the end of the final forecast month. The schedule of such annual roll-in filings shall be determined in the Company's Next Base Rate Case.

D. Cost Deferral Mechanism Details

25. As noted above, the Company will book a regulatory asset ("CEF-EV Regulatory Asset") comprised of the capital investments described in paragraph 15 above.
26. The formula for the CEF-EV Monthly Investment Deferral component of the CEF-EV Regulatory Asset is:

$$\text{CEF-EV Monthly Investment Deferral} = (((\text{Pre-Tax Cost of Capital} / 12) * \text{Average Monthly Rate Base}) + \text{Monthly Depreciation and/or Amortization Expense}) + (\text{Average Monthly Investment Deferral Balance} * (\text{WACC} / 12))$$

- a. The term "Pre-Tax Cost of Capital" means PSE&G's pre-tax overall weighted annual average cost of capital ("WACC") in effect at the time of the deferral. The WACC is based on the ROE, long-term debt and capital structure approved by the Board in PSE&G's most recently approved base rate case, which is currently 6.99%, or 9.02% on a pre-tax basis based on current tax rates. Any change in the WACC authorized by the Board in a subsequent base rate case will be applied to

CEF-EV investment in subsequent periods. Also, any change to current tax rates will be reflected in the WACC in a subsequent period.

- b. The term “Average Monthly Rate Base” refers to the total of the beginning and ending monthly balances for the following items, divided by 2:
- CEF-EV related Utility Plant in Service and Regulatory Asset Gross Plant
 - Less the associated Accumulated Depreciation and/or Amortization
 - Less the associated Accumulated Deferred Income Tax
- c. The term “Depreciation and/or Amortization Expense” provides for the recovery of PSE&G’s CEF-EV investment over the useful book lives of the assets as well as the recovery of the Program’s regulatory assets. The CEF-EV investments are comprised of the following categories:

Investment Category	Depreciations/Amortization
Make-Ready – Service Upgrade Pole to Meter – Capital	BPU approved depreciation rates by asset installed
Make-Ready – Service Upgrade Pole to Meter – Expense (Regulatory Asset)	30 years
CEF-EV Related IT Systems – Capital	Amortized over remaining life of specific system(s)
CEF-EV Related IT Systems – Expense (Regulatory Asset)	5 years
C&I Demand Charge Rebates (Regulatory Asset)	5 years
Make-Ready to Charger Stub (Regulatory Asset)	30 years

The Make-Ready to Charger Stub book life will be 30 years based on the weighted average life of make-ready investments included in the Company’s CEF-EV filing.

Any future changes in Board approved asset depreciation/amortization rates will be reflected in the deferral during the relevant future period.

- d. The term “Average Monthly Investment Deferral Balance” refers to the cumulative sum of the Monthly Investment Deferrals at the beginning and the end of each month divided by two. The term “WACC” refers to the Company’s annual weighted average cost of capital from its most recently approved base rate case. Any change in the WACC authorized by the Board in a subsequent base rate case will be utilized.
27. PSE&G’s Next Base Rate Case will include a request for recovery in base rates of all prudently incurred capital expenditures associated with the CEF-EV program. Those costs will include the CEF-EV Regulatory Asset described above, actual costs of engineering, design and construction, and deferred cost of removal (net of salvage), including actual labor, materials, overhead, and capitalized Allowance for Funds Used During Construction associated with the projects (the “Capital Investment Costs”). Capital Investment Costs will be recorded, during construction, in an associated Construction Work In Progress (“CWIP”) account or in a Plant In Service account upon the respective investment being deemed used and useful. The Company will follow its current policies and practices with regard to capitalizing costs, including overheads. All CEF-EV investment not recovered through a base rate case proceeding will be tracked separately from all other base investments.
28. The revenue requirement in the Next Base Rate Case or a subsequent base rate case, if

applicable, will include a return of and on the CEF-EV Regulatory Asset defined in paragraph 25 above. The return on the deferred investment will be based on the approved WACC in the Next Base Rate Case, or subsequent base rate case, adjusted for income taxes and BPU and Rate Counsel assessment fees. The return of the deferred investment will be based on the Board approved depreciation/amortization rates determined in the Next Base Rate Case or any other appropriate period approved by the Board.

