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October 5, 2021

By Electronic Mail board.secretary@bpu.nj.gov

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

**Re: New Jersey Electric Vehicle Infrastructure Ecosystem 2021
Medium and Heavy Duty Straw Proposal
In the Matter of Medium and Heavy Duty Electric Vehicle
Charging Ecosystem
BPU Docket No. QO21060946**

Dear Secretary Camacho-Welch:

Please accept for filing these comments being submitted on behalf of the New Jersey Division of Rate Counsel ("Rate Counsel") in accordance with the Notice issued by the Board of Public Utilities ("Board") in this matter on June 30, 2021. In accordance with the Notice, these comments are being filed electronically with the Board's Secretary at board.secretary@bpu.nj.gov.

Please acknowledge receipt of these comments.

Honorable Aida Camacho-Welch, Secretary

October 5, 2021

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Thank you for our consideration and attention to this matter.

Respectfully submitted,

BRAIN O. LIPMAN

Acting Director, Division of Rate Counsel

By: /s/ Maura Caroselli

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Enclosure

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**IN THE MATTER OF MEDIUM AND HEAVY DUTY ELECTRIC VEHICLE
CHARGING ECOSYSTEM
BPU Docket No.: QO21060946**

Comments of the New Jersey Division of Rate Counsel

October 5, 2021

Background

Rate Counsel appreciates the opportunity to present comments on the Medium and Heavy Duty (“MHD”) Electric Vehicle (“EV”) Straw Proposal (“MHD Straw Proposal”), issued by the Board of Public Utilities Staff (“Staff”) on June 30, 2021.

On May 18, 2020, The Board of Public Utilities (“Board” or “BPU”) Staff released a Straw Proposal (“May 2020 Straw Proposal”) on Electric Vehicle Infrastructure Build Out to initiate Board policymaking to support New Jersey’s electric vehicle ecosystem. The May 2020 Straw Proposal focused specifically on the role of the State’s electric utilities (“EDCs”) in developing charging infrastructure for light-duty (“LD”) electric vehicles. After receiving comments from multiple parties, on September 23, 2020 the Board issued its Minimum Filing Requirements (“MFR”) Order¹ to implement the Electric Vehicle Act of 2020.² At that time, two of New Jersey’s EDCs, Public Service Electric and Gas (“PSE&G”) and Atlantic City Electric (“ACE”) had already filed EV charging program proposals with the Board.³ In the intervening months, New Jersey’s two other EDCs, Rockland Electric Company (“RECO”) and Jersey Central Power and Light

¹ I/M/O Straw Proposal on Electric Vehicle Infrastructure Build Out, BPU Dkt.NO QO20050357, (Order, September 23, 2020) (“EV MFR Order” or “Order”).

² P.L. 2019, c.362; N.J.S.A. 48:25-1 *et seq.*

³ I/M/O 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. Order (approving Stipulation, January 27, 2021).

I/M/O Petition of Atlantic City Electric Company for Approval of a Voluntary Program for Plug-In Vehicle Charging, BPU Docket No. EO18020190. [Filed February 18, 2018. Re-filed December 17, 2019 under the same docket number and the original title with the modification of “Amended Petition.”] (Order approving Stipulation, February 17, 2021)

(“JCP&L”), also filed EV charging program proposals pursuant to the MFR Order, both of which are now pending before the Board.

Many elements of the current MHD Straw Proposal echo themes of the May 2020 Straw Proposal for light-duty vehicles. In particular, Staff proposed a “Shared Responsibility” model wherein EDCs would “invest in, and earn on the wiring and backbone infrastructure” of publicly accessible or public-serving MHD charging facilities.⁴ Staff also proposed a function for EDCs to support “area of last resort” where adequate investment in MHD charging infrastructure is not initiated by private entities.⁵ Finally, Staff proposed that EDCs offer a demand charge solution to address the barrier presented by high demand charges for low-utilization charging stations.⁶

However, Rate Counsel notes that the issues facing MHD vehicles and fleets are significantly different from those facing light-duty vehicles owned and operated by individuals. Furthermore, the economic and operational considerations for entities that invest in and use charging infrastructure for the two classes of vehicles differ, for example:

- While MHD vehicles are likely to have a much higher instantaneous power draw on the electric system than LD vehicles, such vehicles and fleets are also likely to be used and charged in a way that is more predictable and manageable compared to far more numerous non-commercial and individually-owned LD vehicles. MHD and fleet vehicle owners are far more able to plan charging and routes, coordinate with other owners, and take actions to improve the demand profiles for MHD charging resources.

