

ASSEMBLY, No. 4111

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED JUNE 2, 2022

Sponsored by:
Assemblyman HERB CONAWAY, JR.
District 7 (Burlington)

SYNOPSIS

Extends existing plug-in electric vehicle incentives to hydrogen fuel cell vehicles.

CURRENT VERSION OF TEXT

As introduced.



A4111 CONAWAY

2

1 AN ACT concerning incentives for the purchase or lease of
2 hydrogen fuel cell vehicles, and amending P.L.2019, c.362 and
3 P.L.2007, c.340.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. Section 2 of P.L.2019, c.362 (C.48:25-2) is amended to read
9 as follows:

10 2. As used in sections 1 through 11 of P.L.2019, c.362
11 (C.48:25-1 et seq.):

12 "Board" means the Board of Public Utilities.

13 "Charger ready" means the pre-wiring of electrical infrastructure
14 at a parking space, or set of parking spaces, to facilitate easy and
15 cost-efficient future installation of electric vehicle service
16 equipment, including, but not limited to, Level Two EVSE and DC
17 Fast Chargers.

18 "Charging location" means a publicly accessible parking space or
19 set of parking spaces, with visible signage designating that the
20 parking space or parking spaces are available for use by the public
21 for charging plug-in electric vehicles.

22 "Community location" means a charging location that is not a
23 corridor location, and that is established in a town center,
24 commercial area, retail center, or near concentrations of multi-
25 family dwellings, to provide vehicle charging services to local plug-
26 in electric vehicle drivers near where they live and work.

27 "Corridor location" means a charging location located along a
28 travel corridor roadway, or within one mile of that roadway, which
29 is intended to provide access to vehicle charging services for long
30 distance drivers and en route vehicle charging services for local
31 drivers.

32 "DC Fast Charger" means EVSE that provides at least 50
33 kilowatts of direct current electrical power for charging a plug-in
34 electric vehicle through a connector based on fast charging
35 equipment standards, and which is approved for installation for that
36 purpose under the National Electric Code through an Underwriters
37 Laboratories Certification or an equivalent certifying organization.

38 "Department" means the Department of Environmental
39 Protection.

40 "Electric vehicle service equipment" or "EVSE" means the
41 equipment, including the cables, cords, conductors, connectors,
42 couplers, enclosures, attachment plugs, power outlets, switches and
43 controls, network interfaces, and point of sale equipment and
44 associated apparatus designed and used for the purpose of
45 transferring energy from the electric supply system to a plug-in
46 electric vehicle. "EVSE" may deliver either alternating current or

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 direct current electricity consistent with fast charging equipment
2 standards.

3 "Eligible vehicle" means a new light duty plug-in electric vehicle
4 that has an MSRP below \$55,000, is purchased or leased after the
5 effective date of P.L.2019, c.362 (C.48:25-1 et al.), and is registered
6 in New Jersey, or a new hydrogen fuel cell vehicle that is purchased
7 or leased after the effective date of P.L. , c. (C.) (pending
8 before the Legislature as this bill) and is registered in New Jersey.

9 "Fast charging equipment standards" means standards for high
10 power direct current charging, based on the CHAdeMO standard
11 and the Society of Automotive Engineers Combined Charging
12 Standard (CCS), or other non-proprietary standards as may be
13 approved by the board in the future.

14 **["Eligible vehicle" means a new light duty plug-in electric**
15 **vehicle, with an MSRP of below \$55,000, purchased or leased after**
16 **the effective date of P.L.2019, c.362 (C.48:25-1 et al.) and**
17 **registered in New Jersey.]**

18 "Hydrogen fuel cell vehicle" means a zero emission vehicle, as
19 defined in section 11 of P.L.2003, c. 266 (C.54:32B-8.55), that is
20 fueled primarily by hydrogen, but which may also have off-vehicle
21 charge capability. "Hydrogen fuel cell vehicle" includes any
22 passenger car, station wagon, or other motor vehicle that is propelled
23 by power derived from one or more cells that convert chemical energy
24 directly into electricity by combining oxygen with hydrogen fuel.

