

January 31, 2025

Via Electronic Mail (board.secretary@bpu.nj.gov)

Sherri L. Golden
Secretary, New Jersey Board of Public Utilities
44 South Clinton Street, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625

Re: In the Matter of the Petition of Public Service Electric and Gas Company (“Company”) for approval of an Increase in Electric and Gas Rates, NJ BPU Docket Nos. ER23120924 and GR23120925

Dear Secretary Golden:

Electrify America, LLC (“Electrify America”), EVgo Services, LLC (“EVgo”), ChargePoint, Inc. (“ChargePoint”), and Tesla, Inc. (“Tesla”) (collectively, the “Joint EV Industry Parties”) respectfully request the New Jersey Board of Public Utilities (“Board”) reopen the above-captioned proceeding and issue an Order on an expedited basis clarifying that the Company’s new volumetric (i.e., kilowatt-hour-based) Distribution charge for Large Power and Lighting Service (“LPL-S”) Rate Schedule customers receiving service solely for Direct Current Fast Charging (“DCFC”) facilities is optional, not mandatory.

Whereas Public Service Electric and Gas Company (“PSE&G”) proposed an **optional** volumetric Distribution charge for DCFC customers, the Board’s final Order approves a **mandatory** charge. Although that mandatory new charge offers an alternative to kilowatt-based demand charges—a measure that can, if designed correctly, help spur charger deployment—the volumetric charge approved by the Board will in fact significantly raise total electric costs for many DCFC customers.

As rates for EV charging are not one-size-fits-all, optionality is key to promote investment by the private market in PSE&G’s service territory and support the Company’s expressed objectives, as well as the state’s policy objectives. The Joint EV Industry Parties have conferred with PSE&G and Staff, New Jersey legislators, and other interested parties related to this issue.

The Board Should Clarify That PSE&G’s Volumetric Distribution Charge for DCFC Customers Is Optional, Not Mandatory

In PSE&G’s recent rate case, the Company proposed a new “Distribution kWh charge” for DCFC customers who receive service under the LPL-S Rate Schedule, in lieu of the current annual and summer demand charges in that rate schedule. In direct testimony submitted in support of the Company’s filing, the Company’s witness (its Senior Director of Corporate Rates and Revenue Requirements) expressly testified that the new charge would be “optional.”¹

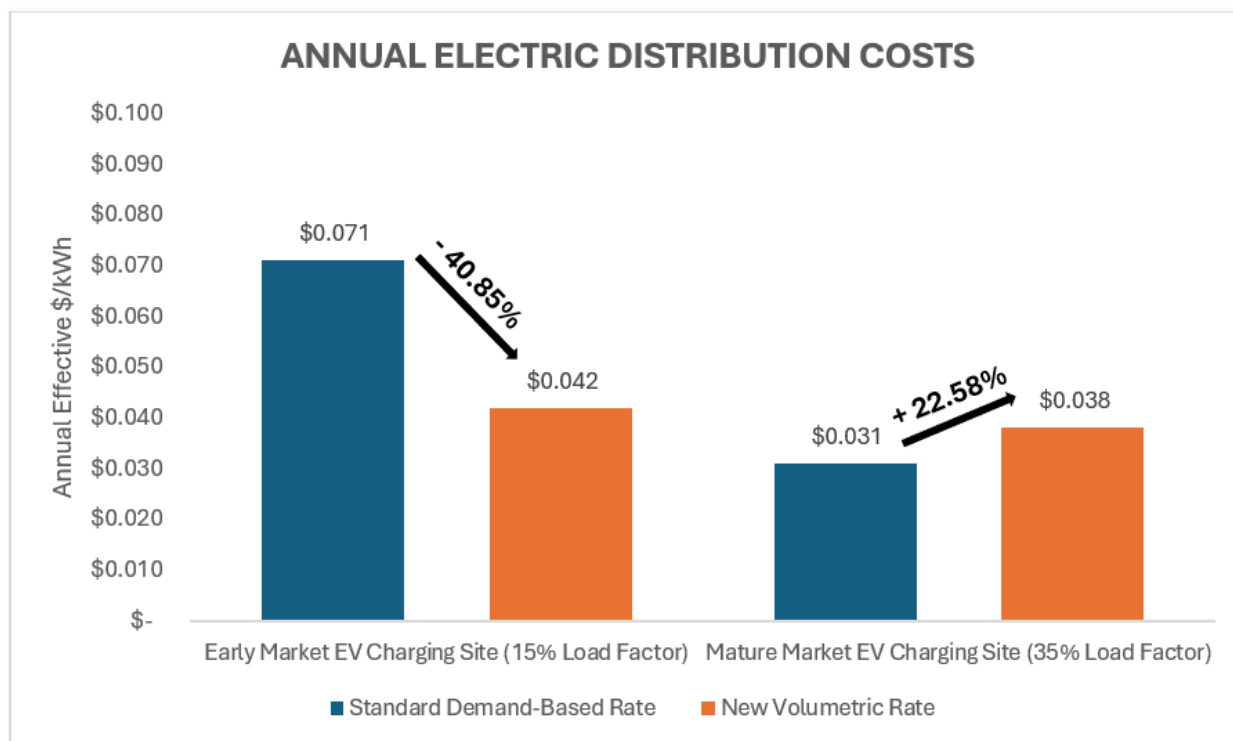
¹ Direct Testimony of Stephen Swetz P9E page 3

