

[First Reprint]

SENATE, No. 4077

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED NOVEMBER 8, 2021

Sponsored by:

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District 18 (Middlesex)

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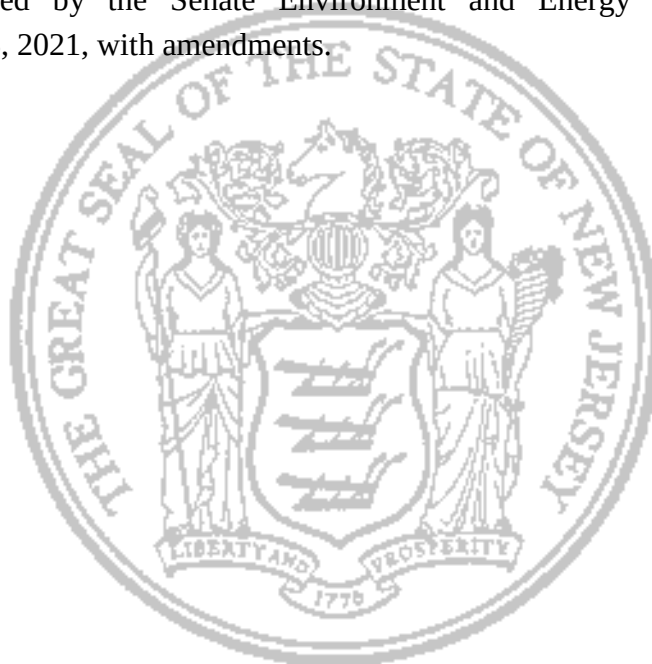
Senators Stack, Ruiz, Cunningham and Bateman

SYNOPSIS

Requires EDA to develop and implement electric school bus pilot program; provides \$15 million per year to EDA to provide grants for this purpose.

CURRENT VERSION OF TEXT

As reported by the Senate Environment and Energy Committee on November 15, 2021, with amendments.



(Sponsorship Updated As Of: 12/2/2021)

1 AN ACT establishing an electric school bus pilot program,
2 supplementing Title 34 of the Revised Statutes, and amending
3 P.L.1999, c.23.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. (New section) a. No later than six months after the
9 effective date of P.L. , c. (C.) (pending before the
10 Legislature as this bill), the New Jersey Economic Development
11 Authority, hereinafter, “authority,” in consultation with the Board
12 of Public Utilities, the Department of Transportation, the
13 Department of Education, the Department of Environmental
14 Protection, and the New Jersey Motor Vehicle Commission, shall
15 develop and implement a three-year “Electric School Bus Pilot
16 Program” to determine the operational reliability and cost
17 effectiveness of replacing diesel-powered school buses with electric
18 school buses for the daily transportation of students.

19 b. On or after the date of implementation of the pilot program
20 developed pursuant to subsection a. of this section, and once each
21 year for the next two years thereafter, the authority, in consultation
22 with the Department of Education and the Department of
23 Environmental Protection, shall select for participation in the pilot
24 program no less than six school districts or school bus contractors
25 that operate school buses, as described in section 1 of P.L.1996,
26 c.96 (C.39:3B-1.1), so that during the third year of the pilot
27 program, no less than a total of 18 school districts or school bus
28 contractors shall have been selected for participation in the pilot
29 program amongst the northern, central, and southern regions of the
30 State. In each year, at least one of the school districts or school bus
31 contractors selected by the authority shall be located in a “low-
32 income, urban, or environmental justice community” as defined in
33 section 2 of P.L.2019, c.362 (C.48:25-2). The authority shall design
34 a transparent outreach and application process to facilitate the
35 selection of school districts and school bus contractors.

36 c. (1) Under the pilot program, the authority shall award grants
37 to school districts or school bus contractors selected to participate
38 in the pilot program to purchase or lease electric school buses and
39 to purchase or lease and install electric school bus charging
40 infrastructure in coordination with any State department, board,
41 bureau, commission, or agency as necessary. Pursuant to any
42 outright purchase or lease arrangement entered into by a school
43 district or school bus contractor participating in the pilot program,
44 an electric school bus and charging infrastructure vendor purchase

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SEN committee amendments adopted November 15, 2021.

