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6/15/2022

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No

GOVERNOR'S PRESS RELEASE ON SIGNING:

Yes

FOLLOWING WERE PRINTED:

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REPORTS:

No

HEARINGS:

No

NEWSPAPER ARTICLES:

Yes

Tina Kelley - For The Star-Ledger, 'Some students will be riding electric buses in \$45M pilot program', Star-Ledger, The (online), 6 Aug 2022 009

Matthew Fazelpoor, 'New law sets up \$45M electric school bus program', NJBIZ (online), 5 Aug 2022

end

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; ¹or 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 ¹or 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, ¹no 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 ¹New
 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 ¹and, 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** 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;
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.

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:

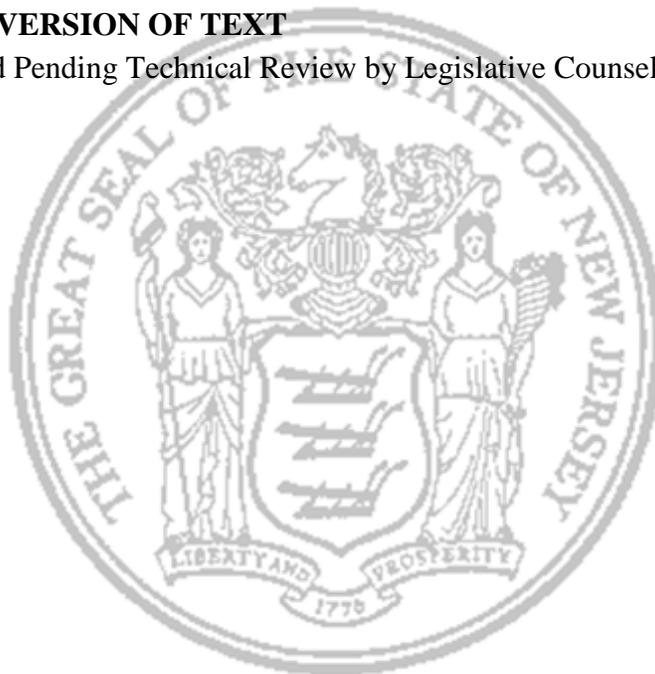
Assemblymen Benson, Calabrese, Spearman and Giblin

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.

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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.

ASSEMBLY TRANSPORTATION AND INDEPENDENT
AUTHORITIES COMMITTEE

STATEMENT TO
ASSEMBLY, No. 1282

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 12, 2022

The Assembly Transportation and Independent Authorities Committee reports favorably Assembly Bill No. 1282 with committee amendments.

As amended and reported, this bill requires the New Jersey Department of Environmental Protection (DEP) to implement, a three-year “Electric School Bus Program” (program). The purpose of the program is to determine the operational reliability and cost effectiveness of replacing diesel-powered school buses with electric school buses for daily transportation of students.

The bill requires the DEP, subject to available funding, to select no less than six school districts (districts) and school bus contractors (bus contractors) annually for participation in the program, so that during the third year of the program, no less than a total of 18 districts or bus contractors are selected to participate in the program amongst the northern, central, and southern regions of the State. At least half of the districts or bus contractors annually selected and at least half of the grant funding is to be located in a “low-income, urban, or environmental justice community” as defined pursuant to law. The DEP is to use its best efforts to select an equal number of grantees from the northern, central, and southern parts of the State.

The DEP is to award grants to the selected districts or bus contractors to purchase or lease electric school buses and to purchase or lease and install electric school bus charging infrastructure. An electric school bus and charging infrastructure vendor purchase or lease arrangement is to include certain provisions as described in the bill. Under the bill, \$45 million is made available for grants provided under the program. The DEP is to provide \$15 million in grants in the first year for electrification and, subject to available funding, \$15 million for each of the next two years. The DEP may use available monies to provide grants from the societal benefits charge (SBC) revenues, the “Global Warming Solutions Fund,” any appropriations made by the Legislature, or any other sources of available funding.

The bill requires the selected districts or bus contractors to submit reports to the DEP detailing the cost to operate electric school buses,

the electric school bus maintenance records and transponder data, and any reliability issues related to the operation or delivery and procurement of the buses.

The DEP is to convene, twice per year, a working group, which includes certain representatives as provided in the bill. The working group is to review reports and, as appropriate, troubleshoot and recommend solutions to any issue raised in the submitted report. The working group is also required to consider issues raised in the reports and make recommendations regarding program implementation.

The DEP is to permit a recipient of any grant under any State agency-administered program for the provision of electric school bus and electric school bus charging infrastructure prior to the effective date of the bill to submit any additional information and data to the DEP to complement any data received by the DEP from program participants.

The bill requires the DEP to, in collaboration with the Board of Public Utilities and the New Jersey Economic Development Authority, submit reports to the Governor and Legislature within six months following the conclusion of the program.

