Rockland Electric Company

Margaret Comes
Associate Counsel
Law Department

February 27, 2025

Sherri L. Lewis, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

RE: In the Matter of Medium and Heavy Duty Electric Vehicle Charging Ecosystem
BPU Docket No. QO21060946

and

In the Matter of the Petition of Rockland Electric Company for Approval of a Medium and Heavy Duty Electric Vehicle Plan, and for Other Relief
BPU Docket No. _____

Dear Secretary Lewis:

In accordance with the Board's Order in Docket No. QO21060946, Rockland Electric Company submits the following for filing:

1. Verified Petition, and
2. Testimony of Rockland Electric Company Medium and Heavy Duty Electric Vehicle Plan Panel.

Please contact me if you have any questions about this filing.

Very truly yours,

Margaret Comes
Margaret Comes

Enclosures
c: service list

SERVICE LIST

In the Matter of the Petition of Rockland Electric Company for Approval of a Medium and Heavy Duty Electric Vehicle Charging Plan, and for Other Relief
Docket No. _____

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44 South Clinton Avenue, 1st Floor
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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF ROCKLAND ELECTRIC COMPANY FOR APPROVAL OF A MEDIUM AND HEAVY DUTY ELECTRIC VEHICLE PLAN, AND FOR OTHER RELIEF	**VERIFIED PETITION** BPU DOCKET NO. _____
IN THE MATTER OF MEDIUM AND HEAVY DUTY ELECTRIC VEHICLE CHARGING ECOSYSTEM	BPU DOCKET NO. QO21060946

I. INTRODUCTION

Rockland Electric Company ("RECO", the "Company", or "Petitioner"), a corporation of the State of New Jersey, which has an office at One Lethbridge Plaza, Suite 32 – Second Floor, Route 17 North, Mahwah, New Jersey 07430, respectfully petitions the New Jersey Board of Public Utilities ("Board"), pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, as follows:

1. Petitioner is a public utility engaged in the distribution of electricity and the provision of electric Basic Generation Service, for residential, commercial and industrial purposes within the State of New Jersey. RECO is a wholly-owned subsidiary of Orange and Rockland Utilities, Inc. ("Orange and Rockland"), and an affiliate of Consolidated Edison Company of New York, Inc. RECO provides electric distribution service to approximately 73,000 customers in an area which extends from eastern Bergen County at the Hudson River to western Passaic County and small communities in Sussex County, New Jersey.

2. The rates and charges for electric service furnished by Petitioner and the conditions upon which the same are furnished are set forth in Petitioner's Board-approved tariff designated B.P.U. No. 3 - Electricity.

3. Petitioner is subject to regulation by the Board for the purposes of setting its retail distribution rates and to assure safe, adequate and reliable electric distribution service pursuant to N.J.S.A. 48:2-13, *et seq*.

4. Through this Verified Petition and the accompanying schedules and testimonies, RECO seeks Board approval for a comprehensive Medium and Heavy Duty ("MHD") Electric Vehicle ("EV") Plan ("MHD Plan"), a copy of which is included as Exhibit A to this Verified Petition. RECO is filing this Verified Petition in compliance with the Board's MHD EV Order.[1] In the MHD EV Order (p. 7), the Board directed the Company and New Jersey's three other electric distribution companies ("EDCs") to file MHD plans with the Board and required that such filings meet the Minimum Filing Requirements ("MFRs") outlined in Exhibit 2 of the MHD EV Order.

5. The MHD plans are to have a duration of forty-eight months.[2] The Company anticipates that completion of certain of the projects approved as part of the Company's MHD Plan and the Company's payout of the associated incentives will not occur until after the end of this forty-eight month period.

6. According to the MHD EV Order, each EDC's MHD plan must include incentives to facilitate the deployment of Make Ready sites.[3] "Make Ready" means the pre-wiring of electrical infrastructure at a parking space, or set of parking spaces, to facilitate easy and cost-efficient future installation of EV supply equipment ("EVSE"), including, but not limited to, Level 2 EVSE and Direct Current Fast Chargers ("DCFC").[4]

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[1] Order, I*/M/O Medium and Heavy Duty Electric Vehicle Charging Ecosystem*, BPU Docket No. QO21060946 (October 23, 2024) ("MHD EV Order").
[2] MHD EV Order, Exhibit 2, Section II (2).
[3] MHD EV Order, Exhibit 2, Section III.
[4] MHD EV Order, Exhibit 2, Section I.

7. The Board has allocated RECO a total incentive budget for its MHD Plan of $5 million.[5]

II. RECO MHD PLAN

8. The Company has designed its MHD Plan to reflect the nature of the RECO service territory, particularly the minimal number of federally recognized Freight EV corridors. The Company's overall MHD Plan design also reflects the modest nature of its Board-authorized incentive budget, *i.e.*, $5 million.

9. The Company is committed to participating in the EV working group to be established by Board Staff.

10. As set forth in the MHD Plan, RECO proposes to make capital investments of $5.30 million and incur incremental operations and maintenance expenses of $3.64 million for the four MHD EV subprograms described below and in the direct testimony of the MHD EV Plan Panel, to commence following Board approval. The Company's MHD Plan will provide funding and stability to support the MHD EV market in the RECO service territory and in New Jersey.

11. A summary of the four MHD EV subprograms, applicable to medium-duty vehicles[6] and heavy-duty vehicles[7] is as follows, with more detailed descriptions contained in the Company's MHD Plan (particularly Attachment A) and the MHD EV Plan Panel's direct testimony:

[5] MHD EV Order Exhibit 2, Section V (1).
[6] Medium-Duty Vehicles are any motor vehicles which weigh between 10,001 and 26,000 pounds, including trucks with two (2) or more axles or with six (6) or more tires (classes 3-6). MHD EV Order, Exhibit 2, Section I.
[7] Heavy-Duty Vehicles are any motor vehicles having a manufacturer's gross vehicle weight rating greater than 26,001 pounds (classes 7 and 8). MHD EV Order, Exhibit 2, Section I.

- **New Jersey Fleet Assessment Services ("NJFAS")** – The NJFAS subprogram will provide technical and planning assistance to support customers seeking electrical service for EV chargers for multi-unit dwellings ("MUDs"), fleet vehicles, and publicly accessible MHD Depots by providing estimated interconnection time and cost, empowering customers with information required to make electrification decisions. Specifically, customers provide the Company with a potential charging location and the potential load required (which can be provided in kW, charger count, or vehicle count). The Company will conduct a site assessment to determine the capacity of the local distribution system to handle the increased load. The Company then provides the customers with a summary of the estimated interconnection time and cost, as well as other details including the available circuit and service load capacity.
- **Charger Ready Medium-Heavy Duty ("CRMHD")** – The CRMHD subprogram will support the development of electric infrastructure and equipment necessary to accommodate the increased deployment of MHD EVs by reducing economic barriers through financial incentives to commercial customers installing charging infrastructure for MHD EVs. This subprogram will offset certain infrastructure costs required to prepare a site for MHD EV charger installation in the RECO service territory. The publication of EV Capacity Maps will be included in this subprogram.
- **SmartCharge Commercial New Jersey ("SCCNJ")** – The SCCNJ subprogram will offer operating cost relief for demand charges incurred by commercial chargers by incentivizing the reduction of charging load during peak periods.

Varying levels of incentives will be provided based upon use cases including publicly accessible MHD charging depots, public-serving chargers, and fleet chargers.

- **Outreach and Education Program** - The Company's MHD Plan presents an opportunity for RECO to enhance its customer engagement and support the transition to MHD EVs. This comprehensive customer education and outreach subprogram aims to inform and engage customers about the NJFAS, CRMHD, and SCCNJ subprograms. By leveraging a variety of marketing and outreach channels, RECO will encourage broad awareness and participation, ultimately contributing to New Jersey's goals for a cleaner and more sustainable transportation ecosystem.

12. The Company's MHD Plan is consistent with the 2019 New Jersey Energy Master Plan ("EMP") which states that the electrification of transportation is an important strategy in meeting New Jersey's clean energy goals and greenhouse gas emissions reductions targets.[8]

13. The MHD Plan's subprograms will support the widespread adoption of MHD EVs in various sectors of New Jersey's economy, as well as in overburdened communities most impacted by air pollutants and greenhouse gas ("GHG") emissions. The MHD Plan's subprograms will employ multiple approaches to engage customers and encourage customer participation. These approaches include collaboration with advocacy and community groups, online advertising, email marketing, and direct mailings, among other methods.

14. The MHD Plan's subprograms will have wide-reaching customer and societal benefits, including:

[8] EMP, p. 59.

- Environmental benefits – MHD EVs offer tremendous promise to help improve the environment by reducing GHGs and other air pollutants;
- Job creation - The MHD Plan's subprograms will support the clean energy economy and will require electricians, engineers, marketers, salespersons, customer service representatives, and urban and regional planners to deploy EVSE;
- Mitigation of MHD EV market barriers – The MHD Plan's subprograms will address critical barriers in the MHD EV market such as lack of consumer awareness, lack of consumer understanding of the total cost of MHD EV ownership, gaps in public charging coverage, and range anxiety; and
- Advancement of New Jersey's clean energy goals – as reflected in the EV Act,[9] the 2007 New Jersey Global Warming Response Act,[10] the NJ Department of Environmental Protection GHG reduction targets,[11] the EMP, and the Northeast States for Coordinated Air Use Management Memorandum of Understanding.[12]

15. RECO currently has no plans to deploy, own and operate EV charging stations. As noted in the direct testimony of the MHD EV Plan Panel (p. 17), if publicly accessible charging stations have not been deployed in overburdened areas within 18 months of the MHD Plan start date, RECO will consider deploying, owning, and operating chargers in those areas as a "Last Resort." Likewise, the Company will consider deploying, owning, and operating publicly accessible charging stations in non-overburdened areas if it has not received any interest in these areas within 24 months of the MHD Plan start date. If, at a future date, the Company

[9] *N.J.S.A*. 48:25-1 *et seq*.
[10] *N.J.S.A* 26:2C-40.
[11] New Jersey Department of Environmental Protection, *New Jersey's Global Warming Response Act 80x50 Report*, released October 15, 2020. Available at https://dep.nj.gov/wp-content/uploads/climatechange/nj-gwra-80x50-report-2020.pdf
[12] Available at https://www.nescaum.org/documents/Buildings-MOU-Final-with-Signatures---DC.pdf

decides to pursue the deployment, ownership, and operation of publicly accessible charging stations, the Company will submit a separate filing with the Board setting forth the specifics of its proposed program.

III. MHD PLAN COST RECOVERY

16. Consistent with the cost recovery process approved by the Board for the Company's current EV Program,[13] RECO proposes that until they are included in base rates, MHD Plan-related capital investments and operation and maintenance ("O&M") expenses shall be deferred and placed in a regulatory asset ("MHD Plan Regulatory Asset").

17. The MHD Plan's related capital investments costs to be deferred and included in the MHD Plan Regulatory Asset include an amortization associated with new capital investments. In addition, the MHD Plan Regulatory Asset will earn a rate of return, which shall be deferred and included in the MHD Plan Regulatory Asset, based on the Company's Board-approved Weighted Average Cost of Capital ("WACC") in effect at the time of the deferral. The formula for the Monthly MHD Plan Regulatory Asset Deferral component of the MHD Plan Regulatory Asset is:

> Monthly Total MHD Plan Regulatory Asset Deferral = ((Pre-Tax Cost of Capital /12) * Average Monthly Rate Base) + Monthly Amortization Expense) + (Average Monthly Investment Deferral Balance * (Pre-Tax Cost of Capital /12)).

