



Agenda Date: 8/17/22  
Agenda Item: 8A

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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CLEAN ENERGY

IN THE MATTER OF THE FISCAL YEAR 2023 CLEAN )  
FLEET INCENTIVE PROGRAM FOR ELECTRIC )  
VEHICLES AND CHARGERS )  
ORDER ON CERTAIN  
PROGRAM MODIFICATIONS  
DOCKET NO. QO22070439

**Party of Record:**

**Brian O. Lipman, Esq.**, Director, Division of the Rate Counsel

BY THE BOARD:<sup>1</sup>

By this Order, the New Jersey Board of Public Utilities (“Board” or “BPU”) considers the recommendation of Board Staff (“Staff”) to approve certain modifications to the Fiscal Year 2023 (“FY23”) Clean Fleet Electric Vehicle Incentive Program (“FY23 Program”).

**BACKGROUND AND PROCEDURAL HISTORY**

On April 18, 2019, the Board considered and approved Staff’s recommendation to allocate \$200,000 of the federally funded State Energy Program (“SEP”) budget to the Board’s Clean Energy Budget for the development and implementation of an electric vehicle (“EV”) incentive program.<sup>2</sup> 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 the EV program] subject to and consistent with [the United States Department of Energy’s (“USDOE’s”)] approval of the plan.”<sup>3</sup> Beginning in January 2020, the Board approved applications submitted to the Clean Fleet Electric Vehicle Incentive Program (“Program”), the SEP initiative designed to support local governmental authorities’ adoption of 100% EVs, also known as battery electric vehicles (“BEVs”). The Program, together with “the addition of EVs to the New Jersey State Purchasing Contract under Award T0099,” 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

<sup>1</sup> Commissioner Zenon Christodoulou abstained from voting on this matter.

<sup>2</sup> In re the State Energy Program for Program Year July 1, 2019 - June 30, 2020, BPU Docket No. QO19030306, Order dated April 18, 2019.

<sup>3</sup> Id. at 3.

purchase EVs at the State Purchasing Contract price.<sup>4</sup>

The Board's Fiscal Year 2021 ("FY21") Budget Order noted that "the [Division of Clean Energy] received a grant in Fiscal Year 2020 ("FY20") from the U.S. Department of Energy to establish an Electric Vehicle Program to support the purchase and use of zero-emissions vehicles and infrastructure for government entities. . ."<sup>5</sup> The USDOE grant provided the FY20 Program with \$200,000, which was required to be fully committed by June 30, 2020.<sup>6</sup> The FY20 Program opened on December 1, 2019, with \$10,000 added to its overall budget from the remaining funds from the Compressed Natural Gas Vehicle Program, resulting in a \$210,000 overall budget for the FY20 Program.<sup>7</sup>

The Board's FY21 Budget Order also indicated that the Program would be continued in FY21 ("FY21 Program").<sup>8</sup> However, due to complications and delays resulting from the COVID-19 pandemic ("COVID-19"), many entities that were eligible to participate in the FY21 Program and that applied in 2020 for inclusion in the FY21 Program later indicated that their EVs would neither be produced nor be available until Fiscal Year 2022 ("FY22").<sup>9</sup> Furthermore, as a direct result of COVID-19, there was minimal marketing done to boost awareness of the FY21 Program. Consequently, many eligible entities, particularly municipalities, were unable to focus on additional initiatives beyond their core responsibilities. Many other eligible entities had budgetary constraints as a result of COVID-19, but still indicated their willingness to participate in the Program in the event that it was renewed for FY22.<sup>10</sup>

In June 2021, the New Jersey Clean Energy Program budget allocated \$7 million to the FY22, dedicating \$6 million to the State for State vehicle fleets and \$1 million to local governments for municipal clean fleets.<sup>11</sup> The Board also implemented changes to the FY22 Program in order to increase efficiency, reach more applicants, and expand the effectiveness of the FY21 Program.<sup>12</sup> The FY22 Program was funded by both the Societal Benefits Charge and State General Fund appropriations.<sup>13</sup> The Legislature appropriated an additional \$14 million in FY22, of which \$1

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<sup>4</sup> 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 ("January 2020 Order"); See also <https://www.state.nj.us/treasury/purchase/noa/attachments/a0099-noa.pdf>.

<sup>5</sup> In the Matter of the Clean Energy Programs and Budget for Fiscal Year 2021, BPU Docket No. QO20080539, Order dated September 23, 2020, at 183.

<sup>6</sup> January 2020 Order at 1.

<sup>7</sup> Id.

<sup>8</sup> In the Matter of the FY22 Clean Fleet Electric Vehicle Incentive Program, BPU Docket No. QO21070999, Order dated August 18, 2021.

<sup>9</sup> Id. at 2.

<sup>10</sup> Id.

<sup>11</sup> In re the Clean Energy Programs and Budget for Fiscal Year 2022, BPU Docket No. QO21040720, Order dated June 24, 2021.

<sup>12</sup> In re the Clean Energy Programs and Budget for Fiscal Year 2022 – True-up, Revised Budgets and Program Changes, BPU Docket No. QO21040720, Order dated March 9, 2022.

