

1.1 Senator moves to amend S.F. No. 2993 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. **[216B.1616] ELECTRIC SCHOOL BUS DEPLOYMENT PROGRAM.**

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

1.6 (b) "Battery exchange station" means a physical location deploying equipment that
1.7 enables a used electric vehicle battery to be removed and exchanged for a fresh electric
1.8 vehicle battery.

1.9 (c) "Electric school bus" means a passenger motor vehicle primarily used to transport
1.10 preprimary, primary, and secondary students designed to carry a driver and more than ten
1.11 passengers, whose primary propulsion and accessory power technologies produce zero
1.12 carbon emissions in its day-to-day operations.

1.13 (d) "Electric utility" has the meaning given in section 216B.1691, subdivision 1, paragraph
1.14 (d).

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

1.16 (f) "Electric vehicle charging station" means a physical location deploying equipment
1.17 that provides electricity to charge a battery in an electric vehicle.

1.18 (g) "Electric vehicle infrastructure" means electric vehicle charging stations and any
1.19 associated electric panels, machinery, equipment, and infrastructure necessary for an electric
1.20 utility to supply electricity or hydrogen to an electric vehicle charging station and to support
1.21 electric vehicle operation.

1.22 (h) "Electric vehicle service provider" means an organization that installs, maintains, or
1.23 otherwise services a battery exchange station, electric vehicle infrastructure, or electric
1.24 vehicle charging stations.

1.25 (i) "Poor air quality" means:

1.26 (1) ambient air levels that air monitoring data reveals approach or exceed state or federal
1.27 air quality standards or chronic health inhalation risk benchmarks for total suspended
1.28 particulates, particulate matter less than ten microns wide (PM-10), particulate matter less
1.29 than 2.5 microns wide (PM-2.5), sulfur dioxide, or nitrogen dioxide; or

1.30 (2) levels of asthma among children that significantly exceed the statewide average.

1.31 (j) "Prioritized school district" means:

2.1 (1) a school district listed in the Small Area Income and Poverty Estimates (SAIPE)
2.2 School District Estimates as having 7.5 percent or more students living in poverty based on
2.3 the most recent decennial U.S. census;

2.4 (2) a school district identified with locale codes "43-Rural: Remote" and "42-Rural:
2.5 Distant" by the National Center for Education Statistics (NCES); or

2.6 (3) a Bureau of Indian Affairs funded school district and school districts that receive
2.7 basic support payments under United States Code, title 20, section 7703(b)(1), for children
2.8 who reside on Indian land.

2.9 (k) "Public utility" has the meaning given in section 216B.02, subdivision 4.

2.10 (l) "School" means a school that operates as part of an independent or special school
2.11 district.

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

2.13 (n) "School district" means an independent or special school district.

2.14 (o) "Transportation service provider" means a transportation service provider that provides
2.15 student transportation services that has a contract to provide transportation services to a
2.16 school.

2.17 Subd. 2. **Establishment; purpose.** An electric school bus deployment program is
2.18 established in the Department of Commerce. The purpose of the program is to provide grants
2.19 to accelerate the deployment of electric school buses by school districts and to encourage
2.20 schools to use vehicle electrification as a teaching tool that can be integrated into the school's
2.21 curriculum.

2.22 Subd. 3. **Establishment of account.** An electric school bus program account is established
2.23 in the special revenue fund. Money received from the general fund must be transferred to
2.24 the commissioner of commerce and credited to the account. Except as otherwise provided
2.25 in this paragraph, money deposited in the account remains in the account until expended.
2.26 Any money that remains in the account on June 30, 2033, cancels to the general fund.

2.27 Subd. 4. **Expenditures.** (a) Money in the account is appropriated to the commissioner
2.28 and must be used only:

2.29 (1) for grant awards made under this section; and

2.30 (2) to pay the reasonable costs incurred by the department to administer this section,
2.31 including the cost of providing technical assistance to school districts, electric utilities,

3.1 electric vehicle service providers, or transportation service providers, including but not
3.2 limited to grant writing assistance for applications for federal vehicle electrification programs.

3.3 (b) Grant awards made with funds in the account must be used only for:

3.4 (1) grants for the deployment of electric school buses by school districts; and

3.5 (2) reasonable costs related to technical assistance for electric school bus deployment
3.6 program planning and preparing applications for federal vehicle electrification programs.