18. The term "Pre-Tax Cost of Capital" means RECO's pre-tax overall WACC in effect at the time of the deferral. WACC is assessed on the return on equity, long-term debt and capital structure approved by the Board in RECO's most recently approved base rate case. Any

[13] Decision and Order Approving Stipulation, pp. 7-9, *I/M/O the Petition of Rockland Electric Company for Approval of an Electric Vehicle Program, Establishment of an Electric Vehicle Surcharge, and for Other Relief*, BPU Docket No. EO20110730 (October 12, 2022).

change in the WACC authorized by the Board in a subsequent base rate case will be applied to the MHD Plan Regulatory Asset in subsequent periods. Also, any change to current tax rates will be reflected in the WACC in subsequent periods.

19. The term "Average Monthly Rate Base" refers to the total of the beginning and ending monthly balances for the following items, divided by 2:

• MHD Plan Regulatory Asset;

• Less the associated Accumulated Amortization; and

• Less the associated Accumulated Deferred Income Tax.

20. The term "Amortization Expense" provides for the recovery of RECO's Investment over ten years.

21. The MHD Plan-related capital investments costs, including those recorded in the MHD Plan Regulatory Asset, shall be reviewed for prudency and inclusion in base rates in the Company's next base rate case(s).

IV. REPORTING

22. Beginning six months after the Board's approval of the MHD Plan, and continuing every September and March thereafter, the Company will provide a semi-annual report on deployment of the MHD Plan to Board Staff and Rate Counsel, setting forth the following information:

- Uptimes for public charging;
- Status of projects requested;
- Number and total dollar amount of incentives paid;

- Number and total dollar amount of incentives in the queue including those paid, those approved for payment, those pending approval, and those awaiting action;
- Private Fleet electrification status: Private Fleets shall report total average monthly Internal Combustion Engine ("ICE") miles currently traveled at time of request. Private Fleets shall report total ICE average monthly miles traveled and total EV average monthly miles traveled for report time frame;
- An update to the EV Capacity Maps;
- An update to projection reports required by the MFRs;
- Status and progress of technical and planning assistance, including but not limited to: Staffing levels, number of inquiries, projected loads, number of inquiries that have turned into projects, average load requested, average time to electrification projected, and the implementation of any load-modifying technologies; and
- Informational updates on our progress identifying Last Resort locations and preparing any approved Last Resort locations for Make-Ready, including identifying any lease or other arrangements.

V. SUPPORTING TESTIMONY AND PUBLIC NOTICE

23. The Company is presenting the direct testimony of one witness panel in support of this Verified Petition. The MHD EV Plan Panel, consisting of Andrew R. Farrell and JoAnne Seibel, will provide testimony in support of the four subprograms that comprise the MHD Plan.

24. Inasmuch as the Company is not seeking any rate increase at this time in connection with this Verified Petition, RECO does not believe that any Public Notices need be published or served pursuant to N.J.A.C. 14:1-5.12(b)1 and 3, (c) and (d), nor is there any requirement for public hearings in the RECO service territory. Should the Attorney General's office advise otherwise, the Company will endeavor to make arrangements for the required notice and public hearing(s).

VI. COMMUNICATIONS

25. Communications and correspondence related to this Verified Petition should be sent as follows:

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VII. MISCELLANEOUS

26. Electronic copies of this Verified Petition and supporting testimony will be provided to the NJBPU, the Department of Law and Public Safety, and the NJ Division of Rate Counsel.

27. Attached hereto and made a part of this Verified Petition is the following:

Exhibit A – MHD Plan with Minimum Filing Requirements.

VIII. CONCLUSION AND REQUESTS FOR APPROVAL

28. For all the foregoing reasons, RECO respectfully requests that the Board retain jurisdiction of this matter and review and expeditiously issue an order approving this Verified Petition specifically finding that:

a. RECO is authorized to implement the MHD Plan as described in this Verified Petition;

b. RECO is authorized to recover the costs associated with the MHD Plan in the manner described in this Verified Petition; and

c. Providing such other relief as is just and proper.

Respectfully submitted,

ROCKLAND ELECTRIC COMPANY

By Margaret Comes

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Attorneys for Rockland Electric Company

Dated: February 27, 2025

VERIFICATION

STATE OF NEW YORK)
: ss
COUNTY OF ROCKLAND)

ANDREW R. FARRELL, of full age, being duly sworn according to law, on his oath deposes and says

1. I am the Director, E Mobility organization, of Rockland Electric Company, the Petitioner in the annexed Petition.

2. I have read the annexed Petition, and the matters and things contained therein are true to the best of my knowledge and belief.

Andrew Farrell

Sworn to and subscribed to
Before me this 27 day
Of February, 2025

Megan Crane

MEGAN CRANE
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01CR0009325
QUALIFIED IN WESTCHESTER COUNTY
MY COMMISSION EXPIRES JUNE 8, 2027

EXHIBIT A
(Medium and Heavy Duty Plan with Minimum Filing Requirements)

IN THE MATTER OF MEDIUM AND HEAVY DUTY
ELECTRIC VEHICLE CHARGING ECOSYSTEM
BPU DOCKET NO. QO21060946

ROCKLAND ELECTRIC COMPANY
MEDIUM AND HEAVY DUTY ELECTRIC VEHICLE PLAN

BACKGROUND & INTRODUCTION

Rockland Electric Company ("RECO" or the "Company") is a corporation organized and existing under the laws of the State of New Jersey, subject to the jurisdiction of the New Jersey Board of Public Utilities ("Board" or "BPU"), with an office at One Lethbridge Plaza, Route 17 North, Mahwah, New Jersey 07430.

RECO is a wholly-owned subsidiary of Orange and Rockland Utilities, Inc. ("O&R"), and an affiliate of Consolidated Edison Company of New York, Inc. ("Con Edison"). RECO provides electric distribution service to approximately 73,000 customers in an area which extends from eastern Bergen County at the Hudson River to western Passaic County and small communities in Sussex County, New Jersey.

On October 23, 2024, the Board issued the MHD EV Order[1] which adopted Minimum Filing Requirements ("MFRs") for Medium-and-Heavy-Duty ("MHD") Electric Vehicles ("EVs") plans.[2] In the MHD EV Order, the Board also directed the Company and New Jersey's three other electric distribution companies ("EDCs") to each file a MHD plan with the Board within 120 days of the effective date of the MHD EV Order (*i.e.*, by February 27, 2025). The Company submits this MHD Plan as directed by the Board in the MHD EV Order. The Board, in the MHD

[1] *In the Matter of Medium and Heavy-Duty Electric Vehicle Charging Ecosystem*, BPU Docket No. QO21060946, Order (dated October 23, 2024, as amended October 28, 2024) ("MHD EV Order").
[2] MHD EV Order, p. 47.

EV Order, allocated to RECO a $5.0 million total budget for its MHD Plan incentives. The RECO MHD Plan will consist of the following four subprograms applicable to and supportive of the MHD EV market:

- NJ Fleet Assessment Services ("NJFAS");
- Charger Ready Medium-Heavy Duty ("CRMHD");
- SmartCharge Commercial New Jersey ("SCCNJ"), and
- Outreach and Education.

The Company is committed to facilitating clean transportation in the RECO service territory as part of its Clean Energy Commitment.[3] RECO looks forward to expanding the charging infrastructure for MHD EVs, providing managed charging solutions, offering fleet assessment services, and offering other technical advisory services in the RECO service territory. The electrification of transportation is a key component of New Jersey's climate goals, including the Global Warming Response Act's ("GWRA") target of reducing greenhouse gas emissions by 80% below the New Jersey 2006 baseline by 2050.[4] As part of this effort, the GWRA 80x50 report identifies the decarbonization of MHD EVs as an Emissions Reduction Pathway. In addition, the December 2021 Advanced Clean Trucks Rule, set forth in N.J.A.C. 7:27-31 ("ACT Rule"), requires manufacturers to sell zero-emission trucks as an increasing percentage of their annual sales from 2025-2035. Incentivizing MHD EV charging infrastructure supports these goals by removing barriers to MHD EV adoption, including targeting range anxiety.

The managed charging initiatives outlined in the MHD EV Order enable the expansion of MHD EV charging infrastructure by incentivizing charging at cost-efficient, electric grid-beneficial

[3] https://www.oru.com/en/our-energy-future/our-energy-vision/our-energy-future-commitment
[4] https://dep.nj.gov/climatechange/mitigation/80x50-report/

times. The programs authorized under the MHD EV Order and described in this MHD Plan, can provide critical operating cost support to further help to spur MHD EV charging station development, and in turn, MHD EV adoption by drivers in the RECO service territory, and electrification of key transportation segments (*e.g.*, vehicle fleets). In addition, managed charging-based cost programs can help to lower the cost of this transition for its customers by mitigating growth in demand at peak times. Satisfying peak demand growth often requires the installation of new electric grid infrastructure which increases the costs for all customers. The Company's managed charging program will promote behavior that reduces new MHD EV demand at network peak times by encouraging charging during off-peak times.

The Company has designed its MHD Plan to reflect the nature of the RECO service territory, particularly the minimal number of federally recognized Freight EV corridors. The Company's overall MHD Plan design also reflects the modest nature of its Board-authorized incentive budget, *i.e.*, $5 million.

In this MHD Plan, RECO describes its initial Company-specific plans, processes, and procedures to meet the MHD EV Order's MFRs and implement a MHD Plan in the RECO service territory. These details include eligibility criteria, incentive levels, outreach and education, and anticipated program costs.

Supporting administrative processes include cost recovery, reporting, data collection, and plans to address additional commitments[5] outlined in the MHD EV Order.

[5] MHD EV Order, p. 51

RECO'S MHD PLAN (AND ITS COMPLIANCE WITH THE MFRS)

RECO's MHD Plan meets the Minimum Filing Requirements in Section I as follows:

MFR (I): Definitions. The definitions contained in Exhibit 2 of the MHD EV Order are reproduced in Attachment B of this MHD Plan for the sake of convenience.

RECO's MHD Plan meets the Minimum Filing Requirements in Section II as follows:

MFR II (1): Each EDC shall file a MHD Plan with the Board.

Subprograms. The Company's MHD Plan will consist of the following four individual subprograms:

1) **New Jersey Fleet Assessment Service ("NJFAS")**

   The NJFAS subprogram will provide technical and planning assistance to support customers seeking electrical service for EV chargers for multi-unit dwellings ("MUDs"), fleet vehicles, and publicly accessible MHD Depots by providing applicants with estimated interconnection time and cost, empowering customers with information required to make electrification decisions. Specifically, applicants provide the Company with a potential charging location and the potential load required (which can be provided in kW, charger count, or vehicle count). The Company will conduct a site assessment to determine the capacity of the local distribution system to handle the increased load. The Company then provides the applicant with a summary of the estimated interconnection time and cost, as well as other details including the available circuit and service load capacity. The publication of EV Capacity Maps will also be included in this

subprogram. *See* Attachment A of this MHD Plan for the specific details of this subprogram.

2) **Charger Ready Medium-Heavy Duty ("CRMHD")**

The CRMHD subprogram will support the development of electric infrastructure and equipment necessary to accommodate the increased deployment of MHD EVs by reducing economic barriers through financial incentives to commercial customers installing charging infrastructure for MHD EVs. This subprogram supports a shared responsibility model in which EDCs work with third parties to increase deployment of Electric Vehicle Supply Equipment ("EVSE"), sharing the financial, operational, and other responsibilities needed to increase such deployment. The CRMHD subprogram will offset certain infrastructure costs required to prepare a site for an EV charging station installation in the RECO service territory. *See* Attachment A of this MHD Plan for the specific details of this subprogram.

