

Submitted *Via* Email
September 9, 2021

Aida Camacho-Welch
Secretary, New Jersey Board of Public Utilities
Post Office Box 350
Trenton, New Jersey 08625
Email: board.secretary@bpu.nj.gov

RE: In the Matter of Medium and Heavy-Duty Electric Vehicles Charging Ecosystem Docket No. QO21060946

Dear Secretary Camacho-Welch:

Please find enclosed the comments of the undersigned organizations (Environmental Parties) submitted in response to the Medium- and Heavy-Duty Ecosystem and Medium and Heavy-Duty Impact on Overburdened Communities panel on August 24th and 26th as part of the Board of Public Utilities' Matter of Medium and Heavy-Duty Electric Vehicles Charging Ecosystem Straw Proposal. We appreciate the opportunity to provide input on this important topic and look forward to continuing the conversation as the Board further develops its Straw Proposal.

Sincerely,

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I. Utility infrastructure programs have the potential to provide critical benefits in communities disproportionately impacted by transportation pollution

In the panel discussion hosted by the Board of Public Utilities (BPU) on August 26th, Rate Counsel representative Maura Caroselli stated that equitable policies and programs are those that are measured by only one metric: affordability. Utilities can and should endeavor to minimize bill impacts through careful planning and strategic use of resources. However, the emphasis on cost from Rate Counsel goes too far. A myopic focus on affordability in terms of costs, rather than looking at the fuller picture of impact on ratepayers, is very likely to result in the benefits of electrification being delayed or blocked entirely; as such, it is a critical error to only consider the raw cost of a program. Rate Counsel does not appear to contest that infrastructure deployment can result in increased zero-emission vehicles (ZEVs) on the road, nor that decarbonizing an enormous source of pollution in the state - transportation is responsible for more than 40% of emissions in New Jersey - can have significant, positive health impacts. This was also recognized by other panelists. Representatives from Isles (Kate Miguel) and Supreme Green Team (Moises Luque) agreed, stating that equity must also encompass access and consideration of health benefits in communities most impacted by harmful transportation pollution. Further, the Energy Information Agency tracks “household energy insecurity” and documents that “nearly a third of U.S. households reported facing a challenge in paying energy bills or sustaining adequate heating and cooling in their home in 2015.”¹ That number will likely only increase as a result of the current economic crisis. Utility regulators, consumer advocates, and environmentalists have a robust history of working together to reduce utility bills, especially for low-income households.²

¹ *One in three U.S. households faced challenges in paying energy bills in 2015*, Energy Info. Admin., available at <https://www.eia.gov/consumption/residential/reports/2015/energybills/>.

² For example, and number of organizations signed onto this comment letter worked with the Board, Rate Counsel, the utilities, and other non-profits to secure a utility shut-off moratorium during the COVID-19 pandemic, as well as produce an updated customer bill of rights, and arrearage management program.

But it's time for utility policy to target the total household energy bill. We should not focus on the average American household's \$1,300 annual electric bill while ignoring the \$2,000 to \$3,000 that the average household spends every year on gasoline. For the last 40 years, driving on electricity has been the cost equivalent of driving on dollar-a-gallon gasoline, and it is projected to stay that way for the next 30 years³; data from the Energy Information Administration shows that diesel prices in the United States have consistently been higher than the relatively steady electricity equivalent prices as well.⁴ Because electricity is generated from a diverse set of domestic fuels and because it is carefully regulated by state agencies, its price is inherently more stable, unlocking the potential for energy cost savings households can bank on.

A recent report written by Environmental Defense Fund states that there were approximately 107,500 premature deaths in the U.S. in 2017 due to health burdens caused by ground-level ozone and fine particulate matter, much of which is caused by transportation.⁵ The same report estimates that by 2025, the number of premature deaths from roadway related PM2.5 and ozone alone will be up to 18,000, with the greatest impacts seen in California, the Midwest, and the Northeast. This is in significant part due to medium- and heavy-duty vehicles (MHDVs): for example, despite making up only 4 percent of vehicles on the road, "heavy-duty vehicles are the largest contributor to mobile source emissions of NOx and will be one of the largest mobile source contributors to ozone in 2025."⁶ To combat pollution-related public health impacts, a

³ Max Baumhefner, *Go Electric to Avoid the Holiday Gas Price Roller Coaster*, Natural Res. Def. Council (Aug. 29, 2018), available at <https://www.nrdc.org/experts/max-baumhefner/go-electric-avoid-holiday-gas-price-roller-coaster>.

