



Charge Up New Jersey

Revised Fiscal Year 2022 Compliance Filing



Center for
Sustainable
Energy®

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I. Introduction

This revised Fiscal Year 2022 (“FY22”) Compliance Filing provides the program description for the Charge Up New Jersey Program (the “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 S-2252, P.L.2019, c.362, codified at N.J.S.A. 48:25-1 to -11 (“EV Act”), 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 (“EV”) in the State of New Jersey, as well develop an incentive for residential, at-home EV charging equipment.

II. Program Purpose and Strategy Overview

The Program was mandated by the signing of S-2252 into law on January 17, 2020 by Governor Murphy, which became the EV Act. The EV Act established a 10-year, non-lapsing Plug-in Electric Vehicle Incentive Fund in the amount of at least \$30 million annually, which may be funded by the societal benefits charge (“SBC”), regional greenhouse gas initiative (“RGGI”), or other funds. The Program has been developed to serve the public in three phases, as described in more detail below. Briefly, Phase One of the Program enabled New Jersey residents who purchased or leased an eligible EV between January 17, 2020 and December 15, 2020 to apply for an incentive post-purchase. Phase Two took effect on July 6, 2021, and has provided applicants with the opportunity to access the incentive at the point-of-sale when executing an EV purchase or lease. Phase Three, the Electric Vehicle Charger Incentive, is anticipated to launch in FY22 as well.

The FY22 Compliance Filing released in June 2021 covered Phases Two and Three. This revised FY22 Compliance Filing addresses an updated incentive structure for Phase Two, the Point-of-Sale Program, as well as the original Phase Three guidelines. This revised FY22 Compliance Filing proposes, among other programmatic changes, appropriate incentive levels for eligible electric vehicles upon resumption of the FY22 Program. Following the evaluation of the FY22 Program, a revised incentive structure for FY22 will take effect contingent upon Board approval.

Phase One - The Post-Purchase Vehicle Incentive: Phase One of the Charge Up New Jersey Program covered individuals who purchased or leased an EV from January 17, 2020 through December 15, 2020. The post-purchase portal closed on March 15, 2021. During Phase One, applicants applied directly to the Center for Sustainable Energy (“CSE” or “Program Administrator”) for the incentive, at the official program website post-purchase or lease. Incentives were 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 were subject to availability of funds. All eligible applicants who applied by March 15, 2021 and were approved have been paid an incentive based on the Terms and Conditions of Year One of the program. Due to timing issues with available funds and budget approvals, some applicants were paid at the start of FY22. As of the writing of this revised Compliance Filing, the Phase One incentives paid at the beginning of FY22 totaled \$7 million.

Phase Two - The Point-of-Sale Vehicle Incentive: Phase Two was launched on July 6, 2021 following Board approval. Phase Two has been designed to increase electric vehicle adoption and further simplify the process for applicants, so that the applicant benefits from the incentive at the point-of-sale when the applicant takes possession of the vehicle from a New Jersey Dealership or Showroom. The incentive is applied in full directly at the time of the point-of-sale (“POS”) or transaction, and all documentation is facilitated by the salesperson or representative at the Dealership or Showroom. The incentives are paid by the Program Administrator to the Dealership or Showroom to reimburse them in full for eligible incentives paid to consumers. The original FY22

Program budget for Phase Two was \$23M, which was committed and expended by September 15, 2021. The total additional amount budgeted for the revised FY22 Program is \$20 million.

Phase Three - The Electric Vehicle Charger Incentive: P.L.2019, c.362 granted the BPU the authorization to develop and launch an incentive of up to \$500 for at-home, residential EV charging equipment, funded through the SBC. As a result of feedback received during the stakeholder process for the FY22 Program, the Phase Three incentive amount will cover 50% of the cost of the charger, up to \$250. The FY22 budget allocates \$3 million for this program.

III. Program Description

The intent of the Program is to encourage the purchase or lease of new light-duty plug-in EVs in the State and assist car buyers with making the switch to driving electric, consistent with [N.J.S.A. 48:25-4\(a\)](#). The goal is to provide an incentive that brings EVs into price parity with their internal combustion engine counterparts and helps prospective car buyers consider an EV as a feasible option when making an informed purchasing decision. Phase Two of the Program addresses the key market barriers of vehicle cost by offering a financial incentive directly at the POS. This directly impacts the transition to electrifying passenger vehicles in the State by incentivizing residents but also indirectly signals the EV industry as a whole that New Jersey is an ever-growing market. As such, the Program has the ability to help jumpstart and support the State's forward momentum to reach the goals signed into law by Governor Murphy.

