

SENATE, No. 1819

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 24, 2020

Sponsored by:

Senator PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Co-Sponsored by:

Senators Turner, Cunningham, Weinberg, Stack, Cruz-Perez and Ruiz

SYNOPSIS

Directs BPU to develop and implement electric school bus pilot program.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 11/8/2021)

1 AN ACT establishing an electric school bus pilot program,
2 supplementing Title 48 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 Board of Public Utilities, in
11 consultation with the Department of Transportation, the Department
12 of Education, and the New Jersey Motor Vehicle Commission, shall
13 develop and implement a three-year “Electric School Bus Pilot
14 Program” to determine the operational reliability and cost
15 effectiveness of replacing diesel-powered school buses with electric
16 school buses for daily transportation of students.

17 b. The Board of Public Utilities shall select for participation in
18 the pilot program no less than one school district in each of the
19 northern, central, and southern regions of the State.

20 c. Under the pilot program, the Board of Public Utilities shall
21 award grants to school districts selected to participate in the pilot
22 program to purchase electric school buses and to purchase and
23 install electric school bus charging infrastructure in coordination
24 with school bus contractors and any State department, board,
25 bureau, commission, or agency as necessary. Monies from the
26 societal benefits charge revenues collected by the Board of Public
27 Utilities for the “Electric School Bus Pilot Program,” pursuant to
28 section 12 of P.L.1999, c.23 (C.48:3-60), shall be used to provide
29 grants pursuant to this subsection, not to exceed \$10,000,000 over
30 the three-year period.

31 d. The school districts selected to participate in the pilot
32 program shall submit reports periodically, as determined by the
33 Board of Public Utilities, detailing the cost to operate the electric
34 school buses and any reliability issues related to the operation of the
35 electric school buses. The Board of Public Utilities shall collect
36 any additional information and data necessary to complete the
37 report required to be submitted to the Governor and Legislature
38 pursuant to subsection e. of this section.

39 e. The Board of Public Utilities shall submit an “Electric
40 School Bus Pilot Program” report to the Governor and, pursuant to
41 section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature no
42 later than six months after the completion of the three-year pilot
43 program. The report shall include, but not be limited to:

44 (1) a description and comprehensive review of the pilot
45 program, including but not limited to, an evaluation of the pilot

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.

1 program's effectiveness, and a discussion of continuing the pilot
2 program and expanding it to other school districts in the State;

3 (2) an analysis of the operational reliability and cost
4 effectiveness of the use of electric school buses compared to diesel-
5 powered school buses;

6 (3) an analysis of the cost to operate, maintain, and power
7 electric school buses compared to diesel-powered school buses;

8 (4) an analysis of the potential environmental benefits of
9 replacing diesel-powered school buses with electric school buses;
10 and

11 (5) any additional information the board determines necessary to
12 evaluate the future implementation of electric school buses and
13 electric school bus charging infrastructure in the State.

14 f. The Board of Public Utilities, the Commissioner of
15 Transportation, the Commissioner of Education, and the Chief
16 Administrator of the New Jersey Motor Vehicle Commission shall,
17 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
18 (C.52:14B-1 et seq.), promulgate rules and regulations to effectuate
19 the purposes of P.L. , c. (C.) (pending before the
20 Legislature as this bill).

21
22 2. Section 12 of P.L.1999, c.23 (C.48:3-60) is amended to read
23 as follows:

24 12. a. Simultaneously with the starting date for the
25 implementation of retail choice as determined by the board pursuant
26 to subsection a. of section 5 of **[this act]** P.L.1999, c.23 (C.48:3-
27 53) and consistent with the provisions of P.L. , c. (C.)
28 (pending before the Legislature as this bill), the board shall permit
29 each electric public utility and gas public utility to recover some or
30 all of the following costs through a societal benefits charge that
31 shall be collected as a non-bypassable charge imposed on all
32 electric public utility customers and gas public utility customers, as
33 appropriate:

