

HOUSE BILL 696

C5
HB 832/21 – ECM & ENT

2lr1832
CF SB 948

By: ~~Delegate Fraser-Hidalgo~~ Delegates Fraser-Hidalgo, Amprey, Barve, Boyce, Brooks, Carey, Charkoudian, Fennell, Foley, Harrison, Healey, Holmes, Jackson, Jalisi, Lehman, Lierman, Love, Prettyman, Queen, Rogers, Ruth, Stein, Stewart, Terrasa, Turner, Valderrama, Walker, Watson, and Wells

Introduced and read first time: January 31, 2022

Assigned to: Economic Matters and Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 10, 2022

CHAPTER _____

1 AN ACT concerning

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

3 FOR the purpose of establishing an electric school bus pilot program; requiring the Public
4 Service Commission to implement and administer the pilot program; authorizing
5 investor-owned electric companies to apply to the Commission to implement an
6 electric school bus pilot program with a participating school system if the pilot
7 program meets certain standards; authorizing investor-owned electric companies to
8 recover certain costs under the pilot program, subject to the approval of the
9 Commission; and generally relating to the electric school bus pilot program.

10 BY adding to

11 Article – Public Utilities

12 Section 7-217

13 Annotated Code of Maryland

14 (2020 Replacement Volume and 2021 Supplement)

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

17 **Article – Public Utilities**

18 **7-217.**

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.



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

3 (2) “ELECTRIC SCHOOL BUS” MEANS A SCHOOL BUS THAT IS
4 POWERED EXCLUSIVELY BY AN ELECTRIC MOTOR THAT DRAWS ITS CURRENT FROM
5 RECHARGEABLE STORAGE BATTERIES THAT ARE RECHARGED WITH ELECTRICITY
6 FROM AN ELECTRIC VEHICLE CHARGING STATION.

7 (3) “ELECTRIC SCHOOL BUS PILOT PROGRAM” MEANS A PILOT
8 PROGRAM CONDUCTED BY AN INVESTOR-OWNED ELECTRIC COMPANY UNDER THIS
9 SECTION.

10 (4) “INCREMENTAL ADMINISTRATIVE AND OPERATING COSTS”
11 MEANS THE AMOUNT BY WHICH THE COST OF ADMINISTERING AND OPERATING AN
12 ELECTRIC SCHOOL BUS PROGRAM EXCEEDS THE COST OF ADMINISTERING AND
13 OPERATING A DIESEL SCHOOL BUS PROGRAM.

14 (5) “INCREMENTAL COSTS OF PURCHASING AND DEPLOYING
15 ELECTRIC SCHOOL BUSES” MEANS THE AMOUNT BY WHICH THE COSTS OF
16 PURCHASING AND DEPLOYING ELECTRIC SCHOOL BUSES EXCEEDS THE COSTS OF
17 PURCHASING AND DEPLOYING DIESEL SCHOOL BUSES.

18 (6) “INTERCONNECTION EQUIPMENT” MEANS A GROUP OF
19 COMPONENTS OR AN INTEGRATED SYSTEM THAT CONNECTS AN ELECTRIC VEHICLE
20 CHARGING STATION WITH THE DISTRIBUTION SYSTEM OF AN INVESTOR-OWNED
21 ELECTRIC COMPANY.

22 (7) “INTERCONNECTION FACILITIES” MEANS FACILITIES REQUIRED
23 BY AN INVESTOR-OWNED ELECTRIC COMPANY TO ACCOMMODATE THE
24 INTERCONNECTION OF AN ELECTRIC VEHICLE CHARGING STATION.

25 (8) “PARTICIPATING SCHOOL SYSTEM” MEANS A SCHOOL SYSTEM
26 LOCATED WITHIN AN INVESTOR-OWNED ELECTRIC COMPANY’S SERVICE TERRITORY
27 THAT:

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

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

33 (9) “PROGRAM COSTS” MEANS:

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

5 **(II) REBATES PAID TO A PARTICIPATING SCHOOL SYSTEM.**

6 **(10) “REBATE” MEANS AN INCENTIVE PROVIDED BY AN**
7 **INVESTOR-OWNED ELECTRIC COMPANY TO A PARTICIPATING SCHOOL SYSTEM THAT**
8 **IS EQUAL TO:**

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

11 **(II) THE INCREMENTAL ADMINISTRATIVE AND OPERATING**
12 **COSTS INCURRED BY A PARTICIPATING SCHOOL SYSTEM IN IMPLEMENTING ITS**
13 **ELECTRIC SCHOOL BUS PILOT PROGRAM.**

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

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

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

21 **(1) COMMENCE ON OR BEFORE OCTOBER 1, 2024;**

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

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

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

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

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

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

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

11 **(7) PROVIDE FOR THE SELECTION OF SCHOOL SYSTEMS THAT APPLY**
12 **TO PARTICIPATE IN THE PILOT PROGRAM ON THE BASIS OF APPROPRIATE FACTORS**
13 **DETERMINED BY THE INVESTOR-OWNED ELECTRIC COMPANY WITH THE APPROVAL**
14 **OF THE COMMISSION, INCLUDING THE LOCATIONAL BENEFITS THAT THE STORAGE**
15 **BATTERIES OF SCHOOL BUSES MAY BRING TO THE INVESTOR-OWNED ELECTRIC**
16 **COMPANY;**