⁴ U.S. Department of Energy, Energy Efficiency and Renewable Energy, *Alternative Fuels Data Center: Fuel Prices*, <https://afdc.energy.gov/fuels/prices.html>.

⁵ Environmental Protection Agency, *Cleaner Trucks Initiative*, <https://www.epa.gov/regulations-emissions-vehicles-and-engines/cleaner-trucks-initiative>

⁶ Environmental Defense Fund, *Accelerating to 100% Clean: Zero Emitting Vehicles Save Lives, Advance Justice, Create Jobs* at 4 (Aug. 2020), available at <https://www.edf.org/sites/default/files/documents/TransportationWhitePaper.pdf>.

transition to zero-emission trucks - which, to reiterate, will only be possible with sufficient supporting electric vehicle service equipment (EVSE) - is necessary, and can have significant benefits in terms of reduced emissions and monetized health benefits. Based on preliminary results from an analysis undertaken by MJ Bradley and Associates, a scenario that looks at 100% new sales of zero-emission trucks in 2040 in New Jersey, in addition to a clean grid would lower NOx and PM emissions by 97 percent and 86 percent, compared to a baseline. This would result in a cumulative 303 avoided premature deaths, 325 hospital visits, 181,409 avoided cases on respiratory illness (acute bronchitis, exacerbated asthma), restricted activity days and lost workdays – and \$3.5 billion in cumulative public health benefits between 2020 and 2050.⁷ And, given that pollution burden is disproportionately concentrated in low-income and communities of color, prioritization of these disadvantaged populations through utility programs can ensure equitable emission reductions and resultant health impacts.

The BPU has already recognized the importance of MHDV electrification in advancing public health and equity in New Jersey. As part of the response to comments in the BPU order establishing minimum filing requirements for light-duty EV charging infrastructure, BPU staff agreed that “equity is closely tied to the electrification of the medium- and heavy-duty sector.”⁸

This fact was an explicit justification for introducing the separate straw proposal for MHDV EVs.⁹ In the MHDV EV straw proposal, BPU staff reiterated this point, recognizing that there

⁷ See Natural Resources Defense Council, *Re Advanced Clean Trucks Program and Fleet Reporting Requirements Proposed Rule DEP Docket No. 05-21-03, Appendix A*.

⁸ QO20050357, *In the matter of Straw Proposal on Electric Vehicle Infrastructure Build Out*, Order Adopting the Minimum Filing Requirements for Light-Duty, Publicly-Accessible Electric Vehicle Charging, at 7 (Sep. 23, 2020), available at <https://www.nj.gov/bpu/pdf/boardorders/2020/20200923/8F%20-%20ORDER%20Electric%20Vehicle%20MFRs.pdf>.

⁹ *Id.* (“As a result, there will be a separate straw proposal, currently scheduled for Fiscal Year 2021, on medium- and heavy-duty electrification, which may address electric transit and school buses, as well as other methods to ensure equitable electrification”).

would be “overwhelming human health and environmental benefits associated with electrification of the transportation sector,” particularly for those in overburdened communities.¹⁰ In addition, the Board recommended that public utility proposals should “include plans for equitable distribution of both charging infrastructure, as well as support for electrified transportation modes to serve all communities.”¹¹

The Board’s own policy guidance, orders, and other materials show a preference for a broad definition of equity, that not only includes affordability, but equity in access, investment, and outcomes. For example, on October 30th, 2020, the Board hired Crystal Pruitt to serve as the Deputy Director for Clean Energy Equity and established an Office of Clean Energy Equity “responsible for overseeing the equitable deployment of clean energy technologies. . . .”¹² The closest working definition that the Board has of “equity” has been produced by the equity working group under the purview of the office of Clean Energy Equity, and developed with input from EJ groups, community groups, the Board, environmental groups, and Rate Counsel. That working group has largely agreed that:

equity can be defined as an intentional targeting of communities who have been historically and systemically denied access and participation in the programs. Equity in this context requires the prioritizing of these communities through focused and relevant marketing and messaging, community engagement, and removal of barriers to access and participation . . .