3) **Smart Charge Commercial New Jersey ("SCCNJ")**

MHD EV charging load is significant and programs that encourage shifting load off-peak are critical to minimize the impact of MHD EV charging on the electric grid. Shifting charging load to off-peak periods will minimize the infrastructure build out needed to support charging infrastructure and minimize the pressure on electric rates. Until charger utilization increases to a level at which demand charges can be borne by a large number of MHD EVs, demand charge solutions will help charger owner/operators to be financially viable. This type of financial

support is needed in the near-term and should be coupled with a program that encourages long-term beneficial charging behavior. Based on this philosophy, the Company proposes the SCCNJ subprogram, a four-year commercial managed EV charging program that will offer operating cost support for demand charges incurred by commercial chargers by incentivizing the reduction of charging load during peak periods. SCCNJ will provide varying levels of incentives based upon use cases including publicly accessible MHD charging depots, public-serving chargers, and fleet chargers. Given the size of the RECO service territory, and corresponding potential for MHD charger installation, RECO proposes a managed charging program that is streamlined administratively; is user-friendly, easy to understand, and transparent; and allows participants to estimate the financial support potential more easily. *See* Attachment A of this MHD Plan for the specific details of this subprogram.

4) Outreach and Education

Implementation of this MHD Plan presents a unique opportunity for RECO to enhance its customer engagement and support the transition to EVs. This comprehensive customer education and outreach plan aims to inform and engage customers about the NJFAS, CRMHD, and SCCNJ subprograms. By leveraging a variety of marketing and outreach channels, RECO will encourage broad awareness and participation, ultimately contributing to New Jersey's goals for a cleaner and more sustainable transportation ecosystem. *See* Attachment A of this MHD Plan for the specific details of this subprogram.

MFR II. (2): Duration of the MHD Plan. The Company's MHD Plan shall have a duration of forty-eight months, beginning on the effective date of the Board's approval of the Company's MHD Plan. The Company anticipates that completion of certain of the projects approved as part of the Company's MHD Plan and the Company's payout of the associated incentives, will not occur until after the end of this forty-eight month period.

RECO's MHD Plan meets the Minimum Filing Requirements in Section III as follows:

MFR III (1): Incentives to facilitate the deployment of Make-Ready sites.

RECO is proposing a CRMHD subprogram that will offer Make Ready incentives to Publicly-Accessible MHD depots, Public and Public-serving fleets, and Private Fleet Charging Depots. The CRMHD subprogram will provide higher levels of incentives for certain charging sites. *See* Attachment A of this MHD Plan for the specific details of the CRMHD subprogram.

MFR III (2): Incentives for up to 100% of the average estimated cost per charger for Publicly-Accessible MHD depots.

RECO's CRMHD subprogram offers this incentive level for Publicly-Accessible MHD depots, and Public and Public-serving charging. *See* Attachment A of this MHD Plan for additional details of the CRMHD subprogram and a breakdown of the average costs. The CRMHD subprogram includes additional incentives for prioritized sites. *See* Attachment A of this MHD Plan for a detailed description of the cost calculations.

MFR III (3): Incentives for up to fifty percent (50%) of the average estimated cost per charger for eligible Private Fleet Charging.

RECO's CRMHD subprogram offers this incentive level for Private Fleet Charging. *See* Attachment A of this MHD Plan for additional details on the CRMHD subprogram and a breakdown of the average costs. The CRMHD subprogram includes additional incentives for prioritized sites. *See* Attachment A of this MHD Plan for a detailed description of the cost calculations.

MFR III (4): Incentives for Private Fleets.

RECO's SCCNJ managed charging subprogram incentivizes participants to charge their MHD EVs off peak (*i.e.,* outside of the system peak period). Participants must provide the number of non-EVs in their fleet at the time of enrollment and commit to replace 25 percent of those vehicles with EVs within two years. *See* Attachment A of this MHD Plan for additional details on the SCCNJ subprogram.

MFR III (5): A method for identifying prioritized Make-Ready locations.

RECO's CRMHD subprogram offers enhanced incentives for Priority Locations, as set forth in Attachment A to this MHD Plan. The CRMHD subprogram requirements that must be met to qualify as a Priority Location are also set forth in Attachment A to this MHD Plan. Based on the characteristics of the RECO service territory, the CRMHD subprogram will prioritize Small Businesses.

MFR III (6): A commitment to participate in the EDC industry working group.

The Company is committed to participate in the EDC industry working group to be established by Board Staff.

MFR III (7): Outreach and Education plans.

RECO's Outreach and Education subprogram will focus on encouraging participation in RECO's NJFAS, CRMHD, and SCCNJ subprograms. Educating eligible applicants as to the benefits of managed charging, for both the electric system and the charger owner/operator, is critical to implementing the long-term transportation electrification ecosystem. *See* Attachment A to this MHD Plan for additional details on the Outreach and Education subprogram.

MFR III (8): Performance standards and procedures.

For the requirements set forth in subparts a, b, c, and e of this MFR, RECO's CRMHD subprogram requires execution of an agreement and adherence to each of these requirements in order to participate in the subprogram and receive incentives. For the requirement set forth in subpart d of this MFR, RECO's SCCNJ subprogram incentivizes charger usage that avoids EV charging during system peak periods. RECO will require SCCNJ subprogram participants to commit to charge at least 25% of their MHD EVs at the participating chargers. *See* Attachment A to this MHD Plan for additional details on the SCCNJ subprogram. For the requirement set forth in subpart f of this MFR, both the CRMHD and SCCNJ subprograms will require participants to agree to data sharing with RECO. *See* Attachment A to this MHD Plan for additional details.

MFR III (9): Proposed enforcement mechanisms.

RECO reserves the right to claw back any incentives paid to participants, in the event that participants do not comply with program requirements, as set forth in any program participant or other agreement. In addition, RECO reserves the right to deny enrollment to an applicant that has failed to meet program requirements in the past with respect to other projects.

MFR III (10): A process for approval of chargers to be installed on funded Make Ready.

The CRMHD subprogram approval process is set forth in Attachment A to this MHD Plan. In addition, the CRMHD subprogram requires that participants meet the requirements set forth in subparts a through f of this MFR.

MFR III (11): Technical and planning assistance for customers.

RECO's NJFAS subprogram will offer technical and planning assistance, including siting considerations, to commercial applicants that are considering installation of commercial chargers, including those at multi-unit dwellings ("MUDs") serving residential drivers. RECO views this program as a critical first step in the analysis and installation process and encourages all potential project developers/owner/operators to use NJFAS. RECO will focus outreach and education efforts on this subprogram to support successful installations. *See* Attachment A to this MHD Plan for additional details.

MFR III (12): EV Capacity Maps for each EDC's respective service territories.

RECO updates its Capacity Maps on a quarterly basis. The Capacity Maps display the available capacity for the installation of EV chargers, as well as the location of existing EV chargers. RECO will update its Capacity Map to include available capacity up to 3 MW and 5 MW. The Company supports the addition of an overhead or underground indicator and is reviewing whether the addition of this information will violate any Company standards as well as the cost to include this update. RECO will include an EV Capacity Maps update in its semi-annual reports.

MFR III (13): Projection reports regarding grid enhancements.

RECO will include an update to its grid enhancement projection reports in its semi-annual reports. RECO will develop projection reports as it learns of the locations of MHD fleets. Currently, RECO is unaware of any such MHD fleets.

MFR III (14): A process for providing charging data to the Board for all chargers installed on utility-funded Make-Ready infrastructure.

For the duration of its MHD Plan, RECO will obtain data from its Advanced Metering Infrastructure ("AMI") which it will provide to the Board. Participants that receive CRMHD incentives must agree to this data sharing as a condition of participation in the subprogram and to receive incentive payments. RECO will anonymize and aggregate the data and will provide it to the Board on a confidential basis in accordance with the State's compliant network process, once it is established. The data gathered, with the consent of the participant, shall include the location, make, model, nameplate, and count of chargers coupled with the AMI meter data. The combination of this data, to be reported as collected, can be analyzed to produce the data points listed in this MFR.

Using AMI data to satisfy this MFR is reasonable and cost-effective, particularly given the size of RECO's Incentive budget and corresponding proposed Administration budget. If RECO is required to collect data from each EV charger, the Company will need to hire a third-party data aggregator which is estimated to cost approximately $775,000 for the duration of the reporting period. Alternatively, RECO can develop an analysis using AMI data to provide charging insights that are similar to the data points listed in the MFR. RECO can work with Staff to develop this analysis, which will be detailed in RECO's Implementation Plan.

MFR III (15): Each EDC must propose, at the time of filing, a demand charge solution that addresses the unique needs of MHD EV charging.

MHD EV charging load will become increasingly significant. Programs that encourage shifting such load off-peak are critical to minimize the impact of MHD EV charging on the electric grid. RECO proposes SCCNJ, a four-year program that will provide managed charging incentives to EV charging sites that avoid charging during the four-hour system peak period. Until charger utilization increases to a level at which demand charges can be borne by a critical mass of EVs, demand charge solutions will support the financial viability of EV charger owner/operators. By encouraging management of MHD EV charging to avoid peak periods, fleet owner/operators can facilitate the adoption of beneficial charging behavior. RECO will use AMI data to pay incentives. Charging sites must be separately metered or be metered by a Company meter from which the Company is able to obtain billing quality data on which it calculates demand charges. *See* Attachment A to this MHD Plan for additional details.

MFR III (16): Each EDC must propose its own method to address demand charge concerns for Publicly-Accessible and Public-serving chargers.

RECO's SCCNJ managed charging subprogram offers demand charge support to participants with Publicly-Accessible and Public-serving chargers. This support, in the form of an incentive payment, will not only provide demand charge support, but also encourage beneficial charging behavior by incentivizing charging sites that avoid charging during system peak periods. MHD EV charging load will become increasingly significant and programs that encourage shifting load off-peak are critical to minimize the impact of MHD EV charging on the electric grid. Given the size and characteristics of the RECO service territory, particularly the modest potential for MHD charging sites, RECO proposes a managed charging program that is not administratively

complex; is user-friendly, easy to understand, and transparent; and allows participants to estimate the financial support potential more easily. See Attachment A to this MHD Plan for additional details.

MFR III (17): Each EDC must propose an incentive or managed rate for MHD and light-duty fleet EV chargers.

RECO's SCCNJ managed charging subprogram is available to all fleet EV chargers. SCCNJ will incentivize EV charging that avoids system peak periods and occurs instead at periods when electricity is less expensive. Given the size and characteristics of the RECO service territory, particularly the modest potential for MHD charging sites, RECO proposes a managed charging program that is not administratively complex; is user-friendly, easy to understand, and transparent; and allows participants to estimate the financial support potential more easily. *See* Attachment A to this MHD Plan for additional details.

RECO's MHD Plan meets the Minimum Filing Requirements in Section IV as follows:

MFR IV (1): Proposed programs to allow for co-location of MHD vehicle charging with load-modifying technologies.

RECO is not proposing any such additional programs.

MFR IV (2): Incentives and programs which will encourage Public and Public-serving fleets to participate in managed charging programs.

RECO's SCCNJ subprogram will be available to all fleets in the RECO service territory.

MFR IV (3): Managed charging programs for fleets that are otherwise not eligible for Make-Ready incentives.

RECO's SCCNJ subprogram will be available to all fleets in the RECO service territory.

MFR IV (4): Up to 50 percent incentives of the additional cost of installing interconnection-ready Make Ready for Public, Public-serving, and eligible Private Fleets.

RECO is not proposing any such additional incentives.

RECO's MHD Plan meets the Minimum Filing Requirements in Section V as follows:

MFR V (1): Cap on incentives available under MHD plans.

