WINTER 2023

NJ GCA
NEW JERSEY GASOLINE ▸ C-STORE ▸ AUTOMOTIVE ASSOCIATION

VOLUME 15 - ISSUE 1

ON THE ROAD

THE OFFICIAL COMMUNICATION OF THE NEW JERSEY GASOLINE C-STORE AUTOMOTIVE ASSOCIATION

2023: New Year, New Us

Serving the Small Businesses

NJ GCA
NEW JERSEY GASOLINE ▸ C-STORE ▸ AUTOMOTIVE ASSOCIATION

That Serve the Motorist

Looking Ahead

Energy Examiner • Year in Gas Prices • Training Class Schedule
New MBP Introductions • Compliance Corner

NJGCA *On the Road*
Table of Contents

NJGCA
615 Hope Road
Building 2, 1st Floor
Eatontown, NJ 07724

President’s Message

Happy New Year and welcome 2023!

New Year, new to do list, new changes, and new goals. The beginning of the year is always so exciting and promising. I know we here at NJGCA have a lot going on. We have also made changes and we are introducing some new and some improved programs.

There is a new **healthcare** program that rolled out January 1, 2023, in partnership with **World Insurance**. We have experienced an overwhelming response from our members and their savings are through the roof. Some companies have saved anywhere from $2,000 to over $10,000 a year. **Call Joe Amato Jr at World 732-530-6740 x 412.** They even provide coverage for single person plans. If you have not checked it out, now is the time to do so. It costs nothing to get a quote, and there’s no pain involved. I promise!

Next, I visited one of our Member Benefit Partners, **Trinity Solar**. If you are not aware of it, there are a lot of programs and incentives being offered at both the state and federal level for home solar installation. These programs could end up paying most of the costs of installation, saving you on the monthly electric bills and generating dollars directly back to you through SREC’s. You own the system; you get all the benefits. **Give John Weldon a call at Trinity 732-433-2337** and see how he can help you save and make money at the same time.

Additionally, we are organizing and hosting an MBP networking event with the help of sponsors for February. This gathering is to promote and encourage your MBP’s to work together to better serve you, our members; adding even more value to your membership.

We are also in the early stages of planning for some in-person events this year. These will include both informational and social focused events. Have any thoughts for what you’d like to see or attend? Or what value you’d like to get out of an event? Give me a call or shoot me an email!

Lastly, it’s time to gear up for our **Scholarship Award Program**. This scholarship is offered to members, their families, your employees and their immediate family members. Utica Insurance has awarded a very generous $5,000 to start this year’s scholarship drive. With the help of you, our members, NJGCA is looking to collect at least $20,000 total. This will not be an impossible goal if we – the members of NJGCA- all contribute to the program. I am asking each and every member to contribute, there is no contribution too big or too small. Forward your contribution to the office with the memo “Scholarship Fund.” We will keep you abreast of the progress through your *Road Warrior* publications. Applications will be available through the *Road Warrior* or call the office. This award is for Technical School, Vocational School and College bound students. Scholarships will be awarded in May 2023.

As always, we here at NJGCA are only a phone call or email away. Take advantage of your dedicated staff, we are here for you, our members. I wish you all a very healthy, joyful and prosperous New Year and I look forward to serving you to the very best of my ability. See you soon as I travel around the State.

Joe Ocello, President NJGCA
848-333-9257
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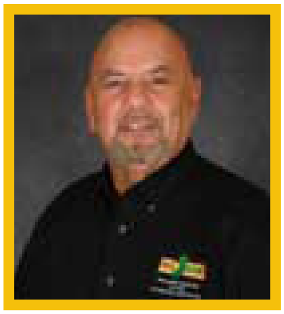
NJGCA Board of Directors and Staff



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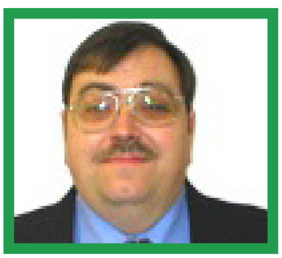

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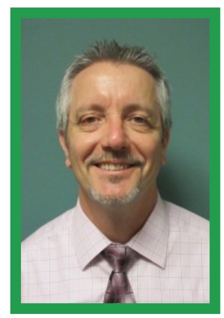

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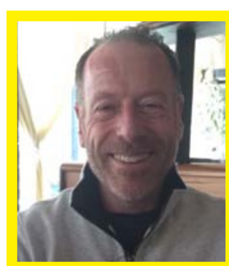

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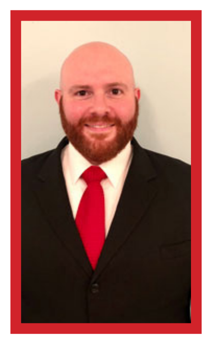

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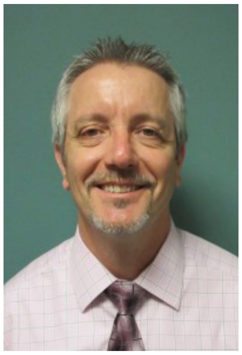
MEMBERSHIP MEMO

By: Greg Cannon



Hello and Happy New Year!

I hope everyone was able enjoy family & friends during the holidays despite the latest demic.

I'd like to quickly review a few things:

• As you know by now … We moved! We now live at 615 Hope Rd. Bldg 2 – 1st Floor, Eatontown, NJ 07724 Please update your records.

• We are one year in with our new billing and member management platform. Thank you for bearing with me during this transition while I iron out some of the wrinkles that go along with a project of this magnitude. Please remember that invoices will be sent to your email although reminder invoices will be sent via email and regular mail.

• Beginning in January of 2023 we will no longer be able to offer the automatic direct debit from a bank account. Those members that were utilizing that feature have transitioned over to our automatic recurring billing option through our merchant provider.

This year we're planning to have a few member events and we are hoping you will support us by attending and enjoying them. It's time to get out and have a little fun.

We'll also be looking into some updates to our website for a more fluid online experience, getting back on track with our education program, and adding to our member benefits program. By the way, be aware the **2023 MBP Brochure** will be arriving soon.

That's all for now. Remember to smile, laugh at yourself and be happy.

Thank you for reading. Until next time.

Cheers!
Greg

Why Healthcare Coverage Is Important

According to the American Hospital Association (AHA), health coverage is essential insofar as it "facilitates access to care and is associated with lower death rates, better health outcomes, and improved productivity."

Meaningful health care coverage is important to living a productive, secure and healthy life. U.S. residents obtain health coverage from a variety of sources both private and public. Private health coverage includes employers who provide benefits for workers and their families and direct purchase on the individual marketplace. Public plans include Medicare (for seniors), Medicaid (for disabled or low income people), and Veterans programs like the VA system.

The Impact of Your Healthcare Coverage

Enrollment in coverage supports the health and well-being of individuals and their communities. Studies have consistently confirmed that coverage improves access to care; supports positive health outcomes, including an individual's sense of their own health and well-being; incentivizes appropriate use of health care resources; and reduces financial strain on individuals, families and communities.

Having access to healthcare coverage has many benefits. It protects you and your family from financial losses in the same way that home or car insurance does. Even if you are in good health, you never know when you might have an accident or get sick. A trip to the hospital can be much more costly than you might expect. Consider these facts:

- The average cost of a trip to the emergency room for an adult is about $700, not including any tests or hospitalization, which may increase the bill to well over $1,000.
- A broken leg can cost up to $7,500.
- Average costs for childbirth are up to $8,800, and well over $10,000 for C-section delivery.
- The total cost of a hip replacement can run a mind-blowing $32,000.

These examples sound scary, but the good news is that, with the right plan, you can protect yourself from most of these and other types of medical bills.

Consider the NJGCA Health Plan

The New Jersey Gasoline-Convenience-Automotive Association (NJGCA) recently launched the NJGCA Health Plan which has been specifically designed to help NJGCA members find access to affordable healthcare coverage.

For more information contact the World Insurance Associates:

Joe Amato, Jr. at (723) 530-6740 x412 or joeamatojr@worldinsurance.com
Terence Gorman (848) 456-8600 x152 or terencegorman@ worldinsurance.com

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The New Jersey Gasoline, C-Store, Automotive Association (NJGCA) has partnered with World Insurance Associates to bring you the NJGCA Health Plan for members only. Now you can offer your employees quality health insurance at exclusive rates. And it's fast and easy to enroll!