The Board’s Decision approving a Stipulation in the rate case, however, adopts a mandatory volumetric Distribution charge for DCFC facilities²—a proposal that no party to the rate case advanced in testimony. The Electric Tariff changes approved pursuant to the Order explicitly exclude DCFC customers from the currently applicable set of demand-based distribution charges in place under Rate Schedule LPL-S. That means DCFC customers taking service under Rate Schedule LPL-S would be required to pay the new Distribution kWh charge, despite the Company’s clear intent for this rate to be optional.

Alternatives to traditional kilowatt-based demand charges like this are particularly beneficial in the early stages of market maturity when DCFC sites have low load factors. However, the Company’s Distribution volumetric charge would produce a significant increase in total electric costs for DCFC sites that achieve higher load factors in the Company’s service territory, compared to the current set of charges under the previously-existing version of Rate Schedule LPL-S (See Figure 1). That is because the savings the new charge generates during summer billing months are overwhelmed by the bill increases it would produce during non-summer billing months.

Figure 1.

The figure below provide a hypothetical example of how, under the new volumetric rate compared to the demand-based distribution rate, an EV charging site with a low load factor (15%) would experience a 40.85% decrease in their effective \$/kWh for distribution charges, but an EV charging site with a high load factor (35%) would experience a 22.58% increase in their effective \$/kWh for distribution charges.



² ORDER ADOPTING INITIAL DECISION AND STIPULATION DOCKET NOS. ER23120924 AND GR23120925 Attachment H page 140 of 200

In order to meet the Company's own expressed objective, which is to offer an alternative to traditional demand charges that *alleviates* cost burdens on DCFC customers,³ we recommend PSE&G adopt nationwide best practices for EV charging rate design⁴ by providing optionality for customers to select the rate that aligns with their expected load factor. Enabling low- and high-load factor sites to choose the rate that best fits their usage patterns recognizes the business model diversity at this stage of the EV charging market. It also incentivizes the use of innovative solutions to load management, such as future and preexisting investments in battery energy storage systems.

Finally, and importantly, preserving optionality is critical as New Jersey looks to achieve its ambitious goals of 100% clean energy by 2035 and 80% greenhouse gas (GHG) emissions reductions by 2050,⁵ including through the state's adoption of Advanced Clean Cars II.⁶ Notably, as 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..."⁷ However, significant work remains in order to ensure EV users have adequate access to charging infrastructure in the state—New Jersey has over 140,000 battery EVs on the road today with only 1,400 direct current fast charging (DCFC) ports.⁸ By 2030, New Jersey could have over 820,00 EVs on the road, requiring 3,100 DCFC ports.⁹ As electricity costs

³ ORDER ADOPTING INITIAL DECISION AND STIPULATION DOCKET NOS. ER23120924 AND GR23120925 Attachment E Electric Rate Design page 8 of 66; see also Direct Testimony of Stephen Swetz P9E page 49 (stating that the purpose of the volumetric Distribution charge is to promote EV adoption and ease cost burdens on DCFC customers during this early phase of market introduction of DCFC facilities).