This bill was pre-filed for introduction in the 2022-2023 pending technical review. As amended and reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS

The committee amended the bill to:

- Clarify that school districts and school bus contractors are to be selected to participate in the program subject to available funding;
- Provide that, in each year, no more than half of the grants are to be awarded to school bus contractors;
- Provide that program participants receiving grants under the program may coordinate with certain electric utility providers to purchase or lease electric school buses and to purchase or lease and install electric school bus charging infrastructure;
- Provide that bus drivers and any personnel required to receive training under the provisions of the bill are not to incur the cost of the training;
- Provide that monies available from utility programs to upgrade electrical infrastructure for the purpose of electric vehicle charging may be used to provide grants to program participants;
- Remove a provision requiring the DEP to consult with government and education stakeholders and non-profit policy experts before determining the amount of each grant;
- Require program participants to include any reliability issues related to delivery and procurement of electric school buses in reports provided to the DEP;

- Provide that the first report required to be submitted by a program participant is to be submitted six months after the participant first completes its initial procurement of electric school buses rather than six months after the participant first begins operating electric school buses;
- Require DEP to convene a working group that meets at least twice per year, or on a more frequent basis as needed, instead of establishing a committee that meets at least monthly;
- Require the working group to consider issues raised in reports submitted by program participants and make recommendations regarding program implementation;
- Remove reference to the Plug-in Electric Vehicle Incentive Fund as a source from which the DEP may use monies to procure certain professional services;
- Provide that the DEP may use monies from certain utility programs, appropriated by the Legislature, or any other available sources to procure certain professional services;
- Provide that the report submitted to the Governor and Legislature include recommendations regarding other types of financial agreements to assist school districts and school bus contractors with implementing and using electric school buses; and
- Provide that societal benefits charge revenues may be used for light, medium, and heavy-duty plug in electric vehicles, including school buses and associated charging infrastructure rather than solely for the “Electric School Bus Program.”

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 1282

STATE OF NEW JERSEY

DATED: MAY 19, 2022

The Assembly Appropriations Committee reports favorably Assembly Bill No. 1282 (1R).

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

The bill requires the DEP, subject to available funding, to select no less than six school districts (districts) and school bus contractors (bus contractors) annually for participation in the program, so that during the third year of the program, no less than a total of 18 districts or bus contractors are selected to participate in the program amongst the northern, central, and southern regions of the State. At least half of the districts or bus contractors annually selected and at least half of the grant funding is to be located in a “low-income, urban, or environmental justice community” as defined pursuant to law. The DEP is to use its best efforts to select an equal number of grantees from the northern, central, and southern parts of the State.

The DEP is to award grants to the selected districts or bus contractors to purchase or lease electric school buses and to purchase or lease and install electric school bus charging infrastructure. An electric school bus and charging infrastructure vendor purchase or lease arrangement is to include certain provisions as described in the bill. Under the bill, \$45 million is made available for grants provided under the program. The DEP is to provide \$15 million in grants in the first year for electrification and, subject to available funding, \$15 million for each of the next two years. The DEP may use available monies to provide grants from the societal benefits charge (SBC) revenues, the “Global Warming Solutions Fund,” any appropriations made by the Legislature, or any other sources of available funding.

The bill requires the selected districts or bus contractors to submit reports to the DEP detailing the cost to operate electric school buses, the electric school bus maintenance records and transponder data, and any reliability issues related to the operation or delivery and procurement of the buses.

The DEP is to convene, twice per year, a working group, which includes certain representatives as provided in the bill. The working group is to review reports and, as appropriate, troubleshoot and recommend solutions to any issue raised in the submitted report. The working group is also required to consider issues raised in the reports and make recommendations regarding program implementation.

The DEP is to permit a recipient of any grant under any State agency-administered program for the provision of electric school bus and electric school bus charging infrastructure prior to the effective date of the bill to submit any additional information and data to the DEP to complement any data received by the DEP from program participants.

The bill requires the DEP to, in collaboration with the Board of Public Utilities and the New Jersey Economic Development Authority, submit reports to the Governor and Legislature within six months following the conclusion of the program.

FISCAL IMPACT:

The Office of Legislative Services (OLS) finds that this bill will result in an increase in State expenditures of up to \$45 million over three years to fund and administer the program. Participating local school districts will realize the same amount in increased grant revenue to purchase electric buses and electric charging infrastructure, less any monies retained by the Department of Environmental Protection (DEP) to administer the grant.

The program may also generate an indeterminate amount of net local cost savings throughout the duration of the program and possibly longer. Electric vehicles generally require lower operating and maintenance costs during the life of the vehicle compared to diesel powered ones, but participating school districts will likely incur some upfront costs associated with the program that they otherwise would not have incurred with their current diesel fleet. The magnitude of any savings cannot be accurately stated at this time due to uncertainty about the cost benefits a local school district will realize from the use of electric buses as opposed to conventional diesel buses.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 1282

STATE OF NEW JERSEY 220th LEGISLATURE

DATED: MAY 24, 2022

SUMMARY

- 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.
- Type of Impact:** Three-year increase in State costs and local revenue; potential annual local cost savings.
- Agencies Affected:** Department of Environmental Protection; New Jersey Economic Development Authority; and New Jersey Board of Public Utilities.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Expenditure Increase	Up to \$15 million	Up to \$15 million	Up to \$15 million
Local Revenue Increase	Up to \$15 million	Up to \$15 million	Up to \$15 million
Potential Net Local Cost Decrease		Indeterminate	

- The Office of Legislative Services (OLS) finds that this bill will result in an increase in State expenditures of up to \$45 million over three years to fund and administer the program. Participating local school districts will realize the same amount in increased grant revenue to purchase electric buses and electric charging infrastructure, less any monies retained by the Department of Environmental Protection (DEP) to administer the grant.
- The program may also generate an indeterminate amount of net local cost savings throughout the duration of the program and possibly longer. Electric vehicles generally require lower operating and maintenance costs during the life of the vehicle compared to diesel powered ones, but participating school districts will likely incur some upfront costs associated with the program that they otherwise would not have incurred with their current diesel fleet. The magnitude of any savings cannot be accurately stated at this time due to uncertainty about the

cost benefits a local school district will realize from the use of electric buses as opposed to conventional diesel buses.

