

Chapter 570

(House Bill 696)

AN ACT concerning

Public Utilities – Electric School Bus Pilot Program

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

BY adding to

Article – Public Utilities

Section 7–217

Annotated Code of Maryland

(2020 Replacement Volume and 2021 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 THAT 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~~ EXCEED THE COSTS OF PURCHASING AND DEPLOYING DIESEL SCHOOL BUSES.

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

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

(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.

(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.

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

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

(II) 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, 2024;

(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;

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

(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 MAY BRING TO THE INVESTOR-OWNED ELECTRIC COMPANY;

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

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

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

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

(D) A PARTICIPATING SCHOOL SYSTEM SHALL:

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

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

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

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

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

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

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

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

(I) (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, ~~2024~~ 2025, 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, OPERATION, AND MAINTENANCE OF THE ELECTRIC SCHOOL BUSES; AND

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

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

(K) 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, with respect to the electric school bus pilot program under § 7-217 of the Public Utilities Article, as enacted by Section 1 of this Act:

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

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

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

Enacted under Article II, § 17(c) of the Maryland Constitution, May 29, 2022.