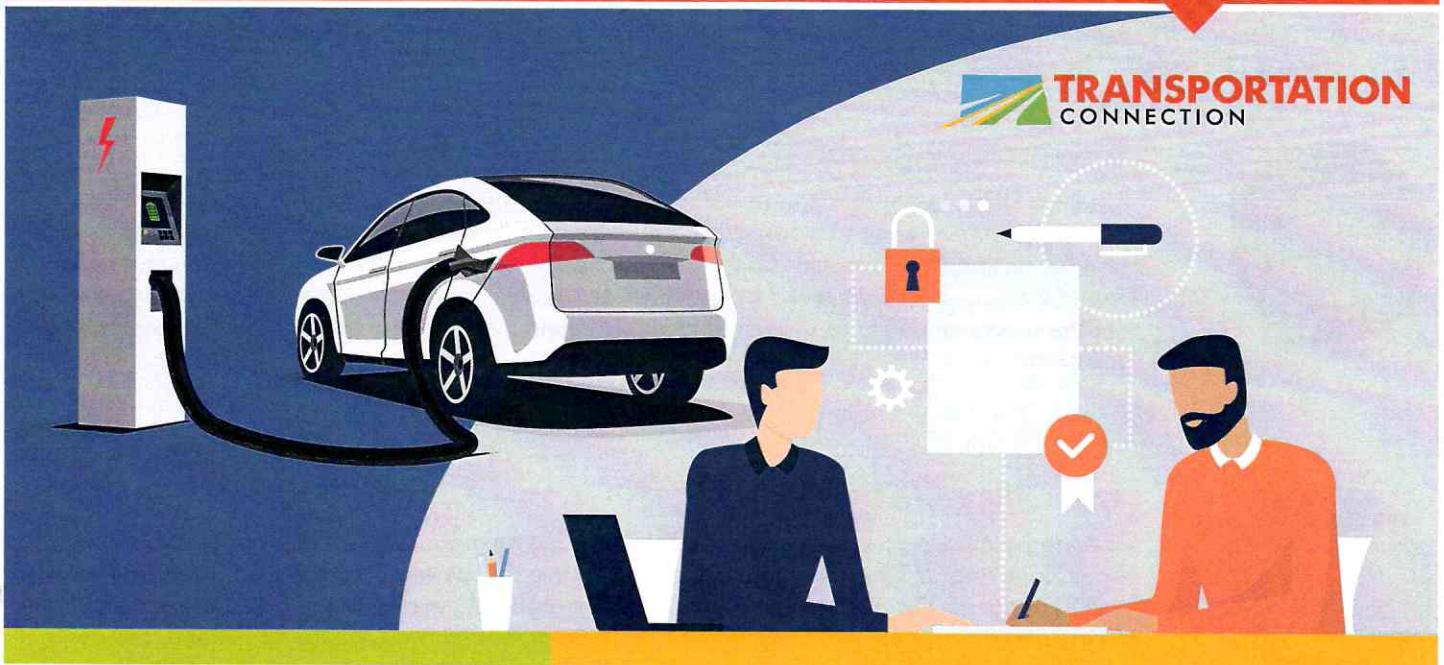


WHAT ARE THE CONTRACTING OPTIONS TO IMPLEMENT THE NEVI PROGRAM?



The North Dakota DOT (NDDOT) is in the process of reviewing state laws to determine which contracting mechanisms are currently permissible and which will need legislation passed to be considered. NDDOT would prefer to enter into agreements with third party businesses to provide operation and maintenance of charging infrastructure and sites, and ultimately to delegate ownership to those same parties.



Grant Program

Rather than procure the contractors and manage all of the work themselves, the DOT could instead award one or more grants to other entities to take on that role. The DOT would establish the goals and objectives for the EV program based on the federal requirements and release a notice of funding opportunity for one or more entities to procure design, construction, and operations and maintenance for a statewide EV charging network.



Traditional Design-Bid-Build Contracting Approach

The North Dakota Department of Transportation typically uses Design-Bid-Build (DBB) for its infrastructure projects. Though DBB is normally a low bid process driven primarily by price, it is possible to set a high bar for experience and qualifications that would guarantee a level of EV charging expertise for a winning proposer. DBB steps could include the procurement of design services, procurement of construction and installation services, procurement of operations and maintenance services, and long-term ownership.

EV Design-Build-Finance-Operate Maintain or DBFOM

The unique aspects of EV charging also provide the opportunity for an alternative delivery model tailored more specifically to developing an EV system. There are at least two potential ways to approach this effort:



