



Agenda Date: 4/6/20
Agenda Item: 8A

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE CLEAN ENERGY ORDER) ORDER
PROGRAMS AND BUDGET FOR FISCAL YEAR 2020 -)
2ND BUDGET REVISIONS AND ELECTRIC VEHICLE) DOCKET NO. QO19050645
PROGRAM COMPLIANCE FILING) DOCKET NO. QO20030262

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Andrew McNally, Esq., Atlantic City Electric Company
Joshua R. Eckert, Esq., Jersey Central Power and Light Company
Andrew K. Dembia, Esq., New Jersey Natural Gas Company
Matthew M. Weissman, Esq., Public Service Electric and Gas Company
Margaret Comes, Esq., Rockland Electric Company
Deborah M. Franco, Esq., South Jersey Gas Company
Michael Ambrosio, TRC Energy Services

BY THE BOARD:

This Order memorializes action taken by the Board of Public Utilities (“Board” or “BPU”) at its April 6, 2020 public meeting, where the Board considered the second revisions to the Fiscal Year 2020 (“FY20”) budget for New Jersey’s Clean Energy Program (“NJCEP”), as well as the program guidelines for the Charge Up New Jersey electric vehicle (“EV”) incentive program.¹

BACKGROUND AND PROCEDURAL HISTORY

On February 9, 1999, the Electric Discount and Energy Competition Act (“EDECA” or “Act”), N.J.S.A. 48:3-49 *et seq.*, was signed into law, creating the societal benefits charge (“SBC”) to fund programs for the advancement of energy efficiency (“EE”) and renewable energy (“RE”) in New Jersey. The Act also provided for the Board to initiate proceedings and undertake a comprehensive resource analysis (“CRA”) of EE and RE programs in New Jersey every four years. The CRA would then be used to determine the appropriate level of funding over the next four years for the EE and Class I RE programs, which are part of what is now known as NJCEP. Accordingly, in 1999, the Board initiated its first CRA proceeding, and in 2001, it issued an order setting funding levels, the programs to be funded, and the budgets for those programs, all for the

¹ The budgets approved in this Order are subject to State appropriations law.

years 2001 through 2003. Since then, the Board has issued numerous Orders setting the funding levels, related programs, and program budgets for the years 2004 – FY20.²

The Board originally established FY20 programs and program budgets through a Board Order dated June 21, 2019, and tried up and revised them through a Board Order dated January 8, 2020.³

ELECTRIC VEHICLE BACKGROUND

In June 2019, Governor Murphy dedicated \$30 million in funds through the FY20 Appropriations Act as a mechanism to achieve the State’s goal of 330,000 zero emission vehicles (“ZEVs”) by 2025.

On January 17, 2020, Governor Murphy signed S-2252 into law ([P.L. 2019, c. 362; C.48:25-1 et seq.](#)) (“Act”), which created an incentive program for light-duty electric vehicles (“EVs”) and at-home EV charging infrastructure. The Act established State goals for the use of plug-in EVs and the development of supporting plug-in EV charging infrastructure in the state. N.J.S.A. 48:25-3. In particular, the Act authorized the Board to adopt policies and programs to accomplish the State’s goals, which include the establishment and implementation of a program to incentivize the purchase or lease of new light-duty plug-in EVs and to provide incentives for the purchase and installation of in-home EV service equipment. N.J.S.A. 48:25-4 and N.J.S.A. 48:25-6.

On October 1, 2019, the BPU issued a Request for Quotation (“RFQ”) for the purpose of soliciting quotations by a contractor to serve as program administrator of a program that will support the EV market in New Jersey to realize the benefits associated with the electrification of transportation in the state. On December 6, 2019, the Board selected the Center for Sustainable Energy (“CSE”) to be the program administrator.⁴ Since the beginning of their contract with the Board, CSE has been working to develop an EV incentive program in accordance with the State’s goals.

On March 19, 2020, Board Staff (“Staff”) released a proposal for the second funding reallocations to the FY20 budget, as well as the FY20 Compliance Filing for the Charge Up New Jersey program. The Board accepted public comments through March 31, 2020, which are summarized below.

PROPOSED FY20 2nd BUDGET REALLOCATIONS

Reallocations and Rationale for Programs Administered by the Division of Clean Energy

Electric Vehicles Program

The current EV incentive program has a budget of \$30,000,000. To adhere to the requirements of the law, Staff has recommended reallocating \$15,000,000 to fund the Plug-In Electric Vehicle

² In the early years, the budgets and programs were based on calendar years, but in 2012, the Board determined to begin basing the budgets and programs on fiscal years in order to align with the overall State budget cycle.