Moreover, the concept of using monetized health impacts is not a new one in New Jersey. The BPU has acknowledged as much in the 2020 New Jersey Cost Test (NJCT) Final Order,

¹⁰ QO21060946, *In the Matter of Medium and Heavy Duty Electric Vehicle Charging Ecosystem*, Notice of public meeting to discuss New Jersey Electric Vehicles Infrastructure Ecosystem 2021 – Medium and Heavy Duty Straw Proposal, at 12 (July 2, 2021), available at https://publicaccess.bpu.state.nj.us/DocumentHandler.ashx?document_id=1243671.

¹¹ *Id.*

¹² Press Release, New Jersey Board of Public Utilities, NJBPU Approves Comprehensive Energy Efficiency Program (June 10, 2020), available at <https://www.nj.gov/bpu/newsroom/2020/approved/20200610.html>.

where the Board states that public health and environmental impacts (called non-energy impacts or NEI) should be considered as part of any cost test (a 10% adder for low-income programs: 5% for non-low-income programs), and that these NEIs should be considered in program design as they “will ensure that the NJCT reflects a symmetrical treatment of costs and benefits and accounts for the full range of benefits that are not captured in traditional avoided costs.”¹³ BPU explained the inclusion of this added percentage by saying that its use “better reflects the full range of benefits and costs”¹⁴ and that “non-cost-effective measures should typically only be included for good reason, such as to promote health and safety....”¹⁵ Staff even described the ten percent portion of the proxy allocated to low-income benefits as “conservative.”¹⁶

Finally, equity is also about access to infrastructure. As discussed more in Section III, utility programs can ensure that charging stations are installed in areas that might not be considered profitable by private investors and support fleets that serve communities historically overburdened with transportation pollution. This provides an opportunity to better ensure zero-emission MHDVs are operating in communities that might otherwise be overlooked.

In short, Rate Counsel’s myopic viewpoint in refusing to consider a marginal increase on rates fails to consider that inaction by utilities has a much more detrimental impact in terms of health costs. Indeed, the very consumers that Rate Counsel purports to be advocating for will be actively harmed by this intransigent and narrow stance. Refusal on the part of Rate Counsel to

¹³ QO20060389, *In the matter of the Clean Energy Act of 2018 – New Jersey Cost Test*, Order Adopting the First New Jersey Cost Test at 16 (Aug 24, 2020) (“There are three general types of non-energy impacts (‘NEIs’): (1) utility NEIs, such as reduced arrearages and debt collection costs; (2) participant NEIs, such as reduced operations and maintenance costs; impacts on occupant health and productivity; and increased property values; and (3) societal NEIs, such as economic development, environmental, and public health impacts.”), available at https://publicaccess.bpu.state.nj.us/DocumentHandler.ashx?document_id=1224602.

¹⁴ *Id.* at 4.

¹⁵ *Id.* at 2.

¹⁶ *Id.* at A28.

consider the health benefits of ratepayer-funded utility programs will have the likely effect of keeping diesel and gasoline-powered vehicles on the road, which, given the average lifespan of these vehicles will have consequences for many years. On the other hand, putting infrastructure in place through utility programs – and considering the health and environmental benefits of these programs, in line with the NJCT - will help to overcome a key barrier to advancing the market; this advancement will, in turn, will help to achieve economies of scale that brings prices of vehicles and infrastructure down.

II. Downward pressure on rates from increased deployment of electric MHDVs

During the question-and-answer portion of the overburdened communities panel, the representative from Rate Counsel stated that “we may not see a downward pressure on rates...as electrification takes hold.”¹⁷ However, there is real-world empirical data that shows that EVs *do* in fact put downward pressure on rates for all customers because the increased utility revenues from increased electric usage is greater than the marginal costs to serve the increase in load.

