

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

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 to ~~Vermont~~
15 ~~households~~ an individual domiciled in the State with ~~low and moderate income~~
16 adjusted gross income under the laws of the United States at or below ~~160~~
17 ~~percent of the State's prior five-year average Median Household Income~~
18 ~~(MHI) level~~ the following:

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

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

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

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

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

10 (5) provide a maximum individual incentive of \$4,000.00, with larger
11 incentives for BEVs.

12 * * *

13 Sec. 8. NEW PEV DEALERS AND SALESFORCE INCENTIVE
14 PROGRAM

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

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

1 Incentive Program in fiscal year 2021. Notwithstanding any other provision of
2 law and subject to the approval of the Secretary of Administration,
3 appropriations for the New PEV Dealers and Salesforce Incentive Program
4 unexpended on June 30, 2021 shall be carried forward and designated for
5 expenditure on the New PEV Dealers and Salesforce Incentive Program in
6 subsequent fiscal years.

7 (c) The Agency shall apply incentives under the New PEV Dealers and
8 Salesforce Incentive Program to purchases and leases of new PEVs, with larger
9 incentives for BEVs.

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

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

1 Sec. 9. FUNDING FOR ELECTRIC VEHICLE SUPPLY EQUIPMENT

2 (a) The Agency shall establish and administer, through a memorandum of
3 understanding with the Department of Housing and Community Development,
4 a program to support the continued buildout of electric vehicle supply
5 equipment available to the public and build upon the existing VW EVSE Grant
6 Program that the Department of Housing and Community Development has
7 been administering on behalf of the Department of Environmental
8 Conservation.

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

16 (c) The Department of Housing and Community Development shall consult
17 with an interagency team consisting of the Commissioner of Housing and
18 Community Development or designee, the Commissioner of Environmental
19 Conservation or designee, the Commissioner of Health or designee, the
20 Commissioner of Public Service or designee, and the Agency’s Division

1 Director of Policy, Planning and Intermodal Development or designee on all
2 major decisions regarding the administration of this program

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

4 Sec. 10. PEV PILOT PROGRAM DESIGN FOR PEV CONTRIBUTIONS
5 TO THE TRANSPORTATION FUND; REPORT

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

12 (b) The Agency shall file a report with the House Committees on Energy
13 and Technology, on Transportation, and on Ways and Means and Senate
14 Committees on Natural Resources and Energy, on Finance, and on
15 Transportation on or before November 15, 2021 detailing the elements of the
16 pilot program including: a recommendation on the amount of the per-kWh fee
17 and how the amount was determined; how the fee should be collected and
18 transmitted to the Transportation Fund; how rate design or other means can be
19 used to prevent PEV or EVSE operators from avoiding the fee; the role of the
20 State’s electric distribution utilities in the pilot program; a schedule for pilot
21 program implementation; the availability of federal funding to support the pilot

1 program; proposed legislation necessary to support the pilot program; how
2 pilot program elements may differ between EVSE available to the public and
3 EVSE not available to the public; how pilot program elements may differ
4 between EVSE that is separately metered and EVSE that is not separately
5 metered; the anticipated costs to electric distribution utilities to administer the
6 pilot program and to PEV and EVSE operators to participate in the pilot
7 program; and how to overcome any challenges to a per-kWh fee identified by
8 the Public Utility Commission in the reports filed as required by 2018 Acts and
9 Resolves No. 158, Sec. 25 and 2019 Acts and Resolves No. 59, Sec. 35.

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

12 * * * PEV Electric Distribution Utility Rate Design * * *

13 Sec. 11. PEV ELECTRIC DISTRIBUTION UTILITY RATE DESIGN

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

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

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

4 (d) PEV rates approved by the Commission shall adequately compensate
5 the electric distribution utility for all forward-looking or avoidable costs of
6 service that are directly attributable to the delivery of electricity through a PEV
7 rate. PEV rates shall also include a reasonable contribution to historic or
8 embedded costs required to meet the overall costs of service, as determined by
9 the Commission.

10 ***** Deletion from State Highway System; Town of St. Albans *****

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

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

16 (1) the segment of Vermont Route 36 in the Town of St. Albans
17 beginning at the 0.000 mile marker, just east of the “Black Ridge” (B2), and
18 continuing 14,963 feet, approximately 2.834 miles, easterly to mile marker
19 2.834 where Vermont Route 36 meets the boundary with the City of St.
20 Albans; and

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

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

9 * * * Effective Date * * *

10 Sec. **13**. EFFECTIVE DATE

11 This act shall take effect on passage.