

[First Reprint]

ASSEMBLY, No. 1282

STATE OF NEW JERSEY
220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

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Assemblywoman Lampitt, Assemblyman Conaway, Assemblywomen
Lopez, Jimenez, McKnight, Senators Stack, Ruiz, Cunningham, Lagana,
Gopal, Zwicker, Turner, Johnson and Gill**

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 Assembly Transportation and Independent Authorities Committee on May 12, 2022, with amendments.

(Sponsorship Updated As Of: 6/16/2022)

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 effective
8 date of P.L. , c. (C.) (pending before the Legislature as this
9 bill), the Department of Environmental Protection shall implement a
10 three-year “Electric School Bus Program” to determine the operational
11 reliability and cost effectiveness of replacing diesel-powered school
12 buses with electric school buses for the daily transportation of
13 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 year
16 for the next two years thereafter, the Department of Environmental
17 Protection shall¹, subject to available funding,¹ select for participation
18 in the program no less than six school districts and school bus
19 contractors that operate school buses, as described in section 1 of
20 P.L.1996, c.96 (C.39:3B-1.1), so that during the third year of the
21 program, no less than a total of 18 school districts ¹**[and]** or¹ school
22 bus contractors shall have been selected for participation in the
23 program amongst the northern, central, and southern regions of the
24 State. The department shall choose school districts and school bus
25 contractors 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 services¹; provided that, in each
30 year, the department shall award no more than half of the grants to
31 school bus contractors¹. Any school bus contractor applying to
32 participate in the program shall apply in conjunction with a specific
33 school district. In each year, at least half of the school districts or
34 school bus contractors selected by the department, and at least half of
35 the grant funding awarded by the department in each year shall be
36 located in a “low-income, urban, or environmental justice community”
37 as defined in section 2 of P.L.2019, c.362 (C.48:25-2) and from those
38 selected, the department shall use its best efforts, in each year, to
39 select, an equal number of grantees from the northern, central, and
40 southern regions of the State respectively, subject to deviation based
41 on the applicant pool. Grants shall be awarded in a manner that both
42 prioritizes equity and tests a variety of technological and funding
43 approaches, including but not limited to outright purchase, leased
44 buses, leveraging of other funding sources, and vehicle-to-grid or
45 vehicle-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

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ATR committee amendments adopted May 12, 2022.

1 For purposes of this subsection: “northern,” when referring to
2 ¹**[region] regions**¹ of the State, means the counties of Bergen, Essex,
3 Hudson, 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,” when
6 referring to regions of the State, means the counties of Atlantic,
7 Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and
8 Salem.

9 c. (1) Under the program, the department shall award grants to
10 school districts or school bus contractors selected to participate in the
11 program to purchase or lease electric school buses and to purchase or
12 lease and install electric school bus charging infrastructure in
13 coordination with any State department, board, bureau, commission,
14 ¹**[or]**¹ agency¹, public utility as defined pursuant to R.S.48:2-13 that
15 provides electric service to end users in the State, municipal public
16 utility as defined in N.J.S.40A:1-1 that provides electric service to end
17 users in the State, authority as defined in section 3 of P.L.1983, c.313
18 (C.40A:5A-3) that provides electric service to end users in the State, or
19 rural electric cooperative organized under the general corporation laws
20 of this State¹ as necessary. Pursuant to any outright purchase or lease
21 arrangement entered into by a school district or school bus contractor
22 participating in the program, an electric school bus and charging
23 infrastructure vendor purchase or lease arrangement shall include, at a
24 minimum, the following:

25 (a) an electric school bus having a minimum range of 90 miles per
26 full charge, or 30 percent more range per full charge than the daily
27 maximum miles used by the school district or school bus contractor,
28 whichever is greater¹, and having telematics system capabilities. The
29 department shall collect data from on-board telematics monitoring
30 systems in order to evaluate parameters such as idle time, driving time,
31 energy consumption, and frequency of charging¹;

32 (b) an electric school bus and charging infrastructure, as
33 appropriate;

34 (c) appropriate training for bus maintenance personnel and bus
35 drivers, and other relevant personnel¹, which shall be provided at no
36 cost to a bus driver, bus maintenance personnel, or other relevant
37 personnel¹; and

38 (d) electric school bus and charging infrastructure shop manuals
39 and wiring schematics for troubleshooting and a complete list of
40 component parts.

