

[First Reprint]

ASSEMBLY, No. 1971

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

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District 18 (Middlesex)

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District 7 (Burlington)

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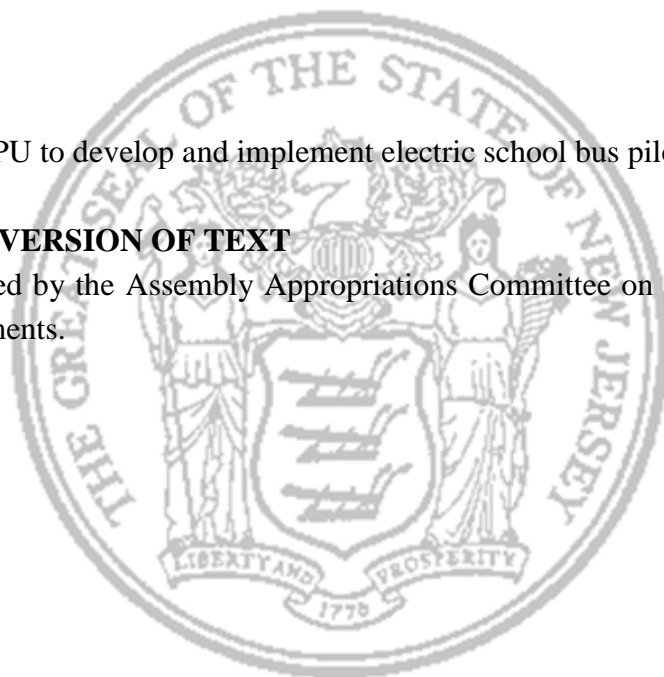
Assemblymen Benson, Zwicker, Assemblywomen Timberlake, Reynolds-Jackson, Vainieri Huttie, Assemblyman Giblin, Assemblywoman Chaparro, Assemblyman Kennedy, Assemblywoman Lampitt, Assemblymen Johnson, Chiaravalloti, McKeon, Assemblywoman McKnight, Assemblymen Moen, Freiman, Tully, Calabrese, Assemblywomen Downey and Swain

SYNOPSIS

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

CURRENT VERSION OF TEXT

As reported by the Assembly Appropriations Committee on June 16, 2021, with amendments.



(Sponsorship Updated As Of: 6/21/2021)

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 effective
 9 date of P.L. , c. (C.) (pending before the Legislature as this
 10 bill), the Board of Public Utilities, in consultation with the Department
 11 of Transportation, the Department of Education, and the New Jersey
 12 Motor Vehicle Commission, shall develop and implement a three-year
 13 “Electric School Bus Pilot Program” to determine the operational
 14 reliability and cost effectiveness of replacing diesel-powered school
 15 buses with electric school buses for daily transportation of students.

16 b. The Board of Public Utilities shall select for participation in the
 17 pilot program no less than one school district ¹or school bus contractor
 18 that operates school buses, as described in section 1 of P.L.1996, c.96
 19 (C.39:3B-1.1),¹ in each of the northern, central, and southern regions
 20 of the State. ¹At least one of the school districts or school bus
 21 contractors selected by the Board of Public Utilities shall be located in
 22 a “low-income, urban, or environmental justice community” as defined
 23 in section 2 of P.L.2019, c.362 (C.48:25-2).¹

24 c. ¹(1)¹ Under the pilot program, the Board of Public Utilities
 25 shall award grants to school districts ¹or school bus contractors¹
 26 selected to participate in the pilot program to purchase electric school
 27 buses and to purchase and install electric school bus charging
 28 infrastructure in coordination with ¹**【school bus contractors and】¹** any
 29 State department, board, bureau, commission, or agency as necessary.