Call or email us today to learn more about this exclusive program.

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FEATURES:

- New health plan starting 1/1/2023
- National network of doctors
- Multiple plan designs
- Members-only health plan
- Potentially great premium savings

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How Company Sponsored Health Coverage Benefits Both Employees and Employer

According to the Business Owner's Playbook by The Hartford, one of the biggest benefits of full-time employment is access to the employer's group health coverage. Here are key employee benefits of employer-sponsored health coverage – and why NJGCA Members should be offering it:

- **It can reduce absenteeism.** A healthy employee is present and more productive. And the more physically sound workers are, the less prone they are to injuries and less likely they are to miss work.
- **It can be a recruiting tool.** Sought-after employees often have the advantage in negotiating job perks and benefits. If a potential employee is deciding between two jobs (or if a current employee is thinking of leaving), benefits like a superior health plan can tip the balance in your favor.
- **It can increase retention.** Employees are more likely to stay with a company that offers valuable health benefits, as they can be far more costly to replace on an individual basis.
- **It can boost employee satisfaction.** Workers tend to place higher value and feel more favorable about jobs and employers that provide good health benefits.
- **It's convenient.** Don't underestimate this benefit. Spending time and effort looking for private health coverage on healthcare.gov or on a state-sponsored online health exchange can be confusing and stressful. When you offer employer-provided group health insurance, your employee can choose your plan and avoid that search.

Find out more about the NJGCA Health Plan today by contacting your World Insurance Agents:

Joe Amato, Jr.
(723) 530-6740 x412
joeamatojr@worldinsurance.com

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Legislative Roundup

Important Issues Affecting Your Business

By: Eric Blomgren

Self-Serve

NJGCA has continued to consistently advocate for our legislation, A-3105, to become law. The bill as we structured it would allow gas stations with four or fewer gasoline dispensers to be completely self-serve if they would like to. Stations with five or more gasoline dispensers would be required to offer full-serve during the day. While we have made progress on the issue and while a huge number of legislators privately support us, there continues to be deep concern about public opinion on the issue. We have offered to change the legislation to make clear that there will be a savings and self-serve will be cheaper, and to emphasize that many locations (including the Wawas and Quickcheks) will still have full-serve for those who want it. Unfortunately, there is a large portion of the public who oppose any change whatsoever when it comes to this issue, and they are active enough to go out of their way to contact their legislators and threaten to vote against them just because they might make self-serve an option, and that simply having the option will somehow inconvenience them. Some of our allies have privately told us they have gotten more criticism on this issue than almost any in their career (although thankfully they are still with us). 2023 is an election year for all 120 legislators. With newly redrawn districts there is real concern that some could lose their seats, especially since turnout this year will likely only be about 25%-30% to begin with.

It has also become clear that perhaps the only way the issue has a chance of moving forward is if the bill were changed to require every single station continue to offer full-serve, but make it legal for motorists pump themselves if they want. There could be no price difference to encourage them to choose self-serve either. For smaller stations, there would arguably be no change from the current situation, since most of them only ever have one attendant working at a time anyway. Larger stations with two or three attendants would see a benefit though, and that could give them more space to lower their price against their smaller competitors. It's possible this requirement could have a sunset date, ending automatically once motorists are more comfortable with self-serve, but it would likely take three to five years.

What are your thoughts? Would it be worth it with all these restrictions? Would it be better to wait and hope in the future new leadership in the Legislature will be open to a system more like our neighboring states? Let me know what you think.

Internet Lottery Sales

In September, the state Lottery Commission formally proposed a regulation that would give themselves the ability to directly sell draw based games to the public through their website or mobile app. This would only apply to "draw based games" like Mega Millions, but those tickets represent about half of all lottery tickets sold. The Commission believes all that this change would do is bring in new players who aren't buying tickets at all, rather than take away existing customers. There are about ten states now doing this, including Pennsylvania. We are particularly concerned about those customers who only play when there is a big jackpot and aren't in the habit of visiting c-stores, they are the ones whose business is most likely to disappear. NJGCA is leading a coalition of business groups opposed to this change, working to make sure the Governor and legislators know how important the lottery is to their stores, not just for the sale of the ticket but the sale of all those other goods as well. We are also hoping to push for an increase in retailer commissions in response to this, they have not been increased from their 5% level in the entire half century history of the lottery and are at the lowest level in the nation. For comparison, New York's is at 6% and retailers are pushing for a further increase. Our allies in the legislature have expressly told us that in order to stop this proposal, legislators and the Governor will need to hear from small business owners that they oppose this, so pay attention to your email for opportunities to contact them.

Catalytic Converter Thefts

The Legislature is continuing to move forward with legislation to address the problem of skyrocketing catalytic converter thefts. In December the Assembly Law & Public Safety Committee had a hearing dedicated to the issue of auto thefts, and among the bills it passed was A-2210/S-249. NJGCA member Frank Resta helped testify in favor of the bill, which would address the issue by making it harder for thieves to sell the converters to scrap yards while not excessively burdening genuine auto repair shops. Catalytic converter thefts have increased nationwide from about 1,300 incidents per year in 2018 to over 52,000 in 2021. The bill has already passed the Senate unanimously, and awaits a vote by the full Assembly. Gov. Murphy has already endorsed it. Other bills have been introduced that would increase the penalties for theft of a converter and another that would require manufacturers to stamp the VIN on the converter for new vehicles.

EV Charger Grants

A few months ago the State of NJ announced the winners in its bid solicitation for the It Pay$ to Plug In grant program, awarding a few million dollars to projects to install battery electric vehicle chargers. Some of the money went to NJGCA members to install fast chargers. This was State money though, and the bigger pot of money is what was appropriated by the federal "Bipartisan Infrastructure Law" in 2021. The New Jersey Department of Transportation will be given as much as $100 million to spend over the course of the next several years to spend on grants to pay for the building battery EV fast chargers. The program, National Electric Vehicle Infrastructure (NEVI), is focused on DC fast chargers, the fastest kind of charger which take about 20-30 minutes for a charge and are the only kind which would be worth investing in for our industry. The grants alone will be able to fund up to 80% of the expense of the installation, and hopefully there will be other money available from the State and/or utility companies to cover even more, given the installation costs are in the six figures.

The program is still being designed, and NJGCA has already weighed in with policymakers to encourage them to design grants which current motor fuel retailers can take advantage of. It appears that the first round of funding will not have many opportunities, since it will be limited to projects that can install 4 chargers to service 8 EVs at once, which is a space commitment few have. However, State officials have stressed they want to move past this phase as quickly as possible and make the funds more readily available. NJGCA will continue to keep you informed as the program rolls out. While the investment in EV charging is rarely worth the expense in the current marketplace, grant money can completely change that calculation. It is also worth considering that if an interested business waits too long, by the time the EV market is large enough to be worth their time all the grant money will have been taken up by their competitors.

Construction Permitting Reform

In January Governor Murphy signed into law A-573, sponsored by Asm Robert Karabinchak (D-Middlesex), which had passed the Legislature unanimously with the support of NJGCA and most of the business community. This new law is designed to address a serious and longstanding problem in this state: how long it takes businesses and homeowners to get approval from local officials so they can get moving on construction projects. If local officials can't or won't get to a site within three days of a requested inspection, the builder will be able to bring in a private contractor to perform the inspection, so the project can get moving. It also makes other reforms to help local governments conduct their inspections in a timely manner.

Liquor License Reform

In his annual state of the state address, Gov. Murphy called for significant reforms to our state's outdated, ineffective, and unfair liquor license reforms. Unfortunately, his focus at this time remains solely on making it easier for restaurants to get licenses. Some in the Legislature, however, are pushing for more wholesale reforms to the marketplace, which could include NJGCA's proposal to allow c-stores the ability to sell beer and wine. Of course, the existing liquor stores and wholesalers have made clear that they would oppose such a change. Some legislators from urban areas have been worried about the potential for too many places to be selling alcohol all at once. About 80% of the nation's convenience stores sell beer. The best argument we have is that making this change will help small businesses, which means we will need your help in telling legislators about the importance of this issue. Please email Eric@njgca.org and look for our emails asking you to contact your legislators about it.

