

[Second Reprint]

SENATE, No. 4077

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED NOVEMBER 8, 2021

Sponsored by:

Senator PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Co-Sponsored by:

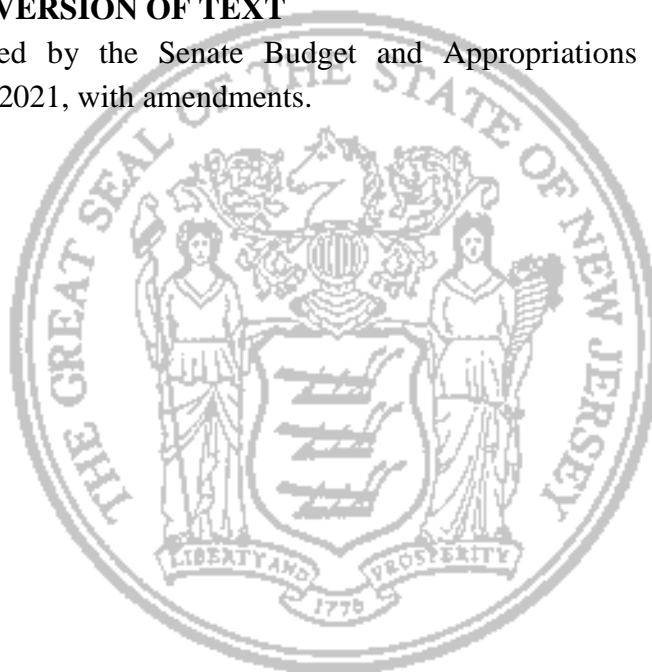
Senators Stack, Ruiz, Cunningham, Bateman, Lagana and Gopal

SYNOPSIS

Requires DEP to develop and implement electric school bus program; provides for \$15 million in first year and \$15 million annually in subsequent two years to DEP, subject to availability, to provide grants.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on December 6, 2021, with amendments.



(Sponsorship Updated As Of: 12/20/2021)

1 AN ACT establishing an electric school bus ²[pilot]² program,
 2 supplementing Title ²[34] 26² of the Revised Statutes, and
 3 amending 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 ²[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, the² Department of Environmental
 14 Protection²], and the New Jersey Motor Vehicle Commission,²
 15 shall ²[develop and]² implement a three-year “Electric School Bus
 16 ²[Pilot]² 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 ²[pilot]²
 20 program developed pursuant to subsection a. of this section, and
 21 once each year for the next two years thereafter, ²[the authority, in
 22 consultation with the Department of Education and]² the
 23 Department of Environmental Protection²],² shall select for
 24 participation in the ²[pilot]² program no less than six school
 25 districts ²[or] and² school bus contractors that operate school
 26 buses, as described in section 1 of P.L.1996, c.96 (C.39:3B-1.1), so
 27 that during the third year of the ²[pilot]² program, no less than a
 28 total of 18 school districts ²[or] and² school bus contractors shall
 29 have been selected for participation in the ²[pilot]² program
 30 amongst the northern, central, and southern regions of the State.
 31 ²The department shall choose school districts and school bus
 32 contractors to participate in the program based on a competitive
 33 grant solicitation.

34 In each year, the department shall use its best efforts to select a
 35 mix of school districts that operate their own bus fleets and school
 36 districts that contract for school bus services. Any school bus
 37 contractor applying to participate in the program shall apply in
 38 conjunction with a specific school district.² In each year, at least
 39 ²[one] half² of the school districts or school bus contractors
 40 selected by the ²[authority] department, and at least half of the
 41 grant funding awarded by the department in each year² shall be
 42 located in a “low-income, urban, or environmental justice
 43 community” as defined in section 2 of P.L.2019, c.362 (C.48:25-2)

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.

²Senate SBA committee amendments adopted December 6, 2021.