BILL DESCRIPTION

This bill requires the DEP to develop and implement a three-year electric school bus program. The purpose of the program is to determine the operational reliability and cost effectiveness of replacing diesel-powered school buses with electric school buses for daily transportation of students.

The DEP is to award grants to districts or bus contractors selected to participate in the program to purchase or lease electric school buses and to purchase or lease and install electric school bus charging infrastructure. An electric school bus and charging infrastructure vendor purchase or lease arrangement is to include certain provisions as described in the bill. Under the bill, \$45 million is made available for grants provided under the program. The DEP is to provide \$15 million in grants in the first year of the program and, subject to the availability of funds, grants shall continue to be provided in the amount of \$15 million in each of the subsequent two years; provided, however, DEP cannot award more than half of the grants to school bus contractors in any year. The DEP may use available monies to provide grants from societal benefits charge revenues, the Global Warming Solutions Fund, utility programs to upgrade electrical infrastructure for the purpose of electric vehicle charging, any appropriations made the Legislature, or any other sources of available funding.

The DEP is to establish a working group that includes a representative of the Board of Public Utilities, the New Jersey Economic Development Authority, Department of Transportation, Department of Education, and the Motor Vehicle Commission. The working group is to review the reports and recommend solutions to any issue raised in the reports submitted by a program participant. The bill requires the submission of reports to the Governor and Legislature within six months following the conclusion of the program.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that this bill will result in an increase in State costs of up to \$45 million over three years to fund and administer the program. Participating local school districts will realize the same amount in increased grant revenue to purchase electric buses and electric charging infrastructure, less any monies retained by the DEP to administer the grant.

The program may also generate an indeterminate amount of net local cost savings throughout the duration of the program and possibly longer. Electric vehicles generally require lower operating and maintenance costs during the life of the vehicle compared to diesel powered ones, but participating school districts will likely incur some upfront costs associated with the program that they otherwise would not have incurred with their current diesel fleet. These costs may include upgrades to the electric power infrastructure of bus garages, the cost of electric charging equipment, acquiring different vehicle parts and tools, and training bus maintenance personnel to

work with different equipment. These costs can vary greatly based on the specific buses chosen, characteristics of the existing garages, and the skill level of current employees. These costs are to be covered under the terms of the grant.

Recent studies have found that the average cost of an electric bus can be between at least two to three times that of a diesel bus. However, purchase costs of electric buses are getting closer to diesel buses at a rapid pace. In terms of related equipment, in 2017, Aspen, Colorado purchased electric bus charging stations at a cost of \$80,000 each and spent \$20,000 for installation costs. It is likely that, assuming each region receives equal allocations of the \$15 million for their respective districts, those regions will be able to purchase and operate approximately ten to 15 buses depending on the model of electric bus purchased and charging infrastructure.

The local districts in turn will realize lower operating and maintenance costs for those electric vehicles. The magnitude of savings are the subject of the program itself, and the success of the program will hinge on whether the costs to school districts over the projected life of the electric school buses is greater or less than the \$45 million used to purchase and operate the electric buses and related infrastructure.

A 2016 study by Columbia University found the lifecycle cost of maintaining a diesel commuter bus was \$378,000 in fuel and \$420,000 in maintenance costs. An electric bus by comparison costs \$78,000 in electricity and \$252,000 in maintenance. This suggests that electric buses may have a lifecycle operating cost about 59 percent lower than conventional diesel powered buses. Those reduced operating costs will likely mitigate the increase in initial costs, but the magnitude of any savings cannot be determined at the present time due to variability in the factors mentioned above.

The bill requires the DEP to establish a working group to review reports submitted by program participants. The department is also required to submit a comprehensive report to the Governor and the Legislature within six months after the conclusion of the program. The bill allows for up to five percent of monies made available to the program to support the administrative costs of the program.

Section: Revenue, Finance and Appropriations

*Analyst: Jordan M. DiGiovanni
Revenue Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 1282

STATE OF NEW JERSEY

DATED: JUNE 6, 2022

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 1282 (1R).

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

The bill requires the DEP, subject to available funding, to select no less than six school districts (districts) and school bus contractors (bus contractors) annually for participation in the program, so that during the third year of the program, no less than a total of 18 districts or bus contractors are selected to participate in the program amongst the northern, central, and southern regions of the State. At least half of the districts or bus contractors annually selected and at least half of the grant funding is to be located in a “low-income, urban, or environmental justice community” as defined pursuant to law. The DEP is to use its best efforts to select an equal number of grantees from the northern, central, and southern parts of the State.

The DEP is to award grants to the selected districts or bus contractors to purchase or lease electric school buses and to purchase or lease and install electric school bus charging infrastructure. An electric school bus and charging infrastructure vendor purchase or lease arrangement is to include certain provisions as described in the bill. Under the bill, \$45 million is made available for grants provided under the program. The DEP is to provide \$15 million in grants in the first year for electrification and, subject to available funding, \$15 million for each of the next two years. The DEP may use available monies to provide grants from the societal benefits charge (SBC) revenues, the “Global Warming Solutions Fund,” any appropriations made by the Legislature, or any other sources of available funding.