⁴ MHD Straw Proposal, pages 3, 10-14. As discussed below, the “public-serving” category is added in the MHD Straw Proposal.

⁵ MHD Straw Proposal, pages 3 and 14.

⁶ MHD Straw Proposal, pages 3-4 and 15-16.

- MHD charging infrastructure is far more expensive than LD infrastructure and is unlikely to be built with a speculative “if you build it, they will come” business model. Private entities are unlikely to invest in infrastructure where there is no known or anticipated use case. In contrast, with the greater likelihood of significant financial return, private entities are likely have a greater financial interest in MHD infrastructure, and there is no need for ratepayers to be forced to bear this cost.
- Investors will likely be motivated to build MHD charging infrastructure where an existing or planned fleet is located, where it is most needed, convenient, and economical to charge their vehicles. In contrast to the LD case, this may well favor Environmental Justice Overburdened communities where land is less costly and the required high voltage electric infrastructure is already in place with existing or prior commercial development. Environmental Justice Overburdened communities will benefit uniquely from investments which will positively impact clean air and economic development in former commercial areas with closed or currently polluting facilities.
- The potential benefits of MHD EV adoption must be carefully balanced against the inherently inequitable and regressive reliance on electric rates to support New Jersey’s policy preferences. Rate Counsel cautions that any resulting increase in electric rates will have a proportionally greater impact on residents of Environmental Justice Overburdened Communities since they are largely low- and moderate- ratepayers who carry the highest energy burden relative to income.

- While the technology for LD vehicle charging is adequate for most use cases and is likely close to maturity, the same cannot be said for MHD charging technology, which is widely expected to evolve rapidly over the next decade.

With these general notes in mind, Rate Counsel offers some comments on the guiding applicable law and comments on the specific elements of Staff's MHD Straw Proposal framework.

Legal Framework for Funding of Electric Vehicles Infrastructure

It is necessary to view funding MHD EV projects within the existing legal framework of utility ratemaking. At the outset, Rate Counsel notes that there is no authority in any state statutes that permit the BPU to authorize ratepayer-funded charging stations. While the New Jersey Clean Energy Act ("the CEA") at N.J.S.A. 48:3-98.1 allows utilities to seek approval for energy efficiency and renewable energy programs, EV programs are not energy conservation or efficiency. To the contrary, the 2019 EMP anticipates that electrifying the transportation industry will cause a large increase in the demand for electricity.⁷ Therefore, the construction and ownership of charging stations by EDCs is not authorized under N.J.S.A. 48:3-98.1. Additionally, it should be noted that ratepayers are already currently funding energy efficiency and renewable energy programs pursuant to the CEA and therefore they should not be funding EV buildouts that do not fit squarely within the CEA.

Notably, an EDC may recover only the fair value of prudent investments in utility property that is used and useful in providing public utility service.⁸ Although the Straw Proposal

⁷ State of New Jersey, "2019 New Jersey Energy Master Plan, Pathway to 2050," available at https://nj.gov/emp/docs/pdf/2020_NJBPU_EMP.pdf, p.176.

⁸ See e.g., In re Proposed Increased Intrastate Industrial Sand Rates, 66 N.J. 12, 22-24 (1974); I/M/O Petition of Pub. Serv. Coordinated Transp., 5 N.J. 196, 217 (1950); Atlantic City Sewerage Co. v. Bd. of Pub. Util. Comm'rs, 128

emphasizes the health and environmental benefits of MHD EVs, any benefits associated with reducing vehicle air emissions are unrelated to a public utility's duty to provide reliable utility service. Under state law, public utility service must be safe, adequate and proper.⁹ Utility rates must be "just and reasonable."¹⁰ State utility laws do not address whether and how ratepayers should fund efforts to reduce heavy-duty vehicle emissions. A related ratemaking principle is that costs should be allocated to the party who causes the utility to incur them, i.e., the "cost causation" principle. In other words, a party that wants and will benefit from a public utility investment or service should pay for it.

