Via electronic submission

June 12, 2024

New Jersey Board of Public Utilities
44 South Clinton Avenue,
Trenton, New Jersey 08625

RE: Docket No. QO24020126 - In the Matter of the 2024 New Jersey Energy Master Plan

Dear New Jersey Board of Public Utilities (NJBPU) Staff,

EVgo thanks the NJBPU Staff for the opportunity to submit comments regarding the 2024 update to the State's Energy Master Plan (EMP). Founded in 2010, EVgo is one of the nation's largest public fast charging providers, featuring over 1,000 fast charging locations across more than 35 states, including stations built through EVgo eXtend™, its white label service offering. In New Jersey, EVgo currently owns and operates over 100 fast-charging stalls at more than 20 locations.

EVgo applauds the state of New Jersey for its efforts to achieve ambitious goals of 100% clean energy by 2035 and 80% greenhouse gas (GHG) emissions reductions by 2050.[1] In particular, the state's adoption of Advanced Clean Cars II (ACCII)[2] will be critical in reducing emissions from the transportation sector—the state's largest emissions source. When adopting ACCII, the Murphy Administration pointed out, "A successful EV transition through the Advanced Clean Car II rule depends on adequate access to charging infrastructure and sufficient charging points across the state…"[3] Currently, New Jersey has over 118,000 battery electric vehicles and over 35,000 plug-in hybrid electric vehicles on the road with only under 1,200 direct current fast charging (DCFC) ports.[4] By 2030, New Jersey could have over 820,00 EVs on the road, requiring 3,100 DCFC ports.[5] By 2035, every new light-duty vehicle sold in New Jersey would be a zero-emission vehicle under ACCII. Thus, as electric vehicle (EV) charging infrastructure is key to achieving the state's climate and energy goals, EVgo provides the following recommendations for the 2019 EMP Strategy of "Reducing Energy Consumption and Emissions

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[1] *New Jersey's Global Warming Response Act 80x50 Report: Evaluating Our Progress and Identifying Pathways to Reduce Emissions 80% by 2050* (2020), https://dep.nj.gov/wp-content/uploads/climatechange/nj-gwra-80x50-report-2020.pdf

[2] https://dep.nj.gov/wp-content/uploads/rules/adoptions/adopt-20231218a.pdf

[3] Office of the Governor (February 15, 2023), *Governor Murphy Announces Comprehensive Set of Initiatives to Combat Climate Change and Power the "Next New Jersey"* [Press Release], https://www.nj.gov/governor/news/news/562023/20230215b.shtml.

[4] https://atlaspolicy.com/evaluatenj/

[5] Eric Wood et al., rep., *The 2030 National Charging Network: Estimating U.S. Light-Duty Demand for Electric Vehicle Charging Infrastructure* (National Renewable Energy Laboratory, June 2023), https://www.nrel.gov/docs/fy23osti/85654.pdf, at 43.

from the Transportation Sector" for the state's consideration in its 2024 EMP update. These recommendations will ultimately position New Jersey as a leader in EV charging infrastructure in line with the growth necessary to reach requirements under ACCII.

1. **Pass a clean fuel standard to position New Jersey as a first mover in the East, and a national leader in transportation electrification.**

EVgo recommends New Jersey pass a clean fuel standard (CFS), a proven and effective policy that supports the adoption of light-duty as well as medium/heavy-duty EVs. By setting increasingly ambitious carbon intensity reduction targets for transportation fuels that reward the use of low carbon fuels like electricity, a CFS program provides a clear and effective market signal that bolsters private investment in EV charging across the state and offsets high operating costs of DCFC infrastructure. Increased deployment of charging infrastructure driven by the CFS will provide New Jerseyans with more accessible and convenient charging options, promote greater EV adoption, and further reduce transportation sector emissions. Further, a CFS will stimulate local economic and job growth through increased investment in clean technologies, contributing to Strategy 7 of the EMP: Expand the Clean Energy Innovation Economy. EV charging station deployments require site planning and development, construction, engineering, and electrician services—all of which can support jobs in New Jersey's economy.

These numerous benefits of a CFS have already been demonstrated in California, Oregon, and Washington where EV adoption rates are the highest in the nation. For example, California's Low Carbon Fuel Standard (LCFS) has created a $4 billion annual market for low-carbon fuels in the state, with an estimated $1 billion in LCFS credits generated from EV charging alone.[6] This has contributed to the widespread deployment of over 11,000 fast charging ports in California.[7] Further, since the LCFS's implementation in 2011, 25 billion gallons of petroleum fuels and reduced the carbon intensity of California's transportation fuels by nearly 13%.[8] This provides a compelling example of the potential benefits for New Jersey. Further, New Mexico recently became the fourth state in the nation to enact a CFS program, recognizing the benefits of a CFS as well.[9] By becoming the first state in the East Coast to pass a CFS, New Jersey would emerge as a leader that other states may follow in implementing their own clean fuels programs to reduce transportation emissions, improve air quality, and stimulate economic development.