Unemployment Insurance Tax Increase

In July the employer portion of the Unemployment Insurance payroll tax increased again as scheduled. These increases occur automatically as a way to refill the UI Trust Fund after it was depleted during the covid shutdowns. While most states used some of the billions of dollars in federal recovery money to refill their Trust Funds and avoid tax increases, Gov. Murphy has steadfastly refused to do so here. The Legislature was on the verge of doing so in June (the bill passed the Assembly unanimously), but pressure from the Governor led the Senate to pull the bill from consideration, with the promise the issue would be somehow revisited in the fall, at least for small businesses. Now in the new year it looks like this issue will remain unaddressed for all employers, and in fact we can expect another increase this coming July 1st.

Flavored Vape Crackdown

We have heard that an effort is beginning that aims to crack down on the illegal sale of flavored vaping products in NJ. Under laws that went into effect in early 2020, it is illegal in NJ to sell any vaping product with any flavor other than tobacco. However, the enforcement of this law falls entirely on municipal health departments, which have been uninterested in enforcing the law. There is growing pressure to get these officials to start imposing fines on c-stores that are selling flavored vapes, especially since often the wholesaler of the product did not pay the appropriate excise tax. Many c-stores, even ones that normally are in good compliance with all laws, have started to offer these products since their competitors have been doing so without a problem for years. The fine for a first offense is $500, so c-stores may want to reconsider offering these products if they are. We recommend only purchasing products from reputable suppliers, such as NJGCA Member Benefit Partners NCD (National Convenience Distributors) or Quick & Fresh.

Minimum Wage Increase

Just one final reminder in case you missed our email reminders—the state's minimum wage increased on January 1st to $14.13 an hour for businesses with six or more employees. It had been scheduled to reach an even $14 but inflation in 2022 was significant enough to force it to go higher. For businesses with five or fewer employees and/or seasonal employers, the minimum wage rose to $12.93 on January 1st (up from $11.90). Seasonal employers are defined as those for whom last year at least two-thirds of their gross receipts were received in a continuous period of 16 weeks or less.

FOLLOW NJGCA ON SOCIAL MEDIA!

We want to be more aggressive with sharing news, information, and opinions on our social media platforms, including our legislative efforts. Also, we hope to highlight our members' efforts in their communities and beyond on social media as well. We would appreciate the follow and welcome discussion and sharing! Just search for NJGCA on your platform.

Follow us on our three social media platforms and join in on the discussion today!

Get to Know Your Board Member

Barney Linn: Cape May Riggins, Cape May

By: Michelle Horowitz Jackson

1. How long have you been in the business?

I've been in this business for 44 years. After graduating college in New England, I found myself in Cape May; having planned to spend the summer with an old friend who lived there and had just been through a terrible loss. I ended up staying and starting my family here. I was always a "motorcycle nut," and met a guy with a gas station shortly after moving down. He was ready to get out of the business and in 1979, I bought him out and got in business as a Philips 66 station. Cape May as a city had just begun its amazing growth and success, and we ended up doing very well. For several years, we had three fuel sales locations, two of which did car and truck repair. Eventually, the business grew from repairs and gas to include towing and road service. Today, our towing and road service business has eclipsed the repair side. So basically, we started as a service station and have grown into what we are now, a towing and road service company that also sells fuel and fixes cars. When I started, Cape May had 13 service stations, all flying a major brand. Today there are two; ours, and another NJGCA member, a super guy a short distance away.

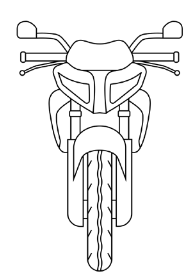
2. How did you begin getting involved with NJGCA? When/Why did you decide to get involved with the board?

In 1983, I bought a friend and competitor out of his Exxon franchise, also in Cape May. Then in 1986, Exxon decided to get rid of their retail locations and I ended up buying the ground and property. The friend and competitor that I purchased the business from not only happened to be a member of NJGCA, but he was also the county president. At that time NJGCA had regional staff; each county had a chapter, and each chapter had volunteer officers. The structure of the organization was much different then. My friend had previously urged me to become a member of what was then the NJGRA. When he left the business, he convinced me to take over his County President position, which was also automatically a statewide board position. The association's headquarters were up in North Jersey at the time, and the five hour round trip was often too much for me to be away from what was then a young business and family. Eventually I left my board position, but never stopped my membership with NJGCA. Now that NJGCA is structured differently, I am able to manage being a South Jersey board member as well as run my business.

3. What do you think is one of the biggest challenges our industry is facing today?

I guess, climate change. Rightly or wrongly, this has stimulated states like California, the historical trend setter in pollution related legislation and change, to mandate 80% of new vehicle sales in the state to be zero emission by 2030, and 100% to comply by 2035. Other states, like ours, are sure to follow, as will the federal government. Significant problems exist with these emerging technologies, particularly in the form of limited range in electric vehicles, in the lack of infrastructure, (clean) generation capacity, grid, availability and speed of charging points, as well as the geo-political problems surrounding the acquisition of the ingredients needed to produce current technology batteries. I think that it is not only inevitable that fossil fuels will go the way of the dodo, but that this will happen faster than we hope or think. Needless to say, most of what my business fixes and tows runs on fossil fuels. Electric vehicles are simply less trouble prone. Sometimes I feel like a steam locomotive repairman in the year 1930.

Regardless of what may be coming, I am thankful for our organization. I am kept well- informed through NJGCA's newsletters, where I am updated frequently not just about developments in electric vehicles, but every other legislative or political problem or issue that may be coming. For instance, NJGCA



helped me with accessing the various stimulus funds available to my business during the pandemic which not only kept the doors open but repaid me for my NJGCA dues from the past 40+ years many times over, and not just in dollars, but also in time saved scratching my head wondering how to go about navigating the various programs. The help and advice I have received over the years with tank and systems regulatory enforcement issues, with advice on how to keep the Department of Labor satisfied, with direction on finding the best solutions for health insurance, liability and workers compensation insurance, and many other business needs have saved me from having to become an expert in everything. I never feel as though I am alone if I am confronted by an unexpected problem. I know that the NJGCA staff can help me figure it out. We are lucky to have a professional association, and even luckier to have the quality of professional staff we do at our NJGCA.

Did You Know. . .

Are you fully taking advantage of your membership with NJGCA?

Our staff is trained to help you out of some of the toughest business situations a shop owner faces. Our Director of Member Services & Counsel Nick De Palma has helped NJGA members out of expensive fines and penalties sanctioned by state agencies such as Department of Labor, Department of Motor Vehicles, Weights & Measures, Department of Environmental Protection, etc.; that threaten to close businesses permanently. Membership at our association could quite literally keep your lights on. Let us help you through the dark and stormy seasons of your business.

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When member businesses join AMT, they get superior value and service from a self-funded, not-for-profit trust that serves the needs of thousands of participating employer members.

AMT's plans are designed to give small businesses more options with better service at lower cost. Healthcare consumers should expect and get more, so we put our profits into improving our plans, and, when possible, we pay dividends.

Request an Online Quote

Visit www.amt-nj.com and click on "Request a Quote." Our easy form will automatically generate several options. Our representatives can advise you on selecting the right plan for your needs.

Why Become an AMT Member?

Member businesses benefit from:

- The largest selection of competitively-priced, self-funded health coverage plan options
- Access to the provider networks of Horizon Blue Cross Blue Shield of New Jersey and Delta Dental
- Dedicated service people who help you with plan selection, service and claims

Greetings NJGCA,
I have recently renewed my supply contract with Sunoco which has always been an effortless process since owning my own location since 1975. This time proved to be extremely difficult and caused much stress, delay, and even consideration of leaving the Sunoco Brand.

I am fortunate to be a member of the NJGCA and to know Joe Ocello. He has been a critical partner in helping navigate the process with me, as his knowledge and negotiations with the Oil Companies help secure the advantageous 10 year supply contract I signed with Sunoco.

I wanted to take the time to show gratitude to not only the NJGCA but to Joe as well. The NJGCA is extremely important to business owners like myself in making sure that we make decisions and negotiations that are the best and build the business for future success.

Thank you once again,
Eric Bellomo

Nonetheless, I would like to thank you all again for your support last Spring with the webinars and getting us set up to get those applications in. You are our favorite State C-Store Association by far and the grant awards are a testament to the active support you are delivering your members to make the transition in fuel offering.

