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**TO:** Carmen D. Diaz, Acting Secretary of the Board  
**FROM:** Pamela G. Frank, CEO, ChargeVC-NJ  
**DATE:** January 24, 2023  
**SUBJECT:** In The Matter of Medium and Heavy Duty Electric Vehicle Charging Ecosystem;  
Docket No. QO21060946

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On behalf of the membership of ChargeVC-NJ, we appreciate the opportunity to provide written comments to the expanded Board of Public Utilities (BPU) Medium-and-Heavy Duty Straw Proposal (“Expanded Proposal”). The original proposal was released in June 2021 (“June 2021 Proposal”) and ChargeVC provided comments to the June 2021 Proposal on October 5, 2021, included as Attachment 1 to these updated comments for reference.

ChargeVC-NJ is a not-for-profit business association with a diverse membership that includes utilities, automotive dealerships, original equipment manufacturers, technology companies, community organizations, and environmental, equity and community advocates. The organization is focused on the transition to electric vehicles (EVs) in New Jersey.

Below are ChargeVC-NJ’s comments on the Expanded Proposal.

#### COMMENTS

**Fleet charging:** We are encouraged to see BPU staff confirming that the proposal includes a wider definition of fleet charging, including - light-, medium-, and heavy-duty fleet vehicles. The Board Order should clarify and reinforce that its definition of fleets includes fleets of all vehicle class types. We also note that requirements that specifically exclude “dual-use” applications (i.e. charging for both medium-and heavy-duty or in public charging) should be removed. Excluding “dual-use” is unnecessarily restrictive.

**Infrastructure make-ready incentives are needed for all fleets; not just public fleets and private fleets serving Overburdened Communities.:** We appreciate that BPU staff has expanded its definition of “fleet” in the Expanded Proposal to include private fleets that operate primarily in overburdened communities; and we are aware of the vast amount of research on the air quality burdens unique to those communities. Still, the Expanded Proposal continues to use a public/private construct to limit make-ready programs available in the market. We reiterate from our comments to the June 2021 Proposal:

*There is no basis for this limitation given that private fleets will require advanced utility support to electrify effectively. Research points to privately owned fleets most likely to electrify first and this represents a large part of the market. Private fleets face the same economic and technical barriers as public fleets do, regardless of where they are operating. Just as importantly, those non-public fleets/MHDV can impose significant impacts on the grid that merit mitigation – the*

*utility programs should not be just about enabling or facilitating infrastructure, but also minimizing grid impacts that could affect all ratepayers. We appreciate that different levels of support between public and private segments may be appropriate. Different levels of incentives can be created for different segments as has been done for the solar market.*

While we appreciate that BPU allowed some privately-owned fleets to be eligible for utility make-ready incentive, the BPU has only opened eligibility to those operating primarily in overburdened municipalities. Although we understand and support prioritizing incentives to overburdened communities, a broader approach makes sense in this case. Limiting privately owned fleet participation to only those operating in overburdened municipalities addresses only 48 towns in the state. The state will not meaningfully impact air quality when small circles are drawn that disallow the majority of fleets in the state from participating in utility programs. This limitation is also harmful to achieving New Jersey's goals under the Energy Master Plan and compliance under an array of other clean energy laws. We understand the good intention of this requirement, but a more nuanced approach is appropriate. We recommend offering incentive eligibility to all types of fleets with higher incentive levels available to publicly owned and privately owned fleets that operate primarily in overburdened communities; and lower levels for privately owned fleets that operate elsewhere in the State. Overburdened Communities should be defined in a way that is consistent across all state agencies. This alternative approach of incentivizing fleets in overburdened communities, rather than limiting the scope to only overburdened municipalities more closely aligns with State objectives.

**\$200/kw cost cap is set too low:** The Straw Proposal sets a \$200/KW cap on make-ready investments. BPU should consider and we recommend eliminating this cap for the time being. This cap was based on a similar program in New York State, which has not been successful. Uptake of the New York program has been extremely low, and a proceeding has been underway to reform the existing design. We do not recommend building on efforts in other utility territories that have proven to be unsuccessful in the market.