The bill requires the selected districts or bus contractors to submit reports to the DEP detailing the cost to operate electric school buses, the electric school bus maintenance records and transponder data, and any reliability issues related to the operation or delivery and procurement of the buses.

The DEP is to convene, twice per year, a working group, which includes certain representatives as provided in the bill. The working group is to review reports and, as appropriate, troubleshoot and recommend solutions to any issue raised in the submitted report. The working group is also required to consider issues raised in the reports and make recommendations regarding program implementation.

The DEP is to permit a recipient of any grant under any State agency-administered program for the provision of electric school bus and electric school bus charging infrastructure prior to the effective date of the bill to submit any additional information and data to the DEP to complement any data received by the DEP from program participants.

The bill requires the DEP to, in collaboration with the Board of Public Utilities and the New Jersey Economic Development Authority, submit reports to the Governor and Legislature within six months following the conclusion of the program.

As reported by the committee, Assembly Bill No. 1282 (1R) is identical to Senate Bill No. 759 (2R) as amended and also reported by the committee on this date.

FISCAL IMPACT:

The Office of Legislative Services (OLS) finds that this bill will result in an increase in State expenditures of up to \$45 million over three years to fund and administer the program. Participating local school districts will realize the same amount in increased grant revenue to purchase electric buses and electric charging infrastructure, less any monies retained by the Department of Environmental Protection (DEP) to administer the grant.

The program may also generate an indeterminate amount of net local cost savings throughout the duration of the program and possibly longer. Electric vehicles generally require lower operating and maintenance costs during the life of the vehicle compared to diesel powered ones, but participating school districts will likely incur some upfront costs associated with the program that they otherwise would not have incurred with their current diesel fleet. The magnitude of any savings cannot be accurately stated at this time due to uncertainty about the cost benefits a local school district will realize from the use of electric buses as opposed to conventional diesel buses.

SENATE, No. 759

STATE OF NEW JERSEY 220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

Sponsored by:

Senator PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Co-Sponsored by:

Senators Stack, Ruiz, Cunningham, Lagana, Gopal and Zwicker

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: 1/27/2022)

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
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 school bus contractors shall
22 have been selected for participation in the program amongst the
23 northern, central, and southern regions of the State. The department
24 shall choose school districts and school bus contractors to
25 participate in the program based on a competitive grant solicitation.

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

44 For purposes of this subsection: “northern,” when referring to
45 region of the State, means the counties of Bergen, Essex, Hudson,

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 Morris, Passaic, Union, Sussex, and Warren; “central,” when
2 referring to regions of the State, means the counties of Hunterdon,
3 Mercer, Middlesex, Monmouth, and Somerset; and “southern,”
4 when referring to regions of the State, means the counties of
5 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,
6 Ocean, and Salem.

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

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

21 (b) an electric school bus and charging infrastructure, as
22 appropriate;

23 (c) appropriate training for bus maintenance personnel and bus
24 drivers, and other relevant personnel; and

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

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

46 The department shall determine the amount of each grant
47 provided pursuant to this subsection after consulting with

1 government and education stakeholders and non-profit policy
2 experts and shall award grants in a manner that provides for the
3 most efficient and highest efficacy use of the grant.

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

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

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

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

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

44 The department may use available monies, singly or in
45 combination from the following sources, to procure professional
46 services to assist with the development of the report: societal
47 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 grants 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

1 operating in the State.

2

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

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

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

31 (2) Nuclear plant decommissioning costs;

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

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

45 (4) Manufactured gas plant remediation costs, which shall be
46 determined initially in a manner consistent with mechanisms in the

1 remediation adjustment clauses for the electric public utility and gas
2 public utility adopted by the board; **[and]**

3 (5) The cost, of consumer education, as determined by the
4 board, which shall be in an amount that, together with the consumer
5 education surcharge imposed on electric power supplier license fees
6 pursuant to subsection h. of section 29 of P.L.1999, c.23 (C.48:3-
7 78) and the consumer education surcharge imposed on gas supplier
8 license fees pursuant to subsection g. of section 30 of P.L.1999,
9 c.23 (C.48:3-79), shall be sufficient to fund the consumer education
10 program established pursuant to section 36 of P.L.1999, c.23
11 (C.48:3-85); and

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

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

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

36

37 3. This act shall take effect immediately.

38

39

40

STATEMENT

41

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

1 The bill requires the DEP to select no less than six school districts
2 (districts) and school bus contractors (bus contractors) annually for
3 participation in the program, so that during the third year of the
4 program, no less than a total of 18 school districts or school bus
5 contractors are selected for participation in the program amongst the
6 northern, central, and southern regions of the State. At least half of the
7 districts or bus contractors annually selected and at least half of the
8 grant funding is to be located in a “low-income, urban, or
9 environmental justice community” as defined pursuant to law. The
10 DEP is to design a transparent outreach and application process to
11 facilitate the selection of districts and bus contractors. The DEP is to
12 use its best efforts to select an equal number of grantees from the
13 northern, central, and southern parts of the State.