RECO will administer its MHD Plan so that it does not exceed the $5 million incentive cap set forth in the MHD EV Order. As discussed above, incentives will be available under the CRMHD and SCCNJ subprograms.

MFR V (2): In years 3 and 4 of the program, the Company may request an adjustment to its total incentive budget.

The Company will evaluate the need for such an adjustment based on its experience during the first two years of its MHD Plan.

MFR V (3): Reallocation of MHD Plan subprogram budgets.

The Company will evaluate the need for such reallocation based on its experience with its MHD Plan. If such budget reallocation is necessary, RECO will follow the process outlined in this MFR.

MFR V (4): Limitation on the incentive paid to a single entity.

In implementing its MHD Plan, RECO will comply with this incentive limitation.

MFR V (5): Applicants disclosure of public funding.

In implementing its MHD Plan, RECO will comply with this requirement.

PROPOSED COST RECOVERY

Consistent with the cost recovery process approved by the Board for the Company's current EV Program,[6] RECO proposes that until they are included in base rates, MHD Plan-related capital investments and operation and maintenance ("O&M") expenses shall be deferred and placed in a regulatory asset ("MHD Plan Regulatory Asset").

The MHD Plan's related capital investment costs will be deferred and included in the MHD Plan Regulatory Asset, including an amortization associated with new capital investments. In addition, the MHD Plan Regulatory Asset will earn a rate of return, which shall be deferred and included in the MHD Plan Regulatory Asset, based on the Company's Board-approved Weighted Average Cost of Capital ("WACC") in effect at the time of the deferral. The formula for the Monthly MHD Plan Regulatory Asset Deferral component of the MHD Plan Regulatory Asset is:

> Monthly Total MHD Plan Regulatory Asset Deferral = ((Pre-Tax Cost of Capital /12) * Average Monthly Rate Base) + Monthly Amortization Expense) + (Average Monthly Investment Deferral Balance * (Pre-Tax Cost of Capital /12)).

The term "Pre-Tax Cost of Capital" means RECO's pre-tax overall WACC in effect at the time of the deferral. WACC is assessed on the return on equity ("ROE"), long-term debt and capital

[6] *I/M/O the Petition of Rockland Electric Company for Approval of an Electric Vehicle Program, Establishment of an Electric Vehicle Surcharge, and for Other Relief*, BPU Docket No. EO20110730, Decision and Order Approving Stipulation (dated October 12, 2022), pp. 7-9.

structure approved by the Board in RECO's most recently approved base rate case. Any change in the WACC authorized by the Board in a subsequent base rate case will be applied to regulatory asset in subsequent periods. Also, any change to current tax rates will be reflected in the WACC in subsequent periods.

The term "Average Monthly Rate Base" refers to the total of the beginning and ending monthly balances for the following items, divided by 2:

- MHD Plan Regulatory Asset;
- Less the associated Accumulated Amortization; and
- Less the associated Accumulated Deferred Income Tax.

The term "Amortization Expense" provides for the recovery of RECO's Investment over ten years.

The MHD Plan-related capital investments costs, including those recorded in the MHD Plan Regulatory Asset, shall be reviewed for prudency and inclusion in base rates in the Company's next base rate case(s).

PROPOSED PROGRAM PLANS

The proposed budgets and targets are based on the demographics and transportation landscape in the RECO service territory. The Company's estimated MHD Plan Regulatory asset investments ("Investments") (*i.e.*, $5.30 million) and the estimated associated regulatory asset incremental operations and maintenance ("O&M") expenses (*i.e.*, $3.64 million) are set forth in the table below:

	THE MEDIUM-AND-HEAVY DUTY EV PROGRAM BUDGET (000s)							
Line #	Program Detail	PY1	PY2	PY3	PY4	PY5	PY6	Total
1	Charger Ready Medium-Heavy Duty (Investment)	$500	$750	$1,000	$1,250	$0	$0	$3,500
2	Smart Charge Commercial New Jersey (Investment)	$75	$250	$500	$675	$0	$0	$1,500
3	Software as a Service (SAAS) Setup (Investment)	$300	$0	$0	$0	$0	$0	$300
4	Annual (SAAS) Cost (O&M)	$250	$250	$250	$250	$100	$0	$1,100
5	Education and Outreach (O&M)	$25	$25	$25	$25	$0	$0	$100
6	Administrative Costs (O&M)	$546	$562	$580	$597	$90	$65	$2,440
7	Total	$1,696	$1,837	$2,355	$2,797	$190	$65	$8,940
Line #	Portfolio Category	PY1	PY2	PY3	PY4	PY5	PY6	Total
8	Investments (incentives and software setup)	$875	$1,000	$1,500	$1,925	$0	$0	$5,300
10	O&M (licenses, education and outreach)	$275	$275	$275	$275	$100	$0	$1,200
11	O&M (administrative cost)	$546	$562	$580	$597	$90	$65	$2,440
12	Portfolio Total	$1,696	$1,837	$2,355	$2,797	$190	$65	$8,940

The program budget includes the following:

Lines 1-and 2: Charger Ready Medium-Heavy Duty Incentives and SmartCharge Commercial New Jersey Incentives, which total $5 million, the cap set forth in the MHD EV Order for RECO.

Line 3: Software as a Service ("SAAS") setup is the estimated cost to modify the current online application portal RECO and O&R use to administer their current EV programs as well as the set up costs for the data aggregator to collect information required from the MFRs.

Line 4: The estimated annual SAAS cost to maintain the online portal and the data aggregator for the duration of the program and the expected period needed to complete all CRMHD projects.

Line 5: Annual Education and Outreach subprogram costs.

Line 6: The estimated Administrative Costs which includes the cost of incremental labor to administer the four subprograms. Costs reflected in PY 5 and PY 6 are for the administration of certain CRMHD applications that are completed within 24 months, if that period extends beyond the end of PY 4, and for the completion of the final semi-annual report which would be completed in the beginning of PY 5.

REPORTING

Semi-annual Reports. Beginning six months after the Board's approval of the Company's MHD Plan, and continuing every September and March thereafter for the duration of the MHD Plan, the Company will provide a semi-annual report on deployment of the EV Program ("EV Semi-Annual Report") to Board Staff and Rate Counsel, setting forth the following information:

- Uptimes for public charging;
- Status of projects requested;
- Number and total dollar amount of incentives paid;
- Number and total dollar amount of incentives in the queue including those paid, those approved for payment, those pending approval, and those awaiting action;
- Private Fleet electrification status:
    - Private Fleets shall report total average monthly Internal Combustion Engine ("ICE") miles currently traveled at time of request; and
    - Private Fleets shall report total ICE average monthly miles traveled and total EV average monthly miles traveled for report time frame;
- An update to the EV Capacity Maps;
- An update to projection reports required by the MFRs;
- Status and progress of technical and planning assistance, including but not limited to: Staffing levels, number of inquiries, projected loads, number of inquiries that have turned into projects, average load requested, average time to electrification projected, and the implementation of any load-modifying technologies; and

- Informational updates on RECO's progress identifying Last Resort locations and preparing any approved Last Resort locations for Make-Ready, including identifying any lease or other arrangements.

All public charger projects that receive CRMHD and/or SCCNJ incentives must provide uptime data to RECO on a semi-annual basis to be included in RECO's EV Semi-Annual Report.

ADDITIONAL COMMITMENTS

Public Funding. As noted in the Company's response to MFR V (5) above, the Company will require program participants to disclose if they are seeking public funding, and comply with the restrictions of this MFR.

Ownership of Last Resort. The Company may file a petition with the Board to own and operate EV Chargers and EVSE in areas of Last Resort, as defined in the MHD EV Order.

ATTACHMENT A

The New Jersey Fleet Assessment Service (NJFAS) subprogram will provide technical and planning assistance to support electrification of fleet vehicles, and installation of EV chargers at MUDs and MHD Depots by providing operators with estimated interconnection time and cost. Specifically, applicants provide the Company with a potential charging location and the potential load required. The Company will conduct a site assessment to determine the capacity of the local distribution system to handle the increased load. The Company then provides the applicant with a summary of the estimated interconnection time and cost, as well as other details including the available circuit and service load capacity.

New Jersey Fleet Assessment Service (NJFAS) Subprogram	
Eligibility	Developers, Site Hosts, MUDs, Manufacturers and Operators of Light Duty or Medium-Heavy Duty fleet vehicles located in the RECO service territory.
Assessment Considerations	The site feasibility analysis will be based on the maximum power draw of an electrified fleet to determine if the local distribution system can accommodate that increased load. RECO will assess the following: • Existing building, site, and circuit loads • Electric panels ▪ Location of existing electrical panels throughout the property ▪ Output voltage of existing electrical panels ▪ Approximate current loads of existing electrical panels ▪ Approximate headroom of each existing panel ▪ Approximate space in the area where an existing electrical panel is located to accommodate additional equipment • Output voltage of existing electrical panels • Current and historic site load usage • Circuit capacity • Charger location siting ▪ Evaluate proximity to existing power sources ▪ Network connections ▪ Potential trenching ▪ Cord management ▪ Lighting, visibility, signage

	▪ Accessibility requirements • Service transformer size • Customer electric service plan • Charger Ready Medium-Heavy Duty Program pre-eligibility • Current fleet make-up including number of EVs, number of non-EVs, truck class, average vehicle miles travelled, • Plans during the subsequent two years to replace non-EVs with EVs • Future expansion accommodations ▪ Flexible power capacity ▪ Load management solutions ▪ Incorporation of emerging technologies • *Additional information as required*
Final Product	The assessment will provide the applicant with a summary of the available circuit and service load data based on currently existing circumstances and confirm pre-eligibility for the Charger Ready Medium-Heavy Duty program.
Time Frame	The Fleet Assessment Services Subprogram will begin 30 days following the Board approval of the Company's MHD Plan and continue until four years from Board approval.

The Charger Ready Medium-Heavy Duty (CRMHD) subprogram will support the development of electric infrastructure and equipment necessary to accommodate the increased deployment of MHD EVs by reducing economic barriers through financial incentives to commercial customers installing charging infrastructure for MHD EVs. This subprogram will offset certain infrastructure costs required to prepare a site for EV charger installation in the RECO service territory.

