



State of New Jersey  
DIVISION OF RATE COUNSEL  
140 EAST FRONT STREET, 4<sup>TH</sup> FL  
P.O. Box 003  
TRENTON, NEW JERSEY 08625

PHIL MURPHY  
*Governor*

SHEILA OLIVER  
*Lt. Governor*

STEFANIE A. BRAND  
*Director*

January 3, 2020

Members of the Assembly Environment and Solid Waste Committee  
State House  
P.O. Box 068  
Trenton, NJ 08624-0098

**RE: (A4819) A4634/ S2252 (Concerning the Use of Plug-in Electric Vehicles)**

Members of the Assembly Environment and Solid Waste Committee:

I write on behalf of the Division of Rate Counsel regarding the Senate Committee Substitute for (A4819) A4634/S2252 (Concerning the use of plug-in electric vehicles). This bill has been substantially improved since it was first introduced and we greatly appreciate the willingness of the bill's sponsors to consider ratepayers' concerns. We do not oppose the bill in its current configuration, but hope you will also consider our comments below.

As you are aware, Rate Counsel represents and protects the interests of all utility customers – residential customers, small business customers, small and large industrial customers, schools, libraries, and other institutions in our communities. Rate Counsel is a party in cases where New Jersey utilities seek changes in their rates or services. Rate Counsel also gives consumers a voice in setting energy, water, and telecommunications policy that will affect the rendering of utility services well into the future.

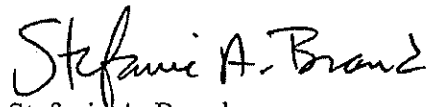
The bill, in Section 3(b), authorizes the Board of Public Utilities and Department of Environmental Protection to adopt policies and programs to accomplish the goals of the bill, but provides little guidance to those agencies on how to exercise that authority. Rate Counsel continues to believe that private investment – as opposed to ratepayer dollars- is and will be available to pay for much of what needs to be done to reach the goals of the bill. In order to encourage the use of private investment and limit the necessary contribution from ratepayers, we urge that language be added to that section that states something to the effect of:

“In implementing the authority under this subsection, the board and the department shall consider the extent to which the competitive private sector may provide electric vehicle charging equipment or otherwise cover the costs of these policies and programs.”

In addition, Rate Counsel continues to question the effectiveness of the vehicle rebates provided for in this bill in encouraging customers to buy EVs who would not otherwise purchase electric vehicles. A recent Working Paper (#25771) by the National Bureau of Economic Research found that about 70% of the consumers who benefitted from the federal income tax credit for EVs in 2014 would have purchased the EV even in the absence of the subsidy. Thus, it may be that in the near term, while the price of EVs remains high, the rebates are simply providing a discount to early adopters who would have bought the same car with or without the rebate. We would therefore urge that in Section 3(c) of the bill, a provision be included that adds a fifth item to be studied, i.e., an assessment “of the effectiveness of existing programs and policies in achieving the goals of the Act.” This should cause the agencies to collect the data necessary to determine if we are moving toward our goals in an effective manner.

I hope you will consider these amendments. Please let us know if you have any questions. We very much appreciate the opportunity to share our comments on behalf of the State’s ratepayers. Please feel free to contact our office if you have any questions. Thank you for your attention to these important matters.

Sincerely,



Stefanie A. Brand  
Director, Division of Rate Counsel

- c: Bianca Jerez, Democratic Aide
- Kevin Logan, Republican Aide
- Carrie Anne Calvo-Hahn, OLS Aide
- Thea Sheridan, Republican Aide
- Christine Hamilton, Secretary to the Committee
- Assemblyman Daniel Benson
- Assemblywoman Nancy Pinkin
- Assemblyman James Kennedy
- Assemblyman Andrew Zwicker
- Senator Bob Smith
- Senator Linda Greenstein
- Luke Wolff, Senate Majority Office, Director of Budgets and Fiscal Analysis
- Dana Jordan, Legislative Aide, Assemblywoman Pinkin
- Rebecca Schwartz, Chief of Staff, Assemblyman Zwicker
- Kevil Duhon, Deputy Executive Director at New Jersey Senate Democratic Office
- Matthew Peterson, OLS, Senate Environment and Energy Committee
- Kate Millsaps, Aide, Senate Democratic Office
- Christine Mosier, Chief of Staff, Senator Bob Smith
- Felicia Thomas-Friel, Managing Attorney for Gas, Rate Counsel

Kurt Lewandowski, Attorney for Electric and Gas, Rate Counsel  
Robyn Roberts, Legislative Liaison, Rate Counsel