



Agenda Date: 10/28/21
Agenda Item: 8D

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE FY22 CLEAN FLEET) ORDER
ELECTRIC VEHICLE INCENTIVE PROGRAM)
)
) DOCKET NO. QO21070999

Party of Record:

Brian O. Lipman, Esq., Acting Director, Division of Rate Counsel

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities (“Board” or “BPU”) considers the recommendation of Board staff (“Staff”) to modify the Fiscal Year 2022 (“FY22”) Clean Fleet Electric Vehicle Incentive Program (“FY22 Program”).

BACKGROUND AND PROCEDURAL HISTORY

On April 18, 2019, the Board approved Staff’s recommendation to allocate \$200,000 of the federally funded State Energy Program (“SEP”) budget for the development and implementation of an electric vehicle (“EV”) incentive program.¹ The Board found that the 2019-2020 SEP Plan would allow all New Jersey residents to have better access to EVs, and directed Staff “to take appropriate measures to implement [all programs including EV] subject to and consistent with USDOE approval of the plan.” Beginning in January 2020, the Board approved applications submitted to the Clean Fleet Electric Vehicle Incentive Program (“Program”), the SEP plan to support local governmental authorities’ adoption of 100% EVs, also known as battery electric vehicles (“BEVs”).² The Program, together with the addition of EVs to the New Jersey State Purchasing Contract under Award T0099 (“T0099”)³, was designed to provide local government authorities with the opportunity to become leaders in the EV sphere and expand charging infrastructure accessibility for their residents, while also enabling such authorities to purchase EVs at the price set forth in the New Jersey State Purchasing Contract.

¹ In re the State Energy Program for Program Year July 1, 2019 - June 30, 2020, BPU Docket No. Q019030306, Order dated April 18, 2019 (“April 18, 2019 Order”).

² In re Approving Applications And Authorizing The Disbursement Of Funds For The Clean Fleet Electric Vehicle Incentive Program, BPU Docket No. QO20010035, Order dated January 22, 2020.

³ <https://www.state.nj.us/treasury/purchase/noa/attachments/a0099-noa.pdf>

The Fiscal Year 2021 (“FY21”) Budget Order notes that “the [Division of Clean Energy] received a grant in Fiscal Year 2020 (“FY20”) from the U.S. Department of Energy to establish an EV Program to support the purchase and use of zero-emissions vehicles and infrastructure for government entities”.

In June 2021, the Board allocated \$7 million to the FY22 Program, dedicating \$6 million to state entities and \$1 million to local government entities.

In June 2021, the FY22 New Jersey State Budget and Appropriations Act allocated an additional \$14 million to the Board for the purposes of creating programs to encourage EV charging infrastructure.⁴ These additional funds, along with the FY22 Program, are designed to move New Jersey closer to the goals outlined in the “EV Act.”⁵ As further described below, Staff proposes to use \$7 million of the additional \$14 million appropriated by the Legislature in FY22 to fund fleet charging and Make-Ready for chargers as part of the FY22 Program.⁶

By Order dated August 18, 2021, the Board approved Staff’s recommendation to modify and launch the FY22 iteration of the Program.⁷ The August 2021 Order delineated FY22 Program eligibility as follows:

Eligible Entities

The FY22 Program is available to eligible entities, consisting of municipalities, local schools, municipal commissions, State agencies or boards, State commissions, State universities, community colleges, and county authorities (the “FY22 Eligible Entities”).

Eligible Electric Vehicle Charging Stations

The FY22 Program provides incentives for Level-Two charging stations of any brand selected by the eligible applicant, provided the equipment chosen is a dual-port charger and has the capacity to capture data, referred to as a “networked charger.”⁸ In addition, eligible applicants are required to share charging data with the Board periodically.

Eligible Vehicles

The FY22 Program will continue to provide incentives for all BEVs, whether new or used, and includes vehicles up to Class 2B in order to fulfill the FY22 Program goal of beginning the transformation of government fleets from gas-powered ones to ones consisting of fully electric vehicles.⁹

⁴ L. 2021, c.133; https://www.njleg.state.nj.us/2020/Bills/S2500/2022_I1.PDF

⁵ L. 2019, c. 362; C.48:25-1 et seq.

