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December 20, 2022

Via Email

Hon. Carmen Diaz, Secretary
Board of Public Utilities
44 South Clinton Avenue
1st Floor
Trenton, NJ 08625-0350

Re: *I/M/O the Petition of Rockland Electric Company For Approval of An Electric Vehicle Program, Establishment of An Electric Vehicle Surcharge, And For Other Relief*
BPU Docket No. EO20110730

I/M/O the Petition of Rockland Electric Company For Approval of An Electric Vehicle Managed Charging Program, And For Other Relief
BPU Docket No.

Dear Secretary:

On behalf of the Petitioner Rockland Electric Company, attached for filing with the Board of Public Utilities ("Board") in the above-captioned matter, please find a Verified Petition seeking approval of a managed charging program. This filing is made in compliance with the Board's October 12, 2022 EV Filing Order,¹ in which the Board adopted a Stipulation of Settlement executed by RECO, Board Staff, and the New Jersey Division of Rate Counsel ("Stipulation of Settlement"), that required this filing.

Pursuant to the Board's March 19, 2020 Order regarding the COVID-19 pandemic (Docket No. EO20030254), this filing is being electronically filed by email with the Board Secretary and served by email upon the attached service list, including the Division of Rate Counsel and Deputy Attorneys General; no paper copies will follow.

Kindly have the Office of the Secretary or the Office of Case Management confirm receipt by email to the undersigned.

Thank you for your courtesy and cooperation.

¹ *I/M/O the Petition of Rockland Electric Company for Approval of an Electric Vehicle Program, Establishment of an Electric Vehicle Surcharge, and for Other Relief*, BPU Docket No. EO20110730, Decision and Order Approving Stipulation (dated October 12, 2022) ("EV Filing Order"), at p. 12, referencing Stipulation of Settlement, ¶26.



December 20, 2022
Page 2

Respectfully submitted,

/s/ James C. Meyer

James C. Meyer

cc: Attached Service List (by email)

In The Matter Of The Petition Of Rockland Electric Company For Approval Of An Electric Vehicle Program,
Establishment Of An Electric Vehicle Surcharge, And For Other Relief

BPU Docket No. EO20110730 -- **Service List** [August 23, 2022]

BPU

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*Receives two hard copies of pleadings when required; #Only receives filed pleadings-no discovery

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF
ROCKLAND ELECTRIC COMPANY
FOR APPROVAL OF AN ELECTRIC
VEHICLE PROGRAM, ESTABLISHMENT
OF AN ELECTRIC VEHICLE SURCHARGE,
AND FOR OTHER RELIEF

BPU DOCKET NO. EO20110730

VERIFIED PETITION

IN THE MATTER OF THE PETITION OF
ROCKLAND ELECTRIC COMPANY
FOR APPROVAL OF AN ELECTRIC
VEHICLE MANAGED CHARGING PROGRAM,
AND FOR OTHER RELIEF

BPU DOCKET NO. _____

I. INTRODUCTION

Rockland Electric Company (“RECO”, the “Company”, or “Petitioner”), a corporation of the State of New Jersey, which has an office at One Lethbridge Plaza, Suite 32 – Second Floor, Route 17 North, Mahwah, New Jersey 07430, respectfully petitions the New Jersey Board of Public Utilities (“Board”), pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, as follows:

1. Petitioner is a public utility engaged in the distribution of electricity and the provision of electric Basic Generation Service, for residential, commercial and industrial purposes within the State of New Jersey. RECO is a wholly-owned subsidiary of Orange and Rockland Utilities, Inc. (“Orange and Rockland”), and an affiliate of Consolidated Edison Company of New York, Inc. (“Con Edison”). RECO provides electric distribution service to approximately 73,000 customers in an area which extends from eastern Bergen County at the Hudson River to western Passaic County and small communities in Sussex County, New Jersey.

2. The rates and charges for electric service furnished by Petitioner and the conditions upon which the same are furnished are set forth in Petitioner's tariff designated B.P.U. No. 3 - Electricity.