34 (1) The costs for the social programs for which rate recovery
35 was approved by the board prior to April 30, 1997. For the purpose
36 of establishing initial unbundled rates pursuant to section 4 of **[this**
37 **act]** P.L.1999, c.23 (C.48:3-52), the societal benefits charge shall
38 be set to recover the same level of social program costs as is being
39 collected in the bundled rates of the electric public utility on the
40 effective date of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.). The
41 board may subsequently order, pursuant to its rules and regulations,
42 an increase or decrease in the societal benefits charge to reflect
43 changes in the costs to the utility of administering existing social
44 programs. Nothing in **[this act]** P.L.1999, c.23 (C.48:3-49 et al.)
45 shall be construed to abolish or change any social program required
46 by statute or board order or rule or regulation to be provided by an
47 electric public utility. Any such social program shall continue to be

1 provided by the utility until otherwise provided by law, unless the
2 board determines that it is no longer appropriate for the electric
3 public utility to provide the program, or the board chooses to
4 modify the program;

5 (2) Nuclear plant decommissioning costs;

6 (3) The costs of demand side management programs that were
7 approved by the board pursuant to its demand side management
8 regulations prior to April 30, 1997. For the purpose of establishing
9 initial unbundled rates pursuant to section 4 of **[this act]** P.L.1999,
10 c.23 (C.48:3-52), the societal benefits charge shall be set to recover
11 the same level of demand side management program costs as is
12 being collected in the bundled rates of the electric public utility on
13 the effective date of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.).

14 Within four months of the effective date of **[this act]** P.L.1999,
15 c.23 (C.48:3-49 et al.), and every four years thereafter, the board
16 shall initiate a proceeding and cause to be undertaken a
17 comprehensive resource analysis of energy programs, and within
18 eight months of initiating such proceeding and after notice,
19 provision of the opportunity for public comment, and public
20 hearing, the board, in consultation with the Department of
21 Environmental Protection, shall determine the appropriate level of
22 funding for energy efficiency and Class I renewable energy
23 programs that provide environmental benefits above and beyond
24 those provided by standard offer or similar programs in effect as of
25 the effective date of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.);

26 provided that the funding for such programs be no less than **[50%]**
27 50 percent of the total Statewide amount being collected in **[public]**
28 electric and gas public utility rates for demand side management
29 programs on the effective date of **[this act]** P.L.1999, c.23 (C.48:3-
30 49 et al.) for an initial period of four years from the issuance of the
31 first comprehensive resource analysis following the effective date
32 of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.), and provided that

33 **[25%]** 25 percent of this amount shall be used to provide funding
34 for Class I renewable energy projects in the State. In each of the
35 following fifth through eighth years, the Statewide funding for such
36 programs shall be no less than 50 percent of the total Statewide
37 amount being collected in **[public]** electric and gas public utility
38 rates for demand side management programs on the effective date
39 of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.), except that as
40 additional funds are made available as a result of the expiration of
41 past standard offer or similar commitments, the minimum amount
42 of funding for such programs shall increase by an additional amount
43 equal to 50 percent of the additional funds made available, until the
44 minimum amount of funding dedicated to such programs reaches
45 \$140,000,000 total. After the eighth year, the board shall make a
46 determination as to the appropriate level of funding for these
47 programs. Such programs shall include a program to provide

1 financial incentives for the installation of Class I renewable energy
2 projects in the State, and the board, in consultation with the
3 Department of Environmental Protection, shall determine the level
4 and total amount of such incentives as well as the renewable
5 technologies eligible for such incentives which shall include, at a
6 minimum, photovoltaic, wind, and fuel cells. The board shall
7 simultaneously determine, as a result of the comprehensive resource
8 analysis, the programs to be funded by the societal benefits charge,
9 the level of cost recovery and performance incentives for old and
10 new programs and whether the recovery of demand side
11 management programs' costs currently approved by the board may
12 be reduced or extended over a longer period of time. The board
13 shall make these determinations taking into consideration existing
14 market barriers and environmental benefits, with the objective of
15 transforming markets, capturing lost opportunities, making energy
16 services more affordable for low income customers and eliminating
17 subsidies for programs that can be delivered in the marketplace
18 without electric public utility and gas public utility customer
19 funding;