Finally, ratepayers should not be asked to shoulder the costs of EV-related investments that the competitive market deems risky, due to the specific location or technology. Any EDC EV investments will be subject to a review by Rate Counsel and approval by the Board to determine whether the investments were prudent and reasonable. If EDC investments related to MHD EVs are too risky, they may not be prudent utility investments and in that case ratepayers as a whole would not be charged.

Comments on Specific Straw Proposal Framework Elements¹¹

1. Modified "Shared-Responsibility" Model

Staff proposed four key roles for EDCs under its shared responsibility model. These are: (1) upgrades on the utility side of the meter; (2) make-ready wiring upon customer request; (3) technical assistance to public and private fleets; and (4) developing hosting maps to identify

N.J.L. 359, 365-66 (Sup. Ct. 1942); Duquesne Light Co. v. Barasch, 488 U.S. 299, 307 (1989); Smyth v. Ames, 169 U.S. 466, 547 (1898).

⁹ N.J.S.A. 48:2-23.

¹⁰ N.J.S.A. 48:3-1.

¹¹ The framework elements below are numbered following the numbering for the framework elements on which Staff seeks feedback as listed in Section I of the MHD Straw Proposal, pages 2 and 3.

priority make-ready sites.¹² In addition, Staff proposed a “last resort” function for EDCs “to ensure equitable distribution of EVSE for MHD vehicle charging, which may include use cases such as charging depots.”¹³

a. Utility Side Upgrades

Rate Counsel agrees that appropriate utility-side upgrades are a proper EDC function and are appropriately funded through the mechanisms identified in the MHD Straw Proposal.¹⁴ Make-ready wiring is also an appropriate function, within reason and up to reasonable limits. For both of these costs, however, some cost-sharing with the customer is appropriate to ensure that customers have an incentive to invest prudently and minimize cost.¹⁵

b. “Make Ready” Wiring

In addition, it is possible that customers could request costly make-ready wiring, but ultimately not develop MHD EV charging at an individual site.¹⁶ Requiring some contribution from the customer as “earnest money” could help prevent costly upgrades that fail to develop into societally-useful charging infrastructure. Rate Counsel disagrees with the statement in the Straw proposal that the earnings test under the current Main Extension rules at N.J.A.C. 14:3-8 should be waived as a result of potential environmental benefits. Since, the in the MHD context, this EV infrastructure will be built to accommodate users who may have sufficient upfront financial resources and companies who can easily predict load and use, an earnings test and sufficient deposit should be required to minimize the risk to ratepayers of building charging infrastructure

¹² MHD Straw Proposal, pages 11-12.

¹³ *Ibid.*, page 12.

¹⁴ *Ibid.*, page 11, note: “EDCs would request recovery of their investments and other costs through a traditional rate case, the Societal Benefits Charge (“SBC”), or any other applicable rate recovery mechanism authorized by statute or regulation.

¹⁵ The MHD Straw Proposal suggests that “EDCs may provide up to 100% incentives for Make-Ready for charging infrastructure for public fleets, prioritizing those fleets serving urban and Overburdened Communities.” MHD Straw Proposal, Pages 12-13.

¹⁶ Staff anticipates this possibility in its section on “Process for Approval of Make-Ready Sites”, but the only recourse is that the developer would have to return the infrastructure to the EDC for possible redeployment by another entity.

that will be not be utilized as predicted. MHD customers, since their load and infrastructure will be more substantial and predictable in comparison with LD, must be required to provide an upfront investment that complies with the Main Extension formula and earnings test established to reduced risk to ratepayers and the utility. Any environmental or health benefit to communities due to a potential for a reduction in vehicle emissions is speculative has not been quantified. More importantly, since vehicle emissions are outside the considerations for utility ratemaking and the earnings test established by N.J.A.C. 14:3-8, it cannot be considered. The formula which quantifies the amount of upfront contribution a business or residence will make in order for the utility to build out its system, is a measurement of the estimated cost of the energy in the future, it does not contemplate outside factors such as the health or environmental benefits of providing the new energy service.¹⁷ Moreover, the benefits of managed load and increased electricity sales should be sufficient to meet the earnings test, and if they are not, the location chosen for MHD charging may simply not be appropriate. Although N.J.A.C. 14:3-8 can be modified in other ways to accommodate buildout for MHD EVs, the earnings test should not be waived altogether since the measurement of vehicle emissions cannot quantified and directly measured in the contribution formula and because MHD EV investors are more likely to have upfront financing of the project available to them. Under the Board's Main Extension rules, the entity that requests and pays upfront for the utility buildout is eligible for a refund over time of the initial investment if the energy usage corresponds with the estimates made at the outset of the project.¹⁸

¹⁷ See the suggested formula for consumer contribution versus predicted energy usage for non-residential development at N.J.A.C. 14:3-8.10.

