

P.L. 2022, CHAPTER 86, *approved August 4, 2022*
Assembly, No. 1282 (*First Reprint*)

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

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 approaches, including but not limited to outright purchase, leased
2 buses, leveraging of other funding sources, and vehicle-to-grid or
3 vehicle-to-building technologies.

4 For purposes of this subsection: “northern,” when referring to
5 ¹**【region】 regions**¹ of the State, means the counties of Bergen, Essex,
6 Hudson, Morris, Passaic, Union, Sussex, and Warren; “central,” when
7 referring to regions of the State, means the counties of Hunterdon,
8 Mercer, Middlesex, Monmouth, and Somerset; and “southern,” when
9 referring to regions of the State, means the counties of Atlantic,
10 Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and
11 Salem.

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

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

35 (b) an electric school bus and charging infrastructure, as
36 appropriate;

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

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

44 (2) Monies for the “Electric School Bus Program” shall be used by
45 the Department of Environmental Protection to provide grants,
46 pursuant to this subsection, over the three-year period. In the first
47 year, grants shall be provided in accordance with ¹**【this act】** P.L. __,

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

18 The department shall determine the amount of each grant provided
 19 pursuant to this subsection ¹ **["after consulting with government and**
 20 **education stakeholders and non-profit policy experts"]**¹ and shall award
 21 grants in a manner that provides for the most efficient and highest
 22 efficacy use of the grant.

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

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

37 e. (1) The department shall ¹ **["establish a committee, chaired by a**
 38 **representative of the department"]**¹, ¹ no less than twice per calendar
 39 year, convene a working group¹ which ¹ **["also"]**¹ includes a
 40 representative of the Board of Public Utilities ¹ **["and"],**¹ the ¹ New
 41 Jersey¹ Economic Development Authority¹, the Department of
 42 Transportation, the Department of Education, and the New Jersey
 43 Motor Vehicle Commission¹. ¹ **["The committee shall meet at least**
 44 **monthly to"]** The working group shall¹ review the reports ¹ and, as
 45 appropriate¹, troubleshoot¹ **[","]**¹ and recommend solutions to any issue

1 raised in a report submitted by a program participant ¹or other issues
 2 regarding the program. Twice per year the committee shall meet and
 3 consult with the Department of Education, the Department of
 4 Transportation and the New Jersey Motor Vehicle Commission¹.
 5 ¹The working group shall consider issues raised in the reports
 6 submitted by program participants and make recommendations
 7 regarding program implementation. The department may convene the
 8 working group on a more frequent basis as may be required for the
 9 effective administration of the program.¹ The department shall collect
 10 any additional information and data necessary to complete any report
 11 required to be submitted to the Governor and Legislature pursuant to
 12 subsection f. of this section.

13 (2) The ¹committee department¹ shall permit a recipient of any
 14 grant under any State agency-administered program for the provision
 15 of an electric school bus and electric school bus charging infrastructure
 16 prior to the effective date of P.L. , c. (C.) (pending before the
 17 Legislature as this bill) to submit any additional information and data
 18 to the ¹committee department¹ to ¹compliment complement¹ any
 19 data received by the ¹committee department¹ from ¹pilot¹
 20 program participants pursuant to this subsection.

21 f. The department, in collaboration with the Board of Public
 22 Utilities and the New Jersey Economic Development Authority shall
 23 submit an “Electric School Bus Program” report to the Governor and,
 24 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the
 25 Legislature. The report shall be submitted within ¹6 six¹ months
 26 after the conclusion of the program.

27 The department may use available monies, singly or in
 28 combination from the following sources, to procure professional
 29 services to assist with the development of the report: societal benefits
 30 charge revenues received pursuant to section 12 of P.L.1999, c.23
 31 (C.48:3-60); ¹the Plug-in Electric Vehicle Incentive Fund established
 32 pursuant to section 7 of P.L.2019, c.362 (C.48:25-7); or¹ the “Global
 33 Warming Solutions Fund” established pursuant to section 6 of
 34 P.L.2007, c.340 (C.26:2C-50)¹; any available monies from utility
 35 programs to upgrade electrical infrastructure for purposes of electric
 36 vehicle charging; any appropriations made by the Legislature for the
 37 program established pursuant to P.L. , c. (C.) (pending before
 38 the Legislature as this bill); or any other sources of available funding¹.