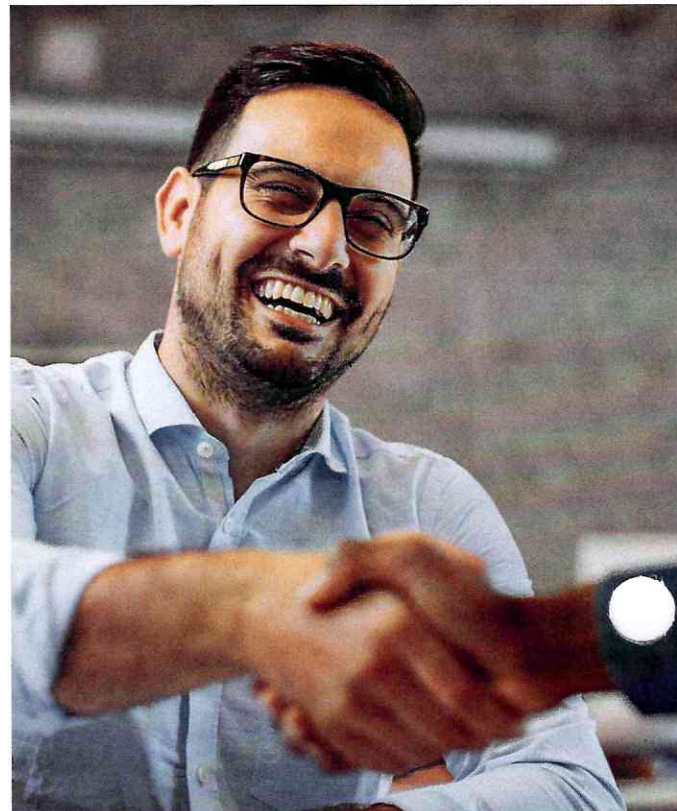
Master Developer

Under a DBFOM approach, it would be possible for the developer to group the project by corridor segment or geographic area and serve as a “master developer” that manages multiple smaller design-build projects. Each small contractor could be responsible for operations and maintenance, or it could revert to the master developer. The developer would retain responsibility for the overall financial approach, and would retain ownership of the chargers at the end of the program.



Franchise Operator

This approach would result in the developer serving as more of a franchise operator, securing final plans and bids from contractors to design, install, operate, maintain, and own stations within major corridors or geographic areas. The DBFOM developer would be responsible for managing the overall system and developing the agreements, including financial agreements, with the smaller franchisees. Once the franchise operator takes on ownership, NDDOT would no longer have responsibility for the charging system.



NATIONAL ELECTRIC VEHICLE INFRASTRUCTURE FORMULA PROGRAM OVERVIEW



Basic Requirements of the Charging Infrastructure



Located no more than one mile from an alternative fuel corridor (AFC)



Support up to four vehicles charging at 150kw simultaneously



Open to all vehicle makes (non-proprietary)



Maximum 50 miles between charging stations

The Joint Office has indicated that by the end of the five-year program, all interstates should be fully built out.

The Bipartisan Infrastructure Law (BIL) passed in 2021 has funding available for the development of electric vehicle (EV) infrastructure. As part of the BIL, the National Electric Vehicle Infrastructure Formula Program distributes five billion dollars (\$5B) over the next five years (FY 2022-2026) to state departments of transportation for the development of DC fast charging (DCFC) infrastructure. This infrastructure is intended to serve long distance EV travel along alternative fuel corridors (AFCs).

In order to access NEVI funds, North Dakota was required to submit a plan by August 1, 2022 demonstrating how the network will be completed to meet requirements set by the U.S. Department of Energy and U.S. Department of Transportation's Joint Office for EV Infrastructure Deployment. The Joint Office has indicated that by the end of the five-year program, all interstates should be fully built out. The remainder of the funding can be dedicated to other priority corridors as identified by each state.

A Note on Alternative Fuel Corridors

Alternative Fuel Corridors, or AFCs, is a program run by the Federal Highway Administration (FHWA) that establishes a network of corridors that serve travel using alternative fuels. These corridors serve more than just electric vehicles and may include other fuel types such as propane, compressed natural gas (CNG) or hydrogen (H2). States nominate corridors to FHWA, and work to develop the fueling infrastructure to meet the criteria by each fuel type. In relation to the NEVI program, program funding must be dedicated towards building out existing AFCs. If additional corridors are nominated as AFCs, they must be built out as NEVI-compliant corridors before funding can be used outside of the AFC corridors.

North Dakota's NEVI Plan



North Dakota will receive \$25.9 million in funding from the NEVI Formula Program



The state's first phase of NEVI will be dedicated to building chargers along North Dakota's AFCs, I-94 and I-29.



The later phase will be focused on building chargers throughout the state for more local, community-level charging needs.



Location

Where will NEVI-funded charging infrastructure be located?

Under federal law it is not legal to sell power from highway right of way (including rest areas), making these areas unsuitable for charger locations. North Dakota DOT is anticipating that infrastructure will be built on private sites within one mile of the Alternative Fuel Corridors, through strong partnerships with the private sector to host, operate, and maintain the charging locations.



Funding

How much funding is North Dakota receiving under NEVI?

North Dakota is set to receive \$25,952,484 over the five funding years (FY2022-2026). The grant program will fund up to 80 percent of EV charging infrastructure with a required 20 percent non-federal match, which can include private dollars.



Ownership And Operation

Who will own and operate the charging infrastructure?

Funding will be awarded to contractors who will build the charging stations. North Dakota DOT does not intend to own or operate those charging stations.



Payment

Who will be paying for the energy costs of electric vehicle charger use?

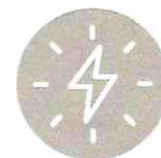
Electric vehicle drivers will pay for the electricity they use at charging stations.



Participation

Is it necessary that North Dakota participate in NEVI?

This is a federal requirement. The North Dakota DOT is responsible for the planning of the infrastructure and distribution of funding within the state for the NEVI program. All 50 states and US territories have submitted plans and will receive funding for the program.



Energy Stance

Where does North Dakota stand when it comes to electric vehicle use?

The North Dakota DOT is energy-agnostic. Our approach is to:

- Comply with Federal programs when applicable
- Tap federal funding when available
- Save taxpayer dollars when possible
- Prepare for shifts in industry direction and consumer preferences