1 or lease arrangement shall include, at a minimum, the following:

2 (a) an electric school bus having a minimum range of 110 miles
3 per full charge and an on-board telematics monitoring system with
4 external Internet interface;

5 (b) an electric school bus and charging infrastructure, as
6 appropriate, having “vehicle-to-grid” and “vehicle-to-building”
7 electric vehicle charging capability, and any associated equipment
8 and technology to meet that capability;

9 (c) appropriate training for bus maintenance personnel, bus
10 drivers, and bus inspectors; and

11 (d) electric school bus and charging infrastructure shop manuals
12 and wiring schematics for troubleshooting and a complete list of
13 component parts.

14 (2) Monies for the “Electric School Bus Pilot Program” shall be
15 used by the authority to provide grants, pursuant to this subsection,
16 in the amount of \$15,000,000 per year, for a total of \$45,000,000
17 over the three-year period. The authority may use available monies
18 to provide grants, pursuant to this subsection, singly or in
19 combination, from the following sources: societal benefits charge
20 revenues received pursuant to section 12 of P.L.1999, c.23 (C.48:3-
21 60); the Plug-in Electric Vehicle Incentive Fund established
22 pursuant to section 7 of P.L.2019, c.362 (C.48:25-7); or the “Global
23 Warming Solutions Fund” established pursuant to section 6 of
24 P.L.2007, c.340 (C.26:2C-50).

25 d. The school districts or school bus contractors selected to
26 participate in the pilot program shall submit quarterly reports to the
27 authority detailing the cost to operate the electric school buses,
28 including electric school bus maintenance records and transponder
29 data, and details of any reliability issues related to the operation of
30 the electric school buses.

31 e. (1) The authority shall establish a committee, chaired by a
32 representative of the authority, which also includes a representative
33 of the Board of Public Utilities, the Department of Transportation,
34 the Department of Education, the Department of Environmental
35 Protection, and the New Jersey Motor Vehicle Commission. The
36 committee shall meet monthly to review the quarterly reports and
37 recommend solutions to any issue raised in a quarterly report
38 submitted by a pilot program participant. The authority shall
39 collect any additional information and data necessary to complete
40 any report required to be submitted to the Governor and Legislature
41 pursuant to subsection f. of this section.

42 (2) The committee shall require a recipient of any grant under
43 any State agency-administered program for the provision of an
44 electric school bus and electric school bus charging infrastructure
45 prior to the effective date of P.L. , c. (C.) (pending before
46 the Legislature as this bill) to submit any additional information and
47 data to the committee to compliment any data received by the

1 committee from pilot program participants pursuant to this
2 subsection.

3 f. The authority, in collaboration with the Board of Public
4 Utilities, the Department of Transportation, the Department of
5 Education, the Department of Environmental Protection, and the
6 New Jersey Motor Vehicle Commission, shall publish and submit
7 an “Electric School Bus Pilot Program” report to the Governor and,
8 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the
9 Legislature. The initial report shall be submitted within 14 months
10 after the effective date of P.L. , c. (C.) (pending before the
11 Legislature as this bill) and every eight months thereafter
12 throughout the duration of the pilot program.

13 Each submitted report shall include:

14 (1) a description and comprehensive review of the pilot
15 program, including but not limited to, an evaluation of the pilot
16 program’s effectiveness;

17 (2) a summary description of all grants and loans used for the
18 purchase or lease of electric school buses from any State program,
19 the names of those recipients, the amount of funding each State
20 program recipient received, and the current status of the funds
21 provided to each recipient;

22 (3) an analysis of the data received from each pilot program
23 grantee and the steps taken to fix problems that have been identified
24 by the analysis provided by the grantee;

25 (4) an analysis of the operational reliability and cost
26 effectiveness of the use of electric school buses and charging
27 infrastructure by each grantee;

28 (5) an analysis of the potential environmental benefits of electric
29 school buses and charging infrastructure;

30 (6) any improvements in the design or operation of electric
31 school buses and charging infrastructure that may be needed to
32 make the buses and charging infrastructure safer, more economical
33 or environmentally advantageous;

34 (7) an analysis of the potential costs and benefits of using
35 electric school bus batteries for storing power to be returned to the
36 electric grid or to school buildings during periods of peak electric
37 power demand;

38 (8) a description of the vendor management system and the
39 cross-vendor comparison used to assess reliability and costs
40 between the different vendors supplying electric school buses and
41 charging infrastructure; and

42 (9) an analysis of any additional external changes that the use of
43 electric school buses and charging infrastructure may require
44 regarding electric service rate schedules, school bus inspection
45 standards, or any other major considerations.