17 **(8) CONSIDER, IN DETERMINING THE APPROPRIATE FACTORS UNDER**
18 **ITEM (7) OF THIS SUBSECTION, THE HEALTH AND ECONOMIC EFFECTS ON**
19 **LOW-INCOME AND MINORITY COMMUNITIES;**

20 **(9) PROVIDE AND INSTALL THE INTERCONNECTION EQUIPMENT AND**
21 **INTERCONNECTION FACILITIES FOR ELECTRIC VEHICLE CHARGING STATIONS AND**
22 **TRAIN SCHOOL PERSONNEL IN THE PROPER USE OF THE EQUIPMENT AND**
23 **FACILITIES;**

24 **(10) EQUIP EACH ELECTRIC SCHOOL BUS WITH LAP AND SHOULDER**
25 **BELTS IN ACCORDANCE WITH RECOMMENDATIONS FROM THE NATIONAL**
26 **TRANSPORTATION SAFETY BOARD; AND**

27 **(11) PROVIDE THE SCHOOL BOARD WITH ADEQUATE TRAINING AND**
28 **EXPERTISE TO OPERATE ABLY ELECTRIC SCHOOL BUSES, ELECTRIC VEHICLE**
29 **CHARGING STATIONS, AND ASSOCIATED INFRASTRUCTURE.**

30 **(D) A PARTICIPATING SCHOOL SYSTEM SHALL:**

31 **(1) WHEN DEPLOYING ELECTRIC SCHOOL BUSES, CONSIDER**
32 **CRITERIA THAT BENEFIT STUDENTS WHO ARE ELIGIBLE FOR FREE AND**
33 **REDUCED PRICE MEALS; AND**

1 **(2) BEFORE THE DELIVERY OF ELECTRIC SCHOOL BUSES, DEVELOP A**
2 **PLAN FOR TRAINING AND RETAINING ANY SCHOOL SYSTEM EMPLOYEE AFFECTED BY**
3 **THE ELECTRIC SCHOOL BUS PILOT PROGRAM.**

4 **(E) (1) SUBJECT TO THE COMMISSION'S APPROVAL, AN**
5 **INVESTOR-OWNED ELECTRIC COMPANY MAY RECOVER ALL REASONABLE AND**
6 **PRUDENT PROGRAM COSTS INCURRED UNDER AN ELECTRIC SCHOOL BUS PILOT**
7 **PROGRAM THROUGH A RATE APPLICATION TO BE REVIEWED AND APPROVED BY THE**
8 **COMMISSION.**

9 **(2) A RATE APPLICATION UNDER THIS SUBSECTION SHALL INCLUDE**
10 **CONFORMING CHANGES TO THE PARTICIPATING INVESTOR-OWNED ELECTRIC**
11 **COMPANY'S APPLICABLE RATE SCHEDULES.**

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

15 **(F) SUBJECT TO THE COMMISSION'S APPROVAL, AN INVESTOR-OWNED**
16 **ELECTRIC COMPANY MAY ESTABLISH A PILOT TARIFF OR RATE TO PROVIDE SERVICE**
17 **TO AN ELECTRIC SCHOOL BUS.**

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

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

25 **(I) (1) AN INVESTOR-OWNED ELECTRIC COMPANY THAT ESTABLISHES**
26 **AN ELECTRIC SCHOOL BUS PILOT PROGRAM AUTHORIZED BY THIS SECTION SHALL,**
27 **IN CONSULTATION WITH EACH PARTICIPATING SCHOOL SYSTEM, BY FEBRUARY 1,**
28 **~~2024~~ 2025, AND EACH YEAR THEREAFTER FOR THE DURATION OF THE PILOT**
29 **PROGRAM, REPORT ON THE STATUS OF THE PILOT PROGRAM TO THE GOVERNOR,**
30 **THE COMMISSION, AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE**
31 **GOVERNMENT ARTICLE, THE HOUSE ECONOMIC MATTERS COMMITTEE AND THE**
32 **SENATE FINANCE COMMITTEE.**

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

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

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

6 1. THE DEPLOYMENT, OPERATION, AND MAINTENANCE
7 OF THE ELECTRIC SCHOOL BUSES; AND

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

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

11 (K) ON THE REQUEST OF AN INVESTOR-OWNED ELECTRIC COMPANY, THE
12 COMMISSION MAY AUTHORIZE AN EXPANSION OF THE SCOPE, DEPLOYMENT,
13 PROGRAM COSTS, AND DURATION OF THE ELECTRIC SCHOOL BUS PILOT PROGRAM.

14 SECTION 2. AND BE IT FURTHER ENACTED, That the General Assembly
15 encourages electric school bus pilot program applicants to seek any federal funds that may
16 be available to the applicants, including funds available under the Infrastructure and
17 Investment Jobs Act.

18 SECTION 3. AND BE IT FURTHER ENACTED, That, where feasible, the General
19 Assembly encourages electric school bus pilot program applicants to produce or procure
20 electricity generated by renewable resources to power electric school bus charging
21 infrastructure.

22 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect June
23 1, 2022.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.