14 The DEP is to award grants to districts or bus contractors selected
15 to participate in the program to purchase or lease electric school buses
16 and to purchase or lease and install electric school bus charging
17 infrastructure. An electric school bus and charging infrastructure
18 vendor purchase or lease arrangement is to include certain provisions
19 as described in the bill. Under the bill, \$45 million is made available
20 for grants provided under the pilot program. The DEP is to provide
21 \$15 million in grants for each year of the three-year pilot program.
22 The DEP may use available monies to provide grants from the
23 following sources: the societal benefits charge (SBC) revenues and the
24 “Global Warming Solutions Fund.”

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

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

SENATE TRANSPORTATION COMMITTEE

STATEMENT TO

SENATE, No. 759

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 3, 2022

The Senate Transportation Committee reports favorably and with committee amendments Senate Bill No. 759.

As amended and reported, this bill requires the New Jersey Department of Environmental Protection (DEP) to implement a three-year “Electric School Bus Program” (program). The purpose of the program is to determine the operational reliability and cost effectiveness of replacing diesel-powered school buses with electric school buses for daily transportation of students.

The bill requires the DEP, subject to available funding, to select no less than six school districts (districts) and school bus contractors (bus contractors) annually for participation in the program, so that during the third year of the program, no less than a total of 18 districts or bus contractors are selected to participate in the program amongst the northern, central, and southern regions of the State. At least half of the districts or bus contractors annually selected and at least half of the grant funding is to be located in a “low-income, urban, or environmental justice community” as defined pursuant to law. The DEP is to use its best efforts to select an equal number of grantees from the northern, central, and southern parts of the State.

The DEP is to award grants to the selected districts or bus contractors to purchase or lease electric school buses and to purchase or lease and install electric school bus charging infrastructure. An electric school bus and charging infrastructure vendor purchase or lease arrangement is to include certain provisions as described in the bill. Under the bill, \$45 million is made available for grants provided under the program. The DEP is to provide \$15 million in grants in the first year for electrification and, subject to available funding, \$15,000,000 for each of the next two years. The DEP may use available monies to provide grants from the societal benefits charge (SBC) revenues, the “Global Warming Solutions Fund,” any appropriations made by the Legislature, or any other sources of available funding.

The bill requires the selected districts or bus contractors to submit reports to the DEP detailing the cost to operate electric school buses, the electric school bus maintenance records and transponder data, and

any reliability issues related to the operation or delivery and procurement of the buses.

The DEP is to convene, twice per year, a working group, which includes certain representatives as provided in the bill. The working group is to review reports and, as appropriate, troubleshoot and recommend solutions to any issue raised in a submitted report. The working group is also required to consider issues raised in the reports and make recommendations regarding program implementation.

The DEP is to permit a recipient of any grant under any State agency-administered program for the provision of an electric school bus and electric school bus charging infrastructure prior to the effective date of the bill to submit any additional information and data to the DEP to complement any data received by the DEP from program participants.

The bill requires the DEP to, in collaboration with the Board of Public Utilities and the New Jersey Economic Development Authority, submit a report to the Governor and Legislature within six months following the conclusion of the program.

The committee amended the bill to:

- Clarify that school districts and school bus contractors are to be selected to participate in the program subject to available funding;
- Provide that bus drivers and any personnel required to receive training under the provisions of the bill are not to incur the cost of the training;
- Remove a provision requiring the DEP to consult with government and education stakeholders and non-profit policy experts before determining the amount of each grant;
- Require program participants to include any reliability issues related to delivery and procurement of electric school buses in reports provided to the DEP;
- Provide that the first report required to be submitted by a program participant is to be submitted six months after the participant first completes its initial procurement of electric school buses rather than six months after the participant first begins operating electric school buses;
- Require DEP to convene a working group that meets at least twice per year, or on a more frequent basis as needed, instead of establishing a committee that meets at least monthly;
- Require the working group to consider issues raised in reports submitted by program participants and make recommendations regarding program implementation;
- Remove reference to the Plug-in Electric Vehicle Incentive Fund as a source from which the DEP may use monies to procure certain professional services;

- Provide that the DEP may use monies appropriated by the Legislature or any other available sources to procure certain professional services; and
- Provide that societal benefits charge revenues may be used for light, medium, and heavy-duty plug in electric vehicles, including school buses and associated charging infrastructure rather than solely for the “Electric School Bus Program.”

This bill was pre-filed for introduction in the 2022-2023 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 759

STATE OF NEW JERSEY 220th LEGISLATURE

DATED: FEBRUARY 11, 2022

SUMMARY

- 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.
- Type of Impact:** Three-year increase in State costs and local revenue; potential annual local cost savings.
- Agencies Affected:** Department of Environmental Protection; New Jersey Economic Development Authority; and New Jersey Board of Public Utilities.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Expenditure Increase	Up to \$15 million	Up to \$15 million	Up to \$15 million
Local Revenue Increase	Up to \$15 million	Up to \$15 million	Up to \$15 million
Potential Net Local Cost Decrease		Indeterminate	

- The Office of Legislative Services (OLS) finds that this bill will result in an increase in State expenditures of up to \$45 million over three years to fund and administer the program. Participating local school districts will realize the same amount in increased grant revenue to purchase electric buses and electric charging infrastructure, less any monies retained by the Department of Environmental Protection (DEP) to administer the grant.
- The program may also generate an indeterminate amount of net local cost savings throughout the duration of the program and possibly longer. Electric vehicles generally require lower operating and maintenance costs during the life of the vehicle compared to diesel powered ones, but participating school districts will likely incur some upfront costs associated with the program that they otherwise would not have incurred with their current diesel fleet. The magnitude of any savings cannot be accurately stated at this time due to uncertainty about the

cost benefits a local school district will realize from the use of electric buses as opposed to conventional diesel buses.

