

**SENATE  
STATE OF MINNESOTA  
NINETY-FIRST SESSION**

**S.F. No. 2664**

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Introduction and first reading  
Referred to Energy and Utilities Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to energy; establishing a demonstration grant program to purchase electric  
1.3 school buses; appropriating money.

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

1.5 Section 1. **ELECTRIC SCHOOL BUS DEMONSTRATION GRANT.**

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

1.8 (b) "Electric school bus" means a school bus powered solely by an electric motor drawing  
1.9 current from rechargeable storage batteries, fuel cells, or other portable sources of electric  
1.10 current.

1.11 (c) "Electric vehicle charging station" means infrastructure that recharges an electric  
1.12 vehicle's batteries by connecting the electric vehicle to:

1.13 (1) a level 2 charger that provides a 240-volt alternating current power source; or

1.14 (2) a DC fast charger that has an electric output of 20 kilowatts or greater.

1.15 (d) "Private school bus contractor" means a person who contracts with a school district  
1.16 to transport school district students to and from school and school activities on school buses  
1.17 owned and operated by the person.

1.18 (e) "School bus" has the meaning given in Minnesota Statutes, section 169.011,  
1.19 subdivision 71, but does not include a Type III vehicle, as defined in Minnesota Statutes,  
1.20 section 169.011, subdivision 71, paragraph (h).

1.21 (f) "School district" means an independent or special school district.

2.1 Subd. 2. **Purpose.** The commissioner of education must award a grant to a school district  
2.2 to purchase an electric school bus as a demonstration project to enable the school district,  
2.3 the electric utility serving the school district, and, if applicable, the private school bus  
2.4 contractor providing transportation services to the school district to gain experience operating  
2.5 an electric school bus and to assess electric school bus performance.

2.6 Subd. 3. **Eligibility.** A school district that owns and operates school buses or contracts  
2.7 with a private school bus contractor is eligible to apply for a grant under this section.

2.8 Subd. 4. **Application process.** An eligible applicant must submit an application to the  
2.9 commissioner of education on a form designed by the commissioner of education. The  
2.10 commissioner of education must develop administrative procedures governing the application  
2.11 and grant award process.

2.12 Subd. 5. **Application content.** An application for a grant under this section must include:

2.13 (1) the name of the school district or districts where the applicant intends to operate the  
2.14 electric school bus;

2.15 (2) a description of the route, timing of operation, number of students to be transported,  
2.16 and other factors affecting the performance characteristics that an electric school bus  
2.17 performance must be required to meet;

2.18 (3) certification from the electric utility serving the school district, and, if applicable,  
2.19 the private school bus contractor providing transportation services to the school district,  
2.20 that the electric utility and private school bus contractor fully support and are full partners  
2.21 in implementing the demonstration project, including a list of tasks the electric utility and  
2.22 private school bus contractor commit to conduct and any voluntary financial contributions  
2.23 to the project;

2.24 (4) certification from the electric utility serving the school district that it commits to pay  
2.25 the costs to purchase and install an electric vehicle charging station in a convenient location  
2.26 to recharge the batteries of the electric school bus;

2.27 (5) evidence that the electric school bus has access to an electric vehicle charging station  
2.28 at a convenient location;

2.29 (6) if the school district contracts with a private school bus contractor:

2.30 (i) a copy of a signed agreement between the school district and the private school bus  
2.31 contractor that protects the state's interest in the electric school bus purchased with the grant  
2.32 in the case of the termination of the private school bus contractor's contract with the school  
2.33 district or other contingencies; and

3.1 (ii) written certification that any revenues paid to the private school bus contractor by  
3.2 the utility providing retail electric service to the private school bus contractor that result  
3.3 from the purchase of or access to the electricity stored in the batteries of the electric school  
3.4 bus purchased with a grant under this section must be forwarded to the school district; and

3.5 (7) any additional information required by the commissioner of education.

3.6 Subd. 6. **Eligible expenditures.** Grant funds awarded under this section may be expended  
3.7 to:

3.8 (1) purchase an electric school bus;

3.9 (2) pay the cost of electricity to charge the electric school bus batteries; and

3.10 (3) pay repair and maintenance costs for the electric school bus.

3.11 Subd. 7. **Reports.** On or before the first anniversary of the initial operation of an electric  
3.12 school bus funded by a grant under this section, and on or before the same date in each of  
3.13 the following two years, the school district awarded the grant, in collaboration with the  
3.14 electric utility serving the school district, and, if applicable, the private school bus contractor  
3.15 providing transportation services to the school district, must submit a report describing the  
3.16 electric school bus performance to the chairs and ranking minority members of the senate  
3.17 and house of representatives committees with primary jurisdiction over energy policy,  
3.18 transportation policy, and education policy, and to the commissioner of education. At a  
3.19 minimum, the report must contain the following information regarding the performance of  
3.20 the electric school bus:

3.21 (1) the number of miles traveled per day and per year;

3.22 (2) the cost of recharging, and any steps taken to minimize the costs by charging at  
3.23 off-peak times;

3.24 (3) operating costs per mile;

3.25 (4) miles driven per kWh;

3.26 (5) the number of days the electric school bus was out of service for repairs;

3.27 (6) discussion of the qualitative aspects of performance, including the impact of extreme  
3.28 cold on bus performance; and

3.29 (7) any other information deemed relevant by the school district.

4.1 Sec. 2. APPROPRIATION.

4.2 \$500,000 in fiscal year 2020 is appropriated from the general fund to the commissioner  
4.3 of education for the purpose of awarding a grant to a school district for the purchase of an  
4.4 electric school bus, as described in section 1.