Graham Warnock
Account Executive
FreeWire

Compliance Corner

Compliance – Governance – Regulatory – Administrative Updates

By Nick De Palma, Counsel and Director of Member Services

UPDATE - INSPECTION PROGRAM CONFUSION

A sudden, unexpected change leaves PIFs wondering what's next for New Jersey's inspection program

The Private Inspection Facility (PIF) community has been anticipating a change in the state's "Enhanced Motor Vehicle Inspection and Maintenance Program" (or I/M Program) for years. Parsons, as the current program operator, has been a fixture on the emission inspection landscape since the 1990s. The existing contract with Parsons has been in place since May 2008 and has been extended multiple times, despite expiring in 2016.

After many years of setbacks and extensions, a "Request for Proposals" (RFP) for a new program was issued in December 2015 – and was postponed 11 times before being thrown out and rebid. The latest RFP had been listed as "award in process" since August 28, 2019 and was to take effect in February 2020 – which obviously never happened.

Yet, that all changed in Summer 2022. Throughout the summer we had unofficial confirmation that the contract had finally been officially awarded to OPUS Inspection, Inc., which is the nation's largest company that runs inspection programs. In August we reported that a formal award was made to OPUS; which included operating the state's Centralized Inspection Facilities (CIFs) and providing new inspection equipment to the state's PIF community.

It all seemed to be set in stone and advancing normally. Opus was hiring employees and renting office space in NJ in preparation for the handover. Or so we thought.

In late October, we were shocked to learn that State officials changed direction and canceled the awarding of the new contract to OPUS. Instead, state officials opted to grant an additional one-year extension of the current contract to Parsons. The existing program was to continue unchanged and with little public explanation. It should be noted that this occurred with little fanfare. We heard rumblings of the cancellation through back-channel rumors and had to hunt for official confirmation from oblique sources.

Months after the contract was awarded, no one suspected that such a change was possible. Even for a state with plenty of political drama, having an awarded contract rescinded in this manner was unexpected. To put these events in perspective, the contract implementation had advanced far enough that OPUS had been in contact with the PIF community on new equipment sales and new inspectors were retained to supplement staff at the state-owned CIF locations.

It is not clear what the actual reason is behind this termination; though there are plenty of suspicions. Some point to political motivations, while others hint at union-related issues. Regardless, MVC's decision ultimately means the current system will continue for the short-term future. While the small business community sits on the sidelines as this drama plays out, OPUS, Parsons, and the State are engaged in a legal battle over the cancellation and contract extension.

For the PIF community, this surprising reversal means that shops must forgo getting new equipment until this is resolved. Many NJGCA members may have heard from OPUS before the cancellation, asking you to purchase new equipment. OPUS has reached out to NJGCA, asking us to inform all members that any orders and financial information will be shredded.

Looking a little further ahead to the one-year extension deadline, it is not entirely clear yet if either the state will award a contract for an updated program to OPUS, award it to Parsons, or throw out the awarded contract and rebid the program entirely.

NJGCA will provide additional updates as the battle moves through the courts, or if new informational updates become available. Hang tight!

REMINDERS: LOW-PERMEATION HOSES AND ENHANCED VAPOR RECOVERY UPGRADE

With the upcoming Enhanced Vapor Recovery ("EVR") upgrade mandate coming at the end of 2024 (more on that below), NJGCA was recently reminded that some small business owners may still be utilizing out-of-spec hoses and nozzles.

In prompting us to offer up this reminder, we heard from a member who was cited by the NJ Department of

Environmental Protection ("NJDEP") for failing to use the correct CARB-certified low permeation hoses and dripless nozzles in accordance with existing Phase 1 regulations.

We have reported on this requirement previously, and some members may remember that this rule fit jointly with the decommissioning of the Stage II Vacuum Assist Vapor Recovery System ("VAVRS") in December 2020.

When the State mandated a hard deadline for the Stage II VAVRS decommissioning in 2017, new regulations where adopted which necessitated all non-Stage II VAVRS stations to use low permeation hoses and CARB-certified dripless nozzles.

In the case our member, his contractor installed the appropriate hoses and nozzles when he decommissioned his VAVRS in 2020. However, when a worn nozzle and torn hose were subsequently replaced earlier this year, out-of-spec hardware was installed on a single pump. The wrong-spec hardware earned him an NJDEP citation for dispenser hose and nozzle violations.

This should not have been possible if their compliance contractor installed the appropriate hardware on their routine visit. Obviously something slipped through the cracks. This seems like a minor oversight, and something that wouldn't warrant attention, but we want to make sure you don't make the same mistake.

Remember, all low permeation hoses and CARB-certified dripless nozzles are to comply with the following specifications:

- Have a rate no higher than 10 (g/m2/day) grams per square meter per day, Meet UL 330 requirements, and
- Comply with CARB certification procedure in CP-201 and CP-207 (which speak to Enhanced Conventional (ECO) Nozzles and Low Permeation Conventional Hoses).
- Use CARB-certified dripless enhanced conventional dispensing nozzles was also mandated to reduce the release of VOCs at dispensers.

For our member, the compliance company was wrong to have installed the incorrect hardware. However, our member was ultimately responsible for NJDEP's violation.

Everyone should check your hoses and nozzles to make sure you're in compliance and avoid a costly fine from the state. What's more, it would be wise to get paperwork and verification from your contractor or compliance/tank-testing vendor to document to present to NJDEP.

Which brings us to another reminder on the upcoming EVR upgrade mandate.

If you've been reading these updates, you'll recall this upgrade affects all locations with tanks installed prior to December 23, 2017. Any tanks installed on/after December 23, 2017 are unaffected; and should have had these enhancements made at the time of installation.

That means, for any station build before December 23, 2017, you must upgrade to new, full EVR requirements by December 23, 2024.

For those affected, the upgrade is a California Air Resources Board (CARB) Certified Phase 1 system, and includes enhanced rotatable fill adapters, dust caps, spill buckets, hoses, and other requirements. Stations that do not upgrade their facility by December 23, 2024 may face fines or penalties for non-compliance.

In following the same mindset that forewarned the implementation of the Stage II Vacuum Assist Vapor Recovery decommissioning (which ended on December 23, 2020), the Association highly recommends all affected stations comply with the upcoming mandates ahead of the deadline. Any station with tanks installed before December 23, 2017 should contact their compliance vendor to inquire about the updates and schedule their completion before the deadline.

Please don't wait until the last second. As we saw with the end of Stage II and the EMV credit card reader deadlines, many station owners waited until the final few weeks before the compliance deadline --- and were harmed by longer wait times and higher costs.

If you have any questions about this or other regulatory issues, contact Nick at nick@njgca.org or 732-256-9646 for more information.

