

March 4, 2019

The Honorable Phil Murphy
Governor of the State of New Jersey
125 West State Street
Trenton, NJ, 08625

Dear Governor Murphy:

Increasing the number of electric vehicles (EVs) on our roads will significantly reduce carbon and other health impacting emissions. Transportation in New Jersey is the largest source of greenhouse gas emissions and expanding EVs is the most effective (and economic) way to reduce these emissions. There can be no true greenhouse gas reduction policy in New Jersey without including strong pro-EV policy. We need your continued leadership. The undersigned group of diverse organizations writes to urge you to take two important leadership actions on EV market development in New Jersey.

- Issue an executive order to direct non-allocated monies, including funds previously diverted from the Clean Energy Program be used to create a rebate program for electric vehicles that will bridge the affordability gap, making electric vehicles more available to more people in New Jersey.
- Ensure EV filings submitted by Atlantic City Electric (ACE) and Public Service Electric & Gas Company (PSE&G), filed at the Board of Public Utilities in the 1st and 3rd quarter of 2018 be processed and completed within the next six months.

Rebates for Electric Vehicles: Why is this important?

Although costs continue to decrease, providing a “cash on the hood” rebate to help reduce the premiums for electric vehicles is a proven strategy for accelerating customer adoption. It also engages the automotive dealerships, a key partner in getting these vehicles on our roads. Several leading states, New York and Connecticut among them, have EV rebate programs in place and provide “best in practice” program design, which exclude rebates for luxury EVs.

New Jersey already offers rebates for air conditioners and high efficiency heating and cooling equipment, to name two examples. Electric vehicles nearly double fuel efficiency; providing rebates will similarly further progress on the state’s Global Warming Response Act goals. Further, ChargeVC studied the rebate investment opportunity and determined that the rebates more than pay for themselves. A rebate program triggers a wide array of parallel private investments in vehicles, charging infrastructure, and overall grid reinforcement, and generates a net \$11.3B in benefits through 2035.

Ramping up the electric vehicle market can realize savings for all utility customers and deliver additional and significant benefits - a tremendous “bang for the buck,” including: (1) significant carbon reduction; (2) cleaner air; (3) affordable mobility options, especially for those living in urban centers, (4) a jump start to green economic development by attracting business and industry and spurring innovation.

The funds for establishing a rebate program through the Clean Energy Fund should come from funds that are historically diverted through the annual legislative budget process. Put another way, the rebate program shouldn’t impede current Clean Energy Fund programs for energy efficiency and weatherization.

An EV rebate program will likely prove very successful, provide a low administrative cost for overhead, and allow for increased capacity for direct carbon benefits without having to bulk up BPU staffing. The EV rebate program design should mirror the tiered status found in California with the CVRP program to provide additional incentives for lower-income drivers, as well as enabling ride-sharing services in urban areas of New Jersey that can provide affordable, convenient and clean ways to move in and around our most populated centers.

Why establish a rebate program through an Executive Order?

We look to our Governor for leadership on this issue. An Executive Order of consequence will send a signal to advocates, and the business community that the Administration supports and is actively pushing the accelerated transition to an electrified transportation system. This leadership is consistent with the Administration’s Transition Report that recommended action in this area. Further, the Murphy Administration has put the green energy economy at the center of its economic development strategy. While the Administration has joined regional electric transportation efforts (execution of the ZEV memorandum and joining the Transportation Climate Initiative with a number of other northeast states to develop a regional program on transportation-related emissions), and has processed the first tranche of VW settlement funds providing rebates for charging stations and support for electric bus procurement, priority action is needed that distinguishes the New Jersey market to promote electric vehicles.

Timing matters

The year 2020 will be a landmark year with a substantial roll out of electric cars, SUVs and trucks at a variety of price points. Having a rebate program in place in 2020 will enable us to leverage and maximize this historic moment. Additionally, having the Board of Public Utilities rule on EV filings in a timely manner will also send an important and timely signal that New Jersey is open for business with respect to the value chain of businesses that make up this evolving industry. It is notable that many California-based EV-related companies are looking for an East Coast location to plant their flag.

ChargeVC has been working since 2016 with a diverse membership to create a roadmap for action and a benefit cost study which makes the case on why New Jersey should implement the specific initiatives recommended in the ChargeVC Roadmap. Even the narrowest analysis – looking at just the benefits to ratepayers was net positive, resulting in approximately \$4.3B in savings through 2035. It is worth emphasizing that for all of the concerns about potential ratepayer burden from clean energy initiatives, EV market development puts downward pressure on rates.

The recent Volkswagen settlement announcement by NJDEP shows the importance of building out the infrastructure of electric charging stations around the state in a geographically and equitable manner. It also exemplifies how much investment we need to make to ensure electric vehicle charging stations are commonplace in all downtowns and along our major roadways.

An Executive Order that starts to put an EV program in place, coupled with movement on EV utility filings at BPU that results in the charging infrastructure that addresses the range anxiety or fear of running out of charge – the single biggest barriers to drivers adopting this superior technology, will vault New Jersey to a national leadership position in electric vehicle market development, helping the state capture the value chain and also helping to grow our economy.

Please let us know if you would like to meet on this issue, but we thank you in advance for your fast attention to this critical request.

Signed,

ChargeVC Members

AAA
A.F. Mensah
Association of NJ Environmental
Coalitions
Atlantic City Electric
BYD
Center for Sustainable Energy
ChargePoint
Clearview Energy
EN Engineering
Environment New Jersey
Environmental Defense Fund
EVBox
EVgo

Greenfaith
Greenlots
Independent Energy Producers of NJ
Infineon
International Brotherhood of Electrical
Workers
International Council of Shopping Centers
Isles, Inc.
Jersey Central Power & Light
JuiceBar
Natural Resources Defense Council
NJ Coalition of Automotive Retailers
NJ Clean Cities Coalition
NJ League of Conservation Voters
NJ Work Environment Council

CHARGEVC

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NJ State Electrical Workers Association
Plug-In America
Proterra
Public Service Electric & Gas
Rockland Electric

Sierra Club NJ Chapter
Sussex Rural Electric Cooperative
Tesla
Union of Concerned Scientists

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