

7338 Baltimore Ave Suite 102 College Park, MD 20740

Committee: Finance

Testimony on: HB832 – "Public Utilities – Electric School Bus Pilot Program"

Position: Support

Hearing Date: March 30, 2021

The Maryland Chapter of the Sierra Club strongly supports HB832 as amended that would establish an electric school bus pilot program. The ultimate goal of the program is to replace diesel school buses which are less expensive to purchase than electric school buses but are a major source of greenhouse gas and human health-damaging emissions. The innovative program would be funded by an investor-owned electric utility which would, when electric school buses are not in use, be able to access stored energy from bus batteries when energy demand is high.

The transportation sector is Maryland's number one generator of climate-damaging greenhouse gas emissions. Maryland's large fleet of diesel school buses also is a significant source of toxic air pollution, much of which is emitted around young children whose bodies are more susceptible to its health-damaging properties. Diesel exhaust contains more than 40 toxic air contaminants that can cause or worsen diseases such as cancer and asthma. More than 80% of Marylanders live in counties that do not meet federal clean air standards for ozone, due in large part to vehicle tailpipe emissions. Each zero-emission electric bus, over a 12-year period, can eliminate 1,690 tons of carbon dioxide, ten tons of nitrogen oxides, and 350 pounds of diesel particulate matter, compared to a conventional diesel bus.

The electric school bus pilot program proposed in HB832 would be administered by the Public Service Commission (PSC) and would run for a period of three to five years. The program would involve an investor-owned electric company applying to the PSC to implement an electric school bus pilot program that would involve the deployment of at least 25 electric school buses; total rebates paid to participating schools would be limited to \$50,000,000.

The PSC must approve a company's electric school bus pilot program application, the company's selection criteria for choosing school systems to participate in the program, and the company's rate application that would allow it to recover reasonable and prudent program costs.

The rebates that participating school systems would receive from the electric company to purchase electric school buses would be the amount that the costs of purchasing and deploying electric school buses exceed the costs of purchasing and deploying diesel school buses. The rebates also would cover administrative and operating costs incurred by a participating school system in implementing its electric school bus pilot program.

The electric company would provide and install the interconnection equipment and facilities for electric vehicle charging stations, and train school personnel in the proper use of the equipment

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and facilities. The electric company would be able to access stored electricity from the batteries of electric school buses not in use through vehicle to grid technology without compensation to the school system. Being able to access stored electricity would be advantageous to the electric company when there is a power outage or emergency, when energy demand is high, or when renewable energy resources are intermittent.

The bill specifies the electric company would need to begin the electric school bus pilot program on or before October 1, 2023, and provide annual reports thereafter on the costs and benefits of the program to the Governor, the PSC, the House Economic Matters Committee and the Senate Finance Committee.

Electric school buses require less maintenance than standard diesel school buses as they have fewer engine components. Lower maintenance and fuel costs can save school districts money throughout the lifetime of the bus. Electricity that must be generated to charge electric vehicle batteries increasingly is coming from renewable wind and solar power sources, and the percent of clean, renewable energy generated continues to grow. Electric school buses are also much quieter, allowing drivers to communicate more easily with students.

In summary, HB832 proposes an innovative way to help school systems cover the additional upfront cost to purchase electric school buses compared to diesel school buses. It would reduce the climate and health-damaging diesel school bus fumes our children and environment now endure, while providing more electricity to the grid during periods of high energy demand and power outages. We urge the Committee to issue a favorable report on this bill.

Brian Ditzler Transportation Chair Brian.Ditzler@MDSierra.org

Johanna Wermers Transportation Committee JohannaWermers@gmail.com Josh Tulkin Chapter Director Josh.Tulkin@MDSierra.org

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