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WHAT IS NJZIP?

New Jersey's Zero-Emission Incentive Program (NJZIP) is a medium- and heavy-duty zero-emission vehicle (MHDV) incentive program run by the New Jersey Economic Development Authority (NJEDA) that provides vouchers towards reducing the upfront cost of new zero-emission vehicles. NJZIP was created in response to New Jersey State policy goals that call for zero-emission vehicle (ZEV) adoption, including the 2019 Energy Master Plan, the 2020 Regional Greenhouse Gas Initiative (RGGI) Strategic Funding Plan, and the Medium- and Heavy-Duty Zero Emission Vehicle Memorandum of Understanding signed in 2020. Funds to support NJZIP come from RGGI, which places a regional cap on carbon dioxide emissions from the electric power sector and requires power generators to purchase allowances equal to their total emissions. So far there have been two phases of NJZIP funding, with the third being approved in February 2025.

What was the voucher structure of NJZIP Phase 1?

Phase 1 of NJZIP provided base voucher amounts ranging from \$25,000 to \$100,000 depending on the class of vehicle an applicant sought to buy. Phase 1 of the program was limited to Class 2b-6 vehicles and offered larger incentives for larger vehicles, as the vouchers were meant to bridge the incremental cost between fossil fuel and ZEV alternatives, so vehicles in larger vehicle classes received proportionally larger voucher amounts. Eligible entities had to apply as a ZIP Vendor for the program and register particular vehicle models for purchase. Once the associated purchaser applications were completed and approved, and vehicles were procured with help from the vendor, vendors could then redeem vouchers funds from the NJEDA.

WHAT WAS SPECIAL ABOUT NJZIP PHASE 1?

The first phase of NJZIP was launched in 2021, and by the end of the application cycle in Q2 2022 over 200 purchaser applications had been submitted to the program. Roughly one hundred fifty applications were approved, equaling approximately \$32.2M in reserved vouchers for the purchase of medium-duty vehicles.

Surprisingly, 98% of the approved applications were submitted by small businesses – an unusually high percentage given that small fleets are typically less equipped than larger fleets to tackle fleet electrification. Of those 98%, the majority of applications came from microbusinesses – businesses with less than \$1.5M in annual revenue. Further, more than half of approved applications came from minority- and / or woman-owned businesses. The high percentage of small and minority-owned businesses that were able to access the program make NJZIP a success story in reaching demographics that often go underserved.

WHY DOES THIS MATTER?

Reaching small businesses is a fundamental step in the transition to ZEVs. According to a [2020 report from the American Trucking Association](#), over 90% of American trucking fleets operate one to six trucks. Given that small fleets typically have limited resources to procure new vehicles and dedicate staff time to learning about them, they are most critically in need of support during the transition. Prioritizing small fleets not only means electrifying [approximately half of the heavy-duty trucks that are operating in the US](#), but also ensures we develop leadership and best practices that can be expanded upon in the future.

Further, transportation accounts for over 40% of New Jersey's greenhouse gas emissions, and diesel trucks are responsible for an [outsized amount of health-harming particulate matter, sulfur oxide and nitrogen oxide emissions](#). Therefore, decreasing the number of diesel trucks on the road will go a long way towards reducing harmful air pollution, particularly in overburdened communities who are more likely to suffer the effects of vehicular emissions. With small fleets making up approximately half of the heavy-duty trucks on the road, enabling their ability to electrify is vital to ensure that communities across New Jersey can benefit from cleaner air. The impact of diesel truck emissions on health is especially pertinent in New Jersey, as one in three New Jerseyans experience elevated exposure to pollution from trucks [due to their close proximity to a mega-warehouse](#).

HOW DID NJZIP ACHIEVE THESE RESULTS?

NJZIP's high participation from small and women-minority owned businesses in Phase 1 of the program is impressive. And while many factors contributed to the success of the program, there are three that really stand out as factors other similar programs should try and emulate. The three factors that played a large role in the success of NJZIP are: offering supplemental vouchers for underserved businesses, providing technical support to support applicants from the beginning to the end of the vehicle procurement process, and engaging in community outreach through help with a local partner. These three factors, detailed in the following sections, played an instrumental role in NJZIP being able to reach as many small businesses and minority-owned businesses as it did.

