

New Jersey Energy Master Plan

Strategy Template

2005-2020

Instructions

*Use this document as a template for providing suggestions on strategies/actions for specific objectives provided in **Section 2: Goals, Objectives, and Performance Measures**. Using this page as an instruction guide, fill in the blank tables for **each recommended strategy separately and email it to energymasterplan@bpu.state.nj.us***

Objective

*List the objective from **Section 2: Goals, Objectives, and Performance Measures** for which the strategy is submitted.*

Reduce our dependence on oil by cutting our demand for oil used in transportation to one-third below 2005 levels.

Reduce in-state global warming emissions by twenty percent below 2005 levels.

Strategy

Provide a description of the actions needed to achieve the objective.

Implement Pay-As-You-Drive Auto Insurance.

Shift the calculation of automobile insurance rates from a flat annual rate to a per-mile basis to encourage car owners to drive fewer miles. Vehicle insurance could be split between those components in which risk is directly related to the ownership of a vehicle (comprehensive) and those in which risk is related to mileage (collision, liability). The former could be charged to consumers on an annual basis, as is done currently. The latter types of insurance could be sold in chunks of mileage – for example, 5,000 miles— or be sold annually with the adjustments of premiums based on actual mileage taking place at the end of the year. Of critical importance to the success of the system would be accurate, convenient methods of taking odometer readings and communicating them to the insurer.

Responsible Party

Provide the name(s) of the agency or organization responsible for the implementation of the strategy.

The New Jersey Motor Vehicles Commission, the New Jersey Department of Transportation or the New Jersey Division of Consumer Affairs

Timeline of action

List the incremental timeline of action for each strategy up to 2020.

Per-mile insurance is assumed to be phased in for 25 percent of drivers in 2008, with an additional 25 percent of drivers added in the following three years until all drivers are covered by per-mile insurance by 2011.

Strategy outcome

List the expected incremental outcome(s) (results) of the strategy up to 2020.

[If 80 percent of collision and liability insurance were to be assessed by the mile, the impact on vehicle travel would be reduced by about 5 percent below projected levels, with carbon dioxide emissions from light-duty vehicles declining by roughly the same amount.](#)

Implementation cost

Provide the implementation cost.

Minimal to no implementation cost. Reduced insurance costs for some drivers; converting the average collision and liability insurance policy to a per-mile basis in New Jersey would lead to an average insurance charge of about 9.5 cents per mile (For comparison, a driver buying gasoline at \$2.50 per gallon for a 20 MPG car pays 12.5 cents per mile for fuel)

Source of Funding

Provide source of funding to implement the strategy.

N/A

Indicators

List the suggested indicator(s) proposed to measure performance. Provide the data source of the indicator(s)

A. Current state of indicator:

List the current value of the indicator

The average vehicle miles traveled per capita in New Jersey is 8000 miles (2001).

According to the most recent data available (2002), statewide, New Jersey emits 122 MMTCO₂ of carbon dioxide

B. Indicator Projection to 2020

Provide projected value of the indicator by 2020 to meet the expected outcome.

Reduce vehicle miles traveled by about 5 percent below projected levels, with carbon dioxide emissions from light-duty vehicles declining by roughly the same amount.

New Jersey statewide carbon dioxide savings of 1.47 MMTCO₂ by 2010, 2.14 MMTCO₂ by 2020 and 2.20 MMTCO₂ by 2025.

SUBMITTED BY

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