Charger Ready Medium-Heavy Duty (CRMHD) Subprogram	
Program Term Budget for Incentives	$3,500,000
Eligibility	Site hosts must receive electric service from RECO. To qualify for an incentive, charging station hardware must be networked charging stations and certified by Underwriters Laboratories ("UL"). The Company will pre-qualify at least two manufacturers of networked charging equipment and charging network service providers for program eligibility. Site hosts may purchase the qualifying networked charging hardware and network technology of their choice. Site hosts and/or charging station owners and operators may control the price that drivers pay for charging services at their charging stations.
Equipment Eligibility	Eligible equipment under the MHD Plan will support the development of Level 2 and Level 3 (Direct Current Fast Charger) chargers and will be limited to two categories of infrastructure: 1. **Utility-side Infrastructure:** Utility electric infrastructure needed to connect and deliver power to a new EV charger. This includes equipment above the customer's entitlement that would typically be borne by the Participant. Equipment includes traditional distribution infrastructure such as step-down transformers, overhead service lines, and utility meters. 2. **Customer-side Infrastructure:** Defined as equipment or infrastructure necessary to prepare a site ready to accept an EV charger and is owned by the Developer, Equipment Owner, or Site Host. This may include service panels, junction boxes, conduit, and wiring necessary to make a location able to accommodate an EV charger on a "plug and play" basis. The costs of EV chargers and equipment directly associated with the charger(s) will not be eligible for incentives under the Company's MHD Plan.
Program Eligibility	Commercial customers in the RECO service territory who wish to participate in the Company's MHD Plan will be required to apply for the program via the Company's online application portal. The following criteria must be met for a project to be eligible for the ChargerReady Medium-Heavy Duty Subprogram: • Eligible sites include:

	○ Publicly accessible medium-heavy duty charging depots; ○ Public fleets owned and operated by government entities; ○ Public serving fleets such as public transportation; ○ Private fleet charging depots that are located or primarily operate in Overburdened Municipalities ("OBMs") or in Overburdened Communities ("OBCs"); and ○ Private fleet charging depots. • Applicants must have a completed fleet assessment through RECO's Fleet Assessment Service program. • Publicly-Accessible project sites must contain at least two non-proprietary plugs. • Charging station hardware must be networked and UL certified. • Chargers must meet federal uptime requirements of 97 percent. • Private fleets must show a 25% reduction in emissions miles over two years. • Use an approved charger from the Approved Charger List. Applicants must confirm, at the time of application, that the chargers to be installed and incentivized have the following: ○ The ability to collect all required data to be shared with the NJBPU as required by the MHD EV Order; ○ Whether chargers to be installed are single or dual port; ○ Will install at least 1 CCS port; ○ Use a network service provider that is on the State's qualified network service provider list; ○ Level 1 and Level 2 chargers must be Energy Star compliant; and ○ Chargers must remain operational for a minimum of five (5) years after installation, to be monitored via data reporting. Applicants for Private Fleet Chargers must participate in the SCCNJ subprogram after energization. • Chargers at a site must be separately metered or be metered by a Company meter from which the Company is able to pull billing quality data on which to calculate demand charges. • Installation of Make Ready infrastructure must be completed within 18 months of receiving a request from an application. Participants have an opportunity for a six (6) month extension to address supply chain delays. • Participants must agree to provide all required data.

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Participants must execute a program agreement.
Participants who do not adhere to program requirements, as set forth in the program agreement and related documents, may be subject to clawback of prior incentives, withholding of current incentive payments, and may be prohibited from submitting additional applications to the CRMHD program for a specified period of time.
To receive CRMHD incentives, customers must agree to permit the Company to share their AMI data, related to the meter associated with their EV charger, with the Board on a confidential basis, as part of program reporting.

</td></tr>
<tr><td>Incentive Tiers</td><td>
<table>
<tr><th>Tier</th><th>Eligible Project Criteria</th></tr>
<tr><td>Up to 50%</td><td>Private Fleet Charging in OBMs or OBCs directly adjacent to federally designated Freight EV Corridors. Must show that they primarily operate within designated area for at least 51% of the vehicle miles traveled.</td></tr>
<tr><td>Up to 75%</td><td>Priority Sites are private fleets located in OBMs or OBCs, Small Businesses with less than 25 employees or less than $5 million in annual revenue and no other medium-heavy duty projects within 15 miles. Priority sites to be determined at time of eligibility review.</td></tr>
<tr><td>Up to 100%</td><td>Publicly accessible charging depots, public fleets, and public serving charging</td></tr>
</table>
<table>
<tr><th rowspan="2">Tier</th><th colspan="2">Base Cost Cap</th></tr>
<tr><td>Utility Side Costs</td><td>Customer Side Costs</td></tr>
<tr><td>Up to 50%</td><td>$13.06 per kW</td><td>$331.21 per kW</td></tr>
<tr><td>Up to 75%</td><td>$19.58 per kW</td><td>$496.85 per kW</td></tr>
<tr><td>Up to 100%</td><td>$26.11 per kW</td><td>$662.47 per kW</td></tr>
</table>
*Detailed average cost breakdown per charger is set forth below.
</td></tr>
<tr><td>Time Frame:</td><td>Spending for the Charger Ready Medium Heavy Duty Subprogram will begin 90 days following the Program Effective Date, through the earlier of the exhaustion of the Charger Ready Medium Heavy Duty Subprogram Incentive budget or after four years from Board approval.</td></tr>
</table>

To determine the average customer side and utility side costs for EV chargers of varying capacities set forth below, RECO aggregated make ready cost data from its Charger Ready Light Duty program, O&R's New York Power Ready program, and O&R's New York Medium-Heavy Duty Pilot program. RECO averaged that total cost data over the total nameplate of the

corresponding chargers to calculate the average $/kW, which was used to determine the average costs for the charger capacity listed below.

Charger Ready Medium-Heavy Duty (CRMHD) Subprogram Average Costs		
Charger kW	**Average Utility Side Cost**	**Average Customer Side Cost**
<50kW	$783.30	$19,874.14
50kW	$1,305.50	$33,123.50
100kW	$2,611.00	$66,247
150kW	$3,916.50	$99,370.50
350kW	$9,318.50	$231,864.50

The SmartCharge Commercial New Jersey (SCCNJ) subprogram is a managed charging program that will offer operating cost support for demand charges incurred by commercial chargers by incentivizing the reduction of charging load during peak periods. Varying levels of incentives will be provided based upon use cases including publicly accessible MHD charging depots, public-serving chargers, and fleet chargers.

SmartCharge Commercial New Jersey (SCCNJ) Subprogram	
Program Term Budget for Incentives	$1,500,000
Equipment Eligibility	• The SCCNJ subprogram is available to charger owner/operators with charging sites at which chargers serve public fleets, public-serving fleets, private fleets, or are publicly accessible MHD charging depots. • Chargers at a site must be separately metered or be metered by a Company meter from which the Company is able to obtain billing quality data on which it calculates demand charges.
Program Eligibility	Commercial customers, or charger owner/operators with customer authorization, in the RECO service territory who wish to participate in the SCCNJ subprogram will be required to apply for the program via the Company's online application portal. Upon completion of the CRMHD subprogram, participants will be required to participate in the SCCNJ subprogram. The following criteria must be met for a project to be eligible for the SCCNJ subprogram: • Participants that received an incentive from the CRMHD subprogram must continue to meet all CRMHD data reporting and other requirements; • Participants must be separately metered or metered by a Company meter that provides billing quality data which the Company uses to calculate demand charges, subject to Company verification; • Participants must agree to provide all required data to RECO for the duration of the subprogram; • Participants must execute a program agreement; and • At least 25% of a participant's fleet must charge at EV chargers that participate in the SCCNJ subprogram. To receive SCCNJ incentives, participants must agree to permit the Company to share their AMI data, related to the meter associated with their EV charger, with the Board on a confidential basis, as part of program reporting.

	Participants cannot also participate in RECO's DCFC PPI program. Participants may participate in RECO's DCFC PPI-BGS program.
Incentives	Participants that manage charging by charging off peak and avoid charging during system peak periods during a billing cycle will receive an incentive equal to a percentage of the demand (kW) charges for that bill cycle. This incentive will be calculated monthly and paid on an annual basis, based on the prior twelve bill cycles. The incentive percentage is based on the applicable CRMHD tiers and is as follows: • Up to 50% tier: Participants receive an incentive equal to 50% of the demand charge for the billing cycle; • Up to 75% tier: Participants receive an incentive equal to 75% of the demand charge for the billing cycle; and • Up to 100% tier: Participants receive an incentive equal to 100% of the demand charge for the billing cycle. Incentive payments will be paid on an annual basis, based on the previous 12 billing cycles, via check. Participants who did not participate in the CRMHD subprogram will receive an incentive based on the CRMHD tier they are eligible for. Participants must agree to share all required data with the Company, including the number of vehicle miles traveled by ICE vehicles and EVs. Participants that do not share this data will be removed from program. Participants who do not adhere to the above may be subject to a clawback of prior incentives, withholding of current incentive payments, and removal from the program for a specified period of time.
Time Frame:	Spending for the SCCNJ subprogram will begin 90 days following the Program Effective Date, through the earlier of the exhaustion of the SCCNJ subprogram incentive budget or after four years from Board approval.

The Outreach and Education subprogram is a comprehensive approach to educating and marketing to potential EV MHD subprogram participants to encourage increased deployment of EV chargers and adoption of MHD EVs.

Outreach and Education Subprogram	
Program Term Budget for Incentives	$100,000
Marketing and Outreach Channels	**Digital Marketing** • **Website and Online Portals**: Include dedicated sections on the RECO website to provide detailed information about each subprogram. Include FAQs, instructional videos, and program guides. • **Social Media**: Utilize platforms such as Facebook, X, LinkedIn, and Instagram to share updates, success stories, and educational content. Use targeted ads to reach specific demographics. Use targeted ads to reach specific demographics, such as fleet operators and business owners. • **Email Campaigns**: Send regular newsletters and updates to existing customers and potential participants. Highlight the benefits of each subprogram, provide links to additional resources, and include testimonials from satisfied customers. Segment the email list to tailor messages to different customer groups, such as fleet operators, small businesses, and large corporations. **Traditional Marketing** 1. **Print Collateral**: Distribute brochures, flyers, and posters in community centers, libraries, local businesses, and events. Include information about the subprograms, benefits, and how to participate. Use visually appealing designs and clear, concise messaging to capture attention. 2. **Bill Inserts**: Include informational inserts in monthly utility bills to reach all customers directly. Highlight key benefits and provide a call-to-action to visit the website or contact customer service for more information. **In-Person Engagement** 3. **Community Events**: Attend local events, fairs, and town hall meetings to engage with the community and provide information about the subprograms. Set up booths with interactive displays, brochures, and knowledgeable staff to answer questions. Offer incentives, such as promotional items or discounts, to encourage participation.

	4. **Meetings & Presentations**: Organize regular meetings and presentations to provide updates and detailed information about the subprograms. Use visual aids, such as slides and videos, to enhance the presentations and engage the audience. **Media Outreach** 5. **Press Releases**: Issue press releases to local media outlets to announce the launch of the subprograms and highlight key milestones and success stories. Include quotes from company executives and satisfied customers to add credibility and human interest. 6. **Media Coverage**: Arrange interviews with local news stations and newspapers to discuss the benefits of the subprograms and encourage participation. **Evaluation and Feedback** 7. **Surveys and Feedback Forms**: Collect feedback from participants to evaluate the subprograms' effectiveness and identify areas for improvement. 8. **Performance Metrics**: Track key performance indicators such as website traffic, social media engagement, email open rates, and participation rates to measure the success of the outreach plan. Use this data to make informed decisions and adjust strategies as needed.
Subprogram-Specific Strategies	**CRMHD Subprogram** • **Targeted Advertising**: Use digital and print ads to reach fleet operators and businesses that operate medium-heavy duty vehicles. Highlight the environmental and financial benefits of transitioning to electric vehicles. • **Case Studies**: Share success stories and case studies of businesses that have benefited from the subprogram. Highlight the challenges they faced, the solutions implemented, and the positive outcomes achieved. Use these case studies in marketing materials, on the website, and in presentations. **NJFAS Subprogram** • **Personalized Outreach**: Contact fleet operators and other eligible entities directly to offer the Fleet Assessment Service. Provide detailed assessments and recommendations to help them transition to electric vehicles. Follow up with personalized emails and phone calls to answer questions and provide additional support.

