

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-kWh fee; rate setting

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

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

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

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

14 Sec. 1. TRANSPORTATION PROGRAM ADOPTED; DEFINITIONS

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

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

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

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

3 (3) “Plug-in electric vehicle,” “plug-in hybrid electric vehicle,” and
4 “battery electric” have the same meanings as in 23 V.S.A. § 4(85) as amended
5 by this act and are abbreviated “PEV,” “PHEV,” and “BEV.”

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. 19 V.S.A. § 13 is amended to read:

18 § 13. CENTRAL GARAGE FUND

19 (a) There is created the Central Garage Fund which that shall be used:

1 (1) to furnish equipment on a rental basis to the districts and other
2 sections of the Agency for ~~construction, maintenance, and operation of~~
3 ~~highways or other transportation activities; and~~

4 (2) to provide a general equipment repair and major overhaul service as
5 well as to furnish necessary supplies for the operation of the equipment.

6 (b) To maintain a safe, reliable equipment fleet, new or replacement
7 ~~highway maintenance~~ equipment shall be acquired using Central Garage Fund
8 monies. The Agency is authorized to acquire replacement pieces for existing
9 ~~highway~~ equipment or new, additional equipment equivalent to equipment
10 already owned; however, the Agency shall not increase the total number of
11 permanently assigned or authorized motorized or self-propelled vehicles
12 without approval by the General Assembly.

13 * * *

14 (f) As used in this section, “equipment” means registered motor vehicles
15 and highway equipment used for construction, maintenance equipment, and
16 operation of highways or other transportation activities, including Department
17 of Motor Vehicles enforcement, assigned to the Central Garage.

18 * * *

1 Sec. 3. TRANSFER TO CENTRAL GARAGE FUND

2 Notwithstanding 19 V.S.A. § 13(c)(1), in fiscal year 2021, the amount of
3 \$1,605,358.00 is transferred from the Transportation Fund to the Central
4 Garage Fund created in 19 V.S.A. § 13.

5 Sec. 4. CENTRAL GARAGE EQUIPMENT

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

10 * * * Airport and Rail Signs * * *

11 Sec. 5. 10 V.S.A. § 494 is amended to read:

12 § 494. EXEMPT SIGNS

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

15 * * *

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

19 (i) other towns;

20 (ii) international airports;

21 (iii) postsecondary educational institutions;

1 (iv) cultural and recreational destination areas;

2 (v) nonprofit diploma-granting educational institutions for ~~people~~
3 persons with disabilities; and

4 (vi) official State visitor information centers.

5 (B) After having considered the six priority categories in subdivision

6 (A) of this subdivision (6), the Travel Information Council may approve

7 installation of a sign for any of the following provided the location is open a

8 minimum of 120 days each year and is located within 15 miles of an interstate

9 highway exit:

10 (i) nonprofit museums;

11 (ii) cultural and recreational attractions owned by the State or
12 federal government;

13 (iii) officially designated scenic byways;

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

15 (v) fairgrounds or exposition sites.

16 (C) The Agency of Transportation may approve and erect signs,

17 including signs on limited access highways, consistent with the MUTCD,

18 directing persons to State-owned airports and intercity passenger rail stations

19 located within 25 miles of a limited access highway exit.

20 (D) Notwithstanding the limitations of this subdivision (6),

21 supplemental guide signs consistent with the MUTCD for the President Calvin

1 Coolidge State Historic Site may be installed at the following highway
2 interchanges:

3 * * *

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

6 * * *

7 * * * Plug-In Electric Vehicle Definitions * * *

8 Sec. 6. 23 V.S.A. § 4(85) is amended to read:

9 (85) “Plug-in electric vehicle” means a motor vehicle that can be
10 powered by an electric motor drawing current from a rechargeable energy
11 storage system, such as from storage batteries or other portable electrical
12 energy storage devices provided that the vehicle can draw recharge energy
13 from a source off the vehicle such as electric vehicle supply equipment. A
14 “plug-in electric vehicle” includes both a “battery electric vehicle” and a
15 “plug-in hybrid electric vehicle” where:

16 (A) “battery electric vehicle” means a motor vehicle that can only be
17 powered by an electric motor drawing current from a rechargeable energy
18 storage system; and

19 (B) “plug-in hybrid electric vehicle” means a motor vehicle that can
20 be powered by an electric motor drawing current from a rechargeable energy
21 storage system but also has an onboard combustion engine.

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

2 Sec. 7. 2019 Acts and Resolves No. 59, Sec. 34 is amended to read:

3 Sec. 34. VEHICLE INCENTIVE AND EMISSIONS REPAIR
4 PROGRAMS

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

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

12 (2) The Agency is authorized to spend \$2,000,000.00 as appropriated in
13 the fiscal year 2020 budget and \$2,000,000.00 as appropriated in the fiscal year
14 2021 budget on the two programs described in subsections (b) and (c) of this
15 section. Notwithstanding any other provision of law and subject to the
16 approval of the Secretary of Administration, appropriations for the two
17 programs described in subsections (b) and (c) of this section remaining
18 unexpended on June 30, 2021 shall be carried forward and designated for
19 expenditure on these programs in subsequent fiscal years.