BILL DESCRIPTION

This bill requires the DEP to develop and implement a three-year electric school bus program. The purpose of the program is to determine the operational reliability and cost effectiveness of replacing diesel-powered school buses with electric school buses for daily transportation of students.

The DEP is to award grants to districts or bus contractors selected to participate in the program to purchase or lease electric school buses and to purchase or lease and install electric school bus charging infrastructure. An electric school bus and charging infrastructure vendor purchase or lease arrangement is to include certain provisions as described in the bill. Under the bill, \$45 million is made available for grants provided under the program. The DEP is to provide \$15 million in grants in the first year of the program and, subject to the availability of funds, grants shall continue to be provided in the amount of \$15 million in each of the subsequent two years. The DEP may use available monies to provide grants from societal benefits charge revenues, the Global Warming Solutions Fund, any appropriations made the Legislature, or any other sources of available funding.

The DEP is to establish a working group that includes a representative of the Board of Public Utilities, the New Jersey Economic Development Authority, Department of Transportation, Department of Education, and the Motor Vehicle Commission. The working group is to review the reports and recommend solutions to any issue raised in the reports submitted by a program participant. The bill requires the submission of reports to the Governor and Legislature within six months following the conclusion of the program.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that this bill will result in an increase in State costs of up to \$45 million over three years to fund and administer the program. Participating local school districts will realize the same amount in increased grant revenue to purchase electric buses and electric charging infrastructure, less any monies retained by the DEP to administer the grant.

The program may also generate an indeterminate amount of net local cost savings throughout the duration of the program and possibly longer. Electric vehicles generally require lower operating and maintenance costs during the life of the vehicle compared to diesel powered ones, but participating school districts will likely incur some upfront costs associated with the program that they otherwise would not have incurred with their current diesel fleet. These costs may include upgrades to the electric power infrastructure of bus garages, the cost of electric charging equipment, acquiring different vehicle parts and tools, and training bus maintenance personnel to work with different equipment. These costs can vary greatly based on the specific buses chosen,

characteristics of the existing garages, and the skill level of current employees. These costs are to be covered under the terms of the grant.

Recent studies have found that the average cost of an electric bus can be between at least two to three times that of a diesel bus. However, purchase costs of electric buses are getting closer to diesel buses at a rapid pace. In terms of related equipment, in 2017, Aspen, Colorado purchased electric bus charging stations at a cost of \$80,000 each and spent \$20,000 for installation costs. It is likely that, assuming each region receives equal allocations of the \$15 million for their respective districts, those regions will be able to purchase and operate approximately ten to 15 buses depending on the model of electric bus purchased and charging infrastructure.

The local districts in turn will realize lower operating and maintenance costs for those electric vehicles. The magnitude of savings are the subject of the program itself, and the success of the program will hinge on whether the costs to school districts over the projected life of the electric school buses is greater or less than the \$45 million used to purchase and operate the electric buses and related infrastructure.

A 2016 study by Columbia University found the lifecycle cost of maintaining a diesel commuter bus was \$378,000 in fuel and \$420,000 in maintenance costs. An electric bus by comparison costs \$78,000 in electricity and \$252,000 in maintenance. This suggests that electric buses may have a lifecycle operating cost about 59 percent lower than conventional diesel powered buses. Those reduced operating costs will likely mitigate the increase in initial costs, but the magnitude of any savings cannot be determined at the present time due to variability in the factors mentioned above.

The bill requires the DEP to establish a working group to review reports submitted by program participants. The department is also required to submit a comprehensive report to the Governor and the Legislature within six months after the conclusion of the program. The bill allows for up to five percent of monies made available to the program to support the administrative costs of the program.

Section: Revenue, Finance and Appropriations

*Analyst: Jordan M. DiGiovanni
Revenue Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 759

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 6, 2022

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 759 (1R) with committee amendments.

As amended and reported, this bill requires the New Jersey Department of Environmental Protection (DEP) to implement a three-year “Electric School Bus Program” (program). The purpose of the program is to determine the operational reliability and cost effectiveness of replacing diesel-powered school buses with electric school buses for the transportation of students.

The bill requires the DEP, subject to available funding, to select no less than six school districts (districts) and school bus contractors (bus contractors) annually for participation in the program, so that during the third year of the program, no less than a total of 18 districts or bus contractors are selected to participate in the program amongst the northern, central, and southern regions of the State. At least half of the districts or bus contractors annually selected and at least half of the grant funding is to be located in a “low-income, urban, or environmental justice community” as defined pursuant to law. The DEP is to use its best efforts to select an equal number of grantees from the northern, central, and southern parts of the State.

The DEP is to award grants to the selected districts or bus contractors to purchase or lease electric school buses and to purchase or lease and install electric school bus charging infrastructure. An electric school bus and charging infrastructure vendor purchase or lease arrangement is to include certain provisions as described in the bill. Under the bill, \$45 million is made available for grants provided under the program. The DEP is to provide \$15 million in grants in the first year for electrification and, subject to available funding, \$15 million for each of the next two years. The DEP may use available monies to provide grants from the societal benefits charge (SBC) revenues, the “Global Warming Solutions Fund,” any monies from utility programs to upgrade electrical infrastructure for purposes of electric vehicle charging, any appropriations made by the Legislature, or any other sources of available funding.