	• **Webinars**: Host webinars to educate fleet operators and other eligible entities about the benefits of the Fleet Assessment Service and how to participate. Include presentations from industry experts, case studies, and Q&A sessions. Record the webinars and make them available on the website for on-demand viewing. **SCCNJ Subprogram** • **Incentive Programs**: Promote the financial incentives available through the SCCNJ subprogram. Highlight the cost savings and environmental benefits of participating. Provide detailed information on how to apply for these incentives and the eligibility criteria. • **Partnerships**: Partner with local businesses, industry associations, and community organizations to promote the subprogram and encourage participation. Collaborate on joint marketing efforts, such as co-branded materials, events, and webinars. This customer education and outreach subprogram is designed to effectively communicate the benefits and opportunities of the CRMHD subprogram, NJFAS subprogram, and SCCNJ subprogram to RECO's customers. By utilizing a mix of digital, traditional, and in-person engagement tactics, RECO will foster a deeper understanding and encourage active participation in these initiatives.
Time Frame:	Spending for the Outreach and Education subprogram will begin 30 days following the Program Effective Date, through exhaustion of the Outreach and Education subprogram budget or after four years from Board approval.

ATTACHMENT B

MHD EV Definitions

The following words and terms, as used in the MHD EV minimum filing requirements ("MFRs"), shall have the following meanings, unless the context clearly indicates otherwise.

- "Combined Charging System charging port" or "CCS port" refers to a DCFC charging port consisting of a SAE J1772 plug and a direct current plug. CCS chargers are able to provide up to 350kW of charge (over 500 miles) in half an hour. All manufacturers with the exception of Nissan, Tesla, and Mitsubishi have a CCS port. Nissan, Tesla, and Mitsubishi's ports are different shapes and have different charging mechanisms, so users are unable to plug into a CCS charger. To charge an EV with a CCS port, the user plugs the CCS cable from the charger into the CCS port on their car.
- "Demand charges" are an existing feature of many commercial and industrial rates whereby large users of the electric system pay for their contribution to the fixed costs of operating the electric system. In most cases, Demand Charges are set at a customer's peak annual usage.
- "Direct Current Fast Charger" or a "level 3 charger" means a 50kW or greater charger that enables rapid charging by delivering direct-current ("DC") electricity directly to an EV's battery. Also DCFC
- "Dual-port charger" means a charger with two (2) ports.
- "Electric Vehicle Supply Equipment" or "EVSE" means a device with one (1) or more charging ports and connectors for charging EVs.
- "Energy Star" refers to the government-backed symbol for energy efficiency, as administered by the US Environmental Protection Agency.
- "EV Capacity Map" refers to up-to-date infrastructure mapping which illustrates areas in which EV charging equipment is well suited for installation due to underutilization of the grid, and areas in need of upgrades to support the additional supply required for EV charging to reflect EV capacity.
- "EV Ecosystem" or "Ecosystem" refers to all physical equipment necessary to charge a vehicle (light-, medium-, or heavy-duty), which includes the EVSE (i.e., "charging station infrastructure"), the Make-Ready portion of the electrical system, and distribution upgrades on the utility-side of the meter and any customer-owned support equipment needed for reliable, resilient, and cost effective ongoing operation of the charging services.
- "EVSE Infrastructure Company" refers to an entity using private capital to deploy EVSE (*i.e.*,"charging station infrastructure"). An EVSE Infrastructure Company cannot be an EDC, affiliated with an EDC, or an entity controlled by an EDC, unless otherwise approved by the Board.
- "Fleet" refers to vehicles owned or operated by a single entity, serving a specific purpose, with defined roles or tasks.
- "Freight EV Corridors" means corridors named by the United States Department of Transportation ("USDOT") or nominated by the State of New Jersey and approved by USDOT these may be nominated as part of the Alternative Fuel Corridors nominations or other processes designated by USDOT.

- “Government entity” means a customer that is a State entity, school district, county, county agency, county authority, municipality, municipal agency, municipal authority, New Jersey public college, New Jersey public university or any other entity managed by government.
- “Heavy-Duty Vehicle” means any motor vehicle having a manufacturer’s gross vehicle weight rating greater than 26,001 pounds (classes 7 and 8). Examples include, but are not limited to tractor-trailers, city transit buses, mobile cranes, cement mixers, refuse trucks, and tractors designed to pull refrigerated trailers, dry vans, and other equipment. This definition aligns with the Federal Highway Administration’s definition of a heavy- duty vehicle.
- “High-Powered DC Fast Charger” means EVSE that provides at least 150 kW of direct current electrical power for charging a plug-in EV through a connector based on fast charging equipment standards, and which is approved for installation for that purpose under the National Electric Code through an Underwriters Laboratories Certification or an equivalent certifying organization.
- “Last Resort” refers to locations that have not generated private investment interest in EV charging stations for a minimum of eighteen (18) months after an EDC program has begun for overburdened municipalities, or twenty-four (24) months for other areas.
- “Level 1 charger” refers to a charger that plugs into a common, residential 120V AC outlet. Colloquially this is referred to as “trickle charging” or “slow charging” due to the slow charging speed. An EV may take four (4) to fifty (50) hours to fully charge depending on battery and vehicle size. A Level 1 charger typically comes with an EV and can be plugged into any outlet without modifications.
- “Level 2 charger” refers to a charger that plugs into a 240V or 208V AC outlet. This is voltage that many household appliances like ovens or washer/dryers use, so installing a Level 2 residential charger is possible though some electrical re-wiring may be needed. A Level 2 charger typically takes four (4) to ten (10) hours to fully charge an EV depending on battery and vehicle size.
- “Light-Duty Fleet” refers to a group of light-duty vehicles, as defined below, which perform a specific function to transport goods or people.
- “Light-Duty Vehicle” means any motor vehicle weighing less than 10,000 pounds (classes 1 and 2). Light-duty vehicles are further divided between vehicles classified by federal emission control regulations as either passenger cars or trucks. This definition aligns with the Federal Highway Administration’s definition of a light- duty vehicle.
- “Load-modifying technologies” refers to any technology that allows for modifying an electrical load, including but not limited to, energy storage devices, renewable energy generation sources, or other distributed energy resources.
- “Make Ready” means the pre-wiring of electrical infrastructure at a parking space, or set of parking spaces, to facilitate easy and cost-efficient future installation of EVSE, including, but not limited to, Level 2 EVSE and DC Fast Chargers. “Make Ready” includes expenses related to service panels, junction boxes, conduit, wiring, etc., necessary to make a particular location able to accommodate EVSE on a “plug and play” basis. “Make Ready” is synonymous with the term “Charger ready,” as defined in the EV Act. May also be “Make-Ready” when modifying another word.

- “Managed charging” is a proposed incentive or rate to incent charging to occur during off –peak periods to maximize availability of existing infrastructure and put downward pressure on distribution rates.
- “Medium-Duty Vehicle” means any motor vehicle which weigh between 10,001 and 26,000 pounds, including trucks with two (2) or more axles or with six (6) or more tires (classes 3-6). Medium-duty fleet vehicles are further divided between vehicles classified by federal emission control regulations and serve a specific function that is pre-determined by the fleet owner or operator. Examples include delivery vans, firetrucks, and school buses. This definition aligns with the Federal Highway Administration’s definition of a medium- duty vehicle.
- “MHD EV Ecosystem” or “MHD Ecosystem” refers to all of the physical equipment necessary to charge an MHD vehicle, which includes the EVSE (i.e., “charging station infrastructure”), the Make-Ready portion of the electrical system, as well as distribution upgrades on the utility-side of the meter and any customer-owned support equipment needed for reliable, resilient, and cost effective ongoing operation of the charging services.
- “Network interoperability” is the continuous ability to send and receive data among the interconnected EV charging networks, providing the quality level expected by the customer without any negative impact to the sending and receiving networks. Interoperability refers to the compatibility of key system components—vehicles, charging stations, charging networks, and the grid—and the software systems that support them, allowing all components to work seamlessly and effectively.
- “Overburdened Community” or “OBC” means a Census Block as defined by the New Jersey Department of Environmental Protection pursuant to New Jersey’s Environmental Justice Law, N.J.S.A. 13:1D-157.
- “Overburdened Municipality” or “OBM” is defined by BPU’s Office of Clean Energy Equity. The definition is presently a municipality that has over fifty percent (50%) of its population living in an Overburdened Community Census Block as defined by the New Jersey Department of Environmental Protection pursuant to New Jersey’s Environmental Justice Law, N.J.S.A. 13:1D-157; and the municipality has either (i) over thirty-five percent (35%) of the population living under 200% of the poverty level according to U.S. Census 2019 ACS data; or (ii) the municipality is categorized as “distressed” according to the New Jersey Department of Community Affairs (“DCA”) based on their score using the DCA’s Municipal Revitalization Index score [a score of forty (40) or higher means the municipality is “distressed” under the DCA’s Municipal Revitalization Index criteria]. A list of eligible OBMs is available on the Board’s website.44
- “Port” is the energy-dispensing circuit that terminates to a standard coupler through conductive or wireless methods of the charging station that connects to the EV, defined as the number of simultaneously operable connectors at the rated power. Synonymous with “Charging Port.”
- “Private Fleet” is a fleet of vehicles owned by a private entity.
- “Private Fleet Charging Depot” refers to a charger, or bank of chargers, that is available to, but not limited to, MHD vehicles which are not Public or Public-serving fleet charging locations. Such chargers are owned and operated by a site owner, property manager or management company, or EVSE Infrastructure Company and enrolled in a managed charging program approved by the Board.

- “Proprietary charging connector” is defined as a charging connector that is incompatible with vehicles that utilize a “standard connector port” as defined in this section.
- “Public fleets” are those vehicle fleets that are owned and operated by a government entity.
- “Public-serving fleets” are those vehicle fleets that are operated by a government entity or that provide a public service (i.e. public transportation, school buses, public works fleets, police fleets, etc.).
- “Public-serving charging” refers to a charger, or bank of chargers, that is utilized by government or Public-serving Light-Duty Fleets and/or MHD vehicles and/or other vehicles. This includes, but is not limited to, government fleets, NJ Transit, buses that serve NJ Transit routes, school buses, and other para-transit vehicles.
- “Publicly-Accessible MHD Charging” refers to a charger or charger bank that is available and accessible to, but not limited to, MHD vehicles that the public can utilize on a drive-up, subscription, or scheduled basis. Such depots must be accessible twenty-four (24) hours a day, seven days a week and be listed on the United States Department of Energy Alternative Fueling Station Locator. Accessible to MHD includes but is not limited to utilizing pull through stalls. Such chargers are owned and operated by a site owner, property manager, or management company, EVSE Infrastructure Company or, in limited cases as approved by the board, an EDC
- “Site owner and operator” means site host, property manager, the utility customer of record, an EVSE Infrastructure Company, or an EDC with Board approval that is responsible for installing, owning, operating, and maintaining EVSE on the premises. The site host may or may not be the same entity as the station operator. Synonymous with “Charging site owner and operator.”
- “Small business” is defined as twenty-five (25) employees or less than $5 million in annual revenue.
- “Standard connector port” is defined as a port that meets the non-proprietary technical specifications, including Combined Charging System (“CCS”) and Charge de Move (“CHAdeMO”) connectors for DC Fast Charger stations and SAE J1772 connectors for Level 2 charging stations. Ports that are applicable for USDOT National Electric Vehicle Infrastructure (“NEVI”) funds will be considered standard connector ports, including but not limited to J3400 when included with a CCS1 port.
- “Time to electrification” refers to the time projected from date of application to date of commercial operation.
- “Total project cost” refers to the combined costs of the Make Ready, installation, charger, permitting, and required signage costs for a project.
- “Vehicles in operation” or “VIO” refers to an estimate for the number of vehicles currently on the road.
- “Vehicle miles traveled” or “VMT” is a calculation of the total miles traveled by vehicles on the roadway.

BPU Docket No. QO21060946

TESTIMONY OF ROCKLAND ELECTRIC COMPANY
MEDIUM AND HEAVY DUTY
ELECTRIC VEHICLE PLAN PANEL

TABLE OF CONTENTS

I. INTRODUCTION

Q. Would the members of the Medium and Heavy Duty ("MHD") Electric Vehicle ("EV") Plan Panel ("Panel") please state their names and business addresses?

