

---

**From:** Laura Perrotta <[lperrotta@njcar.org](mailto:lperrotta@njcar.org)>

**Sent:** Friday, June 6, 2025 5:00 PM

**To:** Secretary, BPUBoard [BPU] <[Board.Secretary@bpu.nj.gov](mailto:Board.Secretary@bpu.nj.gov)>

**Subject:** [EXTERNAL] NJ CAR COMMENTS ON DOCKET NO. QO25040206: IN THE MATTER OF THE CLEAN ENERGY PROGRAMS AND BUDGET FOR THE FISCAL YEAR 2026



New Jersey Coalition of Automotive Retailers  
856 River Road, P.O. Box 7510, Trenton, NJ 08628  
Phone: 609.883.5056  
Fax: 609.883.1093

Chairman: Ronald E. Baus  
President: Laura C. Perrotta

**To:** Sherri L. Lewis, Secretary of the Board  
**Via Email:** [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

**From:** Laura C. Perrotta

**Date:** June 6, 2025

**Re:** **NJ CAR Comments on Docket No. Qo25040206: In the Matter of  
The Clean Energy Programs and Budget for the Fiscal Year 2026**

The New Jersey Coalition of Automotive Retailers (NJ CAR) represents New Jersey's 523 franchised new car and truck dealerships, a \$45 billion industry that directly employs or supports more than 70,000 jobs in hundreds of cities and towns across the Garden State. Our franchised auto and truck dealers are an integral part of the state's point of sale electric vehicle (EV) incentive program because they provide the incentive dollars at the point of the EV sale *and then* they are reimbursed by the state. In addition, our dealers are the front-facing advocates in the private passenger sales process. We are all in on EVs. Our dealers will sell what consumers want to buy.

We thank you for the opportunity to submit public comments on the BPU's Fiscal Year 2026 ("FY26") proposed budget (Budget) for New Jersey's ChargeUp EV Incentive program.

Unlike previous years when funding for the program was exhausted without warning, the FY25 funding continues seamlessly into FY26 funding due to excess funds from the prior fiscal year. This continuity in the program from one fiscal year to the next creates stability and ease of use. Additionally, it is noteworthy that the FY26 program will continue the low-income incentive program initiated as part of the FY25 program, providing an additional incentive for lower income applicants. This incentive was a step in the right direction to increase the pool of car buyers who may shop for an EV. This FY26 proposal also has the distinction of offering the largest funding level for the program at \$50 million.

Notwithstanding those elements of the FY25 funding cycle, NJCAR is concerned that this FY26 proposal steers us in the wrong direction. As a result, we raise the following concerns.

**1. Reducing the Incentive Level for EV Purchases to \$1500 is Inconsistent with the Administration's Policy to Encourage Consumers to Transition to EVs**

The proposed incentive level of \$1500 for an EV purchase is unrealistic. The reduction from the current funding level of \$2000 demonstrates a disconnect with NJ's pro-EV public policy and will discourage consumers from buying EVs. It is disappointing and inexplicable given the increased appropriation of \$50 million to support the program.

The reduction suggests a lack of awareness of EV pricing. Electric vehicle prices continue to increase with the current average price of an EV at \$58,000. In addition, the current uncertainties at the federal level with respect to steel, EV battery and chip technology tariffs do not suggest a downward pricing trend. \$1500 just doesn't do enough to incentivize a purchase of this magnitude when you can buy a gas-powered vehicle for \$50,000.

In addition, the proposed \$1500 incentive is insufficient to offset the phasing out of the EV sales tax exemption which imposes the full sales tax of 6.625% on all EV sales effective July 1, 2025. The EV sales tax alone on a \$58,000 EV will be \$3,842.50. This increased cost is further compounded by the 4-year accelerated EV registration fee which increases to \$1,040 on July 1, 2025.

While lowering the incentive might stretch the timeframe of the program the amount of the incentive is much more important to bring a new customer through the door to purchase an EV. The goal of the state's program is to incentive purchases and driving new EV adopters to the decision to buy must be the focus.

Money matters to a car buyer more than anything. BPU has offered no support for the theory that consumers who were not incentivized at the \$2000 funding level will be incentivized to buy at the program's lowest funding level of \$1500. Existing EV shoppers will be incentivized by a significant financial incentive and with the likely phasing out of federal incentive the state needs to step up their offering to cover the gap and drive the car buyers' investment.