A recent analysis by Synapse Energy Economics, entitled *Electric Vehicles are Driving Electric Rates Down*, concluded that “EVs offer a key opportunity to reduce harmful emissions and save customers money at the same time.”¹⁸ That study examined two utility service territories with the highest number of EVs of any in the U.S.: Pacific Gas & Electric (“PG&E”) and Southern California Edison (SCE). It found, based on real-world data, that EVs are pushing electric rates down, largely because they tend to charge overnight when people are sleeping and there is plenty of spare capacity on the grid. Synapse evaluated the revenues and costs associated

¹⁷ EV Stakeholder Meeting: Medium and Heavy Duty Impact on Overburdened Communities, held by the New Jersey Board of Public Utilities, at 1:24:25 (Aug. 26, 2021), *available at* <https://www.nj.gov/bpu/newsroom/public/>.

¹⁸ Jason Frost, Melissa Whited & Avi Allison, Synapse Energy Economics, *Electric Vehicles Are Driving Electric Rates Down* 1, June 2020, *available at* https://www.synapse-energy.com/sites/default/files/EV_Impacts_June_2020_18-122.pdf.

with EVs from 2012 through 2019 in PG&E and SCE service territories. They compared the new revenue the utilities collected from EV drivers to the cost of the energy required to charge those vehicles, plus the costs of any associated upgrades to the distribution and transmission grid and the costs of utility EV programs that are deploying charging stations for all types of EVs. In total, EV drivers contributed an estimated \$806 million more than the associated costs. While this study was focused on light duty vehicles (LDVs), the same conclusion potentially holds true for MHD EVs if they are effectively integrated into the grid.

III. Public funding is needed to unlock private capital

Environmental Parties continue to be somewhat mystified by the emphasis on private capital from Rate Counsel as well as the BPU. The BPU has stated during these panels that ratepayer funds should not be used for private infrastructure, while Rate Counsel continues to adhere to the belief that public funding should not be utilized except in those circumstances where utilities have a unique role to play – though Rate Counsel never articulates where that vaguely drawn line lies. First and foremost, this ignores a central tenet of private investment; namely, that private investors will be loath to put money into what they will likely consider to be a nascent, uncertain market. Until progress on deployment is starting to be seen at scale, and there is a more robust return on investment likely, private investment is unlikely. Indeed, this is why mechanisms like Green Banks¹⁹ need to exist – to fund environmental solutions before the private market takes hold. Of note, pilot projects that employed public and private investment strategies to prove out the benefits of electric vehicles demonstrate the possibilities of utility involvement - in Michigan, ZEV bus infrastructure and deployment was made possible by utilizing both public and private

¹⁹ See *New Jersey Announces Funding for a Green Bank*, Coalition for Green Capital (Apr. 23, 2020), available at <https://coalitionforgreencapital.com/new-jersey-announces-funding-for-a-green-bank/>.

funds and the grid benefits for vehicle-to-grid technology will be studied.²⁰ Thus, initial investment by public and private entities may be necessary to spark a chain reaction for further adoption of MHD vehicles. As well, small businesses and businesses operating in pollution-burdened communities – likely to need *more* assistance to overcome cost barriers are the ones most likely to be ignored by private companies, since they are a tougher market to penetrate. Utilities, on the other hand, given that they are regulated by a Board that can require minimum deployment in the areas that need it most, can unlock investment where it is most needed. As such, it is a necessary first step in building an ecosystem where both public and private funding can co-exist.

It is troubling that the BPU seems to draw a line in the sand between private and publicly-utilized infrastructure because the clean air benefits expected from the transition will primarily come from private fleets that utilize depot charging, such as trucks. Trucks make up a vast majority of the MHDVs on New Jersey’s roads, and, while diesel buses are also a source of NOx and diesel particulates, the vast majority of diesel particulate pollution comes from trucks. The majority of New Jersey-based MHD EVs will utilize depot charging rather than charging stations on highway corridors and other public locations – of the 19 market segments studied in a recent report, 15 of the segments, representing over 60% of the vehicles on the market, will be able to use depot charging. Only long-haul tractors will rely heavily on a public charging network.²¹ Narrowing public spending to a minority of locations—as currently proposed in the

²⁰ Ann Arbor Public Schools began a five-year pilot program for electric buses in 2019 in partnership with DTE Energy, Hoekstra Transportation, and supported by VW settlement funds. See <https://www.proterra.com/press-release/proterra-powered-electric-school-buses-and-proterra-charging-systems-selected-by-michigan-schools-for-vehicle-to-grid-pilot-program/>.

