

VIA ELECTRONIC FILING

Secretary of the Board
New Jersey Board of Public Utilities
44 South Clinton Ave., 1st Floor
PO Box 350
Trenton, NJ 08625-0350
Email: board.secretary@bpu.nj.gov

RE: FY23 Charge Up New Jersey Compliance Filing

Dear Secretary:

Tesla, Inc. ("Tesla") respectfully provides these written comments regarding the FY2024 Charge Up New Jersey ("CUNJ") program and funding. We appreciate the opportunity to provide our perspective on the opportunities and challenges of this rebate program to incentivize New Jersey residents to buy electric vehicles. New Jersey has set ambitious but essential goals for electric vehicle adoption and CUNJ can be a key driver in helping the state meet these goals. Below, Tesla proposes several operational changes to the current program that would greatly improve CUNJ for its fourth year.

Tesla has a unique perspective in terms of both volume of sales of qualified vehicles for CUNJ, as well as our knowledge of similar rebate programs in other states in the U.S. First, while we applaud the creation and funding of this program, once again funding is sure to be exhausted within a couple of months of the program restarting. Under New Jersey's groundbreaking Electric Vehicle law, the CUNJ program is not limited to only \$30M, as the language clearly states that the program should be funded at "no less than \$30 million a year." In order for the state to meet the deployment goals laid out in the law, it must significantly increase the funding available for CUNJ to ensure that more residents have access to needed incentive funding. Further, the start-stop cadence in the first three years of the program creates uncertainty for OEMs, dealers and customers, undermining the program overall. We request additional funding to extend the program so it can become a year-long source of reliable incentives for New Jersey residents.

In year three, CUNJ continued to be a particularly burdensome program administratively, causing confusion for both dealers and customers, while creating a negative user experience for many participants. Below, we have identified several operational fixes that will improve this program going forward.

First, the experience this year with the option to reserve funding at time of order made it exceedingly difficult for dealers selling high volumes of electric vehicles to comply with the program conditions and created unnecessary complications that lead directly to customers not receiving incentives or dealers being forced to cover incentives for which they were not reimbursed by the program. This program should mirror other incentive programs across the country and only provide incentives if there is funding available at time of delivery. Including the option only puts an unfair burden on dealers who end up being blamed by customers, when the program is simply too complicated and burdensome for dealers to navigate effectively. The supply chain issues that led to this dual program have been mitigated significantly and this multiple option program simply no longer makes sense. If the program continues to include the option to reserve funds at order, the program should create a much more simplified submission process at order where a dealer could simply submit customer's name, order date, model, and MSRP. All the other details and forms will of course be required at delivery but there is no need at order for the dealer to collect and submit all the required documentation.

Second, BPU should allow for more time between delivery and submission of reimbursement claims. The current requirement, 14 days, is significantly shorter than other similar incentive programs. We note that neighboring New York's Drive Clean program has a 90-day deadline, while nearby Connecticut's CHEAPR program has a 45-day deadline. We request at least a submission deadline of 45 days after delivery. There is no reason why New Jersey should be placing these time burdens on dealers who often need to cover the incentive when the BPU rejects the submission.

Third, the submission process and the website desperately need to be improved. The program should be designed to support EV adoption at scale. That means allowing dealers such as Tesla, with high volume of EV sales in New Jersey, to use automation and other tools that are more scalable to submit and support these point-of-sale programs where the dealer is submitting documentation on behalf of the customer post-delivery. The gold standard for similar programs is the use of an API for computers to be able to exchange information directly, without the need for manually parsing information to submit it through multiple screens on a website. We request the dealer portal be improved so as to allow (if not encourage) the use of an API to ease the submissions on both ends. All required sales data can be submitted via API endpoint and an agreed-upon JSON format. If this is not feasible for some reason, there is another automation opportunity where bot automation can pull data and replicate human data entry across multiple pages on the screen, but the current website stability and portal web support needs to be significantly improved compared to last year in order to do so successfully. The website for CUNJ was alarmingly unstable last year with weekly disruptions making it increasingly difficult for dealers to submit incentive claims on a timely basis. This instability simply must be addressed for this program to work effectively.

Lastly, the requirement that the MSRP at time of funding match the MSRP at time of delivery is confusing and seems to only encourage dealers to not take advantage of this offering. Why would a customer whose MSRP is reduced between order and delivery no longer qualify for an incentive? Similarly, why would a customer whose MSRP increased for some reason but still falls under the MSRP cap, no longer qualify for an incentive? If the issue is when a MSRP is reduced to the point where a customer now qualifies for a higher incentive, then the BPU should simply say that the customer will be eligible for the incentive amount available to them at time of order if they choose to reserve funding at time of order.

Tesla appreciates the opportunity to provide feedback on the fiscal year 2024 Charge Up New Jersey Program, and we look forward to continuing to work with BPU and BPU Staff to help New Jersey meet its ambitious EV and climate goals.

Thank you,

Zachary Kahn
Senior Policy Manager
Public Policy & Business Development