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TO: Sherri L. Lewis, Board Secretary, NJ Board of Public Utilities
FR: Pamela Frank, CEO, ChargEVC-NJ
DA: June 6, 2025
RE: IN THE MATTER OF THE CLEAN ENERGY PROGRAMS AND BUDGET FOR THE FY2026 Docket No. QO25040206

On behalf of ChargEVC-NJ, thank you for the opportunity to submit comments on the FY2026 Compliance Filing for the Charge Up New Jersey (CUNJ) program.

INTRODUCTION

We want to acknowledge the proposed $50 million in new funding in the FY2026 CUNJ budget. We have been advocating for years that the annual budget for the program should increase from the required minimum budget level of $30 million per year, as the year-over-year growth rate for electric vehicles (EVs) also needs to grow to meet our statutory goals.

However, while the overall program budget is improved, the proposal to cut the base EV rebate from $2,000 in FY25 to $1,500 is alarming.

Every year, the CUNJ rebates decrease, and the Board has also periodically introduced new segments (e.g., the income eligibility was a new detail introduced last year). Modifying program design this often in what is still a relatively new program has been problematic for many reasons, the least of which is that since the program started, the cost of EVs has not decreased, but increased[1]. Additionally, the state has removed the sales tax exemption holiday and implemented one of the nation's highest registration fees for electric vehicles (EVs). Taken together, the State is sending mixed signals on its commitment to EV market development.

Lastly, the absence of meaningful opportunities for stakeholder input has been ongoing for years. We have been requesting opportunities to discuss the program earlier in the calendar year and to see data and staff's assumptions that would help inform a productive conversation and enable us to craft meaningful recommendations for program design, including rebate levels.

[1] Post-pandemic vehicle pricing remains high overall, along with rising interest rates and potential federal policy changes, particularly concerning tax credits, charging infrastructure funding, the introduction of a new federal EV fee each year, and the effects of changes in trade policy (especially tariffs), among other factors.

With millions of dollars disbursed each year, the stakeholder community should have the opportunity to provide meaningful input – especially since many stakeholders work in the market, selling these vehicles and can offer market perspectives that a government agency lacks.

REBATE LEVEL

To emphasize, we offer these recommendations in the absence of the data we have been requesting. Being able to view transaction-level data, in combination with data from the DEP on annual EV registrations, would clarify, for example, how many EV market transactions exceed $55,000. Additionally, understanding how much of the EV program budget from this past year was allocated to the "income eligible" segment would provide clarity regarding demand and whether it is effective in encouraging those who would otherwise not have purchased an EV to do so. We saw this information for the first time this week, when comments are due at the end of the same week. That provides no time for any meaningful market analysis.

In the first year of CUNJ, most of the program's parameters were established by law. The BPU was provided with flexibility to make changes beginning in the second year of the program and has continued to reduce the rebate level every year since, despite the increased cost of EVs.

The BPU's stated motivation, which is not found anywhere in the statute, is to incentivize a buyer who would otherwise not purchase or lease an EV, to do so —an "incentive-essential" customer. We don't disagree with this focus. We also understand that it is impossible to eliminate the "free rider" risk entirely while structuring a user-friendly program that achieves its intended purpose – increasing EV adoption more than it would without the rebates.

Ironically, by so significantly reducing the rebates, the problem the BPU is trying to avoid – providing rebates to those who have already decided to purchase an EV – actually becomes a more significant risk. The rebate must be large enough to encourage someone who would otherwise not buy an EV to make a purchase – a $5,000 cash-on-the-hood rebate has always been the gold standard for getting a customer off the proverbial couch to make a purchase they would not have made otherwise. We hear this repeatedly from the dealerships that are on the front lines of selling and leasing these vehicles.

Additionally, there is a real risk of losing the $7,500 federal EV tax credit, which would further strain the affordability of electric vehicles. This is in addition to the pressure from tariffs and uncertainty surrounding how and whether that will be resolved, all of which result in higher prices.

In the face of all this uncertainty, coupled with the punitive registration fee and the full sales tax, which will take effect beginning July 1, 2025, we encourage the BPU to set the base level rebate applicable to all eligible applicants at no lower than $4,000.

SEGMENTATION

The program retains the income-qualified Charge Up+ incentive, now $2,500, contingent on applicants pre-qualifying by submitting tax documentation or proof of participation in income-based public programs.

While we support the addition of a Low-to-Moderate Income (LMI) component to increase access and equity, we firmly believe it should be **additive—not a substitute** for a strong base incentive. The program was created to help close the cost gap between electric and internal combustion engine vehicles, a gap that still very much exists.

Furthermore, we have no data that helps us understand the demand for the "income qualified" segment in this program year. If the demand is substantial, it may be a compelling reason to design the program in this manner. However, if it is not significant, our initial hypothesis – that income-qualifying customers will not constitute a meaningful segment of new car buyers, let alone EV buyers (where EVs are more expensive) – would be more likely reflective of actual market conditions. If that is the case, the segmentation ought to be reconsidered.

Affordability remains one of the most significant barriers to EV adoption, particularly for mainstream buyers. Reducing the base rebate even further not only sends the wrong signal to consumers and dealers, but it also undermines our collective momentum. It's no surprise that the rate of EV adoption growth has significantly slowed in New Jersey, despite strong long-term interest and market potential.

FOSTERING A CULTURE OF MEANINGFUL STAKEHOLDER INPUT AND TRANSPARENCY IN POLICY MAKING

Perhaps the most egregious error has been the creation of a seemingly "black box" regarding how policy decisions are made. In particular, the lack of transparency regarding modeling, assumptions, and data, as well as the absence of opportunities for the stakeholder community to provide meaningful input and analysis. This has been an articulated concern for the past several years. We have repeatedly requested transaction-level data, the modeling assumptions used by staff to forecast sales, and, more recently, information about the income-qualifying segment of the program. Additionally, for several years, we have asked for opportunities to discuss program design earlier in the year, so that we are not left to respond to staff's recommendations weeks before the budgets are finalized, with no opportunity to provide input or even discuss assumptions and modeling at the front end. This is hardly "best practices" when it comes to making policy. We must do better.

In conclusion, we respectfully urge the Board to:

1. **Reinstate a $4,000 base rebate for all eligible vehicles, in alignment with the original program design.**
2. **For this program year, retain the Charge Up+ LMI component as an additional bonus, not a partial replacement of the base rebate.**
3. **Commit to increasing transparency and opportunities for stakeholder input early in the new year: provide data and gather stakeholders for discussions in the 1Q26 to plan for the next program year.**

We urge the Board to improve the policy-making process by increasing transparency on modeling and assumptions, incorporating meaningful stakeholder input with reasonable time frames to process information provided by the Board, and to reaffirm its commitment to a rebate structure that reflects both the urgency and opportunity of this moment, particularly in light of the current federal uncertainty.

Sincerely,
Pamela Frank
CEO, ChargEVC-NJ
www.chargevc.org