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In the Matter of Docket No. QO24020126 – 2024 Energy Master Plan

We, the ten undersigned organizations representing environmental, business, labor, and clean energy advocates and hundreds of thousands of citizen members and activists across the state, respectfully submit these comments to the New Jersey Board of Public Utilities (NJBPU) regarding the 2024 Energy Master Plan (EMP).

Last week, the American Lung Association released their annual nation-wide <u>State of the Air</u> report, which included an analysis of New Jersey's air quality. The findings were sobering: more than 156 million people – 25 million more than last year's report, are living in areas that that received an F grade for ozone or particle pollution. <u>In New Jersey</u>, of the 14 counties with air monitoring, 5 received failing grades and 4 received Ds for ozone pollution; 12 counties received Ds for particulate pollution. The largest culprits? A warming climate, as well as growing wildfires. More than 50 years after the passage of the Clean Air Act, the largest threat to our air quality and combatting climate change can still be found from the pollutants spewing from the tailpipes of fossil fuel vehicles on our roads. The impact of pollutants spewing from our tailpipes impacts more than just air quality – the climate impacts of a warming world also have led to New Jersey already living under prolonged drought warning conditions and a more extreme weather world with wetter and drier periods that will lead to increased flooding and droughts. Reduction of tailpipe pollutants will have an impact on water hydrology through climate impacts and strengthens the urgency for action.

Since the adoption of the 2019 EMP, New Jersey has made significant progress in setting in place the programs for transportation electrification that created both state goals – and executed a marked expansion of electric vehicles of all types that are on the road. This progress under Governor Murphy's Administration, which was outlined in the 2019 EMP, has created a legitimate roadmap to success that originated with state leadership and funding – which should not be forgotten in a moment of federal rollbacks in the Trump era. The Murphy Administration, starting in the first Trump Administration, worked to get our first electric trucks, transit and school buses and microtransit programs up and running over the last five years – and has increased our EV registrations by close to 200,000 vehicles. To continue that leadership in the remaining months of the Murphy Administration and next gubernatorial administration, New Jersey will once again need to lead in the second Trump era.

Below, we provide high-level transportation electrification recommendations as the revised 2025 EMP is drafted in four key areas: light duty electric vehicles, medium and heavy-duty electric trucks, electric school buses and microtransit programs:

Ramping Up Electric Vehicles Across New Jersey:

Transitioning our vehicle fleets to electric vehicles (EVs) is critical if we want to address climate and air pollution in New Jersey, given that more than 40% of climate emissions come from our transportation sector in addition to other pollutants that threaten public health. New Jersey currently has a goal of registering 330,000 EVs by the end of 2025 as part of the 2020 EV Law. The EV law also drew notice for its nation-leading EV sales incentive, which quickly proved to be so popular that the rebates ended after a few months when it ran out of funds. While we are not yet on pace to reach the registration goal, we have seen tremendous growth in EV sales, which should serve as a barometer for the policy options that we should be adopting. This growth has continued in spite of some of the retrograde EV policies that were adopted in 2024. New Jersey has now surpassed more than 200,000 EV registrations, double the number of EVs from two years ago.

Manufacturers are currently offering 57 EV models to consumers across the state. According to <u>NESCAUM data</u>, the state's market share of EV sales in Q3 of 2024 was 14.4 percent compared to a national average of 10.2 percent. But to be able to reach the requirements of the Advanced Clean Cars II program, New Jersey will need to significantly increase EV sales and EV charging infrastructure and convince the more than 40% of New Jersey drivers who are EV curious to ultimately get behind the wheel of an EV.

Recommendations:

Encourage more EV sales by fixing the tax, registration, and incentive programs

- Reform and reduce EV registration fee, which is considered among the most punitive in the country
 - The \$250 per year registration fee is akin to the fuel efficiency of a 2006 lightduty vehicle. The appropriate and equitable fee for an EV would be closer to \$100 per year, which is approximately what the most efficient gasoline vehicle – a Toyota Prius Prime – pays each year.
 - Allow the registration fee to be paid yearly instead of requiring a four year upfront payment when purchasing a new EV, which currently adds more than \$1,000 to the cost due at the point of sale
- Create Stability & Incentive for the Charge Up New Jersey rebate
 - Complete a new assessment of the program budget and rebate levels that factors in average EV cost, taxes, fees, and purchaser demographics
 - Create stability in the program by guaranteeing funding levels and rebate size over the course of multiple years
- Expand the Charge Up New Jersey rebate to make new offerings in the market "rebate eligible," such as short-term leases that provide the opportunity for potential customers to

live with an EV before committing to it longer term. These types of offers should be able to take advantage of state-based rebates and are strategic to get more bang for the buck.