29. The Company will defer incremental CEF-EV-related O&M costs as described above in paragraph 15 (“CEF-EV O&M Regulatory Asset”), with a monthly carrying charge at the prior month 2-year treasury rate plus 60 basis points, for recovery in the Company’s Next Base Rate Case. The amortization period of the CEF-EV O&M Regulatory Asset will be determined in the Next Base Rate Case.
30. The CEF-EV investment that is placed into service, but not yet reflected in customer base rates, will record a monthly accrual of a deferred return that will be capitalized and included in the plant balance. For ratemaking purposes, depreciation expense will not begin on CEF-EV investment until reflected in base rates in the Next Base Rate Case or any subsequent base rate case or rate case reopener. Since depreciation expense must be booked when the investment is placed in service for tax and financial reporting purposes, the Company will defer the depreciation in the CEF-EV investment regulatory asset.

E. Rate Design Details

Residential EV Rates

31. Residential customers with one or more household members who own or lease EVs can

participate in the Company's existing Rate Schedule Residential Load Management ("RLM") tariff for whole house time of use ("TOU") rates to promote EV charging during off-peak periods.

32. Alternatively, residential customers can choose to remain on the Company's existing Rate Schedule Residential Service ("RS") and, if eligible per the criteria below, effectively receive RLM on-peak and off-peak distribution energy charges exclusively for their EV usage under the "EV RLM Distribution Only Provision." This option will be issued as a credit on the customer bill on at least a quarterly basis.

- a. In order to qualify for the EV RLM Distribution Only Provision, a residential customer must install or utilize smart charging hardware and network technology of their choice from no less than two hardware vendors and two software vendors that are PSE&G-approved and is capable of sending and receiving communications via wi-fi or cellular network to PSE&G, and that is compatible with the technical needs of PSE&G's electric distribution system. Customers must also agree to share the EV Charging Data with PSE&G. Data must be available to the Company and necessary billing system changes must be in place in order for these incentives to begin. The Company agrees to implement billing system changes as soon as possible and estimates completion by the end of calendar year 2021.
- b. The EV credit will be calculated at least quarterly using the EV usage at the Rate Schedule RLM distribution rates less the EV usage billed at Rate Schedule RS distribution rates for the corresponding billing period. If the credit calculation results in charges that would be in excess of the bill calculated using the RS rate,

no adjustment for the corresponding period will be applied.

- c. For ratemaking purposes, the EV RLM Distribution Only Provision credits will be reflected as a reduction to the Rate Schedule RS distribution revenue. The credit will be applied at least quarterly to the customer bill and will indicate the corresponding period(s) for which the credit applies.
 - d. The EV RLM Distribution Only Provision for Rate Schedule RS will remain in effect until the conclusion of the Company's Next Base Rate Case.
33. The Signatory Parties agree that the Company will perform a COSS based on the EV Charging Data available to PSE&G to develop and present an EV specific rate schedule or new EV provision under the existing RS Rate Schedule in its Next Base Rate Case for residential customers. The Signatory Parties further agree that, subject to customer consent, the Company will collect EV charging data required to support the establishment of Basic Generation Service ("BGS") rates for the rate options discussed above in a future BGS proceeding.

DCFC EV Rates

34. The Signatory Parties agree that commercial customers whose sole usage is for DCFC EV charging and ancillary energy consumption (communications, area lighting, etc.) and who meet the requirements of part (a), below, will qualify for a C&I Distribution Demand Charge Rebate, as illustrated in Table 1, below, [excluding New Jersey Sales and Use Tax ("SUT")], totaling \$5 million for all qualifying customers in aggregate. The rebate will remain in effect until the \$5 million total has been reached or an EV tariff rate is established as a result of the Company's Next Base Rate Case.