25 "Hydrogen fuel cell vehicle incentive" means the financial
26 incentive that is made available under the incentive program,
27 pursuant to paragraph (2) of subsection a. of section 4 of P.L.2019,
28 c.365 (C.48:25-4), to encourage consumers to purchase or lease a
29 hydrogen fuel cell vehicle.

30 "Incentive program" or "program" means the incentive program,
31 established pursuant to P.L.2019, c.362 (C. 48:25-1 et seq.) and
32 expanded pursuant to P.L. , c. (C.) (pending before the
33 Legislature as this bill), which uses financial incentives to
34 encourage consumers in the State to purchase or lease light duty
35 plug-in electric vehicles or hydrogen fuel cell vehicles.

36 "In-home electric vehicle service equipment" means electric
37 vehicle service equipment used in a person's home to charge a plug-
38 in electric vehicle.

39 "Level One EVSE" means EVSE that provides single phase
40 120V AC electricity, presented as either a standard wall plug into
41 which the charging cord provided with a plug-in electric vehicle can
42 be connected, or an EVSE with a standard vehicle plug connector
43 that complies with SAE J1772, or an equivalent standard for 120V
44 AC charging as may be adopted in the future and accepted by the
45 board, and which is approved for installation for this purpose under
46 the National Electric Code through an Underwriters Laboratories
47 Certification or an equivalent certifying organization.

1 "Level Two EVSE" means EVSE that provides a plug-in electric
2 vehicle with single phase alternating current electrical power at
3 208-240V AC, through a standardized plug connector that complies
4 with SAE J1772 standards, or an equivalent wireless power transfer
5 interface, or equivalent standards for 208-240V AC charging as
6 may be adopted in the future and accepted by the board, and which
7 is approved for installation for this purpose under the National
8 Electric Code through Underwriters Laboratories Certification or an
9 equivalent certifying organization.

10 "Light duty vehicle" means any two-axle, **【four-wheel】** four-
11 wheeled motor vehicle, including, but not limited to, a car, minivan,
12 sport utility vehicle, cross-over vehicle, or pick-up truck, which is
13 designed primarily for passenger travel or light duty commercial
14 use, and is approved for travel on public roads. 【"Light duty
15 vehicle" includes, but is not limited to, any vehicle commonly
16 referred to as a car, minivan, sport utility vehicle, cross-over, or
17 pick-up truck.】

18 "Light duty plug-in electric vehicle" means a light duty vehicle
19 that has a battery or equivalent energy storage device that can be
20 charged, with an electric plug, from an electricity supply that is
21 external to the vehicle. "Light duty plug-in electric vehicle"
22 includes a light duty plug-in hybrid vehicle.

23 "Light duty plug-in electric vehicle incentive" means the
24 financial incentive that is made available under the incentive
25 program, pursuant to paragraph (1) of subsection a. of section 4 of
26 P.L.2019, c.365 (C.48:25-4), to encourage consumers to purchase or
27 lease a light duty plug-in electric vehicle.

28 "Low-income, urban, or environmental justice community"
29 means a community: **【(1)】** in which at least one half of the
30 households are at or below twice the poverty threshold as
31 determined annually by the United States Census Bureau; **【(2)】** that
32 is urban, as determined by the Department of Community Affairs,
33 due to the population and development density in the community; or
34 **【(3)】** that has been burdened with environmental justice issues, as
35 determined by the department, including, but not limited to,
36 exposure to high levels of air pollution, close proximity to major
37 industrial facilities or hazardous waste sites, or other environmental
38 hazards.

39 "MSRP" means the published manufacturer's suggested retail
40 price, as set by a vehicle's manufacturer, at the time of sale or lease.

41 **【"Plug-in electric vehicle" means a vehicle that has a battery or**
42 **equivalent energy storage device that can be charged from an**
43 **electricity supply external to the vehicle with an electric plug.**
44 **"Plug-in electric vehicle" includes a plug-in hybrid vehicle.】**

45 "Plug-in hybrid vehicle" means a vehicle that can be charged
46 from a source of electricity external to the vehicle through an
47 electric plug, but is not exclusively powered by electricity.