²¹ M.J Bradley and Associates, *Medium- & Heavy-Duty Vehicles: Market Structure, Environmental Impact, and EV Readiness* 18, July 2021, available at <https://www.mjbradley.com/reports/medium-heavy-duty-vehicles-market-structure-environmental-impact-and-ev-readiness>.

straw proposal—will fail to support the MHD vehicle market in the way it needs and, as a consequence, will fail to set a trajectory for zero-emission trucks and buses that will aid in meeting state climate and clean energy goals and, as is discussed later, may jeopardize the success of New Jersey’s implementation of the Advanced Clean Trucks (ACT) rule, which is currently under consideration for adoption.

As well, despite Rate Counsel’s insistence that utilities have a limited at best role to play here, there is much evidence to suggest otherwise. Utilities have a unique skill set and responsibility to their customers – a combination that does not exist in the private sector. And to date, over 3 billion dollars of utility investments have been approved throughout the United States, including support for over 27,000 MHD vehicle charging stations.²² In California, a recent Assembly Bill recognized this unique competence by changing the practice of the California Public Utilities Commission of “authorizing the electrical distribution infrastructure located on the utility side of the customer meter needed to charge electric vehicles on a case-by-case basis to a practice of considering that infrastructure and associated design, engineering, and construction work as core utility business.”²³ Avoiding litigation on this issue is likely to streamline processes and may help move the needle on electric vehicle deployment more effectively – this is an issue that New Jersey agencies and stakeholders should explore further. Further, California has recognized that in some cases the option of having utilities own assets on the customer side of the meter may be helpful in easing the transition of some customers to electric vehicles. Indeed, in a nascent market such as the one presented by the MHD EV market, an all-hands-on deck approach is necessary. Rather than artificially circumscribing utility

²² See Atlas Public Policy EV hub, <https://atlaspolicy.com/rand/ev-hub/> (last visited Sep. 2, 2021).

²³ A.B. 841 §3, 2020 Leg., Reg. Sess. (Ca. 2020), *available at* https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB841.

function based on some vague delineation of what is and isn't allowable, the BPU would do well to consider California's example.

Environmental Parties would also be remiss were they not to point out that entities such as the Newark Board of Education, Isles, and Supreme Green Team – who are actively putting electric vehicles on the road – have a much different conception of how utilities can fit into this landscape than Rate Counsel, one that is grounded in real-world experience. Rodney Williams, Kate Miguel and Moises Luque, representatives of the Newark Board of Education, Isles, and Supreme Green Team, respectively, stressed the importance of utility involvement with their project; all three stated to various degrees that utilities were essential to getting infrastructure in place necessary to support vehicle deployment. For example, Mr. Williams stated that in his position with the largest school district in New Jersey, he bears a certain responsibility to set an example for other schools – in order to successfully play that role, there is a “need to partner up with the utilities in order to make these things [programs] work.”²⁴ This clearly shows that there is both a place and desire for utility involvement; while utilities should be charting a path for more private investment and must be judicious about how programs are planned and executed, they will play a vital role in ensuring that New Jersey is on track to meet critical state goals.

IV. The utility planning process should be broad in scope to include non-wire solutions alongside necessary infrastructure upgrades

Thorough planning by utilities is essential for ensuring that MHD EVs are integrated into New Jersey's grid quickly and efficiently while protecting ratepayers, particularly those struggling to pay their current utility bills, from paying for poorly planned utility programs. As Richard Thigpen, the Senior Vice President for Corporate Citizenship at PSE&G, said during

²⁴ EV Stakeholder Meeting: Medium and Heavy Duty Impact on Overburdened Communities, held by the New Jersey Board of Public Utilities, at 1:10:00 (Aug. 26, 2021), *available at* <https://www.nj.gov/bpu/newsroom/public/>.