¹⁸ N.J.A.C. 14:3

c. Utility Technical Assistance

Rate Counsel supports a limited technical assistance role for EDCs when squarely within their areas of expertise, including development of hosting maps to identify priority make-ready sites to minimize system upgrade costs.

d. “Last Resort” Charging Stations

Rate Counsel does not believe that the “last resort” model applied in the light-duty MFRs and filings is a good fit for MHD charging buildout. Again, the MHD charging is different than LD charging in that commercial operators have a much better ability to manage the charging of their fleets. It does not make sense for EDCs to invest ratepayer money in charging locations where no interest has been shown by the private sector. Doing so would raise the substantial risk of utility-owned stations that never achieve a sustainable level of utilization because they are simply not optimal locations for fleet charging.

To the extent that any EDC funding is required to spur investment in “last resort” stations, the Board should not jump to the conclusion that utility ownership is an appropriate model. Instead, Rate Counsel recommends that the Board consider a reverse auction model to establish the minimum subsidy necessary to spur investment by the private sector. EVSE developers would bid the minimum support they would require to develop a given site; the auctioneer would select the bid with the lowest bid meeting all site requirements, thereby setting any ratepayer contribution at the minimum level required.

2. Funding of MHD EV Ecosystem

In addition to the comments provided in the previous section, Rate Counsel notes that Staff recommends that EDCs be permitted to invest in (and earn a return on) infrastructure for locations that are “publicly accessible or public serving.” However, it is likely that many MHD and fleet

sites will not be generally available to the public, as this could interfere with their function of supporting robust fleet operations. Rate Counsel agrees that the blanket restriction of utility-funded make-ready investments to publicly available sites for the light duty case is not applicable or appropriate here, so long as other substantial benefits to the public can be demonstrated.

Prior to subsidizing much of the necessary build out with ratepayer monies, the roll-out and funding of MHD charging in New Jersey should first consider the availability of federal funding and incentives to support EV use and supporting infrastructure. Moreover, where possible, private investment should be encouraged.

Ultimately, Rate Counsel believes that EVSE costs should be borne by EVSE users, consistent with the traditional utility “beneficiary pays” model. This means that the Board should look towards developing specific EV-only rate classes for commercial and residential charging that would be based on the cost to serve these customers. While this may be difficult to implement in this nascent stage of the New Jersey EV ecosystem, Rate Counsel recommends that the Board require relevant cost of service studies in subsequent base rate cases of the EDCs so that more precise and equitable cost-based EV-specific rates and charges can be developed. While short-term “transitional” rates and charges for EV charging might be appropriate during the infancy of EV adoption, there should be an acknowledged intent to move to cost-based rates incenting more efficient use of electric resources at levels sufficient to sustain continued electric infrastructure development. This model also removes the burden of excessive rate increases associated with MHD EVs on low and moderate-income ratepayers in Environmental Justice Overburdened Communities.

3. Equitable Access

As noted above, equitable access has a different meaning in the case of MHD and fleet vehicles than in the LD case. For light-duty vehicle charging, a key consideration was ensuring that lower-income, Environmental Justice Overburdened Communities had an opportunity to participate in the EV ecosystem, including residents who had no at-home charging option and would have to rely on nearby public charging. In the MHD case, the concern would be to ensure that environmental, public health, and economic benefits of vehicle electrification are broadly shared. This should entail prioritizing replacement of the diesel trucks and buses that serve historically Environmental Justice Overburdened communities with zero-emissions vehicles. EDCs should be required to show in their filings how their proposed programs will ensure this kind of emphasis on equity.

Rate Counsel further notes that there may be significant interconnection benefits that accrue from locating in Environmental Justice Overburdened communities, where there may be disused commercial and industrial sites that have strong preexisting distribution system connections. Locating MHD charging in these areas would provide a non-polluting and quiet kind of commercial activity that could have local economic benefits and support expanded use of clean vehicles in urban areas. Interconnection rules and incentives should be designed to ensure that EVSE developers are sufficiently motivated to pursue locations where the necessary infrastructure already exists.