⁴ Nationwide best practices for EV charging rate design makes alternative EV charging rates *available* for DCFC customers to take service on rather than required:

- New York Public Service Commission in Case 22-E-0236 Order Implementing Electric Vehicle Charging Rates for Commercial Customers p. 4: "By this Order, the Commission: (1) approves EV Phase-In Rates [...] to become *available* for customer participation no later than 12 months from the effective date of this Order..."
- National Grid Massachusetts: "The Demand Charge Program is approved and *currently available* for 10 years starting in 2023 with new enrollments accepted through 2032." https://www.nationalgridus.com/media/pdfs/bus-ways-to-save/ev/cm9464-demand-charge_one-pager.pdf
- Connecticut Light and Power Company, DBA Eversource Energy's Electric Vehicle Rate Rider: "This rider is *available* to serve the entire requirements of electric vehicle (EV) charging stations, which are available to the public [...]" https://www.eversource.com/content/docs/default-source/rates-tariffs/ct-electric/ev-rate-rider.pdf?sfvrsn=e44ca62_0

⁵ *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>

⁶ <https://dep.nj.gov/wp-content/uploads/rules/adoptions/adopt-20231218a.pdf>

⁷ Office of the Governor (November 21, 2023), *Murphy Administration Adopts Zero-Emission Vehicle Standards to Improve Air Quality, Fight Climate Change, and Promote Clean Vehicle Choice* [Press Release], <https://www.nj.gov/governor/news/news/562023/20231121a.shtml>.

⁸ <https://atlaspolicy.com/evaluatenj/>

⁹ 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/856654.pdf>, at 43.

make up the largest portion of a station's ongoing operating costs,¹⁰ flexible and affordable rates will be necessary to accelerate charging infrastructure deployment for the success of the state's transportation electrification goals.

Background on Joint EV Industry Parties

The Joint EV Industry Parties collectively represent the majority of DCFC stations in New Jersey and in the U.S. and have been actively engaged in EV charging infrastructure deployment across the country for more than a decade.

Electrify America

Electrify America is one of the largest providers of public fast charging and is investing \$2 billion over 10 years in Zero Emission Vehicle infrastructure, education and access to enable millions of Americans to discover the benefits of electric driving. The Electrify America's network includes over 4,000 chargers across more than 900 stations in 47 states and the District of Columbia. And in New Jersey, Electrify America has 132 chargers across 28 stations.

ChargePoint

Since 2007, ChargePoint has been committed to making it easy for businesses and drivers to go electric with one of the largest electric vehicle (EV) charging networks and a comprehensive portfolio of charging solutions. ChargePoint's cloud subscription platform and software defined charging hardware is designed internally and includes options for every charging scenario from home and multifamily to workplace, parking, hospitality, retail, corridor, and fleets of all kinds. ChargePoint's primary business model is to sell our integrated charging software and hardware solutions directly to site hosts and provide services that enable them to provide charging services that align with their specific needs.

EVgo

Founded in 2010, EVgo is one of the nation's largest public fast charging providers, featuring over 1,000 fast charging locations across 40 states. In New Jersey, EVgo currently owns and operates over 100 fast-charging stalls at more than 20 locations with plans for expansion.

Tesla

Tesla's mission is to accelerate the world's transition to sustainable energy through the development, manufacture and sale of all-electric vehicles and clean energy products, including photovoltaic solar and battery storage. All Tesla vehicles sold in the United States are currently manufactured in Fremont, CA and Austin, TX. Tesla's vehicle line-up includes the Model S sedan, Model X crossover vehicle, Model 3 sedan, Model Y crossover vehicle, and Cybertruck pickup truck. The vehicles have an all-electric range of up to 405 miles per charge (Model S) and industry-leading performance and safety ratings. In 2024, Tesla delivered more than 1.7 million

¹⁰ Levy, J; Riu, I; Zoi, C. May 18, 2020. "The Costs of EV Fast Charging Infrastructure and Economic Benefits to Rapid Scale-Up." Available: <https://www.evgo.com/white-papers/costs-ev-fast-charging-infrastructure-economic-benefits-rapid-scale-up/>

vehicles globally and in December 2022, the company delivered its all-electric Class 8 Semi trucks to the first customer.

Conclusion

The Joint EV Industry Parties appreciate the Board's consideration of this letter and respectfully request that the Board re-open the above-captioned proceeding and expeditiously clarify that PSE&G's new volumetric Distribution charge for DCFC customers is optional.

We look forward to discussing this further with Board members and staff.

Respectfully submitted,

Anthony Willingham, [AICP](#)
Gov't Affairs & Public Policy Lead – State Government
Electrify America, LLC

Justin Wilson
Sr. Director, Regulatory Policy and Programs
ChargePoint | chargepoint.com

Katelyn Lee
Senior Associate, Market Development & Public Policy
EVgo

Bill Ehrlich
Managing Policy Advisor
Tesla, Inc.