<sup>13</sup> In re the Clean Energy Programs and Budget for Fiscal Year 2023, BPU Docket No. QO22020113, Order dated June 29, 2022 ("FY23 Budget Order"), at 45; BPU, Division of Clean Energy, *Renewable Energy Programs, Energy Efficiency Programs, Distributed Energy Resources, and NJCEP Administration Activities – Fiscal Year 2023 Program Descriptions and Budgets*, at 5 ("FY23 Program Descriptions and

million was dedicated to encouraging eligible local and State government entities to convert their fleets to EV fleets.<sup>14</sup>

In June 2022, the Board approved programs and budgets for New Jersey's Clean Energy Programs for Fiscal Year 2023 ("FY23").<sup>15</sup> The FY23 Budget Order continued the FY23 Program and allocated \$10 million to it, dedicating \$6 million to the State for State vehicle fleets and \$4 million to eligible local and municipal governments for their clean fleets.<sup>16</sup>

The FY23 Budget Order established FY23 Program incentive levels and eligibility requirements and included the following:

- Up to \$4,000 toward the purchase of each eligible BEV;
- Up to \$5,000 (up to cost of the charger) toward the purchase of each public Level-Two EV charging station; and
- Up to \$4,000 (up to cost of the charger) toward the purchase of each fleet Level-Two EV charging station (not available to the public).

Eligible entities for the FY23 Program include municipalities, local schools, municipal commissions, State government, State agencies or boards, State commissions, State universities, community colleges, county government, and county authorities ("Eligible Entities"). The number of vehicles and chargers that an entity is eligible for is determined by population size of the government that the entity serves. Staff will review and assess grant applications and make grant awards on a rolling basis contingent upon program funding, with priority given to applicants who would be adding their first EV to their fleet. Eligible Entities in an overburdened municipality, as defined by the Office of Clean Energy Equity, are eligible for a 50% bonus, to be provided as either an additional incentive amount or eligibility for additional chargers and vehicles.

For FY23, awards will be in the form of a reimbursement, based on proof of purchase of a new eligible BEV and/or charging equipment,<sup>17</sup> subject to certain eligibility criteria and caps as described in the FY23 Program application and reiterated below.

#### Award Caps for FY23 Eligible Entities

Number of BEVs Eligible for Incentive:

- Local governments and local entities (e.g., municipal utility authority, etc.) serving a population under 20,000 have a cap of four (4) vehicles;
- Local schools serving a population under 20,000 have a cap of four (4) vehicles;
- Local governments and local entities (e.g., municipal utility authority, etc.) serving a population over 20,000 (20,001 – 50,000) have a cap of 10 vehicles;

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Budget").

<sup>14</sup> In re the Establishment of a Multi-Unit Dwelling EV Charging Program, and In the Matter of the Fiscal Year 2022 Electric Vehicle Tourism Incentive Program, BPU Docket Nos. QO21101203 and QO21081070, Order dated June 29, 2022.

<sup>15</sup> FY23 Budget Order.

<sup>16</sup> Id. at 46; FY23 Program Descriptions and Budget at 6.

<sup>17</sup> Id. at 45-46; FY23 Program Descriptions and Budget at 5-6.

- Local schools serving a population over 20,000 (20,001 – 50,000) have a cap of 10 vehicles;
- Local governments and local entities serving a population over 50,000 (50,001 – 100,000) have a cap of 14 vehicles;
- Local schools serving a population over 50,000 (50,001 – 100,000) have a cap of 14 vehicles;
- State government, State agencies/boards/commissions, State universities, county government, and county authorities have a cap of 20 vehicles each;
- Local governments and local entities serving a population over 100,000 have a cap of 20 vehicles; and
- Local schools serving a population over 100,000 have a cap of 20 vehicles.

Number of Dual-Port Level-Two EV Charging Stations Eligible for Incentive:

- Local governments and local entities (e.g., municipal utility authority, etc.) serving a population under 20,000 have a cap of two (2) Level-Two EV charging stations;
- Local schools serving a population under 20,000 have a cap of two (2) Level-Two EV charging stations;
- Local governments and local entities (e.g., municipal utility authority, etc.) serving a population over 20,000 (20,001 – 50,000) have a cap of four (4) Level-Two EV charging stations;
- Local schools serving a population over 20,000 (20,001 – 50,000) have a cap of four (4) Level-Two EV charging stations;
- Local governments and local entities serving a population over 50,000 (50,001 – 100,000 or more) have a cap of eight (8) Level-Two EV charging stations;
- Local schools serving a population over 50,000 (50,001 – 100,000 or more) have a cap of eight (8) Level-Two EV charging stations;
- State government, State agencies/boards/commissions, State universities, county government, and county authorities serving a population over 100,000 have a cap of 15 Level-Two EV charging stations; and
- Local schools serving a population over 100,000 have a cap of 15 Level-Two EV charging stations.