The EV Act set goals for the State related to transportation electrification. It established the Plug-in Electric Vehicle Incentive Fund and mandated the Board to establish and implement an incentive program for new light-duty plug-in EVs. It also granted the Board the authority to establish and implement an incentive program for at-home, residential EV 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 EVs in New Jersey by December 31, 2025 and at least 2 million EVs 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 EVs by December 31, 2040.

The BPU intends to fulfill these State goals and continue to operate incentive programs which propel the State forward toward transportation electrification, while decreasing greenhouse gas emissions, for the light-duty sector.

IV. Eligibility for the Vehicle Incentive

Applicant Eligibility

The FY22 Program seeks to support New Jersey residents who purchase or lease an eligible EV by providing an incentive at the POS. Applicants must meet the following requirements in order to be eligible to receive the vehicle incentive. The eligibility requirements will be checked by the dealer or showroom representative prior to completing the transaction to ensure the applicant meets the criteria to receive a POS incentive.

The applicant must:

1. Be a resident of the State of New Jersey at the time of vehicle order, purchase, or lease, which will be verified by the Dealership or Showroom via a current New Jersey Driver's License. Only a New Jersey Driver's License is eligible for residency verification. Utility bills, tax documentation, and other items with the applicant's address will **not** be accepted.
 - a. Active duty military members stationed in New Jersey, with permanent residency in another state, **will** qualify. Current military orders will be accepted as proof of residency documentation.
 - b. The Charge Up New Jersey Program is limited to individuals only. Businesses and other commercial entities, governments, and public entities are **not** eligible for this incentive.
2. Remain a resident of the State of New Jersey for at least two (2) years after the date the vehicle is delivered and the contract is fully executed ("Vehicle Transaction Date") for the eligible EV that receives an incentive under the FY22 Program.

3. Acknowledge that the entirety of the transaction (order and purchase/lease) for an eligible vehicle must occur while the program is officially active and eligibility for the program is open.
 - a. Vehicles ordered, purchased, or leased between July 6, 2021 and September 15, 2021 and submitted into the application and reservation system by October 15, 2021 are eligible for the incentive as published on July 6, 2021.
 - b. Vehicles purchased or leased after the reopening of the FY22 Program are eligible for the incentive as structured within this revised Compliance Filing.
 - c. Vehicles ordered before July 6, 2021 will not be eligible for an incentive.
 - d. Vehicles ordered while the program is paused are not eligible for an incentive.
 - e. Vehicles ordered after the reopening of the FY22 Program and before the final announced closure date which are submitted into the application and reservation system by established deadlines at time of closure are eligible for the incentive as structured in the revised Compliance Filing.
 - f. Vehicles ordered, purchased, or leased after the final announced closure date of the FY22 Program will not be eligible for an incentive.
 - g. A vehicle ordered, purchased, or leased, and/or delivered out-of-state is not eligible for the incentive. **This includes vehicles ordered online and delivered outside of the State.**
 - h. 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.
4. Commit to not modifying the vehicle's emissions control systems, hardware, software calibrations, or hybrid system.
5. Retain ownership, or an active lease agreement, and registration of the vehicle with the New Jersey Motor Vehicle Commission 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.
6. Acknowledge that applicants may receive only up to three (3) vehicle incentives from the Program throughout the 10-year period that the Program is active.
 - a. In the event that a Dealership or Showroom issues a fourth incentive before the processing of an applicant's third incentive is complete, the Program Administrator will alert the Dealership or Showroom which issued the fourth incentive and indicate that they will need to take action to have the funds returned to them by the customer. The customer will be in violation of the Charge Up New Jersey Terms and Conditions. The Dealership or Showroom shall be responsible for pursuing its remedies.

Vehicle Eligibility

Pursuant to [P.L.2019, c.362](#), an eligible vehicle for the Program is defined as:

- A new light-duty plug-in electric vehicle;
- With a Manufacturer Suggested Retail Price* ("MSRP") below \$55,000;
- Purchased or leased in the State of New Jersey at a participating Dealership or Showroom; and
- Registered in New Jersey to a New Jersey resident.