3. Petitioner is subject to regulation by the Board for the purposes of setting its retail distribution rates and to assure safe, adequate and reliable electric distribution service pursuant to N.J.S.A. 48:2-13, *et seq.*

4. Through this Petition and the accompanying exhibits, RECO seeks Board approval for a Electric Vehicle ("EV") managed charging program. RECO is filing this Petition in compliance with the Board's EV Filing Order,¹ in which the Board adopted a Stipulation of Settlement executed by RECO, Board Staff, and the New Jersey Division of Rate Counsel ("Stipulation of Settlement").

5. The Stipulation of Settlement (at ¶26) provides, among other things, that RECO will submit a filing to the Board by December 31, 2022, for a managed charging program aimed at developing customer off-peak charging behavior, with budget. The Stipulation provides that this program will be designed to encourage EV charging at beneficial times and lead to the development of positive charging habits thereby minimizing the need for additional distribution system infrastructure to serve peak demand and improving the use of existing utility assets. The Stipulation further provides that any budget proposed for this program will be incremental to the budgets defined in the Stipulation of Settlement.

¹ *I/M/O the Petition of Rockland Electric Company for Approval of an Electric Vehicle Program, Establishment of an Electric Vehicle Surcharge, and for Other Relief*, BPU Docket No. EO20110730, Decision and Order Approving Stipulation (dated October 12, 2022) ("EV Filing Order") (p. 12).

II. EV MANAGED CHARGING PROGRAM

6. RECO proposes to implement a five-year (*i.e.*, 2023 – 2027), \$3.8 million EV managed charging program, which the Company has designated Smart Charge New Jersey (“SCNJ” or the “Program”), the details of which are summarized in the following paragraphs and set forth in Exhibit A to this Petition. RECO has designed SCNJ specifically to support New Jersey’s ambitious clean transportation goals. In addition, RECO has structured the Program to match the RECO service territory’s demographics and customer characteristics, so as to enhance its attraction to potential participants.

7. RECO’s proposed, charger-based SCNJ will provide ongoing incentives to enrolled RECO customers for off-peak charging during the summer months (*i.e.*, June, July, August, and September) (“Summer Period”) via approved residential chargers. Incentives will be provided via e-gift cards annually. SCNJ off-peak hours will mirror the off-peak hours in the Company’s Service Classification No. 1 TOD rate.

8. All residential customers who take service under Service Classification (“SC”) No. 1 Residential Service of RECO’s electric tariff and install an approved charger at the residence where the customer receives residential RECO service are eligible to participate in the Program. In addition, participating customers must have an always on Wi-Fi network installed in their residences and agree to share charging data with the Company. Incentives are tied to an eligible, installed charger and will be limited to two chargers per customer account.

9. RECO will publish on its website a list of approved chargers that will include, at a minimum, every charger that is approved in the Company’s Charger Ready Program.² RECO’s

² The Board approved RECO’s Charger Ready Program in the RECO EV Filing Order.

goal is to be technology agnostic - chargers with the ability to meet the data reporting requirements will be added to the Company's approved chargers list.

10. Approved chargers must be networked and UL certified. This will allow RECO to collect the necessary data to calculate the incentives. Such data may include:

- Session duration including start and stop time; and
- Session energy including total kWh and max kW.

11. RECO is offering the following three different types of SCNJ related incentives for each enrolled charger:

- A one-time \$25 enrollment incentive;
- Annual incentives consisting of a \$10 annual participation incentive and \$20 per month for each of the four months of the Summer Period during which on-peak charging is avoided (*i.e.*, a total of \$90 per year per enrolled charger); and
- A \$25 Refer-A-Friend incentive.

12. In calculating the annual incentives cap of \$90 per enrolled charger, the Company focused on the savings delta between the average customer with an EV who takes service under a standard residential SC1 rate and the same customer who takes service under an SC1 TOD rate. Specifically, RECO calculated the savings delta between the average customer >600 kwh delivery rate and the off-peak TOD rate, resulting in a savings rate of 2.351 cents per kWh. The Company then multiplied the annual average kWh used by an EV of 3,800 kWh by the savings rate of 2.351/kWh, resulting in an annual savings of \$90.