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

24 (5) The cost, of consumer education, as determined by the
25 board, which shall be in an amount that, together with the consumer
26 education surcharge imposed on electric power supplier license fees
27 pursuant to subsection h. of section 29 of **[this act]** P.L.1999, c.23
28 (C.48:3-78) and the consumer education surcharge imposed on gas
29 supplier license fees pursuant to subsection g. of section 30 of **[this**
30 **act]** P.L.1999, c.23 (C.48:3-79), shall be sufficient to fund the
31 consumer education program established pursuant to section 36 of
32 **[this act]** P.L.1999, c.23 (C.48:3-85); and

33 (6) The costs of the "Electric School Bus Pilot Program," of an
34 amount not to exceed \$10,000,000 for the purposes provided in
35 section 1 of P.L. , c. (C.) (pending before the Legislature
36 as this bill.

37 b. There is established in the Board of Public Utilities a
38 nonlapsing fund to be known as the "Universal Service Fund." The
39 board shall determine: the level of funding and the appropriate
40 administration of the fund; the purposes and programs to be funded
41 with monies from the fund; which social programs shall be provided
42 by an electric public utility as part of the provision of its regulated
43 services which provide a public benefit; whether the funds
44 appropriated to fund the "Lifeline Credit Program" established
45 pursuant to P.L.1979, c.197 (C.48:2-29.15 et seq.), the "Tenants'
46 Lifeline Assistance Program" established pursuant to P.L.1981,
47 c.210 **[(C.48:2-29.31 et seq.)]** (C.48:2-29.30 et seq.), the funds

1 received pursuant to the Low Income Home Energy Assistance
2 Program established pursuant to 42 U.S.C. s. 8621 et seq., and
3 funds collected by electric and **【natural】** gas public utilities, as
4 authorized by the board, to offset uncollectible **【electricity】** electric
5 and natural gas bills should be deposited in the fund; and whether
6 new charges should be imposed to fund new or expanded social
7 programs.

8 (cf: P.L.1999, c.23, s.12)

9
10 3. This act shall take effect immediately and shall expire upon
11 the submission of the “Electric School Bus Pilot Program” report
12 required to be submitted pursuant to subsection e. of section 1 of
13 this act.

14 15 16 STATEMENT

17
18 This bill requires the Board of Public Utilities (BPU), in
19 consultation with the Department of Transportation, Department of
20 Education, and New Jersey Motor Vehicle Commission, to develop
21 and implement, no later than six months after the bill’s effective date,
22 a three-year “Electric School Bus Pilot Program” (pilot program). The
23 purpose of the pilot program is to determine the operational reliability
24 and cost effectiveness of replacing diesel-powered school buses with
25 electric school buses for daily transportation of students.

26 The bill requires the BPU to select at least three school districts for
27 participation in the pilot program: one from the northern region of the
28 State; one from the central region of the State; and one from the
29 southern region of the State.

30 Under the bill, the BPU would award grants up to \$10 million total
31 from revenues of the societal benefits charge to school districts
32 selected to participate in the pilot program to purchase electric school
33 buses and to purchase and install electric school bus charging
34 infrastructure in coordination with school bus contractors and any
35 State department, board, bureau, commission, or agency as necessary.

36 The bill requires the school districts selected to participate in the
37 pilot program to submit periodic reports to the BPU detailing the cost
38 to operate electric school buses and any reliability issues related to the
39 operation of the buses. Lastly, the bill requires the BPU to submit a
40 report with certain information to the Governor and Legislature no
41 later than six months after the completion of the pilot program.