

HOUSE BILL 832

C5

1lr1626

By: **Delegate Fraser-Hidalgo**

Introduced and read first time: January 29, 2021

Assigned to: Economic Matters and Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Public Utilities – Electric School Bus Pilot Program**

3 FOR the purpose of establishing the electric school bus pilot program; requiring the Public
4 Service Commission to implement and administer the pilot program; authorizing
5 certain electric companies to apply to the Commission to implement a pilot program
6 if the pilot program meets certain standards; authorizing certain electric companies
7 to recover certain costs under a pilot program in a certain manner, subject to the
8 approval of the Commission; requiring certain electric companies that apply to
9 implement a pilot program to provide the Commission with certain information;
10 requiring the Commission to approve, deny, or approve with modifications an
11 application to implement a pilot program; requiring a certain electric company to
12 submit a certain annual report on the status of the pilot program to the Governor,
13 the Commission, and certain committees of the General Assembly under certain
14 circumstances; establishing certain minimum and maximum initial durations for a
15 pilot program; authorizing the Commission to expand the scope, deployment,
16 program costs, and duration of a pilot program under certain circumstances; defining
17 certain terms; and generally relating to the electric school bus pilot program.

18 BY adding to

19 Article – Public Utilities

20 Section 7–217

21 Annotated Code of Maryland

22 (2020 Replacement Volume and 2020 Supplement)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
24 That the Laws of Maryland read as follows:

25 **Article – Public Utilities**

26 **7–217.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "ELECTRIC SCHOOL BUS" MEANS A SCHOOL BUS THAT IS POWERED BY AN ELECTRIC MOTOR THAT DRAWS ITS CURRENT FROM RECHARGEABLE STORAGE BATTERIES, WHICH ARE RECHARGED WITH ELECTRICITY FROM AN ELECTRIC VEHICLE CHARGING STATION.

(3) "ELECTRIC SCHOOL BUS PILOT PROGRAM" MEANS A PILOT PROGRAM CONDUCTED BY AN INVESTOR-OWNED ELECTRIC COMPANY UNDER THIS SECTION.

(4) "INCREMENTAL COSTS OF PURCHASING AND DEPLOYING ELECTRIC SCHOOL BUSES" MEANS THE AMOUNT BY WHICH THE COSTS OF PURCHASING AND DEPLOYING ELECTRIC SCHOOL BUSES EXCEEDS THE COSTS OF PURCHASING AND DEPLOYING DIESEL SCHOOL BUSES.

(5) "INTERCONNECTION EQUIPMENT" MEANS A GROUP OF COMPONENTS OR AN INTEGRATED SYSTEM THAT CONNECTS AN ELECTRIC VEHICLE CHARGING STATION WITH THE DISTRIBUTION SYSTEM OF THE INVESTOR-OWNED ELECTRIC COMPANY.

(6) "INTERCONNECTION FACILITIES" MEANS FACILITIES REQUIRED BY THE INVESTOR-OWNED ELECTRIC COMPANY TO ACCOMMODATE THE INTERCONNECTION OF AN ELECTRIC VEHICLE CHARGING STATION.

(7) "PARTICIPATING SCHOOL SYSTEM" MEANS A SCHOOL SYSTEM LOCATED WITHIN AN INVESTOR-OWNED ELECTRIC COMPANY'S SERVICE TERRITORY THAT PARTICIPATES IN AN ELECTRIC SCHOOL BUS PILOT PROGRAM UNDER AN AGREEMENT BETWEEN ITS SCHOOL BOARD AND AN INVESTOR-OWNED ELECTRIC COMPANY.

(8) "PROGRAM COSTS" MEANS:

(I) ANY COSTS TO DEPLOY APPROPRIATE ELECTRIC SCHOOL BUS CHARGING INFRASTRUCTURE THAT ARE INCURRED BY AN INVESTOR-OWNED ELECTRIC COMPANY IN IMPLEMENTING AN ELECTRIC SCHOOL BUS PILOT PROGRAM; AND

(II) REBATES PAID TO A PARTICIPATING SCHOOL SYSTEM.

1 **(9) “REBATE” MEANS AN INCENTIVE PROVIDED BY AN**
2 **INVESTOR-OWNED ELECTRIC COMPANY TO A PARTICIPATING SCHOOL SYSTEM THAT**
3 **IS EQUAL TO:**

4 **(I) THE INCREMENTAL COSTS OF PURCHASING AND**
5 **DEPLOYING ELECTRIC SCHOOL BUSES TO PARTICIPATING SCHOOL SYSTEMS; AND**

6 **(II) ASSOCIATED ADMINISTRATIVE AND OPERATING COSTS**
7 **INCURRED BY A PARTICIPATING SCHOOL SYSTEM IN IMPLEMENTING ITS ELECTRIC**
8 **SCHOOL BUS PILOT PROGRAM.**

9 **(B) (1) THERE IS AN ELECTRIC SCHOOL BUS PILOT PROGRAM.**

10 **(2) THE ELECTRIC SCHOOL BUS PILOT PROGRAM SHALL BE**
11 **IMPLEMENTED AND ADMINISTERED BY THE COMMISSION AND SHALL OPERATE AS**
12 **PROVIDED IN THIS SECTION.**

13 **(C) AN INVESTOR-OWNED ELECTRIC COMPANY MAY APPLY TO THE**
14 **COMMISSION TO IMPLEMENT AN ELECTRIC SCHOOL BUS PILOT PROGRAM IF THE**
15 **PILOT PROGRAM IS STRUCTURED TO:**