³ [I/M/O the Clean Energy Programs and Budget for FY20](#), BPU Docket No. QO19050645 (June 21, 2019); [I/M/O the Clean Energy Programs and Budget for FY20](#), BPU Docket No. QO19050645 (January 8, 2020).

⁴ [I/M/O Clean Energy Program Release of the Request for Quotation \(RFQ\) EV Program Administrator](#), BPU Docket No. QO19091282 (December 6, 2019).

Incentive Fund and also reallocating \$5,000,000 to the administration cost category to cover administration costs. The total electric vehicle budget will remain the same.

ELECTRIC VEHICLE PROGRAM COMPLIANCE FILING

To satisfy the requirements of the Act, the Board will implement two stages of the Charge Up New Jersey program. The first stage will span from January 17, 2020 until the official launch of Stage Two: Point-of-Sale Program. During the first stage, applicants will apply for post-purchase or post-lease incentives directly to the program administrator, CSE, at the official program website. Incentives will be processed on a first-come, first-serve basis by the program administrator and issued to eligible applicants in a single payment via check.

The application process during the first stage is designed to be as simple and streamlined as possible. During the first stage of the program, applicants will utilize an online user interface, through which applicants will fill out an application, acknowledge terms and conditions, and upload required documentation. After the application is submitted in full, applicants will be able to check the status of their applications through this online portal.

REALLOCATIONS AND RATIONALE FOR PROGRAMS ADMINISTERED BY TRC

Commercial and Industrial Buildings

Due to the introduction of enhanced incentives in FY20, participation in the programs has resulted in an increase of applications. Staff recommends increasing the budget by \$9,388,788.

Energy Efficient Products

Due to increased participation in the appliance rebate component of the program plus expected impact of the upcoming marketing campaign, Staff recommends increasing the budget by \$1,015,655.

Residential New Construction

Due to a higher level of participation of multifamily projects than projected, Staff recommends increasing the budget by \$395,217.

Local Government Energy Audit

Due to increased participation, which in turn is due in part to enhanced incentives, Staff recommends increasing the budget by \$133,928.

SREC Registration

Due to the potential for increased participation, in part as a result of the impending closing of the program when the 5.1% milestone is attained, Staff recommends increasing the budget by \$100,000.

Combined Heat and Power

Due to an increased level of applications processed in FY20, Staff recommends increasing the budget by \$66,891.

NJCEP Administration Cost Category

Due to the cost of expanding a third-party SSAE audit of NJCEP, Staff recommends increasing the budget by \$70,568.

Direct Install

Due to lower than anticipated participation levels, Staff recommends reducing the budget by \$9,979,312.

Multifamily

Due to the program not launching in the anticipated timeframe, Staff proposes to reallocate fixed costs across other programs, with no net change in total fixed costs (portfolio wide) collected. Staff recommends reducing the budget by \$1,319,468.

REVISED BUDGET TABLE:

The following tables show the FY20 2nd Proposed Budget Revisions and the resulting Proposed Revised FY20 Budget:

FY2020 Proposed Adjustments		Cost Category Budgets					
Program/Budget Line	Total Revised Budget	Administration	Sales, Marketing, Website	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing and QA	Evaluation
EE Programs	(\$166,890.64)	(\$13,321.91)	(\$5,801.04)	\$0.00	(\$763,583.23)	\$615,815.54	\$0.00
Res EE Programs	\$1,609,172.78	\$497,571.06	\$11,601.72	\$0.00	\$750,000.00	\$350,000.00	\$0.00
Existing Homes	\$198,299.93	\$192,499.13	\$5,800.80	\$0.00	\$0.00	\$0.00	\$0.00
RNC	\$395,217.44	\$292,317.04	\$2,900.40	\$0.00	\$0.00	\$100,000.00	\$0.00
EE Products	\$1,015,655.41	\$12,754.89	\$2,900.52	\$0.00	\$750,000.00	\$250,000.00	\$0.00
C&I EE Programs	(\$456,595.78)	\$428,813.19	\$23,203.68	\$0.00	(\$1,513,583.23)	\$604,970.58	\$0.00
C&I Buildings	\$9,388,788.01	\$371,385.37	\$17,402.64	\$0.00	\$8,500,000.00	\$500,000.00	\$0.00
LGEA	\$133,927.85	\$26,056.75	\$2,900.52	\$0.00	\$0.00	\$104,970.58	\$0.00
DI	(\$9,979,311.64)	\$31,371.07	\$2,900.52	\$0.00	(\$10,013,583.23)	\$0.00	\$0.00
Multi-family EE	(\$1,319,467.64)	(\$939,706.16)	(\$40,606.44)	\$0.00	\$0.00	(\$339,155.04)	\$0.00
Multifamily	(\$1,319,467.64)	(\$939,706.16)	(\$40,606.44)	\$0.00	\$0.00	(\$339,155.04)	\$0.00
Distributed Energy Resources	\$66,890.64	\$27,129.56	\$2,900.52	\$0.00	\$0.00	\$36,860.56	\$0.00
CHP - RE Storage	\$66,890.64	\$27,129.56	\$2,900.52	\$0.00	\$0.00	\$36,860.56	\$0.00
RE Storage	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Fuel Cells	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
RE Programs	\$100,000.00	\$56,759.94	\$2,900.52	\$0.00	\$0.00	\$40,339.54	\$0.00
SREC Registration	\$100,000.00	\$56,759.94	\$2,900.52	\$0.00	\$0.00	\$40,339.54	\$0.00
Electric Vehicles	\$30,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Electric Vehicle	\$15,000,000.00	\$5,000,000.00	\$0.00	\$0.00	\$10,000,000.00	\$0.00	\$0.00
Plug In EV Incentive Fund	\$15,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Charge Up New Jersey					\$15,000,000.00		

