



Submitted Via Email

October 12, 2021

Aida Camacho-Welch,  
Secretary, NJ Board of Public Utilities  
Post Office Box 350  
Trenton, New Jersey 08625

**RE: In the Matter of the Revised Fiscal Year 2022 Charge up New Jersey Program,  
Docket No.QO21040720**

Dear Secretary Camacho-Welch:

The Natural Resources Defense Council (“NRDC”) is pleased to submit comments to the New Jersey Board of Public Utilities in the above-referenced proceeding.

Sincerely,  
Kathy Harris  
Clean Vehicles and Fuels Advocate  
NRDC

Eric Miller  
New Jersey Energy Policy Director  
NRDC

The Natural Resources Defense Council (“NRDC”) appreciates the opportunity to provide comments on the revised second program year of the New Jersey Board of Public Utilities’ (“Board’s”) Charge Up New Jersey Program- Fiscal Year 2022 Second Budget Revision (“Compliance Filing”).<sup>1</sup> As the primary agency in charge of implementing the Electric Vehicle Act of 2020 (“EV Act”)<sup>2</sup> the Board has broad discretion to establish programs and promulgate regulations to expand the number of electric vehicles (“EVs”) on New Jersey’s roads through the creation of financial incentive programs for the purchase of light-duty EVs, as well as the build-out of both at-home and publicly accessible charging infrastructure.

Thus far, the Board has taken a “phased” approach to its EV incentive programs. First, on April 6, 2020, the Board approved the guidelines for Phase 1 of the program, which allowed for customers to apply for post-purchase or post-lease incentives directly to the program administrator, the Center for Sustainable Energy (“CSE”).<sup>3</sup> Overall, Phase 1 of the program provided incentives for more than 7,000 vehicles totaling over \$36 million.<sup>4</sup> Due to the popularity of the rebates, funds for the first year of the program were depleted by the end of 2020, and the program was paused.<sup>5</sup>

Phase 2 kicked off on July 6, 2021 and incorporated several of NRDC’s suggestions, including publicly available data on the status of the rebate program. However, within three months (September 15, 2021), the program was paused yet again due to a depletion of the funds.<sup>6</sup>

Phase 3, which provides rebates to EV drivers for the purchase of electric vehicle charging stations, will begin in the beginning of 2023.<sup>7</sup>

The data from Phases 1 and 2 of the programs shows that there is a clear and real desire for electric vehicles in New Jersey. However, this start-and-stop rebate program not

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<sup>1</sup> NJ BPU, Proposed New Jersey’s Clean Energy Program Fiscal Year 2022, Second Budget Revision (Sept. 23 2021) [hereinafter, “Compliance Filing”] available at: [https://www.nj.gov/bpu/pdf/publicnotice/Final%20FY22%20Compliance%20Filing\\_Charge%20Up%20New%20Jersey\\_9.20.2021\\_V8.pdf](https://www.nj.gov/bpu/pdf/publicnotice/Final%20FY22%20Compliance%20Filing_Charge%20Up%20New%20Jersey_9.20.2021_V8.pdf)

<sup>2</sup> N.J.S.A. 48:25-1 *et. seq.* (“EV Act”).

<sup>3</sup> Compliance Filing.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*, at 9.

only causes a significant amount of uncertainty for drivers and vehicle dealerships but will also affect the state’s ability to achieve its climate goals by potentially stifling EV sales in the state. After reviewing the revised fiscal year 2022 compliance filing, NRDC has several recommendations that it believes will strengthen and improve the Phase 2 program design to increase customer access and transparency.

NRDC agrees that reduction in transportation sector emissions is the primary purpose of this and similar programs. However, another key metric to this program to be to ensure that rebates are helping to encourage drivers who may not have purchased an EV—not simply to reward those who were already set to purchase one. Therefore, the Revised Compliance Filing should make decisions about program design based on what will deliver the most emissions reductions in an equitable manner, while also encouraging all New Jerseyans to purchase zero-emission vehicles.

### **1. Do Not Utilize Storage Funds for This Program**

The Board must ensure shifting funds from other clean energy programs, such as energy efficiency and storage, does not hinder the achievement of those goals. The Clean Energy Act (“CEA”) set requirements and goals for energy storage in New Jersey. Following a Rutgers University report conducted in 2019, the Board has not taken any additional action on storage in New Jersey.<sup>8</sup> Given the relative minimal action to date, NRDC is concerned that shifting funds out of the storage budget may continue to delay Board action on this important portion of the CEA, and clean energy goals identified in the Energy Master Plan. To the extent that the Board feels the \$10 million transfer will not hinder storage efforts in FY22, it should ensure those funds are replenished in its FY23 Comprehensive Resource Analysis Compliance Filing in July of 2022.

