

ASSEMBLY, No. 1282

STATE OF NEW JERSEY 220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

Sponsored by:

Assemblyman STERLEY S. STANLEY

District 18 (Middlesex)

Assemblywoman SHAMA A. HAIDER

District 37 (Bergen)

Assemblywoman BRITNEE N. TIMBERLAKE

District 34 (Essex and Passaic)

Co-Sponsored by:

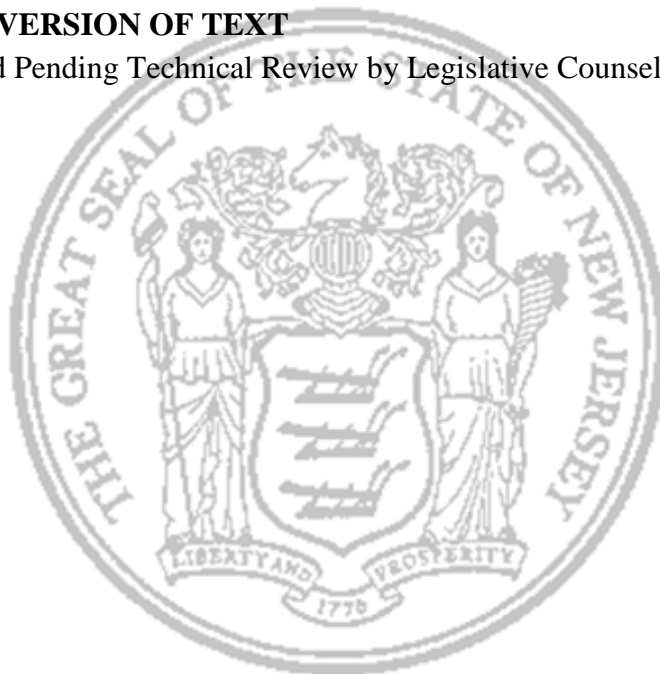
Assemblymen Benson, Calabrese, Spearman and Giblin

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

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 5/2/2022)

A1282 STANLEY, HAIDER

2

1 AN ACT establishing an electric school bus program, supplementing
2 Title 26 of the Revised Statutes, and amending P.L.1999, c.23.

3

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

6

7 1. (New section) a. No later than six months after the
8 effective date of P.L. , c. (C.) (pending before the
9 Legislature as this bill), the Department of Environmental
10 Protection shall implement a three-year “Electric School Bus
11 Program” to determine the operational reliability and cost
12 effectiveness of replacing diesel-powered school buses with electric
13 school buses for the daily transportation of students.

14 b. On or after the date of implementation of the program
15 developed pursuant to subsection a. of this section, and once each
16 year for the next two years thereafter, the Department of
17 Environmental Protection shall select for participation in the
18 program no less than six school districts and school bus contractors
19 that operate school buses, as described in section 1 of P.L.1996,
20 c.96 (C.39:3B-1.1), so that during the third year of the program, no
21 less than a total of 18 school districts and school bus contractors
22 shall have been selected for participation in the program amongst
23 the northern, central, and southern regions of the State. The
24 department shall choose school districts and school bus contractors
25 to participate in the program based on a competitive grant
26 solicitation.

27 In each year, the department shall use its best efforts to select a
28 mix of school districts that operate their own bus fleets and school
29 districts that contract for school bus services. Any school bus
30 contractor applying to participate in the program shall apply in
31 conjunction with a specific school district. In each year, at least
32 half of the school districts or school bus contractors selected by the
33 department, and at least half of the grant funding awarded by the
34 department in each year shall be located in a “low-income, urban, or
35 environmental justice community” as defined in section 2 of
36 P.L.2019, c.362 (C.48:25-2) and from those selected, the
37 department shall use its best efforts, in each year, to select, an equal
38 number of grantees from the northern, central, and southern regions
39 of the State respectively, subject to deviation based on the applicant
40 pool. Grants shall be awarded in a manner that both prioritizes
41 equity and tests a variety of technological and funding approaches,
42 including but not limited to outright purchase, leased buses,
43 leveraging of other funding sources, and vehicle-to-grid or vehicle-
44 to-building technologies.

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 For purposes of this subsection: “northern,” when referring to
2 region of the State, means the counties of Bergen, Essex, Hudson,
3 Morris, Passaic, Union, Sussex, and Warren; “central,” when
4 referring to regions of the State, means the counties of Hunterdon,
5 Mercer, Middlesex, Monmouth, and Somerset; and “southern,”
6 when referring to regions of the State, means the counties of
7 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,
8 Ocean, and Salem.