FY 2020 2 nd Budget Reallocation		Cost Category Budgets					
Program/Budget Line	Total Budget	Administration	Sales, Marketing, Website	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing and QA	Evaluation
Total -NJCEP + State Initiatives	\$560,087,029.42	\$37,213,577.28	\$11,721,385.06	\$1,432,465.63	\$487,880,814.00	\$14,308,736.16	\$7,530,051.30
State Energy Initiatives	\$87,089,000.00	\$0.00	\$0.00	\$0.00	\$87,089,000.00	\$0.00	\$0.00
Total NJCEP	\$472,998,029.42	\$37,213,577.28	\$11,721,385.06	\$1,432,465.63	\$400,791,814.00	\$14,308,736.16	\$7,530,051.30
EE Programs	\$363,806,589.06	\$15,629,982.42	\$1,709,371.14	\$1,407,465.63	\$332,206,495.83	\$12,823,274.04	\$30,000.00
Res EE Programs	\$82,032,721.62	\$5,495,616.65	\$174,027.60	\$447,000.00	\$68,191,845.15	\$7,724,232.22	\$0.00
Residential Retrofit	\$33,228,781.53	\$2,911,710.18	\$87,013.80	\$420,000.00	\$27,133,335.35	\$2,676,722.20	\$0.00
RNC	\$17,448,587.68	\$1,572,191.71	\$43,506.84	\$27,000.00	\$14,871,076.75	\$934,812.38	\$0.00
EE Products	\$31,355,352.41	\$1,011,714.76	\$43,506.96	\$0.00	\$26,187,433.05	\$4,112,697.64	\$0.00
Res Low Income	\$45,500,000.00	\$2,538,158.51	\$1,187,288.10	\$810,465.63	\$39,336,019.66	\$1,598,068.10	\$30,000.00
Comfort Partners	\$45,500,000.00	\$2,538,158.51	\$1,187,288.10	\$810,465.63	\$39,336,019.66	\$1,598,068.10	\$30,000.00
C&I EE Programs	\$176,094,856.64	\$7,596,207.26	\$348,055.44	\$125,000.00	\$164,646,523.46	\$3,379,070.48	\$0.00
C&I Buildings	\$126,627,024.36	\$5,700,995.36	\$261,041.52	\$75,000.00	\$117,879,921.36	\$2,710,066.12	\$0.00
LGEA	\$4,816,733.45	\$907,880.30	\$43,506.96	\$25,000.00	\$3,420,347.81	\$419,998.38	\$0.00
DI	\$44,651,098.83	\$987,331.60	\$43,506.96	\$25,000.00	\$43,346,254.29	\$249,005.98	\$0.00
Multi-family EE	\$3,590,137.36	\$0.00	\$0.00	\$25,000.00	\$3,443,234.12	\$121,903.24	\$0.00
Multi-family	\$3,590,137.36	\$0.00	\$0.00	\$25,000.00	\$3,443,234.12	\$121,903.24	\$0.00
State Facilities Initiative	\$56,588,873.44	\$0.00	\$0.00	\$0.00	\$56,588,873.44	\$0.00	\$0.00
State Facilities Initiative	\$56,588,873.44	\$0.00	\$0.00	\$0.00	\$56,588,873.44	\$0.00	\$0.00
Distributed Energy Resources	\$30,411,713.29	\$656,189.32	\$43,506.96	\$0.00	\$29,476,649.77	\$235,367.24	\$0.00
CHP - RE Storage	\$21,271,713.29	\$656,189.32	\$43,506.96	\$0.00	\$20,414,084.79	\$157,932.22	\$0.00
RE Storage	\$140,000.00	\$0.00	\$0.00	\$0.00	\$135,000.00	\$5,000.00	\$0.00
Fuel Cells	\$5,000,000.00	\$0.00	\$0.00	\$0.00	\$4,927,564.98	\$72,435.02	\$0.00
Microgrids	\$4,000,000.00	\$0.00	\$0.00	\$0.00	\$4,000,000.00	\$0.00	\$0.00
RE Programs	\$8,380,623.05	\$781,398.16	\$43,506.96	\$25,000.00	\$3,000,000.00	\$1,250,094.88	\$3,280,623.05
Offshore Wind	\$3,280,623.05	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,280,623.05
Community Solar	\$3,000,000.00	\$0.00	\$0.00	\$0.00	\$3,000,000.00	\$0.00	\$0.00
SREC Registration	\$2,100,000.00	\$781,398.16	\$43,506.96	\$25,000.00	\$0.00	\$1,250,094.88	\$0.00
EDA Programs	\$91,007.38	\$91,007.38	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Planning and Administration	\$19,203,096.65	\$3,555,000.00	\$9,925,000.00	\$0.00	\$1,503,668.40	\$0.00	\$4,219,428.25
BPU Program Administration	\$3,555,000.00	\$3,555,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BPU Program Administration	\$3,555,000.00	\$3,555,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Marketing	\$4,000,000.00	\$0.00	\$4,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00
New Marketing Contract	\$4,000,000.00	\$0.00	\$4,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00
CEP Website	\$400,000.00	\$0.00	\$400,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Program Evaluation/Analysis	\$4,219,428.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,219,428.25
Program Evaluation	\$3,969,428.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,969,428.25
Research and Analysis	\$250,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$250,000.00
Outreach and Education	\$6,958,668.40	\$0.00	\$5,525,000.00	\$0.00	\$1,433,668.40	\$0.00	\$0.00
Sustainable Jersey	\$742,085.00	\$0.00	\$0.00	\$0.00	\$742,085.00	\$0.00	\$0.00
NJIT Learning Center	\$691,583.40	\$0.00	\$0.00	\$0.00	\$691,583.40	\$0.00	\$0.00
Conference	\$750,000.00	\$0.00	\$750,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Outreach, Website, Other	\$4,775,000.00	\$0.00	\$4,775,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Sponsorships	\$70,000.00	\$0.00	\$0.00	\$0.00	\$70,000.00	\$0.00	\$0.00
Sponsorships	\$70,000.00	\$0.00	\$0.00	\$0.00	\$70,000.00	\$0.00	\$0.00
New Initiatives	\$51,105,000.00	\$16,500,000.00	\$0.00	\$0.00	\$34,605,000.00	\$0.00	\$0.00
Community Energy Grants	\$1,000,000.00	\$0.00	\$0.00	\$0.00	\$1,000,000.00	\$0.00	\$0.00
Storage	\$4,105,000.00	\$0.00	\$0.00	\$0.00	\$4,105,000.00	\$0.00	\$0.00
Electric Vehicles	\$30,000,000.00	\$5,000,000.00	\$0.00	\$0.00	\$25,000,000.00	\$0.00	\$0.00

