

1 Introduced by **[Agency of Transportation proposals, as modified by**
2 **Legislative Council]**

3 Date:

4 Subject: Transportation; signs; plug-in electric vehicles; PEVs; incentives;
5 electric distribution utilities; Drive Electric Vermont; electric vehicle
6 supply equipment; EVSE; per-kW fee; rate setting; Transportation
7 Fund; Education Fund; purchase and use tax

8 Statement of purpose of bill as introduced: This bill proposes to adopt the
9 State's annual Transportation Program and make miscellaneous changes to
10 laws related to transportation.

11 An act relating to the Transportation Program and miscellaneous changes to
12 laws related to transportation

13 It is hereby enacted by the General Assembly of the State of Vermont:

14 * * * Transportation Program Adopted as Amended; Definitions * * *

15 Sec. 1. TRANSPORTATION PROGRAM ADOPTED; DEFINITIONS

16 (a) The Agency of Transportation's proposed fiscal year 2021
17 Transportation Program appended to the Agency of Transportation's proposed
18 fiscal year 2021 budget, as amended by this act, is adopted to the extent
19 federal, State, and local funds are available.

20 (b) As used in this act, unless otherwise indicated:

1 (1) “Agency” means the Agency of Transportation.

2 (2) “Electric vehicle supply equipment” has the same meaning as in
3 30 V.S.A. § 201 and is abbreviated “EVSE.”

4 (3) “Plug-in electric vehicle” has the same meaning as in 23 V.S.A.
5 § 4(85) and is abbreviated “PEV.”

6 (4) “Secretary” means the Secretary of Transportation.

7 (5) “TIB funds” means monies deposited in the Transportation
8 Infrastructure Bond Fund in accordance with 19 V.S.A. § 11f.

9 (6) The table heading “As Proposed” means the proposed Transportation
10 Program referenced in subsection (a) of this section; the table heading “As
11 Amended” means the amendments as made by this act; the table heading
12 “Change” means the difference obtained by subtracting the “As Proposed”
13 figure from the “As Amended” figure; and the terms “change” or “changes” in
14 the text refer to the project- and program-specific amendments, the aggregate
15 sum of which equals the net “Change” in the applicable table heading.

16 * * * Central Garage * * *

17 Sec. 2. TRANSFER TO CENTRAL GARAGE FUND

18 Notwithstanding 19 V.S.A. § 13(c)(1), in fiscal year 2021, the amount of
19 \$1,605,358.00 is transferred from the Transportation Fund to the Central
20 Garage Fund created in 19 V.S.A. § 13.

1 Sec. 3. CENTRAL GARAGE EQUIPMENT

2 In fiscal year 2021, the amount of \$8,668,094.00 is authorized for
3 replacement equipment pursuant to 19 V.S.A. § 13(b) and of this amount, a
4 minimum of \$250,000.00 shall be dedicated for the replacement of Department
5 of Motor Vehicles enforcement fleet vehicles.

6 * * * Airport and Rail Signs * * *

7 Sec. 4. 10 V.S.A. § 494 is amended to read:

8 § 494. EXEMPT SIGNS

9 The following signs are exempt from the requirements of this chapter
10 except as indicated in section 495 of this title:

11 * * *

12 (6)(A) Official traffic control signs, including signs on limited access
13 highways, consistent with the Manual on Uniform Traffic Control Devices
14 (MUTCD) adopted under 23 V.S.A. § 1025, directing ~~people~~ persons to:

15 (i) other towns;

16 (ii) international airports;

17 (iii) postsecondary educational institutions;

18 (iv) cultural and recreational destination areas;

19 (v) nonprofit diploma-granting educational institutions for ~~people~~

20 persons with disabilities; and

21 (vi) official State visitor information centers.