16 **(1) ON OR BEFORE OCTOBER 1, 2022, PROVIDE FOR THE INITIAL**
17 **DEPLOYMENT OF NOT LESS THAN 25 ELECTRIC SCHOOL BUSES WITH PROGRAM**
18 **COSTS NOT EXCEEDING \$50,000,000;**

19 **(2) PROVIDE FOR ELECTRIC SCHOOL BUS REBATES TO**
20 **PARTICIPATING SCHOOL SYSTEMS;**

21 **(3) ALLOW THE INVESTOR-OWNED ELECTRIC COMPANY TO USE THE**
22 **STORAGE BATTERIES OF THE ELECTRIC SCHOOL BUSES TO ACCESS THE STORED**
23 **ELECTRICITY THROUGH VEHICLE-TO-GRID TECHNOLOGY, WITHOUT ADDITIONAL**
24 **COMPENSATION TO THE SCHOOL SYSTEM FOR THE ELECTRICITY:**

25 **(I) AT TIMES WHEN THE SCHOOL BUSES ARE NOT IN USE; AND**

26 **(II) WHEN:**

27 **1. THERE IS A POWER OUTAGE OR EMERGENCY;**

28 **2. ENERGY DEMAND IS HIGH; OR**

29 **3. RENEWABLE ENERGY RESOURCES ARE**
30 **INTERMITTENT;**

1 (4) PROVIDE FOR THE SELECTION OF SCHOOL SYSTEMS THAT APPLY
2 TO PARTICIPATE IN THE PILOT PROGRAM ON THE BASIS OF APPROPRIATE FACTORS
3 DETERMINED BY THE INVESTOR-OWNED ELECTRIC COMPANY WITH THE APPROVAL
4 OF THE COMMISSION, INCLUDING THE LOCATIONAL BENEFITS THAT THE STORAGE
5 BATTERIES OF SCHOOL BUSES ARE EXPECTED TO BRING TO THE INVESTOR-OWNED
6 ELECTRIC COMPANY; AND

7 (5) PROVIDE AND INSTALL THE INTERCONNECTION EQUIPMENT AND
8 INTERCONNECTION FACILITIES FOR ELECTRIC VEHICLE CHARGING STATIONS.

9 (D) (1) SUBJECT TO THE COMMISSION'S APPROVAL, AN
10 INVESTOR-OWNED ELECTRIC COMPANY MAY RECOVER ALL REASONABLE AND
11 PRUDENT PROGRAM COSTS INCURRED UNDER AN ELECTRIC SCHOOL BUS PILOT
12 PROGRAM THROUGH A RATE APPLICATION TO BE REVIEWED AND APPROVED BY THE
13 COMMISSION.

14 (2) A RATE APPLICATION UNDER THIS SUBSECTION SHALL INCLUDE
15 CONFORMING CHANGES TO THE PARTICIPATING INVESTOR-OWNED ELECTRIC
16 COMPANY'S APPLICABLE RATE SCHEDULES.

17 (3) SUBJECT TO THE COMMISSION'S APPROVAL, THE ELECTRIC
18 SCHOOL BUS PILOT PROGRAM SHALL BECOME A REGULAR RATE SCHEDULE OF THE
19 PARTICIPATING INVESTOR-OWNED ELECTRIC COMPANY.

20 (E) AN INVESTOR-OWNED ELECTRIC COMPANY THAT APPLIES TO
21 IMPLEMENT AN ELECTRIC SCHOOL BUS PILOT PROGRAM SHALL PROVIDE TO THE
22 COMMISSION ANY INFORMATION, DATA, AND ANALYSIS THAT THE COMMISSION
23 REQUIRES.

24 (F) THE COMMISSION SHALL APPROVE, DENY, OR APPROVE WITH
25 MODIFICATIONS AN INVESTOR-OWNED ELECTRIC COMPANY'S APPLICATION TO
26 IMPLEMENT AN ELECTRIC SCHOOL BUS PILOT PROGRAM.

27 (G) AN INVESTOR-OWNED ELECTRIC COMPANY THAT ESTABLISHES AN
28 ELECTRIC SCHOOL BUS PILOT PROGRAM AUTHORIZED BY THIS SECTION SHALL, BY
29 FEBRUARY 1, 2023, AND EACH YEAR THEREAFTER FOR THE DURATION OF THE
30 PILOT PROGRAM, REPORT ON THE STATUS OF THE PILOT PROGRAM TO THE
31 GOVERNOR, THE COMMISSION, AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE
32 GOVERNMENT ARTICLE, THE HOUSE ECONOMIC MATTERS COMMITTEE AND THE
33 SENATE FINANCE COMMITTEE.

1 **(H) THE INITIAL DURATION OF AN ELECTRIC SCHOOL BUS PILOT PROGRAM**
2 **SHALL BE AT LEAST 3 YEARS AND MAY NOT EXCEED 5 YEARS.**

3 **(I) ON THE REQUEST OF AN INVESTOR-OWNED ELECTRIC COMPANY, THE**
4 **COMMISSION MAY AUTHORIZE AN EXPANSION OF THE SCOPE, DEPLOYMENT,**
5 **PROGRAM COSTS, AND DURATION OF THE ELECTRIC SCHOOL BUS PILOT PROGRAM.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 2021.