



STATE OF NEW JERSEY

New Jersey Board of Public Utilities

In the Matter of the Provision of Basic Generation Service (“BGS”) for the Period Beginning June 1, 2024, Comments of Charge Ahead Partnership

BPU Docket No. ER23030124

On behalf of the Charge Ahead Partnership (CAP) I am writing you to offer comments on Docket No. ER23030124

Charge Ahead Partnership’s membership is comprised of businesses, organizations and individuals that share the common goal of expanding New Jersey’s EV charging network and ensuring New Jersey is positioned to meet EV drivers’ expectations of quality service, safety and the affordable, competitive pricing to which they have grown accustomed with the established refueling network. Our corporate members, from big box retailers, to grocery stores and restaurants, to existing fuel retailers, own the real estate that is best suited for DCFC infrastructure. Many of these businesses are located along highway corridors, and all of them offer the amenities that drivers will demand while refueling.

The biggest challenge to widespread EV adoption in New Jersey is the lack of a robust, statewide EV fast charging network that is co-located with the services and amenities, such as food vendors, restrooms, lighting and security, that consumers have come to expect when they refuel. CAP believes that a competitive, market-based approach is the most efficient and economical way to build New Jersey’s EV charging network so that it promotes fair competition and encourages private investment in the EV charging business.

In order for private investors to make the considerable investment in EV charging infrastructure, systemic challenges with New Jersey’s current electricity market must be addressed. Specifically, DCFC stations have unique power needs that require high power capacity for charging but consume relatively low amounts of energy per charge. This high demand over short periods of time subjects EV fast chargers to costly “demand charges,” which are fees based on the highest level of electricity used during a billing period. Demand charges are a key barrier to private investment in EV charging services.

Demand charges were created to compensate electric utilities for their investment in the capacity needed to meet spikes in demand, largely caused by industrial customers. These charges pre-date EVs and are incompatible with the realities of owning and operating a DCFC station. The single use of a DCFC station can incur a demand charge that doubles or triples the electric bill of the operator. In the early stages of EV adoption, there are not enough EV drivers to offset these demand charges, making the cost to charge prohibitively expensive. Furthermore, demand charges are difficult to pass along to the EV driver at the time of charging, because they are not posted until the end of the month when a customer pays their electric bill. For these reasons, the presence of demand charges in New

Jersey's EV charging marketplace has severely limited private investment thus far, and CAP supports the Board of Public Utilities (Board) in its actions taken to begin the move to an alternative, volumetric rate structure. CAP would also like to thank the Board for its commitment to addressing demand charges and requiring New Jersey's electric distribution companies (EDCs) to submit these rate proposals in this proceeding.

CAP supports the pilot programs offered by New Jersey's EDCs PSE&G, ACE, JCP&L and RECO, and believe they are a step in the right direction. We also believe these programs should be extended to as long of a time frame as is possible. Given the temporary nature of these programs, it does little to assuage investor's concerns that New Jersey could revert back to the current rate structure before their chargers are even operational, let alone profitable. Extending these pilot programs would provide private investors with the confidence needed to invest significant capital into New Jersey's EV charging infrastructure.

For the reasons previously stated, CAP urges the Board to continue to approve the EDC's DCFC Rate Design Proposals in order to provide a better environment for private investment in transportation electrification. Thank you for your consideration of CAP's comments. As the Board continues to examines this issue, CAP is prepared to be a resource and welcomes all future opportunities to participate in this process.

Sincerely,

/s/ Jay Smith

Jay Smith

Executive Director

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