A. The Panel is comprised of two individuals – Andrew R. Farrell and JoAnne Seibel.

(Farrell) I will serve as chair of the Panel. My business address is 390 West Route 59, Spring Valley, New York 10977.

(Seibel) My business address is 390 West Route 59, Spring Valley, New York 10977.

Q. By whom are the Panel members employed?

A. (Farrell) I am employed by Orange and Rockland Utilities, Inc ("O&R"), the corporate parent of Rockland Electric Company ("RECO" or the "Company").

(Seibel) I am employed by O&R.

Q. In what capacity are the Panel members employed and what are their professional backgrounds and qualifications?

A. (Farrell) I am Director of the E-Mobility ("EM") organization. I have been employed at O&R for six years, leading the EM organization since 2022. While leading the EM organization, it has received the following four national awards: (1) 2024 National EV Best Practices Award by Chartwell, whose National EV Leadership Council enhances utilities' role as a trusted transportation advisor, (2) 2024 Groundbreaking Program Award Residential EV Program recognized by AESP, energy professionals dedicated to building a sustainable energy future

through collaboration, (3) 2023 Achievement Award for Innovation for EV Charger Siting innovation recognized by AEIC, the electric industry's longest-serving and preeminent association founded by Thomas Edison, and (4) 2022 National Customer Engagement Award Electrification tools honored at Reliability One by PA Consulting, a group dedicated to the power of ingenuity to build a positive human future. Prior to my current position, I held a position in Regulatory Policy at O&R. Prior to that position I had been employed at RECO's affiliate, Consolidated Edison Company of New York, Inc. ("Con Edison"), for seven years; holding positions in Gas Operations, Business Intelligence, and Commodity Forecasting. The EM organization has governance and oversight for the initiatives that O&R and RECO undertake related to electric transportation including implementation of the programs that support New Jersey's energy policy goals. The EM organization is responsible for implementing programs that enable EV adoption, charging infrastructure installation, and grid beneficial charging to support New Jersey's Energy Master Plan ("EMP") and New York State's Climate Leadership and Community Protection Act's requirements. The EM organization consists of four primary teams including an EV Infrastructure Team, a Grid Efficient Charging Team, a Business Development Team, and a Strategy & Policy Team established to coordinate and align the Company's implementation efforts on the electrification of transportation with Company and EMP policy. I hold a Master's degree in Climate and Society from Columbia

University, and a Bachelor of Science degree in Physics, as well as a Bachelor of Arts degree in Mathematics from Rowan University.

A. (Seibel) In February 2025, I became Section Manager of EM's Strategy & Policy Team. The team is responsible for developing strategy and policy to support the electrification of transportation to support a clean energy future. Prior to my current role, I was the Section Manager of EM's Grid Efficient Charging Team. The team is responsible for implementing and administering managed charging programs, EV Charger operating cost relief programs, and rates programs. Prior to joining EM, I worked as a Project Specialist in Distributed Resource Integration – Clean Energy Planning team developing policy and strategy in furtherance of the Company's and state clean energy goals. I hold a Bachelor of Arts degree in Accounting and Business Administration from Muhlenberg College, a Juris Doctorate from Brooklyn Law School, and a Master of Laws in Taxation from New York University School of Law.

II. PURPOSE OF TESTIMONY

Q. What is the purpose of the Panel's testimony?

A. The Panel supports the Company's accompanying Verified Petition in compliance with the Board of Public Utilities' ("Board") MHD EV Order.[1] The Panel presents an overview of RECO's proposed MHD Plan that is designed to comply

[1] I*/M/O Medium and Heavy Duty Electric Charging Ecosystem*, BPU Docket No. QO21060946, Order (dated October 23, 2024, as amended October 28, 2024) ("MHD EV Order").

with the MHD EV Order by furthering the adoption of MHD EVs in the RECO service territory and supporting the attainment of New Jersey's goals for MHD EV deployment and the reduction of greenhouse gas ("GHG") emissions. RECO's MHD Plan, a copy of which is an attachment to the Verified Petition, consists of four subprograms, including an outreach and education subprogram, that, when combined, are intended to reduce the costs to customers of owning and operating MHD EVs and EV chargers, increase consumer awareness of MHD EVs, and encourage charging behavior which minimizes system impacts.

Q. Is the Panel sponsoring any exhibits?

A. No. The Panel does support both the Petition and the MHD Plan. Details of the four subprograms are set forth in Attachment A to the MHD Plan.

Q. Please provide an overview of the components of RECO's proposed MHD Plan.

A. The Company is proposing a comprehensive $8.9 million MHD Plan consisting of the four separate subprograms described below. These four subprograms contain capital and regulatory asset components, as set forth in the MHD Plan.

1. **NJFAS** – The NJFAS subprogram will provide technical and planning assistance to support customers seeking electrical service for EV chargers for multi-unit dwellings ("MUDs") and fleet vehicles, and for installation at publicly-accessible MHD Depots by providing applicants with estimated interconnection time and cost, empowering customers with information required to make electrification decisions. Specifically, applicants provide the Company with a potential charging location and the potential load required

(which can be provided in kW, charger count, or vehicle count). The Company will conduct a site assessment to determine the capacity of the local distribution system to handle the increased load. The Company then provides the applicant with a summary of the estimated interconnection time and cost, as well as other details including the available circuit and service load capacity. The publication of EV Capacity Maps will also be included in this subprogram. See Attachment A of this MHD Plan for the specific details of this subprogram.

2. **CRMHD** – This subprogram will support the development of electric infrastructure and equipment necessary to accommodate the increased deployment of MHD EVs by reducing economic barriers through financial incentives to commercial customers installing charging infrastructure for MHD EVs. This subprogram supports a shared responsibility model in which the electric distribution companies ("EDCs") work with third parties to increase deployment of EVSE, sharing the financial, operational, and other responsibilities needed to increase such deployment. The CRMHD subprogram will offset certain infrastructure costs required to prepare a site for EV charger installation in the RECO service territory. The details of the CRMHD subprogram are set forth in Attachment A to the MHD Plan.

3. **SCCNJ** – This subprogram will offer operating cost relief for demand charges incurred by commercial chargers by incentivizing the reduction of charging load during peak periods. Varying levels of incentives will be provided based

upon use cases including publicly accessible MHD charging depots, public-serving chargers, and fleet chargers. The details of the SCCNJ subprogram are set forth in Attachment A to the MHD Plan.

4. **Outreach and Education –** This subprogram aims to inform and engage customers about the Company's NJFAS, CRMHD, and SCCNJ subprograms. By leveraging a variety of marketing and outreach channels, RECO will encourage broad awareness and participation, ultimately contributing to New Jersey's goals for a cleaner and more sustainable transportation ecosystem. The details of the Outreach and Education subprogram are set forth in Attachment A to the MHD Plan.

Q. What is the duration of the MHD Plan?

A. As directed by the MHD EV Order, the MHD Plan is to have a duration of forty-eight months following Board approval. The Company anticipates that completion of certain of the projects approved as part of the Company's MHD Plan, and the Company's payout of the associated incentives, will not occur until after the end of this forty-eight month period.

Q. How will these subprograms assist New Jersey in meeting its clean energy goals?

A. Consistent with the State Energy Master Plan ("EMP"), the EV law,[2] Northeast States for Coordinated Air Use Management Memorandum of Understanding

[2] Title 48. Chapter 25. (New) Electric Vehicles §§1-11 - C.48:25-1 to 48:25-11.

("NESCAUM MOU"),[3] Advanced Clean Truck Program ("ACT"),[4] and the Global Warming Response Act ("GWRA") 80x50 Report,[5] RECO's MHD EV offerings will encourage transportation electrification which will help achieve New Jersey's clean energy goals. RECO's proposed MHD Plan is designed specifically to support RECO's customer base and the recommendations of the NESCAUM MOU, ACT, and GWRA 80x50 Report to increase MHD EV adoption rates. The proposed budgets and targets are based on the demographics and transportation landscape in the RECO service territory. The Company's proposed offerings support adoption of MHD EVs in all sectors of New Jersey's economy, including commercial customers located in or adjacent to overburdened communities – those most impacted by air pollutants and GHG emissions.

Q. What experience is RECO leveraging in the design of the MHD Plan?

A. The Company is leveraging the experience of its affiliates, O&R and Con Edison. The proposed programs build upon the experience of designing their New York EV programs and incorporate lessons learned. By modeling RECO's programs on these New York programs, the Company can leverage its knowledge and experience, as well as streamline program launch and administration.

[3] Multi-State Medium- and Heavy-Duty Zero-Emission Vehicle Memorandum of Understanding (July 2020), https://www.nescaum.org/documents/MHD vehicle-zev-mou-20220329.pdf ("NESCAUM MOU").
[4] 55 N.J.R. 1773(a) (Aug. 21, 2023)
[5] New Jersey Department of Environmental Protection ("NJDEP") New Jersey's Global Warming Response Act 80x50 Report, released October 15, 2020 ("GWRA 80x50 Report")

Q. Will the Company's proposed MHD Plan support the growth of New Jersey's green economy?

A. Yes. RECO's proposed MHD Plan supports the EMP's Clean Energy Innovation Economy by facilitating the growth of the jobs and skill sets necessary to achieve New Jersey's green economy. Implementing the MHD Plan will require support from a diverse set of internal and external workers. The work required to build out the charging infrastructure to supply the electrified transportation sector will include: marketing and selling public and private MHD EV charging stations; planning for and implementing electric infrastructure upgrades; installing public and private charging stations; monitoring, operating and maintaining the chargers; and supporting fleet operators as they transition to an MHD EV fleet.

Q. Please discuss the flexibility that the Company is proposing for implementing the MHD Plan.

A. The Company is proposing a flexible program that will allow the Company to address the evolving MHD EV market needs, technology, and consumer behavior by shifting budgets among offerings or programs over the term of the MHD Plan. RECO requests the ability to shift funds into a better performing program from a lesser performing program. This will allow for continued MHD EV market growth, especially given the relatively nascent nature of MHD EV infrastructure programs.

Q. Will the MHD Plan provide customer and societal benefits?

A. Yes. RECO's proposed MHD Plan will have customer and societal benefits. Reduction in GHG emissions from transportation is critical to meeting New Jersey's 80x50 emission reduction goal. MHD vehicles contribute a disproportionate share of the GHG emissions from the transportation sector.[6] The NJFAS and CRMHD subprograms will assist in accelerating the build out of commercial MHD EV charging stations by providing tailored information that can be used to make an informed decision. These subprograms also will reduce economic barriers through lowering upfront capital costs for new EV charger installations, respectively, as well as increasing fleet and publicly accessible charging infrastructure. The SCCNJ subprogram is a managed charging offering designed to encourage off-peak consumption, which will allow the Company to optimize the electric grid by shifting MHD EV electric consumption to periods of low demand. The education and outreach offerings (including digital and traditional marketing, in-person engagement, and media outreach) will increase customer awareness of MHD EVs and charging availability, encourage grid beneficial charging behavior, address range anxiety, and ultimately encourage MHD EV adoption.

Q. Please explain how the MHD Plan would mitigate certain barriers for MHD EVs.

A. There are numerous barriers that impede MHD EV purchases, some that the EDCs can assist with, and others that the EDCs cannot. The MHD Plan is

[6] MHD EV Order, p. 2.

intended to address the barriers that the Company can assist in removing, including: providing site capacity data, increasing publicly accessible charging stations, decreasing charging costs through incentives that encourage off-peak charging when rates are lower and the electric grid has spare capacity, and increasing customer awareness of available incentives and potential savings opportunities. Other market participants, such as automobile original equipment manufacturers, MHD EV dealers, and charging station developers and operators, play a pivotal role in the shared responsibility model of funding the MHD EV Ecosystem and encouraging adoption of MHD EVs, in aspects of the market where the EDCs do not have direct control.

