Meet Target for Green Fleets *Retires 12/31/27*

30 Points

Action Retires 12/31/27: *For municipalities currently approved for this action, the points will remain in your application until the action expires. Municipalities applying for certification in 2028 and beyond will no longer be able to submit for this action. Questions can be directed to 609-771-2938 or info@sustainablejersey.com.*

NOTE: The IRS Direct Pay Program can help municipalities finance qualifying clean energy projects, such as EV purchases, EV charging infrastructure, renewable energy generation (solar, wind, etc.), energy storage, and projects utilizing combined heat and power (CHP). For further details, refer to the "What to Do and How to Do It" and "Resources" sections. You can learn more about this opportunity here.

Pre-Requisite: Fleet Inventory

Every municipality manages equipment and vehicles that facilitate provision of services and allow employees to conduct municipal business. The equipment and vehicles make up a fleet that contributes greenhouse gases as well as other pollutants to the environment. These pollutants degrade air, water quality, and public health. A "Green Fleet" minimizes these negative impacts as well as operating costs by improving energy efficiency and reducing emissions through the use of alternative vehicles and fuels. Green fleets are developed by purchasing more fuel-efficient vehicles (cars, buses, and service vehicles), converting to cleaner fuels, training drivers to operate vehicles for maximum efficiency, "right-sizing" the fleet, downsizing to smaller vehicles, and reducing municipal use of motor vehicles.

Municipalities can strive to meet the Green Fleet Target by achieving an average fleet fuel efficiency of 35 miles per gallon for all light duty vehicles or by achieving a 20% reduction in fuel usage within four years of a documented baseline.

Meeting such targets for green fleets demonstrates that municipal vehicles are achieving higher efficiency standards and emitting fewer greenhouse gas emissions than a conventional fleet. The Purchase Alternative Fuel Vehicles action outlines measures that can be implemented to achieve Fleet Targets.

A currently approved Fleet Inventory Action is a **pre-requisite** and must be completed before points are awarded for this action. Meeting the Green Fleet Target will earn 30 points toward Sustainable Jersey certification.

In order to earn points for this action, the municipality must demonstrate that it has achieved the green fleet target of an average fleet fuel efficiency of 35 miles per gallon for all light duty vehicles or a 20% reduction in fuel usage **from within 4 years of the certification submission deadline**.

For certified communities, this action can count toward a Gold Star in Health. See the Gold Star Standard section of this action for more information.

Why is it important?

Greenhouse gas emissions and pollution from vehicles negatively impact the environment and public health, and inefficiencies in the municipal fleet translate into unnecessary expenses associated with higher energy bills as well as higher operations and maintenance (O&M) expenses. Improving a fleet's fuel efficiency and reducing overall emissions can help achieve long-term energy and cost savings, healthier air, and lower greenhouse gas (GHG) emissions. Municipal fleets can lead by example by adopting electric vehicles that will be used – and seen – throughout the community.

Transportation is the largest contributor to GHG emissions, both nationally, where it accounts for 33% of the total as of 2022 (U.S. DOT, Decarbonizing U.S.Transportation), and in New Jersey, where its share is 37.3% as of 2021 (NJDEP, GHG Inventory Report).

According to EPA, "EVs typically have a smaller carbon footprint than gasoline vehicles even when accounting for the electricity used for charging" (EPA. EV Facts). While EVs have zero tailpipe emissions, emissions from the production of electricity used to fuel the vehicles can be compared with the emissions from burning fossil fuels to fuel transportation. Further information about emissions comparisons can be found on the US Department of Energy's Alternative Fuel Data Center (AFDC).

Medium and Heavy Duty Vehicles (MDHVs)

According to the NJDEP website, Medium and Heavy Duty Vehicles (MDHVs) are responsible for approximately 20% of all on-road greenhouse gas emissions in New Jersey. MDHVs encompass a variety of vehicles such as large pickup trucks and vans, delivery trucks, box trucks, school and transit buses, and long-haul delivery trucks, the types of vehicles utilized by most municipalities. According to NJDEP, MHDVs are about 7.5% of the on-road vehicle population and about 12% of the total vehicle miles travelled (VMT) in New Jersey.

Adoption of electric vehicles for the larger vehicle classes not only reduces GHG emissions, but also contributes to improving local air quality. Information on the NJDEP website notes that per-mile emissions from MHDVs is much higher than Light Duty Vehicles (LDVs), such as passenger vehicles. For statewide NOx contributions, MHDVs contribute a substantial 31% of all emissions and need to be reduced to meet ozone requirements and climate goals.

Who should lead and be involved with this tool?