- a. To qualify for the Demand Charge Rebate, a DCFC customer must agree to provide EV Charging Data to PSE&G in accordance with Paragraph 18 of this Settlement Agreement.
- b. Qualifying DCFC customers will be issued an off bill rebate quarterly that will indicate the corresponding period(s) for which the credit applies, and that will apply to a portion of the approved demand charges in the Company's General Lighting Purposes ("GLP") or Large Power Lighting – Secondary ("LPL-S") tariff, as described in paragraph 34(c) below. All rebates are contingent on timely availability of EV Charging Data for rebate calculation. The timing of rebate issuance will be as follows:
 - DCFC charging stations that enroll for the C&I Demand Charge Rebate within 90 days of a Board order approving this Settlement Agreement will be issued their first Demand Charge Rebate within 150 days from program enrollment. The first rebate issued will apply to demand charges incurred beginning with the first billing cycle following the Board's approval order, assuming EV Charging Data is available to support the rebate calculation, or for the billing periods for which EV Charging Data is available. Demand Charge Rebates will be issued quarterly thereafter.
 - DCFC charging stations that enroll for the C&I Demand Charge Rebate more than 90 days following the Board's order approving this Settlement Agreement will be issued their first Demand Charge Rebate by the end of the first quarter following their enrollment for demand charges incurred

beginning with the first billing cycle following enrollment, assuming EV Charging Data is available to support the rebate calculation, or for the billing periods for which EV Charging Data is available. Demand Charge Rebates will be issued quarterly thereafter.

- c. For years one and two of the Program, the monthly distribution demand charges will be rebated by 75%. For years three and until new rates become effective from the Company's Next Base Rate Case or the \$5 million budget is depleted, monthly distribution demand charges will be rebated by 50%. The effective rebated rates based upon current rates are shown in the table below. To the extent the GLP and LPL-S distribution demand charges change in response to non-base rate case rate adjustments applicable to all rates (such as infrastructure adjustments, NJ SUT, etc.), the rebated demand charges will be adjusted to maintain the same percentage relationship to the GLP or LPL-S rates, as applicable.

Table 1: Effective DCFC C&I Demand Charges After Rebate Based Upon Current Rates

Season	# of Months	EV Provision			
		Monthly Distribution Demand Charge (\$/kW)			
		Years 1-2		Year 3 - Eff date of Rates, Next Base Case	
		GLP	LPL-S (on-peak)	GLP	LPL-S (on-peak)
Summer	4	2.4687	2.2374	4.9373	4.4748
Annual	12	0.9845	0.9404	1.9689	1.8809

Rates are inclusive of the NJ SUT at the current rate.

- d. Participants do not need to enroll-in the Make-Ready provisions of the Company's DCFC EV program to be eligible for the C&I Demand Charge Rebate.

- e. Both new and existing DCFC Charging Locations are eligible for the C&I Demand Charge Rebate.

35. The Signatory Parties agree that the Company will perform a COSS based on the EV Charging Data available to PSE&G to develop and present a non-residential EV specific rate schedule or new EV provision under existing non-residential rate schedules in its Next Base Rate Case for commercial customers. The Signatory Parties further agree, subject to customer consent, to collect agreed-upon EV data required to support the establishment of BGS rates for rate options discussed above in a future BGS proceeding.

F. Third Party Data Access Plan

36. Upon consent, Customers may choose to, but are not required to, share their EV Charging Data, including the number of charging events, times, duration, usage and load profile with other third parties including for example, but not limited to third party suppliers (TPSs) and energy services market participants. A Customer's consent to provide EV Charging Data with PSE&G as a condition of service or eligibility for the Company's EV programs to facilitate a COSS or Distribution Grid Impact Study does not constitute consent to provide data to third parties for other, non-Company purposes. The Signatory Parties acknowledge that a customer's EV Charging Data may constitute confidential or proprietary data in accordance with New Jersey laws and regulations and agree to treat any such data in accordance with applicable laws and regulations.
37. The development of an EV Charging Data access plan to facilitate third party access to Customer EV Charging Data ("Third Party Data Access Plan") shall be deferred pending

