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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/

Division of Clean Energy

DOCKET NO. QO21081070

) ORDER

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Parties of Record:

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

TOURISM INCENTIVE PROGRAM

IN THE MATTER OF THE FY22 ELECTRIC VEHICLE

BY THE BOARD:

By this Order, the Board of Public Utilities ("Board") considers the recommendation of Board staff ("Staff") to approve the Fiscal Year 2022 ("FY22") Electric Vehicle Tourism Incentive Program ("EV Tourism Program").

BACKGROUND AND PROCEDURAL HISTORY

On January 17, 2020, Governor Murphy signed S-2252 into law, constituting the EV Act.¹ The EV Act, in relevant part, creates an incentive program for light duty² electric vehicles ("EVs") and at-home EV charging infrastructure. The EV Act established the State's goals for the use of plugin EVs and the development of supporting EV charging infrastructure. N.J.S.A. 48:25-3. In particular, the EV Act authorized the Board to adopt policies and programs to accomplish the State's goals, which include:

1. At least 1,000 Level-Two ("L2") charging locations available for public use across the State by December 31, 2025.³

¹ L. 2019, c. 362; C.48:25-1 et seq.

² The EV Act defines a "light duty vehicle" as one that is a two-axle, four-wheel vehicle, designed primarily for passenger travel or light duty commercial used, approved to travel on public roads, and generally is classified as a car, minivan, sport utility vehicle, cross-over, or pick-up truck.

³ L2 charging stations are a type of electric vehicle supply equipment ("EVSE") utilized to charge an

- 2. At least 400 Direct Current Fast Chargers ("DCFC") available for public use at no fewer than 200 charging locations in the State by December 31, 2025.⁴
- 3. At least 20% of all franchised overnight lodging establishments being equipped with EVSE for routine use by guests of the establishment by providing L2 Chargers by December 31, 2025.

The EV Act specifically instructs the Board to develop incentives for EV charging infrastructure to support transportation electrification in the State, and to establish requirements and parameters for these incentives as it deems necessary and reasonable.

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 infrastructure build-out.⁵ As further described below, the EV Tourism Program will provide funding for the installation of EV chargers at key New Jersey tourism areas ("Tourism Areas"), as defined by the New Jersey Division of Travel & Tourism.⁶ This program will seek to increase the number of chargers available for public use throughout the state, encourage overnight lodging establishments to install charging and create additional corridor and community charging locations.

STAFF RECOMMENDATION

Staff recommends creating an EV Tourism Program to promote both EV adoption and tourism through investment in EV chargers at key New Jersey Tourism Areas. This initiative would seek to establish a series of EV chargers along corridor⁷ and community locations that encourage EV drivers to visit Tourism Areas, which highlight the best that New Jersey has to offer. Such a program would move New Jersey closer to the goals for public and overnight lodging charging locations as established by the EV Act and would reduce range anxiety for residents and tourists in New Jersey.

The Program would be open to Tourism Areas in New Jersey that were interested in locating chargers at their site. This program would encourage public charging for destinations including but not limited to boardwalks, downtowns, historic sites, and state parks. It would also encourage quasi-public charging for over-night lodging locations and for parking lots that are for visitors who utilize specific destinations, such as museums. By locating chargers at these types of destinations, it would increase the visibility and availability of public charging while also reducing range anxiety for residents and travelers. In addition this initiative would encourage EV drivers to seek out New Jersey tourism locations due to their co-location with chargers.

electric vehicle from the grid. See the EV Act, N.J.S.A. 48:25-2, for further detail regarding what constitutes an L2 Charger.

⁴ DCFC 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.

⁵ L.2021, c.133; <u>https://www.njleg.state.nj.us/2020/Bills/S2500/2022_I1.PDF</u> at Grant-in-Aid 54-2008.

⁶ For examples of Tourism Areas, see <u>https://visitnj.org/</u>.

⁷ Under the EV Act, a "corridor location" means a charging location along a travel corridor roadway, or located within one mile of that roadway, that is intended to provide access to EV charging and services for both long distance drivers and for local drivers.

This funding would be used to create a program with the below criteria.