2022: The Year in Gas Prices

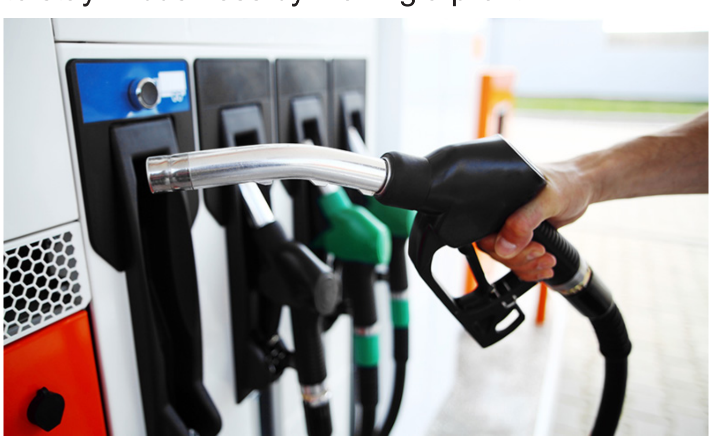
By: Eric Blomgren

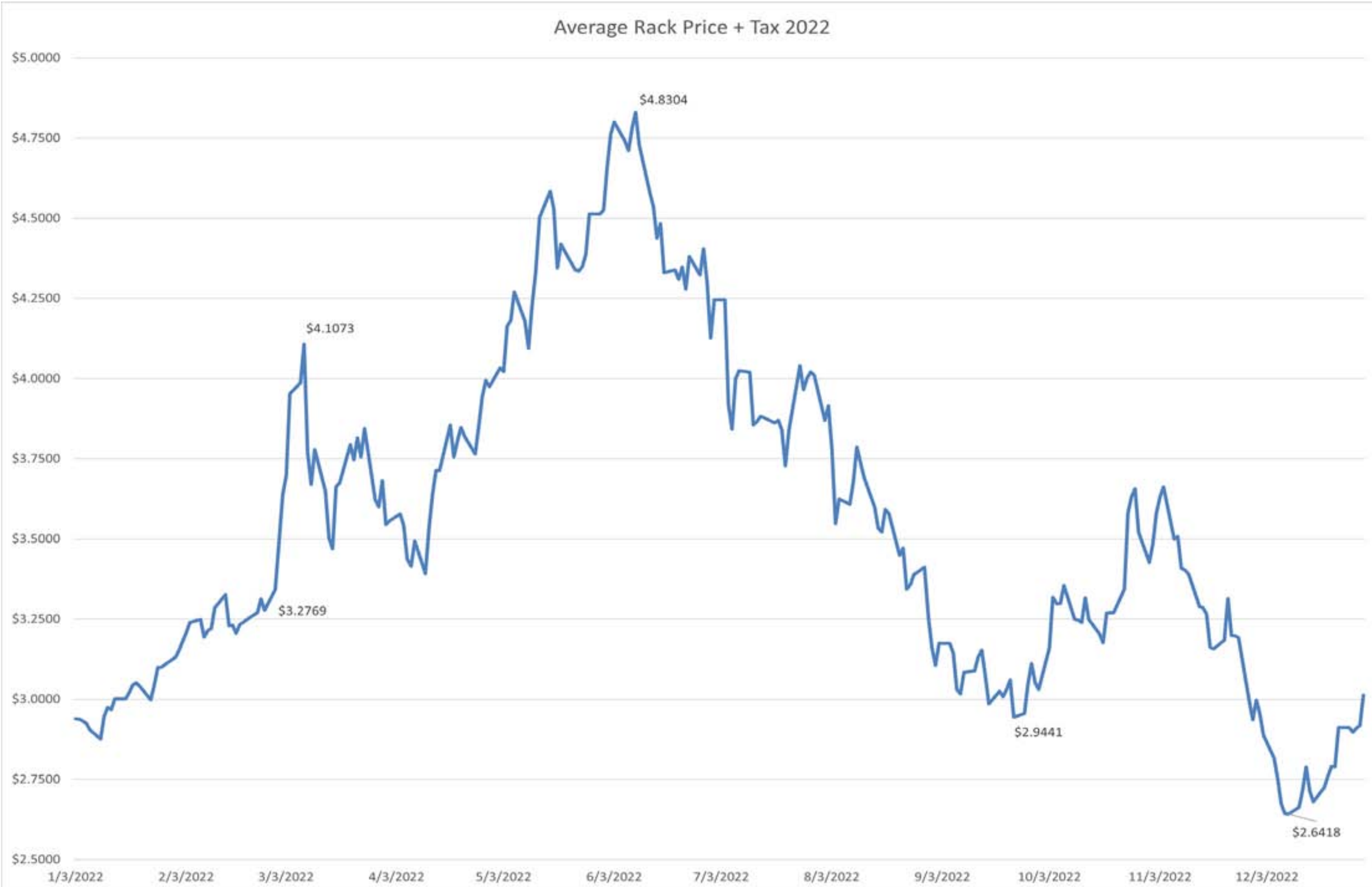
We all know that this was one of the craziest years we've ever seen in gas prices, and hopefully it will be a level of volatility that we won't have to see again—though that may be wishful thinking. Pre-tax prices for gasoline had floated within a range of between about $1 and $2.20 a gallon from December 2014 through around September 2021 (with the exception of a three-month period in March-May 2020 when the covid-19 shutdowns were at their peak and prices fell well below a dollar). Prices had actually been on a steady upswing in the five months before the Russian invasion of Ukraine started, increasing almost 50¢ a gallon and reaching the highest levels in seven and half years. When Putin launched the invasion gas prices surged almost a dollar a gallon in just over a week. After that spike they began to fall, getting close to the level they had been before the invasion started. Then rack prices started increasing again, until they hit the new record high of $4.22 ($4.83 with tax) on June 9th. After that, they began to fall again, dropping almost $2 a gallon in less than four months. After another spike in October, prices fell a dollar a gallon over the month of November until they hit a low of $2.04 on December 9th, the lowest price not just since the start of the war in Europe but since August 2021. Unfortunately, they have been on an upswing since.

One thing this year should have taught us is how it's virtually impossible to predict what will happen in the future with gas prices. No one in 2021 was predicting a full-scale land war in Europe breaking out and driving retail prices over $5 a gallon. When prices were that high, some were saying we might not see prices below $4 again. But we did that in late August, and were it not for the 2016 NJ gas tax increase we would have seen prices below $3 in December.

Thankfully most retailers were able to keep their margins strong, and for prolonged periods of time. The average gross margin on gasoline this year was about 48¢ a gallon, with periods when margins were over 70¢ a gallon. That's the averages as well, individual stations could have been much higher than that. Of course, there were periods when margins were far lower; below 20¢ for some periods and even below 10¢ at a few points. These higher gross margins, however, are necessary for business owners to survive. When retail prices are $4-$5 a gallon, credit card fees alone are 12¢-15¢. The minimum wage has jumped 68% in just over six years. Between the state's gas tax increase, the ongoing effects of the covid shutdowns, and the shift to working from home, gas volumes have declined; perhaps permanently. That means fewer gallons are left to spread over the cost of labor, property taxes/rent, utilities, tank insurance, environmental compliance, etc. The average gross margin for the year 2010 was 17¢ a gallon, up from 13¢ in 2009. If you are still operating with margins in that area, take a look at what the rest of the marketplace is doing and increase them for your own survival's sake. At the end of the day, your goal is not to sell the most gallons, it's to stay in business by making a profit!

2022	Average Rack Price+Tax	Change From Previous Month	Avg. Margin (OPIS)
January	$3.00	$0.08	$0.42
February	$3.24	$0.25	$0.33
March	$3.72	$0.47	$0.47
April	$3.70	-$0.02	$0.46
May	$4.33	$0.63	$0.27
June	$4.51	$0.18	$0.45
July	$3.95	-$0.56	$0.71
August	$3.56	-$0.39	$0.59
September	$3.06	-$0.50	$0.60
October	$3.34	$0.27	$0.31
November	$3.31	-$0.03	$0.53
December	$2.80	-$0.51	$0.59





