



June 15, 2020

Hon. Aida Camacho-Welsh, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Trenton, New Jersey

Email: board.secretary@bpu.nj.gov

***RE: Docket # QO20050357: IN THE MATTER OF STRAW PROPOSAL ON ELECTRIC
VEHICLE INFRASTRUCTURE BUILD OUT***

Dear Secretary Camacho-Welsh,

ZappyRide appreciates the opportunity to provide comments related to New Jersey's electric vehicle (EV) and electric vehicle charging station (EVSE) programs.

ZappyRide is a leading provider of software and data solutions dedicated to increasing EV adoption. We work with electric utilities, automakers, auto dealers, EVSE manufacturers, leading non-profits, and government entities to deploy solutions supporting EV awareness, education and adoption. We operate nationwide, and have engaged well over half a million consumers along their EV journey.

As practitioners in the Outreach and Education space, we are keen on offering our experience to New Jersey stakeholders in their efforts to meet the State's goals for EV adoption. In particular, our present comments focus on the importance of EV Outreach and Education, and the role of Electric Distribution Companies (EDCs) in these efforts.

Our position can be summarized as follows:

- **New Jersey needs sustained EV outreach and education** to meet Governor Murphy's goals and avoid under-utilization of charging assets.
- **Electric Distribution Companies are the State's most powerful ally in EV outreach and education**, given their existing customer relationships, brand attributes and natural synergies.
- **Ratepayer funding is the most effective approach** to achieve the required outreach and education efforts, and succeed at the state level.

New Jersey Needs Sustained EV Outreach and Education

Awareness of electric vehicles is still low in the United States¹. A majority of car owners cannot correctly name a single battery EV model. In New Jersey, the quantitative picture is unclear, but anecdotal evidence as sales numbers suggests low awareness as well.

As noted in the Straw Proposal, N.J.S.A. 48:25-1 et seq. calls for at least 330,000 EVs on New Jersey roads by December 31, 2025 and at least 2 million EVs by December 31, 2035. As of December 2019, there are 30,017 EVs registered in New Jersey; therefore, meeting the state's 2025 goal represents a 11x growth over 5 years.

The first step in achieving this ambitious growth is making New Jersey residents aware of their electric transportation options.

Despite recent examples of high-visibility advertising², automakers are generally reluctant to promote EVs with a level of effort much above expected sales. This cautious approach can be understood as prudent stewardship of the automakers' own interests, given the cost of advertising and the uncertainty of outcomes in the nascent EV market. As a result, we cannot reasonably expect automakers to bear all the burden of EV outreach and education.

¹ "EV Options Have Increased but Public Awareness Not So Much", Government Technology, Feb 14, 2020, <https://www.govtech.com/fs/transportation/EV-Options-Have-Increased-but-Public-Awareness-Not-So-Much.html>

² "Superbowl Ads Hyped Electric Cars. But Will Anyone Buy Them?", New York Times, Feb 2, 2020, <https://www.nytimes.com/interactive/2020/02/02/climate/super-bowl-ads-electric-car-hummer.html>

To some extent, New Jersey has been the recipient of cross-state awareness campaigns, such as Electrify America's campaigns at a national level. So far, however, no comprehensive state-level EV awareness strategy has been formulated, nor statewide EV awareness efforts undertaken.

In summary, it is crucial that EV awareness in New Jersey radically increases in order to meet the goal of 330,000 vehicles on the road by 2025. In other words, the infrastructure called for by the Straw Proposal may result in underutilized charging assets if EV awareness is not properly addressed.

EDCs are the State's Most Powerful Ally in EV Outreach and Education

In this context, EDCs could play a pivotal role in bridging the EV awareness gap, and, if properly enabled, could be the State's most powerful ally.

First and foremost, EDCs have pre-existing relationships with every single residential customer in the state. While traditional EV awareness efforts tend to spend resources on reaching that customer (say, with online advertisements) and creating that initial connection, utilities already have multiple outreach channels available to transmit EV-related information to end customers, at a low cost.

These customer relationships also come with deep customer understanding. As utility staff engages with customers on EV-related matters, they also gain an understanding of these customers' needs and pain points, and eventually formulate better messaging around EVs.

Moreover, utilities are also reliable brands that consumers trust. While traditional EV awareness efforts need to first establish credibility in order to gain the customer's attention, the utility is already seen as the trusted advisor on energy matters, EVs being an extension of that expertise.

Finally, promoting the growth of EVs fits well with utilities' existing capabilities and EV-related efforts. Utilities already engage customers on subjects such as home charging and rates. Adding general EV outreach to these efforts only contributes to making the messaging more coherent and customer-centric. In our experience, as an added bonus, EV outreach and education also tends to increase customer satisfaction ratings.

A utility-centered approach to EV outreach and education has already been employed with great success outside of New Jersey. In California, under CPUC guidance, investor-owned utilities

have engaged hundreds of thousands of potential EV buyers, resulting in large increases of claimed EV incentives and EV purchases. Outside of California, outreach from utilities such as Austin Energy, Duquesne Light Company, DTE Energy, Xcel Energy and others have also resulted in substantial growth in EV awareness.

In summary, we suggest leveraging EDCs' customer relationships, trusted brands, and natural synergies to boost EV awareness in New Jersey – ensuring that utilities, as the State's most powerful in EV Outreach and Education, are fully engaged.

Ratepayer Funding is the Most Effective Approach

While we believe fiscal prudence and low rates are crucial, we also contend that ratepayer funding will be essential to fully leverage the utilities' capabilities and meet the State's 2025 goals.

In the current context, we believe that leaving EV outreach efforts to the private market or utility shareholder funding would be ineffective for the following reasons:

- **Unclear impact on shareholder return.** The private market mobilizes shareholder resources to achieve shareholder return, but in the case of EV outreach, such returns are indirect at best.
- **Lack of certainty and accountability.** Independent utility action may or may not occur, and may take time beyond the 2025 horizon. In contrast, mandated action using ratepayer funds can be engaged swiftly and carry accountability measures to ensure effectiveness and coordination across parties.

For these reasons, we believe that the market will not advance the State's agenda and goals of its own accord; in that respect, we are currently witnessing a market failure.

In summary, we believe that strong State leadership that equips the EDC with the guidance and funding needed will be crucial in boosting EV awareness, and in turn meeting the state's goals.

As we find the Straw Proposal lacking in this respect, we strongly urge the Board to issue guidelines for EDCs to propose additional programs, including outreach and education efforts, that will increase the likelihood that the state reaches its goals for EV and charging infrastructure deployment.

Sincerely,

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