



An Exelon Company

## Position Statement

SUPPORT WITH AMENDMENTS  
House Economic Matters  
02/18/2021

### **House Bill 832 – Public Utilities - Electric School Bus Pilot Program**

Baltimore Gas and Electric Company (BGE) strongly supports *House Bill 832 – Public Utilities - Electric School Bus Pilot Program*. House Bill 832 would establish an electric school bus pilot program, administered by the Maryland Public Service Commission (Commission), which would jumpstart the use of electric school buses by providing incentives to offset costs borne by school systems to deploy electric school buses and would also allow the energy stored in school bus batteries to be deployed to meet regional electricity demands when the buses are not in use for transportation needs.

Electric vehicle deployment contributes to many of the state's environmental and transportation goals and deployment on school buses is among the most obvious platforms to advance the technology as these buses are usually located in centralized fleet locations where charging infrastructure can be effectively installed. Secondly, school buses have very defined routes with predictable usage and return to the central location on an established schedule, easing the ability to recharge the onboard batteries. Lastly, school buses are idle much of the time and the energy stored in their batteries can be deployed during times of electricity shortages or other emergencies. This is particularly true during extreme weather events in any season, when the buses likely will not be in use to transport students.

The program to be established by House Bill 832 will enable Investor Owned electric companies to apply to the Commission to implement an electric school bus program which would provide rebates to participating school systems and also would allow the utility to use the energy stored in the school bus batteries when the buses are not in use during potential power outages and certain emergencies.

BGE offers the following three limited enhancements to the Bill in order to allow for broader participation by the State's school districts, and to allow program costs to be appropriately recovered over time:

- 1) Update 7-217(C)(1) such that reference to "PROGRAM COSTS" is revised to "REBATE COSTS." Such change will ensure that the up to \$50,000,000 identified will go to the participating school systems in order to offset their costs for deploying electric school buses, rather than towards appropriate administrative costs that may be required to implement the overall program.
- 2) Update 7-217(D)(1) to add after "MAY RECOVER" and before "ALL REASONABLE" the following: "INCLUDING DURING ITS CURRENT MULTI-YEAR RATE PLAN CYCLE AS ADDITIONAL, INCREMENTAL COSTS INCURRED". This

revision will allow for costs to be recovered closer in time to when they are appropriately incurred.

- 3) Update 7-217(D)(3) such as the reference to “SHALL APPROVE” is revised to “MAY APPROVE.” In some cases, it may be that creating a separate rate schedule will not make financial sense depending on the number of potential customers for that schedule. Changing the wording from “shall” to “may” gives the Commission the necessary discretion to consider a new rate schedule when it makes sense for the utility proposing a program and its existing customers.

The Electric School Bus Pilot program will advance the use of electric vehicles, provide a benefit to participating school systems, and provide for additional electricity to be available to mitigate potential power outages. For these reasons, subject to the two proposed limited enhancements, BGE supports House Bill 832 and requests a favorable committee report.

BGE, headquartered in Baltimore, is Maryland’s largest gas and electric utility, delivering power to more than 1.2 million electric customers and more than 655,000 natural gas customers in central Maryland. The company’s approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation’s leading competitive energy provider.