Charge Up New Jersey Program	\$15,000,000.00	\$5,000,000.00	\$0.00	\$0.00	\$10,000,000.00	\$0.00	\$0.00
Plug In EV Incentive							
Fund	\$15,000,000.00	\$0.00	\$0.00	\$0.00	\$15,000,000.00	\$0.00	\$0.00
NJ Wind	\$4,500,000.00	\$0.00	\$0.00	\$0.00	\$4,500,000.00	\$0.00	\$0.00
R&D Energy Tech Hub	\$4,500,000.00	\$4,500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Workforce Development	\$2,500,000.00	\$2,500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Curriculum	\$4,500,000.00	\$4,500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

SUMMARY OF COMMENTS FROM PUBLIC STAKEHOLDERS

On March 19, 2020, Staff posted on the NJCEP website and distributed to the listserv a Request for Comments regarding the proposed FY20 2nd budget revisions. Staff accepted comments through March 31, 2019. Written comments submitted by the New Jersey Division of Rate Counsel (“Rate Counsel”), Mr. Fred Wolsky, the Natural Resources Defense Council (“NRDC”), Lyft, ChargEVC, Public Service Electric and Gas (“PSE&G”), CrossState Credit Union Association (“CrossState”), New Jersey Sierra Club (“Sierra Club”), and Atlantic City Electric (“ACE”) are summarized below, along with Staff’s responses.

