



Via electronic submission to board.secretary@bpu.nj.gov

October 11, 2021

To: Aida Camacho-Welch
Secretary of the Board
44 South Clinton Ave., 1st Floor
PO Box 350
Trenton, NJ 08742

From: Richard Lawton
Executive Director
New Jersey Sustainable Business Council
701 Richmond Ave., #B3
Point Pleasant Beach, NJ 08742

Re: Request for Comments – Proposed Electric Vehicle “Charge-Up New Jersey” Vehicle Rebate Program Changes

Secretary Camacho-Welch:

The New Jersey Sustainable Business Council (NJSBC) is a growing network of companies and business organizations working together to advance market-driven innovation and policy change aimed at creating a more vibrant, sustainable and equitable economy. We believe that doing so is contingent upon addressing the structural causes of climate change, which many economists have called “the greatest market failure in history” since the social and environmental costs of carbon pollution have not been included in the price of fossil fuels.

Since our transportation system represents a high area of leverage in the potential to lower carbon emissions by transitioning from internal combustion engines to electric vehicles, NJSBC represented a business voice in strong support of passing New Jersey’s EV law in 2020.

Market forces alone cannot be relied on to speed this transition since the inertia of market forces remains based on distorted prices that still do not reflect the increasing and cumulative costs of carbon-related negative externalities. The EV law was a significant step in addressing these price distortions while stimulating both consumer demand and supplier investment in ways that have proven effective since the program’s inception.

While the underlying rationale and need for the rebate program remains intact, the urgency to decarbonize and electrify our transportation system has grown more urgent as the economic, environmental and health risks associated with climate-related disruptions continue to escalate.

Now is not the time to weaken or make any significant changes to the current incentive design:

- Especially during this period of instability in all aspects of the economy, maintaining a consistent, stable program design is important in order to avoid having consumers and suppliers retrench into the perceived stability and false safety of “business as usual” or the status quo.
- Since early consumer response to the program validates the operating assumptions and projections on which the program was designed, any significant changes could undercut the program’s ability to actualize its intended benefits in the near and long-term.
- Mid-year or ad hoc changes send signals to the market that the program is being managed in a reactive vs. thoughtful and strategic manner. This alone can undermine confidence in consumer and suppliers in the program if they perceive that it can fall victim to short-term political or financial pressures despite its success in actualizing its intended goals.

Re-opening the program with supplemental funding now will enhance the program’s effectiveness by stimulating an ongoing and orderly market development in ways that will shorten the time-frame for the market to become self-perpetuating over time.

- While program changes may be desirable at some point, these should be informed by comprehensively considering and synthesizing stakeholder input, more data and history regarding the program performance itself, and a careful analysis of other state programs and their respective performance.
- If any supplemental Clean Energy funds are available, investing them to continue the program through the rest of the year could prove to be a smart investment since it will build on the program’s momentum, compounding its impact.

In conclusion, though New Jersey has proven itself to be a leader in advancing policies aimed at achieving its necessarily ambitious climate goals while creating a stronger clean energy economy, many daunting hurdles remain. Rather than undercutting a successful program in its early stage, New Jersey should do all that it can to maximize its impact as way of offering tangible proof that smart, forward-thinking policy can help lower climate risks while stimulating sustainable economic development.

Thank you for the opportunity to provide this feedback in support of continuing and building on this successful program.

Sincerely,
Richard Lawton
Executive Director

New Jersey Sustainable Business Council