30 ¹(2)¹ Monies ¹**【from the societal benefits charge revenues**
 31 **collected by the Board of Public Utilities】¹** for the “Electric School
 32 Bus Pilot ¹**【Program,”** pursuant to section 12 of P.L.1999, c.23
 33 **(C.48:3-60),¹】** Program” shall be used ¹by the Board of Public
 34 Utilities¹ to provide grants pursuant to this subsection, not to exceed
 35 \$10,000,000 over the three-year period. ¹The Board of Public Utilities
 36 may use available monies to provide grants, pursuant to this
 37 subsection, singly or in combination, from the following sources:
 38 societal benefits charge revenues received pursuant to section 12 of
 39 P.L.1999, c.23 (C.48:3-60); the Plug-in Electric Vehicle Incentive
 40 Fund established pursuant to section 7 of P.L.2019, c.362 (C.48:25-
 41 7); or the Volkswagen Mitigation Trust Fund established to accept
 42 monies received by the State from any settlement between the
 43 United States Environmental Protection Agency and Volkswagen of

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:

¹Assembly AAP committee amendments adopted June 16, 2021.

1 America, Inc. or any other appropriate division of the Volkswagen
2 company operating worldwide.¹

3 d. The school districts ¹or school bus contractors¹ selected to
4 participate in the pilot program shall submit reports periodically, as
5 determined by the Board of Public Utilities, detailing the cost to
6 operate the electric school buses and any reliability issues related to
7 the operation of the electric school buses. The Board of Public Utilities
8 shall collect any additional information and data necessary to complete
9 the report required to be submitted to the Governor and Legislature
10 pursuant to subsection e. of this section.

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

16 (1) a description and comprehensive review of the pilot program,
17 including but not limited to, an evaluation of the pilot program’s
18 effectiveness, and a discussion of continuing the pilot program and
19 expanding it to other school districts ¹and school bus contractors¹ in
20 the State;

21 (2) an analysis of the operational reliability and cost effectiveness
22 of the use of electric school buses compared to diesel-powered school
23 buses;

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

26 (4) an analysis of the potential environmental benefits of replacing
27 diesel-powered school buses with electric school buses;

28 ¹(5) an analysis of the use of any State grants, awarded prior to the
29 enactment of P.L. , c. (C.) (pending before the Legislature as
30 this bill), towards any program established to promote the use of
31 electric buses;¹ and

32 ¹**[(5)]** ¹(6)¹ any additional information the board determines
33 necessary to evaluate the future implementation of electric school
34 buses and electric school bus charging infrastructure in the State.

35 f. The Board of Public Utilities, the Commissioner of
36 Transportation, the Commissioner of Education, and the Chief
37 Administrator of the New Jersey Motor Vehicle Commission shall,
38 pursuant to the “Administrative Procedure Act,” P.L.1968, c.410
39 (C.52:14B-1 et seq.), promulgate rules and regulations to effectuate the
40 purposes of P.L. , c. (C.) (pending before the Legislature as
41 this bill). ¹The rules and regulations shall include, but not be limited
42 to, the collection and reporting of technical information to the Board of
43 Public Utilities concerning subsection d. of this section, as determined
44 by the board.¹

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

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

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

29 (2) Nuclear plant decommissioning costs;

30 (3) The costs of demand side management programs that were
31 approved by the board pursuant to its demand side management
32 regulations prior to April 30, 1997. For the purpose of establishing
33 initial unbundled rates pursuant to section 4 of P.L.1999, c.23
34 (C.48:3-52), the societal benefits charge shall be set to recover the
35 same level of demand side management program costs as is being
36 collected in the bundled rates of the electric public utility on the
37 effective date of P.L.1999, c.23 (C.48:3-49 et al.). Within four
38 months of the effective date of P.L.1999, c.23 (C.48:3-49 et al.),
39 and every four years thereafter, the board shall initiate a proceeding
40 and cause to be undertaken a comprehensive resource analysis of
41 energy programs, and within eight months of initiating such
42 proceeding and after notice, provision of the opportunity for public
43 comment, and public hearing, the board, in consultation with the
44 Department of Environmental Protection, shall determine the
45 appropriate level of funding for energy efficiency, plug-in electric
46 vehicles and plug-in electric vehicle charging infrastructure, and
47 Class I renewable energy programs that provide environmental
48 benefits above and beyond those provided by standard offer or