Budget Reallocation

Comment: A comment was received from CrossState requesting a financing pilot option for the Direct Install program similar to the current residential Home Performance with Energy Star program offering.

Response: Staff appreciates the comment and will explore the opportunity of program enhancements as we continue through the energy efficiency transition as a response to the Clean Energy Act.

Comment: Rate Counsel submitted comments in reference to the budget reallocations and has requested additional information.

Response: Budgets will vary by program based on volume and project size. Staff forecasts the estimate for how many projects may come in and the associated administrative costs. Projects are likely to vary and will result in some changes to overall budgets.

Comment: Sierra Club expresses concerns with the Multifamily program budget being reallocated.

Response: Staff stresses that these funds are being redistributed to the various NJCEP programs that currently offer multifamily project incentives. Staff will continue to explore opportunities for and the benefits of a single multifamily program and is continuing to seek comments through the energy efficiency program transition required by the Clean Energy Act.

Electric Vehicle Program

Comment: NRDC requested that Stage One of the Incentive Program should indefinitely continue, even after Stage Two is launched in July, citing Connecticut’s CHEAPR Program.

Response: The exact length of time that Stage One will run after the launch of the Point of Sale Program (Stage Two) has yet to be decided, and this comment will be taken into consideration for the FY21 Compliance Filing, which will address all stages of the Charge Up New Jersey Program.

Comment: NRDC requested that the BPU shorten the time period between when an applicant submits their application to when they receive their rebate from 120 days to one month, and noted that the public should be aware of how much money is left in the program before making their vehicle purchase.

Response: The BPU slated the guaranteed length of time for an applicant to receive an incentive check at 120 days since this is a standard length of time for all New Jersey Clean Energy Programs. The BPU, in accordance with the EV Law (N.J.S.A. 48:25 et seq.), will be maintaining an up-to-date online dashboard for the program, which will inform the public of incentive availability and general program statistics.

Comment: NRDC noted that eligible vehicles should have a minimum ownership or lease period of 3 years/36 months so that vehicles are on the road longer, while also limiting the total number of incentives a driver can benefit from over the 10 year period.

Response: This comment will be taken into consideration by the BPU going forward.

Comment: NRDC and ChargeVC noted in their comments that the BPU should expand the program eligibility to businesses, fleets, non-profits, and government agencies.

Response: BPU appreciates the perspective and request to expand program eligibility and will take this into consideration. Currently, the BPU has the "Clean Fleet Electric Vehicle Incentive Program," which is accessible to local and state governments to support the purchase of an electric vehicle and charging equipment for their fleet.

Comment: NRDC noted that the BPU should make program data publicly available and update it monthly to ensure transparency, as well as include incentive funds spent and remaining amounts by zip code, and the number of incentives by vehicle makes and models.

Response: The BPU, in accordance with the EV Law (N.J.S.A. 48:25 et seq.), will be maintaining an up-to-date online dashboard for the program, which will inform the public of incentive availability and general program statistics.

Comment: A constituent requested that the MSRP cap of \$55,000 refer to the base, rather than final, MSRP.

Response: Pursuant to N.J.S.A. 48:25 et seq., MSRP is defined as "the published manufacturer's suggested retail price, as set by a vehicle's manufacturer, at the time of sale or lease."

Comment: ChargeVC noted that checks should be issued within 10 days of a completed transaction, similar to the manner in which the incentive in New York State is run.

Response: The BPU slated the guaranteed length of time for an applicant to receive an incentive check at 120 days since this is a standard length of time for all New Jersey Clean Energy Programs.

Comment: ChargEVC noted that, for people who access the program before the Point of Sale Program is launched, the BPU should clarify when individuals will no longer be able to apply and receive a check directly, and whether or not Stage One of the program will continue after the Point of Sale Program launches.

Response: The BPU anticipates Stage One running through the end of FY20. The exact length of time that Stage One will run after the launch of the Point of Sale Program (Stage Two) has yet to be decided, and this comment will be taken into consideration for the FY21 Compliance Filing, which will address all stages of the Charge Up New Jersey Program.

BOARD STAFF RECOMMENDATIONS

Consistent with the Board's contract with its Program Administrator, Staff coordinated with TRC regarding the proposed budget revisions. The FY20 2nd Proposed Budget Revisions include the Reallocations and Detailed Budgets. Additionally, the Electric Vehicle Charge Up New Jersey Compliance Filing includes program requirements and guidelines.