13. Incentives will be provided to participants via an e-gift card. RECO will send an e-gift card annually, 90 days after the end of each Summer Period, for the total annual incentive amount earned. RECO has found that customers prefer earnings incentives over receiving bill

credits. SCNJ leverages this preference by offering e-gift cards for behavior consistent with the Program.

14. RECO has worked with its New York utility affiliate, Consolidated Edison Company of New York (CECONY), and found the majority of enrollments in managed charging programs result from Refer-A-Friend programs. As a result, RECO proposes a \$25 incentive for any customer currently enrolled in SCNJ, who refers another customer who enrolls in the Program. The funding for the Refer-A-Friend incentive is the only incremental outreach and education budget requested for SCNJ if funded at the requested levels.

15. RECO will measure Program success by offering participants a customer survey and soliciting feedback from participants. The survey and feedback will be requested from every participant and utilized to improve the Program over its five-year term. RECO will file with the Board annual reports that include Program actual and forecasted spending and the data collected. These reports will include subtotal program spending and anonymized and aggregated data in accordance with applicable privacy standards.

16. The table below sets forth the proposed costs of the five-year Program.

Smart Charge New Jersey

	2023 Year 1	2024 Year 2	2025 Year 3	2026 Year 4	2027 Year 5	Total
EVs in RECO Service Territory	8,432	11,844	16,500	21,270	27,463	27,463
25% Enrollment	2,108	2,961	4,125	5,318	6,866	6,866
Participant Incentives*	\$268,770	\$298,478	\$414,900	\$523,358	\$675,990	\$2,181,495
Implementation Cost**	\$180,696	\$233,582	\$281,750	\$355,716	\$600,692	\$1,652,436
Total Cost	\$449,466	\$532,060	\$696,650	\$879,074	\$1,276,682	\$3,833,931

*The Participant Incentives include the one-time enrollment incentives, annual incentives, and the Refer-A-Friend incentives (“Participant Incentives”).

**The Implementation Cost includes vendor costs for data collection from the chargers, e-gift card administration, and RECO’s administration cost, including data processing and Program implementation (“Implementation Costs”).

17. In alignment with the methodology included in the Stipulation of Settlement adopted by the RECO EV Order, the Company is proposing a flexible program that will address changing market needs by allowing Program spending to occur between and among program years during the five-year Program term.

III. PROGRAM COST RECOVERY

18. The Company proposes to recover SCNJ related incremental costs via a cost recovery mechanism that is the same as the mechanism approved in the RECO EV Order for recovery of the costs of the four subprograms approved by the Board in the RECO EV Order. In summary, SCNJ Participant Incentives and SCNJ Implementation Costs both shall be deferred and placed in a regulatory asset (“Managed Charging Regulatory Asset”). The Managed Charging Regulatory Asset shall be recovered in the Company’s next base rate case and subsequent base rate cases, as applicable. The costs in the Managed Charging Regulatory Asset are subject to prudence review in the next base rate case and subsequent base rate cases, as applicable. The amortization period for recovery of the Managed Charging Regulatory Asset will be determined in the Company’s next base rate case and subsequent base rate cases, as applicable.

19. The revenue requirement in the Company’s next base rate case and subsequent base rate cases, as applicable, will include a return of and on the deferred amounts in the Managed Charging Regulatory Asset. The return on the deferred amounts will be based on the approved weighted average cost of capital in the Company’s next base rate case, or subsequent

base rate case adjusted for then-current income tax rates. The return of the deferred amounts will be based on the amortization period approved by the Board in the Company's next base rate case and subsequent base rate cases, as applicable. Further details of the cost recovery mechanism are set forth in the RECO EV Order and approved Stipulation of Settlement.

IV. RATES AND IMPACT

20. The Company will provide estimated impacts for a typical SC1 customer based on the projected revenue requirement that will be included in base rates.