A fleet manager should be identified who will coordinate fleet greening efforts. Implementing a Green Fleet initiative would typically include representatives from the following municipal departments:

- Transportation Department.
- Public Works Department.
- Purchasing Department or Officer.
- Finance Department.
- Police Department.
- Fire Department.
- Any person responsible for municipal and/or departmental vehicle maintenance.

The municipality may choose to designate a Green Fleet Task Force that includes personnel from each department already responsible for purchasing, maintenance, and deployment of the municipality's fleet (i.e., police vehicles, fire vehicles, township vehicles, school vehicles, etc.).

Timeframe

The timeframe will vary depending on the size, age, and composition of the existing fleet. It is likely to take a number of years to achieve the targets outlined for Green Fleets.

Project costs and resource needs

Staff time will be required to coordinate Green Fleet strategies across municipal departments. See the Resources section below for current incentives. **Please note that incentives may change or may no longer be available at a later date**. Check the websites listed in the Resources section for the most up to date information.

The IRS Direct Pay Program can help municipalities in purchasing electric vehicles and/or electric vehicle charging equipment. Refer to the Resources section below for more information.

What to do, and how to do it ("How to")

This section provides guidance and recommendations for implementing the action. A municipality does not need to follow this guidance exactly if it meets the requirements for earning points for this action.

A currently approved Fleet Inventory Action is a **pre-requisite** and must be completed before a municipality may earn points for this action. In order to earn points for this action, the municipality must demonstrate that it has achieved the green fleet target of an average fleet fuel efficiency of 35 miles per gallon for all light duty vehicles or a 20% reduction in fuel usage **from within 4 years of the certification submission deadline**.

In order to achieve a Green Fleet Target, implement strategies for greening the municipal fleet as determined by completion of the Fleet Inventory action.

1) Fleet Management: Consider the use of a Fleet Management System. Fleet Management software can be used to track vehicle licensing, maintenance, fuel usage, etc. Telematics technology tracks driver behavior to reduce idling and unnecessary vehicle use.

2) Downsize: Eliminate unnecessary vehicles and unnecessary trips. Share vehicles among staff members or departments and conduct municipal business by walking, biking, or transit whenever possible. Eliminate take-home vehicles and any other private use of municipal vehicles. Sell off larger vehicles if smaller vehicles can accomplish the same task.

3) Driver Training: Save on fuel costs by training drivers to operate vehicles for maximum efficiency and reduce idling time (see the Anti-Idling Education and Enforcement Program action).

4) Maintenance: Establish maintenance practices to ensure that vehicles are operating at optimal efficiency and undergo regularly scheduled preventative maintenance. Leaking fluids, dirty filters, and underinflated tires reduce vehicle performance.

5) Switch to Biodiesel: Purchase a biodiesel blend (available through the state contract) to power diesel vehicles manufactured after 1992.

6) Convert vehicles: Conventional vehicles may be modified to run on alternative fuels such as natural gas, propane, and electricity.

7) Replace vehicles: Use the fleet inventory to determine a vehicle replacement schedule. Amend bid specifications to require fuel efficiency. Replace larger vehicles with smaller models where feasible. Select hybrids or alternative fuel vehicles.

Police and Special Use Vehicles

Improving the fuel efficiency of light duty passenger vehicles in the fleet includes special use vehicles, such as police patrol cars. These vehicles are not exempt from the Green Fleets targets. Alternative fuel and hybrid vehicles are capable of meeting special use performance requirements. With regard to patrol cars, a number of police departments across the country and in New Jersey have successfully incorporated alternative fuel and hybrid electric vehicles into their fleets.

Guidance for Procurement and Funding Incentives

Minimizing procurement logistics and saving money when acquiring alternative fuel vehicles help make the goal of a sustainable fleet attainable.

To simplify the procurement process while attaining the best price for vehicles, four methods can be used, separately or together:

- Crafting a Request for Proposal (RFP) for Direct Purchase
- Fleet Leasing
- Purchasing Cooperatives/Government Contracts
- Service Contracting with Alternative Fuel Vehicles

Sustainable Jersey's Alternative Fuel Vehicle Procurement Guide has resources for each of the procurement strategies listed above and a list of funding resources for adding alternative fuel vehicles to your fleet.

Internal Revenue Service Direct (Elective) Pay Program
The IRS Direct Pay Program can help municipalities finance qualifying clean energy projects, such as EV purchases, EV charging infrastructure, renewable energy generation (solar, wind, etc.), energy storage, and projects utilizing combined heat and power (CHP). You can learn more about this opportunity here.

Disclaimer
This section gives a general overview of some Inflation Reduction Act (IRA) tax provisions for informational purposes only. This is not meant to be tax guidance. For detailed information, please refer to the guidance issued by the Internal Revenue Service (IRS) for Elective pay and transferability.

