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Blog Post

New Year Brings EV Initiatives in New Jersey, New York

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State-level efforts to enhance electric vehicle (“EV”) deployment continued apace in January, with broad new legislation in New Jersey and a significant administrative proposal in New York. Both initiatives aim to advance the states’ climate and clean energy goals.

New Jersey Legislates for EVs

On January 17, 2020, New Jersey Governor Phil Murphy signed [legislation](#) that: (1) provides \$300 million over 10 years for EV-purchase rebates; and (2) sets a series of ambitious EV- and infrastructure-deployment targets. The new rebates of up to \$5,000 per vehicle are among the highest in the U.S. and are even more attractive when combined with New Jersey’s existing sales-tax exemption for fully electric vehicles. To qualify for the new incentive, an EV must have a manufacturer’s suggested retail price below \$55,000.

The law’s deployment goals include a minimum of 330,000 light-duty EVs in the state by the end of 2025, with 2 million by the end of 2035. In addition, at least 400 direct-current fast chargers are to be installed at a minimum of 200 locations by the end of 2025, allocated between travel corridors and so-called “community” locations in places like town centers, along with at least 1,000 less-powerful level-2 chargers throughout the state.

New Jersey will also put its purchasing power behind EV development and infrastructure usage by mandating that 25% of state-owned non-emergency vehicles must be EVs by the end of 2025, with a 100% goal by the end of 2035. The New Jersey Transit Corporation will be required to ratchet its purchases of zero-emission buses in a series of steps culminating at 100% by the end of 2032. The law also provides goals

for EV-charger availability in multi-family housing and at franchised hotels and motels. And to support deployment of charging infrastructure, the law exempts would-be owners, operators and managers of EV charging stations that would not otherwise qualify as an electric public utility from burdensome public utility regulation.

The law authorizes the state's Board of Public Utilities and Department of Environmental Protection to adopt necessary policies and programs, as well as to develop additional targets with respect to electrification of medium- and heavy-duty on-road diesel vehicles.

New York "Makes-Ready"

On January 13, 2020, the New York Department of Public Service ("DPS") issued recommendations to the state's Public Service Commission for the "[Make-Ready Program](#)," which would provide incentives to offset the costs of developing the electric infrastructure necessary to deploy level-2 and direct-current fast-charging stations. DPS observes that deployment of charging infrastructure is crucial to meeting the state's target of 850,000 zero-emission vehicles by the end of 2025, while also noting that current levels of EV deployment mean that typical high-powered charging installations would prove unprofitable over an initial 10-year period of operation. The Make-Ready Program proposes to cover up to 90% of the qualifying costs that developers would otherwise have incurred and allow those costs to be recovered by investor-owned utilities through state-jurisdictional rates. DPS also proposes to require that the state's investor-owned utilities incorporate EV-charging scenarios into their annual capital-planning process.

The Make-Ready Program, as proposed, is designed to overcome the cost barriers to developing EV-charging infrastructure and thereby complement New York's existing EV programs (including the "[Drive Clean Rebate](#)" and the New York Power Authority's "[Evolve NY](#)" program). The Make-Ready Program will now be subject to stakeholder comment, followed by Public Service Commission consideration.

State Leadership Expected to Continue

States are set to continue leadership in EV implementation in the coming year, with most innovation likely to come from jurisdictions that have set ambitious climate, clean-energy or clean-transportation goals. Like the New Jersey and New York initiatives above, the next round of EV-related efforts is expected to move beyond

simple incentives for vehicle purchase, and to include support for an EV transportation ecosystem with enhanced recharging opportunities to address skeptical consumers' concerns about vehicle range and utility.

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