1 similar programs in effect as of the effective date of P.L.1999, c.23
2 (C.48:3-49 et al.); provided that the funding for such programs be
3 no less than 50 percent of the total Statewide amount being
4 collected in electric and gas public utility rates for demand side
5 management programs on the effective date of P.L.1999, c.23
6 (C.48:3-49 et al.) for an initial period of four years from the
7 issuance of the first comprehensive resource analysis following the
8 effective date of P.L.1999, c.23 (C.48:3-49 et al.), and provided
9 that 25 percent of this amount shall be used to provide funding for
10 Class I renewable energy projects in the State. In each of the
11 following fifth through eighth years, the Statewide funding for such
12 programs shall be no less than 50 percent of the total Statewide
13 amount being collected in electric and gas public utility rates for
14 demand side management programs on the effective date of
15 P.L.1999, c.23 (C.48:3-49 et al.), except that as additional funds are
16 made available as a result of the expiration of past standard offer or
17 similar commitments, the minimum amount of funding for such
18 programs shall increase by an additional amount equal to 50 percent
19 of the additional funds made available, until the minimum amount
20 of funding dedicated to such programs reaches \$140,000,000 total.
21 After the eighth year the board shall make a determination as to the
22 appropriate level of funding for these programs. Such programs
23 shall include a program to provide financial incentives for the
24 installation of Class I renewable energy projects in the State, and
25 the board, in consultation with the Department of Environmental
26 Protection, shall determine the level and total amount of such
27 incentives as well as the renewable technologies eligible for such
28 incentives which shall include, at a minimum, photovoltaic, wind,
29 and fuel cells. The board shall simultaneously determine, as a result
30 of the comprehensive resource analysis, the programs to be funded
31 by the societal benefits charge, the level of cost recovery and
32 performance incentives for old and new programs and whether the
33 recovery of demand side management programs' costs currently
34 approved by the board may be reduced or extended over a longer
35 period of time. The board shall make these determinations taking
36 into consideration existing market barriers and environmental
37 benefits, with the objective of transforming markets, capturing lost
38 opportunities, making energy services more affordable for low
39 income customers and eliminating subsidies for programs that can
40 be delivered in the marketplace without electric public utility and
41 gas public utility customer funding;

42 (4) Manufactured gas plant remediation costs, which shall be
43 determined initially in a manner consistent with mechanisms in the
44 remediation adjustment clauses for the electric public utility and gas
45 public utility adopted by the board; **【and】**

46 (5) The cost, of consumer education, as determined by the
47 board, which shall be in an amount that, together with the consumer
48 education surcharge imposed on electric power supplier license fees

1 pursuant to subsection h. of section 29 of P.L.1999, c.23 (C.48:3-
2 78) and the consumer education surcharge imposed on gas supplier
3 license fees pursuant to subsection g. of section 30 of P.L.1999,
4 c.23 (C.48:3-79), shall be sufficient to fund the consumer education
5 program established pursuant to section 36 of P.L.1999, c.23
6 (C.48:3-85); and

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

11 b. There is established in the Board of Public Utilities a
12 nonlapsing fund to be known as the "Universal Service Fund." The
13 board shall determine: the level of funding and the appropriate
14 administration of the fund; the purposes and programs to be funded
15 with monies from the fund; which social programs shall be provided
16 by an electric public utility as part of the provision of its regulated
17 services which provide a public benefit; whether the funds
18 appropriated to fund the "Lifeline Credit Program" established
19 pursuant to P.L.1979, c.197 (C.48:2-29.15 et seq.), the "Tenants'
20 Lifeline Assistance Program" established pursuant to P.L.1981,
21 c.210 **[(C.48:2-29.31 et seq.)]** (C.48:2-29.30 et seq), the funds
22 received pursuant to the Low Income Home Energy Assistance
23 Program established pursuant to 42 U.S.C. s.8621 et seq., and funds
24 collected by electric and **[natural]** gas public utilities, as authorized
25 by the board, to offset uncollectible electricity and natural gas bills
26 should be deposited in the fund; and whether new charges should be
27 imposed to fund new or expanded social programs.
28 (cf: P.L.2019, c.362, s.13)

29

30 3. This act shall take effect immediately and shall expire upon
31 the submission of the "Electric School Bus Pilot Program" report
32 required to be submitted pursuant to subsection e. of section 1 of
33 this act.