

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
NJ ZIP Pilot Voucher Program for Medium- and Heavy-Duty Zero Emission Vehicles
Purchaser Application – Phase 3 (Round 1)
Notice of Funding Availability

The New Jersey Economic Development Authority (“NJEDA” or “Authority”) will begin accepting applications from **potential vehicle purchasers** for the third phase of the New Jersey Zero-Emission Incentive Program (“NJ ZIP”) for Medium- and Heavy-Duty Zero Emission Vehicles – Purchaser pilot Application (“Phase 3 – Purchaser Application” or “Program”) on Monday, November 24th, 2025 at 10:00 am EST. Purchaser applications will be accepted until all voucher funds have been reserved, on a first-come, first-served basis.

The Program will make available up to \$75 million in vouchers offered in two possible rounds, as approved by the Board on [February 24, 2025](#), for New Jersey businesses and institutions (“Purchaser Applicants”) to apply for voucher funding to support the purchase of zero-emission vehicles only.

The **first round** will make available up to \$37.5 million in vouchers.

The **second round** will make available up to \$37.5 million in vouchers to be made available no sooner than 1 year after the launch of the first round.

Note: NJ ZIP vehicle dealers (“Vendor Applicants”) are currently able to submit a Phase 3 – Vendor application, which are accepted on a rolling basis until Purchaser Application funds have been depleted.

A non-refundable fee of \$500 is due at time of application. The purchaser application can be assessed at www.njeda.gov/njzip.

Purpose and Overview

NJ ZIP helps 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 zero emission vehicles will help reduce emissions statewide. NJ ZIP will allow NJEDA to stimulate and assess market-readiness as well as determine and foster the economic impact of zero emission vehicle adoption moving forward by approving and reserving 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.

Program Details

Phase 3 – Purchaser Application is focused on incentivizing the use of zero-emission vehicles by New Jersey businesses and institutions to foster sustainable and equitable economic growth – in this case, in the commercial-use zero-emission vehicles ecosystem and value chain within the State. NJ ZIP aims to expedite the adoption and use of clean-energy vehicles for business owners, reduce harmful greenhouse gas emissions, and bolster the state’s clean energy economy.

Funding Source

The total funding for the Phase 3 - Purchaser Application vouchers is \$75 million allocated from the Regional Greenhouse Gas Initiative (“RGGI”) 2020-2022 and 2023-2025 auction proceeds.

The total funding is based upon current information about funding availability. NJEDA reserves the right to increase total funding should additional funds become available.

For the first 6 months, 50% of the allocated amount will be set-aside for small business applicants located in overburdened communities (“OBCs”). After the 6 months set aside period, the remainder of any unallocated set aside voucher funding will be open to all otherwise eligible applicants.

Eligible Purchaser Applicants

To be eligible for NJ ZIP Phase 3 – Purchaser Application, a Purchaser Applicant must meet the following criteria which include but are not limited to:

- Be a commercial, industrial, or institutional organization¹ registered to do business in New Jersey.
- Provide a valid New Jersey Tax Clearance Certificate **at the time of application.**
- Be in good standing with the New Jersey Department of Labor and Workforce Development (“DOL”), and the New Jersey Department of Environmental Protection (“DEP”) **at the time of application.**
- Be the prospective vehicle owner at time of application and be the vehicle owner **throughout the compliance period.**
- Purchaser Applicant will annually operate at least 75 percent of vehicle miles traveled (“VMT”) in the State of the New Jersey **throughout the compliance period.**²

Eligible Funding Uses

Vouchers may be applied to the purchase price of an approved vehicle procured from a Vendor that meets program eligibility requirements and that is approved to participate in the Program.

¹ 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.

² VMT refers to annual mileage travelled for each vehicle supported by NJ ZIP. Mileage will be tracked with state-supplied telematics devices (GPS devices) or vehicles must have the ability to supply equivalent and compatible data at no additional cost to the Authority.

Ineligible Funding Uses

Ineligible costs include but are not limited to:

- Taxes
- Vehicle registration fees
- Delivery fees
- NJEDA fees
- Vehicle leases by the Applicant (vehicle must be owned by the Applicant)
- Vehicle operating expenses (electricity, hydrogen, maintenance/service costs, etc.)
- Charging or fueling equipment

Application Submission and Review Process

Completed purchaser applications will be accepted on a first-come first-serve basis, via the Program's online application portal from Monday, November 24th, 2025, at 10:00 AM EST until all voucher funds have been depleted. Applicants must complete all required application questions fully and upload all required documents. NJEDA staff will review all applications for completeness and eligibility.

Applicants will be notified in writing of any deficiencies identified within their application. Applicants will be given ten (10) business days from the staff notification to cure the deficiencies identified by staff as incomplete or incorrect. At the sole discretion of the Authority, staff may ask for additional information or clarification of the information included in the application, including, but not limited to, responses, documentation, and attachments. If an Applicant responds but is unable to provide the requested additional information, the application will be declined. Applicants that are non-responsive to NJEDA requests for additional information within the allotted 10 business days will be notified by NJEDA staff via email that the application will be administratively withdrawn.

Base Voucher Amount

Voucher funding amounts are based on GVWR laid out in the table below:

Table 1: Voucher Amounts

Vehicle GVWR	Vehicle Class	Voucher amount
8,501 - 10,000 lbs.	Class 2b	\$15,000
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

Eligible Purchaser applications may receive stackable increased per-vehicle voucher bonuses through documentation of certain criteria.