Enact policies that invest in and promote the future EV market

- Maintain support for the state's adoption of the Advanced Clean Cars II program for light duty vehicles that will require auto manufacturers to ramp up the sale of electric vehicles and plug-in hybrids over the next decade and oppose attempts to weaken the program.
- Renew the state's commitment to the build-out of convenient public 'fast chargers' (DCFC) at both the corridor and community level
 - Update the now out-of-date "200 chargers by 2025" target to be more appropriate given the current market
 - Prioritize community chargers near Multi-Unit Dwelling (MUD) concentrations an equity consideration
 - Update the technical requirements for public charging, now eight years old. For example, the EV charging platform requirement of CHAdeMO can be dropped, and we can add support for NACS and "Plug to Charge" over time.
- Start permit reform and coordination among jurisdictional authorities that allow for high powered public electric vehicle supply equipment (EVSE) to be installed in 6 months rather than 18 months, a critical market signal that addresses the number one barrier to EV adoption range anxiety.

Cleaning Up Dirty Diesel Medium & Heavy-Duty Vehicles in New Jersey:

New Jersey is the Garden State, but it is also <u>the most highway-dense state in the country</u>. Commercial vehicles make up <u>less than 10% of our road traffic</u>, but are responsible for almost half of all toxic tailpipe pollution – 44% of emissions of nitrogen oxides (NOx), a smog precursor, and 39% of fine particulate matter.

New Jersey's more than 420,000 trucks and buses produce an outsized amount of dangerous pollutants and these emissions disproportionately impact communities of color, according to data from the Union of Concerned Scientists. New Jersey is the <u>2nd worst state in the country in</u> terms of cancer risk from diesel soot. In 2023 alone, diesel pollution in New Jersey was responsible for more than 330 premature deaths, 19,900 lost days of work, and \$3.75 billion in monetized health damages. These health harms are significantly higher around the Port Authority of NY/NJ operations in Newark and Elizabeth, the largest port on the East Coast with over 20,000 daily truck trips, where nearby communities have asthma rates double the state average. New Jersey has made strides to deal with pollution including having stronger than federal tailpipe pollution standards for 15 years. Additionally, the state adopted the Advanced Clean Trucks (ACT) program in 2021, which fully went into effect in January 2025.

Recommendations:

Continue to fully implement and defend Advanced Clean Trucks (ACT)

- Oppose efforts to delay implementation of ACT by the trucking industry
- Ensure compliance of ACT goals now that the program is in effect (nearly all vehicle classes are in full compliance as of 2024)

Move Forward with Regular Utility Filings for MHD Charging Infrastructure

- NJBPU should initiate regular filings from utilities to fill in gaps for public charging hotspots for MHD vehicles that meet the demand of the growing market now that the straw proposal for minimum filing requirements for MHD charging infrastructure received Board approval in 2024 and the first filing process has kicked off in 2025
- Re-evaluate the budget caps of the filings
 - o Incorporate public health benefits and amortize costs over multiple years
 - Allows utilities to invest annually based on approved program structures to mitigate ratepayer costs

Weight Exemption for Electric Trucks

• Establish a weight exemption for electric heavy-duty trucks similar to the exemption applied to natural gas-fueled trucks by adopting an additional 2,000 lbs. vehicle weight exemption for electric trucks.

Expanding Electric School Buses in New Jersey:

Diesel-burning school buses create a myriad of problems: the exhaust from diesel-burning school buses is <u>harmful to students' physical health</u>, putting them at risk for serious conditions like cancer and asthma; diesel exhaust pollution is linked to negative <u>cognitive development impacts</u>, endangering students' academic progress and learning; diesel buses emit <u>high levels</u> of greenhouse gases like carbon dioxide, directly contributing to climate change; and, the impacts fall disproportionately on communities of color, who already face higher <u>on-road air pollution</u>, and other <u>low-income students</u>, as well as <u>students with disabilities</u>, who are all more likely to ride the bus to school.

