



Charge Up New Jersey

Fiscal Year 2022 Compliance Filing



Center for
Sustainable
Energy®

~~June 24, 2021~~ January 12, 2022

(this page intentionally left blank)

Table of Contents

- I. Introduction
- II. Program Purpose and Strategy Overview
- III. Program Description
- IV. Eligibility for the Vehicle Incentive
 - Applicant Eligibility
 - Vehicle Eligibility
 - Incentives for Eligible Vehicles
- V. Program Requirements
 - Application Process
 - Applicant Responsibilities
- VI. Electric Vehicle Charger Incentive
 - Applicant Eligibility
 - Equipment Eligibility
 - Incentives for Eligible Equipment
- VII. Call Center Coordination
- VIII. Quality Control Provisions

I. Introduction

This 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, [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 as 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. The Program has been developed to serve the public in three phases. 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. This FY22 Compliance Filing covers Phases Two and Three of the Program. Following Board approval and contingent upon Legislative appropriation of funding, Phase Two will take effect in the Summer of 2021. Phase ~~Two~~ will provide applicants with the opportunity to access the incentive at the point-of-sale when executing an EV 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, funded by the societal benefits charge (“SBC”). Phase Three, the Electric Vehicle Charger Incentive, is anticipated to launch in FY22 as well.

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 will be paid an incentive based on the Terms and Conditions of Year One of the program. Some applicants, due to the availability of funding, may be paid at the start of FY22, pending Board approval of the NJCEP budget. As of the writing of this Compliance Filing, that amount equates to approximately \$7 million of electric vehicle incentives.

Phase Two - The Point-of-Sale Vehicle Incentive: In the Summer of 2021, Phase Two will be launched, contingent on Board approval and Legislative appropriations. Phase Two has been designed to further simplify the process for applicants, so that the applicant benefits from the incentive at the time of the vehicle transaction in a New Jersey dealership or showroom. The incentive will be applied in full directly at the time of the point-of-sale (“POS”) or transaction, and all documentation will be facilitated by the salesperson or representative at the dealership or showroom. The incentives will be paid by the Program Administrator to the dealership or showroom to reimburse them in full for the incentives paid to consumers. The total amount of this portion of the FY22 Charge up New Jersey Program, pending Board approval of the budget and Legislative appropriation of the funds, is approximately \$23 million.

Phase Three - The Electric Vehicle Charger Incentive: [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 Charge Up New Jersey Program, the Phase Three incentive amount will ~~cover 50% of the cost of the charger, up to be~~ \$250. The FY22 budget allocates \$3 million for this program.

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 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 Charge Up New Jersey 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 sets 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, as described in [N.J.S.A. 48:25-3](#):

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 advances this program with an aim of fulfilling these State goals and propelling the State forward toward transportation electrification, while decreasing greenhouse gas emissions.

IV. Eligibility for the Vehicle Incentive

Applicant Eligibility

The 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 purchase or lease, which will be verified 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 purchase or lease of the eligible EV that receives an incentive under the Program.

3. Acknowledge that the entirety of the purchase or lease for an eligible vehicle must occur on or after the official launch of Phase Two, the Point-of-Sale Program, and in the State of New Jersey at a participating dealership or showroom.
 - a. Vehicles ordered in advance of the launch of Phase Two, Point-of-Sale Program will not be eligible for an incentive.
 - b. A vehicle ordered, purchased, leased, and/or delivered out-of-state is not eligible for the incentive, including vehicles ordered online and delivered outside of the State.
 - c. 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.

Vehicle Eligibility

Pursuant to [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 vehicle accessories (i.e. 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 the logistics, care, and maintenance of the vehicle.

Incentives for Eligible Vehicles

Staff is primarily focused on structuring the Program’s incentive amount to encourage buyers or lessors who might otherwise not have considered an EV due to cost concerns. Staff recognizes that the Program should prioritize “incentive-essential” customers. The updated structure is a result of reviewing best practices in other states and the stakeholder process. The resulting incentive tiers retain the spirit of the EV Act and allow the \$25 per all-electric mile calculation to remain for most incentives.

As such, 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 \$5,000. In order to increase the longevity of the funding and prevent vehicles with a higher MSRP from garnering a larger than necessary incentive, 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 \$2,000.

Incentive Calculation	Determining Factor
\$25 per all-electric mile, maximum of \$5,000	Eligible Electric Vehicle, MSRP up to \$45,000
\$25 per all-electric mile, maximum of \$2,000	Eligible Electric Vehicle, MSRP between \$45,000 and \$55,000

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 purchased or leased outside the State of New Jersey;
- Any vehicles purchased, ordered, or leased prior to the launch of Year Two; and
- Any vehicle purchased, ordered, or leased after the FY22 funds have been exhausted.

V. Program Requirements

Application Process

Phase One – The Post-Purchase Program: Eligible applicants for the Post-Purchase Program purchased their vehicles between January 17, 2020 and December 15, 2020. The application period for the Post-Purchase Program closed on March 15, 2021. Any eligible applicants who timely submitted their applications and who met the qualifications of the Post-Purchase Program, but did not receive their incentive due to the availability of funds, will receive their incentive as part of the FY22 budget under the Terms and for Conditions for Phase One of the program.

Phase Two - The Point-of-Sale (“POS”) Program: Dealerships and showrooms must enroll to participate in the Program by providing dealership and showroom contact and Automated Clearing House (“ACH”) information via the dedicated program website in advance of the Program’s launch. 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 CSE will provide dealerships with training on the incentive reimbursement application process and Program requirements.

For an individual to receive the incentive, they must purchase or lease an eligible EV from a participating dealership or showroom in the State of New Jersey. Dealership 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 will upload the required documentation to the Program 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 Program Terms and Conditions.*

*At the time a representative applies for an incentive through the Program portal, the most current version of the Implementation Manual and the Terms and Conditions will apply. In addition, an electronic signature will be accepted and considered valid for the acknowledgement and signing of the Program Terms and Conditions.

Funding will be reserved upon application submission. 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. 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.

Applicant Responsibilities

For Phase One, applicants were required to 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. 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 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, a lease is transferred or assumed by another party, or the applicant leaves the state, prior to the expiration of the minimum ownership period or lease agreement in Section IV(5) or the minimum post-purchase or lease residential period in Section IV(2), the purchaser or lessee may be required to reimburse the Program. Exemption from the 36-month period in Section IV(5) or the 2-year residential requirement in Section IV(2) 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 meet the following requirements in order to be eligible to receive the Electric Vehicle Charger Incentive offered by the Program. The eligibility requirements will be checked by the CSE.

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~~ will be \$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 number).

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 Program participants. All applications reviewed by the staff at the CSE 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 for the 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 for the Program will evaluate the CSE's quality control activities based on the processes documented in an approved Program Management Plan.