BPU’s August 26 stakeholder meeting, “using a coordinated planning approach can help control costs.”²⁵ However, this planning will fail to adequately facilitate the transition to MHD EVs and keep costs in check if utilities retain too narrow a view of the process. In his comments at the stakeholder meeting, Thigpen went on to say “we [PSE&G] have to make sure we have also the grid reinforcement and grid upgrade[s] to make sure that we can – that the electric grid can handle this new and different load so that it can be done as efficiently as possible.”²⁶ While this comment sounds reasonable on its face, the implications of this statement should raise red flags. Mr. Thigpen appears to characterize the planning process as merely a mechanism for deciding where to put wired infrastructure; while the fixed costs that come from building out such infrastructure are good for the utility’s bottom line; it presents an unacceptably narrow conception of the suite of non-wires solutions that can help to integrate vehicle load while keeping costs down. In response to a later question on the use of ratepayer funds for utility investments in EV infrastructure and programs, Thigpen stated that “Public Service will invest its money under BPU supervision,” and that doing so will “ensure that the grid will be upgraded in a fashion to ensure reliability,” a position that unreasonably shifts the burden to BPU to keep utility costs in check.²⁷

To prevent this, BPU should require each utility to engage in a more proactive planning process and complete a distribution grid impact study (DGIS) that would evaluate the expected impacts of MHD EV integration on the grid.²⁸ The DGIS should include consideration of

²⁵ EV Stakeholder Meeting: Medium and Heavy Duty Impact on Overburdened Communities, held by the New Jersey Board of Public Utilities, at 32:30 (Aug. 26, 2021), *available at* <https://www.nj.gov/bpu/newsroom/public/>.

²⁶ *Id.*

²⁷ *Id.* at 1:36:30.

²⁸ Environment New Jersey, Environmental Defense Fund, Natural Resources Defense Council, and the Sierra Club requested BPU require utilities to complete a DGIS to analyze the expected impacts of EV

measures to reduce the impact of vehicle load; while it is likely that some grid upgrades will be needed to accommodate this additional load, utilities must also look at non-wire solutions such as on-site storage, distributed energy resources (DERs), managed charging, education, and outreach. A DGIS that considers an array of wire and non-wire solutions is necessary to encourage MHD EV integration while minimizing costs to ratepayers and the broader community. In addition, the BPU should require regular load research reports. Continuously monitoring load data to ensure that EVs are minimizing strain on the grid and maximizing integration of renewable energy. Consistent, comprehensive collection of load data can also successfully track the extent to which customers respond to time-variant rates, a critical component of ensuring that EVs provide cost, environmental, and system benefits.

Non-wire solutions such as DERs (e.g., on-site storage, distributed solar) in addition to managed charging through well-designed rates, are a necessary component of any utility planning process related to MHD vehicle electrification. When properly designed, these programs can significantly increase benefits for EV fleet owners, utilities, and the larger community. Use of these resources is a triple win. They can help ensure fleet owners are lowering their charging costs; of particular importance with respect to demand charges, which can make up the majority of a commercial customer's bill.²⁹ Utilities benefit through more efficient grid use even as more EVs are connected to the grid. And, the community as a whole

integration in comments earlier this year on PSE&G's Clean Energy Future-Electric Vehicle and Energy Storage Program proposal. Environment New Jersey *et al.*, Comment letter 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 (Jan. 22, 2021), available at https://publicaccess.bpu.state.nj.us/DocumentHandler.ashx?document_id=1233228.

²⁹ Gladstein, Neandross & Associates, *California Heavy-Duty Fleet Electrification Summary Report*, March 2021 (finding that access to DERs and rate designs that incentivize managed charging can produce significant charging cost savings for MHD EV fleet operators in addition to large reductions in peak demand), available at <http://blogs.edf.org/energyexchange/files/2021/03/EDF-GNA-Final-March-2021.pdf>.

benefits through decreases in local air pollutants and greenhouse gases MHD EV adoption brings, particularly when this transition is prioritized in the overburdened communities that disproportionately suffer from harmful air pollution and the resulting health impacts. Utility planning that focuses solely on grid-level infrastructure upgrades, while beneficial to utility shareholders, may lead to slower EV uptake by fleet operators because it may be harder to see cost savings and higher bills for all ratepayers – leading to potentially lower societal benefits as a result.