Having reviewed and considered the comments, Staff recommends that the Board adopt and approve the FY20 2nd Proposed Budget Revisions and the Electric Vehicle Charge Up New Jersey program.

DISCUSSION AND FINDINGS

Staff distributed the Proposed FY20 2nd Budget Revisions and EV Compliance Filing to the EE and RE listservs, posted them on the NJCEP website, and solicited written comments about them from stakeholders and the public. Staff and the Board considered those comments. Accordingly, the Board **FINDS** that the processes utilized in developing these proposed budget revisions and programs were appropriate and provided stakeholders and interested members of the public with adequate notice and opportunity to comment.

The Board **FINDS** that budget revisions will benefit customers and are consistent with the goals of reducing energy usage and associated emissions. Therefore, the Board **HEREBY APPROVES** the FY20 2nd Proposed Budget Revisions.

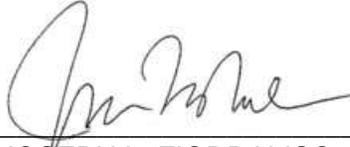
The Board has reviewed the EV Compliance Filing and **FINDS** that the EV program will benefit customers and is consistent with the goals of reducing energy usage and associated emissions.

The Board **HEREBY APPROVES** the Electric Vehicle Charge Up New Jersey program recommended by Staff.

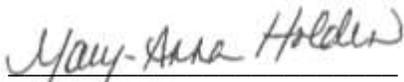
This Order shall be effective on April 17, 2020.

DATED: April 17, 2020

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER

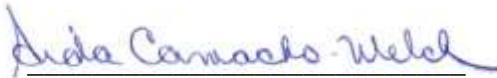


UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

**IN THE MATTER OF THE CLEAN ENERGY PROGRAMS AND BUDGET FOR
FISCAL YEAR 2020 2nd BUDGET REVISIONS
DOCKET NOS. QO19050645 and QO20030262**

SERVICE LIST

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Charge Up New Jersey
Fiscal Year 2020 Compliance Filing
Stage One: The Post-Purchase Incentive Program



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I. Introduction

This Fiscal Year 2020 (FY20) Compliance Filing provides the program description for the Charge Up New Jersey program, administered by the New Jersey Board of Public Utilities (BPU or the Board) and its Division of Clean Energy (DCE). The Charge Up New Jersey program was developed in accordance with [P.L.2019, c.362](#), codified at N.J.S.A. 48:25-1 to -11, and amending, in relevant part, N.J.S.A. 48:3-60(a)(3), which directed the Board to establish and implement a program to incentivize the purchase or lease of new light-duty plug-in electric vehicles (EVs) in the State of New Jersey.

II. Program Purpose and Strategy Overview

The Charge Up New Jersey program was mandated by the signing of S2252 into law, P.L.2019, c.362 on January 17, 2020. This program will enable New Jersey residents, who purchase or lease an eligible electric vehicle on or after January 17, 2020, to apply for an incentive. It is envisioned that the Charge Up New Jersey program will have two stages. This FY20 Compliance Filing covers Stage One - The Post-Purchase Incentive Program (Stage One). The Point-of-Sale Program (Stage Two) is still in development. A separate Compliance Filing will be submitted for Stage Two of the program.

The Post-Purchase Incentive Program (Stage One): Stage One of the Charge Up New Jersey program will span from January 17, 2020 until the official launch of Stage Two – the Point-of-Sale Program. During Stage One, applicants would apply post-purchase or lease directly to the program administrator, the Center for Sustainable Energy (CSE), at the official program website. Incentives will be processed on a first-come, first-served basis by the program administrator and issued to eligible applicants in a single payment via check. All incentives are subject to availability of funds.

The Stage One application process is designed to be as simple and streamlined as possible. Stage One will utilize a simple online user interface, wherein applicants will fill out an application, acknowledge terms and conditions, and upload required documentation within the same portal. After the application is submitted in full, applicants will have the ability to check the status of their applications through this online portal. Applicants can expect to receive an incentive within 120 days, subject to availability of funds, after a completed application is approved.

The Point-of-Sale Program (Stage Two): On or before July 15, 2020 Stage Two will be launched. It will further simplify the process for applicants since it will happen at the time of the vehicle transaction in a New Jersey dealership or showroom. The incentive will be applied directly to the transaction (point-of-sale) in full and all paperwork will be facilitated by the salesperson or representative.