Renewable Energy (solar, wind, geothermal, energy storage, microgrid, etc.) and Combined Heat and Power (CHP):

- These projects are eligible for a base tax credit of 30% of the project costs.

Electric Vehicle Charging Equipment:

- Charging equipment is eligible for a base tax credit of 30% for non-urban and low-income communities.
- Refer to the [U.S. DOE map of eligible locations](https://experience.arcgis.com/experience/3f67d5e82dc64d1589714d5499196d4f/page/Page/" map of eligible locations) to find out if your municipality qualifies.

Electric Vehicles:

- Up to $7,000 for compact plug-in hybrid electric vehicles (PHEVs)
- Up to $7,500 per light electric vehicle
- Up to $40,000 per larger vehicle (EV or PHEV)

For clean vehicle purchases, refer to IRS guidance on incentive amounts and on what manufacturers qualify. Not all clean vehicles made by listed manufacturers will qualify for a credit. Check the Department of Energy website to find out if a specific vehicle qualifies: https://fueleconomy.gov/feg/tax2023.shtml.

For projects eligible for Direct Pay, it's important to note that the municipality typically needs to own the vehicle(s) to receive the tax credit. As such, municipalities should carefully evaluate their financial plans, considering both leasing and direct ownership models to determine which option best meets their needs and allows them to fully utilize Direct Pay.

What to submit to earn points for this action

To earn points for this action, the following documentation must be submitted as part of the online certification application to verify that the action requirements have been met.

A currently approved Fleet Inventory Action is a **pre-requisite**.

In order to earn points for this action, the municipality must demonstrate that it has achieved the green fleet target of an average fleet fuel efficiency of 35 miles per gallon for all light duty vehicles or a 20% reduction in fuel usage **from within 4 years of the certification submission deadline**.

Submit the following documentation to verify the action was completed to the above standards. (Log in to the password protected webpage where you submit your online application for certification to write in the text box and upload documents).

1) **Description of Implementation** – In the text box provided on the submission page for this action provide a short narrative (300 words or less) of what has been accomplished and the impact it has or will have on municipal operations and/or the community.

2) Upload **ONE** of the following:

- Upload the Sustainable Jersey Fleet Inventory Spreadsheet or a similar tool that shows the municipal light duty vehicle fleet has achieved an average fuel efficiency of 35 mpg.
  OR
- Upload a baseline fleet inventory completed within the past 4 years along with a current fleet inventory to show that the fleet has reduced fuel consumption by 20%.

For both option A and option B, upload this documentation as an Excel file. The fleet inventory spreadsheet must include all the vehicles in the municipal fleet and all the required data and information as noted in the Fleet Inventory action. The name of the municipality and inventory year must be entered on each tab. Other general information cells on the 'Tab 3. Fleet Summary' tab (such as contact name, title, email, and phone number) should also be filled.

3) Upload: Brief (1 page) narrative report describing how the targets were achieved and goals for continued improvement.

IMPORTANT NOTES: You can upload up to six separate documents for each action. Please excerpt relevant information from large documents. Please remember that your submissions will be viewable by the public as part of your certified report.

Resubmission Requirements

To resubmit for points under this action, please provide updated information for all the requirements listed under "What to submit to earn points for this action" section of this action. Include in your resubmission an updated narrative to reflect current activities and a status report from within 12 months of the submission deadline.

Approved Action Expiration Date

Approved actions will be set to expire on December 31st, five years from the date of the fleet inventory demonstrating an average fleet fuel efficiency of 35 miles per gallon for all light duty vehicles or a 20% reduction in fuel usage. For example, if the action is approved based on 2024 fleet inventory data, it will be set to expire December 31, 2029.

Gold Star Standard

This section outlines what requirements associated with this action a municipality must meet in order for the approved action to count towards earning a Gold Star in Health. For more information on earning a Gold Star in Health see the Gold Star Standards section of the website.

Spotlight: What NJ municipalities are doing

No municipal spotlights are available at this time.

Resources

The following resources may be helpful in completing this action.

IRS Direct Pay Resources

Disclaimer
This section gives a general overview of some Inflation Reduction Act (IRA) tax provisions for informational purposes only. This is not meant to be tax guidance. For detailed information, please refer to the guidance issued by the Internal Revenue Service (IRS) for Elective pay and transferability.

Sustainable Jersey Direct Pay Resources

The IRS Direct Pay program (also called 'Elective Pay') allows tax-exempt entities, such as municipalities and schools, to receive payments equivalent to tax credits for qualifying clean energy projects. Projects like EV purchases, EV charging infrastructure, renewable energy generation (e.g. geothermal), energy storage, and projects utilizing combined heat and power (CHP) qualify.

