

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

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 6, 2021

CHAPTER _____

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; requiring a participating school system,
7 when deploying electric school buses, to consider criteria that benefit students who
8 are eligible to receive free and reduced-price meals; requiring a participating school
9 system to develop a certain plan for any school system employee affected by the pilot
10 program; authorizing certain electric companies to recover certain costs under a pilot
11 program in a certain manner, subject to the approval of the Commission; requiring
12 certain electric companies that apply to implement a pilot program to provide the
13 Commission with certain information; requiring the Commission to approve, deny,
14 or approve with modifications an application to implement a pilot program; requiring
15 a certain electric company, in consultation with each participating school system, to
16 submit a certain annual report on the status of the pilot program to the Governor,
17 the Commission, and certain committees of the General Assembly under certain
18 circumstances; requiring the annual report to include an evaluation of the
19 environmental and health benefits of the pilot program and the financial costs and
20 benefits of implementing the pilot program; establishing certain minimum and
21 maximum initial durations for a pilot program; authorizing the Commission to
22 expand the scope, deployment, program costs, and duration of a pilot program under
23 certain circumstances; defining certain terms; and generally relating to the electric
24 school bus pilot program.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



BY adding to
Article – Public Utilities
Section 7–217
Annotated Code of Maryland
(2020 Replacement Volume and 2020 Supplement)

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

Article – Public Utilities

7–217.

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

(2) “ELECTRIC SCHOOL BUS” MEANS A SCHOOL BUS THAT IS
POWERED EXCLUSIVELY 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 ADMINISTRATIVE AND OPERATING COSTS”
MEANS THE AMOUNT BY WHICH THE COST OF ADMINISTERING AND OPERATING AN
ELECTRIC SCHOOL BUS PROGRAM EXCEEDS THE COST OF ADMINISTERING AND
OPERATING A DIESEL SCHOOL BUS PROGRAM.

(5) “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)~~ (6) “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)~~ (7) “INTERCONNECTION FACILITIES” MEANS FACILITIES
REQUIRED BY THE INVESTOR–OWNED ELECTRIC COMPANY TO ACCOMMODATE THE
INTERCONNECTION OF AN ELECTRIC VEHICLE CHARGING STATION.

~~(7)~~ (8) "PARTICIPATING SCHOOL SYSTEM" MEANS A SCHOOL SYSTEM LOCATED WITHIN AN INVESTOR-OWNED ELECTRIC COMPANY'S SERVICE TERRITORY THAT:

(I) PARTICIPATES IN AN ELECTRIC SCHOOL BUS PILOT PROGRAM UNDER AN AGREEMENT BETWEEN ITS SCHOOL BOARD AND AN INVESTOR-OWNED ELECTRIC COMPANY; AND

(II) OWNS ITS SCHOOL BUSES OR CONTRACTS WITH ANOTHER ENTITY FOR SCHOOL BUS SERVICES.

~~(8)~~ (9) "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.

~~(9)~~ (10) "REBATE" MEANS AN INCENTIVE PROVIDED BY AN INVESTOR-OWNED ELECTRIC COMPANY TO A PARTICIPATING SCHOOL SYSTEM THAT IS EQUAL TO:

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

(II) ~~ASSOCIATED~~ THE INCREMENTAL ADMINISTRATIVE AND OPERATING COSTS INCURRED BY A PARTICIPATING SCHOOL SYSTEM IN IMPLEMENTING ITS ELECTRIC SCHOOL BUS PILOT PROGRAM.

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

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

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

(1) COMMENCE ON OR BEFORE OCTOBER 1, 2022 2023, PROVIDE FOR
~~THE INITIAL DEPLOYMENT OF NOT LESS THAN 25 ELECTRIC SCHOOL BUSES WITH~~
~~PROGRAM COSTS NOT EXCEEDING \$50,000,000;~~

(2) PROVIDE FOR THE DEPLOYMENT OF NOT FEWER THAN 25
ELECTRIC SCHOOL BUSES;

(3) PROVIDE FOR ELECTRIC SCHOOL BUS REBATES TO
PARTICIPATING SCHOOL SYSTEMS;

(4) LIMIT TOTAL REBATES TO \$50,000,000;

~~(3)~~ (5) ALLOW THE INVESTOR-OWNED ELECTRIC COMPANY TO USE
THE STORAGE BATTERIES OF THE ELECTRIC SCHOOL BUSES TO ACCESS THE STORED
ELECTRICITY THROUGH VEHICLE-TO-GRID TECHNOLOGY;

(I) EXCEPT AS PROVIDED IN ITEM (6) OF THIS SUBSECTION,
WITHOUT ADDITIONAL COMPENSATION TO THE SCHOOL SYSTEM FOR THE
ELECTRICITY; AND