1 "Routine charging" means vehicle charging that takes place
2 where a vehicle is parked for a long period of time, such as at the
3 owner's residence overnight, a hotel, or a workplace during work
4 hours, and which provides the primary and most common form of
5 vehicle charging.

6 "Seller or lessor **of an eligible vehicle**" means an entity that is
7 licensed to sell or lease an eligible vehicle to a consumer or fleet
8 owner in the State.

9 "Travel corridor" means any heavily used public **roads** road in
10 the State, as designated by the department, **which shall include**
11 including, but **need** not **be** limited to, the Garden State
12 Parkway, the New Jersey Turnpike, the Atlantic City Expressway,
13 any federal interstate **highways** highway, and the subset of
14 federal or State roads **which** that collectively support the majority
15 of long distance travel through and within the State, as well as the
16 majority of daily travel by local drivers.

17 (cf: P.L.2019, c.362, s.2)

18

19 2. Section 4 of P.L.2019, c.362 (C.48:25-4) is amended to read
20 as follows:

21 4. a. (1) No later than 180 days after the effective date of
22 P.L.2019, c.362 (C.48:25-1 et al.), the Board of Public Utilities
23 shall establish and implement **a light duty plug-in electric vehicle**
24 an incentive program **for the purpose of encouraging** that
25 provides financial incentives to encourage the purchase or lease of
26 new light duty plug-in electric vehicles by consumers in the State.

27 (2) No later than 90 days after the effective date of
28 P.L. , c. (C.) (pending before the Legislature as this bill),
29 the Board of Public Utilities shall expand the incentive program
30 established pursuant to paragraph (1) of this subsection so that it
31 additionally provides financial incentives to encourage the purchase
32 or lease of new hydrogen fuel cell vehicles by consumers in the
33 State.

34 b. The board shall implement the incentive program until June
35 30th of the 10th year after the program's establishment **of the**
36 **incentive program** pursuant to paragraph (1) of subsection a. of
37 this section.

38 c. (1) Any incentive offered pursuant to this section shall take
39 the form of a one-time payment to the purchaser or lessee of an
40 eligible vehicle.

41 (2) **For the first year an incentive is offered, the** The amount
42 of **the** each incentive made available, pursuant to paragraph (1) of
43 subsection a. of this section, for the purchase or lease of a light duty
44 plug-in electric vehicle, shall, during the first year of the program's
45 operation pursuant to P.L.2019, c.362 (C.48:25-1 et seq.), be equal
46 to \$25 per mile of EPA-rated electric-only range, up to a maximum
47 of \$5,000 per eligible light duty plug-in electric vehicle. For each

1 subsequent year **【an incentive is offered】** of program operation, the
2 board may, after consideration of stakeholder input, change the
3 amount of the incentive offered for eligible light duty plug-in
4 electric vehicles and the manner in which **【an】** the incentive is
5 calculated, provided that no incentive offered for light duty plug-in
6 electric vehicles shall exceed \$5,000 per eligible vehicle. The
7 amount of each incentive made available, pursuant to paragraph (2)
8 of subsection a. of this section, for the purchase or lease of a
9 hydrogen fuel vehicle, shall be calculated in a manner deemed
10 appropriate by the board, provided that no incentive offered for
11 hydrogen fuel cell vehicles shall exceed \$5,000 per eligible vehicle.
12 The board shall publish, on its Internet website, the amount of any
13 incentives **【on its Internet website】** offered pursuant to this section.

14 (3) The board may limit the number of **【plug-in electric**
15 **vehicle】** incentives that it issues to a single person under this
16 section.

17 (4) The board may establish other requirements and parameters
18 for the incentive program as it deems necessary and reasonable to
19 further the goals of P.L.2019, c.362 (C.48:25-1 et al.) and
20 P.L. , c. (C.) (pending before the Legislature as this bill).

