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INSTITUTE

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January 24, 2023

SUBMITTED ONLINE

Carmen Diaz, Acting Secretary
New Jersey Board of Public Utilities
44 South Clinton Ave., 1st Floor
PO Box 350
Trenton, NJ 08625

Re: Comment of World Resources Institute's Electric School Bus Initiative on Docket No. QO21060946, In The Matter of Medium and Heavy Duty Vehicle Charging Ecosystem

Dear Acting Secretary Diaz:

World Resources Institute's (WRI) Electric School Bus Initiative (ESBI) appreciates the opportunity to provide comments to the New Jersey Board of Public Utilities (BPU) on Docket No. QO21060946, In The Matter of Medium and Heavy Duty Vehicle Charging Ecosystem (Straw Proposal).

WRI is a nonprofit, nonpartisan global think tank dedicated to improving the environment, economic development, and human wellbeing. In collaboration with partners and communities, WRI's Electric School Bus Initiative aims to build unstoppable momentum toward an equitable transition of the U.S. school bus fleet to electric by 2030, bringing health, climate, and economic benefits to children and families across the country and normalizing electric mobility for an entire generation. Our comments for this docket draw upon our ESBI expertise, in particular, working with local government entities, including city and county governments and school districts, on the implementation of their school bus fleet electrification, clean energy, and equity goals.

Detailed below are ESBI's recommendations to BPU regarding the Straw Proposal.

Restricting Private Make-Ready Benefits

ESBI commends BPU for delineating the differences between public and private Make-Ready benefits to ensure that public entities with fewer resources than private entities are equally able to participate in the transition to electric transportation. Additionally, ESBI applauds BPU's restriction on Make-Ready incentives for Private Fleet Charging Depots to those that are located or primarily operate in overburdened municipalities, are displacing existing fleets, and agree to participate in a managed charging system. To that end, ESBI recommends that the benefits of this program be targeted at those



most in need, which are not Fortune 1000 companies that have the resources and shareholder capital necessary to build out their electric fleets more readily than small-businesses and public entities. If larger private corporations are able to participate in this program, it is likely that smaller entities, like school districts and small businesses that lack comparable capacity and knowledge, will be outcompeted by large fleet operators in program application and implementation processes. By providing this additional restriction, BPU can better ensure that the benefits of this program flow to New Jersey communities and ratepayers rather than the out-of-state shareholders of major corporations.

Reconsidering the Cost Cap

ESBI suggests that the current \$200/kW cap of Make-Ready costs covered for a given private fleet charging depot be revised because the cap is too low to provide meaningful support to those adopting electric vehicle supply equipment (EVSE). A cost cap at this low rate could place undue burdens on projects without sufficient access to private capital, further alienating small fleet operators from taking part in this program. For example, if an operator was planning on installing a DCFC with a standard 60kW charging capacity, this would result in a cap of \$12,000, while the charger itself costs around \$40,000. In addition, the operator would also be responsible for other infrastructure costs such as panels, conduit, wiring, breakers, and disconnect switches, leaving the average cost of such a charger to be as much as \$80,000. Likewise, an operator installing a typical 7.7kW Level Two charger would only be eligible for \$1,540 in incentive funds, though our work indicates that such a charger and its associated customer-side infrastructure would run \$5,687. This means that public incentive support would cover less than 1/3 of projected installation costs. Capping the Make-Ready benefits at \$200/kW leaves small fleet operators with a large funding gap to fill and could disincentive projects from deploying EV charging infrastructure.

Refining the Target Deadline

As part of the Northeast States for Coordinated Air Use Management (NESCAUM) Memorandum of Understanding (MOU), the Straw Proposal details an overall aim to reach a 30% electric share of all MHD vehicle sales by 2030, and a goal to reach 100% electric MHD sales by 2050. While ESBI commends New Jersey for signing onto the NESCAUM MOU, ESBI urges regulators to detail additional interim goals between the 30% and 100% targets in the Straw Proposal. By including additional intermediate targets, BPU can ensure that utilities are doing their part towards reaching the state's 2050 deadline of 100% for MHD EV sales. BPU can further assist in ensuring a cleaner ride for kids by engaging utilities through Make-Ready incentives provided through this Straw Proposal.



Standardizing the Make-Ready Definition

ESBI recommend that BPU defines 'Make-Ready' consistent with definitions used by similar programs to reduce confusion for private contractors, EVSE developers, and others attempting to take advantage of these incentives. It is essential that participants in this program understand what the utilities' role will be and what residual market roles are open to the private sector to fill. Instead, the definition used by this program applies a nuanced approach where the entity eligible to deploy and the owner of the infrastructure depends on the situational context. ESBI suggests a more definitional approach for Make-Ready to focus purely on defining the physical elements of the charger supply equipment (e.g., on the utility's side of the panel, this is utility equipment; on the customer's side of the panel, up to but not including the charger, is Make-Ready infrastructure that can be developed and owned by either a utility or a private firm). Further examples of a definitional approach to Make-Ready, and examples of what other Make-Ready programs include, can be found in [ESBI's guide to Make-Ready programs](#).

Again, WRI's ESBI appreciates the opportunity to provide comments to the New Jersey Board of Public Utilities on the Straw Proposal: In the Matter of Medium and Heavy-Duty Vehicle Charging Ecosystem.

Thank you for your time and consideration.