46 In addition to the information included pursuant to paragraphs
47 (1) through (9) of this subsection, the final report shall include a
48 recommendation of how to make the pilot program permanent by

1 expanding the program Statewide through the establishment of
2 grant and loan programs to provide assistance to school districts and
3 school bus contractors for the replacement of their bus fleets as
4 school buses come to the end of their legal life cycles.

5 g. The authority, in consultation with the Board of Public
6 Utilities, the Commissioner of Transportation, the Commissioner of
7 Education, the Department of Environmental Protection, and the
8 Chief Administrator of the New Jersey Motor Vehicle Commission
9 shall, pursuant to the "Administrative Procedure Act," P.L.1968,
10 c.410 (C.52:14B-1 et seq.), promulgate rules and regulations to
11 effectuate the purposes of P.L. , c. (C.) (pending before the
12 Legislature as this bill). The rules and regulations shall include, but
13 not be limited to, the collection and reporting of information to the
14 authority, pursuant to subsections d. through f. of this section, as
15 determined by the authority.

16
17 2. Section 12 of P.L.1999, c.23 (C.48:3-60) is amended to read
18 as follows:

19 12. a. Simultaneously with the starting date for the
20 implementation of retail choice as determined by the board pursuant
21 to subsection a. of section 5 of P.L.1999, c.23 (C.48:3-53), the
22 board shall permit each electric public utility and gas public utility
23 to recover some or all of the following costs through a societal
24 benefits charge that shall be collected as a non-bypassable charge
25 imposed on all electric public utility customers and gas public
26 utility customers, as appropriate:

27 (1) The costs for the social programs for which rate recovery
28 was approved by the board prior to April 30, 1997. For the purpose
29 of establishing initial unbundled rates pursuant to section 4 of
30 P.L.1999, c.23 (C.48:3-52), the societal benefits charge shall be set
31 to recover the same level of social program costs as is being
32 collected in the bundled rates of the electric public utility on the
33 effective date of P.L.1999, c.23 (C.48:3-49 et al.). The board may
34 subsequently order, pursuant to its rules and regulations, an increase
35 or decrease in the societal benefits charge to reflect changes in the
36 costs to the utility of administering existing social programs.
37 Nothing in P.L.1999, c.23 (C.48:3-49 et al.) shall be construed to
38 abolish or change any social program required by statute or board
39 order or rule or regulation to be provided by an electric public
40 utility. Any such social program shall continue to be provided by
41 the utility until otherwise provided by law, unless the board
42 determines that it is no longer appropriate for the electric public
43 utility to provide the program, or the board chooses to modify the
44 program;

45 (2) Nuclear plant decommissioning costs;

46 (3) The costs of demand side management programs that were
47 approved by the board pursuant to its demand side management
48 regulations prior to April 30, 1997. For the purpose of establishing