Average Rack Price + Tax 2022
$5.0000
$4.7500
$4.5000
$4.2500
$4.0000
$3.7500
$3.5000
$3.2500
$3.0000
$2.7500
$2.5000
$4.8304
$4.1073
$3.2769
$2.9441
$2.6418
1/3/2022
2/3/2022
3/3/2022
4/3/2022
5/3/2022
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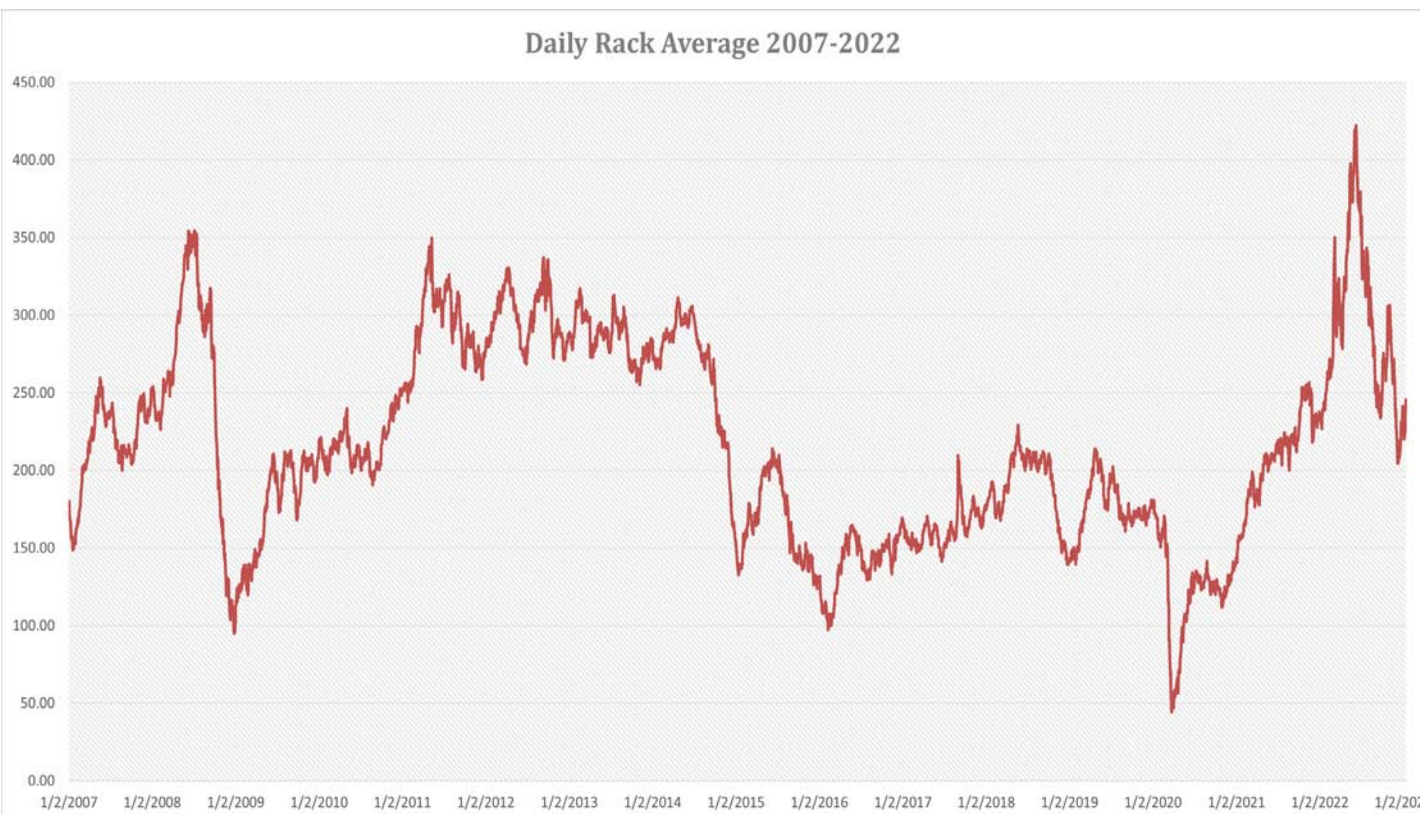
11/3/2022
12/3/2022



Daily Rack Average 2007-2022
450.00
400.00
350.00
300.00
250.00
200.00
150.00
100.00
50.00
0.00
1/2/2007
1/2/2008
1/2/2009
1/2/2010
1/2/2011
1/2/2012
1/2/2013
1/2/2014
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1/2/2016
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1/2/2021
1/2/2022

THE ENERGY EXAMINER

FROM TRADITIONAL RESOURCES TO ALTERNATIVE ENERGY INNOVATIONS

By Michelle Horowitz Jackson

Since our debut in 2007, NJGCA *On The Road* has brought you timely updates on changes in the energy and automotive industries. Today, each new issue of *On The Road* will bring you more update and information in our *Energy Examiner*. The *Energy Examiner* will offer readers news from around the energy/transportation industry and how it will affect your small business. If you have any questions or comments on what you review in these quarterly pieces, please feel free to reach out to NJGCA.

National Climate News:

More public and political enthusiasm, plus money on the table, for cleaner and more sustainable sources of energy are the driving factors behind a growing number of utility companies embracing the move away from fossil fuels. President Biden's backing of industrial policies, those that provide public funding to support industries that support the nation's broad goals, allow corporations to explore solutions to the nations climate goals. Big utility companies are in line to benefit from the largest package of subsidies ever granted to the industry through the funds appropriated by the "Inflation Reduction Act" (IRA). However, funding national goals in this way raises questions about whether they are constructed in ways that reward companies for taking actions that market forces would lead them to take anyway. The IRA also allows tax breaks worth more than $120 billion for the industry and expands the scope of what utility companies can spend money on and still receive a tax break for, such as new energy storage equipment. Utilities will also be able to sell their tax perks to other companies or investors. The result of President Biden's government teaming up with the private sector to further a his climate agenda has resulted in a scale-up of the industry unlike anything seen in history in a long time.

Meanwhile, in Egypt, nearly 200 representatives from countries around the world met to establish a fund to help poor countries cope with climate disasters caused by carbon emission from wealthy nations. The fear is that these wealthy countries could be held liable for previous greenhouse gas emissions that are causing climate change. The agreement made in Egypt would not hold these countries legally liable for payments but will figure out over the next year what form the fund should take, the contributing countries, and where the money should go. The U.S. and European Union are pushing for assurances that China will also contribute to any fund created and will not be eligible to receive funds. The United Nations currently classifies China as a developing country, which could make it eligible for climate compensation, even though it is now the world's biggest emitter of greenhouse gases as well as the second-largest economy.

New Jersey Climate News:

In November, New Jersey became one of nearly two dozen states, counties, and cities to sue some of the world's largest oil and gas companies for their alleged past deceptiveness to the public on the role that fossil fuels play in contributing to climate change. The lawsuit claims ExxonMobil, Shell Oil, Chevron, BP, ConocoPhillips, and the American Petroleum Institute trade group violated the state's Consumer Fraud Act through campaigns to draw skepticism on the relationship between fossil fuels and climate effects, despite having research that showed the opposite. In turn, the oil and gas companies accuse elected leaders and jurisdictions of wasting taxpayer money on this cause. The State possibly stands to gain billions due to the historical damage from climate change, though a long litigious road lies ahead and victory for them is highly uncertain. In 2020, Hoboken became the first New Jersey city and 20th community in the country to sue ExxonMobil and other oil companies in state court, alleging the companies misled the public about the damaging climate impacts of fossil fuels and violated consumer protection statutes. If the state wins, companies will be required to state the risks of using their product, similar to cigarette laws.

UPDATE: ETHANOL/BIOFUELS/BIODIESEL

Draft RVOs released; plans to increase renewable fuels, e-RIN incentives

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In December, the Environmental Protection Agency released its draft renewable volume obligations (RVOs) under the Renewable Fuel Standard (RFS) program. The proposal includes volume targets for 2023 through 2025 in all four categories of renewable fuel and a supplemental standard for 2023 to address the remand of the 2016 annual rules by the DC Circuit Court of Appeals. The draft rule also includes several regulatory changes to the renewable fuels program, including regulations governing the generation of qualifying renewable electricity and other modifications intended to improve the program's implementation.

Under the new EPA proposal, renewable fuels would increase by roughly 9% by the end of 2025 — an increase of nearly 2 billion gallons. The new EPA proposal will set a target of almost 21 billion gallons of renewable fuels in 2023, which includes over 15 billion gallons of corn ethanol. By 2025, the EPA hopes to have over 22 billion gallons of different renewable fuel sources powering the nation. Advanced biofuels will also see an increase in the coming years, by roughly 14% from 2023 to 2024 and 12% the year after that. The EPA wants roughly 6 billion gallons of advanced biofuel in the marketplace by this year. The EPA further outlines plans to increase biomass-based diesel and cellulosic biofuels over the next few years as well.

The draft guidelines would permit car manufacturers to generate e-RINs based on the light-duty electric vehicles they sell by establishing contracts with partners that generate electricity from qualifying biogas (renewable electricity generation). In December, the National Association of Convenience Stores reported their opposition to this part of the guidelines, stating that the incentive of an e-RIN should go to the entity providing publicly accessible EV charging to consumers, such as fuel retailers, instead of car manufacturers. Additionally, there is some push-back from environmental groups, claiming that this doesn't go far enough to eliminate the dependency on fossil fuels, and that the process of extracting biofuels themselves can have a negative impact on the environment.

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UPDATE: ELECTRICITY & ELECTRIC POWERED VEHICLES

Rivian Recall; Grid Scale-Up to Meet National Demand; USPS to Go Electric

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The story of battery-electric vehicles for this quarter are the complications that come with immense global demand for scaling up production. First, in October EV automaker Rivian announced a recall of more than 12,000 of its vehicles, almost all of the vehicles the company has produced, due to a possible issue with a loose steering assembly. This includes every Rivian R1T pickup and R1S SUV made through late September, and some of the EDV delivery vans that were produced for Amazon were included in the recall as well. Not surprisingly, as a result of the recall shares of Rivian fell sharply and a planned partnership with Mercedes-Benz was halted in favor of the company focusing on its existing businesses.