4. Compatible Charging Infrastructure

Rate Counsel agrees with numerous stakeholders who have emphasized the importance of flexibility, given the rapidly evolving technology and policy environment characterizing the MHD EV ecosystem. However, maintaining flexibility cannot in any regard mean unlimited expenditures

to support speculative technologies. Further, it is the private market, and not electric utilities and their regulators, who are best positioned to anticipate and invest in the needs of the evolving market. EDCs should be required to show how their programs will support multiple levels of charging without unduly burdening ratepayers for excess or stranded infrastructure.

5-6. Technical and Planning Support for Government and Public-Serving Entities, and
Technical and Planning Support for Private Entities

Rate Counsel supports a limited technical support role for EDCs within their area(s) of expertise, for example, in determining least-cost areas to connect to the distribution system and in planning their load profiles, consistent with cost minimization.

Other possible areas of technical guidance, such as fleet planning and routing, are not likely to be within utility expertise. Rate Counsel notes that MHD and fleet service areas are not necessarily contained in individual EDC service areas, or even state boundaries. As noted above, general technical support for fleet electrification may be a more appropriate role for fleet trade organizations, vehicle manufacturers, or some other private entity to implement on a cooperative, statewide basis. Other sources for funding such fleet planning and education functions are more appropriate than ratepayer surcharges, such as VW settlement funds. Since EV use will increase usage thereby adding to EDC revenues and profits, perhaps EDC shareholder-side funds should be considered for this function as part of a business development role.

In sum, EDCs investment is not required beyond site location and infrastructure planning/cost information. However, Rate Counsel believes that a higher level of EDC technical support may be appropriate for some smaller fleets, such as local government and non-profit fleets, than for larger multi-state fleet entities that are likely to have access to their own sophisticated fleet planning tools and support networks.

7-8. Storage and Vehicle-to-Grid, and Integrating Renewable Energy

Integrating storage and renewable energy generation into charging locations may be an economic and efficient way to reduce the cost and complexity of required distribution system upgrades for MHD fleet electrification, in addition to providing greater environmental benefits. Charging depots with integrated storage and distributed renewable generation may be able to provide valuable grid services that can help to offset their costs. However, as noted above, maintaining flexibility must not mean unlimited expenditures to support speculative technologies. It is a reasonable role for EDCs to provide technical assistance to EVSE project developers to help them minimize cost and maximize the revenues they could earn through providing these services. The EDCs should not use ratepayer funds to build private storage and renewable generation projects at EVSE sites.

Rate Counsel is skeptical of the promise that electric MHD vehicles themselves are likely to provide grid services such as peak shaving, reserves, and emergency backup to the system in the near future. Vehicle manufacturers and owners are likely to prioritize battery health and longevity over other considerations, especially given the long useful life required of MHD and fleet vehicles. EDCs should not invest ratepayer money in costly upgrades to support vehicle-to-grid services unless and until this function is proven to be both technologically sound and economically attractive to vehicle owners.

9. Reform of Utility Rate Structures

The issue of demand charge relief is particularly acute for public, light-duty EVSE that expect low utilization during their early years of operation. With low levels of LD or fleet penetration, a low number of charging sessions in a given month could result in exceedingly high demand charges spread over a small number of kWh, resulting in an untenably high total cost per

kWh. In contrast, Fleet managers and MHD charging depots should be better able to plan and control their demand profiles to mitigate this issue themselves by supporting higher usage levels. Further, they should be given a strong incentive to manage their demand profiles to mitigate distribution system impacts so that all ratepayers can realize the promised rate benefits claimed by EV proponents.¹⁹ Indeed, given the stated benefits of MHD investment, ratepayer investment should be easily replaced with private investment. For these reasons, it is not clear that blanket demand charge relief is necessary or appropriate for MHD charging EVSE. If any such relief is provided, it should be targeted in nature and limited in time to ensure that it does not eliminate incentives for demand profile management.

Rate structures and programs should be designed to ensure that customers have a strong incentive to charge during off-peak periods, for example with time-varying or time-of-use rates, as it is to measure their monthly peak usage. Whatever the specific mechanism to be proposed by the EDCs, Rate Counsel opposes eliminating the incentive for charging management by socializing the cost of high charging demand during peak demand periods.