⁶ “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 Electric Vehicle Service Equipment (“EVSE”), including, but not limited to, Level-Two EVSE and DC Fast Chargers (“DCFCs”). Make-Ready includes expenses related to service panels, junction boxes, conduit, wiring, etc., necessary to make a particular location able to accommodate Electric Vehicle Service Equipment on a “plug and play” basis.

⁷ In re the FY22 Clean Fleet Electric Vehicle Incentive Program, BPU Docket No. QO21070999, Order dated August 18, 2021 (“August 2021 Order”).

⁸ Level-Two charging stations are a type of EVSE utilized to charge an electric vehicle from the grid. A dual-port charger has two charging ports, each capable of charging an EV.

⁹ The Federal Highway Administration classifies vehicles by weight, wherein all vehicles in Class 2 weigh

Eligible applicants continue to have the option to make their purchases through T0099, which allows government entities to purchase EVs without a separate procurement process. In addition, the FY22 Program continues the requirement, as needed, that eligible applicants submit specification sheets with their application to show that the vehicle in question was in fact a fully electric vehicle and eligible under the FY22 Program guidelines.

Current Incentive Levels

Under the current program, the following criteria applies:

Vehicle Eligibility Criteria

- Local governments and local entities (ex: municipal utility authority, etc.) serving a population under 20,000 have a cap of two (2) vehicles;
- Local schools serving a population under 20,000 have a cap of two (2) vehicles;
- Local governments and local entities (ex: municipal utility authority, etc.) serving a population over 20,000 have a cap of five (5) vehicles;
- Local schools serving a population over 20,000 have a cap of five (5) vehicles;
- Local governments and local entities (ex: municipal utility authority, etc.) serving a population over 50,000 have a cap of seven (7) vehicles;
- Local schools serving a population over 50,000 have a cap of seven (7) vehicles;
- State government, state agencies/boards/commissions, state universities, and counties have a cap of 10 vehicles;
- Local governments and local entities (ex: municipal utility authority, etc.) serving a population over 100,000 have a cap of 10 vehicles; and
- Local schools serving a population over 100,000 have a cap of 10 vehicles.

Charger Eligibility Criteria

- Local governments and local entities (ex: municipal utility authority, etc.) serving a population under 20,000 have a cap of one (1) Level-Two EV charging station;
- Local schools serving a population under 20,000 have a cap of one (1) Level-Two EV charging station;
- Local governments and local entities (ex: municipal utility authority, etc.) serving a population over 20,000 have a cap of two (2) Level-Two EV charging stations;
- Local schools serving a population over 20,000 have a cap of two (2) Level-Two EV charging stations;

between 6,001 and 10,000 lbs. [See <https://afdc.energy.gov/data/10380>.]

- State government, state agencies/boards/commissions, state universities, and counties serving a population over 50,000 have a cap of four (4) Level-Two EV charging stations; and
- Local governments and local entities (ex: municipal utility authority, etc.) serving a population over 50,000 have a cap of four (4) Level-Two EV charging stations

With the infusion of additional funding from the FY22 New Jersey State Budget and Appropriations Act, further changes are proposed to the FY22 Program in order to make the program more effective and reach more eligible applicants.

STAFF RECOMMENDATION

Staff proposes to utilize \$7 million of the \$14 Million appropriated for EV infrastructure improvements to fund the FY22 Program's charger incentives and expand the Clean Fleet Program to create incentives for: a) fleet chargers; b) the Make-Ready infrastructure for all eligible chargers; and c) bonus incentives for chargers and Make-Ready infrastructure in overburdened municipalities. In order to make the program consistent, Staff also proposes to utilize a portion of the monies previously approved in the FY22 New Jersey Clean Energy Program budget for the FY22 Program to create bonus vehicle incentives for overburdened municipalities to mirror the bonuses for chargers proposed in this Order.

Staff proposes maintaining the existing FY22 Program Eligibility criteria for applicants, vehicles and Level-Two charging stations.