III. Program Description

The intent of the Charge Up New Jersey program is to encourage the purchase or lease of new light-duty plug-in electric vehicles in the State, and assist New Jersey residents with making the switch to driving electric, consistent with [N.J.S.A. 48:25-4\(a\)](#). The Charge Up New Jersey program addresses the key market barrier of vehicle cost by offering a financial incentive directly linked to a vehicle's EPA-rated all-electric range. This directly impacts the transition to electrifying passenger vehicles in the State of New Jersey by incentivizing residents, but also indirectly signals the electric vehicle industry as a whole that New Jersey is a growing market. As such, the program has the ability to help jumpstart the State and support its forward momentum to reach the State goals signed into law by Governor Murphy.

P.L.2019, c.362 was signed on January 17, 2020 and set goals for the State related to transportation electrification, established the “Plug-in Electric Vehicle Incentive Fund,” mandated the Board to establish and implement an incentive program for light-duty plug-in electric vehicles, and granted the Board the authority to establish and implement an incentive program for in-home (residential) electric vehicle charging equipment, (N.J.S.A. 48:25-4 and N.J.S.A. 48:25-6). The following State goals are related to transportation electrification for light-duty vehicles:

1. There must be at least 330,000 registered light-duty, plug-in electric vehicles in New Jersey by December 31, 2025 and at least 2 million electric vehicles registered in New Jersey by December 31, 2035.
2. At least 85% of all new light-duty vehicles sold or leased in New Jersey shall be plug-in electric vehicles by December 31, 2040.

The Board intends to fulfill these State goals and implement an incentive program which moves the state forward on transportation electrification, while decreasing greenhouse gas emissions, for the light-duty sector.

IV. Eligibility

Applicant Eligibility

The Charge Up New Jersey program is intended to support New Jersey residents who purchase or lease an eligible electric vehicle. Applicants must meet the following requirements in order to be eligible to apply for the post-purchase incentive. The applicant must:

1. Be a resident of the state of New Jersey at the time of vehicle purchase or lease.
 - a. Active duty military members stationed in New Jersey, with permanent residency in another state, may apply. Current military orders will be accepted as proof of residency documentation.
 - b. This program is limited to individuals only. Businesses, governments, and public entities are not eligible.
2. Applicants are required to remain a resident of the State of New Jersey for at least two (2) years after the purchase or lease of the eligible electric vehicle which receives an incentive under the Charge Up New Jersey program.
3. Purchase or lease an eligible vehicle in the State of New Jersey between January 17, 2020 and the official launch of Stage Two: The Point-of-Sale Program.
 - a. A vehicle purchased or leased or delivered out-of-state is not eligible for the incentive, including vehicles ordered online and delivered outside of the state.
 - b. A purchase or lease is deemed completed when the purchaser or lessee of the vehicle has executed and signed a purchase or lease contract or security agreement. For Tesla and other manufacturers without a standard purchase or lease contract, the date of vehicle registration will be considered the date of purchase or lease.
 - c. Applicants must take delivery of their vehicle before applying. Applications received before delivery will be rejected, and applicants will need to reapply post-delivery.
4. Submit an application no later than 90 days after the launch date of the Charge Up New Jersey Point-of-Sale program implemented in Stage Two.

5. Commit to not modifying the vehicle's emissions control systems, hardware, software calibrations, or hybrid system.
6. Retain ownership or an active lease agreement and registration of the vehicle with the New Jersey Motor Vehicle Commission (MVC) for a minimum of 36 consecutive months immediately after the vehicle purchase or lease date. Leased vehicles must reflect a minimum of 36 months on the original lease agreement.
7. Applicants may only receive up to four (4) vehicle incentives from the Charge Up New Jersey program throughout the 10-year period that the program is active.

Vehicle Eligibility

Pursuant to [P.L.2019, c.362](#), an eligible vehicle for the Charge Up New Jersey program is defined as:

- A new light-duty plug-in electric vehicle;
- With an MSRP below \$55,000*;
- Purchased or leased in the State of New Jersey; and
- Registered in New Jersey.

* The MSRP cap of \$55,000 refers to the final MSRP of the vehicle, which is set by the manufacturer, and is intended to encompass the value of the vehicle itself, in full. The manufacturer's MSRP typically includes the costs associated with the trim level of the vehicle with all color options, wheel upgrades, drive train or battery upgrades, and other packages, such as entertainment system upgrades. Costs not generally included in the MSRP are: destination or delivery charges, sales and use taxes, additional maintenance or repair packages purchased from the dealership or showroom, documentation fees, registration fees, or add-ons which relate to the maintenance or operation of the vehicle, such as electric vehicle charging packages, floor mats, first aid kits, cargo nets, etc. The Board reserves the right to take enforcement action if manufacturers adopt separate MSRPs for New Jersey that differ from the MSRP associated with the same car in other states or otherwise attempt to circumvent the statutory language.