- **Certified woman-, minority-, or veteran-owned businesses** can receive a 4% increase in the base voucher amount per vehicle per qualifying New Jersey State certification.
- **A small business** bonus offers a 25% 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 \$5M in gross annual revenue
- **A school bus** bonus provides a 25% increase in the base voucher amount per vehicle if the applicant is purchasing a school bus.
- **A small business vehicle scrappage bonus** of \$3,000 per vehicle scrapped and replaced with a NJ ZIP voucher-funded zero-emission vehicle.
 - Information on any vehicle replacements will be requested within the application to determine scrappage bonus requirements and support RGGI-metric reporting on avoided emissions.

The above bonuses may be stacked, however, the total funding per vehicle **may equal but may not exceed the cost of the vehicle**. Additionally, NJ ZIP Vouchers may be used alongside other State or Federal financial assistance so long as the total funding per vehicle **may equal but may not exceed the cost of the vehicle**.

The total funding reserved for a purchaser applicant, including any qualifying bonuses, **cannot exceed \$3,000,000** per Employer Identification Number (“EIN”) in each round of funding to ensure equitable distribution of resources.

Purchaser Applicants may apply for more than one eligible vehicle from the same vendor within the same application but must submit separate applications for separate vendors. All disbursements will be subject to the availability of funding.

Post Compliance Requirement

Following award notification, Purchaser has 30 calendar days to confirm their selected Vendor and vehicle. NJEDA will then issue a final voucher agreement to the Purchaser that indicates that their selected approved ZIP Vendor will receive funds upon disbursement of the voucher. The

voucher funds are reserved for eighteen months from the date of the voucher agreement. During this period, the Vendor and the Purchaser Applicant must execute the program requirements and submit documentation of same. Telematics must be installed, and the vehicle must be delivered to and registered to the Purchaser Applicant during this period. Once vehicle is confirmed as delivered and registered to the Purchaser Applicant, and all relevant program requirements are met, NJEDA will issue voucher monies to the Vendor.

If applicable, scrappage will be verified prior to disbursement. For consistency with prior State programs, scrappage is defined within the DEP's 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."

By accepting the voucher funding, Purchaser Applicants will agree to the following terms:

- Maintain registration of the vehicle in the State of New Jersey for **a minimum of three (3) continuous years** following vehicle delivery
- Maintain telematics installed and annually operate at least 75% of VMT in the State of New Jersey for **a minimum of 3 continuous years** following vehicle delivery

NJEDA reserves the right to audit and verify compliance with eligibility requirements prior to voucher redemption and post funding disbursement. Approved Purchasers must agree to provide responses and updated data upon request to support such audits and verifications.

NJEDA may use 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.

If the Purchaser defaults in any year within the first three years (Compliance Period) of vehicle delivery, the Authority will impose a recapture of the award on a scaled basis, as outlined below.

Year of Compliance event of default within	Recapture Percentage
1 year from date of vehicle delivery	100%
2 years from date of vehicle delivery	60%
3 years from date of vehicle delivery	30%

The Portion of the voucher award will also encompass a prorated calculation per vehicle, per class, inclusive of any approved bonus. For example, if a purchaser defaults on 3 out of 5 vehicles in the same class, the amount of the voucher award to be repaid will be determined using the formula below:

$$\text{Voucher per vehicle class} = \left(\frac{\text{Total voucher amount (inclusive of bonuses)}}{\text{Number of Vehicles}} \right) * \% \text{ prorated per year of compliance}$$

Following an event of default, if the awardee does not take corrective action by timely repaying the recapture amount the Authority's SLM team will utilize their established policies and delegated authorities to engage in forbearance and settlement agreements for the NJ ZIP awardee.

Fees

A \$500 non-refundable fee is required at the time of Purchaser application submission.

Additional Information

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

Questions concerning this Program's Notice of Funding Availability should be submitted to njzip@njeda.gov.

State and Federal Requirements

Funding for this grant is subject to State and Federal statutes including, but not limited to, the following, which may impact affiliates: N.J.S.A. 52:32-60.1, et seq., which prevents the New Jersey government entities from certain dealings with businesses engaged in prohibited activities in Belarus or Russia; Compliance with the list of "Specially Designated Nationals and Blocked Persons" promulgated by the Office of Foreign Assets Control (OFAC), <https://sanctionssearch.ofac.treas.gov>; N.J.S.A. 24:6I-49 which provides that the following are not eligible for most State or local economic incentives (a) a person or entity issued a license to operate as a cannabis cultivator, manufacturer, wholesaler, distributor, retailer, or delivery service, or that employs a certified personal use cannabis handler to perform work for or on behalf of a cannabis establishment, distributor, or delivery service; and (b) a property owner, developer, or operator of a project to be used, in whole or in part, by or to benefit a cannabis cultivator, manufacturer, wholesaler, distributor, retailer, or delivery service, or to employ a certified personal use cannabis handler to perform work for or on behalf of a cannabis establishment, distributor, or delivery service; and N.J.S.A. 52:13D-12, et seq., which prohibits a member of the Legislature or a State officer or employee or their partners or a corporation in which they owns or controls more than 1% of the stock to undertake or execute any contract, agreement, sale, or purchase of \$25.00 or more, made, entered into, awarded or granted by any State agency, with certain limited exceptions including grant awards by the New Jersey Commission on Science, Innovation and Technology.