3.7 Subd. 5. Eligible programs. (a) An electric bus deployment grant may be awarded to
3.8 a school district, electric utility, electric vehicle service provider, or transportation service
3.9 provider under this section only if the electric bus deployment program that is the subject
3.10 of the grant includes but is not limited to the following elements:

3.11 (1) a school district, or transportation service provider may purchase one or more electric
3.12 school buses, or convert or repower fossil-fuel-powered school buses to be electric;

3.13 (2) the grant may be used for up to 75 percent of the cost the school district or
3.14 transportation service provider incurs to purchase one or more electric school buses, or to
3.15 convert or repower fossil-fuel-powered school buses to be electric;

3.16 (3) for prioritized school districts, the grant may be used for up to 95 percent of the cost
3.17 the school district or transportation service provider incurs to purchase one or more electric
3.18 school buses, or to convert or repower fossil-fuel-powered school buses to be electric;

3.19 (4) the grant may be used for up to 75 percent of the cost of deploying on the school
3.20 district or transportation service provider's real property infrastructure required to operate
3.21 electric school buses, including but not limited to battery exchange stations, electric vehicle
3.22 infrastructure, or electric vehicle charging stations;

3.23 (5) for prioritized school districts, the grant may be used for up to 95 percent of the cost
3.24 of deploying on the school district or transportation service provider's real property
3.25 infrastructure required to operate electric school buses, including but not limited to battery
3.26 exchange stations, electric vehicle infrastructure, or electric vehicle charging stations;

3.27 (6) at the request of a school district or transportation service provider, an electric utility
3.28 may deploy on the school district or transportation service provider's real property electric
3.29 vehicle infrastructure required to operate electric school buses; and

3.30 (7) the school district prioritizes the deployment of electric school buses in areas of the
3.31 school district that serve disadvantaged students, disproportionately experience poor air

4.1 quality, or any areas of the school district that are environmental justice areas as defined in
4.2 section 216B.1691, subdivision 1, paragraph (e).

4.3 (b) A technical assistance grant may be awarded to a school district, electric utility,
4.4 electric vehicle service provider, or transportation service provider under this section for
4.5 the reasonable costs related to electric school bus deployment program planning and for
4.6 preparing applications for federal vehicle electrification programs.

4.7 Subd. 6. **Application process.** (a) The commissioner must issue a request for proposals
4.8 to school districts, electric utilities, the electric vehicle service providers, and the
4.9 transportation service providers who may wish to apply for an electric bus deployment or
4.10 technical assistance grant under this section on behalf of a school.

4.11 (b) A school district, electric utility, electric vehicle service provider, or transportation
4.12 service provider must submit an application for an electric school bus deployment grant to
4.13 the commissioner on behalf of a school district on a form prescribed by the commissioner.
4.14 The form must include, at a minimum, the following information:

4.15 (1) the number of and description of the electric school buses the school district or
4.16 transportation service provider intend to purchase;

4.17 (2) the total cost to purchase the electric school buses and the incremental cost, if any,
4.18 of the electric school buses when compared with fossil-fuel-powered school buses;

4.19 (3) a copy of the proposed contract agreement between the school district, the electric
4.20 utility, the electric vehicle service provider, or the transportation service provider that
4.21 includes provisions addressing responsibility for maintenance of the electric school buses
4.22 and the infrastructure required to operate electric school buses, including but not limited to
4.23 battery exchange stations, electric vehicle infrastructure, or electric vehicle charging stations;

4.24 (4) whether the school district is also a prioritized school district;

4.25 (5) the areas of the school district that serve disadvantaged students, disproportionately
4.26 experience poor air quality, as measured by indicators such as the Minnesota Pollution
4.27 Control Agency's air quality monitoring network, the Minnesota Department of Health's
4.28 air quality and health monitoring, or any other indicators applicants choose to include, or
4.29 any areas of the school district that are environmental justice areas as defined in section
4.30 216B.1691, subdivision 1, paragraph (e);

4.31 (6) the school district's plan, if any, to make the electric school buses serve as a visible
4.32 learning tool for students, teachers, and visitors to the school, including how vehicle
4.33 electrification may be integrated into the school district's curriculum;

5.1 (7) information that demonstrates the school district's level of need for financial assistance
5.2 available under this section;

5.3 (8) information that demonstrates the school district's readiness to implement the project
5.4 and to operate the electric school buses for no less than five years;

5.5 (9) with respect to the installation and operation of the infrastructure required to operate
5.6 electric school buses, the willingness and ability of the electric vehicle service provider or
5.7 the electric utility to:

5.8 (i) pay employees and contractors a prevailing wage rate, as defined in section 177.42,
5.9 subdivision 6; and

5.10 (ii) adhere to the provisions of section 177.43; and

5.11 (10) any other information deemed relevant by the commissioner.