Incentives for Eligible Vehicles

The incentive amount for an eligible vehicle was set by the law, [P.L.2019, c.362](#) and is equal to \$25 per mile of EPA-rated all-electric range, up to a maximum of \$5,000. The Eligible Vehicle List will include electric vehicles which meet the criteria set by the law. The list will be publicly available on the program website and updated on a quarterly basis. The calculation for the incentive is as follows:

$(\$25) \times (\text{EPA-rated all-electric range}) = \text{Total Incentive Amount (Maximum of \$5,000)}$

For Example

The 2020 Toyota Prius Prime Plug-In has 25 EPA-rated all-electric miles of range.

$(\$25) \times (25 \text{ EPA-rated all-electric miles}) = \625 Incentive

The 2020 Hyundai Kona EV has 258 EPA-rated all-electric miles of range, but the incentive is capped at \$5,000. Thus, the Kona EV would be eligible for a \$5,000 incentive.

Ineligible vehicles under the Charge Up New Jersey program include:

- Aftermarket plug-in hybrid electric vehicles;
- Electric vehicle conversions;
- Electric scooters;
- Electric all-terrain vehicles;
- Neighborhood, or low speed, electric vehicles;
- Electric motorcycles; and
- Pre-owned plug-in electric vehicles.

V. Program Requirements

Application Process

To apply for the incentive, an applicant must submit an online application at the dedicated program website. The current Charge Up New Jersey Terms and Conditions of the program will be available to the applicant on the website, and applicants will be required to check a box acknowledging that they have read and understood the Charge Up New Jersey Terms and Conditions. Applicants must also upload required documentation, which include the following:

1. Proof of temporary or permanent New Jersey vehicle registration for the vehicle listed in the application. The applicant's name must be on the registration and the registration must be active.
2. A full and complete copy of the purchase or lease contract, with all pages included, from an eligible New Jersey dealership, showroom, or vehicle manufacturer. A complete contract must be fully executed and, if applicable, must include the itemization of credits, discounts, and incentives received. The applicant's name must be listed on the contract and match the name on the program application.
3. Proof of New Jersey residency via a legible copy of the applicant's current, unexpired New Jersey driver's license. For active duty military members stationed in New Jersey, but with permanent residency in another state, military orders may be used as proof of residency.

Applicants are responsible for submitting all required documentation within 14 calendar days from the date they submit their application and extensions will not be granted. Applicants who fail to upload the required documentation within the 14-day timeframe will have their applications cancelled and will need to reapply.

Applicant Responsibilities

Program communications, such as requests for additional documentation, application approval notifications, and payment notifications, will be sent via email. It is the applicant's responsibility to ensure that their email address is accurate and permits the receipt of program emails. Denial of incentives due to failure to respond to emails, including failure to respond due to program emails being filtered as spam, is not appealable. Applicants will have up to one (1) year to request check reissues or to cash their incentive checks. Incentive checks uncashed after one year will be considered unclaimed property and will expire.

If a vehicle, for which an incentive payment was issued, is sold, returned, or traded in, or if a lease is transferred or assumed by another party prior to expiration of the minimum ownership period or lease agreement, the purchaser or lessee may be required to reimburse Charge Up New Jersey. Exemption from the 36-month period, set forth in Section IV (4) above, may be allowed if necessitated by unforeseen or

unavoidable circumstances, such as military relocation outside the state of New Jersey, death of an applicant, or determination that the vehicle has been totaled.

VI. Call Center Coordination

The Center for Sustainable Energy will maintain a call center for the Charge Up New Jersey program, which will staff 30 individuals trained in processing light-duty electric vehicle incentives. The call center will have a dedicated toll-free phone number and program specific email for applicant inquiries. The Center for Sustainable Energy will also work closely with the NJCEP main call center in order to create a seamless pathway for customer inquiries and program information.

VII. Quality Control Provisions

Documented policies and procedures will provide proper guidelines to ensure consistency in the processing and quality control for all Charge Up New Jersey program participants. All applications reviewed by program staff at the Center for Sustainable Energy will verify and ensure adherence to eligibility requirements and technical information contained within this FY20 Compliance Filing. Applicant-supplied information, via the application and secure program website, will be housed in the program database and electronic files will be maintained containing all application documents. These completed applicant files will be stored in IMS. The State Contract Managers for the Charge Up New Jersey program will perform internal quality assurance reviews on monthly program reports.