On the other hand, electric school buses (ESBs) have zero tailpipe emissions, reducing students' exposure to the dangers of diesel exhaust pollution. They're responsible for <u>significantly lower</u> <u>levels of greenhouse gases</u> than diesel-burning school buses, and <u>EPA research</u> suggests that compared to a new diesel-burning school bus, a new ESB can save an average of \$6,000 every year on operational expenditures, depending on circumstances. ESBs are <u>successfully</u> <u>operating</u> in every part of the country including urban, rural, suburban communities, and in all types of climates throughout the U.S.

Currently, there are roughly two dozen ESBs on the road in the Garden State, with 150 more on order. These zero-emission vehicles represent a small fraction of the more than 21,700 registered school buses in New Jersey, over 99% of which run on fossil fuels. The effort to get ESBs on New Jersey roads was spearheaded by 2022 legislation, which led to the kick-off of <u>a NJDEP</u> annual \$15 grant program to local school districts.

Recommendations:

Ensure funding for the NJ Electric School Bus pilot program for the initial three years

• Continue the annual disbursement of at least \$15 million in funds from the Clean Energy Fund with the allotment increased based on demand from school districts

Allow utilities to include ESB charging infrastructure in regular NJ Board of Public Utilities (BPU) medium and heavy duty filings

- Permit utilities to include ESB charging infrastructure in regular medium and heavy duty filings, as opposed to in the electric vehicle utility filings, as was done in 2020.
- Require charging infrastructure and "Make Ready" charging costs should be included in the utility rate-making proposal and adjust NJBPU policy to account for smart charging considerations such as vehicle to grid and areas of most need

Promoting and Expanding Microtransit

Employers, healthcare institutions, and nonprofit organizations have identified that a significant barrier to workforce development, accessing healthcare and essential services, and economic development is transportation. Furthermore, surveys of community members have also reported that lack of transportation has caused significant hardships including inability to maintain jobs, difficulty accessing medical care – particularly specialty care, and challenges shopping for their everyday needs. Even in areas with some traditional public transportation, lack of access to consistent and affordable transportation is negatively impacting our communities!

NJ ranks 48th in car ownership, and 30-40% of our residents lack consistent access to a vehicle. Statewide studies have identified transportation deserts throughout the state, and, even in communities that have public transportation, an inability for people to traverse within cities or towns – this is known as the challenge with the last mile. Microtransit bridges the mobility gap by offering flexibility on routes and timing, meeting the individual or family where they are, getting them to their final destination, or connecting them with another mode of transportation.

Recommendations:

Bolster state policy and funding to expand current and facilitate the adoption of new Microtransit projects

- Strengthen Mobility and Transportation Innovation Programs (MATIP) to allow for more communities to pilot and launch Microtransit programs with ramp to access existing, sustainable funding like the Transportation Trust Fund (TTF)
- Support electric vehicle supply equipment (EVSE) and other infrastructure installation throughout the state, seeding pathways for electric Microtransit programs

Conclusion

There needs to be a clear alignment with state policy and state policy goals especially in an era of attack on historic clean air and electrification programs. New Jersey has been a proud member of Section 177 states for more than 20 years after the adoption of the Clean Cars program legislatively in 2004. The concept of states going above and beyond the federal government – a cornerstone for New Jersey's environmental policies for close to 50 years – is under attack during the Trump Administration and Congress is using a legally questionable method of the Congressional Review Act to go after the granted EPA waivers for both the Advanced Clean Trucks and Advanced Clean Cars II programs.

The best defense for transportation electrification in the next EMP is to ensure the success of New Jersey's state policies as outlined in Slide 27 of the NJBPU's presentation. But that only occurs not only with a continuation of state policies, but an acceleration of the programs – and to eliminate back-sliding in the support of these programs. It is also notable that electrified transportation has been dragged into the mudslinging over increased energy prices triggered by the disastrous PJM capacity auction last summer. Increased electrification of transportation sector has not had a measurable impact on the electric grid, will provide benefits as charging predominantly occurs in the evening hours of less demand and with increased bidirectional charging can provide a boon for the expansion of energy storage.

Transportation electrification is a key part of the solution to our energy crisis – not the problem. We urge you to use this latest draft of the Energy Master Plan to provide a roadmap for state leadership amidst the Trump era on the core issue of expanding our transportation electrification programs.

Sincerely,

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