



Agenda Date: 5/10/23
Agenda Item: 8C

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE UNITED STATES)
DEPARTMENT OF ENERGY – STATE ENERGY) ORDER
PROGRAM – JULY 1, 2023 – JUNE 30, 2024) DOCKET NO. QO23030172

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Michael Ambrosio, Director, Policy and Planning, TRC Environmental Corporation

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities (“Board” or “BPU”) considers the recommendation of Board Staff (“Staff”) to approve the BPU’s Division of Clean Energy’s (“DCE’s”) 2023–2024 State Energy Program (“SEP”) Plan for submission to the United States Department of Energy (“USDOE”), at a budget level of \$1,565,500. State matching is not required for this funding. The Board further considers Staff’s recommendations for the establishment of an electric vehicle (“EV”) program for non-investor-owned utility (“non-IOU”) customers at the budget level described herein.

BACKGROUND AND PROCEDURAL HISTORY

The SEP was established in 1996 by consolidating two (2) existing programs: (1) the State Energy Conservation Program (“SECP”); and (2) the Institutional Conservation Program (“ICP”).¹ Both the SECP and ICP were established during the energy crisis of the early 1970s when there was an increase in the United States’ dependence on foreign oil. Congress responded with legislation establishing a broad range of conservation programs, supporting the development of new and more efficient sources of energy, and requiring the USDOE to lead and administer the conservation effort. The SECP was established under the Energy Policy and Conservation Act of 1975, which provided funding to states for a variety of energy efficiency (“EE”) and renewable energy activities.² The ICP provided schools and hospitals with technical analyses of their buildings and identified the potential savings from proposed energy conservation measures.³ In

¹ 61 Fed. Reg. 35,890 (July 8, 1996).

² Id.

³ Id.

creating the SEP, the USDOE combined the SECP and ICP to make it easier for states to apply for grants and to enable both the USDOE and the states to more efficiently manage the grants.⁴ Thus, the USDOE currently provides federal financial assistance and technical support to the states for energy programs by means of the SEP.⁵ The SEP seeks to promote the efficient use of energy and reduce the rate of growth of energy demand through the development and implementation of specific state energy programs. States must comply with USDOE rules governing these financial awards.

Historically, the Board has found that the SEP budget could be applied to the development of an EV incentive program, one that would take appropriate measures to implement such program.⁶ For example, over three years ago, in January 2020, the Board found that the 2019-2020 SEP Plan would improve New Jersey residents' access to EVs and later approved applications submitted to the Clean Fleet Electric Vehicle Incentive Program, the SEP initiative designed to support local government authorities' adoption of 100% EVs, also known as battery electric vehicles ("BEVs").⁷ The theory behind using the SEP budget in this manner was so that local governments could become leaders in the EV sphere and could expand charging infrastructure accessibility for their residents.⁸

New Jersey has allocated federal monies each year in support of its USDOE-approved State Plan.⁹ In accordance with the formula provided in 10 C.F.R. § 420.11, New Jersey's 2023–2024 SEP allocation is \$1,565,500.

STAFF RECOMMENDATIONS

The 2022–2023 SEP Plan proposal aims to deliver the benefits of New Jersey's Clean Energy Program to customers in the non-IOU territories. It aligns with the Clean Energy Act of 2018 ("CEA")¹⁰ and the New Jersey Energy Master Plan ("EMP")¹¹ goals because it would expand clean energy program offerings to customers who are not served by investor-owned, or public,¹² electric or gas utility companies. These non-IOU customers do not pay a Societal Benefits Charge and

⁴ Id. at 35,891.

⁵ 10 C.F.R. § 420.3.

⁶ See In re the State Energy Program for Program Year July 1, 2019 - June 30, 2020, BPU Docket No. QO19030306, Order dated April 18, 2019.

⁷ In the Matter of the Fiscal Year 2023 Clean Fleet Incentive Program for Electric Vehicles and Chargers, BPU Docket No. QO22070439, Order dated August 17, 2022, at 1.

⁸ Id.

⁹ For instance, see In the Matter of the United States Department of Energy – State Energy Program – July 1, 2020 – June 30, 2021; In the Matter of the United States Department of Energy – State Energy Program – July 1, 2021 – June 30, 2022; and In the Matter of the United States Department of Energy – State Energy Program – July 1, 2022 – June 30, 2023, BPU Docket Nos. QO20020109, QO21020626, and QO22030140, Order dated April 6, 2022.