Direct Pay Tax Credits for Municipalities, School Districts, and Nonprofits
https://www.sustainablejersey.com/grants/direct-pay-tax-credits-for-municipalities-school-district-and-nonprofits/

Sustainable Jersey Direct Pay webinar. 2024. Bringing the Benefits of the Direct Pay (Elective Pay) Program to New Jersey's Local Governments and Tax-Exempt Entities.

• View Webinar Recording
• Download Webinar Presentation

New Jersey Governor's Office Direct Pay Resources
New Jersey Governor's Office. Direct Pay Tool. This is an interactive tool that walks tax-exempt entities through the process of filing for Direct Pay Tax Credits.
https://us.planengage.com/newjersey_iija/page/tax_credit_filing_process

Sustainable Jersey Resources

Sustainable Jersey. 2022. Alternative Fuel Vehicle Procurement Guide.
https://www.sustainablejersey.com/fileadmin/media/Actions_and_Certification/Actions/Energy/Sustainable_Jersey_Alternative_Fuel_Vehicle_Procurement_Guide.pdf

Sustainable Jersey webinar. 2022. *Funding for Transitioning Fleets to EVs*.

• View Recording
• Download Presentation

New Jersey Funding Resources

EV and EV Charging Infrastructure Incentive Programs

Several funding sources are listed below. **Please note that incentives may change or may no longer be available at a later date**. Check the websites for the most up to date information.

NOTE: EV charging station funding programs that are managed by New Jersey state agencies, including NJDEP and The New Jersey Board of Public Utilities (BPU), require grantees to utilize a Network Service Provider that can satisfy certain requirements. NJDEP maintains a list of Compliant Network Service Providers on the It Pay$ to Plug In website.

New Jersey Board of Public Utilities

Clean Fleet Electric Vehicle Incentive Program

https://njcleanenergy.com/EV

The New Jersey Board of Public Utilities (NJBPU) offers funding to support the purchase of eligible electric vehicles (EVs) and electric vehicle charging equipment for local government authorities in New Jersey. Applications for the Clean Fleet Program will be accepted until funds are expended.

- Up to $4,000 for eligible light duty battery electric vehicles (BEVs)
- Up to $10,000 for eligible class 2B-6 BEVs
- Up to $5,000 each for public Level 2 charging equipment
- Up to $4,000 for fleet Level 2 charging equipment
- Up to $50,000 for direct current fast chargers (DCFCs)
- Up to $5,000 toward make-ready costs for fleet Level 2 charging equipment (up to 50% of cost)
- Up to $50,000 toward the make-ready costs for DCFC charging stations (up to 50% of cost)
- Award caps are based on population, see a list of Eligible Entities.
- Overburdened Municipalities are eligible for bonus incentives.

New Jersey Department of Environmental Protection. Electric Vehicle Resources for Local Governments.
https://dep.nj.gov/wp-content/uploads/drivegreen/pdf/localresources.pdf

New Jersey Department of Environmental Protection. It Pay$ to Plug-in Program
https://www.nj.gov/dep/drivegreen/plugin.html The NJ Department of Environmental Protection offers grants for electric vehicle charging stations (EV supply equipment or EVSE) installed in public, workplace, or multi-unit residential locations. The program currently offers funding for Level 1 and Level 2 charging stations and public DC Fast Chargers. For up-to-date information and to apply, click here. For the NJDEP It Pay$ to Plug In program, **do not purchase or install the EV charging equipment before your grant has been executed**. **Completed projects are not eligible**.

New Jersey Department of Environmental Protection. Stop the Soot program. https://dep.nj.gov/stopthesoot/

New Jersey Economic Development Agency. New Jersey Zero-Emission Incentive Program (for purchasing new, medium-duty zero-emission vehicles)
https://www.njeda.com/njzip/

Utility Programs for EV charging equipment

Certain EV charging stations that receive electric utility service from Atlantic City Electric Company (ACE), Public Service Electric and Gas Company (PSE&G), Rockland Electric Company (RECO) or Jersey Central Power and Light (JCP&L), may be eligible for additional electric vehicle charging incentives directly from the utility. Projects may be eligible for both the incentives offered by NJBPU programs listed above and incentives offered by ACE, PSE&G, RECO or JCP&L, which may cover up to 90% of the combined charger purchase and installation costs. Please check ACE, PSE&G, RECO or JCP&L program eligibility requirements before purchasing EV charging equipment, as additional conditions on types of eligible chargers may apply for utility incentives. EV Charging incentive information is available from ACE, JCP&L, PSE&G, and RECO.