

HOUSE BILL 696

C5

(2lr1832)

ENROLLED BILL

— *Economic Matters and Environment and Transportation/Finance* —

Introduced 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

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

Speaker.

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

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.

Italics indicate opposite chamber/conference committee amendments.



1 Article – Public Utilities
2 Section 7–217
3 Annotated Code of Maryland
4 (2020 Replacement Volume and 2021 Supplement)

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

7 **Article – Public Utilities**

8 **7–217.**

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

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

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

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

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

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

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

1 **(8) “PARTICIPATING SCHOOL SYSTEM” MEANS A SCHOOL SYSTEM**
2 **LOCATED WITHIN AN INVESTOR–OWNED ELECTRIC COMPANY’S SERVICE TERRITORY**
3 **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 **(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 **(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 DEMONSTRABLE INCREMENTAL COSTS OF**
19 **PURCHASING AND DEPLOYING ELECTRIC SCHOOL BUSES TO PARTICIPATING**
20 **SCHOOL SYSTEMS; AND**

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

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

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

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

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

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 (5) ALLOW THE INVESTOR-OWNED ELECTRIC COMPANY TO USE THE
7 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 IF THE INVESTOR-OWNED UTILITY USES
16 ELECTRICITY THAT A PARTICIPATING SCHOOL SYSTEM PROVIDES TO CHARGE AN
17 ELECTRIC SCHOOL BUS BATTERY, THE INVESTOR-OWNED UTILITY REPLACES THAT
18 ELECTRICITY AT NO COST TO THE PARTICIPATING SCHOOL SYSTEM;

19 (7) PROVIDE FOR THE SELECTION OF SCHOOL SYSTEMS THAT APPLY
20 TO PARTICIPATE IN THE PILOT PROGRAM ON THE BASIS OF APPROPRIATE FACTORS
21 DETERMINED BY THE INVESTOR-OWNED ELECTRIC COMPANY WITH THE APPROVAL
22 OF THE COMMISSION, INCLUDING THE LOCATIONAL BENEFITS THAT THE STORAGE
23 BATTERIES OF SCHOOL BUSES MAY BRING TO THE INVESTOR-OWNED ELECTRIC
24 COMPANY;

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

28 (9) PROVIDE AND INSTALL THE INTERCONNECTION EQUIPMENT AND
29 INTERCONNECTION FACILITIES FOR ELECTRIC VEHICLE CHARGING STATIONS ~~AND~~
30 ~~TRAIN SCHOOL PERSONNEL IN THE PROPER USE OF THE EQUIPMENT AND~~
31 ~~FACILITIES;~~

32 (10) ~~EQUIP~~ ENSURE EACH ~~ELECTRONIC~~ ELECTRIC SCHOOL BUS IS
33 EQUIPPED WITH LAP AND SHOULDER BELTS IN ACCORDANCE WITH
34 RECOMMENDATIONS FROM THE NATIONAL TRANSPORTATION SAFETY BOARD; AND

1 (11) ~~PROVIDE~~ ENSURE THE SCHOOL BOARD IS PROVIDED WITH
2 ADEQUATE TRAINING AND EXPERTISE TO OPERATE ABLY ELECTRIC SCHOOL BUSES,
3 ELECTRIC VEHICLE CHARGING STATIONS, AND ASSOCIATED INFRASTRUCTURE.

4 (D) A PARTICIPATING SCHOOL SYSTEM SHALL:

5 (1) WHEN DEPLOYING ELECTRIC SCHOOL BUSES, CONSIDER
6 CRITERIA THAT BENEFIT STUDENTS WHO ARE ELIGIBLE FOR FREE AND
7 REDUCED PRICE MEALS; AND

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

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

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

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

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

25 (G) AN INVESTOR-OWNED ELECTRIC COMPANY THAT APPLIES TO
26 IMPLEMENT AN ELECTRIC SCHOOL BUS PILOT PROGRAM SHALL PROVIDE TO THE
27 COMMISSION ANY INFORMATION, DATA, AND ANALYSIS THAT THE COMMISSION
28 REQUIRES.

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

32 (I) (1) AN INVESTOR-OWNED ELECTRIC COMPANY THAT ESTABLISHES
33 AN ELECTRIC SCHOOL BUS PILOT PROGRAM AUTHORIZED BY THIS SECTION SHALL,

1 IN CONSULTATION WITH EACH PARTICIPATING SCHOOL SYSTEM, BY FEBRUARY 1,
 2 ~~2024~~ 2025, AND EACH YEAR THEREAFTER FOR THE DURATION OF THE PILOT
 3 PROGRAM, REPORT ON THE STATUS OF THE PILOT PROGRAM TO THE GOVERNOR,
 4 THE COMMISSION, AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE
 5 GOVERNMENT ARTICLE, THE HOUSE ECONOMIC MATTERS COMMITTEE AND THE
 6 SENATE FINANCE COMMITTEE.

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

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

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

14 1. THE DEPLOYMENT, OPERATION, AND MAINTENANCE
 15 OF THE ELECTRIC SCHOOL BUSES; AND

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

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

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

22 SECTION 2. AND BE IT FURTHER ENACTED, That, with respect to the electric
 23 school bus pilot program under § 7-217 of the Public Utilities Article, as enacted by Section
 24 1 of this Act:

25 (1) the General Assembly encourages ~~electric school bus~~ pilot program
 26 applicants to seek any federal funds that may be available to the applicants, including
 27 funds available under the federal Infrastructure and Investment Jobs Act; and

28 (2) ~~SECTION 3. AND BE IT FURTHER ENACTED, That,~~ where feasible,
 29 the General Assembly encourages ~~electric school bus~~ pilot program applicants to produce
 30 or procure electricity generated by renewable resources to power electric school bus
 31 charging infrastructure.

32 SECTION ~~4~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
 33 June 1, 2022.