

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## ASSEMBLY, No. 4715

### STATE OF NEW JERSEY 220th LEGISLATURE

DATED: JANUARY 5, 2024

#### SUMMARY

- Synopsis:** Establishes uptime requirement for electric vehicle charging station incentive programs.
- Type of Impact:** Annual State expenditure increase.
- Agencies Affected:** Board of Public Utilities, Department of Environmental Protection, and Department of Transportation.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2 and Thereafter</u></b>
<b>State Expenditure Increase</b>	\$80,000 - \$140,000	\$80,000 - \$120,000

- The Office of Legislative Services (OLS) determines that the bill would result in a one-time State expenditure increase for the Board of Public Utilities, the Department of Environmental Protection, the Department of Transportation, and other State agencies providing electric vehicle service equipment incentives. Each State agency subject to the bill would need to establish a system, rather than a process, to monitor and enforce compliance with the site-wide uptime requirement. This shift may require additional resources and funding to develop and maintain robust monitoring systems.
- The bill requires the State agencies to engage in comprehensive and public stakeholder engagement processes when developing the compliance monitoring system and periodically reviewing and modifying the site-wide uptime requirement. These stakeholder engagements could involve costs associated with gathering input, organizing meetings, and incorporating feedback.
- The OLS notes aligning the minimum uptime requirement with the federal standard under the National Electric Vehicle Infrastructure Formula Program may necessitate ongoing adjustments and updates to ensure consistency between State and federal requirements. This regular review and modification of the minimum uptime requirement may entail administrative efforts and potential costs.

- The OLS also notes that the bill directs the Board of Public Utilities, the Department of Environmental Protection, and the Department of Transportation to monitor and enforce compliance with the requirements of the bill. Due to the number of charging stations that will need to be monitored in the State on an annual basis, the board may require an additional staff member, with an estimated annual compensation in the range of \$80,000 to \$120,000.

## **BILL DESCRIPTION**

This bill would direct the Board of Public Utilities, the Department of Environmental Protection, the Department of Transportation, and any other State agency that offers an incentive for the installation of electric vehicle service equipment, pursuant to P.L.2019, c.362 or any other State law, to require compliance with a minimum uptime requirement as a condition of granting such incentive. Electric vehicle service equipment is the equipment, including the cables, cords, conductors, connectors, couplers, enclosures, attachment plugs, power outlets, switches and controls, network interfaces, and point of sale equipment and associated apparatus, that is designed and used for the purpose of transferring energy from the electric supply system to a plug-in electric vehicle.

Specifically, the bill would require the Board of Public Utilities or any other State agency, as a condition of issuing a State-level electric vehicle service equipment incentive payment, to require the equipment for which the incentive is granted, together with all other incentivized equipment installed at the same site, to remain operational at least 97 percent of the time, not including any period of exempted downtime, and except as otherwise provided by the bill, as measured on an annual and site-wide basis.

The bill would require State agencies to regularly review the site-wide uptime requirement being established by the bill, on at least a biennial basis, in order to ensure that it is consistent with the minimum uptime requirement that is applicable to recipients of federal funds under the National Electric Vehicle Infrastructure Formula Program, established pursuant to the federal Infrastructure Investment and Jobs Act.

Each State agency, which is subject to the bill, would be directed to develop and implement a process to monitor compliance with, and to enforce, the site-wide uptime requirement established and modified under the bill. The bill would further require each State agency, when reviewing or modifying the site-wide uptime requirement, or when developing and implementing the compliance monitoring and enforcement system required by the bill, to engage in a comprehensive and public stakeholder engagement process and to review and consider the most recent standards, guidelines, and requirements related to electric vehicle service equipment uptime, downtime, and exempted downtime, which are applicable to federal funding recipients under the National Electric Vehicle Infrastructure Formula Program.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

***OFFICE OF LEGISLATIVE SERVICES***

The OLS determines that the bill would result in a one-time State expenditure increase for the Board of Public Utilities to develop and implement a process that would monitor the compliance of electric vehicle service equipment. Specifically, it would require that the electric vehicle service equipment are operational at least 97 percent of the time, as measured on an annual basis. In addition, the OLS notes that the bill directs the board to monitor and enforce compliance with the requirements of the bill. Due to the number of charging stations that will need to be monitored in the State on an annual basis, the board may require an additional staff member, with an estimated annual compensation in the range of \$80,000 to \$120,000.

The OLS determines that the bill would result in a marginal annual State expenditure increase for Board of Public Utilities, the Department of Environmental Protection, the Department of Transportation, and other State agencies providing electric vehicle service equipment incentives. Each State agency subject to the bill would need to establish a system to monitor and enforce compliance with the site-wide uptime requirement. This shift may require resources and funding to develop and maintain robust monitoring systems.

The OLS notes aligning the minimum uptime requirement with the federal standard under the National Electric Vehicle Infrastructure Formula Program may necessitate ongoing adjustments and updates to ensure consistency between State and federal requirements. This regular review and modification of the minimum uptime requirement may entail administrative efforts and potential costs.

Many times electric vehicle charging stations are operated by a private company known as a charge point operator. A charge point operator provides services for the owner of the charging station including charging station service management. The management could include radar sensors to know if a car occupies a charging station, if a vehicle occupying a station is charging or not, and if any issues arise with the hardware, the software, or any other electric vehicle service equipment. The data from these sensors frequently goes to a platform that can be accessed by the owner of the charging station. Thus, the Board of Public Utilities could require the owner of a charging station to have a system set in place to monitor the operational status of the electric vehicle service equipment at a charging station and require reports to be sent electronically to the board. This would likely mitigate the enforcement costs of the bill. However, the OLS notes that each owner of a charging station may manage their charging station differently.

The OLS determines that to accomplish the monitoring and compliance under this bill, there will be an annual expenditure increase from hiring an additional full-time staff member. The OLS notes that there will be an increasing number of charging stations over the next several years. Thus, there will be more electric vehicle service equipment to monitor for compliance. Specifically, pursuant to P.L.2019, c.362, the State's goal is that there is to be at least 400 chargers available for public use at no fewer than 200 charging locations in the State by December 31, 2025, at least 1,000 chargers available for public use across the State by December 31, 2025, at least 15 percent of all multi-family residential properties in the State be equipped with charging stations for residents by December 31, 2025, and 20 percent of all franchised overnight lodging establishments be equipped with charging stations by December 31, 2025. The Board of Public Utilities is currently providing incentives for the installation of electric vehicle chargers in multi-family residential properties, overnight lodging establishments, and local and State government entities. Incentives available under the program range from \$4,000 to \$6,000 depending on the type of charging station and location of the charging station. Currently, 40 applicants have received approximately \$1 million in incentives for the installation of charging stations in multi-family residential properties. As the board would only be required to monitor the compliance of chargers at those multi-family residential properties or other facilities for which an incentive was

awarded, the costs incurred by the board may be mitigated based on the number of charging stations installed by the recipients of the incentives. In addition, it is unknown how many charging station installations will be provided with State incentives in future years. The board is authorized to develop additional incentives beyond those currently authorized. If fewer incentives are provided, this too will mitigate the costs for the board.

The bill requires the State agencies to engage in comprehensive and public stakeholder engagement processes when developing the compliance monitoring system and periodically reviewing and modifying the site-wide uptime requirement. These stakeholder engagements could involve costs associated with gathering input, organizing meetings, and incorporating feedback.

*Section: Environment, Agriculture, Energy, and Natural Resources*

*Analyst: Neha Patel  
Senior Fiscal Analyst*

*Approved: Thomas Koenig  
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).