(II) AT TIMES WHEN THE PARTICIPATING SCHOOL SYSTEM
DETERMINES THAT THE SCHOOL BUSES ARE NOT NEEDED TO TRANSPORT
STUDENTS;

(6) ENSURE THAT AN INVESTOR-OWNED UTILITY THAT USES
ELECTRICITY THAT A PARTICIPATING SCHOOL SYSTEM PROVIDES TO CHARGE AN
ELECTRIC SCHOOL BUS BATTERY REPLACES THAT ELECTRICITY AT NO COST TO THE
PARTICIPATING SCHOOL SYSTEM;

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

~~(II) WHEN:~~

~~1. THERE IS A POWER OUTAGE OR EMERGENCY;~~

~~2. ENERGY DEMAND IS HIGH; OR~~

~~3. RENEWABLE ENERGY RESOURCES ARE
INTERMITTENT;~~

~~(4)~~ (7) PROVIDE FOR THE SELECTION OF SCHOOL SYSTEMS THAT
APPLY TO PARTICIPATE IN THE PILOT PROGRAM ON THE BASIS OF APPROPRIATE
FACTORS DETERMINED BY THE INVESTOR-OWNED ELECTRIC COMPANY WITH THE
APPROVAL OF THE COMMISSION, INCLUDING THE LOCATIONAL BENEFITS THAT THE
STORAGE BATTERIES OF SCHOOL BUSES ARE EXPECTED TO BRING TO THE
INVESTOR-OWNED ELECTRIC COMPANY; AND

1 (8) CONSIDER, IN DETERMINING THE APPROPRIATE FACTORS UNDER
2 ITEM (7) OF THIS SUBSECTION, THE HEALTH AND ECONOMIC EFFECTS ON
3 LOW-INCOME AND MINORITY COMMUNITIES;

4 ~~(5)~~ (9) PROVIDE AND INSTALL THE INTERCONNECTION
5 EQUIPMENT AND INTERCONNECTION FACILITIES FOR ELECTRIC VEHICLE
6 CHARGING STATIONS AND TRAIN SCHOOL PERSONNEL IN THE PROPER USE OF THE
7 EQUIPMENT AND FACILITIES; AND

8 (10) EQUIP EACH ELECTRONIC SCHOOL BUS WITH LAP AND SHOULDER
9 BELTS IN ACCORDANCE WITH RECOMMENDATIONS FROM THE NATIONAL
10 TRANSPORTATION SAFETY BOARD.

11 (D) A PARTICIPATING SCHOOL SYSTEM SHALL:

12 (1) WHEN DEPLOYING ELECTRIC SCHOOL BUSES, CONSIDER
13 CRITERIA THAT BENEFIT STUDENTS WHO ARE ELIGIBLE FOR FREE AND
14 REDUCED-PRICE MEALS; AND

15 (2) PRIOR TO THE DELIVERY OF ELECTRIC SCHOOL BUSES, DEVELOP
16 A PLAN FOR TRAINING AND RETAINING ANY SCHOOL SYSTEM EMPLOYEE AFFECTED
17 BY THE ELECTRIC SCHOOL BUS PILOT PROGRAM.

18 (E) (1) SUBJECT TO THE COMMISSION'S APPROVAL, AN
19 INVESTOR-OWNED ELECTRIC COMPANY MAY RECOVER ALL REASONABLE AND
20 PRUDENT PROGRAM COSTS INCURRED UNDER AN ELECTRIC SCHOOL BUS PILOT
21 PROGRAM THROUGH A RATE APPLICATION TO BE REVIEWED AND APPROVED BY THE
22 COMMISSION.

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

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

29 ~~(E)~~ (F) AN INVESTOR-OWNED ELECTRIC COMPANY THAT APPLIES TO
30 IMPLEMENT AN ELECTRIC SCHOOL BUS PILOT PROGRAM SHALL PROVIDE TO THE
31 COMMISSION ANY INFORMATION, DATA, AND ANALYSIS THAT THE COMMISSION
32 REQUIRES.

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

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

(2) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE:

(I) AN EVALUATION OF THE ENVIRONMENTAL AND HEALTH BENEFITS OF THE PILOT PROGRAM; AND

(II) THE FINANCIAL COSTS AND BENEFITS OF IMPLEMENTING THE PILOT PROGRAM TO THE PARTICIPATING SCHOOL SYSTEM AND THE INVESTOR-OWNED UTILITY, INCLUDING:

1. THE DEPLOYMENT, OPERATING, AND MAINTENANCE OF THE ELECTRIC SCHOOL BUSES; AND

2. THE USE OF VEHICLE-TO-GRID TECHNOLOGY.

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

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

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