



## **Testimony of Michael Lewis to the House Environmental Regulation Committee**

April 26, 2022

The Texas Emissions Reduction Plan ([TERP](#)) is a Texas Commission on Environmental Quality (TCEQ) program to provide financial incentives for the reduction of emissions across Texas to provide cleaner air which helps Texans lead healthier lives. The program has provided funding to replace or upgrade thousands of vehicles and pieces of heavy equipment reducing pollution by hundreds of thousands of tons. From [2008 to 2020](#), the TERP's Texas Clean School Bus Program has provided over \$48 million to retrofit or replace 7,794 school buses in Texas. However, there are changes to TERP that we would recommend to allow school districts to fund electric school buses.

Buses play a key role in our state's transportation system. Every school day, 30,000 of them carry more than half of Texas's children to school and back. They lessen traffic by reducing the number of cars on the road, make communities more livable and provide necessary options to get our kids back and forth to school

But the vast majority of school buses in Texas run on diesel. [Diesel exhaust is carcinogenic to humans and is classified as a Group 1 carcinogen by the International Agency for Research on Cancer](#). Diesel soot from school buses has also been associated with reduced lung function and increased incidences of pneumonia in children. However, there is a cleaner, safer and more long-term budget-friendly alternative: zero-emission electric school buses.

Currently, fewer than 1% of the nation's school buses are powered by electricity, but with advances in electric bus technology, growing understanding of the benefits of electrification, and now a fresh influx of federal money through the Infrastructure Investment and Jobs Act, electric school buses are becoming an increasingly viable option for school districts. Electric school bus models are now available to meet every use case, and the number of districts that have committed to electric school bus adoption, or have drawn up plans to do so, is growing.

For example, thanks to funding from the VW Settlement, Everman ISD near Fort Worth was able to purchase three electric buses. It's been a big success. Based on [data](#) the district has provided, it is looking to save over \$4,000 a year on fuel savings and \$2,000 a year on maintenance savings when compared with the diesel buses in its fleet. With at least \$2.5 billion

soon to be available for electric school buses thanks to the Bipartisan Infrastructure Law, we can expect many districts to follow suit.

According to our new report, [Electric School Buses and the Grid](#), these buses also have the potential to bring even greater benefits if they are equipped with technology that allows them to deliver power to buildings and back to the grid. Vehicle-to-grid (V2G) technology enables electric school buses to provide stability, capacity and emergency power to the grid when needed, and potentially to earn revenue for school districts for providing these and other services.

The unique characteristics of school buses make them ideally suited to serve as a source of energy storage and emergency power. Their use patterns allow them to be available as a source of large volumes of energy storage, especially at the times when the grid is most vulnerable. A report by Environment Texas Research and Policy center, [Electric School Buses and the Grid](#), also points out that If every yellow school bus currently in operation in Texas were replaced with a V2G-capable electric bus of the same type, this would add 6,471 megawatt hours to the state's capacity to store electricity, enough to power more than 122,101 average homes for a day.

Unfortunately, limitations to the [TERP Clean School Bus program](#) may limit adoption. Indeed, no funding from the program has ever gone to support electric buses. Based on the popularity of the program and strained funding in many districts, Environment Texas would suggest the three changes.

First, 100% of eligible incremental costs should be reimbursable. Electric buses can cost 3.5 times as much as their diesel counterparts and infrastructure and facility upgrades can be expensive. Even heavily discounted initial costs may be out of reach for some districts. Even with long term planning, districts may have to wait several months before reimbursements are received.

Next, the Texas Clean School Bus Program requires replacement school buses to be registered in Texas for the last two years, have a pre-2007 engine model year, and be in-use on a route. This requirement should be waived. Districts often use buses with a pre-2007 engine model year as sub-buses or only for field trips, so buses do not meet the requirement of being in-use on a route. Further complication based on various closures, schedule changes, and remote learning, further complicate these requirements.

Finally, the current first-come, first-serve model should be reevaluated with the understanding that the state should grant funding based on impact. Districts, especially in smaller and underfunded areas, do not have adequate time to plan for electric school bus projects. It is estimated that electric school bus projects can take anywhere from 6-18 months to plan and implement. An open grant schedule with a deadline would allow under resourced areas to also benefit from the program.

We are in favor of the increase in funding for new technology implementation grants. However, Texas has no overall plan in place to develop EV infrastructure or streamline remote monitoring or management of distributed energy resources, or DERs. Additionally, due to excessive charges and fees on DERs from ERCOT and additional fees on EVs currently being proposed, increased funding alone may not be enough. Finally, Environment Texas opposes the reduction in funding for the clean fleet program. This program is an effective use of funding that is essential in reducing criteria pollutants.

We encourage the legislature to remove these barriers in order to increase electric bus adoption rates for the health of our students and environment. Thank you for the opportunity to provide these comments, and I would be happy to meet with and work with members of this committee on this request.