The American Transportation Research Institute released a report in December stating their research has found that shifting all the nation's vehicles to battery electric vehicles would demand more than 40% of the country's electricity production. Electrifying long-haul truck runs alone on today's roadways would require about a tenth of the nation's power generation. ATRI also calculated that the installation of charging equipment at truck parking stops across the country could cost upwards of $35 billion (based on a per-unit cost of $112,000). A completely new charging infrastructure will be critical for developing and scaling up the long-haul battery-electric trucking industry. There is also pressure for the United States to come up with an answer to the controversial mining methods of the metals needed for BEV batteries and require domestic sourcing strategies. ATRI estimates electrifying all U.S. vehicles would take between 6 and 35 years of the world's current raw material production. According to Argonne National Lab, between 2010 and the end of 2021, the US had bought more than 2.1 million plug-in vehicles, including 1.3 million battery EVs, yet national gasoline consumption was reduced by just 0.54 percent in 2021.

Despite the hiccups and setbacks, the BEV industry continues to dominate the national policy talks as it relates to addressing climate change concerns. The United States Postal Service announced in December plans to buy at least 66,000 electric vehicles by 2028, creating one of the largest battery-powered fleets in the nation and resolving a long-running dispute with the Biden Administration over how quickly the agency should clean up its fleet. The post office will invest $9.6 billion over the next six years to refurbish its aging mail delivery fleet; including buying 45,000 electric battery-powered delivery trucks from a Wisconsin-based company that manufactures military vehicles. The agency also plans to buy at least 21,000 electric vehicles from other manufacturers and intends to stop buying gas-powered delivery trucks altogether after 2026.

In New Jersey, NJ Transit's first electric bus fleet was recently launched with eight new electric buses that will undergo a year's worth of real-world testing in Camden. The fleet was funded through fines from polluters, totaling $10 million used to purchase the electric buses. Among those funding sources was a nationwide settlement with Volkswagen that followed charges that it bypassed emissions equipment on cars.

Charging Update:

In September, Car rental company Hertz announced a partnership with BP to develop an electric vehicle charging network for the Hertz customers across North America, powered by bp pulse, bp's global electrification and charging solution brand. Bp pulse will also manage the charging infrastructure and will offer Hertz customizable software, allowing the company to ensure its EVs are charged quickly between rentals. Hertz has purchased EVs from Tesla and Polestar and also signed a deal with General Motors to order up to 175,000 electric vehicles over a five-year period. Hertz EV rentals are available at 500 Hertz locations across 38 states.

The partnership with General Motors also comes at an interesting time for the company with their recent announcement of a new business unit called GM Energy, which will include a "holistic ecosystem" of energy management products and services. GM has two goals with GM Energy: assist the automaker in controlling the customer experience when consumers purchase a new EV as well as create a sustainable business as GM attempts to double annual revenue to $280 billion by the end of this decade. GM Energy will consist of Ultium Home, Ultium Commercial and Ultium Charge 360 to offer cohesive energy management for home, commercial and EV customers and help contribute to the reliability of the U.S. electrical power grid.

In early January, Mercedes-Benz announced a plan to decrease range anxiety for its customers by building a high-power EV charging network across North America, Europe, China and other key markets, beginning in North America. The charging hubs will be located in key cities and urban population centers, close to major arteries, convenient retail and service destinations, including participating Mercedes-Benz dealership sites according to the automaker. This $1 billion investment aims to have the full network in place before the end of the decade, when the automaker intends to go all-electric wherever market conditions allow. The full network will include more than 2,000 charging stations and over 10,000 plugs worldwide, with more than 400 hubs across North America that include upwards of 2,500 high-power chargers. The charging network will focus on Mercedes-Benz customers, who will have access to a reservation function and other benefits, however, the chargers will also be open to drivers of all other brands with compatible technology.

All 50 states' electric vehicle charging plans have been approved by the U.S. Transportation Department. The plans, which also include Washington, D.C.'s, and Puerto Rico's, cover about 75,000 miles of highway. States are cleared to begin construction on a network of electric vehicle charging stations, and they now have access to the $5 billion allocated to states for building EV chargers. New Jersey has a goal of electrifying its transportation network by midcentury, yet it ranks only 28th among 50 states with vehicle chargers according to a study from CoPilot, an online car-shopping site. The study found New Jersey has a total of 2,008 electric vehicle chargers, about 22.6 for every 100,000 residents and well below the national average of 39.0. Of New Jersey's 2,008 EV chargers, only 550 are considered "fast chargers", which can add 100 to 200 miles of range per 30 minutes of charging. More than 1,400 statewide — and nearly four in five in the

United States — are Level 2 chargers, which add about 25 miles of range per hour of charging (these are your home and office chargers that take several hours to fully charge).

Batteries:

Electric car battery prices continue to rise due to global demand for the precious metals that can be found within the battery's ingredients (lithium, cobalt, and nickel). Bloomberg predicts prices will drop in 2024, as more lithium production comes online and more battery production overall is moved over to the United States. This is driven by stipulations in this summer's climate law, which ties crucial tax credits to the use of domestic EV materials and manufacturing. Automakers are also exploring different kinds of batteries to reduce dependence on traditional lithium-ion batteries and their highly-in-demand ingredients.

General Motors also plans to add more links to its North American battery supply chain, adding to roughly 20 deals so far. The Inflation Reduction Act's EV tax credits and subsidies are designed to support domestic EV manufacturing, which could ultimately allow for a federally funded boost for GM. The Inflation Reduction Act ties up to $3,750 per vehicle of federal tax credits to requirements that EV batteries be manufactured in North America using materials sourced in North America or from allied nations. How much GM will reap in federal subsidies will depend on how technical rules are written by federal agencies.

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UPDATE: HYDROGEN/HYDROGEN FUEL CELLS

Toyota Unveils New Hydrogen Test Vehicles

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A new fuel-cell Hilux and a hydrogen combustion Corolla Cross are the latest in a slew of hydrogen test cars being developed by Toyota. Toyota has made promises in the past to dedicate more research and development into alternatively fueled vehicles and not throwing all their stock into one method of developing zero emissions. This has led them to becoming one of the lead companies in the development of hydrogen fuel cell vehicles. Prototype vehicles in Toyota's lineup use existing combustion engines modified to burn clean hydrogen instead of fossil fuels. In December Toyota announced it will be developing a hydrogen fuel-cell-powered version of the Hilux pickup it sells in Japan and a Corolla Cross powered by hydrogen combustion. Components of the engines for both are being lifted from the current Toyota Mirai FCEV. Though don't expect to be driving a Hilux anytime soon, as these vehicles are only being "investigated" at this time. That means that it's unlikely there are plans for a production hydrogen Hilux in the near future.

Toyotoa Cross

Toyota Hilux

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UPDATE: HYBRIDS

Hybrid Sales Continue to Skyrocket

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As cost and range anxiety preventing many from purchasing battery-electric vehicles, sales of hybrid vehicles have skyrocketed. According to the Wall Street Journal, U.S. car buyers on average are purchasing hybrids within just 12 days from their arrival on dealership lots last year (through August). Some dealers say their hybrid backlog stretches into the thousands of vehicles. To try to compensate the growing demand, some automakers have introduced more plug-in hybrids, which uses a larger battery to allow the car to travel solely on electric power for a few dozen miles before a gas engine kicks in. Car makers investing in hybrids say EVs don't work for customers in many parts of the world, with Toyota showing sales in the millions in developing countries where electricity supply is unreliable. Toyota cites these facts as to why governments should encourage hybrid vehicle sales and keep them in the plan to cut carbon emissions. Toyota leader Akio Toyoda told reporters last fall the company could make eight plug-in hybrids with the same number of batteries in a single 320-mile-range EV. Those eight plug-in cars would help cut carbon emissions more than the one electric car.

A recent NACS survey found that while higher prices have led them to reconsider everyday household purchases, higher gasoline prices haven't translated into much greater interest in electric vehicles. Of drivers who say they intend to buy or lease a new car within the next two years, only one in three (36%) would consider purchasing an EV, with convenience a concern. Therefore, a greater investment and attention to hybrids while the electric vehicle market is backlogged and charging stations are being scaled up would be beneficial for the public and for the ultimate goal of lowering harmful emissions.