V. COMMUNICATIONS

Communications and correspondence related to this Petition should be sent as follows:

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VI. MISCELLANEOUS

Two copies of this Petition will be served upon the Department of Law and Public Safety, 124 Halsey Street, P.O. Box 45029, Newark, New Jersey 07101 and upon the Director, Division of Rate Counsel, 140 East Front Street, 4th Floor, Trenton, New Jersey 08625. This Petition and supporting testimony and attachments will also be e-mailed to the persons identified on the service list provided with this filing.

A public hearing was held in the matter wherein the Board approved the Stipulation of Settlement establishing the existing RECO EV programs and requiring the within compliance filing. Should Board Staff advise that a further public hearing is required for SCNJ, the Company will circulate a proposed public notice.

Attached hereto and made a part of this Petition are the following exhibits:

Exhibit A – RECO Managed Charging Program Proposal

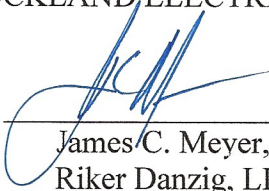
VII. CONCLUSION AND REQUESTS FOR APPROVAL

For all the foregoing reasons, RECO respectfully requests that the Board retain jurisdiction of this matter and review and expeditiously issue an order approving this Petition specifically finding that:

1. RECO is authorized to implement the SCNJ EV managed charging program as described in this Petition;
2. RECO is authorized to recover the costs associated with the SCNJ EV managed charging program in the manner described in this Petition; and
3. Providing such other relief as is just and proper.

Respectfully submitted,

ROCKLAND ELECTRIC COMPANY

By 

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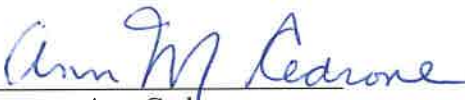
Dated: December 20, 2022

VERIFICATION

STATE OF NEW YORK)
 : SS
COUNTY OF ROCKLAND)

ANN CEDRONE, of full age, being duly sworn according to law, on her oath deposes
and says

1. I am the Treasurer of Rockland Electric Company, the Petitioner in the foregoing
Petition.
2. I have read the annexed petition, and the matters and things contained therein are
true to the best of my knowledge and belief.


Ann Cedrone

Sworn to and subscribed to
Before me this 20 day
Of December, 2022



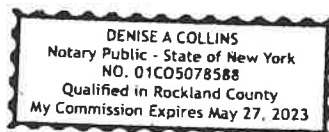


EXHIBIT A
(RECO MANAGED CHARGING
PROGRAM PROPOSAL)

ROCKLAND ELECTRIC COMPANY

MANAGED CHARGING PROGRAM PROPOSAL

Introduction:

Rockland Electric Company's ("RECO" or the "Company") proposed managed charging program is designed to further the achievement of New Jersey's clean energy goals, in particular the electrification of transportation and the reduction of greenhouse gas emissions. This filing fulfills the Company's obligation, as set forth in the RECO EV Order,³ to submit to the Board of Public Utilities ("Board") a managed charging proposal by December 31, 2022. In addition, this filing proposes a rate structure that encourages networked, managed charging and addresses residential electric vehicle ("EV") charging consistent with Board policy.⁴

As discussed below, the Company is proposing to implement a comprehensive five-year, \$3.8 EV managed charging program, which the Company has designated Smart Charge New Jersey ("SCNJ" or the "Program"). SCNJ will provide financial incentives to residential RECO customers with an in-home charger for off-peak charging behavior and introduce these customers to the benefits of managed EV charging. SCNJ will be administered by RECO's current third-party EV vendor, Energyhub.

RECO has designed SCNJ specifically to support New Jersey's ambitious clean transportation goals. RECO has structured the Program to match the RECO service territory's demographics and customer characteristics, so as to enhance its attraction to potential participants. Proposed budgets and targets reflect achieving adoption of 16,500 EVs in the RECO service territory by 2025, based on the EV Act's⁵ 2025 goal. The proposed budgets also reflect annual targets beyond 2025 that RECO projects will be needed to meet the State's clean energy goals for 2050.