¹⁰ L. 2018, c. 17 (N.J.S.A. 48:3-87-a to -x).

¹¹ 2019 New Jersey Energy Master Plan: Pathway to 2050, Goal 1.1, at 60-64, available at https://nj.gov/emp/docs/pdf/2020_NJBPU_EMP.pdf.

¹² Defined in N.J.S.A. 48:2-13.

therefore do not qualify for State-funded clean energy programs, including the EV programs.¹³ Drawing upon the history of SEP usage with respect to EVs, the SEP Plan proposal includes funding for a 2023–2024 program, the proposed name, or “Market Title,” of which appears below (“Program”), that expands the eligibility of non-IOU customers for financial incentives toward the purchase and installation of EV charging equipment (i) in their place of residence, (ii) in multi-unit dwellings (“MUD”), (iii) at unique attractions and overnight lodging establishments in New Jersey, and (iv) for New Jersey municipal government entity fleets, including the purchase of EVs for their fleets.

Below is Staff’s recommended Program Market Title for the 2023–2024 program year, which runs from July 1, 2023 to June 30, 2024. Staff recommends that this Market Title provide incentives to non-IOU customers for all current and any future EV programs the BPU offers during the 2023–2024 program year.

Market Title: Electric Vehicle Programs for Non-IOU Customers
Budget: \$1,565,500

Program Description: This Program offers financial incentives to non-IOU customers for the purchase and installation of EV charging equipment and for the purchase of EVs through the BPU’s EV incentive programs. The BPU’s current EV incentive programs include the following:

i. **New Jersey’s Charge Up New Jersey (“CUNJ”) EV Charger Incentive Program**

This EV program is designed to lower the overall cost of EV charger ownership. The CUNJ EV Charger Incentive Program provides a \$250 incentive for the purchase and installation of eligible Level-Two¹⁴ charging stations. The SEP Plan will expand participant eligibility by offering incentives to non-IOU customers to support the purchase and installation of eligible Level-Two EV charging equipment and will provide up to 50% of the cost (up to \$5,000) for the Make-Ready costs for the residential chargers.¹⁵

¹³ As authorized by the Electric Discount and Energy Competition Act (N.J.S.A. 48:3-49 et seq.), New Jersey public electric and gas utilities’ rates include funding for programs that provide societal benefits such as low-income programs, gas plant remediation, nuclear plant decommissioning, social programs such as the Universal Service Fund and Lifeline, and the Clean Energy Program. See also N.J.S.A. 48:3-60.

¹⁴ Level-Two electric vehicle charging equipment offers charging through 240-Volt (in residential applications) or 208-Volt (in commercial applications) electrical service. It is common for home, workplace, and public charging.

¹⁵ “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 direct-current fast chargers. N.J.S.A. 48:25-2. 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.

ii. **New Jersey’s MUD EV Charger Incentive Program**

This EV program is designed to encourage owners and operators of MUDs to provide EV chargers for residents and guests.¹⁶ Awards available under the MUD EV Charger Incentive Program include \$4,000 toward the purchase of a dual-port, networked, Level-Two EV charging station and 50% of the cost (up to \$5,000) for the Make-Ready costs for Level-Two EV chargers. Currently, only IOU customers are eligible to receive awards under this program. The SEP Plan will expand participant eligibility by offering incentives to non-IOU customers to support the purchase and installation of eligible Level-Two EV charging equipment.

iii. **New Jersey’s EV Tourism Program**

This program provides unique attractions and overnight lodging establishments with the opportunity to apply for up to six Level-Two chargers and two Direct Current (“DC”) Fast Chargers through this program.¹⁷ The program provides grants up to \$5,000 for an eligible Level-Two charger, and an incentive of 50% of the Make-Ready costs (up to \$5,000). In addition, the program provides grants up to the cost of the charger and up to \$50,000 for a DC Fast Charger, and an incentive of 50% of the Make-Ready costs (up to \$5,000). The SEP Plan will expand participant eligibility by offering grant funding to establishments that are non-IOU customers.

iv. **New Jersey’s Clean Fleet EV Incentive Program**

This program supports local and state governments as they transition their fleets to EVs. The program allows local and state government entities in New Jersey to apply for \$4,000 grants toward the purchase of BEVs, \$5,000 grants for public Level-Two chargers, \$50,000 for a DC Fast Charger, \$4,000 grants toward the purchase of one or more fleet Level-Two EV charging station(s) that are not available to the public, 50% of the cost (up to \$5,000) for the Make-Ready costs per Level-Two charging station(s) (public or fleet), and 50% of the cost (up to \$50,000) per charging station for each eligible DC Fast Charger Make-Ready. The SEP Plan will expand participant eligibility by offering grant funding to municipalities and State properties not served by investor-owned utility companies.