41 (2) Monies for the “Electric School Bus Program” shall be used by
42 the Department of Environmental Protection to provide grants,
43 pursuant to this subsection, over the three-year period. In the first
44 year, grants shall be provided in accordance with ¹**[this act]** P.L. __, c.
45 (C. __) (pending before the Legislature as this bill)¹ in the amount of
46 \$15,000,000 for electrification. Subject to the availability of funds,
47 grants shall continue to be provided in accordance with ¹**[this act]**

1 P.L. , c. (C.) (pending before the Legislature as this bill)¹ in
 2 the amount of \$15,000,000 per year for a total of \$45,000,000 over the
 3 three-year period. The department may use available monies to
 4 provide grants, pursuant to this subsection, singly or in combination,
 5 from the following sources: societal benefits charge revenues received
 6 pursuant to section 12 of P.L.1999, c.23 (C.48:3-60); ¹or¹ the
 7 “Global Warming Solutions Fund” established pursuant to section 6 of
 8 P.L.2007, c.340 (C.26:2C-50)¹; any available monies from utility
 9 programs to upgrade electrical infrastructure for purposes of electric
 10 vehicle charging¹; any appropriations made by the Legislature for the
 11 program established pursuant to P.L. , c. (C.) (pending before
 12 the Legislature as this bill)¹; ¹or any other sources of available
 13 funding. Up to five percent of the monies made available to the
 14 program may be used to administer the program.

15 The department shall determine the amount of each grant provided
 16 pursuant to this subsection ¹after consulting with government and
 17 education stakeholders and non-profit policy experts¹ and shall award
 18 grants in a manner that provides for the most efficient and highest
 19 efficacy use of the grant.

20 ¹The department shall also collect data from on-board telematics
 21 monitoring systems in order to evaluate parameters such as idle time,
 22 driving time, energy consumption, and frequency of charging. All
 23 electric school buses deployed by grant recipients shall have telematic
 24 system capabilities.¹

25 d. At least once every six months, the school districts or school
 26 bus contractors selected to participate in the program shall submit a
 27 report to the department detailing the cost to operate the electric school
 28 buses, ¹including¹ the¹ electric school bus maintenance records and
 29 transponder data, and ¹details of¹ any reliability issues related to the
 30 operation ¹or delivery and procurement¹ of the electric school buses.
 31 The first report shall be submitted six months after the school district
 32 or school bus contractor first ¹begins operating¹ completes its initial
 33 procurement of¹ electric school buses.

34 e. (1) The department shall ¹establish a committee, chaired by a
 35 representative of the department¹, no less than twice per calendar
 36 year, convene a working group¹ which ¹also¹ includes a
 37 representative of the Board of Public Utilities ¹and¹, the New
 38 Jersey¹ Economic Development Authority¹, the Department of
 39 Transportation, the Department of Education, and the New Jersey
 40 Motor Vehicle Commission¹. ¹The committee shall meet at least
 41 monthly to¹ The working group shall¹ review the reports ¹and, as
 42 appropriate¹, troubleshoot¹,¹ and recommend solutions to any issue
 43 raised in a report submitted by a program participant ¹or other issues
 44 regarding the program. Twice per year the committee shall meet and
 45 consult with the Department of Education, the Department of
 46 Transportation and the New Jersey Motor Vehicle Commission¹.

1 'The working group shall consider issues raised in the reports
2 submitted by program participants and make recommendations
3 regarding program implementation. The department may convene the
4 working group on a more frequent basis as may be required for the
5 effective administration of the program.'¹ The department shall collect
6 any additional information and data necessary to complete any report
7 required to be submitted to the Governor and Legislature pursuant to
8 subsection f. of this section.

9 (2) The **'[committee] department'**¹ shall permit a recipient of any
10 grant under any State agency-administered program for the provision
11 of an electric school bus and electric school bus charging infrastructure
12 prior to the effective date of P.L. , c. (C.) (pending before the
13 Legislature as this bill) to submit any additional information and data
14 to the **'[committee] department'**¹ to **'[compliment] complement'**¹ any
15 data received by the **'[committee] department'**¹ from **'[pilot]'**¹
16 program participants pursuant to this subsection.

17 f. The department, in collaboration with the Board of Public
18 Utilities and the New Jersey Economic Development Authority shall
19 submit an "Electric School Bus Program" report to the Governor and,
20 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the
21 Legislature. The report shall be submitted within **'[6] six'**¹ months
22 after the conclusion of the program.

