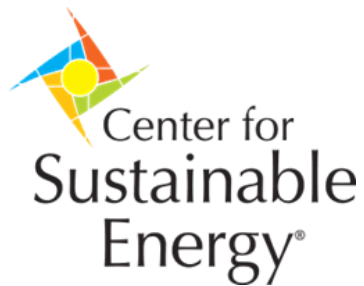




Charge Up New Jersey

Fiscal Year 2021 Compliance Filing



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I. Introduction

This Fiscal Year 2021 (FY21) Compliance Filing provides the program description for the Charge Up New Jersey 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 [P.L.2019, c.362](#), codified at N.J.S.A. 48:25-1 to -11, 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 (EVs) in the State of New Jersey, as well develop an incentive for residential, at-home electric vehicle charging equipment.

II. Program Purpose and Strategy Overview

The electric vehicle incentive portion of the Charge Up New Jersey program was mandated by the signing into law of [P.L. 2019, c. 362](#) on January 17, 2020. The Charge Up New Jersey program has been developed to serve the public in three phases. Phase One of this program enables New Jersey residents who purchase or lease an eligible electric vehicle on or after January 17, 2020 to apply for an incentive post purchase. This FY21 Compliance Filing covers all three Phases of the program. The Post-Purchase Incentive Program (Phase One) was released via the FY20 Compliance Filing and accepted by the Board on April 6, 2020 (Docket No. QO20030262). Phase One will remain in effect until 90 days after the launch of the Point-of-Sale Program (Phase Two), which is expected to be released in the fall of 2020. During Phase Two, applicants will be able to access the incentive at the point of sale when making an electric vehicle purchase or lease. The vehicle incentive is supported by the 10-year, non-lapsing Plug-in Electric Vehicle Incentive Fund in the amount of \$30 million annually, which is funded by the societal benefits charge (SBC). In the 5th quarter of FY20, \$15.7 million was dedicated to the program. In FY21, an additional \$20 million has been dedicated to the program. The Electric Vehicle Charger Incentive (Phase Three) is anticipated to launch in 2021 after a public stakeholder process to establish the criteria and parameters of the program.

The Post-Purchase Incentive Program (Phase One): Phase One of the Charge Up New Jersey program covers individuals who purchased or leased an eligible vehicle from January 17, 2020 until the official launch of Phase Two. During Phase One, applicants have been applying directly to the program administrator, the Center for Sustainable Energy (CSE), at the official program website post-purchase or lease. Incentives have been 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 have been subject to availability of funds.

The Point-of-Sale Program (Phase Two): Planned for launch in the fall of 2020, Phase Two has been designed to further simplify the process for applicants by occurring at the time of the vehicle transaction in a New Jersey dealership or showroom. The incentive will apply directly to the transaction (point-of-sale) in full, and the salesperson or representative will facilitate all documentation. The incentives will be paid from the program administrator to the dealership or showroom to reimburse them in full for the incentives paid to consumers. Phase Two will follow the guidelines set by [P.L. 2019, c. 362](#) and utilize best practices from similar programs in other states managed by the program administrator, the Center for Sustainable Energy.

The Electric Vehicle Charger Incentive Program (Phase Three): P.L. 2019, [c. 362](#) authorized the BPU to develop and launch an incentive of up to \$500 for at-home, residential electric vehicle charging equipment, funded through the societal benefits charge. This program is under development and expected to launch in 2021.

III. Program Description

The intent of the Charge Up New Jersey Program is to encourage the purchase or lease of new light-duty plug-in electric vehicles in the State and assist New Jersey residents in making the switch to driving electric, consistent with [N.J.S.A. 48:25-4\(a\)](#). The Charge Up New Jersey Program addresses the key market barrier of vehicle cost by offering a financial incentive directly linked to a vehicle's EPA-rated all-electric range. This directly impacts the transition to electrifying passenger vehicles in the state of New Jersey by incentivizing residents, but also indirectly signals the electric vehicle industry as a whole that New Jersey is a 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.

P.L. 2019, c. 362 set goals for the State related to transportation electrification, established the "Plug-in Electric Vehicle Incentive Fund," mandated the Board to establish and implement an incentive program for new light-duty plug-in electric vehicles, and granted the Board the authority to establish and implement an incentive program for at-home, residential electric vehicle 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 shall be at least 330,000 registered light-duty, plug-in electric vehicles in New Jersey by December 31, 2025 and at least 2 million electric vehicles 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 electric vehicles by December 31, 2040.

The BPU intends to fulfill these State goals and implement an incentive program which moves the state forward on transportation electrification, while decreasing greenhouse gas emissions, for the light-duty sector.