5.12 (c) A school district, electric utility, electric vehicle service provider, or transportation
5.13 service provider must submit an application for a technical assistance grant to the
5.14 commissioner on behalf of a school district on a form prescribed by the commissioner. The
5.15 form must include, at a minimum, the following information:

5.16 (1) the name of the federal programs to which the applicants intend to apply;

5.17 (2) a description of the technical assistance the applicants will require to complete the
5.18 federal application; and

5.19 (3) any other information deemed relevant by the commissioner.

5.20 (d) The commissioner shall prioritize making grant awards to prioritized school districts.
5.21 On an annual basis, when prioritized school districts have applied for a grant, the
5.22 commissioner shall have as a goal awarding no less than 40 percent of the state's total grant
5.23 award amount to prioritized school districts.

5.24 (e) The commissioner must administer an open application process under this section
5.25 at least twice annually.

5.26 (f) The commissioner must develop administrative procedures governing the application
5.27 and grant award process.

5.28 Subd. 7. **Technical assistance.** The commissioner must provide technical assistance to
5.29 school districts to develop and execute projects under this section.

5.30 Subd. 8. **Grant payments.** The commissioner must award a grant from the account
5.31 established under subdivision 3 to a school district, the electric utility, the electric vehicle

6.1 service provider, or the transportation service provider for the necessary costs associated
 6.2 with deployment of electric buses. The amount of the grant must be based on the
 6.3 commissioner's assessment of the school district's need for financial assistance. For each
 6.4 award, the amount of the grant, in combination with any federal vehicle electrification
 6.5 program awards to the school district, the electric utility, the electric vehicle service provider,
 6.6 or the transportation service provider, shall not exceed the cost of the applicant's proposed
 6.7 electric school buses, electric vehicle charging stations, and the electric vehicle infrastructure.

6.8 Subd. 9. **Application deadline.** No application may be submitted under this section
 6.9 after December 31, 2032.

6.10 Subd. 10. **Reporting.** Beginning January 15, 2024, and each year thereafter until January
 6.11 15, 2034, the commissioner must report to the chairs and ranking minority members of the
 6.12 legislative committees with jurisdiction over energy regarding: (1) grants and amounts
 6.13 awarded to school districts under this section during the previous year; and (2) any remaining
 6.14 balances available under this section.

6.15 Subd. 11. **Cost recovery.** (a) Any prudent and reasonable investment made by any public
 6.16 utility on electric vehicle infrastructure installed on a school district's real property may be
 6.17 placed in the public utility's rate base and earn a rate of return, as determined by the
 6.18 commission.

6.19 (b) Notwithstanding any other provision of this chapter, the commission may approve
 6.20 a tariff mechanism to automatically adjust annual charges for prudent and reasonable
 6.21 investments made by a public utility on electric vehicle infrastructure installed on a school
 6.22 district's real property.

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

6.24 Sec. 2. **APPROPRIATION.**

6.25 \$..... in fiscal year 2024 is appropriated from the general fund to the commissioner of
 6.26 commerce to award grants under Minnesota Statutes, section 216B.1616, to school districts,
 6.27 electric utilities, the electric vehicle service providers, and the transportation service providers
 6.28 to accelerate the deployment of electric school buses by school districts to enable schools
 6.29 to use vehicle electrification as a teaching tool that can be integrated into the school district's
 6.30 curriculum. This is a onetime appropriation and available until expended, or June 30, 2033.

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

6.32 Delete the title and insert:

- 7.1 "A bill for an act
- 7.2 relating to energy; establishing an electric school bus deployment program;
- 7.3 requiring reports; appropriating money; proposing coding for new law in Minnesota
- 7.4 Statutes, chapter 216B."