

2023 SENATE TRANSPORTATION

SB 2063

2023 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Fort Totten Room, State Capitol

SB 2063
1/5/2023

A BILL relating to the authorization and appropriations necessary to administer the national electric vehicle infrastructure program grants and other discretionary funding items; and to provide a continuing appropriation.

9:30 AM **Chairman Clemens** called the meeting to order. Senators Clemens, Conley, Larsen, Paulson, and Rummel were present.

Discussion Topics:

- Charging stations
- Federal funding
- Other funding

9:33 a.m. **Chad Orn, Director of Project Development of North Dakota Department of Transportation**, introduced bill and provided information. #12399 #12463

Addition written testimony:

Steve Kahl, Public Service Commission - #12392

10:08 a.m. **Chairman Clemens** closed the hearing.

Danielle Butler, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Fort Totten Room, State Capitol

SB 2063
1/12/2023

Relating to the authorization and appropriations necessary to administer the national electric vehicle infrastructure program grants and other discretionary funding items.

No video until 10:34 AM. Audio only during this time.

10:25 AM **Chairman Clemens** called the meeting to order.
Senators Larsen, Conley, Paulson, Clemens, and Rummel were present.

Discussion Topics:

- Charging stations
- Funding challenges
- Possible electrical taxes
- Equitability of gas and electric vehicle taxes
- Out of state vehicle concerns
- Federal and State funding

10:26 AM Committee discussion.

10:53 AM **Chairman Clemens** closed the meeting.

Danielle Butler, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Fort Totten Room, State Capitol

SB 2063
1/12/2023

Relating to the authorization and appropriations necessary to administer the national electric vehicle infrastructure program grants and other discretionary funding items.

11:16 AM **Chairman Clemens** called the meeting to order.
Senators Larsen, Conley, Paulson, Clemens, and Rummel were present.

Discussion Topics:

- Infrastructure
- Department of Transportation invite

11:30 AM **Chairman Clemens** closed the meeting.

Danielle Butler, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Fort Totten Room, State Capitol

SB 2063
1/13/2023

Relating to the authorization and appropriations necessary to administer the national electric vehicle infrastructure program grants and other discretionary funding items.

9:03 AM **Chairman Clemens** called the meeting to order.
Senators Larsen, Conley, Paulson, Clemens, and Rummel were present.

Discussion Topics:

- Department of Transportation presentation
- Matching funds impact
- Cooperative agreements and ownership
- Revenue structures
- Jurisdiction by agency

9:04 AM **Chad Orn, Office of Project Development Director, ND Department of Transportation**, spoke to the committee.

9:11 AM **Russ Buchholz, Program Coordinator in the ND Department of Transportation**, verbally provided additional information.

10:24 AM **Chairman Clemens** closed the meeting.

Danielle Butler, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Fort Totten Room, State Capitol

SB 2063
1/19/2023

Relating to the authorization and appropriations necessary to administer the national electric vehicle infrastructure program grants and other discretionary funding items.

No video available due to technical difficulties.

2:46 PM Chairman Clemens opens Meeting.
Senators Present: **Paulson, Rummel, Larsen, Conley, Clemens**

Discussion Topics:

- Need of charging station
- Committee action

2:53 PM Chad Orn, Project Development Director of ND Department of Transportation, testified verbally in favor.

3:07 PM Senator Paulson moved to adopt Amendment LC 23.8131.01003.

3:11 PM Senator Larsen seconded motion.

Senators	Vote
Senator David A. Clemens	Y
Senator Cole Conley	Y
Senator Doug Larsen	Y
Senator Bob Paulson	Y
Senator Dean Rummel	Y

Motion passed to adopt amendment. 5-0-0

3:13 PM Senator Conley moved Do Pass as Amended.

3:14 PM Senator Paulson seconded.

Senators	Vote
Senator David A. Clemens	Y
Senator Cole Conley	Y
Senator Doug Larsen	N
Senator Bob Paulson	Y
Senator Dean Rummel	Y

Motion passed. 4-1-0

3:17 PM Senator Paulson will carry.

3:20 PM Chairman Clemens adjourned meeting.

Nathan Liesen, Committee Clerk

January 19, 2023

PROPOSED AMENDMENTS TO SENATE BILL NO. 2063

Page 1, line 3, remove "; and to provide a"

Page 1, line 4, remove "continuing appropriation"

Page 1, line 9, remove "- **Continuing**"

Page 1, line 10, remove "**appropriation**"

Page 1, line 11, remove "1."

Page 1, line 14, after "discretionary" insert "federal or private"

Page 1, line 17, after the underscored period insert "Any cost-share for the project may consist only of federal and private funding."

Page 1, line 22, remove "The department may"

Page 1, remove lines 23 and 24

Page 2, remove lines 1 through 5

Renumber accordingly

DR
1-20-2023
10F1

REPORT OF STANDING COMMITTEE

SB 2063: Transportation Committee (Sen. Clemens, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (4 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2063 was placed on the Sixth order on the calendar. This bill affects workforce development.

Page 1, line 3, remove "; and to provide a"

Page 1, line 4, remove "continuing appropriation"

Page 1, line 9, remove "**Continuing**"

Page 1, line 10, remove "**appropriation**"

Page 1, line 11, remove "1."