The bill requires the selected districts or bus contractors to submit reports to the DEP detailing the cost to operate electric school buses, the electric school bus maintenance records and transponder data, and any reliability issues related to the operation or delivery and procurement of the buses.

The DEP is to convene, twice per year, a working group, which includes certain representatives as provided in the bill. The working group is to review reports and, as appropriate, troubleshoot and recommend solutions to any issue raised in a submitted report. The working group is also required to consider issues raised in the reports and make recommendations regarding program implementation.

The DEP is to permit a recipient of any grant under any State agency-administered program for the provision of an electric school bus and electric school bus charging infrastructure prior to the effective date of the bill to submit any additional information and data to the DEP to complement any data received by the DEP from program participants.

The bill requires the DEP, in collaboration with the Board of Public Utilities and the New Jersey Economic Development Authority, to submit a report to the Governor and Legislature within six months following the conclusion of the program.

As amended and reported by the committee, Senate Bill No. 759 (2R) is identical to Assembly Bill No. 1282 (1R) as also reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to provide that:

- in each year, no more than half of the grants are to be awarded to school bus contractors;
- program participants receiving grants under the program may coordinate with certain electric utility providers to purchase or lease electric school buses and to purchase or lease and install electric school bus charging infrastructure;
- monies available from utility programs to upgrade electrical infrastructure for purposes of electric vehicle charging may be used to provide grants to program participants and procure certain professional services; and
- the report submitted to the Governor and Legislature include recommendations regarding other types of financial agreements to assist school districts and school bus contractors with implementing and using electric school buses.

FISCAL IMPACT:

The Office of Legislative Services finds that this bill will result in an increase in State expenditures of up to \$45 million over three years to fund and administer the program. Participating local school districts will realize the same amount in increased grant revenue to purchase

electric buses and electric charging infrastructure, less any monies retained by the Department of Environmental Protection to administer the grant.

The program may also generate an indeterminate amount of net local cost savings throughout the duration of the program and possibly longer. Electric vehicles generally require lower operating and maintenance costs during the life of the vehicle compared to diesel powered ones, but participating school districts will likely incur some upfront costs associated with the program that they otherwise would not have incurred with their current diesel fleet. The magnitude of any savings cannot be accurately stated at this time due to uncertainty about the cost benefits a local school district will realize from the use of electric buses as opposed to conventional diesel buses.

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE, No. 759

STATE OF NEW JERSEY 220th LEGISLATURE

DATED: JUNE 15, 2022

SUMMARY

- 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.
- Type of Impact:** Three-year increase in State costs and local revenue; potential annual local cost savings.
- Agencies Affected:** Department of Environmental Protection; New Jersey Economic Development Authority; and New Jersey Board of Public Utilities.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Expenditure Increase	Up to \$15 million	Up to \$15 million	Up to \$15 million
Local Revenue Increase	Up to \$15 million	Up to \$15 million	Up to \$15 million
Potential Net Local Cost Decrease		Indeterminate	

- The Office of Legislative Services (OLS) finds that this bill will result in an increase in State expenditures of up to \$45 million over three years to fund and administer the program. Participating local school districts will realize the same amount in increased grant revenue to purchase electric buses and electric charging infrastructure, less any monies retained by the Department of Environmental Protection (DEP) to administer the grant.
- The program may also generate an indeterminate amount of net local cost savings throughout the duration of the program and possibly longer. Electric vehicles generally require lower operating and maintenance costs during the life of the vehicle compared to diesel powered ones, but participating school districts will likely incur some upfront costs associated with the program that they otherwise would not have incurred with their current diesel fleet. The magnitude of any savings cannot be accurately stated at this time due to uncertainty about the

cost benefits a local school district will realize from the use of electric buses as opposed to conventional diesel buses.

BILL DESCRIPTION

This bill requires the DEP to develop and implement a three-year electric school bus program. The purpose of the program is to determine the operational reliability and cost effectiveness of replacing diesel-powered school buses with electric school buses for daily transportation of students.

The DEP is to award grants to districts or bus contractors selected to participate in the program to purchase or lease electric school buses and to purchase or lease and install electric school bus charging infrastructure. An electric school bus and charging infrastructure vendor purchase or lease arrangement is to include certain provisions as described in the bill. Under the bill, \$45 million is made available for grants provided under the program. The DEP is to provide \$15 million in grants in the first year of the program and, subject to the availability of funds, grants shall continue to be provided in the amount of \$15 million in each of the subsequent two years; provided, however, DEP cannot award more than half of the grants to school bus contractors in any year. The DEP may use available monies to provide grants from societal benefits charge revenues, the Global Warming Solutions Fund, utility programs to upgrade electrical infrastructure for the purpose of electric vehicle charging, any appropriations made the Legislature, or any other sources of available funding.

The DEP is to establish a working group that includes a representative of the Board of Public Utilities, the New Jersey Economic Development Authority, Department of Transportation, Department of Education, and the Motor Vehicle Commission. The working group is to review the reports and recommend solutions to any issue raised in the reports submitted by a program participant. The bill requires the submission of reports to the Governor and Legislature within six months following the conclusion of the program.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

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The bill requires the DEP to establish a working group to review reports submitted by program participants. The department is also required to submit a comprehensive report to the Governor and the Legislature within six months after the conclusion of the program. The bill allows for up to five percent of monies made available to the program to support the administrative costs of the program.

