

ANALYSIS

Department of Transportation Local Charging Infrastructure Grant

Analyst: Michelle Deister

Request: Approve the submission of a federal grant application from the Department of Transportation to Federal Highway Administration in the amount of \$15,000,000 for a Charging and Fueling Infrastructure grant to support publicly accessible fast charging in up to ten communities throughout Oregon.

Analysis: The intent of the grant is to provide communities with access to publicly available charging that will promote the adoption of electric vehicles, helping to reduce emission and meet climate goals. Locations in which charging infrastructure will be located have yet to be identified. ODOT has indicated that it is committed to expanding charging access to rural, disadvantaged, and underserved communities. Charging infrastructure is intended to be located at multi-family dwellings, local businesses, retail centers, and commercial districts.

Matching funds of up to \$3,000,000 (20% of the total grant award) are required, and will be committed by private sector partners. These partners will include electric vehicle service providers who will install and operate the charging infrastructure, and may also include a clean transportation advocacy group to identify interested and eligible communities, conduct communication, education, and outreach. The grant will reimburse eligible expenses for communications and station development.

Applications are due May 30, 2023, and an award date has yet to be determined.

Legislative Fiscal Office Recommendation: The Legislative Fiscal Office recommends approval of the request.

Oregon Department of Transportation

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Request: Authorization to apply for a \$15 million Charging and Fueling Infrastructure grant under the Infrastructure Investment Job Act, from the Federal Highway Administration (FHWA) to install Level 2 and direct current (DC) fast charging stations in publicly accessible locations within Oregon.

Recommendation: Approve the request.

Discussion: The Oregon Department of Transportation (ODOT) is requesting authorization to apply for a \$15 million Charging and Fueling Infrastructure (CFI) grant sponsored by the FHWA. This grant would allow ODOT to partner with private investors to install charging infrastructure stations in as many as 10 publicly accessible locations. The stations are expected to include both Level 2 and DC fast charging stations in locations such as parking facilities, park-and-rides, public transportation stations, multi-family housing developments, and city centers to provide easy access for various transportation networks such as Lyft and Uber. The grant has a minimum private sector match of 20 percent. The private partnership match for this grant would be \$3 million.

The CFI discretionary grant program is expected to provide a total of \$2.5 billion in grant funding among all eligible applicants over a five-year period. FHWA has indicated that potentially successful applicants for this grant would be focused around the equitable expansion of electrical vehicle (EV) charging stations at multi-family dwellings, local businesses, retail centers, and commercial districts, which promote EV purchases ultimately reducing greenhouse gas emissions.

ODOT became aware of the grant notification on March 14, 2023. FHWA is combining grant funds from federal fiscal years (FFY) 2022 and 2023 into one award cycle, with an application due date of May 30, 2023. If the application is successful in receiving a grant award, the FHWA will determine which FFY funding would be applied to each state recipient. Grants awarded from FFY 2022 would require funding to be obligated by September 30, 2025 and fully expended by September 30, 2030. Grants awarded from FFY 2023 would have requirement dates one year later. If awarded, ODOT may need to return to request additional Federal Funds expenditure limitation.



Oregon

Tina Kotek, Governor

Department of Transportation

Director's Office

355 Capitol St. NE, MS 11

Salem, OR 97301

May 4, 2023

Senator Elizabeth Steiner, Co-Chair
Representative Tawna Sanchez, Co-Chair
Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairpersons:

NATURE OF THE REQUEST

The Oregon Department of Transportation (ODOT) Policy, Data and Analysis Division requests permission to apply for a Charging and Fueling Infrastructure (CFI) grant established under the Infrastructure Investment and Jobs Act (IIJA) for \$15 million from the Federal Highway Administration (FHWA).

AGENCY ACTION

On March 14, 2023, FHWA opened applications for the Charging and Fueling Infrastructure (CFI) Discretionary Grant Program. It will provide \$2.5 billion in grant funding over five years to eligible applicants, including cities, local governments, state governments, and Tribes. ODOT has been anticipating the release of this Notice of Funding Opportunity (NOFO) since it began implementing the corridor National Electric Vehicle Infrastructure (NEVI) program, also established by the IIJA in November 2021. Applications are due on May 30, 2023, and the award date has yet to be determined.

ODOT has a long history of implementing successful EV charging programs. The West Coast Electric Highway (WCEH) is an extensive network of public electric vehicle DC fast charging and Level 2 charging stations along the West Coast from British Columbia to the California-Mexico border. Stations are located along Interstate 5, U.S Highway 101, and other major roadways in British Columbia, Washington, Oregon, and California.

ODOT's CFI grant concept builds upon its recent experience with the community charging rebate program and seeks to deploy a combination of Level 2 and DC fast charging infrastructure in up to ten communities throughout Oregon. The charging infrastructure would be located at publicly accessible parking facilities, park-and-rides, public transportation stations, multi-family housing developments, and in city centers to provide easy access for transportation network companies such as Uber and Lyft, for office workers, and those who reside in multi-family housing. Residents of multi-family housing often have no dedicated parking, or if parking is available, it provides no ability to charge an EV on-site.

May 4, 2023

Page 2

This CFI grant could provide municipalities with publicly available charging to encourage EV adoption and address urban charging gaps, via both DC fast charging and Level 2 charging. The NOFO clearly states that to be considered highly qualified, applications must focus on the equitable expansion of EV charging infrastructure for use by the community at multi-family dwellings, local businesses, retail centers, and commercial districts.

Grant Request:	\$ 15 million
Matching Funds:	<u>\$ 3 million</u>
Total Project Cost:	\$ 18 million

The required 20 percent match will be committed by private sector partners and will not impact the State Highway Fund. Recipients of CFI grant awards will not receive lump-sum cash disbursements at the time of the award announcement or obligation of funds. Instead, FHWA will reimburse CFI program grant funds to recipients after a project agreement has been executed, allowable expenses are incurred, and valid requests for reimbursement are submitted. FHWA is combining grant funds from 2022 and 2023 into one award cycle, with applications due May 30, 2023. FHWA will determine the grant year from which the funds are disbursed to each awardee, which will in turn determine the obligation and expenditure deadlines. All awards of fiscal year 2022 funding are available for obligation through September 30, 2025, and must be expended by September 30, 2030. All awards of fiscal year 2023 funding are available for obligation through September 30, 2026, and must be expended by September 30, 2031.

This community-based program for light-duty vehicle charging is unlikely to move forward without the awarding of this grant. If awarded, ODOT may need to return for additional expenditure limitation; no additional positions will be needed.

ACTION REQUESTED

ODOT requests approval to submit a grant application to FHWA for \$15 million in IJA funds.

LEGISLATION AFFECTED

None.

Sincerely,



Kristopher W. Strickler
Director