Proposed Modifications to the FY22 Program

Staff proposes expanding the FY22 Program to:

- Establish a \$2,000 incentive for public Level-Two charging stations;
- Establish a \$1,500 incentive for Level-Two fleet chargers that are not accessible to the public;
- Establish an incentive of 50% of the Make-Ready costs per eligible Level-Two charging station (public or fleet), up to \$5,000;
- Establish an incentive of up to 50% of the cost of an eligible DCFC and the Make-Ready, up to \$75,000 per charging station;¹⁰
- Permit no more than half of an entities' eligible charging stations to be DCFCs;
- Permit eligible DCFCs to be any brand the eligible applicant selects, provided the equipment chosen is a dual-port charger, has a standard port available for use by all EVs, and has the capacity to capture data, referred to as a "networked charger." In addition,

¹⁰ DCFCs are a higher power output type of EVSE utilized to charge an electric vehicle from the grid. See the EV Act, N.J.S.A. 48:25-2, for further detail regarding what constitutes a DCFC.

FY22 Eligible Entities should be required to share charging data with the Board periodically; and

- Establish a bonus incentive for overburdened municipalities as defined in the Board's Community Energy Planning program (Docket No. QO21091113) that would provide up to 50 percent more funding through the Program than these municipalities are currently receiving for chargers and Make Ready.¹¹ FY22 Eligible Entities serving these communities would be eligible to utilize the 50 percent bonus as either:
 - A 50 percent increase in the charger cap, which is based on the size of the municipality's population;¹² or
 - A 50 percent increase in the dollar amount of the funding incentive for charging stations, and Make Ready.

Additionally, Staff recommends establishing a similar bonus incentive for vehicles utilizing previously approved funds in the FY22 New Jersey Clean Energy Program budget for the FY22 Program. The bonus incentive for overburdened municipalities as defined in the Board's Community Energy Planning program (Docket No. QO21091113) would provide up to 50 percent more funding through this Program than these municipalities are currently receiving for BEVs.

FY22 Eligible Entities that are serving these communities would be eligible to utilize the 50 percent bonus as either:

- A 50 percent increase in the vehicle cap, which is based on the size of the municipality's population; or
- A 50 percent increase in the dollar amount of the funding incentive for vehicles.

DISCUSSIONS AND FINDINGS

The EV Act authorizes the Board to fund programs that move the state closer to the EV Goals outlined within the EV Act. In addition to the Clean Fleet Program, the Board has worked to shape Board and public utilities' programs that prioritize private investment in EV Infrastructure and encourage early adoption.

The Legislature's allocation of funds devoted to EV Infrastructure is an indication of the importance of investment in EV Infrastructure to achieve New Jersey's transportation electrification goals. The modifications proposed to the FY22 Program will provide further encouragement of State, county, and local government fleet electrification.

The Board **HEREBY FINDS** that the modifications proposed for the FY22 Program are reasonable. Based upon the foregoing recommendations of Staff, the Board **HEREBY APPROVES** these modifications to the Program. The Board **HEREBY AUTHORIZES** Staff to review program applications and disburse funding from the Program budget in accordance with established BPU procedures through June 30, 2022.

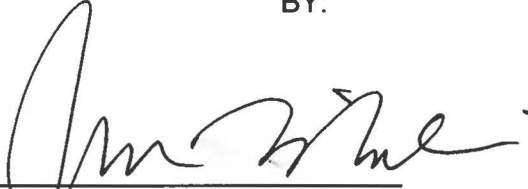
¹¹ In the Matter of New Jersey Clean Energy Program Fiscal Year 2022 Community Energy Planning, BPU Docket No. QO21091113, Order dated October 6, 2021.

¹² In the FY22 Program, this cap relates to the maximum number of vehicles or chargers allowed in a particular municipality, based upon that municipality's population.

This Order shall be effective November 4, 2021.

DATED: *October 28, 2021*

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SECRETARY

IN THE MATTER OF THE FY22 CLEAN FLEET ELECTRIC VEHICLE INCENTIVE PROGRAM

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