We should follow the experience of successful programs. One such program is California's utility Southern California Edison (SCE) where the program provides funding for about 30% of project costs covering make-ready costs, charger costs, and administrative support to handle complex development issues.

**12-month implementation timeline is too short:** The straw proposal suggests putting in place a 12-month implementation deadline for projects receiving utility funding. Given significant market delays both for EVs and EV infrastructure, this timeline is too short. That deadline should be extended out at least 6 months. In addition, there should be some flexibility if good faith progress has been shown by participants.

**The role of storage:** Our comments to the June 2021 Proposal spoke about expanding the concept of make-ready to encourage innovation in how fleet/medium- and heavy-duty vehicle (MHDV) charging needs are addressed through utility programs.

There was significant stakeholder consensus on the fact that storage is a highly strategic technology and that its coupling with charging infrastructure should be encouraged as this can provide significant benefits to all ratepayers in specific circumstances. At the time of the June 2021 Proposal, no storage program existed in New Jersey. With the recent release of the Storage Incentive Program (SIP) Straw Proposal last month, we expect the State to stand up a SIP of some type in 2023, funded in part through Clean Energy Funds. It is unclear how the proposed storage program would harmonize with EVSE development under utility programs. We are concerned that discordance could be unworkable in a development context and lead to many missed opportunities for beneficial grid integration. We reiterate the need for storage as a strategic and significant technology necessary to achieve our transportation and clean energy goals and that this technology will be needed throughout the distribution system. Further, any future storage programs will need to be designed to carefully complement EVSE development programs.

**Rate reform is just one part of the solution:** The Expanded proposal included language focusing exclusively on “rate reforms” to address barriers in the June 2021 Proposal and we recommended an openness to other, potentially more effective ways to address market needs besides rate design, especially since economic barriers change as utilization increases over time.

For example, BPU staff proposes utility managed charging programs to encourage off-peak charging. We support this now as we did in response to the June 2021 proposal – *“the utility programs should not be just about enabling or facilitating infrastructure, but also minimizing grid impacts that could affect all ratepayers.”* Off-peak charging achieves mutually beneficial results for the fleet customer and ratepayers. Programmatic incentives are more flexible than utility rates in encouraging off-peak charging. Incentive program rules, formats, and values can be adjusted based on market response without imposing other rate class impacts. We also recommend that managed charging incentives prioritize critical peak periods e.g., within a four-hour window. This is often sufficient to address the highest system hours and enables use of demand management technologies and strategies, such as energy storage.

**Private fleet managed charging program is unclear and overly burdensome:** The requirement that a private fleet charging depot would be required to abide by a managed charging program for at least 90% of its charging needs would significantly limit program participation. Optimal charging profiles are different for each fleet customer depending on their vehicles, operations, and energy needs. Some MHD fleets may need limited on-peak charging even while most charging is done off-peak. Utility programs should be available to customers that can mitigate grid impacts of their charging regardless of a highly restrictive and aspirational target. Additionally, it is unclear what that “90% of charging needs” means or how it could be measured and enforced. We recommend that this requirement is eliminated.

Rather than imposing a requirement, we recommend that make ready programs encourage participation in managed charging programs. One option is to offer rebates for on-site energy storage, energy storage integrated directly into charging equipment, and advanced load

management technologies and software. The technologies enable fleets to manage demand, lower their energy costs, and integrate EVs into their operations.

# ATTACHMENT 1

*Via electronic submission to [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)*

**September 5<sup>th</sup>, 2021**

**TO:** Aida Camacho-Welch  
Secretary of the Board  
44 South Clinton Ave., 9th Floor  
PO Box 350  
Trenton, NJ 08625-0350

**FROM:** Pamela Frank, CEO  
On behalf of ChargeVC-NJ  
417 Denison Street  
Highland Park, New Jersey 08648

**RE:** Request for Comments - The New Jersey Electric Vehicle Infrastructure Ecosystem 2021  
Medium and Heavy-Duty Straw Proposal

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Secretary Camacho:

Enclosed please find the comments submitted on behalf of ChargeVC-NJ, pursuant to the notice released by the Board of Public Utilities regarding the New Jersey Electric Vehicle Infrastructure Ecosystem 2021 Medium and Heavy-Duty Straw Proposal.