1 (B) After having considered the six priority categories in subdivision
2 (A) of this subdivision (6), the Travel Information Council may approve
3 installation of a sign for any of the following provided the location is open a
4 minimum of 120 days each year and is located within 15 miles of an interstate
5 highway exit:

6 (i) nonprofit museums;

7 (ii) cultural and recreational attractions owned by the State or
8 federal government;

9 (iii) officially designated scenic byways;

10 (iv) park and ride or multimodal centers; and

11 (v) fairgrounds or exposition sites.

12 (C) The Agency of Transportation may approve and erect signs,
13 including signs on limited access highways, consistent with the MUTCD,
14 directing persons to State-owned airports and intercity passenger rail stations
15 located within 25 miles of a limited access highway exit.

16 (D) Notwithstanding the limitations of this subdivision (6),
17 supplemental guide signs consistent with the MUTCD for the President Calvin
18 Coolidge State Historic Site may be installed at the following highway
19 interchanges:

20 * * *

1 ~~(D)~~(E) Signs erected under this subdivision (6) shall not exceed a
2 maximum allowable size of 80 square feet.

3 * * *

4 * * * Programs and Incentives to Foster PEV Adoption * * *

5 Sec. 5. 2019 Acts and Resolves No. 59, Sec. 34 is amended to read:

6 Sec. 34. VEHICLE INCENTIVE AND EMISSIONS REPAIR
7 PROGRAMS

8 (a) Vehicle incentive and emissions repair programs administration.

9 (1) The Agency of Transportation (Agency), in consultation with the
10 ~~Agency of Natural Resources, the Agency of Human Services, the Department~~
11 Departments of Environmental Conservation and of Public Service, Vermont
12 electric distribution utilities ~~that are offering incentives for PEVs~~, and
13 the State’s network of community action agencies, shall establish and
14 administer the programs described in subsections (b) and (c) of this section.

15 (2) The Agency is authorized to spend \$2,000,000.00 as appropriated in
16 the fiscal year 2020 budget and \$2,000,000.00 as appropriated in the fiscal year
17 2021 budget on the two programs described in subsections (b) and (c) of this
18 section.

19 (3) Subject to State procurement requirements, the Agency may, in
20 fiscal year 2020, retain a contractor or contractors to assist with marketing,
21 program development, and administration of the two programs and up to

1 \$150,000.00 of program funding may be set aside for this purpose. In fiscal
2 year 2021, the Agency is authorized to spend up to \$200,000.00 in program
3 funding to continue and expand the Agency’s public-private partnership with
4 Drive Electric Vermont to support the expansion of the PEV market in the
5 State through: technical and consumer assistance; auto dealer education;
6 outreach and incentive program management, including marketing, consumer
7 support, record keeping and reporting, program development and modification,
8 and general program administration for the program described in subsection
9 (b) of this section; and PEV promotional efforts. The Agency shall develop, in
10 consultation with the Departments of Environmental Conservation and of
11 Public Service, a scope of work for funding the Agency’s grants to Drive
12 Electric Vermont pursuant to this section.

13 (4) The Agency shall administer the program described in subsection (b)
14 of this section through no-cost contracts with the State’s electric distribution
15 utilities.

16 (5) The Agency shall annually evaluate the two programs to gauge
17 effectiveness and submit a written report on the effectiveness of the programs
18 to the House and Senate Committees on Transportation, the House Committee
19 on Energy and Technology, and the Senate Committee on Finance on or before
20 the 31st day of December in each year that an incentive or repair voucher is
21 provided through one of the programs. Notwithstanding 2 V.S.A. § 20(d), the

1 annual report required under this section shall continue to be required if an
2 incentive or repair voucher is provided through one of the programs unless the
3 General Assembly takes specific action to repeal the report requirement.