1 ²and from those selected, the department shall use its best efforts, in
2 each year, to select, an equal number of grantees from the northern,
3 central, and southern regions of the State respectively, subject to
4 deviation based on the applicant pool. Grants shall be awarded in a
5 manner that both prioritizes equity and tests a variety of
6 technological and funding approaches, including but not limited to
7 outright purchase, leased buses, leveraging of other funding
8 sources, and vehicle-to-grid or vehicle-to-building technologies.²

9 ²**【The authority shall design a transparent outreach and application**
10 **process to facilitate the selection of school districts and school bus**
11 **contractors.】**

12 For purposes of this subsection: “northern,” when referring to
13 region of the State, means the counties of Bergen, Essex, Hudson,
14 Morris, Passaic, Union, Sussex, and Warren; “central,” when
15 referring to regions of the State, means the counties of Hunterdon,
16 Mercer, Middlesex, Monmouth, and Somerset; and “southern,”
17 when referring to regions of the State, means the counties of
18 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,
19 Ocean, and Salem.²

20 c. (1) Under the ²**【pilot】²** program, the ²**【authority】**
21 department² shall award grants to school districts or school bus
22 contractors selected to participate in the ²**【pilot】²** program to
23 purchase or lease electric school buses and to purchase or lease and
24 install electric school bus charging infrastructure in coordination
25 with any State department, board, bureau, commission, or agency as
26 necessary. Pursuant to any outright purchase or lease arrangement
27 entered into by a school district or school bus contractor
28 participating in the ²**【pilot】²** program, an electric school bus and
29 charging infrastructure vendor purchase or lease arrangement shall
30 include, at a minimum, the following:

31 (a) an electric school bus having a minimum range of ²**【110】**
32 90² miles per full charge ²【and an on-board telematics monitoring
33 system with external Internet interface】, or 30 percent more range
34 per full charge than the daily maximum miles used by the school
35 district or school bus contractor, whichever is greater²;

36 (b) an electric school bus and charging infrastructure, as
37 appropriate ²**【**, having “vehicle-to-grid” and “vehicle-to-building”
38 electric vehicle charging capability, and any associated equipment
39 and technology to meet that capability²;

40 (c) appropriate training for bus maintenance personnel²**【,** ²**】** and²
41 bus drivers, and ²**【bus inspectors】²** other relevant personnel; and

42 (d) electric school bus and charging infrastructure shop manuals
43 and wiring schematics for troubleshooting and a complete list of
44 component parts.

45 (2) Monies for the “Electric School Bus ²**【Pilot】²** Program”
46 shall be used by the ²**【authority】** Department of Environmental

1 Protection² to provide grants, pursuant to this subsection, ²over the
2 three-year period. In the first year, grants shall be provided in
3 accordance with this act² in the amount of \$15,000,000 ²[per year,]
4 for electrification. Subject to the availability of funds, grants shall
5 continue to be provided in accordance with this act in the amount of
6 \$15,000,000 per year² for a total of \$45,000,000 over the three-year
7 period. The ²[authority] department² may use available monies to
8 provide grants, pursuant to this subsection, singly or in
9 combination, from the following sources: societal benefits charge
10 revenues received pursuant to section 12 of P.L.1999, c.23 (C.48:3-
11 60); ²[the Plug-in Electric Vehicle Incentive Fund established
12 pursuant to section 7 of P.L.2019, c.362 (C.48:25-7);]² or the
13 “Global Warming Solutions Fund” established pursuant to section 6
14 of P.L.2007, c.340 (C.26:2C-50)²; any appropriations made by the
15 Legislature for the program established pursuant to
16 P.L. , c. (C.) (pending before the Legislature as this bill) or
17 any other sources of available funding². ²Up to five percent of the
18 monies made available to the program may be used to administer
19 the²[pilot]² program.

20 The department shall determine the amount of each grant
21 provided pursuant to this subsection after consulting with
22 government and education stakeholders and non-profit policy
23 experts and shall award grants in a manner that provides for the
24 most efficient and highest efficacy use of the grant.