We look forward to discussing this matter with you further,

Pam Frank

CEO, ChargeVC-NJ

## INTRODUCTION & BACKGROUND

ChargeVC-NJ is a not-for-profit coalition of automotive retailers, utilities, technology companies, power generators, power retailers, local governments, environmental, community, equity and labor advocates and manufactures. The coalition's work focuses on accelerating the transition to electrically fueled transportation in New Jersey. Based on research and analysis, including input from its members with expertise in the diverse segments relevant to market development, ChargeVC-NJ develops and advocates for program and policies that will accelerate market development at the state level.

The coalition was formed in 2016 in response to technological progress that makes the electric vehicle (EV) market one of the most advanced clean transportation technologies available capable of delivering broad and significant benefits to all the people in New Jersey. We also understand that a focused and coordinated state effort working in partnership with the private sector, can create momentum to achieve significant progress on state goals, leveraging public investment to create the much-needed economic stimulus for New Jersey.

The New Jersey Electric Vehicle Infrastructure Ecosystem 2021 Medium and Heavy-Duty Vehicle (MHDV) Straw Proposal released by the Board of Public Utilities (BPU) in June is likely to influence the development of the Medium and Heavy-Duty Electric Vehicle Charging Ecosystem in New Jersey.

We offer the following comments on the Straw Proposal and as always, look forward to remaining a collaborative partner in the development of this market.

## COMMENTS

### More precise definition of the MHDV segment

For the sake of goal achievement and program design, there needs to be a more precise definition of, and distinction made between light-duty vehicles (LDV) and MHDVs to be adopted by all state agencies in New Jersey. The New Jersey Department of Environmental Protection (DEP) currently defines the MHDV segment to include all vehicles class 2b and up.

However, in the released Straw Proposal, medium-duty vehicles are defined as classes 4 – 6, and heavy-duty vehicles as class 7 – 9. This means that classes 2b and 3, approximately 60% of what was previously being considered as part of the MDHV segment, would fall within the LDV segment. This also creates a lack of guidance to utilities on make-ready programs for many of the segments that are most viable for electrification today, including local delivery trucks.

ChargeVC-NJ supports adjusting BPU's definition of LDV and MHDV to match the DEP's current definition, which considers class 2b and 3 as MHDVs. Providing a precise and standard definition of MHDV and LDV vehicle segments across state agencies is necessary for meaningful program development.

### Lack of emphasis on electrification of LDV fleets

The electrification of both public and private LDV fleets should be a top priority of the BPU. Fleet electrification is key in achieving the state's LDV electrification goals. However, both the LDV and MHDV Straw Proposals have omitted direct programming efforts dedicated to the electrification of LDV fleets. We recommend that infrastructure programs for both public and private LDV fleets, such as electric truck depots, be considered.

### Discrepancy in utility incentives for public vs. private fleets

We do not support the distinction in utility support between private vs. public MHDV fleet electrification. The Straw Proposal suggests that utilities provide 100% incentive for the development of make-ready charging infrastructure for public fleets that serve urban and overburdened communities. However, similar incentives have not been proposed for privately-owned fleets. Our research informs us that there is no such distinction for make ready eligibility in programs anywhere in the country for good reason. Both public and private fleets operating in, around, and proximate to the state's ports have the same adverse effects on exposed overburdened communities. The distinction between public and private fleets is harmful in addressing New Jersey's public health, accessibility, and CO<sub>2</sub> emissions concerns.



## Omission of electric school bus and NJ Transit segments

The released straw proposal has not directly addressed the electrification of the school bus or NJ Transit fleets. These segments are ready for electrification and investments are necessary to address the first-cost barriers. We recommend the BPU give more attention to the development of an electric school bus program to improve equitable access to overburdened communities. We also suggest that the straw proposal include plans for the development of the charging infrastructure needed to support electrification goals for NJ Transit that were established in New Jersey's January 2020 EV law (P.L. 2019 C.362).

## Need for additional federal funding

The BPU must position itself to leverage relevant federal funding once it is made available. For example, the US Environmental Protection Agency (EPA) recently announced that they will fund \$7 million for electric school bus rebates in underserved communities through the American Rescue Plan, which reinforces the prior point on the omission of school buses.

