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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 2502

03/02/2023 Authored by Hanson, J.; Hollins; Kraft and Frederick
The bill was read for the first time and referred to the Committee on Climate and Energy Finance and Policy

1.1 A bill for an act
1.2 relating to energy; allowing a public utility to file a program with the public utilities
1.3 commission to promote the deployment of electric school buses; proposing coding
1.4 for new law in Minnesota Statutes, chapter 216B.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. [216B.1616] ELECTRIC SCHOOL BUS DEPLOYMENT PROGRAM.

1.7 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
1.8 the meanings given.

1.9 (b) "Battery exchange station" means a physical location where equipment is deployed
1.10 that enables a used electric vehicle battery to be exchanged for a fully charged battery.

1.11 (c) "Electric school bus" means an electric vehicle that is a school bus.

1.12 (d) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

1.13 (e) "Electric vehicle charging station" means a physical location deploying equipment
1.14 that provides electricity to charge a battery in an electric vehicle.

1.15 (f) "Electric vehicle infrastructure" means electric vehicle charging stations and battery
1.16 exchange stations, and includes any infrastructure necessary to make electricity from a
1.17 public utility's electric distribution system available to electric vehicle charging stations or
1.18 battery exchange stations.

1.19 (g) "Poor air quality" means: (1) ambient air levels that air monitoring data reveals
1.20 approach or exceed state or federal air quality standards or chronic health inhalation risk
1.21 benchmarks for total suspended particulates, particulate matter less than ten microns wide
1.22 (PM-10), particulate matter less than 2.5 microns wide (PM-2.5), sulfur dioxide, or nitrogen

2.1 dioxide; or (2) levels of asthma among children that significantly exceed the statewide
 2.2 average.

2.3 (h) "School bus" has the meaning given in section 169.011, subdivision 71.

2.4 Subd. 2. **Program.** (a) A public utility may file with the commission a program to
 2.5 promote deployment of electric school buses.

2.6 (b) The program may include but is not limited to the following elements:

2.7 (1) a school district may purchase one or more electric school buses;

2.8 (2) the public utility may provide a rebate to the school district for the incremental cost
 2.9 the school district incurs to purchase one or more electric school buses when compared with
 2.10 fossil-fuel-powered school buses;

2.11 (3) at the request of a school district, the public utility may deploy on the school district's
 2.12 real property electric vehicle infrastructure required to charge electric school buses;

2.13 (4) for any electric school bus purchased by a school district with a rebate provided by
 2.14 the public utility, the school district must enter into a contract with the public utility under
 2.15 which the school district:

2.16 (i) accepts any and all liability for operating the electric school bus;

2.17 (ii) accepts responsibility to maintain and repair the electric school bus; and

2.18 (iii) must allow the public utility an option to own the electric school bus's battery at the
 2.19 time the battery is retired from the electric school bus; and

2.20 (5) in collaboration with a school district, prioritize the deployment of electric school
 2.21 buses in areas of the school district that suffer from poor air quality.

2.22 Subd. 3. **Program review and implementation.** The commission must approve, modify,
 2.23 or reject a proposal for a program filed under this section within 180 days of the date the
 2.24 proposal is received, based on the proposal's likelihood to, through prudent and reasonable
 2.25 utility investments:

2.26 (1) accelerate deployment of electric school buses in the public utility's service territory,
 2.27 particularly in areas with poor air quality; and

2.28 (2) reduce emissions of greenhouse gases and particulates compared to
 2.29 fossil-fuel-powered school buses.

2.30 Subd. 4. **Cost recovery.** (a) Any prudent and reasonable investment made by a public
 2.31 utility on electric vehicle infrastructure installed on a school district's real property may be

3.1 placed in the public utility's rate base and earn a rate of return, as determined by the
3.2 commission.

3.3 (b) Notwithstanding any other provision of this chapter, the commission may approve
3.4 a tariff mechanism to automatically adjust annual charges for prudent and reasonable
3.5 investments made by a public utility to implement and administer a program approved by
3.6 the commission under subdivision 3.

3.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.