### **2. Create Certainty for Drivers and Dealerships by Creating a Sustainable Fund**

The first year of the program was extremely successful—however, due to the wide interest in the program, the dedicated \$30M funds were used up before the end of the fiscal year, causing the program to pause, and then was paused again two months after the restart of the program. This start-and-stop program will not help New Jersey increase the number of electric vehicles on

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<sup>8</sup> NJ BPU, Fiscal Year 2022 Program Descriptions and Budgets: Division of Clean Energy (Jun. 24, 2021). available at: <https://njcleanenergy.com/files/file/Library/FY22/DCE%20FY22%20Compliance%20Filing%2006%2024%2021%20FINAL.pdf>

the road. Additionally, one of the goals of the program should be to incentivize drivers who may have purchased a gas vehicle to purchase an EV, not to give a bonus to drivers who would purchase an electric option anyway. To alleviate this, New Jersey drivers need program consistency, transparency, and confidence that when they go to purchase a vehicle, the rebate will be available to them.

The Revised FY22 Program Budget is \$20M. But based on past data and statistics, we can anticipate these funds being used up yet again before the end of the FY22.<sup>9</sup> Therefore, we are supportive of a budget proposal that would accelerate the Charge Up New Jersey program timeline to maximize the near-term deployment of EVs. NRDC recommendations “pulling-up” funding from later years (beyond 2025) to the next 5 years to increase the number of rebates available for NJ residents and keep the state on track to meeting its 330,000 EV by 2025 ZEV target.

### **3. The BPU Should Collect and Report Data from Dealerships on how the Rebates are Being Used**

The BPU acknowledges that:

In order to ensure consumer confidence in the program and prevent price gouging, dealers must provide fair transparent pricing details. Price markups that diminish the value of the State’s incentive for the consumer are not permitted. Dealers may not include mark-ups or market price adjustments for which there is no specific line item or additional underlying value.<sup>10</sup>

To ensure correct practices by dealerships and to ensure transparency, the BPU should post additional purchase data online, including the original purchase price of the vehicle (MSRP), any additional rebates or discounts given to the customer, and *how* the rebate was given to the customer. Additionally, the BPU should continue the Phase 1 program and allow for drivers to apply for a rebate themselves (as was done in Phase 1).

### **4. Increase Access to EVs for Low-Income Drivers**

New Jersey should focus on increasing low-and moderate-income (“LMI”) drivers access to electric vehicles. If the Board plans on changing the structure of the program, then New Jersey

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<sup>9</sup> Compliance Filing at 2.

<sup>10</sup> *Id.* at 8.

should provide additional incentives or higher rebates for LMI drivers. Additionally, as new vehicles are generally purchased by higher income individuals, the state should extend the rebate program to include used vehicles.

To alleviate the concern that residents of multi-family homes—which tend to be more LMI residents—may not have access to charging at home, the BPU should work with utilities to increase and incentivize charging at multi-family dwellings and where community members work and shop. The Board can begin this process by allowing for multi-family dwellings to be eligible for the EV Charger Program.

**5. Limit the Vehicle Rebates to 1 per person over the course of the 10-year period.**

Currently, the rebate program allows for up to three vehicles rebates per person.<sup>11</sup> To ensure that the maximum number of New Jersey Residents are able to participate in this program and switch to zero-emission vehicles, the BPU should only allow one vehicle rebate per resident.

**Conclusion**

The above suggestions and recommendations will help to create a robust, simple, and used rebate program to support the electric vehicle program in New Jersey. Pulling from examples from rebate programs in other states, New Jersey can implement the lessons learned to ensure the programs development is smooth and implemented quickly to achieve the goals outlined in the EV Law.

We again thank the Board for this opportunity to provide comments on Phases Two and Three of the EV Rebate Program. If you have any questions or would like any additional information, please do not hesitate to reach out. We look forward to reviewing the final Phases Two and Three guidance and continuing to support New Jersey as the state works to reduce greenhouse gas emissions in the transportation sector.

Sincerely,

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<sup>11</sup> Straw Proposal at 4.