Staff seeks comment on what measures should be implemented to address allocation of EDC-side upgrade costs.²⁰ Staff suggests that given the benefits associated with MHD electrification, including that such infrastructure will benefit all ratepayers, the earnings test for Main Extension costs should be waived under the current scheme outlined in N.J.A.C. 14:3-8. Rate Counsel objects to waiving this test. As noted throughout these comments, MHD and fleet EV

¹⁹ For example, the ChargeEVC study “Electric Vehicles in New Jersey: Costs and Benefits” prepared by Gabel Associates, Inc. (January 26, 2018) finds that: “Electric utility customers will benefit from a total of \$4.3B in electricity cost reductions through 2035 (PV of \$1.9B) for the Leadership Case (Scenario Two, Managed Charging) relative to the no-EV baseline. These forecasted numbers result from the assumption of structural changes in the market, (i.e. the shifting of load to lower cost off-peak times), and grow as EV adoption continues to increase, resulting in a projected total of \$19.4B in cost reductions through 2050 (PV of \$4.9B).” (page 50.)

²⁰ MHD Straw Proposal, page 12.

owners and chargers should be far more able to manage their utilization levels and demand profiles than light-duty EVSE operators. Further, one of the significant claimed benefits of expanded EV charging, especially managed charging, is the dilution of distribution costs over many more kWh of energy sales. MHD EVSE should be able to pass the earnings test, or at least a modified, tailored earnings test, to show that the benefits of utility investment are supported by the additional kWh of energy delivered. This further provides an important incentive for developers to minimize their upgrade costs, both by choosing locations where less costly upgrades will be required (e.g., former industrial sites with strong preexisting distribution system connections) and by prudent design of their charging infrastructure. It also precludes the use of ratepayer funds for speculative or unneeded facilities.

Rate Counsel notes that the Board recently announced a stakeholder process seeking input on proposed changes to N.J.A.C. 14:3, et seq.²¹ which may provide an opportunity for review of the Board's Main Extension rules and their applicability to commercial EV charging infrastructure.

Comment Summary

Rate Counsel supports the MHD Straw Proposal's focus on appropriate utility-side upgrades, funded through the mechanisms identified herein, if and when the make-ready investments will provide commensurate benefits to the public. EDCs should be required to show in their filings not only how they will cost-effectively support New Jersey's EV ecosystem goals, but how their proposed programs will promote equity and enhance the economy of Environmental Justice Overburdened communities. The EDC proposals should further demonstrate how their programs will support multiple levels of charging without unduly burdening ratepayers for excess infrastructure and associated rate increases, and they should avoid putting ratepayers at risk for

²¹ See BPU Docket No. AX21070998.

nascent technologies that would be best supported by private investors. Incentives must be structured such that developers are motivated to invest in locations where the distribution upgrade costs are lowest and the societal benefits are greatest. A move towards EV-specific tariffs should be part of the transition for simplicity of application, to protect Environmental Justice Overburdened Communities, and to help ensure that the costs of serving EVs are appropriately allocated in rate setting.

Further, EDCs should not use ratepayer funds to build private storage and renewable generation projects at EVSE sites, nor invest ratepayer money in costly upgrades to support vehicle-to-grid services unless and until this function is proven to be cost-effective and, in turn, appropriately allocated. .

Rate Counsel supports a limited technical support role for EDCs within their area(s) of expertise, which may include determining least-cost areas for MHD service areas. However, given that MHD and fleet service areas are not necessarily contained in individual EDC service areas, or even state boundaries, the technical role may be best played by other entities, as discussed herein. .

Additionally, Rate Counsel opposes socializing the cost of high charging demand during peak periods, and also opposes eliminating the main extension rule cost test for EVSE infrastructure. Fleet managers and MHD charging depots should plan and control their investments and their demand profiles to recognize the strengths and limitations of the distribution system. If EDCs seek to waive or modify any such charges for MHD EVSE customers, they should show how they will institute more effective incentive and rate mechanisms to support beneficial managed charging and prudent use of the distribution system. Moreover, any such adjustments to tariff charges should be limited to a transitional period, after which charges should be cost-based and appropriately allocated.

Finally, the roll-out and funding of MHD charging in New Jersey should consider the extent and impact of any available federal funding and incentives, as well as private investment to support EV use and supporting infrastructure to offset any rate increases associated with the MHD buildout.