

STATE OF NEW JERSEY

Board of Public Utilities
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IN THE MATTER OF THE ELECTRIC VEHICLE) ORDER APPROVING PROGRAM COMPLIANCE FILING) EXEMPTION CRITERIA DOCKET NO. QO20030262

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

This Order sets forth limited exemption criteria for the Board of Public Utilities' ("Board" or "BPU") Charge Up New Jersey Program. This is recommended due to delays and closures associated with COVID-19 safety procedures and the timing of the program's release.

BACKGROUND AND PROCEDURAL HISTORY

In June 2019, Governor Murphy dedicated \$30 million in funds through the signing of the FY20 Appropriations Act as a mechanism to achieve the State's goal of 330,000 zero emission vehicles ("ZEVs") by 2025 (P.L. 2019, C. 150).

On January 17, 2020, Governor Murphy signed S-2252 into law (<u>P.L.</u> 2019, <u>c.</u> 362; C.48:25-1 <u>et seq.</u>) ("Act"), which created an incentive program for light-duty electric vehicles ("EVs") and athome EV charging infrastructure. The Act established the State's goals for the use of plug-in EVs and the development of supporting plug-in EV charging infrastructure. N.J.S.A. 48:25-3. In particular, the Act authorized the Board to adopt policies and programs to accomplish the State's goals, which include the establishment and implementation of a program to incentivize the purchase or lease of new light-duty plug-in EVs and to provide incentives for the purchase and installation of in-home EV service equipment. N.J.S.A. 48:25-4 and N.J.S.A. 48:25-6.

At the April 6, 2020 Board Agenda Meeting, the FY20 Compliance Filing for the Charge Up New Jersey Program was approved.¹ The FY20 Compliance Filing included a set of terms and conditions for the first phase of the program, which were implemented as described when Phase One of the Charge Up New Jersey Program launched on May 27, 2020.

While processing applications for Phase One of the Charge Up New Jersey Program in June 2020, Staff was notified by hopeful program participants that issues with complying with the approved terms and conditions existed due to the State's safety precautions for COVID-19. Those issues included:

- (1) The inability for New Jersey residents to purchase or lease a vehicle in the State of New Jersey between March 21, 2020 and May 20, 2020. This was a result of the closure of car dealerships and showrooms in New Jersey on March 21, 2020 by Governor Murphy's Executive Order No. 107. Car dealerships within New Jersey remained closed until May 20, 2020.
- (2) Some applicants agreed to lease terms shorter than 36 months, which resulted in their application being deemed ineligible under the current program rules. When the Act was signed on January 17, 2020, it provided a framework for the EV incentive program. Governor Murphy affirmed the public's eligibility to receive incentives as of the signing date in an official press release on February 10, 2020. The Board provided additional program guidance in detailed terms and conditions within the FY20 Compliance Filing, which was approved via Board Order at the April 6th Agenda Meeting (Docket No. QO20030262). The program was officially launched on May 27, 2020 and allowed participants to begin applying for the post-purchase incentive. The time between the affirmation of eligibility and the launch of the program caused some applicants to agree to lease terms that were less than 36 months. This resulted in their ineligibility for the Charge Up New Jersey Program based on Board-approved terms and conditions.
- (3) Some applicants have licenses that were scheduled to expire on or after March 13, 2020. The New Jersey Motor Vehicle Commission ("MVC") has been closed since March 16, 2020 due to COVID-19 related reasons. As a result, MVC has extended license expiration dates through September 30, 2020 for those set to expire between March 13, 2020 and June 30, 2020 and through December 30, 2020 for those expiring between July 1, 2020 and August 31, 2020.

BOARD STAFF RECOMMENDATIONS

As a result of these issues related to program compliance due to COVID-19 and the timing of the program's launch, some applicants may be deemed ineligible for an incentive through the Charge Up New Jersey Program. Staff recommends the following limited exemptions to the Charge Up New Jersey Program terms and conditions. The proposed exemptions would only affect the applicants who exclusively meet the following criteria for exemption. All other program requirements listed in the terms and conditions of the FY20 Compliance Filing at the time of application are still required.

¹ In the Matter of the Clean Energy Order Programs and Budget for Fiscal Year 2020 – 2nd Budget Revisions and Electric Vehicle Program Compliance Filing, BPU Docket No. QO20030262 (Order dated April 17, 2020).

Applicants Qualified for an Exemption:

- Applicants who purchased or leased a vehicle out-of-state between March 21, 2020 and May 20, 2020. However, the vehicle must be registered in the State of New Jersey.
- Applicants who leased a vehicle between January 17, 2020 and May 27, 2020 for less than the 36 month minimum lease term.
- Applicants who have a valid New Jersey license that expired after March 13, 2020 and are subject to the license and registration renewal extensions granted by the State of New Jersey in response to COVID-19.²

DISCUSSION AND FINDINGS

The COVID-19 pandemic and the resulting mandated closures of dealerships and showrooms made some applicants unable to comply with the requirement to purchase or lease the vehicle within the State of New Jersey. In addition, the timing of the program's launch resulted in some applicants agreeing to lease terms which were less than the required 36 months. The Board recognizes the inability for applicants to comply with the approved terms and conditions as a result of (1) the COVID-19 closures, and (2) due to the delay in release of the terms and conditions of the program. The limited exemptions proposed here are narrow to ensure the Program maintains its integrity while still achieving its overarching goals.

Accordingly, the Board <u>FINDS</u> that the exemptions recommended by Staff are prudent for the Charge Up New Jersey Program and in accordance with the accepted procedures for the Charge Up New Jersey Program.³

Therefore, the Board <u>HEREBY APPROVES</u> the exemption criteria for the Charge Up New Jersey Program. The Board <u>HEREBY ORDERS</u> the Program Administrator to record and share with Staff all applicants who may receive an exemption as a result of this Order. The Board further <u>HEREBY ORDERS</u> the application processing team to expedite those applications that must be resubmitted in light of this Order.

² New Jersey Motor Vehicle Commission Press Release; July 9, 2020. (https://www.state.nj.us/mvc/pdf/about/FREQUENTLY%20ASKED%20QUESTIONS.pdf).

³ In the Matter of the Clean Energy Order Programs and Budget for Fiscal Year 2020 – 2nd Budget Revisions and Electric Vehicle Program Compliance Filing, BPU Docket No. QO20030262 (Order dated April 17, 2020).

This Order shall be effective on July 25, 2020.

DATED: July 15, 2020

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4

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