the final outcome of the statewide proceeding at Docket No. QO20050357 and the resulting rulemaking process related to the MFRs for light-duty EVs. If that statewide proceeding does not produce a Board-approved Third Party Data Access Plan within 300 days of a BPU Order approving PSE&G's CEF-EVES Petition, then within 60 days after that period, BPU Staff, with the assistance of PSE&G, will convene at least one (1) meeting with the parties to discuss the data access issues raised by the Market Participants in this proceeding. The data access issues included in testimony submitted by the Market Participants and PSE&G in this proceeding may be supplemented at that time. The Signatory Parties agree to use best efforts to reach agreement on third party EV Charging Data access within 120 days of the initial stakeholder meeting. Consideration of the Third Party Data Access Plan shall include evaluation of data aggregation provisions and reporting requirements, which may include, but are not limited to, location (latitude/longitude), charging session duration, session frequencies, load curves, and utilization of home charging. If there is no agreement on the third party data access issues within 120 days, this proceeding will be reopened for the limited purpose of adjudicating data access issues, and the parties may supplement the record on third party data access issues at that time.

G. Distribution Grid Impact Study

38. The Company will perform a DGIS and submit it to the Board as part of the Integrated Distribution Plan ("IDP") required under New Jersey's Energy Master Plan. The IDP will consider, *inter alia*, the impact of anticipated growth in EV charging on the Company's electric distribution system.

H. Vehicle Innovation and Energy Storage Program

39. The proposals advanced by PSE&G in this proceeding concerning a Vehicle Innovation subprogram and Energy Storage Program will be held in abeyance in this proceeding pending a future proceeding that will be commenced by the Board in 2021 to address policy guidance related to medium- and heavy-duty trucks and busses charging infrastructure and battery storage. Nothing in this Settlement Agreement shall prejudice the Company's rights to advance these or other programs relating to medium- and heavy-duty battery electric trucks and school buses charging infrastructure or energy storage in future proceedings.

I. Applicable Public Funding

40. If funding or credits from any subsequent state or federal action or program becomes available to the Company through the federal government, State of New Jersey, a County or Municipality for installation or project reimbursement, the Company agrees that any such funds or credits applicable to work related to any of the CEF-EV sub-programs referenced in this Stipulation will be used to benefit customers by offsetting the costs for which recovery will be sought to the extent permitted by law. The Company will also require program participants to disclose if they are seeking public funding, and in no case shall the combination of 1) any Federal funding, 2) other State, any other Government entity, or New Jersey Clean Energy Program incentive funding, and 3) incentives provided as part of this approved program (excluding program incentive financing) fund 90% of an installation or project's costs through rebates or other direct incentives at the time of installation. If it is determined that an installation or project would be funded through 90%

rebates or incentives the Signatory Parties agree that, subject to any restrictions set forth in the enabling law and other applicable law, incentive funding approved as part of this program shall be reduced to bring the total rebates and incentives under 90% of the program costs. The determination of the funding sources for a project shall be based on a certification by the program customer or participant. Nothing in this paragraph shall reduce the Company's ability to invest up to \$166.2 million pursuant to the program, as described in Paragraphs 15 and 16 above. Additionally, the Company may increase the number of sites eligible for incentives as described in paragraph 16, above, to the extent necessary to meet this level of investment if the application of this paragraph results in excess available CEF-EV program funding.