23 The department may use available monies, singly or in
24 combination from the following sources, to procure professional
25 services to assist with the development of the report: societal benefits
26 charge revenues received pursuant to section 12 of P.L.1999, c.23
27 (C.48:3-60); **'[the Plug-in Electric Vehicle Incentive Fund established**
28 **pursuant to section 7 of P.L.2019, c.362 (C.48:25-7); or]'**¹ the "Global
29 Warming Solutions Fund" established pursuant to section 6 of
30 P.L.2007, c.340 (C.26:2C-50)¹; any available monies from utility
31 programs to upgrade electrical infrastructure for purposes of electric
32 vehicle charging; any appropriations made by the Legislature for the
33 program established pursuant to P.L. , c. (C.) (pending before
34 the Legislature as this bill); or any other sources of available funding'¹.

35 The submitted report shall include:

36 (1) a description and comprehensive review of the program,
37 including but not limited to, an evaluation of the program's
38 effectiveness;

39 (2) a summary description of all **'[grant] grants'**¹ provided under
40 the program, including the names of the recipients, the amount of
41 funding each recipient received, the current status of the funds
42 provided to each recipient, and an itemization of the total project
43 budget including vehicle costs, hardware costs, installation costs,
44 training costs, and administrative costs;

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

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

3 (5) any preliminary findings from grant recipients pertaining to
4 design or operation of electric school buses and charging infrastructure
5 and potential improvements to make the buses and charging
6 infrastructure safer, more economical or environmentally
7 advantageous;

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

12 (7) an assessment of reliability of electric school buses and
13 charging infrastructure; and

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

18 In addition to the information included pursuant to paragraphs (1)
19 through (8) of this subsection, the final report shall include
20 recommendations regarding the establishment of grant and loan
21 programs to provide assistance to school districts and school bus
22 contractors for the replacement of their bus fleets¹, other types of
23 financial agreements to assist school districts and school bus
24 contractors with implementing and using electric school buses,¹ and
25 ¹**[on] the** optimization of electric school bus grant programs to most
26 efficiently and effectively distribute available funds to maximize
27 environmental and health benefits.

28 The final report shall also include recommendations for how
29 additional funding may be distributed in the most efficient and
30 effective manner to maximize the number of electric school buses
31 operating in the State.

32

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

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

43 (1) The costs for the social programs for which rate recovery was
44 approved by the board prior to April 30, 1997. For the purpose of
45 establishing initial unbundled rates pursuant to section 4 of P.L.1999,
46 c.23 (C.48:3-52), the societal benefits charge shall be set to recover the
47 same level of social program costs as is being collected in the bundled
48 rates of the electric public utility on the effective date of P.L.1999,

1 c.23 (C.48:3-49 et al.). The board may subsequently order, pursuant to
2 its rules and regulations, an increase or decrease in the societal benefits
3 charge to reflect changes in the costs to the utility of administering
4 existing social programs. Nothing in P.L.1999, c.23 (C.48:3-49 et al.)
5 shall be construed to abolish or change any social program required by
6 statute or board order or rule or regulation to be provided by an
7 electric public utility. Any such social program shall continue to be
8 provided by the utility until otherwise provided by law, unless the
9 board determines that it is no longer appropriate for the electric public
10 utility to provide the program, or the board chooses to modify the
11 program;

12 (2) Nuclear plant decommissioning costs;

