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September 12, 2019

To: New Jersey Board of Public Utilities

From: Sal Risalvato, Executive Director, NJ Gasoline, Convenience Store, Automotive Association

Re: Draft Energy Master Plan

I thank the Board of Utilities for the opportunity to provide comments on the language of the draft Energy Master Plan. I represent the NJ Gasoline, C-Store, and Automotive Association (NJGCA) whose members are retailers of petroleum fuels. On September 20, 2018 I provided more extensive comments on the Energy Master Plan and the role for NJGCA and this industry because I believe we can play in a clean energy future.

After reading the draft, particularly Strategy 1 on reducing emissions from the transportation sector, there are two main points I want to emphasize to the BPU as it plans for the final text of the document.

The first is to emphasize the value that will come from working closely with the existing fueling retailers in implementing a clean transportation future. Questions 4 and 5 posed in the request for feedback ask about the role the private sector can play increasing the availability of EV charging and to promote clean transport for medium and heavy duty vehicles. I have long believed that NJGCA has a role to play as a kind of “dating service” to help match up willing fuel retailers with potential customers of alternate fuels. The dating service would include assisting to facilitate utilization of any grant monies that may be available, and helping to identify potential fleet customers who could jump start their return on investment and break the chicken-and-egg dilemma.

The forces of the market over the last several decades have effectively chosen the best locations for motor vehicle refueling—it’s the location of current gas stations. When looking for locations to install battery chargers, especially fast chargers, I encourage everyone to look at the businesses where motorists are already comfortable pulling in for a quick refill. Often they have a lot of open paved space where vehicles could be charged, and whoever is partnering up with the location will generally be able to work with an independent small business owner, rather than just a massive corporation like Starbucks or Walmart.

The second point I want to make is that the draft EMP seems too focused on battery electric vehicles specifically, and does not give enough credit for the immense potential of hydrogen fuel

cell vehicles. While an EMP is typically a three-year look ahead, and BEVs will certainly play a bigger role in the next three years than Fuel Cell Vehicles (FCVs), this EMP is also all about looking toward a totally clean future three decades away; and when discussing a timeline like that we cannot pretend to know what technology will ultimately become widespread.

Hydrogen fuel has strong support from several of the largest automakers (Toyota, Honda, Mercedes), can be made and used with zero carbon emissions, and is the most convenient for consumers. The infrastructure model for hydrogen fueling is very similar to the one already widely used and accepted for transportation fuels. A hydrogen fuel cell vehicle fills up in about 3-5 minutes and can travel 300 miles or more until the next fill-up.

We cannot underestimate the role that consumer behavior and consumer desires play in influencing purchasing decisions, especially for something as important as the everyday mode of transportation. Having to make a point of plugging your car in somewhere every day, and “refilling” twice as frequently (or more) because of the shorter range will stop many motorists from adopting a BEV even if the car were the same price as a gasoline-powered one, and even if there were readily available chargers. With hydrogen fueling this problem evaporates, it takes as long to refill a car with hydrogen as it does to fill it with gasoline, the car can travel almost as far on one tank, and the cost equivalent is not too much higher. While the EMP does discuss potential benefits to the grid from BEVs, it does not discuss the fact that many consumers will not like having their batteries drained to stabilize the grid, or being effectively prevented from filling up or unplugging the exact moment they want to because of either grid rules or pricing strategies that make it too expensive to recharge at certain times. While there can be great swings in gasoline pricing, they occur daily not hourly, and hydrogen prices will prove to be remarkably stable.

I would also warn the BPU against trying to mandate too early a year for a clean transport future (such as 2030), as some activists have argued. It is simply not feasible since new cars generally stay on the road for a decade or more, and almost all new cars are gasoline powered and will continue to be for many years to come. If there was consumer demand for 100% of new vehicle purchases to be BEVs in the near future manufacturers would not be able to meet it, much less if all current vehicle owners needed to buy a new car early. As with natural gas for power generation, gasoline powered vehicles will be with us for many years to come.

The last point I want to emphasize, because it seems to get lost in some of these debates, is that no one should imagine the fuel retailer of the future as only selling one type of fuel, with the only debate being whether it will be only electric charging, hydrogen, or still gasoline. Just because our current transportation infrastructure is effectively entirely one type of fuel, does not mean it has to function only that way. Just like how consumers are comfortable picking different cell phone models, with different operating systems, and different data carriers; the fueling station of the future may have a few BEV fast chargers, next to a few hydrogen pumps, next to one or two

gasoline and diesel dispensers, next to a dispenser for highly efficient super-octane gas, next to natural gas dispensers.

As the Board continues to work on the Energy Master Plan, and on implementing it, I ask that you continue to involve this association. I am happy to work constructively to ensure the best fueling infrastructure possible. Our association's motto is that we serve the businesses that serve the motorist, and we look forward to continuing to serve them for a long time to come.

Sincerely,



Sal Risalvato
Executive Director
NJ Gasoline, C-Store, Automotive Association