FURTHER PROVISIONS

41. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right, upon written notice, to be provided to all other parties within 10 days after receipt of any such adverse decision, to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board, in any applicable Order(s), then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

42. It is the intent of the Signatory Parties that the provisions herein be approved by the Board as being in the public interest. The Signatory Parties further agree that they consider the Stipulation to be binding on them for all purposes herein.
43. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, Public Service, Board Staff, Rate Counsel and all other Signatory Parties shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein, in total or by specific item. The Signatory Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, and that execution of the Stipulation does not represent a waiver of any rights of Signatory Parties with regard to any other existing or future proceeding including but not limited to the Next Base Rate Case and BGS proceedings, except to enforce the terms of this Stipulation.
44. The Signatory Parties further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

WHEREFORE, the Signatory Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

PUBLIC SERVICE ELECTRIC AND GAS
COMPANY

NEW JERSEY DIVISION OF RATE COUNSEL

BY: Matthew Weissman
Matthew M. Weissman
Managing Counsel -- State Regulatory

BY: Brian O. Lipman
~~Stefanie A. Brand~~ Brian O. Lipman
Director Litigation Manager

DATED: January 14, 2020

DATED: January 15, 2020

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
for the Staff of the Board of Public
Utilities

NEW JERSEY LARGE ENERGY USERS
COALITION

BY: Matko Ilic
Matko Ilic
Deputy Attorney General

BY: _____
Steven Goldenberg
Giordano Halleran & Ciesla, P.A.

DATED: January 15, 2021

DATED: _____

CLIMATE CHANGE MITIGATION
TECHNOLOGIES LLC

MID-ATLANTIC SOLAR & STORAGE
INDUSTRIES ASSOCIATION

BY: _____
Matthew S. Slowinski
Slowinski Atkins LLP

BY: _____
Matthew S. Slowinski
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DATED: _____

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Matthew S. Slowinski, Esq.
SLOWINSKI ATKINS, LLP

BY: s/Matthew S. Slowinski
Matthew S. Slowinski, Esq.
SLOWINSKI ATKINS, LLP

DATED: January 19, 2021

DATED: January 19, 2021

ENEL X NORTH AMERICA, INC.
AND ELECTRIC MOTOR WORKS, INC.

BY: 
William Harla
Decottiis, FitzPatrick, Cole & Giblin LLP

BY: _____

DATED: 01/15/2021

BURNS & MCDONNELL ENGINEERING
COMPANY, INC.

BY: _____
James H. Laskey
Norris McLaughlin, P.A.

BY: _____

DATED: _____

SUNRUN, INC.

BY: _____
Lauri A. Mazzuchetti
Kelley Drye & Warren, LLP

DATED: _____

POWER EDISON, LLC

BY: 
Umar A. Sheikh
Offit Kurman

DATED: 1/15/2021

DIRECT ENERGY BUSINESS, LLC;
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MARKETING, LLC; DIRECT ENERGY
SERVICES, LLC; GATEWAY ENERGY
SERVICES CORPORATION; NRG ENERGY, INC.,
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BUSINESS SOLUTIONS
(collectively, "MARKET PARTICIPANTS")

BLUE BIRD BODY COMPANY

BY: _____
Christopher Torkelson
Eckert Seamans Cherin & Mellott LLC

DATED: _____

BY: _____
Paul Yousif
Vice President, General Counsel
and Treasurer

DATED: _____

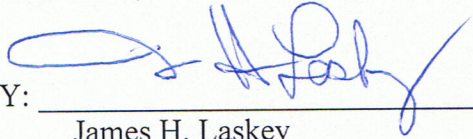
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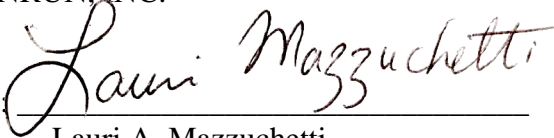
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Lauri A. Mazzuchetti
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DATED: 1-15-2021

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Vice President, General Counsel
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DATED: 1-15-21

CHARGEPOINT, INC.

BY: Murray E. Bevan
Murray E. Bevan
Bevan Mosca & Guiditta, P.C.

DATED: Jan. 15, 2021

TESLA, Inc.

BY: _____
Kevin Auerbacher
Managing Counsel

DATED: _____

EVGO SERVICES, LLC

BY: _____
Martin C. Rothfelder
Rothfelder Stern L.L.C.


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Rothfelder Stern L.L.C.

DATED: 01/15/2021