



September 18, 2024

The Honorable Clinton Calabrese  
Chair, Assembly Transportation and Independent Authorities Committee  
New Jersey Legislature  
613 Bergen Boulevard  
Ridgefield, NJ 07657

The Honorable Linda S. Carter  
Vice Chair, Assembly Transportation and Independent Authorities Committee  
New Jersey Legislature  
200 West 2nd St., Suite 102  
Plainfield, NJ 07060

**On behalf of Charge Ahead Partnership (CAP) I am writing in support of Assembly Bill 4624.**

This legislation will address one of the major barriers to private investment in public electric vehicle (EV) charging services by requiring the creation of alternatives to traditional demand-based rate structures that incur high fees known as demand charges. By requiring New Jersey's electric public utilities to file EV charging specific tariffs with the Board of Public Utilities that utilize alternatives to demand charges, the legislature will help to create the transparent pricing system necessary for a competitive EV charging market and accelerate third-party investment in EV charging infrastructure.

Charge Ahead Partnership's membership is comprised of businesses, organizations and individuals that share the common goal of expanding New Jersey's EV charging network and ensuring New Jersey is positioned to meet EV drivers' expectations of quality service, safety and the affordable, competitive pricing to which they have grown accustomed with the established refueling network. Our corporate members, from big box retailers, to grocery stores and restaurants, to existing fuel retailers, own the real estate that is best suited for DCFC infrastructure. Many of these businesses are located along highway corridors and offer the amenities that drivers will demand while refueling.

The biggest challenge to widespread EV adoption in New Jersey is the lack of a robust, statewide EV fast charging network that is co-located with the services and amenities, such as food vendors, restrooms, lighting and security, that consumers have come to expect when they refuel. CAP believes that a competitive, market-based approach is the most efficient and economical way to build New Jersey's EV charging network so that it promotes fair competition and encourages private investment in the EV charging business.

In order for private investors to make the considerable investment in EV charging infrastructure, systemic challenges with New Jersey's current electricity market must be addressed. Specifically, DCFC stations have unique power needs that require high power capacity for charging but consume relatively low amounts of energy per charge. This high demand over short periods of time subjects EV fast chargers to costly "demand charges," which are fees based on the highest level of electricity used during a billing period.

Demand charges were created to compensate electric utilities for their investment in the capacity needed to meet spikes in demand, largely caused by industrial customers. These charges pre-date EVs and are incompatible with the realities of owning and operating a DCFC station. The single use of a DCFC station can incur a demand charge that doubles or triples the electric bill of the operator. In the early stages of EV adoption, there are not enough EV drivers to offset these demand charges, making the cost to charge prohibitively expensive. Furthermore, demand charges are difficult to pass along to the EV driver at the time of charging, because they are not posted until the end of the month when a customer pays their electric bill.

While the Board of Public Utilities has made recent progress in addressing demand charges by approving pilot programs from PSE&G, ACE, JCP&L and RECO in Docket No. ER23030124, given the temporary nature of these programs, they do little to assuage investor's concerns that New Jersey could revert back to the current rate structure before their chargers are even operational, let alone profitable.

The presence of demand charges in New Jersey's EV charging marketplace has severely limited private investment thus far, and CAP supports this legislation which will make a crucial first step towards providing the long-term certainty and rate structure transparency necessary for businesses considering investing in EV charging services in New Jersey. CAP urges the committee to pass this important legislation. Thank you for your consideration of our comments.

Sincerely,

/s/ Jay Smith

Jay Smith

Executive Director

Charge Ahead Partnership

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