In previous funding rounds when the state had tiered rebate amounts it offered various rebate levels as high as \$5,000. To be clear, the early EV incentive program was embraced by the early EV adopters who were eager to make this investment. Initially BPU funded the program at \$30 million per year over the first three years *but* the funding was exhausted rapidly during those periods. The quick depletion each year caused months-long gaps between funding rounds, creating confusion for consumers, dealers, and manufacturers. The haphazard on-again, off-again cycle of the program was clear evidence that it had been initially underfunded given the consumer demand for the incentives.

Eventually the state increased the overall appropriation and created tiered funding levels. Increasing the program funding was the right response to extend the longevity of the program. For FY25 the Charge Up New Jersey Program was funded at \$33 million, which included \$3 million in funding carried over from FY24.

The state again seeks to increase the overall funding for FY26 and will carry over funding again without necessitating a pause in the funding cycle. We agree that increased funding is the right investment to bolster the Administration's EV policy goals.

However, **we disagree that offering consumers the *lowest funding level in the history of NJ's***

**program to ensure the program lasts into FY26 is the right approach** for this Administration.

To encourage NJ consumers to purchase EVs, the Administration needs to invest in bigger incentives. The EV incentive level should encourage a car buyer to choose an EV despite the initial higher cost of the vehicle and in the face of recent increased taxes and fees. NJ's elimination of the sales tax exemption on EVs, the imposition of the EV registration fee, and the proposed elimination of federal EV tax credits make a \$1,500 incentive level unattractive. More cash at the point of sale would serve to help attract the cautious EV purchaser and the EV curious to the market.

We oppose slashing the current incentive and recommend restoring the \$4,000 incentive to ensure New Jersey can continue attracting EV buyers. Since the program funding level has increased NJ CAR believes this is the best strategy to align with the Administration's EV goals.

That level harkens back to the robust inception levels of the initial stages of the program. NJCAR recognizes the lessons learned from avoiding the "on-again, off-again" in previous cycles; however, the circumstances are different now. The mass "early adopters" have taken their share of the EV incentive market, so the incentive for the consumers that remain—the EV doubters and skeptics and the curious-- needs to be a meaningful incentive.

**1. Improve the Dealer Portal, the Public-Facing Website, and Create Statewide Public Awareness Campaigns to Respond to Customer and Dealer Needs for Timely Updates on the Program.**

As we have commented previously, we recommend that the Charge Up New Jersey website provide dealers with access to the status of their reimbursements. Since the EV incentive program reimburses dealers for the EV incentives they provide to consumers, it is imperative to make the dealer portal transparent regarding the reimbursement process. In addition, real-time information should be on the portal about the status of reimbursements and the date when the dealer will be paid. Real-time suggests an updating frequency that is more than once every three months. Transparency will benefit dealers and consumers alike since dealers need to be part of the program for consumers to access the incentives.

In addition, the state should develop a promotional campaign to entice EV investment and tout their benefits. There is an opportunity to educate consumers looking to potentially purchase an EV. The only state resource for any information is the ChargeUp New Jersey website. With the appropriate marketing, outreach, and promotion we could attract more EV buyers to make the investment.

**2. Adopt a Subscription Program to Expand the Program's Reach and Help Achieve EV Goals.**

Finally, NJ CAR continues to encourage the inclusion of an EV Subscription Program (*EVSP*) as another tool in the state's EV incentive toolbox to help deliver on New Jersey's Clean Energy goals. Simply, it is an additional channel to attract potential EV buyers who would not otherwise be willing to make the investment. We need to try innovative programs to get potential first time EV purchasers into these vehicles. This program could entice the EV curious consumers.

An EV Subscription Program allows consumers who *first* want to try an EV *before* committing to a long-term purchase or lease, to see if it fits their lifestyle through a subscription trial. Creating an EV Subscription Program means more EVs on New Jersey roads and encourages more consumers to invest in an EV. NJ CAR strongly supports the creation of this program.

Thank you for the opportunity to comment on this proposal. We hope that the BPU considers the foregoing recommendations that NJ CAR feels will incentivize reluctant consumers to give an EV a try.

Laura Perrotta

President



856 River Road

Trenton, NJ 08628

609-883-5056 (x-330)

571-239-0765 (m)

[lperrotta@njcar.org](mailto:lperrotta@njcar.org)