21 d. The board shall monitor the disbursement of incentives
22 under the incentive program**【.】** and annually reassess the design
23 and implementation of the incentive program. Provided the board's
24 action is consistent with the provisions of subsection c. of this
25 section, the board may:

26 (1) revise the incentive program, any aspect of the incentives
27 provided thereunder, or the related implementation procedures or
28 processes; and

29 (2) develop additional incentives, consistent with the goals of
30 P.L.2019, c.362 (C.48:25-1 et al.), in order to ensure efficient and
31 equitable electrification of transportation in the State.

32 e. Notwithstanding any other provision of law to the contrary,
33 a light duty plug-in hybrid vehicle shall not **【qualify】** be eligible for
34 **【an】** a light duty plug-in electric vehicle incentive under the **【light**
35 **duty plug-in electric vehicle】** incentive program if purchased or
36 leased after December 31, 2022.

37 (cf: P.L.2019, c.362, s.4)

38

39 3. Section 5 of P.L.2019, c.362 (C.48:25-5) is amended to read
40 as follows:

41 5. a. The seller or lessor of an eligible vehicle shall offer the
42 light duty plug-in electric vehicle incentive or the hydrogen fuel
43 cell vehicle incentive, as applicable, in conjunction with, and in
44 addition to, any other incentive offered by the seller or lessor of an
45 eligible vehicle.

46 b. A seller or lessor of an eligible vehicle shall provide a
47 purchaser or lessee the option to have the amount of the light duty

1 plug-in electric vehicle incentive, or the amount of the hydrogen
2 fuel cell vehicle incentive, as the case may be, deducted from the
3 final negotiated and agreed upon sale or lease price of the eligible
4 vehicle, in which case the **【full】** amount of the incentive shall be
5 passed through to the purchaser or lessee in full, and payment
6 thereof shall be effective immediately at the time of the final sale or
7 lease and transfer of the eligible vehicle to the purchaser or lessee.
8 The board shall establish a process for reimbursing a seller or lessor
9 of an eligible vehicle the cost of an incentive provided by the seller
10 or lessor pursuant to this subsection.

11 c. The board shall require each seller or lessor of an eligible
12 vehicle to provide **【to】** the board, upon the final sale or lease and
13 transfer of an eligible vehicle to a purchaser or lessee, with the
14 eligible vehicle's make, model, **【and】** battery size as applicable, and
15 any other information **【as】** the board determines to be relevant.
16 (cf: P.L.2019, c.362, s.5)

17

18 4. Section 7 of P.L.2019, c.362 (C.48:25-7) is amended to read
19 as follows:

20 7. a. There is established in the Board of Public Utilities a
21 special, nonlapsing fund to be known as the **【Plug-in Electric】** Zero
22 Emission Vehicle Incentive Fund. The fund shall be administered
23 by the board and shall be credited with:

24 (1) moneys deposited into the fund by the board pursuant to
25 subsection b. of this section;

26 (2) moneys that are appropriated by the Legislature; and

27 (3) any return on investment of moneys deposited in the fund.

28 b. (1) The board shall deposit into the fund, each year, \$30
29 million of moneys received from the societal benefits charge
30 established pursuant to section 12 of P.L.1999, c.23 (C.48:3-60),
31 moneys made available to the board pursuant to the implementation
32 of the Regional Greenhouse Gas Initiative and P.L.2007, c.340
33 (C.26:2C-45 et seq.), and moneys made available from other
34 funding sources, as determined by the board, to make disbursements
35 for light-duty plug-in electric vehicle incentives and hydrogen fuel
36 cell vehicle incentives made available under the **【light duty plug-in**
37 **electric vehicle】** incentive program **【established pursuant to**
38 **paragraph (1) of section 4 of P.L.2019, c.362 (C.48:25-4)】** .

39 (2) The board may deposit into the fund, each year, such
40 additional amounts from the societal benefits charge, as the board
41 deems necessary, to make disbursement under an incentive program
42 for in-home electric vehicle service equipment established pursuant
43 to section 6 of P.L.2019, c.362 (C.48:25-6).