25 The department shall also collect data from on-board telematics
26 monitoring systems in order to evaluate parameters such as idle
27 time, driving time, energy consumption, and frequency of charging.
28 All electric school buses deployed by grant recipients shall have
29 telematic system capabilities.²

30 d. ²[The] At least once every six months, the² school districts
31 or school bus contractors selected to participate in the ²[pilot]²
32 program shall submit ²[quarterly reports] a report² to the
33 ²[authority] department² detailing the cost to operate the electric
34 school buses, including electric school bus maintenance records and
35 transponder data, and details of any reliability issues related to the
36 operation of the electric school buses. ²The first report shall be
37 submitted six months after the school district or school bus
38 contractor first begins operating electric school buses.²

39 e. (1) The ²[authority] department² shall establish a
40 committee, chaired by a representative of the ²[authority]
41 department², which also includes a representative of the Board of
42 Public Utilities ²[, the Department of Transportation, the
43 Department of Education, the Department of Environmental
44 Protection, and the New Jersey Motor Vehicle Commission] and
45 the Economic Development Authority². The committee shall meet
46 ²[monthly] at least monthly² to review the ²[quarterly]² reports ²,

1 troubleshoot,² and recommend solutions to any issue raised in a
2 ²**[quarterly]**² report submitted by a ²**[pilot]**² program participant
3 or other issues regarding the program. Twice per year the
4 committee shall meet and consult with the Department of
5 Education, the Department of Transportation and the New Jersey
6 Motor Vehicle Commission.² The ²**[authority]** department² shall
7 collect any additional information and data necessary to complete
8 any report required to be submitted to the Governor and Legislature
9 pursuant to subsection f. of this section.

10 (2) The committee shall ²**[require]** permit² a recipient of any
11 grant under any State agency-administered program for the
12 provision of an electric school bus and electric school bus charging
13 infrastructure prior to the effective date of P.L. , c. (C.)
14 (pending before the Legislature as this bill) to submit any additional
15 information and data to the committee to compliment any data
16 received by the committee from pilot program participants pursuant
17 to this subsection.

18 f. The ²**[authority]** department², in collaboration with the
19 Board of Public Utilities²**[**, the Department of Transportation, the
20 Department of Education, the Department of Environmental
21 Protection, and the New Jersey Motor Vehicle Commission,**]** and
22 the New Jersey Economic Development Authority² shall ²**[publish**
23 **and]**² submit an “Electric School Bus ²**[Pilot]**² Program” report to
24 the Governor and, pursuant to section 2 of P.L.1991, c.164
25 (C.52:14-19.1), to the Legislature. The ²**[initial]**² report shall be
26 submitted within ²**[14]** 6² months after the ²**[effective date of**
27 P.L. , c. (C.) (pending before the Legislature as this bill)
28 and every eight months thereafter throughout the duration of the
29 pilot] conclusion of the² program.

30 ²**[Each]** The department may use available monies, singly or in
31 combination from the following sources, to procure professional
32 services to assist with the development of the report: societal
33 benefits charge revenues received pursuant to section 12 of
34 P.L.1999, c.23 (C.48:3-60); the Plug-in Electric Vehicle Incentive
35 Fund established pursuant to section 7 of P.L.2019, c.362 (C.48:25-
36 7); or the “Global Warming Solutions Fund” established pursuant to
37 section 6 of P.L.2007, c.340 (C.26:2C-50).

38 The² submitted report shall include:

39 (1) a description and comprehensive review of the ²**[pilot]**²
40 program, including but not limited to, an evaluation of the ²**[pilot]**²
41 program’s effectiveness;

42 (2) a summary description of all grants ²**[and loans used for the**
43 **purchase or lease of electric school buses from any State]** provided
44 under the² program, ²**[including]**² the names of ²**[those]** the²
45 recipients, the amount of funding each ²**[State program]**² recipient
46 received, ²**[and]**² the current status of the funds provided to each

1 recipient², and an itemization of the total project budget including
2 vehicle costs, hardware costs, installation costs, training costs, and
3 administrative costs²;

4 (3) ²**[**an analysis of the data received from each pilot program
5 grantee and the steps taken to fix problems that have been identified
6 by the analysis provided by the grantee;