IV. Eligibility for the Vehicle Incentive

Applicant Eligibility

The Charge Up New Jersey program is intended to support New Jersey residents who purchase or lease an eligible electric vehicle. Applicants must meet the following requirements in order to be eligible to receive the vehicle incentive. The dealer or showroom representative will check the eligibility requirements prior to completing the transaction to ensure that the applicant meets the criteria to receive a point of sale incentive. The applicant must:

1. Be a resident of the State of New Jersey at the time of vehicle purchase or lease.
 - a. Active duty military members stationed in New Jersey, with permanent residency in another state, may apply. Current military orders will be accepted as proof of residency documentation.
 - b. This program is limited to individuals only. Businesses, governments, and public entities are not eligible.
2. Remain a resident of the State of New Jersey for at least two (2) years after the purchase or lease of the eligible electric vehicle which receives an incentive under the Charge Up New Jersey program.

3. Purchase or lease an eligible vehicle in the state of New Jersey on or after the official launch of Phase Two: The Point-of-Sale Program.
 - a. A vehicle purchased or leased, or delivered out-of-state, is not eligible for the incentive, including vehicles ordered online and delivered outside of the state.
 - b. 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. For Tesla and other manufacturers without a standard purchase or lease contract, the date of vehicle registration will be considered the date of purchase or lease.
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 (MVC) 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. Receive up to four (4) vehicle incentives from the Charge Up New Jersey program throughout the 10-year period that the program is active.

Vehicle Eligibility

Pursuant to P.L. 2019, c. 362, an eligible vehicle for the Charge Up New Jersey program is defined as:

- A new light-duty plug-in electric vehicle;
- With an MSRP* below \$55,000;
- Purchased or leased in the state of New Jersey; and
- Registered in New Jersey.

* The MSRP cap of \$55,000 refers to the final MSRP of the vehicle, which is set by the manufacturer and is intended to encompass the value of the vehicle itself, in full. The manufacturer's MSRP typically includes the costs associated with the trim level of the vehicle with all color options, wheel upgrades, drive train or battery upgrades, and other packages, such as entertainment system upgrades. Costs not generally included in the MSRP are: destination or delivery charges, sales and use taxes, additional maintenance or repair packages purchased from the dealership or showroom, documentation fees, registration fees, or add-ons which relate to the maintenance or operation of the vehicle, such as electric vehicle charging packages, floor mats, first aid kits, cargo nets, etc. The Board reserves the right to take enforcement action if manufacturers adopt separate MSRPs for New Jersey that differ from the MSRP associated with the same car in other states or otherwise attempt to circumvent the statutory language.

Incentives for Eligible Vehicles

The incentive amount for an eligible vehicle was set by the law and is equal to \$25 per mile of EPA-rated all-electric range, up to a maximum of \$5,000. The Eligible Vehicle List will include electric vehicles which meet the criteria set by the law. The list is publicly available on the program website and updated on a quarterly basis. The calculation for the incentive is as follows:

$$(\$25) \times (\text{EPA-rated all-electric range}) = \text{total incentive amount (maximum of \$5,000)}$$

Examples:

The 2020 Toyota Prius Prime Plug-In has 25 EPA-rated all-electric miles of range.

$$(\$25) \times (25 \text{ EPA-rated all-electric miles}) = \$625 \text{ incentive}$$

The 2020 Hyundai Kona EV has 258 EPA-rated all-electric miles of range, but the incentive is capped at \$5,000. Thus, the Kona EV would be eligible for a \$5,000 incentive.

Ineligible vehicles under the Charge Up New Jersey program include:

- Aftermarket plug-in hybrid electric vehicles;
- Electric vehicle conversions;
- Electric scooters;
- Electric all-terrain vehicles;
- Neighborhood, or low speed, electric vehicles;
- Electric motorcycles; and
- Pre-owned plug-in electric vehicles.

V. Program Requirements

Application Process

The Post-Purchase Incentive Program (Stage One): To apply for the incentive, an applicant must submit an online application at the dedicated program website (www.chargeup.njcleanenergy.com). The current Charge Up New Jersey Program Terms and Conditions will be available to the applicant on the website, and applicants will be required to check a box acknowledging that they have read and understood them. Applicants must also upload required documentation, which includes the following:

1. Proof of temporary or permanent New Jersey vehicle registration for the vehicle listed in the application. The applicant's name must be on the registration, and the registration must be active.
2. A full and complete copy of the purchase or lease contract, with all pages included, from an eligible New Jersey dealership, showroom, or vehicle manufacturer. A complete contract must be fully executed and, if applicable, must include the itemization of credits, discounts, and incentives received. The applicant's name must be listed on the contract and match the name on the program application.
3. Proof of New Jersey residency via a legible copy of the applicant's current, unexpired New Jersey driver's license. For active duty military members stationed in New Jersey, but with permanent residency in another state, military orders may be used as proof of residency.