9 c. (1) Under the program, the department shall award grants to
10 school districts or school bus contractors selected to participate in
11 the program to purchase or lease electric school buses and to
12 purchase or lease and install electric school bus charging
13 infrastructure in coordination with any State department, board,
14 bureau, commission, or agency as necessary. Pursuant to any
15 outright purchase or lease arrangement entered into by a school
16 district or school bus contractor participating in the program, an
17 electric school bus and charging infrastructure vendor purchase or
18 lease arrangement shall include, at a minimum, the following:

19 (a) an electric school bus having a minimum range of 90 miles
20 per full charge, or 30 percent more range per full charge than the
21 daily maximum miles used by the school district or school bus
22 contractor, whichever is greater;

23 (b) an electric school bus and charging infrastructure, as
24 appropriate;

25 (c) appropriate training for bus maintenance personnel and bus
26 drivers, and other relevant personnel; and

27 (d) electric school bus and charging infrastructure shop manuals
28 and wiring schematics for troubleshooting and a complete list of
29 component parts.

30 (2) Monies for the “Electric School Bus Program” shall be used
31 by the Department of Environmental Protection to provide grants,
32 pursuant to this subsection, over the three-year period. In the first
33 year, grants shall be provided in accordance with this act in the
34 amount of \$15,000,000 for electrification. Subject to the
35 availability of funds, grants shall continue to be provided in
36 accordance with this act in the amount of \$15,000,000 per year for a
37 total of \$45,000,000 over the three-year period. The department
38 may use available monies to provide grants, pursuant to this
39 subsection, singly or in combination, from the following sources:
40 societal benefits charge revenues received pursuant to section 12 of
41 P.L.1999, c.23 (C.48:3-60); or the “Global Warming Solutions
42 Fund” established pursuant to section 6 of P.L.2007, c.340
43 (C.26:2C-50); any appropriations made by the Legislature for the
44 program established pursuant to P.L. , c. (C.) (pending
45 before the Legislature as this bill) or any other sources of available
46 funding. Up to five percent of the monies made available to the
47 program may be used to administer the program.

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

6 The department shall also collect data from on-board telematics
7 monitoring systems in order to evaluate parameters such as idle
8 time, driving time, energy consumption, and frequency of charging.
9 All electric school buses deployed by grant recipients shall have
10 telematic system capabilities.

11 d. At least once every six months, the school districts or school
12 bus contractors selected to participate in the program shall submit a
13 report to the department detailing the cost to operate the electric
14 school buses, including electric school bus maintenance records and
15 transponder data, and details of any reliability issues related to the
16 operation of the electric school buses. The first report shall be
17 submitted six months after the school district or school bus
18 contractor first begins operating electric school buses.

19 e. (1) The department shall establish a committee, chaired by a
20 representative of the department, which also includes a
21 representative of the Board of Public Utilities and the Economic
22 Development Authority. The committee shall meet at least monthly
23 to review the reports, troubleshoot, and recommend solutions to any
24 issue raised in a report submitted by a program participant or other
25 issues regarding the program. Twice per year the committee shall
26 meet and consult with the Department of Education, the Department
27 of Transportation and the New Jersey Motor Vehicle Commission.
28 The department shall collect any additional information and data
29 necessary to complete any report required to be submitted to the
30 Governor and Legislature pursuant to subsection f. of this section.

31 (2) The committee shall permit a recipient of any grant under
32 any State agency-administered program for the provision of an
33 electric school bus and electric school bus charging infrastructure
34 prior to the effective date of P.L. , c. (C.) (pending before
35 the Legislature as this bill) to submit any additional information and
36 data to the committee to compliment any data received by the
37 committee from pilot program participants pursuant to this
38 subsection.

39 f. The department, in collaboration with the Board of Public
40 Utilities and the New Jersey Economic Development Authority
41 shall submit an “Electric School Bus Program” report to the
42 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
43 19.1), to the Legislature. The report shall be submitted within 6
44 months after the conclusion of the program.

45 The department may use available monies, singly or in
46 combination from the following sources, to procure professional
47 services to assist with the development of the report: societal
48 benefits charge revenues received pursuant to section 12 of

1 P.L.1999, c.23 (C.48:3-60); the Plug-in Electric Vehicle Incentive
2 Fund established pursuant to section 7 of P.L.2019, c.362 (C.48:25-
3 7); or the “Global Warming Solutions Fund” established pursuant to
4 section 6 of P.L.2007, c.340 (C.26:2C-50).

