

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
Notice of Funding Availability (NOFA)
NJ ZIP Pilot Voucher Program for Medium- and Heavy-Duty Zero Emission Vehicles –
Vendors’ Application

The New Jersey Economic Development Authority (NJEDA or Authority) will begin accepting applications from qualified vendors for the second phase of the New Jersey Zero-Emission Incentive Program (NJ ZIP) pilot at 10:00 AM Eastern on Tuesday, October 18, 2022. The deadline to apply is 8:00 PM Eastern on Tuesday, November 22, 2022. The application can be assessed at www.njeda.com/njzip. A fee of \$1,000 is due at time of application.

Please note: this NOFA is for NJ ZIP vehicle dealers and manufacturers (“Vendor Applicants”) only. Vehicle dealers and manufactures may submit an application for consideration as approved vendors eligible for selection by purchasers in the NJ ZIP pilot. The application for New Jersey businesses and institutions (“Purchaser Applicants”) to apply for voucher funding to support the purchase of zero-emission vehicles (ZEV) will open at a future date and will be announced via a separate NOFA.

Purpose

The purpose of NJ ZIP is to help New Jersey-based companies accelerate adoption of zero-emission medium- and heavy-duty vehicles by reducing the upfront capital cost through the provision of vouchers. The adoption of ZEV will help reduce emissions statewide. Additionally, this second phase of the NJ ZIP pilot will allow NJEDA to stimulate and assess market-readiness as well as determine and foster the economic impact of ZEV adoption moving forward.

Overview

This second phase of the NJ ZIP pilot will ultimately approve and reserve voucher funding to support Purchaser Applicants who meet a set of eligibility criteria, and whose selected vehicles, approved vehicle vendors, and vehicle use case qualify. This second phase of the pilot is for commercial, industrial, or institutional organizations with vehicle operations in the state of New Jersey that are purchasing medium- and heavy-duty ZEVs, and for the approved vendors of such products. As noted above this NOFA is for NJ ZIP vendor applicants only. The application for New Jersey businesses and institutions to apply for voucher funding to support the purchase of ZEVs will open at a future date and will be announced via a separate NOFA.

Program Details

The NJ ZIP pilot is a first-come, first-serve voucher program focused on incentivizing the adoption of ZEVs by New Jersey businesses and institutions. The Authority’s use of this funding

is aligned with its core mission, to foster sustainable and equitable economic growth – in this case, in the commercial-use ZEV ecosystem and value chain within the State. It is also aligned with the State’s broader clean transportation goals - to transition 75 percent of medium- and 50 percent of heavy-duty vehicles to zero emission by 2050 supported by incentive programs. See the New Jersey Energy Master Plan (Goal 1.1.8).

Eligibility

As noted above this NOFA is for NJ ZIP pilot Vendor Applicants only. The application for New Jersey businesses and institutions to apply for voucher funding to support the purchase of ZEVs (Purchaser Applicants) will open at a future date and will be announced via a separate NOFA.

To be eligible for the second phase of NJ ZIP pilot, a Purchaser Applicant must:

- Be a commercial, industrial, or institutional organization registered to do business in New Jersey. As defined in the Global Warming Solutions Fund regulation (N.J.A.C. 7:27D-1.2), "institutional" means serving a non-profit or public purpose such as a library, hospital, public school, institution of higher education, municipal utility, public recreation or cultural facility, or government entity. The term "government entity" includes local and municipal government entities, but for the purposes of this pilot, State government entities are not eligible.
- Provide a valid New Jersey Tax Clearance Certificate and/or other documentation deemed acceptable by the Authority, as applicable, to demonstrate business registration or ability to conduct operations in New Jersey.
- Be in good standing with the New Jersey Department of Labor and Workforce Development (DOL), the New Jersey Department of Environmental Protection (DEP), and the New Jersey Division of Taxation.
- Satisfy the Authority’s debarment/disqualification review, not be in default under any Authority program, and not have any outstanding obligations to the Authority.
- Be the prospective vehicle owner at time of application, and be the vehicle owner throughout the compliance period

To be eligible for the second phase of NJ ZIP pilot, the Purchaser Applicant’s proposed vehicle(s) must be:

- A new zero-emission Class 2b – Class 8 (GVWR 8,501 lbs. – 33,000+ lbs.) vehicle, used for commercial, industrial, or institutional purposes. Retrofits and repowers of pre-owned vehicles are not eligible.
 - All ZEVs, defined as “a vehicle that emits no tailpipe pollutants from the onboard

source of power, such as particulates, hydrocarbons, carbon monoxide, ozone, lead, and various oxides of nitrogen”, are eligible for vouchers. This includes, but is not limited to, battery-electric (BEV) and hydrogen fuel cell-electric (FCEV) vehicles.

