



To: NASEO Transportation Committee
From: Dylan Tucker, Senior Program Manager, NASEO
Subject: U.S. Federal Highway Administration National Electric Vehicle Infrastructure Formula Program Guidance: Key Issues for State Energy Offices and Questions on the NEVI Program
CC: David Terry, Cassie Powers

On February 10, 2022, The U.S. Federal Highway Administration (FHWA) released the [National Electric Vehicle Infrastructure \(NEVI\) Formula Program Guidance](#) for \$5 billion of EV Infrastructure Funds under the *Infrastructure, Investment and Jobs Act (IIJA)*. The goal of the funding is to install “a nationwide network of 500,000 EV chargers by 2030 and ensure a convenient, reliable, affordable, and equitable charging experience for all users.”¹

Year one formula fund amounts for each state is [available here](#); these are lower amounts than future years as some funds were used to establish the federal Joint Office of Energy and Transportation (Joint Office) as directed by the IIJA. Ten percent of funds are also set aside for the Joint Office to invest in charging stations to help fill any gaps in national corridors. The Joint Office’s website, [DriveElectric.gov](#), includes more details, technical assistance, tools and data, and contact information. The Joint Office will also issue guidance for the \$2.5 billion in competitive programs for EV charging, and hydrogen, propane, and natural gas fueling.

Guidance Summary

Following is a summary of relevant provisions from the guidance document, as well as key questions and items NASEO recommends for additional discussion.

Plan Development

- State Departments of Transportation (State DOTs) must submit a five-year NEVI implementation plan to FHWA by August 1, 2022. FHWA will provide feedback and approve the plans by September 30, 2022. Plans submitted before the August deadline will be accepted and reviewed on a rolling basis. If no state plan is submitted, FHWA will distribute funds to local jurisdictions through a competitive process.
- States will be eligible for reimbursement for staff time and other expenditures on NEVI plan development, but cannot obligate funds in any other way until FHWA approves the plan.
 - [DriveElectric.Gov](#) has state plan templates.

¹ Federal Highway Administration, U.S. Department of Transportation. “Memorandum: The National Electric Vehicle Infrastructure (NEVI) Formula Program Guidance.” February 10, 2022. Page 19.

- State plans “should describe how the State DOT has coordinated with the State’s energy and/or environment department in the development and approval of the plan.”²
- States should allow for public comment and actively engage stakeholders, particularly representatives of underserved, disadvantaged, rural, and urban communities, transportation and freight logistics industries, and state public transportation agencies, and reflect this feedback in the plan.
- States are encouraged to include the following in their NEVI plans:
 - A map identifying general locations needing new chargers, as well as locations where existing chargers need enhancements (exact locations not necessary)
 - A strategy for installations, anticipated usage, and peak demand
 - Anticipated sources of non-federal cost share
 - A summary of public and stakeholder feedback
 - A strategy for engaging other state agencies
 - A summary of local workforce needs and trainings.³
 - Details on how the plan will be developed in phases, including a 5-year goal with interim targets, data-driven metrics, and details on how goals will be measured.
 - Preliminary engineering designs and any preconstruction activities
 - Feasibility analysis and revenue forecasts
- Plans should also address how station investments will:
 - Comply with Buy America rules
 - Address cybersecurity concerns
 - Protect consumers (both through good investments, and prices for charging)
 - Support emergency evacuation routes
 - Comply with Justice40, directing at least 40 percent of benefits to disadvantaged communities
 - Comply with the NEPA review process
- Before funds are obligated, projects must be included on the relevant Statewide Transportation Improvement Program/Transportation Improvement Program and long-range plans, and all State and Federal environmental requirements, such as compliance with the National Environmental Policy Act, must be complete.

Corridor Buildout

- Initially, states must prioritize investment along the Interstate Highway System on designated Alternative Fuel Corridors, as well as designated National Highway System roads.
 - There will be one more [Request for Nominations](#) for Alternative Fuel Corridors, due May 13, 2022.
- States can determine that their corridors are complete, and once FHWA certifies this, NEVI funds can be used on any public road or any other publicly accessible location. All

² Federal Highway Administration, U.S. Department of Transportation. “Memorandum: The National Electric Vehicle Infrastructure (NEVI) Formula Program Guidance.” February 10, 2022. Page 14.

³ Guidance is unclear if this is an allowable expense. This is among the questions listed below for follow-up with the Joint Office.

Interstate corridors (designated or not) must be completed prior to certification, and FHWA will not make certifications until year two of the program.

- New stations should be no more than 50 miles apart, and no more than 1 mile from the nearest interstate exit. Each station should have 4 combined charging system ports, capable of providing 150 kW simultaneously.
 - Limited exemptions to the distance requirements will be made, particularly when it helps support a disadvantaged or rural community, or if there is no electric service or business activity. Exceptions must be clearly identified and justified in the state plans.

Additional Program Guidance

- The federal cost share for NEVI projects is 80 percent. Private or state funds can be used for the 20 percent non-federal cost share. The NEVI program guidance includes a list of other U.S. DOT programs which are eligible to support EV charging. These funds can be combined with NEVI funds, as long as the federal share does not exceed 80 percent, and both program requirements are fulfilled.
- Stations should be capable of using open protocols and standards for network connectivity.
- Stations should be at the same location for at least five years from installation.
- States may own or lease the infrastructure, or contract with private entities.
- NEVI funds can be used for station O&M
- NEVI funds can be used for on-site renewable generation and/or storage “if it leads to lower overall construction and operating costs”
- NEVI funds can be used for signage and/or traffic control devices
- States should work to streamline their permitting process for new stations, with the goal of starting operations within 6 months of obligating funds

Questions and Issues for Additional Discussion

The NEVI Program Guidance summarized above provides background, funding eligibilities, and general guidance for the NEVI program. In conversations so far with states, NASEO has identified several key questions and uncertainties for further discussion with the Joint Office.

NASEO would appreciate states sharing any additional questions that they would like for NASEO to relay to the Joint Office, and we will work to get answers and make additional information available to states. Our current questions include:

- The guidance notes that exceptions to the 50-mile rule must be clearly identified and justified in the state plans. What exact justification is needed from FHWA, and what additional steps do states need to take to apply for and receive an exception?
- The guidance notes that State DOTs should work with their State Energy Offices and state environmental agencies on plan development. Can State DOTs enter into more formal arrangements such as interagency agreements with their State Energy Offices or other state or local agencies to assist with the NEVI formula program?

- Is 20 percent non-federal cost share required for each NEVI-funded project, or can it be aggregated over a state's entire NEVI program? (i.e., some projects provide more cost share than others)
- Can NEVI funds be used for workforce training, or grantee engagement/outreach?
- The guidance allows for grid upgrades directly related to station build-out, but it is unclear what exact expenses are allowed. How can states get more details on allowed expenses related to grid upgrades?
- The guidance implies that states could work to get a NEPA categorical exclusion, or bundle their NEPA reviews for geographic areas, but the guidance does not provide details on the exact process. What are potential pathways for states to efficiently comply with NEPA requirements?

State Energy Offices are encouraged to contact Dylan Tucker (dtucker@naseo.org) with additional questions about the NEVI program for inclusion in NASEO's communications with the Joint Office.