

Sent via email: board.secretary@bpu.nj.gov

TO: Aida Camacho-Welch, Secretary of the Board
FROM: Pamela Frank, CEO, ChargeVC-NJ
DATE: June 4, 2021
SUBJECT: FY22 CRA, Budget, and Program Plans

Introduction:

ChargeVC-NJ appreciates the opportunity to provide thoughts and recommendations on the Proposed FY 2022 CRA, Budget, and Program Plans.

The Board of Public Utilities (BPU) has been tasked with implementing various electric vehicle (EV) initiatives, including the EV rebate program, state and municipal fleets, and residential charger programs. These are key initiatives that will help us meet the goal of 330,000 EVs registered in New Jersey by 2025. These programs will aid in establishing New Jersey as the East Coast leader for transportation electrification.

Comments:

Budget

Directionally, ChargeVC-NJ is pleased to see that total EV budget has been increased to over \$47,000,000. The line items that will go towards the EV rebate program, and state and municipal fleets will help New Jersey reach our statewide goal of 330,000 EVs on the road by 2025. This is an ambitious, but necessary, goal and this additional funding will help push the state towards increased EV adoption.

Charge Up New Jersey Funding Increase

The budget for EV rebates must be increased even further to realize our statewide EV adoption goals. The budget increase for FY 2022 mentioned above is a good start, but it is not enough.

It is worth highlighting the rebate program is currently the highest profile, most impactful and strategic state program regarding electrifying transportation. None of the benefits from EVs will materialize – including the progress we need to meet our climate and clean air goals, without EVs on our roads. It is therefore crucially important to approach any program decisions and changes thoughtfully and deliberately.

Notably, despite the economic downturn caused by the COVID-19 pandemic and health crisis, New Jerseyans have shown that they have a strong interest in EVs with stronger than expected response to the program. The first year of this program put 7,000 new EVs on New Jersey's roads,

with the vast majority of those being full-battery EVs. As of December 2020, New Jersey has just over 40,000 EVs on the road – that is a long way from our statewide goal of 330,000 EVs which we have just about four and a half years to reach.

Given the high demand for EVs that was demonstrated in the first year of the program and rapid growth of the EV market, additional budget allocation over the next five years is necessary. In [ChargEVC-NJ-NJ's newly released Roadmap 2.0](#), ChargEVC-NJ-NJ calls for an acceleration of the Charge Up New Jersey program timeline, to target distribution of this \$300M LDV purchase incentive fully by the end of 2025. This will maximize the impact on 2025 goal attainment and align deployment when the incentives have the most impact – when EV price premiums are the highest. The NJBPU has the authority to accelerate funding since the provisions in the EV Law state “... no less than \$30 million a year...” funding levels, not funding limits.

Given this recommendation in ChargEVC-NJ's roadmap update, it was a positive feature of the straw proposal to see a modest increase in the overall EV budget with specific lines for state fleet and for municipal vehicles. We need to be more aggressive with incentive deployment and therefore we encourage flexibility with respect to budget as we learn more over the next year of the program.

ChargEVC-NJ recommends investing \$300 million in funding over the next five years rather than over a ten-year period.

Charge Up New Jersey Program Flexibility

Budgetary flexibility will be required as the second year of the program progresses. 2021 has been an exciting year for EVs. We have seen a lot of new product enter the market. We have seen commitments to electrify from traditional vehicle manufacturers and have a federal government that is supportive of electrification initiatives. With support and buy-in coming from all levels of the market, we expect that consumer demand for EVs will only continue to grow larger and larger. There is still a lot to learn about the EV market in New Jersey and increased transparency of the data collected by the BPU for the rebate program will allow us to learn as we go and further optimize this program moving forward. Flexibility in Charge Up New Jersey's program budget will allow us to react appropriately to the rapidly changing market and the resulting data.

Electric ride and drive share services for LMI communities:

Consistent with BPU's focus on environmental justice and electrification of transportation, and complementary to the Department of Environmental Protection's (DEP's) recent grant awards that support electric car share and ride share projects, the BPU should set aside budget to support and subsidize these programs that provide services specifically to LMI customers. This would be new budget line item.

ChargeVC-NJ appreciates the dedication BPU's commitment to investing in New Jersey's growing EV market and the opportunity to provide comments.