4 (b) Electric vehicle incentive program. A new PEV purchase and lease
5 incentive program for Vermont residents shall structure PEV purchase and
6 lease incentive payments by income to help all Vermonters benefit from
7 electric driving, including Vermont's most vulnerable. The program shall be
8 known as the New PEV Incentive Program. Specifically, the ~~program~~ New
9 PEV Incentive Program shall:

10 (1) apply to both purchases and leases of new PEVs with an emphasis
11 on creating and matching incentives for exclusively electric powered vehicles
12 that do not contain an onboard combustion engine;

13 (2) provide ~~incentives~~ not more than one incentive to ~~Vermont~~
14 ~~households~~ an individual domiciled in the State with ~~low and moderate income~~
15 adjusted gross income under the laws of the United States at or below ~~160~~
16 ~~percent of the State's prior five year average Median Household Income~~
17 ~~(MHI) level~~ the following:

18 (A) \$100,000.00 for an individual whose federal income tax filing
19 status is single or married filing separately;

20 (B) \$150,000.00 for an individual whose federal income tax filing
21 status is head of household; or

1 (C) \$200,000.00 for an individual whose federal income tax filing
2 status is married filing jointly or surviving spouse;

3 (3) apply to manufactured PEVs with a Base Manufacturer’s Suggested
4 Retail Price (MSRP) of \$40,000.00 or less; ~~and~~

5 (4) provide ~~no~~ not less than \$1,100,000.00, of the initial \$2,000,000.00
6 authorization, and up to an additional \$1,800,000.00 in fiscal year 2021 in PEV
7 purchase and lease incentives; and

8 (5) provide a maximum individual incentive of \$4,000.00, with larger
9 incentives for exclusively electric powered vehicles that do not contain an
10 onboard combustion engine.

11 * * *

12 Sec. 6. NEW PEV DEALERS AND SALESFORCE INCENTIVE
13 PROGRAM

14 (a) To motivate sales of PEVs, the Agency shall establish and administer
15 an incentive program for auto dealers, as defined in 23 V.S.A. § 4(8), and
16 salespersons to become more educated about PEVs and how to effectively
17 promote and sell PEVs. The program shall be known as the New PEV Dealers
18 and Salesforce Incentive Program.

19 (b) The Agency is authorized to spend up to \$250,000.00, as appropriated
20 in the fiscal year 2021 budget, on the New PEV Dealers and Salesforce
21 Incentive Program in fiscal year 2021.

1 (c) The Agency shall apply incentives under the New PEV Dealers and
2 Salesforce Incentive Program to purchases and leases of new PEVs, with larger
3 incentives for exclusively electric powered vehicles that do not contain an
4 onboard combustion engine.

5 (d) For every eligible PEV sold or leased, the Agency shall apportion the
6 incentive between the dealer and the salesperson using a formula to be
7 determined by the Agency, with the total incentive not to exceed \$400.00 per
8 PEV sold or leased.

9 (e) The Agency shall annually evaluate the program to gauge effectiveness
10 and submit a written report on the effectiveness of the program to the House
11 and Senate Committees on Transportation, the House Committee on Energy
12 and Technology, and the Senate Committee on Finance on or before the 31st
13 day of December in each year that an incentive is provided through the
14 program. Notwithstanding 2 V.S.A. § 20(d), the annual report required under
15 this section shall continue to be required if an incentive is provided unless the
16 General Assembly takes specific action to repeal the report requirement.

17 **Sec. 7. FUNDING FOR ELECTRIC VEHICLE SUPPLY EQUIPMENT**

18 (a) The Agency shall establish and administer, through a memorandum of
19 understanding with the Department of Housing and Community Development,
20 a program to support the continued buildout of electric vehicle supply
21 equipment available to the public and build upon the existing VW EVSE Grant

1 Program that the Department of Housing and Community Development has
2 been administering on behalf of the Department of Environmental
3 Conservation.

4 (b) The Agency is authorized to spend up to \$750,000.00, as appropriated
5 in the fiscal year 2021 budget, on the Program established in this section in
6 fiscal year 2021. This funding shall initially be used to support grants for the
7 construction and operation of direct current (DC) fast charging stations
8 strategically located to fill gaps in the State’s highway corridor fast charging
9 network. Any remaining funds may be used to support strategically located
10 level 2 workplace charging.