The SCNJ builds upon the successes and lessons learned of New York's and New Jersey's existing managed charging programs. Specifically, SCNJ aligns with managed charging programs offered by the other electric distribution companies ("EDCs") (e.g., Public Service Electric and Gas Company and Jersey Central Power & Light Company) and will provide residential customers with an EV experience that is consistent with the experience of other customers in New Jersey. Moreover, the Company is leveraging the experience of its corporate parent, Orange and Rockland Utilities, Inc. ("O&R"), which has designed and deployed existing EV programs. SCNJ will be a passive managed charging program.

³ *I/M/O the Petition of Rockland Electric Company for Approval of an Electric Vehicle Program, Establishment of an Electric Vehicle Surcharge, and for Other Relief*, BPU Docket No. EO20110730, Decision and Order Approving Stipulation (dated October 12, 2022) ("RECO EV Order") (p. 12).

⁴ *See I/M/O Straw Proposal on Electric Vehicle Infrastructure Build-Out*, BPU Docket No. QO20050357, Order Adopting the Minimum Filing Requirements for Light-Duty, Publicly Accessible Electric Vehicle Charging (effective September 30, 2020, revised October 20, 2020)

⁵ Electric Vehicle Act of 2020, P.L. 2020, c. 362, N.J.S.A. 48:25-1 *et seq.* ("EV Act")

Even though RECO has an existing time-of-day (“TOD”) rate,⁶ the Company has structured the SCNJ:

- To align with other EDCs in New Jersey and in other states (*e.g.*, New York, California, Texas) that offer managed charging programs;
- To align with customer preference for earning incentives rather than credits on their electric bills; and
- To allow customers who drive an EV and have adopted solar and/or electric heating or work from home, to receive benefits for shifting load off-peak.

Customers have a strong preference for earning incentives rather than saving money via bill credits. RECO’s New York utility affiliate, Consolidated Edison Company of New York, Inc. (“Con Edison”), surveyed over 10,000 of its electric customers regarding their preference for bill credits via a time-of-use rate or earning the same dollar amount through a managed charging program. Over 95 percent chose earning over saving. Therefore, by providing both programs, RECO can reach more of its customers.

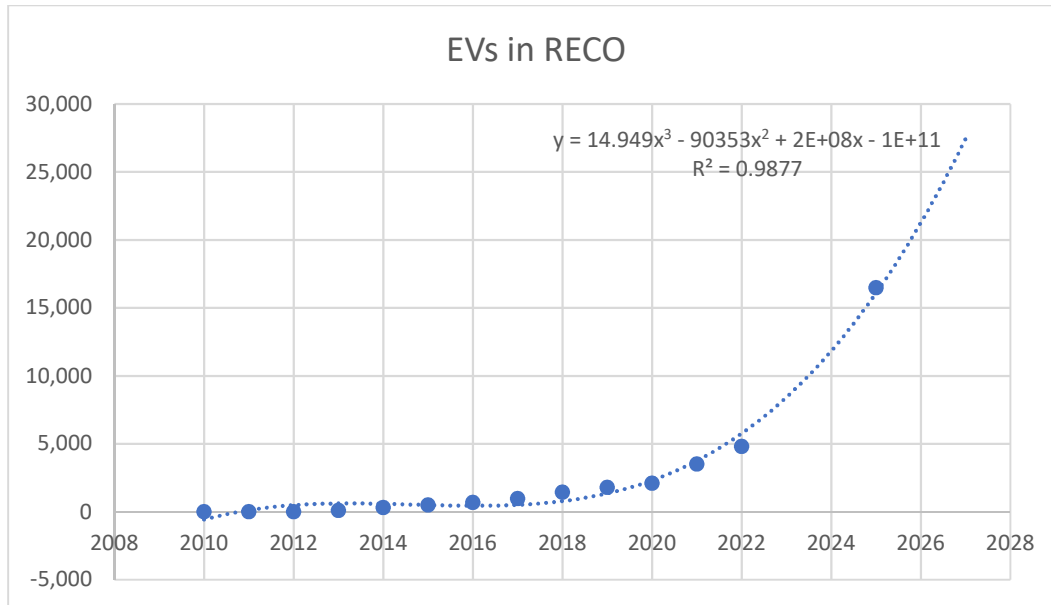
Program Structure:

RECO’s proposed, charger-based, SCNJ will provide ongoing incentives to enrolled RECO customers for off-peak charging during the summer months (*i.e.*, June, July, August, and September) (“Summer Period”) via approved residential chargers. Incentives will be provided via e-gift cards annually. SCNJ off-peak hours will mirror the off-peak hours in the Company’s Service Classification No. 1 TOD rate.