Eligible Applicants

Municipalities, county or state government entities, and private entities located in, or having jurisdiction over, particular Tourism Areas that intend to own and operate the EV charging equipment on their property will be eligible to apply for a grant from the EV Tourism Program ("Eligible Applicants"). Eligible Applicants will be selected for participation in the EV Tourism Program based on the recommendations of a review committee that will evaluate and score each application, based on criteria that Board Staff develops, which will generally include, but not be limited to, the following:

- Chargers are dual-port and networked units;
- Eligible Applicant agrees that proper signage will be posted and charger(s) will be listed online at appropriate sites for public awareness;
- Eligible Applicant adheres to EV Tourism Program grant criteria;
- Charger is preferably public, but may be quasi-public (ex: accessible by guests of an overnight lodging establishment, etc.);
- Applicant is recognized as a Tourism Area by the Division of Travel and Tourism as listed on VisitNJ.org;
- Locations that are part of larger Tourism Areas and in close proximity to other Tourism Area locations are preferred;
- Location would best serve the public due to proximity to Tourism Areas connected by tourism corridor(s) or in a community location; and
- Location addresses corridor and community gaps between EV chargers, reducing range anxiety.

Eligible Electric Vehicle Charging Stations

Staff recommends that the EV Tourism Program provide incentives for L2 Chargers of any brand selected by the Eligible Applicant, provided the equipment chosen is a dual-port charger⁸ and has the capacity to capture data, referred to as a "networked charger." Board Staff also recommends that the Program provide incentives for DCFCs of any brand the Eligible Applicant selects, provided the charger is a dual-port charger that is networked and has a standard port available for use by all electric vehicles. In addition, Eligible Applicants should be required to share charging data with the Board periodically. Data collection may include, but is not limited to, items such as location (latitude/longitude to 5 decimal places), location category, charging session duration, session frequency, load curves, and utilization of the EVSE.

Incentive Details

The EV Tourism Program would provide grants as follows to Eligible Applicants accepted for

³ A dual-port charger has two charging ports, each capable of charging an electric vehicle.

participation:

- An incentive of \$2,000 per eligible L2 Charger.
- An incentive of 50% of the make-ready costs per eligible L2 Charger, up to \$5,000.
- An incentive of 50% of the cost of a DCFC and the make-ready costs up to \$75,000 total per charger.
- Eligible Applicants would be limited to applying for grants to cover up to six (6) L2 EV Chargers with associated make ready costs and two (2) DCFCs with associated make ready costs per site. Eligible Applicants may exist in the same Tourism Area, but may not share the same address.

Staff recommends that the EV Tourism Program application process be structured to occur during specific periods, or "windows," and that the Board approve a minimum of two such windows during FY22.

Staff further recommends that this Program be authorized for FY22. Staff also recommends that the Program be reauthorized in the future, should future appropriations or allocations in the Division of Clean Energy budget permit reauthorization.

DISCUSSION AND FINDINGS

Following careful consideration, the Board <u>HEREBY</u> <u>FINDS</u> that the proposed EV Tourism program is designed to move New Jersey towards the goals in the EV Act. Specifically, the Board <u>FINDS</u> that this program will increase the number of public chargers found in corridor, community, and overnight lodging areas.

The Board <u>HEREBY</u> FINDS that the proposed program will also serve to increase chargers at over-night lodging and increase awareness of the many New Jersey Tourism destinations.

The Board <u>HEREBY</u> FINDS that the proposed recommendations for an EV Tourism Program that provides incentives to Eligible Applicants in Tourism Areas are reasonable. Based upon the foregoing recommendations of Staff, the Board <u>HEREBY</u> <u>APPROVES</u> Staff's recommendations regarding Eligible Applicants, Eligible Electric Vehicle Charging Equipment, Incentive Details, and an EV Tourism Program budget of \$4 Million. The Board also <u>APPROVES</u> structuring the application process for this Program such that at least two application windows occur during FY22. The Board <u>HEREBY</u> <u>DIRECTS</u> Staff to launch the Program and <u>HEREBY</u> <u>AUTHORIZES</u> Staff to review Eligible Applicants' applications and disburse up to \$4 Million from the program budget in accordance with established BPU procedures through June 30, 2022.

This Order shall be effective September 21, 2021.

DATED: September 17, 2021

BOARD OF PUBLIC UTILITIES BY:

SEPH L. FIORDALISO

PRESIDENT

MARY-ANNA HOLDEN COMMISSIONER

UPENDRA J. CHIVUKULA COMMISSIONER

DIANNE SOL OMON

COMMISSIONER

ROBERT M. GORDON COMMISSIONER

ATTEST:

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AIDA CAMACHO-WELCH SECRETARY

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