11 (c) The Department of Housing and Community Development shall consult
12 with an interagency team consisting of the Commissioner of Housing and
13 Community Development or designee, the Commissioner of Environmental
14 Conservation or designee, the Commissioner of Health or designee, the
15 Commissioner of Public Service or designee, and the Agency’s Division
16 Director of Policy, Planning and Intermodal Development or designee on all
17 major decisions regarding the administration of this program

18 * * * PEV Contributions to the Transportation Fund Pilot Program * * *

19 Sec. 8. PEV PILOT PROGRAM DESIGN FOR PEV CONTRIBUTIONS TO
20 THE TRANSPORTATION FUND; REPORT

1 (a) The Agency, in consultation with the Departments of Environmental
2 Conservation and of Public Service and the State’s electric distribution
3 utilities, shall design a pilot program to collect a per-kilowatt (kW) fee from
4 PEV operators at EVSE, without regard to whether the EVSE is available to
5 the public, parallel to and independent of the current framework of the gasoline
6 and diesel taxes established under 23 V.S.A. chapters 27 and 28.

7 (b) The Agency shall file a report with the House Committees on Energy
8 and Technology, on Transportation, and on Ways and Means and Senate
9 Committees on Natural Resources and Energy, on Finance, and on
10 Transportation on or before November 15, 2020 detailing the elements of the
11 pilot program including: a recommendation on the amount of the per-kW fee
12 and how the amount was determined; how the fee should be collected and
13 transmitted to the Transportation Fund; how rate design or other means can be
14 used to prevent PEV or EVSE operators from avoiding the fee; the role of the
15 State’s electric distribution utilities in the pilot program; a schedule for pilot
16 program implementation; the availability of federal funding to support the pilot
17 program; proposed legislation necessary to support the pilot program; how
18 pilot program elements may differ between EVSE available to the public and
19 EVSE not available to the public; how pilot program elements may differ
20 between EVSE that is separately metered and EVSE that is not separately
21 metered; the anticipated costs to electric distribution utilities to administer the

1 pilot program and to PEV and EVSE operators to participate in the pilot
2 program; and how to overcome any challenges to a per-kW fee identified by
3 the Public Utility Commission in the reports filed as required by 2018 Acts and
4 Resolves No. 158, Sec. 25 and 2019 Acts and Resolves No. 59, Sec. 35.

5 (c) The Agency is authorized to retain one or more contractors to assist
6 with preparing the report required under subsection (b) of this section.

7 * * * PEV Electric Distribution Utility Rate Design * * *

8 Sec. 9. PEV ELECTRIC DISTRIBUTION UTILITY RATE DESIGN

9 (a) This section serves to encourage efficient integration of PEVs into the
10 electric system and the timely adoption of PEVs through managed loads or
11 time-differentiated price signals.

12 (b) All State electric distribution utilities shall implement PEV rates or
13 offer earlier rate schedules establishing PEV rates as determined by the Public
14 Utility Commission (Commission) on or before June 30, 2024.

15 (c) PEV rates approved by the Commission shall provide a large enough
16 discount to fully compensate PEV operators for the value of grid-related
17 services and offer rates that encourage greater adoption of PEVs.

18 (d) PEV rates approved by the Commission shall adequately compensate
19 the electric distribution utility for all forward-looking or avoidable costs of
20 service that are directly attributable to the delivery of electricity through a PEV
21 rate. PEV rates shall also include a reasonable contribution to historic or

1 embedded costs required to meet the overall costs of service, as determined by
2 the Commission.

3 * * * Education Fund * * *

4 Sec. 10. 16 V.S.A. § 4025(a) is amended to read:

5 (a) The Education Fund is established to comprise the following:

6 * * *

7 (5) one-third of the revenues raised from the purchase and use tax
8 imposed by 32 V.S.A. chapter 219, notwithstanding 19 V.S.A. § 11(1) and
9 32 V.S.A. § 8912;

10 * * *

11 * * * Effective Date * * *

12 Sec. 11. EFFECTIVE DATE

13 This act shall take effect on passage.