

Katherine E. Smith
Associate Counsel - Regulatory

Law Department
80 Park Plaza, T5, Newark, New Jersey 07102-4194
Tel: 973.430.6996 fax: 973.645.5983
Email: Katherine.Smith@pseg.com



October 12, 2021

Via Email

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

**RE: Request for Comments - Proposed New Jersey's Clean Energy Program
Fiscal Year 2022 Second Budget Revision and FY22 Charge Up New Jersey
Program Compliance Filing (Docket No. Q02140720)**

Dear Secretary Camacho-Welch:

Public Service Electric and Gas Company ("PSE&G" or the "Company") appreciates the opportunity to provide comments on the proposed revision to the Fiscal Year ("FY") 2022 Clean Energy Program Budget ("FY 22 Budget Revision") and the FY 2022 Charge Up New Jersey Program Compliance Filing ("Charge Up Compliance Filing") pursuant to the Board's Request for Comments issued on September 23, 2021, and following the public stakeholder meeting that was held on September 30, 2021. In these comments, PSE&G encourages the Board to:

- Reallocate funds as proposed from the State Facilities Initiative and Energy Storage Program to the Charge Up program, but be cautious not to lose focus on energy storage solutions in so doing;
- Re-evaluate the proposal to alter the per-vehicle incentives to ensure such a change would result in the same level or increased participation in the program; and
- Continue to partner with utilities like PSE&G toward achieving the state's EV adoption goals.

PSE&G enthusiastically supports the Board's Charge Up New Jersey Program ("Charge Up Program") as an important mechanism in a public-private partnership to achieve New Jersey's goals set forth in the Energy Master Plan and P.L.2019, c.362 (*N.J.S.A.* 48:25-1 to -11) ("EV Legislation") for the increased use of plug-in electric vehicles ("EVs"). Reaching these goals for accelerated adoption of EVs requires both the direct incentives to consumers toward purchase of EV Vehicles and residential charging equipment through the Charge Up Program, as well as the robust support of the states' Electric Distribution Companies ("EDCs"), including PSE&G, to ensure the equitable build-out of "make ready" EV charging infrastructure throughout the state as well as the reliable operation of the electric grid. For its part, PSE&G's Clean Energy Future-Electric Vehicles ("CEF-EV") program, approved by the Board in January of 2021, provides incentives offsetting the cost of make ready infrastructure needed to operate light-duty EV chargers

across a wide range of customers and sectors including Residential, Mixed-Use, and Public DC Fast Charging.¹ Maintaining the pace to deliver the benefits of both the Charge Up Program and EDC Programs, including PSE&G's CEF-EV Program, will enable realization of the State's aggressive timeline toward achieving a cleaner energy future for the state's residents.

PSE&G is encouraged by the successful launch of Year Two of the Charge Up Program in July of 2021 and the apparent high demand for participation in the program. As such, PSE&G supports the Board's proposal to reallocate \$20 million in funding from the State Facilities Initiative Program to the Electric Vehicles Plug-In EV Incentive Fund, supporting the Charge Up Program. PSE&G cautions, however, that the Board should continue to devote attention and resources toward furtherance of the States' energy storage goals. PSE&G notes that the Company's proposed programs supporting energy storage solutions has been held in abeyance and remains pending before the Board.² Considering the high demand for participation in the Charge Up program, the diversion of funds seems appropriate this year; however, PSE&G encourages the Board to seek other avenues to better fund EV charging incentives going forward. Leveraging EDC programming and proposals for medium- and heavy-duty EV charging might be one way to relieve funding pressures, and legislative solutions to seek additional funding could also be considered.

Regarding the Board's proposal set forth in the Charge Up Compliance Filing to revise individual incentive levels for EV purchases, PSE&G encourages the Board to exercise caution. The proposal is to reduce the current incentive level from \$5000 for every vehicle type to a tiered approach where the incentive would vary by vehicle type based on MSRP, but would be capped at \$2,500 for some cars and \$1000 for others. The Board's stated reasoning for this proposed adjustment seems well-intentioned – to spread the budget over more participants by lowering incentives per car. It is not clear, however, whether there has been an analysis to determine whether this approach might chill participation in the program. During the September 30 public stakeholder meeting, representatives from ChargeEVC³ and NJCAR⁴ expressed concern that a \$2500 incentive may not be sufficient to drive EV adoption, based on data from other states. PSE&G values the Board's dedication to ensuring that this program delivers the most value within the budget allotted, but encourages a careful examination of the proposed incentive level changes against any available data to ensure that incentives remain adequate to impact customer decisions on whether to purchase an EV. Alternatively, the Board should consider whether there are alternative means to increase funding for this program, particularly considering the early demand for participation, rather than reducing incentive levels. It is imperative that participation levels remain stable in order to meet the state's goals.

In short, the Board should continue its focus on achieving the State's goals for PIV adoption and other goals of the Energy Master Plan as it continues to refine administration of the Charge Up Program. PSE&G is willing and eager to continue to partner with the Board and the

¹ *In the Matter of the Petition for 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 EO1810111, Decision and Order Approving Stipulation (January 27, 2021).

² *Id.*

³ ChargeEVC is a coalition of industry stakeholders seeking to promote EV use whose members include car manufacturers, technology companies, utilities, consumer advocates and non-government organizations. See Chargevc.org.

⁴ The New Jersey Coalition of Automotive Retailers ("NJCAR") advocates on behalf of New Jersey's neighborhood new car and truck business owners. See njcar.org.

EV industry in the next important steps toward expanded EV deployment in New Jersey and the delivery of New Jersey's clean energy future,

Very truly yours,

A handwritten signature in blue ink, reading "Katherine E. Smith", with a long horizontal flourish extending to the right.

Katherine E. Smith