**STAFF RECOMMENDATION**

Staff recommends that the FY23 Program be amended to include incentives to Eligible Entities for Make-Ready<sup>18</sup> costs and for the cost of Direct Current Fast Chargers (“DCFCs”).<sup>19</sup>

Make-Ready Incentive

Staff recommends that the FY23 Program add an incentive of up to 50% of the Make-Ready costs (up to \$5,000) for Level-Two fleet chargers and up to 50% of the Make-Ready costs (up to

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<sup>18</sup> “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 EVSEs and DCFCs. More specifically, Make-Ready includes expenses related to service panels, junction boxes, conduit, wiring, etc. necessary to make a particular location able to accommodate EVSE on a “plug and play” basis.

<sup>19</sup> DCFCs are a higher power output type of EVSE utilized to charge an electric vehicle from the grid. See EV Act, N.J.S.A. 48:25-2, for further detail regarding what constitutes a DCFC.

\$50,000) for DCFCs for fleet charging for Eligible Entities. Currently, New Jersey electric distribution companies (“EDCs”) do not incent or reimburse Make-Ready costs for government fleet charging. However, the Medium and Heavy Duty (“MHD”) Straw Proposal, dated June 30, 2021, contemplates EDCs providing incentives for those costs as part of the effort to meet the EV Act’s (L. 2019, c. 362) goals.<sup>20</sup> To encourage the early adoption of fleet charging for FY23 Program Eligible Entities, Staff recommends that the Board address Make-Ready expenses in FY23 while the MHD Straw Proposal is being considered.

### Fast Charger Incentive

In addition, Staff recommends that the FY23 Program include a DCFC incentive of \$50,000, up to the cost of each eligible charger. Staff recommends that eligible DCFCs be any brand the Eligible Entity selects, provided that the equipment chosen is a dual-port charger, has a minimum of one standard port available for use by all EVs, and has the capacity to capture data, referred to as a “networked charger.” In addition, FY23 Eligible Entities should be required to share charging data with the Board periodically.

Staff recommends that the Board adopt DCFC award caps for the FY23 Program.

Number of Dual-Port DCFC Charging Stations Eligible for Incentive:

- Local governments and local entities (e.g., municipal utility authority, etc.) serving a population under 20,000 have a cap of one (1) DCFC charging station;
- Local schools serving a local government and local entity population under 20,000 have a cap of one (1) DCFC charging station;
- Local governments and local entities (e.g., municipal utility authority, etc.) serving a population over 20,000 (20,001 – 50,000) have a cap of two (2) DCFC charging stations;
- Local schools serving a local government and local entity population over 20,000 (20,001 – 50,000) have a cap of two (2) DCFC charging stations;
- Local governments and local entities serving a population over 50,000 (50,001– 100,000 or more) have a cap of four (4) DCFC charging stations;
- Local schools serving a local government and local entity population over 50,000 (50,001 – 100,000 or more) have a cap of four (4) DCFC charging stations;
- State government, State agencies/boards/commissions, State universities, county government, and county authorities serving a population over 100,000 have a cap of eight (8) DCFC charging stations; and
- Local schools serving a local government and local entity population over 100,000 have a cap of eight (8) DCFC charging stations.

Besides the addition of Make-Ready incentives and DCFC incentives to the existing Program, Staff recommends making no alterations to the eligibility or programmatic requirements of the FY23 Program.

### **DISCUSSION AND FINDINGS**

The Board **HEREBY FINDS** that Staff’s recommendation for modifications proposed to the FY23

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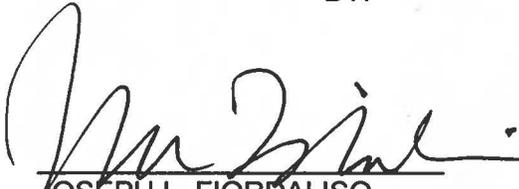
<sup>20</sup> In re Medium and Heavy Duty Electric Vehicle Charging Ecosystem, BPU Docket No. QO21060946, MHD Straw Proposal dated August 12, 2021, at 3, available at <https://www.nj.gov/bpu/pdf/publicnotice/Notice%20Medium%20Heavy%20Duty%20EV%20Straw%20Proposal.pdf>.

Program are reasonable and in accordance with the goals of the EV Act. Inclusion of Make-Ready and Fast Charger incentives further support the Program's goal of improving New Jersey's air quality and assisting local and State government entities' transition to electrically fueled fleets. Based upon the foregoing, the Board **HEREBY APPROVES** the modifications to the Program and **DIRECTS** Staff to conform the FY23 Program application materials to reflect the Program modifications approved herein. The Board **FURTHER DIRECTS** Staff to launch the FY23 iteration of the Program. The Board **HEREBY AUTHORIZES** Staff to review FY23 Program applications and disburse funding from the FY23 Program budget in accordance with established BPU procedures through June 30, 2023.

The effective date of this Order shall be August 24, 2022.

DATED: August 17, 2022

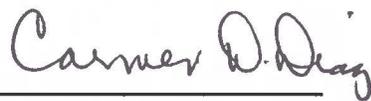
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ACTING SECRETARY

  
I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities.

IN THE MATTER OF THE FY23 CLEAN FLEET ELECTRIC VEHICLE INCENTIVE PROGRAM

DOCKET NO. QO22070439

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