SCNJ is targeting to incentivize 6,866 chargers based on the available history for EVs in RECO’s service territory. The Company started with a forecast of 16,500 EVs by 2025 in its service territory which represents five percent (*i.e.*, based upon RECO’s proportionate share of statewide customers) of the New Jersey State Zero Emission Vehicle goal of 330,000 EVs, as agreed upon in BPU Docket No. QO20050357. To forecast years 2023, 2024, 2026, and 2027, RECO applied a statistical analysis that relied on the EV adoption rates in its service territory since 2010 to reach both the 2025 goals and projected 2027 goals that put the State on a trajectory to meet its transportation electrification and decarbonization goals by 2050, as envisioned by the New Jersey Energy Master Plan.

RECO first looked at a first order regression which was a poor fit with an R-squared of 58%, then a second order regression which was a poor fit as well, with an R-squared of 90%. Finally, RECO determined that a third order regression was a good fit with an R-squared of 99%. Fourth and fifth order regressions were not good fits and did not increase the R-squared statically significantly. Finally, the Program intends to enroll 25 percent of the projected EVs on the road in RECO’s service territory by 2028.

⁶ RECO’s existing TOD rate includes a reduced distribution charge of 4.235 cents per kWh for off-peak usage.



A 25 percent participation rate will produce a sufficient sample of meaningful data by which RECO can evaluate the success of the Program and inform future programs. In addition, RECO believes this participation level is an achievable though aggressive target.

Eligible Participants:

All residential customers⁷ who take service under Service Classification (SC) No. 1 Residential Service of RECO's electric tariff and install an approved charger at the residence where the customer receives residential RECO service are eligible to participate in the Program. In addition, participating customers must have an always on Wi-Fi network installed in their residences and agree to share charging data with the Company. Incentives are tied to an eligible, installed charger and will be limited to two chargers per customer account.

Customers who take service under the SC1 TOD rate are not eligible for SCNJ. However, customers who participate in the Charger Ready Program, approved by the Board in the RECO EV Order, can participate in SCNJ.

RECO will publish on its website a list of approved chargers that will include, at a minimum, every charger that is approved in the Company's Charger Ready Program. RECO's goal is to be technology agnostic - chargers with the ability to meet the data reporting requirements will be added to the Company's approved chargers list.

Approved chargers must be networked and UL certified. This will allow RECO to collect the necessary data to calculate the incentives and such data may include:

- Session duration including start and stop time; and
- Session energy including total kWh and max kW.

⁷ Residential customer means a customer who receives electric service for use in his or her residence. Rockland Electric Company Schedule for Electric Service (Tariff) Leaf 21.

Incentives:

Participants are eligible for three different types of incentives for each enrolled charger, which include:

- A one-time \$25 enrollment incentive;
- Annual incentives consisting of a \$10 annual participation incentive and \$20 per month for each of the four months of the Summer Period during which on-peak charging is avoided (*i.e.*, a total of \$90 per year per enrolled charger); and
- A \$25 Refer-A-Friend incentive.

In calculating the annual incentives cap of \$90 per enrolled charger, the Company focused on the savings delta between the average customer with an EV who takes service under a standard residential SC1 rate and the same customer who takes service under an SC1 TOD rate. Specifically, RECO calculated the savings delta between the average customer >600 kwh at the standard residential SC1 rate and the off-peak TOD rate, resulting in a savings rate of 2.351 cents per kWh. The Company then multiplied the annual average kWh used by an EV of 3,800⁸ kWh by the savings rate of 2.351/kWh, resulting in an annual savings of \$90.

