

By: Deshotel, Guillen

H.B. No. 4120

Substitute the following for H.B. No. 4120:

By: Paddie

C.S.H.B. No. 4120

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the efficient use and generation of electricity by
3 public schools.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 390.002(b), Health and Safety Code, is
6 amended to read as follows:

7 (b) Projects that may be considered for a grant under the
8 program include:

9 (1) diesel oxidation catalyts for school buses built
10 before 1994;

11 (2) diesel particulate filters for school buses built
12 from 1994 to 1998;

13 (3) the purchase and use of emission-reducing add-on
14 equipment for school buses, including devices that reduce crankcase
15 emissions;

16 (4) the use of qualifying fuel;

17 (5) other technologies that the commission finds will
18 bring about significant emissions reductions; ~~and~~

19 (6) the replacement or conversion of a [pre-2007 model
20 year] school bus eligible for replacement or conversion under
21 Section 390.004; and

22 (7) the installation of charging infrastructure for
23 electric school buses.

24 SECTION 2. Section 390.003, Health and Safety Code, is

1 amended by adding Subsection (a-1) to read as follows:

2 (a-1) A private entity that leases school buses to a school
3 district or provides school bus services or supporting
4 infrastructure to a school district by contract may apply for and
5 receive a grant under the program.

6 SECTION 3. Section 390.004, Health and Safety Code, is
7 amended by amending Subsections (a), (c), and (d) and adding
8 Subsections (a-1) and (a-2) to read as follows:

9 (a) The commission by rule shall establish criteria for
10 setting priorities for projects eligible to receive grants under
11 this chapter. Except as provided by Subsection (a-1), the [~~The~~
12 commission shall review and may modify the criteria and priorities
13 as appropriate.

14 (a-1) The criteria must prioritize projects that achieve
15 the greatest reductions in diesel exhaust, especially particulate
16 matter.

17 (a-2) The commission shall ensure that at least 75 percent
18 of the money issued for grants under this chapter is issued for
19 projects to purchase electric buses or to convert diesel buses into
20 electric buses.

21 (c) A school bus proposed for replacement must:

22 (1) be of model year 2006 or earlier if the bus will be
23 replaced with a combustion engine bus;

24 (1-a) be of a model year that is at least six years
25 older than the year in which the grant application is submitted or
26 have an odometer reading at least 150,000 miles if the bus will be
27 replaced with an electric bus;

1 (2) have been owned and operated by the applicant for
2 at least the two years before submission of the grant application;

3 (3) be in good operational condition; and

4 (4) be currently used on a regular, daily route to and
5 from a school.

6 (d) A school bus proposed for purchase to replace a
7 [~~pre-2007 model year~~] school bus described by Subsection (c) must
8 be of the current model year or the year before the current model
9 year at the time of submission of the grant application.

10 SECTION 4. Section 390.005(a), Health and Safety Code, is
11 amended to read as follows:

12 (a) A recipient of a grant under this chapter shall use the
13 grant to pay the incremental costs of the project for which the
14 grant is made, which may include the reasonable and necessary
15 expenses incurred for the labor needed to install
16 emissions-reducing equipment or vehicle charging infrastructure.
17 The recipient may not use the grant to pay the recipient's
18 administrative expenses.

19 SECTION 5. Chapter 35, Utilities Code, is amended by adding
20 Subchapter F to read as follows:

21 SUBCHAPTER F. PUBLIC SCHOOLS

22 Sec. 35.201. DEFINITIONS. In this subchapter:

23 (1) "Distributed renewable generation" has the
24 meaning assigned by Section 39.916.

25 (2) "Interconnection" means the right of a person to
26 physically connect an energy source and related equipment to an
27 electricity distribution system and the technical requirements,

1 rules, or processes required for the connection.

2 (3) "School energy source" means a source that is:

3 (A) on-site distributed renewable generation,
4 energy storage, or an electric school bus; and

5 (B) owned, leased, or used by a school district
6 or open-enrollment charter school.

7 Sec. 35.202. USE OF SCHOOL ENERGY SOURCES. (a) A school
8 district or open-enrollment charter school that installs electric
9 vehicle charging equipment shall contract with an electric
10 cooperative, an electric utility, a municipally owned utility, or a
11 transmission and distribution utility to:

12 (1) install make-ready infrastructure on the
13 cooperative's or utility's side of the meter required to facilitate
14 interconnection of the electric vehicle charging equipment,
15 including a new service connection, transformer, conductor,
16 connector, conduit, or meter; and

17 (2) provide any necessary construction on the
18 cooperative's or utility's side of the meter to comply with local
19 regulations related to the charging equipment.

20 (b) Electric cooperatives, electric utilities, municipally
21 owned utilities, and transmission and distribution utilities shall
22 use their best efforts to:

23 (1) encourage and facilitate interconnection
24 processes for school energy sources; and

25 (2) provide information about distribution system
26 capacity and needs to a school district or open-enrollment charter
27 school, or a person acting on behalf of a school district or

1 open-enrollment charter school, to facilitate interconnection of
2 school energy sources.

3 (c) A school district or open-enrollment charter school, or
4 a person acting on behalf of a school district or open-enrollment
5 charter school, may:

6 (1) provide distribution system grid services,
7 including local capacity relief, voltage and VAR support, and local
8 frequency control, using a school energy source or a combination of
9 school energy sources; and

10 (2) receive appropriate compensation for distribution
11 grid services provided under Subdivision (1).

12 (d) The independent organization certified under Section
13 39.151 for the ERCOT power region shall adopt rules or protocols to
14 allow a school district or open-enrollment charter school, or a
15 person acting on behalf of a school district or open-enrollment
16 charter school, to sell energy and ancillary services from school
17 energy sources in the wholesale market without registering as a
18 power generation company.

19 SECTION 6. Subchapter H, Chapter 36, Utilities Code, is
20 amended by adding Section 36.3531 to read as follows:

21 Sec. 36.3531. TIME-OF-USE RATES FOR PUBLIC SCHOOLS. (a)
22 Notwithstanding any other provision of this title, each electric
23 utility that provides electric service to a retail customer shall
24 offer to a school district or open-enrollment charter school served
25 by the electric utility time-of-use rates to promote efficient:

26 (1) charging of electric school buses; and

27 (2) energy use in school buildings.

1 (b) Notwithstanding any other provision of this title, each
2 transmission and distribution utility in the ERCOT power region
3 shall offer to any retail electric provider in its service area that
4 serves a school district or open-enrollment charter school a rate
5 structure that allows the retail electric provider to offer
6 time-of-use rates to the district or school to promote efficient:

7 (1) charging of electric school buses; and

8 (2) energy use for school buildings.

9 SECTION 7. The changes in law made by this Act to Chapter
10 [390](#), Health and Safety Code, apply only to a Texas emissions
11 reduction plan grant awarded on or after the effective date of this
12 Act. A grant awarded before the effective date of this Act is
13 governed by the law in effect on the date the award was made, and the
14 former law is continued in effect for that purpose.

15 SECTION 8. The changes in law made by this Act to Section
16 36.3531, Utilities Code, as added by this Act, do not require an
17 electric utility to initiate a new ratemaking proceeding. An
18 electric utility shall comply with Section 36.3531, Utilities Code,
19 as added by this Act, beginning with the electric utility's first
20 ratemaking proceeding that begins after the effective date of this
21 Act.

22 SECTION 9. This Act takes effect September 1, 2021.