2. **Implement national best practices to position New Jersey's NEVI Program for success.**

EVgo has been a first mover and a first learner in infrastructure program design by participating in numerous state infrastructure programs, including NEVI. As of April 2024, EVgo and its

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[6] California Air Resources Board, *California Low Carbon Fuel Standard Workshop* [Slides] (April 10, 2024), https://ww2.arb.ca.gov/sites/default/files/2024-04/LCFS%20April%20Workshop%20Slides.pdf.

[7] U.S. Department of Energy, Alternative Fuels Data Center May 2024 Data; https://afdc.energy.gov/stations#/analyze?country=US&region=US-CA&fuel=ELEC&ev_levels=dc_fast.

[8] *California Low Carbon Fuel Standard Workshop* [Slides] https://ww2.arb.ca.gov/sites/default/files/2024-04/LCFS%20April%20Workshop%20Slides.pdf.

[9] Office of New Mexico Governor, *New Mexico becomes fourth state to enact Clean Fuel Standards as governor signs legislation – Landmark legislation set to grow economy, reduce emissions* [Press Release] (March 5, 2024), https://www.governor.state.nm.us/2024/03/05/new-mexico-becomes-fourth-state-to-enact-clean-fuel-standards-as-governor-signs-legislation-landmark-legislation-set-to-grow-economy-reduce-emissions/

eXtend partners have been awarded over $35 million in funds. Along with our partners Pilot Flying J and General Motors, EVgo also opened two of the first three charging stations funded by the NEVI Program in London, Ohio[10] and Pittston, Pennsylvania.[11]

Drawing on this experience and in partnership with partners across the EV charging infrastructure community, EVgo has compiled best practices in NEVI program design. To summarize a few key best practices:

a. Avoid a single-vendor approach.

Provider diversity is key to ensuring there is redundancy during the construction and operational phases, so a state is not dependent on one provider to service the full breadth of its transportation infrastructure. Multiple networks operating in the same market will compete on site amenities, real estate footprint, charging speeds, price and other features in a manner that will ultimately support a driver-centric experience.

b. Avoid grouping or bundling location and instead allow applications on a site-by-site basis.

In bundling sites, states risk vendors refraining from bidding on a bundle due to obstacles that arise for one or more of the sites in a bundle, such as difficulties securing site hosts, funding, or permitting. Creating an open solicitation for individual stations will likely increase competition overall because a greater number of vendors are likely to be well-positioned to apply for individual locations as opposed to entire bundles of locations.

c. Avoid requirements for letters of credit (LOCs), surety bonds or performance bonds and implement other measures to assess an applicant's execution ability.

Instead of requiring a letter of credit or a bond, mitigate risk in other ways. For example, NEVI programs in Ohio and Pennsylvania required an applicant to "[d]escribe general financial capabilities of the Proposer and document: 1) any funding commitments or financing in place today or 2) funding sources that will be available in the future that are intended to support the project," while Texas required a "financial plan for site construction until reimbursement." Additionally, New Jersey can screen for execution ability by putting forward a qualified bidder process.

d. Allow any connectors that conform to mature SAE standards.

At minimum, charging connectors funded by the NEVI program should conform to a mature SAE standard (Recommended Practice or Industry Standard stage) to create uniformity in the marketplace on connector design and promote safety and interoperability. Flexibility is key for NEVI awardees to roll out connector types in proportion with the evolving volume of vehicle types in that market, while preserving the ability to still serve new CCS vehicles that will continue to hit the road, existing drivers, and those who will buy vehicles on the secondary market.

[10] https://drive.ohio.gov/about-driveohio/news/first-nevi-station
[11] https://www.penndot.pa.gov/pages/all-news-details.aspx?newsid=1109

e. Deploy funding quickly with multiple rounds on a predictable schedule.

Predictable, pre-scheduled, pre-published funding windows allow for continuous development and the opportunity for administrators to adjust programmatic details based on learnings from previous rounds. Holding multiple rounds of funding per year instead of one large solicitation will also provide opportunities for new applicants to utilize unspent funds that may be carried over from sites that fell out due to attrition. As an example, Maine, Kansas, Kentucky, Ohio, and Pennsylvania NEVI programs have already offered multiple grant solicitations for their NEVI program, which leads to more consistent deployments in their state.

For more information on NEVI best practices, see our Connect the Watts™ best practice guide.[12]

3. Prioritize NEVI funding to build out DCFC community charging to meet New Jersey's goals around equitable electrification.

While corridor charging is essential to enabling EV adoption and addressing range anxiety among all drivers, New Jersey should also prioritize supporting other use cases like urban and suburban community charging to increase nearby public charging access for those without home charging. This is key to New Jersey's goals for equitable electrification.