RECO has worked with Con Edison and found the majority of enrollment in managed charging programs to result from Refer-A-Friend programs. As a result, RECO proposes a \$25 incentive for any customer currently enrolled in SCNJ, who refers another customer who enrolls in the Program. The funding for the Refer-A-Friend incentive is the only incremental outreach and education budget requested for SCNJ if funded at the requested levels.

Incentives will be provided to participants via an e-gift card. RECO will send an e-gift card annually, 90 days after the end of each Summer Period, for the total annual incentive amount earned. As previously discussed, RECO has found that customers prefer earnings incentives over receiving bill credits. SCNJ leverages this preference by offering e-gift cards for behavior consistent with the Program.

Evaluation and Measurement:

RECO will measure Program success by offering participants a customer survey and soliciting feedback from participants. The survey and feedback will be requested from every participant and utilized to improve the Program over its five-year term. Continuous evaluation and flexibility to adjust Program levels is critical to the Program's success. Therefore, RECO will file with the Board, by the 1st of February, annual reports that include Program spending and the data collected. RECO will report actual and forecasted spending by line item and all data collected. These reports will include subtotal program spending and anonymized and aggregated data in accordance with applicable privacy standards.

Budget:

⁸ Summary Report on EVs at Scale and the U.S. Electric Power System found at <https://www.energy.gov/sites/prod/files/2019/12/f69/GITT%20ISATT%20EVs%20at%20Scale%20Grid%20Summary%20Report%20FINAL%20Nov2019.pdf>

The five-year program cost of \$3,833,931 includes participant incentives and implementation costs.

Smart Charge New Jersey

	2023 Year 1	2024 Year 2	2025 Year 3	2026 Year 4	2027 Year 5	Total
EVs in RECO Service Territory	8,432	11,844	16,500	21,270	27,463	27,463
25% Enrollment	2,108	2,961	4,125	5,318	6,866	6,866
Participant Incentives*	\$268,770	\$298,478	\$414,900	\$523,358	\$675,990	\$2,181,495
Implementation Cost**	\$180,696	\$233,582	\$281,750	\$355,716	\$600,692	\$1,652,436
Total Cost	\$449,466	\$532,060	\$696,650	\$879,074	\$1,276,682	\$3,833,931

*The Participant Incentives include the one-time enrollment incentives, annual incentives, and the Refer-A-Friend incentives (“Participant Incentives”).

**The implementation cost includes vendor costs for data collection from the chargers, e-gift card administration, and RECO’s administration cost, including data processing and Program implementation (“Implementation Costs”).

In alignment with the methodology included in the Stipulation of Settlement adopted by the RECO EV Order, the Company is proposing a flexible program that will address changing market needs by allowing Program spending to occur between and among program years during the five-year Program term. The Company does not propose to adjust approved budget funds between incentives and implementation costs.

Cost Recovery:

The Company proposes to recover SCNJ related incremental costs in the same manner as it recovers the costs of those four subprograms approved by the Board in the RECO EV Order. SCNJ Participant Incentives and SCNJ Implementation Costs both shall be deferred and placed in a regulatory asset (“Managed Charging Regulatory Asset”). The Managed Charging Regulatory Asset shall be recovered in the Company’s next base rate case and subsequent base rate cases, as applicable. The costs in the Managed Charging Regulatory Asset are subject to prudence review in the next base rate case and subsequent base rate cases, as applicable. The amortization period for recovery of the Managed Charging Regulatory Asset will be determined in the Company’s next base rate case and subsequent base rate cases, as applicable.

The revenue requirement in the Company’s next base rate case and subsequent base rate cases, as applicable, will include a return of and on the deferred amounts in the Managed Charging Regulatory Asset. The return on the deferred amounts will be based on the approved weighted average cost of capital in the Company’s next base rate case, or subsequent base rate case adjusted for then-current income tax rates. The return of the deferred amounts will be based on

the amortization period approved by the Board in the Company's next base rate case and subsequent base rate cases, as applicable.