- Purchased, delivered, and registered in compliance with the New Jersey Motor Vehicles Commission (NJMVC) within 12 months of receipt of the voucher approval letter. Proof of intent to purchase at time of application is required for eligibility. An extension for up to an additional six months may be permitted, as described below.
- Not the subject of any other State or federal funding for the same vehicle(s).
- Procured from an approved vendor (detailed in the following section).

Note: Vehicle scrappage is not mandated by this program EXCEPT in the case that the new vehicle is replacing a vehicle model year 2009 or earlier. For consistency with prior State programs, “scrappage” is defined within the DEP’s Volkswagen (VW) Settlement funded grant program as rendering the vehicle inoperable and available for recycle; at a minimum, to cut a 3-inch hole in the engine block and disable the chassis by cutting the vehicle’s frame rails complete in half. Vehicles that are not replacements (i.e., ZEV purchased are for new use cases or to expand a fleet) or are replacing a model year 2010 or later DO NOT have to comply with scrappage requirements. Information on any vehicle replacements will be requested within the application to determine scrappage requirements and support Regional Greenhouse Gas Initiative (RGGI)-metric reporting on avoided emissions.

To be eligible for the second phase of NJ ZIP pilot, a vehicle Vendor Applicant must:

- Provide proof of a minimum of 12 months of experience selling or manufacturing eligible zero-emission vehicles.
- Be registered to conduct business in New Jersey, as demonstrated by a valid New Jersey Tax Clearance Certificate.
- Be in good standing with the New Jersey Department of Labor and Workforce Development (DOL), the New Jersey Department of Environmental Protection (DEP), and the New Jersey Division of Taxation.
- Satisfy the Authority’s debarment/disqualification review, not be in default under any Authority program, and not have any outstanding obligations to the Authority.
- Offer at least one eligible vehicle and provide required vehicle-associated documentation, including but not limited to:
 - Listing information related to the vehicles, such as via vendor website, inclusive of vehicle images, descriptions, and sale cost.
 - A specification sheet outlining all major components, corroborating vehicle capabilities, charging/fueling needs, design appropriate to proposed use, and

eligibility.

- Certification from the manufacturer that the vehicle complies with all applicable state and federal requirements for operation, including the Federal Motor Vehicle Safety Standards (FMVSS) issued by the National Highway Traffic Safety Administration (NHTSA) found in Title 49 of the Code of Federal Regulations (CFR).
- Standard warranty for the eligible vehicle(s), indicating at least three years or 50,000 miles of coverage, whichever comes first, covering parts (at a minimum, motor, drive train, and batteries, hydrogen fuel cells, etc.) and labor. May be updated on a per-purchaser basis.
- Typical delivery plan and timeline, updated on a per-purchaser basis.
- Proof of intent to purchase eligible vehicle(s) on a per-purchaser basis
- In-state servicing plan for maintenance of vehicles aligned with industry norms and current best practices implemented before vehicle delivery. May be updated on a per-purchaser basis.
- Standard charging or fueling plan development methodology, updated on a per-purchaser basis to address such purchaser's needs, providing clarity on, but not limited to, the anticipated count, type, capacity, and location of chargers/fueling stations necessary for the vehicle(s).
- Agree to accept the program's terms and conditions as laid out in the grant agreement, including but not limited to:
 - Accept the program's voucher towards Purchaser Applicants' vehicle payments, deducting the vehicle's voucher amount from the upfront cost.
 - Engage with EDA's selected technical assistance provider, potentially including in-person events when mutually agreed to.

Other terms and conditions: By accepting the voucher funding, purchaser applicants and vendor applicants will also agree to the following terms:

- Purchaser Applicant will register the vehicle in the State of New Jersey for a minimum of the three continuous years.
- Purchaser Applicant will annually operate at least 75 percent of vehicle miles traveled (VMT) in the State of the New Jersey.
- NJEDA's right to audit and verify compliance with eligibility requirements post-voucher redemption, and agree to provide responses and data upon request to support such audits

and verifications. For example, to verify vehicle miles traveled within the eligible overburdened communities, NJEDA may require data such as but not limited to telematics, route maps, delivery histories, etc.

- Permit NJEDA Purchaser Applicant information, Vendor Applicant information, and vehicle data and information provided in the application and audit process, that is not otherwise prohibited by law, for case studies and to support the development of future programs.
- Purchaser Applicant will commit to displaying a visual indication on the commercial vehicle that it is a ZEV and that its purchase was subsidized through this program, as materially provided by NJEDA (e.g., a bumper sticker, placard, etc.).