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UPDATE: NATURAL GAS

New Jersey Bill Sparks Controversy Amid Potential to Raise Energy Bills

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In December, a bill designed to promote the use of renewable natural gas in New Jersey won unanimous approval from the Assembly Telecommunications and Utilities Committee. The legislation is touted by advocates as a way to diversify the state's energy supplies by scaling up electrifying buildings and homes around New Jersey. However, some critics have warned it could potentially raise already high energy bills by locking ratepayers into paying off billions of dollars in unnecessary investments upgrading pipelines and other infrastructure to handle renewable natural gas and hydrogen (another renewable resource encouraged in the legislation). Advocates for the legislation say investments in renewable natural gas infrastructure are necessary in order to develop innovative new sources of energy. Opponents dispute whether renewable natural gas would help reduce carbon pollution, saying it includes methane, the most potent greenhouse gas.

DISRUPTIONS COMING TO YOUR BUSINESS

Amazon is finally ready to launch drone delivery, nearly a decade after then-Amazon CEO Jeff Bezos first announced the technology. However, it will only be a pilot in Lockeford, California, and College Station, Texas. The drone is Amazon's MK27-2 model and will drop packages from about 12 feet in the air, can travel up to 50 mph once airborne, and can fly about 7 miles roundtrip. However, once known as the biggest disruptor in business, some data suggests that Amazon's disruption power is waning. The company has seen retail sales flounder throughout the year, have closed most of its non-grocery brick-and-mortar locations, and has halted or canceled warehouse expansions.

Apple will scale back their plans to develop their driverless vehicle with a new expected release in 2026 (previously expected in 2025). The vehicle plans have been in limbo for the past several months as its vision for a fully autonomous vehicle — without a steering wheel or pedals — isn't feasible with current technology. The company is now planning a less-ambitious design that will include a steering wheel and pedals and only support full autonomous capabilities on highways.

GM is also having issues with Cruise, its driverless robotaxi vehicles. U.S. auto safety regulators opened a formal safety probe into the autonomous driving system in Cruise vehicles, with the National Highway Traffic Safety Administration (NHTSA) saying it had received notices of incidents in which vehicles operated by Cruise "may engage in inappropriately hard braking or become immobilized." The investigation follows reports of three crashes in which Cruise vehicles were struck from behind by other cars after the autonomous vehicles braked quickly. The preliminary evaluation covers 242 Cruise autonomous vehicles and is the first step before it could seek a recall. Cruise is currently offering limited service in San Francisco with a small fleet of Chevrolet Bolt EVs.

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Generel Air Permit Reminder

By Nick De Palma, Counsel and Director of Member Services

Over the last few years, NJGCA has sent regular updates to members reminding them of the December 2020 deadline to decommission any remaining Stage II Vacuum Assist Vapor Recovery systems operating statewide.

As part of the decommissioning process, station owners were required to file for a Stage I air permit. That is to say, those stations that decommissioned were to forgo their then-required Stage II air permit (GP-004A), and file for the proper Stage I associated air permit (GP-004B) after the upgrades were completed. We've written extensively on this in both our Road Warrior e-newsletter, and prior editions of On The Road, during the transition period before/after the December 2020 deadline.

Air permits are a requirement for dispensing fuel in New Jersey. There is no way around it. In obtaining the permit, the New Jersey Department of Environmental Protection ("DEP") approves limited authorized activities at your location. The reason behind this constraint is more than just hanging a piece of paper on your shop wall. Rather, it has to do with the volatile organic compounds ("VOCs") inherent in gasoline. In issuing a license, DEP is stating that your station has the "potential-to-emit" 1.8 tons of VOC pollutants per year (based on a maximum throughput of six million gallons of gasoline a year). Once approved, the permit is valid for five years, at a cost of $885.

Why are we going into all this detail and bringing this up over two years after the mandate deadline?

Well, we were recently contacted by DEP officials on this topic. It seems some department personnel are still coming across stations maintaining the old (and now improper) air permit (GP-004A) – even after their Stage II system was decommissioned. Technically stations with the wrong permit are out of compliance, and it may invite complications (fines, or other scrutiny) from DEP staff.

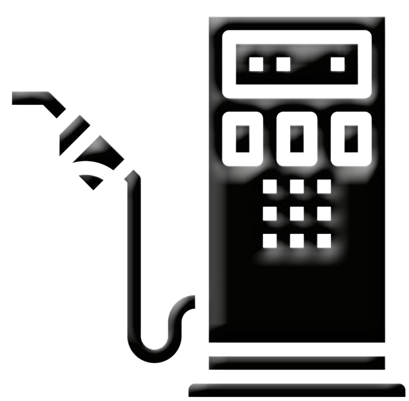
Perhaps individuals are making a mistake when they go online to the DEP Online Business Portal (https://www.nj.gov/dep/online) to purchase their permits. Maybe their compliance company didn't raise this distinction when their Stage II system was decommissioned in December 2020. While DEP cannot tell us who those station owners are, we thought it best to ask everyone to confirm their air permit to avoid any potential complications.

To be clear, there is no benefit to purposefully purchasing the wrong permit. There is no "savings" to be realized in picking one over the other, as both are the same price. However, if you do purchase the appropriate permit, there is the additional "benefit" that it is "easier" to comply with. In that, we'd point out that the correct Stage I GP-004B air permit requires three equipment tests (with a pass for each), while the old Stage II GP-004A air permit mandates four.

For reference, please look at the 2023 Compliance Calendar we recently forwarded along to members. If you look on page nine of the calendar, you'll note that Stage I facilities (with the proper permit) must perform a Static Pressure Performance Test, Pressure Vacuum Valve Test, and Torque Test. These are done at least once every 12 months, depending on your specific equipment specifications and hardware upgrades/ improvements.

If you're now a Stage I facility (but you're currently maintaining the old permit), on paper you are still mandated to have your Dynamic Backpressure Performance Test done – even if your Stage II vapor recovery system has been physically decommissioned. This is obviously a "records requirement vs. real world reality" distinction, but why give state officials an invitation to trouble you or put yourself in a position to explain why you didn't get the appropriate air permit at the time of decommissioning? That alone is a reason to make sure you have the proper permit. Go check and put it out of your mind.

If you have any questions, please consult with your compliance company, or reach out to me, Nick (nick@njgca.org) with any questions.



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THE NJGCA MEMBER BENEFIT PARTNER PROGRAM

NJGCA has been working hard to bring you and your business value through our Member Benefit Partners (MBPs). Hopefully, you are already taking advantage of many money-saving plans offered by our Member Benefit Partners. Members should already received our 2022 Member Benefit Partner Brochure. If you have not received it, please contact Michelle Horowitz Jackson at michelle@njgca.org. New MBPs to our program are listed in blue and marked with asterisks below. We are excited about the great opportunities that you have to save money with these partners!

Here is a list of our current MBPs:

ABLE-TECH - *Computers, Financial Management, Video Security Systems*
AFFINITY FEDERAL CREDIT UNION - *Business Banking Services, Financing, Mortgages*
AMATO INSURANCE AGENCY - *Business, Garage Liability, Home and Auto Insurance*
AMERITRUST - *Workers Compensation Insurance (formerly Meadowbrook Insurance Group)*
ASSOCIATION MEMBER TRUST (AMT) - *Health Coverage*
ATS ENVIRONMENTAL SERVICES - *Tank & Vapor Testing, NJDEP Compliance*
AUTOPART INTERNATIONAL - *Premium Parts Supplier*
BELLOMO FUELS - *Gasoline and Diesel Supplier*
BOULDER PETROLEUM - *Compliance UST, Vapor Recovery Testing, Pump Calibration*
BRENNAN LAW - *Environmental, Petroleum and Real Estate Law Specialists*
CBIZ INSURANCE - *Business, Garage Liability, Home and Auto Insurance*
C-3 TECHNOLOGIES - *Tank and Vapor Testing, NJDEP Compliance*
CHIESA SHAHINIAN & GIANTOMASI PC - *Legal Services*
COLE, SCHOTZ, MEISEL, FORMAN & LEONARD - *Legal Services*
CONSUMERS OIL CORP. - *Gasoline and Diesel Supplier*
CROMPCO - *Tank & Vapor Testing, NJDEP Compliance*
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ENVIRONMENTAL ALLIANCE, INC. - *Environmental Remediation & LSRP Services*
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