* In order to maintain a consistent and standardized approach to the MSRP cap under the Program:

- The MSRP and its impact on incentive eligibility will be taken into account only up to the point-of-sale. Any additions made to the vehicle thereafter that would otherwise alter the value of the vehicle will not alter the vehicle's eligibility for an incentive under the Program.
- The MSRP cap **will include** all line items on the purchase or lease agreement which relate to the value of the vehicle itself (including but not limited to battery upgrades, autonomous upgrades, wheel and tire

packages, audio and infotainment system). The MSRP cap **will not include** maintenance or vehicle care packages, additional vehicles accessories (ex: first aid kits, floor mats, cargo nets, etc.), destination and delivery charges, tax, registration fees, title fees, and documentation fees since these line items do not relate to the value of the vehicle itself, but rather to logistics, care, and maintenance of the vehicle.

Incentives for Eligible Vehicles

Due to high interest in EVs, Staff recommends reducing incentive levels to better allocate the budgeted funds and to increase the longevity of the program. Eligible electric vehicles, up to an MSRP of \$45,000, will have an incentive which equals \$25 per all-electric mile, up to a maximum of \$2,500. In order to ensure equitable access to funding for vehicles accessible to more New Jersey residents and to stretch available funds further into FY22, a second incentive tier will be available for eligible electric vehicles with an MSRP between \$45,000 and \$55,000. These vehicles will have an incentive calculation which equals \$25 per all-electric mile, up to a maximum of \$1,000.

Dealerships and Showrooms are expected to calculate the correct incentive. The BPU and Program Administrator are not responsible for miscalculated incentive amounts. Dealerships and Showrooms may reach out to the Program Administrator for clarification regarding the MSRP and incentive amount prior to finalizing the vehicle transaction.

Incentive Calculation	Determining Factor
\$25 per all-electric mile, maximum of \$2,500	Eligible Battery Electric Vehicle, MSRP up to \$45,000
\$25 per all-electric mile, maximum of \$1,000	Eligible Battery Electric Vehicle, MSRP between \$45,000 and \$55,000
\$25 per all-electric mile, maximum of \$1,000	Eligible Plug-In Hybrid Electric Vehicle

Ineligible vehicles under the Program include:

- Aftermarket plug-in hybrid EVs;
- EV conversions;
- Electric scooters;
- Electric all-terrain vehicles;
- Neighborhood or low speed EVs;
- Electric motorcycles, as well as other two or three wheeled EVs;
- Pre-owned plug-in EVs;
- Any vehicles ordered, purchased, or leased outside the State of New Jersey;
- Any vehicles ordered, purchased, or leased prior to July 6, 2021; and
- Any vehicle ordered, purchased, or leased after September 15, 2021 when the FY22 Program has been officially paused but before the reopening of the revised FY22 Program.

V. Program Requirements

Application Process

Phase Two - The Point-of-Sale (“POS”) Program: Dealerships and Showrooms were required to enroll in order to participate in the Program by providing a dealership and showroom contact and Automated Clearing House (“ACH”) information via the dedicated program website in advance of the Program’s launch on July 6, 2021. Upon verification of information submitted through the enrollment application, representatives gained access to a log-in portal to submit applications and check the status of existing applications on behalf of their customers. The CSE provided dealerships with training on the incentive reimbursement application process and Program requirements in June and July 2021.

For an individual to receive the incentive, they must order, purchase, or lease an eligible EV from a participating Dealership or Showroom in the State of New Jersey. Dealership or Showroom representatives will verify vehicle and applicant eligibility at the POS. After verifying eligibility, the representative will be required to reduce the contracted purchase or lease price by the full incentive amount. The incentive must be reflected as a clearly identifiable line item deduction in the contract. The representative is required to upload the required documentation to the Program application portal within 14 calendar days of the Vehicle Transaction Date. Required documentation for each incentive application includes:

- New Jersey vehicle registration (temporary or permanent);
- Signed and executed vehicle contract;
- Proof of New Jersey Driver’s License or Military Orders; and a
- Signed copy of the current FY22 Program Terms and Conditions.*

* The version of the FY22 Program Terms and Conditions current at the time of order, purchase, or lease will apply. In addition, an electronic signature will be accepted and considered valid for the acknowledgement and signing of the Program Terms and Conditions.

Dealers shall submit incentive applications through the Dealer Web Portal at <https://chargeup.njcleanenergy.com>. Dealerships and showrooms will have 14 calendar days from the transaction date to apply for a reimbursement of the incentive from the Program. Applications started more than 14 calendar days after the vehicle transaction is completed will be blocked from submitting an application. Once an application is started, representatives will have 14 calendar days to complete the application and submit for review by the Program Administrator. The BPU will reserve the incentive funds once the application is submitted. If the application is cancelled due to inactivity or improper documentation, the representative will need to reapply within the 14 calendar days of the Vehicle Transaction Date. The representative will work directly with the CSE to submit or resubmit required documents, as necessary, to meet Program requirements. Approved applications will be batched monthly for ACH payment, issued directly to the dealerships or showrooms. Dealers take responsibility for ensuring that email communications are received and reviewed.