Education and outreach to public and private fleet operators should be another part of the utility planning process. Utility-led education efforts, in conjunction with local community groups, can be essential for fully informing fleet operators of technology, incentive programs, and best practices to minimize upfront and long-term costs. For example, Rodney Williams, the Director of Energy and Sustainability for the Newark Board of Education stated during the August 26th stakeholder meeting that the school district could not have taken advantage of all of the available benefits and programs related to electrifying a portion of their fleet without technical assistance from PSE&G. This assistance can be particularly impactful for public fleet operators in pollution-burdened or low-income areas, like the Newark Board of Education, and small private fleets that may lack the capacity to understand the full array of requirements and incentives that come with fleet electrification. Education and outreach are therefore necessary as part of any comprehensive utility planning process.

Properly scoped utility planning can allow for MHD EV integration without causing untenably large increases in localized or system-wide peak demand, thereby decreasing the need for more costly upgrades and expansion. These solutions also have the potential to reduce costs for commercial customers looking to transition to ZEVs over time, providing an incentive for

fleet owners to make the shift, while mitigating Rate Counsel's concerns that MHD EV integration will lead to runaway infrastructure costs that increase the burden on ratepayers. BPU must require each utility to engage in a thorough planning process that considers all available solutions, thereby encouraging MHD EV deployment while minimizing costs.

V. Collaboration between New Jersey's state agencies is critical to moving the needle on electric transportation.

During the panel discussion on August 24th, the topic of collaboration between state organizations in New Jersey was brought up and discussed by panelists; ultimately, however, it remains unclear that the ecosystem of agencies in the state and how they work together is being considered holistically. The BPU must do more to collaborate with other state agencies, including the Department of Environmental Protection (DEP) and the Economic Development Agency (EDA) to harmonize policies relating to MHDV electrification to achieve the desired benefits to overburdened communities and to achieve equity. Specifically, the BPU should be thinking proactively about how to craft charging policies that will support New Jersey's adoption of the ACT rule and the sales targets contained therein. Establishing harmonized goals and policies across agencies helps to align incentives and provides fleet owners with certainty, which is critical to fleet electrification as envisioned by DEP under the ACT Failure to give fleets infrastructure cost certainty could harm electrification efforts. Adoption of the ACT should be closely tied to the charging infrastructure buildout this straw proposal is meant to address.

Simply put, MHDV EVs cannot be driven if they cannot be charged. New Jersey needs a plan to interconnect all the vehicles predicted to be purchased under the timelines in the ACT. Initial modeling estimates that more than 200,000 depot chargers and more than 3,000 public fast chargers will be needed by 2050 to support the target levels of zero-emission MHDV adoption

under the ACT rule.³⁰ New Jersey agencies must develop a plan to provide much of the infrastructure that will be needed, particularly during early compliance years.

In short, coordination between BPU, the DEP, and the EDA is imperative to ensure that both public agencies and utilities are ready to rapidly scale up zero-emission infrastructure. The straw proposal should be revised to include ratepayer-funded utility-side make-ready support from utilities for fleets, including depot charging. For reference the California Public Utilities Commission (CPUC) has already authorized nearly \$700 million in make-ready investment for MHD fleets by California's three major investor-owned utilities.³¹ These utility investments also do not differentiate between private and public fleets. This investment ensures needed charging capacity for heavy-duty electric vehicles, with fleets able to charge the ZEVs that they purchase.

VI. Conclusion

Thank you for the opportunity to provide comments on the August 26th panel on the Effects of MHDVs on Overburdened Communities. While these comments are not exhaustive, Environmental Parties look forward to providing additional comments will be submitted throughout this stakeholder process.

³⁰ Preliminary modeling on impacts of adopting California truck regulations for New Jersey conducted by MJ Bradley & Associates.

³¹ *Transportation Electrification Activities Pursuant to Senate Bill 350*, California Public Utilities Commission, available at <https://www.cpuc.ca.gov/sb350te/>.