Applicants are responsible for submitting all required documentation within 14 calendar days from the date they submit their application, and extensions will not be granted. Applicants who fail to upload the required documentation within the 14-day timeframe will have their applications cancelled and will need to reapply.

The Point-of-Sale Program (Phase Two): Dealerships and showrooms will enroll to participate in the Charge Up New Jersey Program by providing dealership/showroom contact and ACH information via the dedicated program website. Upon verification of information submitted through the enrollment application, representatives will gain access to a log-in portal to submit applications and check the status of existing applications on behalf of their customers. The Center for Sustainable Energy will provide dealerships with training on the incentive reimbursement application process and program requirements.

To be eligible to receive the incentive, an individual must purchase or lease an eligible electric vehicle from a participating dealership or showroom in the state of New Jersey. Dealership representatives will verify vehicle and applicant eligibility at the point of sale. After verifying eligibility, the representative will be required to reduce the contract price by the full incentive amount. The incentive must be reflected as a line item deduction in the contract. The representative will upload the required documentation to the Charge Up New Jersey application portal. Required documentation for each incentive application includes:

- New Jersey vehicle registration;
- Signed and executed vehicle contract;
- Proof of New Jersey Driver's License or Military Orders; and a
- Signed copy of the Terms and Conditions.*

* At the time a representative applies for an incentive through the Charge Up New Jersey portal, the most current version of the Implementation Manual and the Terms and Conditions will apply.

Funding will be reserved upon application submission. Dealerships and showrooms will have 90 days from the transaction date to apply for a reimbursement of the incentive from the Charge Up New Jersey Program. If the application is cancelled, the representative will need to reapply. The representative will work directly with the Center for Sustainable Energy to submit or resubmit required documents, as necessary, to meet the program requirements. Approved applications will be batched for ACH payment issued directly to the dealerships.

Applicant Responsibilities

For Phase One, applicants must submit their own applications. 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. 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 application submission.

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 prior to expiration of the minimum ownership period or lease agreement, the purchaser or lessee may be required to reimburse Charge Up New Jersey. 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 that the vehicle has been totaled. To qualify for an exemption, applicants shall submit a written request to the Center for Sustainable Energy and include official documentation demonstrating proof of one of the above noted circumstances. The Center for Sustainable Energy 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 Center for Sustainable Energy will review the appeal request with BPU to determine if it is eligible for an exemption.

VI. Electric Vehicle Charger Incentive

Applicant Eligibility

The Charge Up New Jersey Program is intended to support New Jersey residents who purchase electric vehicle charging equipment. Applicants must meet the following requirements in order to be eligible to receive the Electric Vehicle Charger Incentive. The eligibility requirements will be checked by the Program Administrator, the Center for Sustainable Energy. The applicant must:

- Be a resident of the State of New Jersey. This program is limited to individuals only. Businesses, governments, and public entities are not eligible for a charger incentive.
- The equipment must be purchased on or after the official launch date of Phase Three.
- Applicants may only receive up to two (2) charger incentives, with each property being limited to one (1) incentive from the Charge Up New Jersey program throughout the 10-year period that the program is active.

Equipment Eligibility

Under Phase Three, the Electric Vehicle Charger Incentive, only single or dual port, level-two, electric vehicle charging equipment capable of capturing data, also known as a “smart” or “networked” charger, is eligible for an incentive.

Incentives for Eligible Equipment

The incentive for eligible equipment will be up to \$500 and disbursed as a post-purchase incentive via the Charge Up New Jersey Program website, to be received by the applicant in the form of a check.

VII. Call Center Coordination

The program administrator, Center for Sustainable Energy, maintains a call center for the Charge Up New Jersey program, which employs 30 individuals trained in processing light-duty electric vehicle incentives. The call center has a dedicated toll-free phone number and program specific email for applicant inquiries. The Center for Sustainable Energy has been working closely with the NJCEP main call center to create a seamless pathway for customer inquiries and program information.

VII. Quality Control Provisions

Documented policies and procedures will provide proper guidelines to ensure consistency in processing and quality control for all Charge Up New Jersey program participants. All applications reviewed by program staff at the Center for Sustainable Energy will verify and ensure adherence to eligibility requirements and technical information contained within this FY21 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 for the Charge Up New Jersey program will perform internal quality assurance reviews on monthly program reports.

Quality Control in Application Processing

The Center for Sustainable Energy 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 for the Charge Up New Jersey program will evaluate Center for Sustainability's quality control activities based on the processes documented in an approved Program Management Plan.