13 (3) The costs of demand side management programs that were
14 approved by the board pursuant to its demand side management
15 regulations prior to April 30, 1997. For the purpose of establishing
16 initial unbundled rates pursuant to section 4 of P.L.1999, c.23 (C.48:3-
17 52), the societal benefits charge shall be set to recover the same level
18 of demand side management program costs as is being collected in the
19 bundled rates of the electric public utility on the effective date of
20 P.L.1999, c.23 (C.48:3-49 et al.). Within four months of the effective
21 date of P.L.1999, c.23 (C.48:3-49 et al.), and every four years
22 thereafter, the board shall initiate a proceeding and cause to be
23 undertaken a comprehensive resource analysis of energy programs,
24 and within eight months of initiating such proceeding and after notice,
25 provision of the opportunity for public comment, and public hearing,
26 the board, in consultation with the Department of Environmental
27 Protection, shall determine the appropriate level of funding for energy
28 efficiency, ¹light, medium, and heavy-duty¹ plug-in electric vehicles¹,
29 including school buses,¹ and ¹associated¹ plug-in electric vehicle
30 charging infrastructure, and Class I renewable energy programs that
31 provide environmental benefits above and beyond those provided by
32 standard offer or similar programs in effect as of the effective date of
33 P.L.1999, c.23 (C.48:3-49 et al.); provided that the funding for such
34 programs be no less than 50 percent of the total Statewide amount
35 being collected in electric and gas public utility rates for demand side
36 management programs on the effective date of P.L.1999, c.23 (C.48:3-
37 49 et al.) for an initial period of four years from the issuance of the
38 first comprehensive resource analysis following the effective date of
39 P.L.1999, c.23 (C.48:3-49 et al. **1**), and provided that 25 percent of
40 this amount shall be used to provide funding for Class I renewable
41 energy projects in the State. In each of the following fifth through
42 eighth years, the Statewide funding for such programs shall be no less
43 than 50 percent of the total Statewide amount being collected in
44 electric and gas public utility rates for demand side management
45 programs on the effective date of P.L.1999, c.23 (C.48:3-49 et al.),
46 except that as additional funds are made available as a result of the
47 expiration of past standard offer or similar commitments, the minimum
48 amount of funding for such programs shall increase by an additional

1 amount equal to 50 percent of the additional funds made available,
 2 until the minimum amount of funding dedicated to such programs
 3 reaches \$140,000,000 total. After the eighth year the board shall make
 4 a determination as to the appropriate level of funding for these
 5 programs. Such programs shall include a program to provide financial
 6 incentives for the installation of Class I renewable energy projects in
 7 the State, and the board, in consultation with the Department of
 8 Environmental Protection, shall determine the level and total amount
 9 of such incentives as well as the renewable technologies eligible for
 10 such incentives which shall include, at a minimum, photovoltaic, wind,
 11 and fuel cells. The board shall simultaneously determine, as a result of
 12 the comprehensive resource analysis, the programs to be funded by the
 13 societal benefits charge, the level of cost recovery and performance
 14 incentives for old and new programs and whether the recovery of
 15 demand side management programs' costs currently approved by the
 16 board may be reduced or extended over a longer period of time. The
 17 board shall make these determinations taking into consideration
 18 existing market barriers and environmental benefits, with the objective
 19 of transforming markets, capturing lost opportunities, making energy
 20 services more affordable for low income customers and eliminating
 21 subsidies for programs that can be delivered in the marketplace
 22 without electric public utility and gas public utility customer funding;

23 (4) Manufactured gas plant remediation costs, which shall be
 24 determined initially in a manner consistent with mechanisms in the
 25 remediation adjustment clauses for the electric public utility and gas
 26 public utility adopted by the board; ~~and~~ ^{and}

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

36 (6) No later than six months after the effective date of P.L. , c.
 37 (C.) (pending before the Legislature as this bill), a portion of the
 38 costs of the "Electric School Bus Program" administered by the
 39 Department of Environmental Protection, for the purposes provided in
 40 section 1 of P.L. , c. (C.) (pending before the Legislature as
 41 this bill)]¹.

42 b. There is established in the Board of Public Utilities a
 43 nonlapsing fund to be known as the "Universal Service Fund." The
 44 board shall determine: the level of funding and the appropriate
 45 administration of the fund; the purposes and programs to be funded
 46 with monies from the fund; which social programs shall be provided
 47 by an electric public utility as part of the provision of its regulated
 48 services which provide a public benefit; whether the funds

1 appropriated to fund the "Lifeline Credit Program" established
2 pursuant to P.L.1979, c.197 (C.48:2-29.15 et seq.), the "Tenants'
3 Lifeline Assistance Program" established pursuant to P.L.1981, c.210
4 **[(C.48:2-29.31 et seq.)]** (C.48:2-29.30 et seq.), the funds received
5 pursuant to the Low Income Home Energy Assistance Program
6 established pursuant to 42 U.S.C. s.8621 et seq., and funds collected
7 by electric and **[natural]** gas public utilities, as authorized by the
8 board, to offset uncollectible electricity and natural gas bills should be
9 deposited in the fund; and whether new charges should be imposed to
10 fund new or expanded social programs.

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

12

13 3. This act shall take effect immediately.