44 c. Moneys in the fund shall be used by the board solely for the
45 purpose of disbursing the incentives established pursuant to sections
46 4 and 6 of P.L.2019, c.362 (C.48:25-4 and C.48:25-6). The board
47 shall recover any administrative costs incurred in connection with

1 P.L.2019, c.362 (C.48:25-1 et al.) separately from moneys received
2 from the societal benefits charge.

3 d. The board shall provide no less than \$30 million in
4 disbursements under the **light duty plug-in electric vehicle**
5 incentive program, each year for 10 years following the enactment
6 of P.L.2019, c.362.
7 (cf: P.L.2019, c.362, s.7)

8
9 5. Section 7 of P.L.2007, c.340 (C.26:2C-51) is amended to read
10 as follows:

11 7. a. The agencies administering programs established pursuant
12 to this section shall maximize coordination in the administration of
13 the programs to avoid overlap between the uses of the fund
14 prescribed in this section.

15 b. Moneys in the fund, after appropriation annually for
16 payment of administrative costs authorized pursuant to subsection c.
17 of this section, shall be annually appropriated and used for the
18 following purposes:

19 (1) Sixty percent shall be allocated to the New Jersey Economic
20 Development Authority to provide grants and other forms of
21 financial assistance to commercial, institutional, and industrial
22 entities to support end-use energy efficiency projects and new,
23 efficient electric generation facilities that are state of the art, as
24 determined by the department, including but not limited to energy
25 efficiency and renewable energy applications, to develop combined
26 heat and power production and other high efficiency electric
27 generation facilities, to stimulate or reward investment in the
28 development of innovative carbon emissions abatement
29 technologies with significant carbon emissions reduction or
30 avoidance potential, to develop qualified offshore wind projects
31 pursuant to section 3 of P.L.2010, c.57 (C.48:3-87.1), and to
32 provide financial assistance to manufacturers of equipment
33 associated with qualified offshore wind projects. The authority, in
34 consultation with the board and the department, shall determine:
35 (a) the appropriate level of grants or other forms of financial
36 assistance to be awarded to individual commercial, institutional,
37 and industrial sectors and to individual projects within each of these
38 sectors; (b) the evaluation criteria for selecting projects to be
39 awarded grants or other forms of financial assistance, which criteria
40 shall include the ability of the project to result in a measurable
41 reduction of the emission of greenhouse gases or a measurable
42 reduction in energy demand, provided, however, that neither the
43 development of a new combined heat and power production facility,
44 nor an increase in the electrical and thermal output of an existing
45 combined heat and power production facility, shall be subject to the
46 requirement to demonstrate such a measurable reduction; and (c)
47 the process by which grants or other forms of financial assistance
48 can be applied for and awarded including, if applicable, the

1 payment terms and conditions for authority investments in certain
2 projects with commercial viability;

3 (2) Twenty percent shall be allocated to the board to support
4 programs that are designed to reduce electricity demand or costs to
5 electricity customers in the low-income and moderate-income
6 residential sector with a focus on urban areas, including efforts to
7 address heat island effect and reduce impacts on ratepayers
8 attributable to the implementation of P.L.2007, c.340 (C.26:2C-45
9 et al.) **[or]**, efforts to support the **[light duty plug-in electric]**
10 vehicle incentive program established pursuant to P.L.2019, c.362
11 (C. 48:25-1 et seq.) and expanded pursuant to P.L. , c. (C.)
12 (pending before the Legislature as this bill), and efforts to support
13 the incentive program for in-home electric vehicle service
14 equipment established pursuant to **[sections 4 and]** section 6 of
15 P.L.2019, c.362 (**[C.48:25-4 and]** C.48:25-6). For the purposes of
16 this paragraph, the board, in consultation with the authority and the
17 department, shall determine the types of programs to be supported
18 and the mechanism by which to quantify benefits to ensure that the
19 supported programs result in a measurable reduction in energy
20 demand or accomplishment of the plug-in electric vehicle goals
21 established pursuant to section 3 of P.L.2019, c.362 (C.48:25-3);

