

OPPOSE SB 1380

Topic: Electric utilities; electric school bus projects; report.

Bill Patron: Senator L. Louise Lucas

Reasons to oppose SB 1380:

As Virginia seeks to reduce and ultimately eliminate greenhouse gas emissions, switching from diesel school buses zero-emission electric school buses is a worthy goal.

But there is a right way and a wrong way to pay for this transition. Paying for these investments on our electricity bills is the wrong way. When regulated electric utilities own infrastructure, consumers pay for the cost of the investment, plus a guaranteed return on equity (ROE), or profit to the utility, typically set between 9–10 % by the State Corporation Commission. Therefore, consumers will automatically pay 9–10% more for school bus batteries and charging infrastructure if they are owned by a regulated electric utility than they would otherwise pay through another financing mechanism.

Virginians already pay the sixth-highest electricity bills in the nation, and hundreds of thousands of citizens' bills are considered unaffordable relative to their income. There are more equitable ways to pay for electric vehicle infrastructure, including through tax policy (legislators should support [HB 2118](#) instead).

Overview:

SB 1380 would allow school divisions to enter into electric school bus programs with regulated electric utilities (Appalachian Power and Dominion Energy) in which the utilities own the batteries and charging stations for up to 1,250 electric school buses in their respective service territories. The bill would:

- Increase electricity bills and cause citizens to pay a 9–10% premium for bus batteries and charging stations
- Allow the electric utility to use the batteries/chargers for grid stabilization and peak shaving and then compensate the school district if this leaves students stranded while the utility is using them
- Restrict State Corporation Commission discretion by making a legislative determination that the electric school bus programs are “in the public interest”
- Remove any civil liability for the electric utility arising out of problems related to the operation and maintenance of the electric school buses



Appalachian Voices
Peter Anderson
peter@appvoices.org
www.appvoices.org



Virginia Conservation Network
vcn@vcnva.org
(804) 644-0283
www.VCNVA.org

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