Pilot Program Voucher Funding Levels

Voucher funding amounts are based on Gross Vehicle Weight Rating (GVWR) laid out in the table below:

Table 1: Voucher Amounts

| Vehicle GVWR | Vehicle Class | Voucher amount |
|----------------------|----------------------|-----------------------|
| 8,501 - 10,000 lbs. | Class 2b | \$20,000 |
| 10,001 - 14,000 lbs. | Class 3 | \$50,000 |
| 14,001 - 16,000 lbs. | Class 4 | \$65,000 |
| 16,001 - 19,500 lbs. | Class 5 | \$75,000 |
| 19,501 - 26,000 lbs. | Class 6 | \$90,000 |
| 26,001 - 33,000 lbs. | Class 7 | \$135,000 |
| 33,001+ lbs. | Class 8 | \$175,000 |

These voucher amounts are based on industry research with subject matter experts through procured consultant, Guidehouse, benchmarked against other states’ current, prior, and proposed programs, and verified with outreach from stakeholders. These values represent, based on current range of estimated ZEV costs, approximately 75 – 110 percent of the incremental cost of ZEV

compared to similar internal combustion engine vehicles, bringing the ZEV closer to or at upfront cost parity for trucks. Through the same research, ZEV buses were identified as having a much larger upfront cost compared to diesel bus alternatives. These base voucher amounts would not meet the incremental cost of a ZEV bus, thus the need for additional voucher funding.

In order to address stakeholder-identified barriers and to further incentivize activity aligned with the Authority's mission, Purchaser Applicants may be eligible and apply for increased per-vehicle voucher bonuses through documentation of any of the following:

- Certified woman-, minority-, or veteran-owned business bonus: A four percent increase in the base voucher amount per vehicle per qualifying New Jersey State woman-, minority-, or veteran-owned business certification
- Small business bonus: A 25 percent increase of the base voucher amount per vehicle.
 - For the purposes of this program, a small business is defined as having 25 or fewer full time employees in total OR less than \$5 million in annual revenue.
- New Jersey manufacturing bonus: A 25 percent increase of base voucher amount per vehicle will be available if the Vendor Applicant can document (for example, but not limited to, through price sheets and hourly rates) that 25 percent of the cost of the vehicle is spent in New Jersey on labor for vehicle design, assembly, and/or manufacturing or cost of components produced in New Jersey.
- Environmental justice bonus: A ten percent increase of base voucher amount per vehicle to small business applicants or municipalities who commit to driving in environmentally overburdened communities. To be eligible, Purchaser Applicants must demonstrate in a manner acceptable to the Authority, annual operation of 50 percent or more of vehicle miles traveled (VMT) OR registration and domicile within an overburdened community census tract for a minimum of three continuous years from the date of registration.
- School Bus bonus: A 25 percent increase in base voucher amount per vehicle if the Purchaser Applicant is purchasing a school bus. Those receiving a benefit under P.L. 2022, c. 86 are not eligible under this program.

These bonuses may be stacked, and the Applicant may be eligible for multiple bonuses .

Purchaser Applicants may apply for more than one vehicle voucher within the same application. The total funding per vehicle may equal but may not exceed the cost of the vehicle. The total funding reserved for a Purchaser Applicant (as determined by EIN) through vouchers inclusive of any qualifying bonuses, cannot exceed \$3,000,000, to ensure equitable distribution of resources.

All disbursements will be subject to availability of funding.

The total RGGI-funded NJ ZIP pilot budget will be \$46,575,000.

Of the total program budget, \$45,000,000 will be reserved to fund vouchers, utilizing the following

allocations:

- \$15,000,000 will be set-aside for small businesses
- \$15,000,000 will be set-aside for overburdened community applications.

The remainder of voucher funding will be un-allocated.

Application Process:

The Vendor Application will open at 10:00 AM Eastern on Tuesday, October 18, 2022. The deadline to apply is 8:00 PM Eastern Tuesday, November 22, 2022. The application, once live, can be accessed at www.njeda.com/njzip.

Upon closure of the application period, the Authority will review Vendor Applications for completeness; applicants that submitted incomplete applications will be provided the opportunity to submit missing information within ten business days.

Purchaser applications are expected to open in early 2023.

Fees: Vendors will be assessed an application fee of \$1,000 per application.

Additional Information:

Additional information on the NJ ZIP may be found at <https://www.njeda.com/njzip>