22 (3) Ten percent shall be allocated to the department to support
23 programs designed to promote local government efforts to plan,
24 develop and implement measures to reduce greenhouse gas
25 emissions, including but not limited to technical assistance to local
26 governments, and the awarding of grants and other forms of
27 assistance to local governments to conduct and implement energy
28 efficiency, renewable energy, and distributed energy programs and
29 land use planning where the grant or assistance results in a
30 measurable reduction of the emission of greenhouse gases or a
31 measurable reduction in energy demand. For the purpose of
32 conducting any program pursuant to this paragraph, the department,
33 in consultation with the authority and the board, shall determine:
34 (a) the appropriate level of grants or other forms of financial
35 assistance to be awarded to local governments; (b) the evaluation
36 criteria for selecting projects to be awarded grants or other forms of
37 financial assistance; (c) the process by which grants or other forms
38 of financial assistance can be applied for and awarded; and (d) a
39 mechanism by which to quantify benefits; and

40 (4) Ten percent shall be allocated to the department to support
41 programs that enhance the stewardship and restoration of the State's
42 forests and tidal marshes that provide important opportunities to
43 sequester or reduce greenhouse gases.

44 c. (1) The department may use up to four percent of the total
45 amount in the fund each year to pay for administrative costs
46 justifiable and approved in the annual budget process, incurred by
47 the department in administering the provisions of P.L.2007, c.340
48 (C.26:2C-45 et al.) and in administering programs to reduce the

1 emissions of greenhouse gases including any obligations that may
2 arise under subsection a. of section 11 of P.L.2007, c.340 (C.26:2C-
3 55).

4 (2) The board may use up to two percent of the total amount in
5 the fund each year to pay for administrative costs justifiable and
6 approved in the annual budget process, incurred by the board in
7 administering the provisions of P.L.2007, c.340 (C.26:2C-45 et al.)
8 and in administering programs to reduce the emissions of
9 greenhouse gases including any obligations that may arise under
10 subsection a. of section 11 of P.L.2007, c.340 (C.26:2C-55).

11 (3) The New Jersey Economic Development Authority may use
12 up to two percent of the total amount in the fund each year to pay
13 for administrative costs justifiable and approved in the annual
14 budget process, incurred by the authority in administering the
15 provisions of P.L.2007, c.340 (C.26:2C-45 et al.) and in
16 administering programs to reduce the emissions of greenhouse
17 gases.

18 d. The State Comptroller shall conduct or supervise
19 independent audit and fiscal oversight functions of the fund and its
20 uses.

21 (cf: P.L.2019, c.362, s.12)

22

23 6. This act shall take effect immediately.

24

25

26

STATEMENT

27

28 State law at P.L.2019, c.362 (C.48:25-1 et seq.) currently
29 authorizes the Board of Public Utilities (BPU) to offer financial
30 incentives to consumers in the State to encourage their purchase or
31 lease of light duty plug-in electric vehicles. This bill would expand
32 this existing incentive program in order to additionally authorize the
33 BPU to make financial incentives available to consumers to
34 encourage their purchase or lease of hydrogen fuel cell vehicles.
35 The bill defines “hydrogen fuel cell vehicle” as a zero emission
36 vehicle, as defined in section 11 of P.L.2003, c. 266 (C.54:32B-8.55),
37 that is fueled primarily by hydrogen, but that may also have off-
38 vehicle charge capability. The term would include any passenger car,
39 station wagon, or other motor vehicle that is propelled by power
40 derived from one or more cells that convert chemical energy directly
41 into electricity by combining oxygen with hydrogen fuel.

42 Under the bill’s provisions, incentives offered for hydrogen fuel
43 cell vehicles are to be limited to a maximum amount of \$5,000 per
44 eligible vehicle and are to be calculated in a manner deemed
45 appropriate by the board. Like the light duty plug-in electric
46 vehicle incentives currently offered under the State’s vehicle
47 incentive program, the new hydrogen fuel cell vehicle incentives
48 are to be made available under the program until June 30 of the

A4111 CONAWAY

11

1 tenth year following the original date of the program's
2 establishment under P.L.2019, c.362.

3 In addition to the new incentives established in the bill, receipts
4 from the sale of hydrogen fuel cell vehicles are also exempt under
5 existing law, from the State Sales and Use Tax, pursuant to the
6 current exemption for zero emission vehicles established by section
7 11 of P.L.2003, c.266 (C.54:32B-8.55).