20 (3) Subject to State procurement requirements, the Agency may, in
21 fiscal year 2020, retain a contractor or contractors to assist with marketing,

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

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

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

1 provided through one of the programs. Notwithstanding 2 V.S.A. § 20(d), the
2 annual report required under this section shall continue to be required if an
3 incentive or repair voucher is provided through one of the programs unless the
4 General Assembly takes specific action to repeal the report requirement.

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

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

14 (2) provide ~~incentives~~ not more than one incentive of \$1,500.00 for a
15 PHEV or \$2,500.00 for a BEV to ~~Vermont households with low and moderate~~
16 ~~income at or below 160 percent of the State's prior five year average Median~~
17 ~~Household Income (MHI) level~~;

18 (A) an individual domiciled in the State whose federal income tax
19 filing status is single or head of household with an adjusted gross income
20 under the laws of the United States greater than \$50,000.00 and at or below
21 \$100,000.00;

1 (B) an individual domiciled in the State whose federal income tax
2 filing status is surviving spouse with an adjusted gross income under the laws
3 of the United States greater than \$50,000.00 and at or below \$125,000.00;

4 (C) a married couple with at least one spouse domiciled in the State
5 whose federal income tax filing status is married filing jointly with an adjusted
6 gross income under the laws of the United States greater than \$50,000.00 and
7 at or below \$125,000.00; or

8 (D) a married couple with at least one spouse domiciled in the State
9 and at least one spouse whose federal income tax filing status is married filing
10 separately with an adjusted gross income under the laws of the United States
11 greater than \$50,000.00 and at or below \$100,000.00;

12 (3) provide not more than one incentive of \$3,000.00 for a PHEV or
13 \$4,000.00 for a BEV to:

14 (A) an individual domiciled in the State whose federal income tax
15 filing status is single, head of household, or surviving spouse with an adjusted
16 gross income under the laws of the United States at or below \$50,000.00;

17 (B) a married couple with at least one spouse domiciled in the State
18 whose federal income tax filing status is married filing jointly with an adjusted
19 gross income under the laws of the United States at or below \$50,000.00; or

20 (C) a married couple with at least one spouse domiciled in the State
21 and at least one spouse whose federal income tax filing status is married filing

1 separately with an adjusted gross income under the laws of the United States at
2 or below \$50,000.00;

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

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

8 * * *

9 Sec. 8. NEW PEV DEALERS AND SALES FORCE INCENTIVE

10 PROGRAM

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

16 (b) The Agency is authorized to spend up to \$250,000.00, as appropriated
17 in the fiscal year 2021 budget, on the New PEV Dealers and Sales Force
18 Incentive Program in fiscal year 2021. Notwithstanding any other provision of
19 law and subject to the approval of the Secretary of Administration,
20 appropriations for the New PEV Dealers and Sales Force Incentive Program
21 unexpended on June 30, 2021 shall be carried forward and designated for

1 expenditure on the New PEV Dealers and Sales Force Incentive Program in
2 subsequent fiscal years.

3 (c) The Agency shall apply incentives under the New PEV Dealers and
4 Sales Force Incentive Program to purchases and leases of new PEVs, with
5 larger incentives for BEVs.

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

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

18 **Sec. 9. FUNDING FOR ELECTRIC VEHICLE SUPPLY EQUIPMENT**

19 (a) The Agency shall establish and administer, through a memorandum of
20 understanding with the Department of Housing and Community Development,
21 a program to support the continued buildout of electric vehicle supply

1 equipment available to the public and build upon the existing VW EVSE Grant
2 Program that the Department of Housing and Community Development has
3 been administering on behalf of the Department of Environmental
4 Conservation.

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

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

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

20 Sec. 10. PEV PILOT PROGRAM DESIGN FOR PEV CONTRIBUTIONS
21 TO 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 hour (kWh) fee
4 from PEV operators at EVSE, without regard to whether the EVSE is available
5 to the public, parallel to and independent of the current framework of the
6 gasoline 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, 2021 detailing the elements of the
11 pilot program including: a recommendation on the amount of the per-kWh 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-kWh 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. 11. 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 * * * Deletion from State Highway System; Town of St. Albans * * *

4 **Sec. 12. DELETION OF SEGMENTS OF VERMONT ROUTE 36 FROM**
5 **THE STATE HIGHWAY SYSTEM**

6 (a) Pursuant to 19 V.S.A. § 15(a)(2), the General Assembly grants approval
7 for the Secretary of Transportation to enter into an agreement with the Town of
8 St. Albans to delete the following from the State highway system:

9 (1) the segment of Vermont Route 36 in the Town of St. Albans
10 beginning at the 0.000 mile marker, just east of the “Black Ridge” (B2), and
11 continuing 14,963 feet, approximately 2.834 miles, easterly to mile marker
12 2.834 where Vermont Route 36 meets the boundary with the City of St.
13 Albans; and

14 (2) the 0.106 mile westbound segment of Vermont Route 36 beginning
15 at mile marker 0.311 and continuing 560 feet to mile marker 0.417 and
16 approaches to the entrance of St. Albans Bay Town Park.

17 (b) The State shall retain ownership of the land and easements within the
18 right-of-way for the highway segments deleted from the State highway system
19 pursuant to subsection (a) of this section, and the Town of St. Albans shall not
20 abandon any portions of or allow any encroachments in the highway segments
21 or right-of-way without written permission from the Secretary.

1 * * * Effective Date * * *

2 Sec. **13**. EFFECTIVE DATE

3 This act shall take effect on passage.