Section: Revenue, Finance and Appropriations

*Analyst: Jordan M. DiGiovanni
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*Approved: Thomas Koenig
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Governor Murphy Signs Legislation Requiring Establishment of Electric School Bus Program

08/4/2022

Up to \$45 million over three years will fund the purchase of electric school buses and charging infrastructure across the state.

TRENTON – Governor Phil Murphy today signed a bill (A1282) requiring the New Jersey Department of Environmental Protection (DEP) to implement a three-year “Electric School Bus Program” to provide funding for the purchase of electric school buses and charging infrastructure across the state and to assess a variety of operational issues related to school bus electrification. The bill’s signing testifies to the Murphy Administration’s continued commitment to the reduction of greenhouse gas emissions, vehicle electrification, and the protection of children and families from harmful air pollutants, especially in environmental justice communities.

“In order to significantly cut greenhouse gas emissions and optimally capitalize on the benefits of vehicle electrification, we must electrify not just the cars that bring us to work, but the buses that safely deliver our children to school,” **said Governor Murphy**. “Some of the most important vehicles traversing our state’s roads and bridges are the buses connecting our children and families to our nation-leading public school system. It is our responsibility as elected officials to ensure that those vehicles do not adversely affect the health outcomes of our students as they grow, learn, and prepare to lead New Jersey toward a more sustainable future themselves.”

Through the Electric School Bus Program, the DEP will issue \$15 million in grants in Year One and up to \$15 million in Years Two and Three for a total of up to \$45 million over the course of the three-year program. Grants will be awarded to at least six school districts or bus contractors annually. In each year, at least half of the school districts or school bus contractors selected by the DEP – and at least half of the grant funding awarded by the DEP in each year – will be allocated to a low-income, urban, or environmental justice community in order to mitigate the disproportionate health impacts of medium- and heavy-duty vehicles on vulnerable populations.

Funding for the program can come from the Clean Energy Fund, the Global Warming Solutions Fund (Regional Greenhouse Gas Initiative proceeds), monies available from utility programs to upgrade electrical infrastructure for vehicle charging, appropriations, or any other available funding. For Year One, the program’s budget comes from the General Fund.

“By getting our children off diesel and on to electric school buses, we are better protecting their health and our entire communities from the particulate matter diesel buses spew into our neighborhoods,” **said Commissioner of Environmental Protection Shawn M. LaTourette**. “These investments will also help New Jersey to reduce its reliance on dirtier fossil fuels that are hastening climate change, extreme heat, and flooding. We should be proud of the leadership that Governor Murphy and our Legislature are showing the country—that we can improve health and fight climate change through wise government-led investment in our children and communities.”

“Today’s announcement is another step forward in the effort to electrify the transportation sector in New Jersey, one that is part of a multi-agency approach” **said Joseph L. Fiordaliso, President, New Jersey Board of Public Utilities**. “In response to the reality that more than 40 percent of the state’s emissions come from transportation, the Board has also implemented several programs aimed at increasing the number of electric vehicles on the road. Through the Charge Up NJ electric vehicle incentive program, the Clean Fleet EV incentive and infrastructure program and the multi-unit dwelling and tourism infrastructure programs we are not only encouraging New Jerseyans to drive electric but we are ensuring that when they do they will find many places along the way to charge their vehicles.”

“The New Jersey Department of Education takes pride in partnering for this legislation in an effort to continue to reduce the impact of climate change,” **said Dr. Angelica Allen-McMillan, Acting Commissioner of Education**. “The legislation also supports the mission of the New Jersey Department of Education in informing New Jersey students that we must care about the current and future health of our planet, as students continue to experience climate change action through the New Jersey Student Learning Standards.”

“The diesel exhaust from buses negatively impacts our overall health and is a major contributor to climate change,” **said**

Assemblyman Sterley Stanley, Assemblywoman Shama Haider, and Assemblywoman Britnee N. Timberlake. "Under the Electric School Bus Program, New Jersey will spearhead a healthier, more efficient transportation system for students. This new program gives our State the ability to explore different approaches for electrifying our bus fleets and will give us a better understanding of how to formulate the most effective processes in the future."

"To increase the efficiency of our fight against climate change, we must begin by incorporating environmentally friendly options into our daily lives. On a typical school day in New Jersey, more than 800,000 students utilize one of the state's 15,000 diesel school buses," **said Senator Patrick J. Diegnan, Jr.** "As a state, we have established ambitious goals to significantly lower our carbon emissions and become a greener place to live. Transitioning from the conventional diesel-fueled buses to those with zero-emissions will significantly decrease our state's pollution levels and further enable us to achieve our ecofriendly goals."

"I would like to thank the Governor for prioritizing student health and signing this critical program into law today. On average, children who ride in a diesel-powered school bus are exposed to 4-12 times the level of toxic exhaust than riding in a car," **said Senator Linda R. Greenstein.** "School buses are known to emit greenhouse gases and carcinogens, both of which contribute to climate change and threaten exposed individuals with elevated lifetime risks of developing cancer, asthma, and heart disease. By implementing this program, we're offering students a healthier and more environmentally friendly way to get to and from school each day."