PARTICIPATION FROM UNDER-REPRESENTED BUSINESSES THROUGH SUPPLEMENTAL VOUCHERS

To incentivize underrepresented applicants to apply, bonuses to the base voucher amount were made available. These bonuses to the base voucher amount or supplemental vouchers likely contributed to the higher numbers of often-underrepresented applicants and included:

- a 4% bonus for certified minority, women, and veteran-owned business,
- a 25% bonus for applicants purchasing school buses, and
- a 25% bonus for small businesses with less than \$5 million in annual revenue or 25 employees or less.

The cumulative effect of these vouchers meant small, minority, women, and/or veteran-owned business could receive a nearly 30% bonus on the base voucher, allowing them to maximize the benefits of the program.

LEVELING THE PLAYING FIELD FOR SMALL BUSINESSES WITH TECHNICAL SUPPORT

Part of NJZIP's success likely came from its initially small size: in Phase 1, only four areas in New Jersey were eligible – Greater Camden, Greater Newark, Greater New Brunswick, and the Greater Shore area. Given the smaller number of applicants, NJEDA staff were better able to provide support to the first round of participants. This support was likely integral to the success of a good portion of small business applicants. [When surveyed](#), small fleets from numerous states have repeatedly stressed the impact of general support (whether it be technical or help with grant applications) as a top priority. According to program administrators, NJZIP applicants often had limited prior knowledge of EVs and EV charging, making technical support an essential and possibly deciding factor for their success.

OTHER SUPPORT NEEDED IN THE STATE

ZEV purchase incentives are only part of the solution needed to spur MHDV electrification. Programs targeted towards addressing the costs of charging infrastructure are also needed to actualize the vehicle transition for everyone, including those typically left behind. Vehicle regulations that push for electrification, such as the ACT, are also critical components of the transition.

STATUS UPDATE

The NJZIP program is still in operation in New Jersey and has evolved from its original version in response to the lessons learned, including those described above. Changes between Phase 1 and 2 include formal technical support channels and expansion of the program to cover the entire state and include more vehicle classes. Phase 3 was approved by the NJ EDA Board in February 2025, and will incorporate lessons learned from Phases 1 and 2 of the program. Additionally, a separate yet complementary pilot financing program is being developed to offer additional support to New Jersey fleets transitioning to zero-emission alternatives.

COMMUNITY OUTREACH

A groundswell of grassroots support from the business community also significantly contributed to the program participant makeup. Participants of the program frequently cited word of mouth as a common way by which they learned about NJZIP. This organic support came thanks to the Statewide Hispanic Chamber of Commerce of New Jersey, who – after being contacted by the NJEDA – shared information about the program with its members through preexisting social pathways. While some of these included traditional methods of distribution such as Facebook and Instagram, the Chamber also shared information with owners of beauty shops or barber shops, and provided information to well-known figures in the community.

However, a key component to grassroots support came thanks to the positive experience that one of the Chamber's members had with the program. The member cited the supplemental vouchers and technical support mentioned above as reasons for the positive experience, and encouraged others to apply, a cascading effect that spread knowledge about the program through word of mouth channels. This kind of engagement is not something that can be planned for as clearly as an email announcement or press release, but there are ways in which programs can aim to replicate this success.

HOW CAN OTHERS REPLICATE THIS SUCCESS?

State agencies or other program administrators looking to recreate NJZIP's successful outreach should focus on two things: ensuring that initial participants in the program have a positive experience and ensuring that community partners are able to see value in the program. If both are achieved, it becomes easier to drum up organic support and buy-in. If the Hispanic Chamber of Commerce's member had a negative experience with NJZIP, neither the Chamber nor its members may have promoted the program as extensively, which would have reduced the number of underrepresented participants in the program.

The Chamber's existing channels efficiency at disseminating information is a testament to the time and work they've invested into creating deep relationships that can support information sharing. Program administrators not already embedded in a community will not be able to build relationships overnight, which is why leaning on partners that are already interfacing with target groups is crucial.