

November 19, 2024

Dear Senate President Scutari and Assembly Speaker Coughlin:

We are writing to urge the Legislature to pass S3817 (Diegnan) and A4967 (Calabrese), which delays New Jersey's participation in California's electric truck regulation (ACT) until at least July 1, 2027. The ACT regulation takes effect in New Jersey on January 1, 2025.

The ACT regulation requires a certain ratio of EV trucks to be sold relative to regular diesel trucks, before additional diesel trucks can be sold. While the point of compliance is upon truck manufacturers, they are enforcing it against truck dealers. As of fall 2024 New Jersey truck dealers report that they are not able to satisfy customer requests for new heavy-duty diesel trucks since they haven't sold the requisite number of heavy-duty EV trucks. They haven't sold enough heavy-duty EV trucks for one reason, no one wants to buy them in proportion to how many the manufacturers are requiring to be sold. Among the reasons:

- EV heavy-duty trucks are three times more expensive than regular heavy-duty trucks.
- Heavy-duty trucks cannot exceed 80,000 GVWR lbs. Heavy-duty EV trucks are 8,000 lbs. heavier, so for every ten existing heavy-duty trucks, EV heavy duty trucks will necessitate an eleventh.
- More trucks require more CDL drivers at a time when industry is having difficulty filling positions.
- Passenger cars charge in kilowatt hours, heavy duty trucks charge in megawatt hours. This order of magnitude requires more infrastructure, not only for the bank of heavy-duty EV truck chargers but possibly utility upgrades like a new or expanded substation. The US Department of Energy estimates a utility substation upgrade can cost up to \$5 million and a new substation can cost up to \$35 million.
- In the past four months the Murphy Administration announced federal funding for two heavy duty vehicle charging projects: \$100 million for the charging of 130 NJ Transit buses in the Meadowlands and NJ's participation in a \$250 million multi-state grant for public heavy-duty EV charging on the I-95 corridor, of which NJ's share is \$84 million. Both projects will be finished in 2029.
- For multi-state truck fleets adoption of ACT may result in them re-domiciling in a state that has not adopted the regulation. For many, they already have physical locations in other states. This means the annual registration of approximately \$1,500 per truck will go to another state. And those new diesel trucks will drive the same routes, serve the same customers, and park in the same New Jersey locations as they do today.

Please understand we are not opposed to EV heavy-duty trucks and some companies are beginning to use them in select applications. But as a state we are simply not ready for the requirements that ACT imposes, nor the costs that will be borne by all consumers.

Sincerely,

Affordable Energy for NJ  
Associated Builders and Contractors – NJ  
Beer Wholesalers Association of NJ  
Bus Association of NJ  
Chamber of Commerce Southern NJ  
Chemistry Council of NJ  
Commerce and Industry Association of NJ  
Engineers Labor-Employer Cooperative 825  
Fuel Merchants Association of NJ  
Garden State Seafood Association  
International Union of Operating Engineers Local 825  
Mid-Atlantic Hearth Patio & Barbecue Association  
National Federation of Independent Business – NJ  
National Waste and Recycling Association  
NAIOP-NJ  
NJ Air Conditioning Contractors Association  
NJ Apartment Association  
NJ Asphalt Pavement Association  
NJ Association of Counties  
NJ Building Material Dealers Association  
NJ Business and Industry Association  
NJ Chamber of Commerce  
NJ Coalition of Automotive Retailers  
NJ Construction Materials Association  
NJ Farm Bureau  
NJ Food Council  
NJ Motor Truck Association  
NJ Propane Gas Association  
NJ Retail Merchants Association  
NJ Warehouse and Movers Association  
Shipping Association of New York and New Jersey  
Truck Renting and Leasing Association  
Utility and Transportation Contractors Association of NJ

cc: NJ Legislature