DISCUSSION AND FINDINGS

The Board **HEREBY FINDS** that the proposed 2023–2024 SEP Plan, as detailed above, will contribute to conservation of energy, reduce the rate of growth of energy demand and resource dependence on oil, and advance State and federal energy conservation and efficiency goals. Accordingly, the Board **HEREBY APPROVES** the SEP Plan and budget of \$1,565,500 in federal funds. The Board **HEREBY DIRECTS** Staff to submit the 2023–2024 SEP Plan application to the USDOE on behalf of the Board as proposed and to take appropriate measures to implement the EV programs as summarized herein, subject to and consistent with the USDOE's approval of the

¹⁶ In the Matter of New Jersey Clean Energy Program Fiscal Year 2022 Community Energy Planning, BPU Docket No. QO21091113, Order dated October 6, 2021.


¹⁷ DC Fast Chargers 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 (“Definitions Relative to the Use of Electric Plug-In Vehicles”), for further detail regarding what constitutes a DC Fast Charger.

SEP Plan. The Board **HEREBY AUTHORIZES** the President of the Board or his designee to sign the necessary documents to submit as part of a complete 2023–2024 SEP Plan to the USDOE for approval.

The effective date of this Order is May 10, 2023.

DATED: May 10, 2023

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



DR. ZENON CHRISTODOULOU
COMMISSIONER

ATTEST:



SHERRI L. GOLDEN
SECRETARY

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

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PROGRAM – JULY 1, 2023 – JUNE 30, 2024

DOCKET NO. QO23030172

SERVICE LIST

New Jersey Division of Rate Counsel

140 East Front Street, 4th Floor
Trenton, NJ 08625-0003

Brian O. Lipman, Esq., Director
blipman@rpa.nj.gov

Maura Caroselli, Esq.
Manager of Gas & Clean Energy
mcaroselli@rpa.nj.gov

TRC Environmental Corporation

317 George Street, Suite 520
New Brunswick, NJ 08901

Michael Ambrosio
Director, Policy and Planning
mambrosio@trccompanies.com

Marybeth Brenner
Associate Vice President
mbrenner@trccompanies.com

New Jersey Division of Law

Public Utilities Section
R.J. Hughes Justice Complex
25 Market Street, P.O. Box 112
Trenton, NJ 08625

Daren Eppley, Section Chief, DAG
daren.eppley@law.njoag.gov

Pamela Owen, Assistant Section Chief, DAG
pamela.owen@law.njoag.gov

Matko Ilic, DAG
matko.ilic@law.njoag.gov

New Jersey Board of Public Utilities

44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, NJ 08625-0350

Sherri L. Golden, Secretary
board.secretary@bpu.nj.gov

Bob Brabston, Esq., Executive Director
robert.brabston@bpu.nj.gov

Stacy Peterson, Deputy Executive Director
stacy.peterson@bpu.nj.gov

Taryn Boland, Chief of Staff
taryn.boland@bpu.nj.gov

Henry Gajda, Deputy Chief of Staff
henry.gajda@bpu.nj.gov

General Counsel's Office

Michael R. Beck, General Counsel
michael.beck@bpu.nj.gov

Carol Artale, Deputy General Counsel
carol.artale@bpu.nj.gov

Kimberly Diamond, Senior Counsel
kimberly.diamond@bpu.nj.gov

NJBPU, cont'd

Division of Clean Energy

Kelly Mooij, Director
kelly.mooij@bpu.nj.gov

Stacy Ho Richardson, Esq., Deputy Director
stacy.richardson@bpu.nj.gov

Rupa Deshmukh, Energy Efficiency Manager
rupa.deshmukh@bpu.nj.gov

Matthew Rossi, J.D.
Clean Energy Budget Policy Manager
matthew.rossi@bpu.nj.gov

Cathleen Lewis, E-Mobility Program Manager
cathleen.lewis@bpu.nj.gov

Jack Streppone
E-Mobility Program Coordinator
jack.streppone@bpu.nj.gov

Dustin Wang, Program Specialist I
dustin.wang@bpu.nj.gov

Earl Thomas Pierce, Administrative Analyst
earl.pierce@bpu.nj.gov