Accordingly, once New Jersey fully builds out its corridors using its NEVI funding, New Jersey should next look to build out charging infrastructure in its communities to best service residents of multifamily housing, rideshare drivers, and others without reliable access to home and work charging, helping to meet New Jersey's goals for equity. In particular, DCFC plays an important role in dense, urban, and suburban areas where not every home has a driveway, attached garage, or in many cases, any dedicated parking. A study from the University of California – Los Angeles shows that 43% of multifamily residents rely on DCFC stations for their primary means of charging.[13] Therefore, EVgo encourages NJDOT to prioritize the build out of DCFC infrastructure in communities once its corridor buildout is complete.

4. Continue successful charging infrastructure programs for charging infrastructure, including make-ready for DCFC.

EVgo commends New Jersey for its leadership in supporting the deployment of charging infrastructure through its incentive programs. In 2021 and 2022, the Board of Public Utilities approved each of the state's electric utilities' make-ready programs, incentivizing buildout of public charging infrastructure. PSE&G NJ's Make-Ready Program, in particular, has been supportive of third-party investments to grow infrastructure deployments.

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[12] https://site-assets.evgo.com/f/78437/x/397c44faa2/connect-the-watts_nevi_best-practices-for-charging-infrastructure.pdf.

[13] DeShazo and Di Filippo, "Evaluating Multi-Unit Resident Charging Behavior at Direct Current Fast Chargers. UCLA Luskin Center for Innovation," pp. 3, 13, available at https://innovation.luskin.ucla.edu/wp-content/uploads/2021/03/Evaluating-Multi-Unit-Resident-Charging-Behavior-at-Direct-Charging-Behavior-at-Direct-Current-Fast-ChargersCurrent-Fast-Chargers.pdf (February 2021).

These make-ready programs continue to be critical for ensuring the continued growth of DCFC infrastructure as the state aims to achieve ambitious ZEV adoption goals through ACCII. Thus, as funding for these early programs get exhausted, EVgo recommends New Jersey consider extending the utilities' programs or considering a subsequent statewide Make-Ready Program to facilitate wider EV adoption. Notably, the New York State Public Service Commission originally approved a $701 million statewide-make ready program for all investor owned-utilities in the state in 2021 but later increased the program budget in 2023 to $1.24 billion to accommodate higher incentives levels and higher DCFC program targets.[14] This provides an example for New Jersey of a statewide multi-year approach to achieving specific charging infrastructure deployment goals.

5. **Ensure long-term availability of commercial EV rates to sustain long-term investments in charging infrastructure.**

Finally, effective commercial rate design is critical to enabling transportation electrification. Public DCFC infrastructure has a unique load profile that makes it distinct from other commercial customers. The demand charge component of traditional commercial rates can lead to disproportionately high effective dollar per kilowatt-hour (kWh) costs to operate DCFC, which creates a significant barrier to third-party investment in charging infrastructure. The availability of commercial EV rates that account for the unique loads of fast charging stations is essential to achieve transportation electrification at scale.

EVgo applauds the NJBPU for leading on rate design and subsequently, for Atlantic City Electric[15] for offering a demand charge alternative rate and PSE&G[16] and JCP&L[17] for offering commercial EV rates, which have helped to spur additional investment in fast charging infrastructure.

Since the state's early leadership providing EV-supportive rates, regulators across the country have implemented a variety of rates specific to commercial EV charging for a long duration. For instance, 10-year EV-rates are available in Arizona Public Service and Tucson Electric Power in Arizona; San Diego Gas and Electric in California; ComEd in Illinois; and Eversource and National Grid in Massachusetts. EV charging rates that are long duration in nature (e.g. 10 years) are necessary to provide DCFC customers with substantial certainty in the delivery rates that they will pay, which will support further investments in building out DCFC stations, particularly in rural areas that may see limited usage for several years. Given the importance of long-term certainty to sustain investments in fast charging commensurate with what is needed to meet ACCII, EVgo recommends the state provide long-term certainty that these alternatives to traditional commercial rate designs will be available.

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[14] State of New York Public Commission, Case 18-E-0138: Proceeding on Motion of the Commission Regarding Electric Vehicle Supply Equipment and Infrastructure, *Order Approving Midpoint Review Whitepaper's Recommendations with Modifications* (November 16, 2023).

[15] https://azure-na-assets.contentstack.com/v3/assets/blt407b5f1850a51a1b/blt8847869a302d02ee/64a541e9a5a48d41b64351b0/NJTariffSectionIV.pdf

[16] https://nj.myaccount.pseg.com/myservicepublic/electricvehicles

[17] https://firstenergycorp.com/content/dam/customer/get-help/files/PEV/nj-ev/jcpl-ev-customer-program-guide.pdf

Sincerely,

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