7 (4)² an analysis of the operational reliability and cost
8 effectiveness of the use of electric school buses and charging
9 infrastructure by each grantee ²and steps taken by the grantee to fix
10 any operational problems²;

11 ²**[(5)]** (4)² an ²**[**analysis of the potential environmental]
12 estimate of the emission² benefits of ²the² electric school buses and
13 charging infrastructure ²funded under this program²;

14 ²**[(6)]** (5)² any ²**[**improvements in the] preliminary findings
15 from grant recipients pertaining to² design or operation of electric
16 school buses and charging infrastructure ²**[**that may be needed] and
17 potential improvements² to make the buses and charging
18 infrastructure safer, more economical or environmentally
19 advantageous;

20 ²**[(7)]** (6) as applicable, depending on deployment of grant
21 recipients,² an analysis of the potential costs and benefits of using
22 electric school bus batteries for storing power to be returned to the
23 electric grid or to school buildings during periods of peak electric
24 power demand;

25 ²**[(8)]** a description of the vendor management system and the
26 cross-vendor comparison used to assess] (7) an assessment of²
27 reliability ²**[**and costs between the different vendors supplying] of²
28 electric school buses and charging infrastructure; and

29 (9)² (8)² an analysis of any additional external changes that
30 the use of electric school buses and charging infrastructure may
31 require regarding electric service rate schedules, school bus
32 inspection standards, or any other major considerations.

33 In addition to the information included pursuant to paragraphs
34 (1) through ²**[(9)]** (8)² of this subsection, the final report shall
35 include ²**[**a recommendation of how to make the pilot program
36 permanent by expanding the program Statewide through the]
37 recommendations regarding the² establishment of grant and loan
38 programs to provide assistance to school districts and school bus
39 contractors for the replacement of their bus fleets ²**[**as school buses
40 come to the end of their legal life cycles] and on optimization of
41 electric school bus grant programs to most efficiently and
42 effectively distribute available funds to maximize environmental
43 and health benefits².

44 ²**[**g. The authority, in consultation with the Board of Public
45 Utilities, the Commissioner of Transportation, the Commissioner of

1 Education, the Department of Environmental Protection, and the
2 Chief Administrator of the New Jersey Motor Vehicle Commission
3 shall, pursuant to the “Administrative Procedure Act,” P.L.1968,
4 c.410 (C.52:14B-1 et seq.), promulgate rules and regulations to
5 effectuate the purposes of P.L. , c. (C.) (pending before the
6 Legislature as this bill). The rules and regulations shall include, but
7 not be limited to, the collection and reporting of information to the
8 authority, pursuant to subsections d. through f. of this section, as
9 determined by the authority.】 The final report shall also include
10 recommendations for how additional funding may be distributed in
11 the most efficient and effective manner to maximize the number of
12 electric school buses operating in the State.²

13

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

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

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

42 (2) Nuclear plant decommissioning costs;

43 (3) The costs of demand side management programs that were
44 approved by the board pursuant to its demand side management
45 regulations prior to April 30, 1997. For the purpose of establishing
46 initial unbundled rates pursuant to section 4 of P.L.1999, c.23
47 (C.48:3-52), the societal benefits charge shall be set to recover the
48 same level of demand side management program costs as is being

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

1 into consideration existing market barriers and environmental
 2 benefits, with the objective of transforming markets, capturing lost
 3 opportunities, making energy services more affordable for low
 4 income customers and eliminating subsidies for programs that can
 5 be delivered in the marketplace without electric public utility and
 6 gas public utility customer funding;

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

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

20 (6) No later than six months after the effective date of P.L. _____,
 21 c. (C. _____) (pending before the Legislature as this bill), a portion
 22 of the costs of the "Electric School Bus ²**[Pilot]**² Program"
 23 administered by the ²**[New Jersey Economic Development**
 24 Authority] Department of Environmental Protection², for the
 25 purposes provided in section 1 of P.L. _____, c. (C. _____) (pending
 26 before the Legislature as this bill).

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

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

45

46 ¹3. This act shall take effect immediately.¹