

Charge Up New Jersey

Fiscal Year 2020 Compliance Filing
Stage One: The Post-Purchase Incentive Program



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I. Introduction

This Fiscal Year 2020 (FY20) 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.

II. Program Purpose and Strategy Overview

The Charge Up New Jersey program was mandated by the signing of S2252 into law, P.L.2019, c.362 on January 17, 2020. This program will enable New Jersey residents, who purchase or lease an eligible electric vehicle on or after January 17, 2020, to apply for an incentive. It is envisioned that the Charge Up New Jersey program will have two stages. This FY20 Compliance Filing covers Stage One - The Post-Purchase Incentive Program (Stage One). The Point-of-Sale Program (Stage Two) is still in development. A separate Compliance Filing will be submitted for Stage Two of the program.

<u>The Post-Purchase Incentive Program (Stage One)</u>: Stage One of the Charge Up New Jersey program will span from January 17, 2020 until the official launch of Stage Two – the Point-of-Sale Program. During Stage One, applicants would apply post-purchase or lease directly to the program administrator, the Center for Sustainable Energy (CSE), at the official program website. Incentives will be 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 are subject to availability of funds.

The Stage One application process is designed to be as simple and streamlined as possible. Stage One will utilize a simple online user interface, wherein applicants will fill out an application, acknowledge terms and conditions, and upload required documentation within the same portal. After the application is submitted in full, applicants will have the ability to check the status of their applications through this online portal. Applicants can expect to receive an incentive within 120 days, subject to availability of funds, after a completed application is approved.

<u>The Point-of-Sale Program (Stage Two)</u>: On or before July 15, 2020 Stage Two will be launched. It will further simplify the process for applicants since it will happen at the time of the vehicle transaction in a New Jersey dealership or showroom. The incentive will be applied directly to the transaction (point-of-sale) in full and all paperwork will be facilitated by the salesperson or representative.

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 with 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 the State and support its forward momentum to reach the State goals signed into law by Governor Murphy.

P.L.2019, c.362 was signed on January 17, 2020 and 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 light-duty plug-in electric vehicles, and granted the Board the authority to establish and implement an incentive program for in-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 must 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 Board 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

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 apply for the post-purchase 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. Purchase or lease an eligible vehicle in the State of New Jersey between January 17, 2020 and the official launch of Stage Two –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.
 - c. Applicants must take delivery of their vehicle before applying. Applications received before delivery will be rejected, and applicants will need to reapply post-delivery.
- 3. Submit an application no later than 90 days after the launch date of the Charge Up New Jersey Point-of-Sale application implemented in Stage Two.
- 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 24 consecutive months immediately after the vehicle purchase or lease date. Leased vehicles must reflect a minimum of 24 months on the original lease agreement.

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 MSRP¹ below \$55,000;
- Purchased or leased in the State of New Jersey; and
- Registered in New Jersey.

Incentives for Eligible Vehicles

The incentive amount for an eligible vehicle was set by the law, <u>P.L.2019</u>, <u>c.362</u> 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 will be publicly available on the program website and updated on a quarterly basis. The calculation for the incentive is as follows: (\$25) x (EPA-rated all-electric range) = Total Incentive Amount (Maximum of \$5,000)

For Example

The 2020 Toyota Prius Prime Plug-In has 25 EPA-rated all-electric miles of range. (\$25) x (25 EPA-rated all-electric miles) = \$625 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

To apply for the incentive, an applicant must submit an online application at the dedicated program website. The current Charge Up New Jersey Terms and Conditions of the program 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 the Charge Up New Jersey Terms and Conditions. Applicants must also upload required documentation, which include 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

¹ The MSRP cap is in reference to the final MSRP of the vehicle. Delivery fees will not impact the MSRP cap.

- 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.

Applicant Responsibilities

Program communications, such as requests for additional documentation, application approval notifications, and payment notifications, will be sent via email. It is the applicant's responsibility to ensure that their email address is accurate and permits the receipt of program emails. Denial of incentives due to failure to respond to emails, including failure to respond due to program emails being filtered as spam, is not appealable.

Applicants will have up to one (1) year to request check reissues or to cash their incentive checks. Incentive checks uncashed after one year will be considered unclaimed property and will expire.

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 24-month period, set forth in Section IV (5) 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.

VI. Call Center Coordination

The Center for Sustainable Energy will maintain a call center for the Charge Up New Jersey program, which will staff 30 individuals trained in processing light-duty electric vehicle incentives. The call center will have a dedicated toll-free phone number and program specific email for applicant inquiries. The Center for Sustainable Energy will also work closely with the NJCEP main call center in order 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 the 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 FY20 Compliance Filing. Applicant-supplied information, via the application and secure program website, will be housed in the program database and electronic files will be maintained containing all application documents. These completed applicant files will be stored in IMS. The State Contract Managers for the Charge Up New Jersey program will perform internal quality assurance reviews on monthly program reports.