

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.



1 BY adding to
2 Article – Public Utilities
3 Section 7–217
4 Annotated Code of Maryland
5 (2020 Replacement Volume and 2020 Supplement)

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

8 **Article – Public Utilities**

9 **7–217.**

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

12 (2) “ELECTRIC SCHOOL BUS” MEANS A SCHOOL BUS THAT IS
13 POWERED EXCLUSIVELY BY AN ELECTRIC MOTOR THAT DRAWS ITS CURRENT FROM
14 RECHARGEABLE STORAGE BATTERIES, WHICH ARE RECHARGED WITH ELECTRICITY
15 FROM AN ELECTRIC VEHICLE CHARGING STATION.

16 (3) “ELECTRIC SCHOOL BUS PILOT PROGRAM” MEANS A PILOT
17 PROGRAM CONDUCTED BY AN INVESTOR–OWNED ELECTRIC COMPANY UNDER THIS
18 SECTION.

19 (4) “INCREMENTAL ADMINISTRATIVE AND OPERATING COSTS”
20 MEANS THE AMOUNT BY WHICH THE COST OF ADMINISTERING AND OPERATING AN
21 ELECTRIC SCHOOL BUS PROGRAM EXCEEDS THE COST OF ADMINISTERING AND
22 OPERATING A DIESEL SCHOOL BUS PROGRAM.

23 (5) “INCREMENTAL COSTS OF PURCHASING AND DEPLOYING
24 ELECTRIC SCHOOL BUSES” MEANS THE AMOUNT BY WHICH THE COSTS OF
25 PURCHASING AND DEPLOYING ELECTRIC SCHOOL BUSES EXCEEDS THE COSTS OF
26 PURCHASING AND DEPLOYING DIESEL SCHOOL BUSES.

27 ~~(5)~~ (6) “INTERCONNECTION EQUIPMENT” MEANS A GROUP OF
28 COMPONENTS OR AN INTEGRATED SYSTEM THAT CONNECTS AN ELECTRIC VEHICLE
29 CHARGING STATION WITH THE DISTRIBUTION SYSTEM OF THE INVESTOR–OWNED
30 ELECTRIC COMPANY.

31 ~~(6)~~ (7) “INTERCONNECTION FACILITIES” MEANS FACILITIES
32 REQUIRED BY THE INVESTOR–OWNED ELECTRIC COMPANY TO ACCOMMODATE THE
33 INTERCONNECTION OF AN ELECTRIC VEHICLE CHARGING STATION.

1 ~~(7)~~ **(8)** “PARTICIPATING SCHOOL SYSTEM” MEANS A SCHOOL
2 SYSTEM LOCATED WITHIN AN INVESTOR-OWNED ELECTRIC COMPANY’S SERVICE
3 TERRITORY THAT:

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

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

9 ~~(8)~~ **(9)** “PROGRAM COSTS” MEANS:

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

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

15 ~~(9)~~ **(10)** “REBATE” MEANS AN INCENTIVE PROVIDED BY AN
16 INVESTOR-OWNED ELECTRIC COMPANY TO A PARTICIPATING SCHOOL SYSTEM THAT
17 IS EQUAL TO:

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

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

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

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

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

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

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

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

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

6 ~~(3)~~ **(5) ALLOW THE INVESTOR-OWNED ELECTRIC COMPANY TO USE**
 7 **THE STORAGE BATTERIES OF THE ELECTRIC SCHOOL BUSES TO ACCESS THE STORED**
 8 **ELECTRICITY THROUGH VEHICLE-TO-GRID TECHNOLOGY;**

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

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

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

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

20 ~~(II) WHEN:~~

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

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

23 ~~3. RENEWABLE ENERGY RESOURCES ARE~~
 24 **INTERMITTENT;**

25 ~~(4)~~ **(7) PROVIDE FOR THE SELECTION OF SCHOOL SYSTEMS THAT**
 26 **APPLY TO PARTICIPATE IN THE PILOT PROGRAM ON THE BASIS OF APPROPRIATE**
 27 **FACTORS DETERMINED BY THE INVESTOR-OWNED ELECTRIC COMPANY WITH THE**
 28 **APPROVAL OF THE COMMISSION, INCLUDING THE LOCATIONAL BENEFITS THAT THE**
 29 **STORAGE BATTERIES OF SCHOOL BUSES ARE EXPECTED TO BRING TO THE**
 30 **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.**

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

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

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

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

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

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

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

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

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

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