5 The submitted report shall include:

6 (1) a description and comprehensive review of the program,
7 including but not limited to, an evaluation of the program’s
8 effectiveness;

9 (2) a summary description of all grant provided under the
10 program, including the names of the recipients, the amount of
11 funding each recipient received, the current status of the funds
12 provided to each recipient, and an itemization of the total project
13 budget including vehicle costs, hardware costs, installation costs,
14 training costs, and administrative costs;

15 (3) an analysis of the operational reliability and cost
16 effectiveness of the use of electric school buses and charging
17 infrastructure by each grantee and steps taken by the grantee to fix
18 any operational problems;

19 (4) an estimate of the emission benefits of the electric school
20 buses and charging infrastructure funded under this program;

21 (5) any preliminary findings from grant recipients pertaining to
22 design or operation of electric school buses and charging
23 infrastructure and potential improvements to make the buses and
24 charging infrastructure safer, more economical or environmentally
25 advantageous;

26 (6) as applicable, depending on deployment of grant recipients,
27 an analysis of the potential costs and benefits of using electric
28 school bus batteries for storing power to be returned to the electric
29 grid or to school buildings during periods of peak electric power
30 demand;

31 (7) an assessment of reliability of electric school buses and
32 charging infrastructure; and

33 (8) an analysis of any additional external changes that the use of
34 electric school buses and charging infrastructure may require
35 regarding electric service rate schedules, school bus inspection
36 standards, or any other major considerations.

37 In addition to the information included pursuant to paragraphs
38 (1) through (8) of this subsection, the final report shall include
39 recommendations regarding the establishment of grant and loan
40 programs to provide assistance to school districts and school bus
41 contractors for the replacement of their bus fleets and on
42 optimization of electric school bus grant programs to most
43 efficiently and effectively distribute available funds to maximize
44 environmental and health benefits.

45 The final report shall also include recommendations for how
46 additional funding may be distributed in the most efficient and
47 effective manner to maximize the number of electric school buses
48 operating in the State.

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) No later than six months after the effective date of P.L. , c.
 8 (C.) (pending before the Legislature as this bill), a portion of
 9 the costs of the “Electric School Bus Program” administered by the
 10 Department of Environmental Protection, for the purposes provided
 11 in section 1 of P.L. , c. (C.) (pending before the Legislature
 12 as this bill).

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

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

31

32 3. This act shall take effect immediately.

33

34

35

STATEMENT

36

37 This bill requires the New Jersey Department of Environmental
 38 Protection (DEP), to develop and implement, a three-year “Electric
 39 School Bus Program” (program). The purpose of the program is to
 40 determine the operational reliability and cost effectiveness of replacing
 41 diesel-powered school buses with electric school buses for daily
 42 transportation of students.

43 The bill requires the DEP to select no less than six school districts
 44 (districts) and school bus contractors (bus contractors) annually for
 45 participation in the program, so that during the third year of the
 46 program, no less than a total of 18 school districts or school bus
 47 contractors are selected for participation in the program amongst the
 48 northern, central, and southern regions of the State. At least half of the

1 districts or bus contractors annually selected and at least half of the
2 grant funding is to be located in a “low-income, urban, or
3 environmental justice community” as defined pursuant to law. The
4 DEP is to design a transparent outreach and application process to
5 facilitate the selection of districts and bus contractors. The DEP is to
6 use its best efforts to select an equal number of grantees from the
7 northern, central, and southern parts of the State.

8 The DEP is to award grants to districts or bus contractors selected
9 to participate in the program to purchase or lease electric school buses
10 and to purchase or lease and install electric school bus charging
11 infrastructure. An electric school bus and charging infrastructure
12 vendor purchase or lease arrangement is to include certain provisions
13 as described in the bill. Under the bill, \$45 million is made available
14 for grants provided under the pilot program. The DEP is to provide
15 \$15 million in grants for each year of the three-year pilot program.
16 The DEP may use available monies to provide grants from the
17 following sources: the societal benefits charge (SBC) revenues and the
18 “Global Warming Solutions Fund.”

19 The bill requires the districts or bus contractors selected to
20 participate in the program to submit reports to the DEP detailing the
21 cost to operate electric school buses, including electric school bus
22 maintenance records and transponder data, and details of any
23 reliability issues related to the operation of the buses. The DEP is to
24 establish a committee, chaired by a representative of the DEP, which
25 also includes a representative of the BPU and the EDA. The
26 committee is to meet monthly to review the reports and recommend
27 solutions to any issue raised in a quarterly report submitted by a pilot
28 program participant. The committee is to require a recipient of any
29 grant under any State agency-administered program for the provision
30 of an electric school bus and electric school bus charging infrastructure
31 prior to the effective date of the bill to submit any additional
32 information and data to the committee to compliment any data
33 received by the committee from program participants.

34 The bill requires the DEP, in collaboration with the BPU and the
35 EDA, to submit reports to the Governor and Legislature within six
36 months following the conclusion of the program.