As more money is made available, the BPU must ensure the state is in a position to take full advantage of available federal dollars to push forward the state's transportation electrification goals.

## Segment specific utility offerings

As discussed in the stakeholder meetings, the MHDV segment is very diverse and requires specific considerations for each segment regarding charging infrastructure, vehicle use, required maintenance, etc. Therefore, it is inefficient to have a one program fits all approach to the electrification of the entire MHDV segment. For example, school buses and local delivery trucks have completely different operational schedules and needs. We suggest that the BPU not only allows - but encourages - utilities to develop segment specific programs to best suit the needs of specific MHDV segments. Utilities could also have a preferred vendor list whereby the utility facilitates the connection between fleet operators and third party EVSE providers. Approaches are needed that offer a tailored and meaningful path for MHDV electrification within the state.

## Highlighting the importance of enabling integrated storage

The proposal does not place emphasis on the importance of integrated storage. There is mention of incorporating storage to reduce grid impact, but it is not explicitly stated how this will be done or what resources will be allocated to ensure this is achieved. Therefore, while the Clean Energy Budget has allocated \$20 million to energy storage, its application to EVs is not clear.

We recommend that direct efforts to support integrated storage be explained, along with a specified portion of the Clean Energy Budget to be dedicated and that this should be explicitly stated in the straw proposal. It is also important to highlight that utilizing stationary and mobile storage solutions can help address utility construction bottlenecks, as has been raised by many stakeholders. The straw should additionally recognize that the co-location of storage with chargers and storage is in its infancy in New Jersey and further work will be needed, such as on interconnection standards, before deployment may be expanded. Storage will not be the optimal solution in every case which is why programs have to ensure optionality for alternative solutions as discussed below.

#### Addressing barriers for adoption with EV appropriate rate design, technology solutions, and managed charging enabled by smart software and networks

In the Straw Proposal, the undertaking of effective rate design was only mentioned once to the effect of ensuring a robust market response to the implementation of the proposed make-ready infrastructure. We recommend that staff puts more focus on EV appropriate rate design that addresses elements of rates that may be a barrier to EV adoption and provides price signals that encourage beneficial EV-grid integration, while still covering the cost to serve EVs. Further, consistent with our comments regarding the erroneous distinction between public versus private fleets, staff should clarify that any EV appropriate rates put forward by utilities to support EV charging must be available for all fleets, regardless of whether they are public or private.

In addition to EV appropriate rate design, the BPU should encourage all solutions – such as technology, smart software, and networks to ensure rate payers do not bear too much of the burden of the electrification of the MHDV segment, as this may adversely affect customer costs, conservation, and equity.

#### Enabling utilities to facilitate all aspects of grid Integration

Utilities can play a much larger role in the electrification of the MHDV segment. Allowing utilities more involvement in the development of the grid ensures a safer, more structured and cost-effective charging infrastructure buildout.

We suggest that the BPU encourage utilities to perform the last resort function, rather than withholding that option. This will ensure that there is an equitable distribution of charging infrastructure for the MHDV segment.

Further, the straw should recognize the need for a review and streamlining of the utility interconnection and easement processes. Utilities have a major role to play in facilitating the grid connection.

Last, the straw should also support utilities expanding upon their dedicated fleet teams focused on the many aspects of fleet electrification including the needed new processes that will provide for coordination between internal utility functions to reduce bottlenecks. Utilities are in a unique position to provide such fleet advisory services, which can help fleet operators consider the rate and infrastructure costs associated with electrifying their fleet.

### Recommended areas of focus

In finalizing the straw proposal, we recommend that the BPU prioritize the development of electrification programs for classes 2 & 3, fleets, electric school buses, and NJ Transit. These segments make up significant portions of the transportation system in New Jersey and are among the most viable for electrification in the near-term. The electrification of these segments would also provide significant improvement in public health, accessibility, and CO<sub>2</sub> emissions reductions.

### Conclusion

All comments and recommendations above are in alignment with the principles in our published [ChargEVC-NJ Full Market Electrification Study](#).

We appreciate the opportunity to participate in this stakeholder process and look forward to discussing this matter with you further.

Pam Frank

CEO, ChargEVC-NJ