For eligible vehicles that have been ordered by September 15, 2021 but have not been delivered to the customer by September 29, 2021, Dealership and Showroom representatives shall have until October 15, 2021 to submit the application manually, including the required documents outlined in the Terms and Conditions. If a Dealership or Showroom elects this option, they shall email ChargeUpNJ@energycenter.org identifying their Dealership or Showroom and that they would like to opt into this reservation process. The Center for Sustainable Energy will work with the Dealership or Showroom on next steps for completing the manual application process. These specific reservation applications must be submitted by October 15, 2021 or they will not be honored. This reservation process for eligible vehicle orders shall be linked to the NJBPU's re-evaluation of program funding and is required for all participating Dealers. Failure by a Dealership or Showroom to supply order information for eligible vehicles will result in the forfeiture of the incentive for those ordered vehicles. Dealerships and Showrooms may not recuperate the value of the incentive from a customer in the event that an applicant is cancelled due to Dealership or Showroom error or failure to submit documents. Submitted applications that are accurate, administratively complete, and include all required documents will be approved, and the dealer will receive a notification of approval via email.

If an application or its required documents are determined to be incomplete, illegible, or missing required information, the Dealer will be notified of the error via email and shall have an additional fourteen (14) calendar days from the date of notification to correct any errors. If the errors are not corrected within the additional fourteen (14) calendar days, the application will be cancelled and the reserved funds will be released. If an application is submitted, but determined to be ineligible, it will be cancelled, the reserved funds will be released, and the Dealer will be notified via email. Dealers take responsibility for ensuring that email communications are received and reviewed. If an incentive application is cancelled, Dealers may only reapply for an incentive for that vehicle within fourteen (14) calendar days of the Vehicle Transaction Date.

Dealership Participation Requirements

Participating Dealerships and Showrooms shall only apply incentives to eligible applicants and vehicles in accordance with Terms and Conditions. Participating Dealerships and Showrooms must notify eligible customers of the existence of the incentive at the point-of-sale. Participating Dealerships and Showrooms must communicate to customers that the line item deduction on the purchase or lease contract is a function of the Charge Up New Jersey Program. Dealerships and Showrooms are to deliver cars to customers at the point-of-sale prior to completing applications. No further actions, such as additional charges, vehicle mark-ups, payment contingencies or holds, shall be taken against the customer for the incentive. The full incentive is to be applied at the point-of-sale. Incentives may not be held until the application is approved, nor issued as a check after the transaction is completed. Dealerships and Showrooms may not recuperate the value of the incentive from a customer in the event that an applicant is cancelled due to Dealership or Showroom error or penalty.

(Ex: Dealership or Showroom submits/completes an incentive application past the fourteen (14) calendar day deadline or any other deadline established by the Program Administrator in accordance with the Terms and Conditions and is thus denied an incentive. Dealership or Showroom is not permitted to claw back the value of the incentive.)

In order to ensure consumer confidence in the program and prevent price gouging, dealers must provide fair transparent pricing details. Price markups that diminish the value of the State's incentive for the consumer are not permitted. Dealers may not include mark-ups or market price adjustments for which there is no specific line item or additional underlying value.

A Dealership or Showroom may only issue a check to an Eligible Applicant for an incentive after the Vehicle Transaction Date if the Eligible Applicant was due an incentive and the FY22 Program incentive was not applied at the Point-of-Sale as a line item deduction in the purchase or lease contract. **After September 30, 2021, checks issued after the Vehicle Transaction Date will no longer be accepted as a method of payment to an Applicant by FY22 Program Staff.** Thereafter, applications and subsequent reimbursements to dealerships and showrooms will not be permissible for incentives not issued at the Vehicle Transaction Date as described in these Terms and Conditions.

Dealerships in violation of the Terms and Conditions may be excluded from participation in the Program and risk denial of the incentive reimbursement to which they would otherwise be entitled. Dealerships and Showrooms may not recuperate the value of the incentive from a customer in the event that an applicant is cancelled due to Dealership or Showroom error or penalty.