Q. Please explain why participants in the CRMHD subprogram must participate in NJFAS prior to submitting a CRMHD application.

A. The NJFAS offers technical and planning assistance that provides valuable information to developers, customers, and other third parties who are investigating the installation of EV chargers. The Company can provide guidance to these third parties based on the Company's knowledge of its electric system and other related infrastructure options. Many applicants are unfamiliar with electric utility infrastructure and the Company, as a trusted advisor, can offer options and point out alternatives (*e.g.*, for siting) that may not have been considered. This assessment may result in a decrease in the total cost of the project and the time to energization. While the Company's existing new construction process handles the analysis of an applicant's intended project scope,

a fleet assessment is an additional service that provides a pre-engineering view of that analysis that at a minimum serves to give the applicant not only a view of siting challenges, but other possible opportunities on site.

Q. Please explain why participants in the CRMHD subprogram must participate in the SCCNJ subprogram.

A. Installation of EV chargers is one step on the journey to increasing adoption of MHD EVs. Once customers own and/or operate a MHD EV, the impact of charging that vehicle on the electric grid is significant. Managed charging programs both educate MHD EV owner/operators as to the grid benefits of avoiding charging during peak periods and provide continued financial operating cost support as entities convert their internal combustion engine vehicles to electric. As MHD EV penetration levels increase, market conditions will improve, and more stations will be built that become both operational and economical. The SCCNJ subprogram is intended to address this issue by effectively lowering operating costs that can offset demand charges in the near- to medium-term while station utilization increases to levels where such support can be lowered or eliminated.

Q. Is RECO proposing any managed charging initiatives to reduce customer costs for MHD EV charging?

A. Yes. To reduce overall customer costs and minimize the increase in system peaks, customers need to charge off-peak. RECO's SCCNJ subprogram is aimed at developing customer off-peak charging behavior. Customers that manage

charging and avoid charging during the four-hour system peak period will earn incentives.

Q. Is RECO proposing any programs to offset developer costs for installing charging stations?

A. Yes. RECO's proposed CRMHD subprogram will offset these expenses by covering a percentage of the costs that customers would otherwise be responsible for. Private fleet charging in overburdened municipalities ("OBMs") or overburdened communities ("OBCs") directly adjacent to federally designated freight EV corridors may receive an incentive up to 50 percent of the eligible charger ready costs. Priority sites including private fleets located in OBMs or OBCs and certain small businesses may receive up to 75 percent of the eligible charger ready costs. Publicly-accessible MHD charging depots, public fleet charging, and public-serving charging may receive up to 100 percent of the eligible charger ready costs.

Q. Which small businesses are eligible as a priority site?

A. Small businesses with less than 25 employees or less than $5 million in annual revenue and there are no other medium- or heavy-duty project within 15 miles are eligible for the priority site tier.

Q. Please describe a publicly-accessible MHD charging depot.

A. As set forth in the MHD EV Order (p. 46), a publicly-accessible MHD charging depot is a charger or bank of chargers located at a site that is available and accessible to, but not limited to, MHD vehicles that the public can utilize on a

drive-up, subscription, or scheduled basis. The depot is accessible 24 hours a day, seven days a week, and is listed on the United States Department of Energy Alternative Fueling Station Locator.

Q Please discuss the Company's proposed Outreach and Education subprogram.

A. RECO is proposing a customer outreach and education subprogram aimed at increasing awareness of MHD EVs, RECO's programs and the financial incentives available, the available support from a fleet assessment service, and the benefits of beneficial charging of MHD EVs. This work will support New Jersey's goal to decrease GHG emissions and develop an MHD EV Ecosystem where multiple stakeholders cooperate to enhance MHD EV adoption.

Q. Has the Board dictated reporting requirements for the Company's MHD Plan.

A. Yes. The Board directed RECO and the other EDCs to file semiannual reports with the Board addressing various topics.[7] The Company will comply with this reporting obligation.

III. MHD EV SUBPROGRAMS

A. NJFAS Subprogram

Q. Is RECO proposing a technical and planning assistance service?

A. Yes. Through the NJFAS subprogram, RECO will perform an assessment service that supports electrification of MHD fleet vehicles by providing fleet operators with estimated interconnection time and cost, empowering customers with

[7] MHD EV Order, p. 7

information required to make electrification decisions. The NJFAS subprogram is also available to MHD depots and multi-unit dwellings. Specifically, customers provide the Company with a potential charging location and the potential load required (which can be provided in kW, charger count, or vehicle count). The Company will conduct a site assessment to determine the capacity of the local distribution system to handle the increased load. The Company then provides the customers with a summary of the estimated interconnection time and cost, as well as other details including the available circuit and service load capacity.

Q. Please describe the site assessment.

A. The site assessment will be a site feasibility analysis that is based on the maximum power draw of an electrified fleet or EV charger(s) to determine if the local distribution system can accommodate the increased load. RECO will assess the following: existing building, site, and circuit loads; electric panels; output voltage of existing electrical panels; current and historic site load usage; circuit capacity; charger location siting; service transformer size; and customer electric service plan. This subprogram is discussed in more detail in Attachment A to the MHD Plan.

B. CRMHD Subprogram

Q. Please discuss the features of the proposed CRMHD subprogram.

A. The CRMHD subprogram will address developer infrastructure costs by providing an incentive to offset the eligible costs incurred by a participant to install the charger, excluding the cost of the charger itself.

Q. What do you mean by incentives and eligible costs?

A. Generally, once the Company receives an application for the installation of Direct Current Fast Charging ("DCFC") and L2 EV chargers, the Company will review the application to determine, under existing rules, what the Company pays for and what the customer pays for.

Q. What does the Company generally pay for under existing rules?

A. Typically, the Company is responsible for the design, installation, operation, and maintenance of utility-sided infrastructure.

Q. Are some utility costs charged to customers?

A. Yes. When the utility-sided costs exceed the entitlement provided in the Company's Board-approved electric tariff, the customer would be responsible for those costs as well.

Q. What does the customer generally pay for?

A Typically, the customer is responsible for the design, installation, operation, and maintenance of the Customer-sided infrastructure – including the charging station itself.

Q. How does the CRMHD subprogram propose to modify this customary allocation of costs for utility-sided and customer-sided infrastructure?

A. Under the CRMHD subprogram, RECO will provide incentives to offset certain EV Ecosystem costs. RECO will pay 100, 75, or 50 percent, depending on the type of project, of the eligible utility-sided infrastructure costs (in excess of the infrastructure costs covered by the Company's entitlement provisions in its tariff) and eligible customer-sided infrastructure costs for projects that meet all eligibility requirements. Consistent with current practice, the Company will continue to own all utility-sided infrastructure. For more information on eligibility criteria, incentive levels, program requirements and implementation plans see Attachment A to the MHD Plan.

Q. Will the CRMHD subprogram alter the customary ownership model for customer-sided infrastructure?

A. No. Customers will continue to own customer-sided infrastructure. In addition, customers will continue to be responsible for the design, construction, and installation of customer-sided infrastructure.

Q. What is the proposed cost and size of this subprogram?

A. The Company proposes a forty-eight month CRMHD subprogram with a total incentive budget of $3.5 million.

Q. Why is the Company proposing to cover only a portion of third-party participants' costs under the CRMHD subprogram?

A. A public-private partnership is critical to enabling the MHD EV Ecosystem in New Jersey. This hybrid approach is consistent with the position of both the EMP

and the MHD EV Order that attracting private capital to the EV infrastructure sector will moderate the cost of achieving New Jersey's ambitious EV goals.[8]

Q. Please provide additional information on RECO's EV Capacity Map.

A. The Company provides a publicly-available Capacity Map that provides the remaining available load capacity for the distribution circuits evaluated. The map provides an estimate of the remaining circuit load capacity to help guide EV charging developers to areas where load capacity headroom exists. The analysis is conducted under current configurations and prior to any planned infrastructure upgrades. The map does not account for other load in queue. In addition, the map indicates the location of energized EV chargers and EV chargers currently under construction and participating in the Company's make ready incentive programs. The Company updates the Capacity Map on a quarterly basis.

Q. Does the Company plan to own any charging stations?

A. No. However, the Company will continuously assess infrastructure deployment across the RECO service territory, with a particular focus on OBCs. If publicly accessible chargers have not been deployed in OBCs within 18 months of the MHD Plan's start date, RECO will consider deploying, owning, and operating chargers in those areas as a "Last Resort." Likewise, the Company will consider deploying, owning, and operating publicly accessible chargers in non-overburdened areas if it has not received any interest in these areas within 24

[8] EMP, p. 65.

months of the program start date. If, at a future date, the Company decides to pursue the deployment, ownership, and operation of publicly accessible chargers, the Company will submit a separate petition with the Board consistent with the Board's requirements.[9]

Q. Where will a participant go to find information on the CRMHD subprogram?

A. Prior to program implementation, all process steps and requirements will be defined; controls will be established so that infrastructure projects are completed safely, and a feedback mechanism will be instituted to gain insight into the customer experience to continuously improve the program. The program implementation materials, including process steps, will be communicated to potential participants and other external stakeholders through RECO's website. On RECO's website, the Company will develop a webpage which serves as a one-stop shop for all CRMHD subprogram documentation, including the application, program guidelines, and marketing materials.

C. SCCNJ Subprogram

Q. Please describe RECO's proposed SCCNJ subprogram.

A. RECO proposes to incentivize the reduction of charging load during peak periods. This managed charging program will encourage charging at times that are beneficial to the grid by offering operating cost relief for demand charges. The incentive level will be tied to the CRMHD tiers (*i.e.*, 100, 75, or 50 percent) that a

[9] MHD EV Order, p. 9

participant either received or would have been eligible to receive if it participated in the CRMHD. The SCCNJ subprogram is available to publicly-accessible MHD charging depots, public-serving chargers, and fleet chargers. Participants that avoid charging during the four-hour system peak period each bill cycle will receive an incentive equal to the billed demand (kW) charges times the eligible percentage tier. At the end of 12 bill cycles, the participant will receive an incentive payment. The SCCNJ subprogram is a forty-eight month program, with a total incentive budget of $1.5 million.

Q. Please continue.

A. To be eligible, participating sites must be separately metered or be metered by a Company meter that provides billing quality data on which the Company calculates demand charges. This subprogram is discussed in more detail in Attachment A to the MHD Plan.

Q. Are SCCNJ participants eligible to participate in RECO's DCFC Per Plug Incentive Program?

A. No. Participants in the SCCNJ subprogram cannot participate in the DCFC Incentive program. The DCFC Incentive program offers an annual incentive to offset a participant's demand charges. Participants can participate in RECO's DCFC Incentive – Basic Generation Service pilot program, which provides an annual incentive to offset capacity charges.

D. <u>Outreach and Education Program</u>

Q. Please describe the Company's proposed Outreach and Education subprogram.

A. RECO proposes a comprehensive, forty-eight month, $100,000 program that contains a variety of outreach and education activities including:

- Digital Marketing, such as website, email campaigns, and social media;
- Traditional Marketing, such as bill inserts and print collateral;
- In-person Engagement, such as community events and presentations; and
- Media Outreach, such as press releases and other media coverage.

Each of the outreach and education programs are discussed in more detail in Attachment A to the MHD Plan.

Q. Does this conclude the Panel's direct testimony?

A. Yes, it does.