1 initial unbundled rates pursuant to section 4 of P.L.1999, c.23
2 (C.48:3-52), the societal benefits charge shall be set to recover the
3 same level of demand side management program costs as is being
4 collected in the bundled rates of the electric public utility on the
5 effective date of P.L.1999, c.23 (C.48:3-49 et al.). Within four
6 months of the effective date of P.L.1999, c.23 (C.48:3-49 et al.),
7 and every four years thereafter, the board shall initiate a proceeding
8 and cause to be undertaken a comprehensive resource analysis of
9 energy programs, and within eight months of initiating such
10 proceeding and after notice, provision of the opportunity for public
11 comment, and public hearing, the board, in consultation with the
12 Department of Environmental Protection, shall determine the
13 appropriate level of funding for energy efficiency , plug-in electric
14 vehicles and plug-in electric vehicle charging infrastructure, and
15 Class I renewable energy programs that provide environmental
16 benefits above and beyond those provided by standard offer or
17 similar programs in effect as of the effective date of P.L.1999, c.23
18 (C.48:3-49 et al.); provided that the funding for such programs be
19 no less than 50 percent of the total Statewide amount being
20 collected in electric and gas public utility rates for demand side
21 management programs on the effective date of P.L.1999, c.23
22 (C.48:3-49 et al.) for an initial period of four years from the
23 issuance of the first comprehensive resource analysis following the
24 effective date of P.L.1999, c.23 (C.48:3-49 et al.), and provided
25 that 25 percent of this amount shall be used to provide funding for
26 Class I renewable energy projects in the State. In each of the
27 following fifth through eighth years, the Statewide funding for such
28 programs shall be no less than 50 percent of the total Statewide
29 amount being collected in electric and gas public utility rates for
30 demand side management programs on the effective date of
31 P.L.1999, c.23 (C.48:3-49 et al.), except that as additional funds are
32 made available as a result of the expiration of past standard offer or
33 similar commitments, the minimum amount of funding for such
34 programs shall increase by an additional amount equal to 50 percent
35 of the additional funds made available, until the minimum amount
36 of funding dedicated to such programs reaches \$140,000,000 total.
37 After the eighth year the board shall make a determination as to the
38 appropriate level of funding for these programs. Such programs
39 shall include a program to provide financial incentives for the
40 installation of Class I renewable energy projects in the State, and
41 the board, in consultation with the Department of Environmental
42 Protection, shall determine the level and total amount of such
43 incentives as well as the renewable technologies eligible for such
44 incentives which shall include, at a minimum, photovoltaic, wind,
45 and fuel cells. The board shall simultaneously determine, as a result
46 of the comprehensive resource analysis, the programs to be funded
47 by the societal benefits charge, the level of cost recovery and
48 performance incentives for old and new programs and whether the

1 recovery of demand side management programs' costs currently
 2 approved by the board may be reduced or extended over a longer
 3 period of time. The board shall make these determinations taking
 4 into consideration existing market barriers and environmental
 5 benefits, with the objective of transforming markets, capturing lost
 6 opportunities, making energy services more affordable for low
 7 income customers and eliminating subsidies for programs that can
 8 be delivered in the marketplace without electric public utility and
 9 gas public utility customer funding;

10 (4) Manufactured gas plant remediation costs, which shall be
 11 determined initially in a manner consistent with mechanisms in the
 12 remediation adjustment clauses for the electric public utility and gas
 13 public utility adopted by the board; **and**

14 (5) The cost, of consumer education, as determined by the
 15 board, which shall be in an amount that, together with the consumer
 16 education surcharge imposed on electric power supplier license fees
 17 pursuant to subsection h. of section 29 of P.L.1999, c.23 (C.48:3-
 18 78) and the consumer education surcharge imposed on gas supplier
 19 license fees pursuant to subsection g. of section 30 of P.L.1999,
 20 c.23 (C.48:3-79), shall be sufficient to fund the consumer education
 21 program established pursuant to section 36 of P.L.1999, c.23
 22 (C.48:3-85); and

23 (6) No later than six months after the effective date of P.L. ,
 24 c. (C.) (pending before the Legislature as this bill), a portion
 25 of the costs of the "Electric School Bus Pilot Program"
 26 administered by the New Jersey Economic Development Authority,
 27 for the purposes provided in section 1 of P.L. , c. (C.)
 28 (pending before the Legislature as this bill).

29 b. There is established in the Board of Public Utilities a
 30 nonlapsing fund to be known as the "Universal Service Fund." The
 31 board shall determine: the level of funding and the appropriate
 32 administration of the fund; the purposes and programs to be funded
 33 with monies from the fund; which social programs shall be provided
 34 by an electric public utility as part of the provision of its regulated
 35 services which provide a public benefit; whether the funds
 36 appropriated to fund the "Lifeline Credit Program" established
 37 pursuant to P.L.1979, c.197 (C.48:2-29.15 et seq.), the "Tenants'
 38 Lifeline Assistance Program" established pursuant to P.L.1981,
 39 c.210 **[(C.48:2-29.31 et seq.)]** (C.48:2-29.30 et seq.), the funds
 40 received pursuant to the Low Income Home Energy Assistance
 41 Program established pursuant to 42 U.S.C. s.8621 et seq., and funds
 42 collected by electric and **[natural]** gas public utilities, as authorized
 43 by the board, to offset uncollectible electricity and natural gas bills
 44 should be deposited in the fund; and whether new charges should be
 45 imposed to fund new or expanded social programs.

46 (cf: P.L.2019, c.362, s.13)

47

48 ^{13.} This act shall take effect immediately.¹