39 The submitted report shall include:

40 (1) a description and comprehensive review of the program,
 41 including but not limited to, an evaluation of the program’s
 42 effectiveness;

43 (2) a summary description of all ¹grant grants¹ provided under
 44 the program, including the names of the recipients, the amount of
 45 funding each recipient received, the current status of the funds
 46 provided to each recipient, and an itemization of the total project

- 1 budget including vehicle costs, hardware costs, installation costs,
2 training costs, and administrative costs;
- 3 (3) an analysis of the operational reliability and cost effectiveness
4 of the use of electric school buses and charging infrastructure by each
5 grantee and steps taken by the grantee to fix any operational problems;
- 6 (4) an estimate of the emission benefits of the electric school
7 buses and charging infrastructure funded under this program;
- 8 (5) any preliminary findings from grant recipients pertaining to
9 design or operation of electric school buses and charging infrastructure
10 and potential improvements to make the buses and charging
11 infrastructure safer, more economical or environmentally
12 advantageous;
- 13 (6) as applicable, depending on deployment of grant recipients, an
14 analysis of the potential costs and benefits of using electric school bus
15 batteries for storing power to be returned to the electric grid or to
16 school buildings during periods of peak electric power demand;
- 17 (7) an assessment of reliability of electric school buses and
18 charging infrastructure; and
- 19 (8) an analysis of any additional external changes that the use of
20 electric school buses and charging infrastructure may require regarding
21 electric service rate schedules, school bus inspection standards, or any
22 other major considerations.

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

33 The final report shall also include recommendations for how
34 additional funding may be distributed in the most efficient and
35 effective manner to maximize the number of electric school buses
36 operating in the State.

37
38 2. Section 12 of P.L.1999, c.23 (C.48:3-60) is amended to read as
39 follows:

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

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

18 (2) Nuclear plant decommissioning costs;

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

1 than 50 percent of the total Statewide amount being collected in
 2 electric and gas public utility rates for demand side management
 3 programs on the effective date of P.L.1999, c.23 (C.48:3-49 et al.),
 4 except that as additional funds are made available as a result of the
 5 expiration of past standard offer or similar commitments, the minimum
 6 amount of funding for such programs shall increase by an additional
 7 amount equal to 50 percent of the additional funds made available,
 8 until the minimum amount of funding dedicated to such programs
 9 reaches \$140,000,000 total. After the eighth year the board shall make
 10 a determination as to the appropriate level of funding for these
 11 programs. Such programs shall include a program to provide financial
 12 incentives for the installation of Class I renewable energy projects in
 13 the State, and the board, in consultation with the Department of
 14 Environmental Protection, shall determine the level and total amount
 15 of such incentives as well as the renewable technologies eligible for
 16 such incentives which shall include, at a minimum, photovoltaic, wind,
 17 and fuel cells. The board shall simultaneously determine, as a result of
 18 the comprehensive resource analysis, the programs to be funded by the
 19 societal benefits charge, the level of cost recovery and performance
 20 incentives for old and new programs and whether the recovery of
 21 demand side management programs' costs currently approved by the
 22 board may be reduced or extended over a longer period of time. The
 23 board shall make these determinations taking into consideration
 24 existing market barriers and environmental benefits, with the objective
 25 of transforming markets, capturing lost opportunities, making energy
 26 services more affordable for low income customers and eliminating
 27 subsidies for programs that can be delivered in the marketplace
 28 without electric public utility and gas public utility customer funding;

29 (4) Manufactured gas plant remediation costs, which shall be
 30 determined initially in a manner consistent with mechanisms in the
 31 remediation adjustment clauses for the electric public utility and gas
 32 public utility adopted by the board; ~~and~~ ¹and¹

33 (5) The cost, of consumer education, as determined by the board,
 34 which shall be in an amount that, together with the consumer
 35 education surcharge imposed on electric power supplier license fees
 36 pursuant to subsection h. of section 29 of P.L.1999, c.23 (C.48:3-78)
 37 and the consumer education surcharge imposed on gas supplier license
 38 fees pursuant to subsection g. of section 30 of P.L.1999, c.23 (C.48:3-
 39 79), shall be sufficient to fund the consumer education program
 40 established pursuant to section 36 of P.L.1999, c.23 (C.48:3-85)¹; ~~and~~
 41 and

42 (6) No later than six months after the effective date of P.L. _____,
 43 c. (C. _____) (pending before the Legislature as this bill), a portion of
 44 the costs of the "Electric School Bus Program" administered by the
 45 Department of Environmental Protection, for the purposes provided in
 46 section 1 of P.L. _____, c. (C. _____) (pending before the Legislature as
 47 this bill)]¹.

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

19

20 3. This act shall take effect immediately.

21

22

23

24

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