In accordance with the BPU's re-evaluation of the FY22 Program, Dealerships and Showrooms shall be required to provide weekly order data and estimated delivery dates to the Program Administrator. The FY22 Program paused on September 15, 2021. The final closure date is not yet known. Once that date has been announced, orders which are projected to arrive in advance of the FY22 Program's stated closure date should not utilize the manual funding reservation process as outlined by the Program Administrator. Eligible vehicle orders with a projected delivery date after the Program's stated closure date must follow the directions of the Program Administrator and utilize the manual reservation process in order to ensure that eligible vehicles on order receive an incentive.

Applicant Responsibilities

For Phase Two, applicants must obtain the incentive directly from the Dealership or Showroom via a deduction of the full incentive amount on their purchase or lease contract. Incentives will not be issued post-purchase or lease. Applicants must adhere to the Vehicle Eligibility and Applicant Eligibility requirements defined in section IV above and agree to the Program Terms and Conditions in place at the time of order, purchase, or lease.

Failure to Adhere to Program Terms and Conditions

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 or the applicant leaves the state, prior to expiration of the minimum ownership period or lease agreement, the purchaser or lessee may be required to reimburse the Program. Exemption from the 36-month period, set forth in Section IV 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 by the Program Administrator that the vehicle has been totaled.

To qualify for an exemption, applicants will be required to submit a written request to the CSE and include official documentation demonstrating proof of one of the above noted circumstances. The CSE will review all submitted exemption requests and respond back with either an approval, denial, or request for additional documentation

within 14 days of submission. All exemption requests will be stored with the original application in the incentive processing platform. To request an exemption for a special circumstance other than those listed above, an applicant can submit a written request explaining the circumstances along with any official corresponding documentation. The CSE will review the appeal request with BPU to determine if the requirements for an exemption have been met.

VI. Electric Vehicle Charger Incentive

Phase Three of the program, the residential charger incentive, is anticipated to launch in the second half of FY22.

Applicant Eligibility

Applicants must be a resident of New Jersey and provide proof of a New Jersey residence in order to be eligible to receive the Electric Vehicle Charger Incentive offered by the FY22 Program. The eligibility requirements will be checked by the CSE via an Applicant's New Jersey Driver's License.

Equipment Eligibility

Under Phase Three of the Charge Up New Jersey Program, only a Level Two EV charger capable of capturing data (also known as a "smart" or "networked" charger) intended for residential use is eligible for an incentive.

Incentives for Eligible Equipment

The Phase Three incentive will utilize the same platform as Phase One of the Charge Up New Jersey vehicle incentive and operate as a post-purchase incentive. The incentive amount would cover 50% of the cost of the charger, up to \$250. The incentive will not cover the associated installation costs, permitting fees, etc., though utilities may offer incentives to install the "make ready" infrastructure for residential chargers. To be eligible for the incentive, applicants would need to upload scanned copies of all required documents.

Required Documentation

- Proof of purchase of a Level Two smart charger, either a digital or scanned hard copy;
- Scanned photo of the serial number on the charging equipment itself;
- New Jersey Driver's License as proof of residence and a unique identifier; and
- Valid NJ EV Registration, registered to a residential address in New Jersey.
 - One charger incentive per NJ address (including one per apartment in a Multi-Unit Dwelling); and
 - Each applicant (tracked by their New Jersey Driver's License) may receive up to two (2) charger incentives throughout the duration of the 10-year Charge Up New Jersey Program, but no more than one per address. Applicants may only receive one (1) charger incentive per EV registration (tracked by VIN).

VII. Call Center Coordination

The CSE maintains a call center for the Program, which employs 30 individuals trained in processing light-duty EV incentives. The call center has a dedicated toll-free phone number and program specific email for applicant inquiries. The CSE has been working closely with the New Jersey Clean Energy Program main call center in order to create a seamless pathway for customer inquiries and program information.

VIII. Quality Control Provisions

Documented policies and procedures will provide proper guidelines to ensure consistency in the processing and quality control for all FY22 Program participants. All applications reviewed by the Program Administrator will verify and ensure adherence to eligibility requirements and technical information contained within this FY22 Compliance Filing. Applicant and representative supplied information, via the secure program platform, will be housed in the program database, and electronic files will be maintained containing all application documents. The State Contract Managers at the NJBPU for the FY22 Program will perform internal quality assurance reviews on monthly program reports.

The CSE has guiding program documentation, including standard operating procedures, implementation manuals, and quality control procedures to ensure that a rigorous standardized process is adhered to by all incentive processing specialists. The State Contract Managers at the NJBPU for the FY22 Program will evaluate the Program Administrator's quality control activities based on the processes documented in an approved program management plan.