Page 1, line 14, after "discretionary" insert "federal or private"

Page 1, line 17, after the underscored period insert "Any cost-share for the project may consist only of federal and private funding."

Page 1, line 22, remove "The department may"

Page 1, remove lines 23 and 24

Page 2, remove lines 1 through 5

Renumber accordingly

2023 SENATE APPROPRIATIONS

SB 2063

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2063
1/30/2023

A BILL for an Act relating to the authorization and appropriations necessary to administer the national electric vehicle infrastructure program grants and other discretionary funding items; to provide for a legislative management study; and to provide for a legislative management report

10:00 AM Chairman Wanzek opened the hearing on SB 2063. Senators Bekkedahl, Wanzek, Krebsbach, Burckhard, Davison, Dever, Dwyer, Erbele, Kreun, Mathern, Meyer, J. Roers, Rust, Schaible, Sorvaag, and Vedaa present.

Discussion Topics:

- NEVI Program
- Fiscal impact
- Electric vehicles
- Referral to subcommittee

10:01 AM Chad Orn, Director of Project Development, NDOT, introduced the bill and verbally testified in favor #17687

10:25 AM Russ Buchholtz, Coordinator, North Dakota State NEVI, verbally testified and provided information.

10:50 AM Senator Bekkedahl assigned SB 2063 to Appropriations Government Operations Division.

10:50 AM Senator Bekkedahl closed the public hearing on SB 2063.

Dave Owen on behalf of Kathleen Hall, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division
Red River Room, State Capitol

SB 2063
1/31/2023

A bill relating to reimbursable federal electric vehicle infrastructure grants; and to provide for a legislative management report.

8:34AM Chairman Wanzek called the meeting to order.
Senators Wanzek, Erbele, Roers, Dwyer, and Vedaa are present.

Discussion Topics:

- Motion
- Prior proposed amendment

(No video is available until 8:38:43)

8:35AM Senator Dwyer moved a Do Pass.

8:38AM Senator Dwyer stated motion failed due to lack of a second.

8:39AM Chairman Wanzek closed the meeting.

Carie Winings, Chief Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

SB 2063
1/31/2023

Relating to the authorization and appropriations necessary to administer the national electric vehicle infrastructure program grants and other discretionary funding items.

4:54 PM Chairman Wanzek called the meeting to order.
Senators Wanzek, Erbele, Roers, Dwyer, and Vedaa are present.

Discussion Topics:

- Federal inputs
- State inputs
- Private inputs

4:55 PM Senator Dwyer made a DO PASS motion to accept this bill with no changes.
Senator Roers seconded the motion.

Senators	Vote
Terry M. Wanzek	Y
Michael Dwyer	Y
Robert Erbele	N
Jim P. Roers	Y
Shawn Vedaa	N

The motion passed, 3 Y 2 N 0A.

Senator Dwyer will carry the bill.

5:01 PM Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2063
2/9/2023

Relating to the allocation of the state share of oil and gas taxes.

9:48 AM Chairmen Bekkedahl opens the meeting on SB 2063.

Members present: Senators Bekkedahl, Krebsbach, Burckhard, Davison, Dever, Dwyer, Erbele, Kreun, Meyer, Roers, Schaible, Sorvaag, Vedaa, Wanzek, Rust, and Mathern.

Discussion Topics:

- Committee Action
- Rural North Dakota
- Electric Car Infrastructure

9:49 AM Senator Dwyer introduces the bill.

10:05 AM Senator Roers moved DO PASS

10:05 AM Senator Wanzek seconded

10:24 Committee discussion

Roll Call Vote

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Karen K. Krebsbach	Y
Senator Randy A. Burckhard	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	N
Senator Curt Kreun	Y
Senator Tim Mathern	Y
Senator Scott Meyer	N
Senator Jim P. Roers	Y
Senator Donald Schaible	Y
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	N
Senator Terry M. Wanzek	Y
Senator Rust	Y

Motion Passes 13-3-0

Senator Paulson will carry the bill.

10:24 AM Chairman Bekkedahl closed the meeting on SB 2063

Kathleen Hall, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2063, as engrossed: Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **DO PASS** (13 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2063 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

2023 HOUSE TRANSPORTATION

SB 2063

2023 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee
Room JW327E, State Capitol

SB 2063
3/2/2023

A bill relating to the authorization and appropriations necessary to administer the national electric vehicle infrastructure program grants and other discretionary funding items.

Chairman D. Ruby opened the hearing at 9:00AM.

Members present: Chairman Ruby, Vice Chairman Grueneich, Representatives Anderson, Christensen, Dyk, Frelich, Hauck, Koppelman, Murphy, Timmons, Wagner, Weisz, Dakane, Dobervich. Members absent: none.

Discussion Topics:

- Electric vehicle funding program
- Electric vehicle charging stations

Chad Orn, Project Development Director with North Dakota Department of Transportation, introduced the bill in support and recommended section 2 of the bill be removed (#21672).

Russ Buchholz, Director of Innovation and Facilities with North Dakota Department of Transportation and NEVI Coordinator, assisted Chad Orn and answered a question from the committee.

Zac Smith, Communications and Government Relations Director with North Dakota Association of Rural Electric Cooperatives, verbally testified in a neutral capacity.

Additional written testimony:

Russ Buchholz, Director of Innovation and Facilities with North Dakota Department of Transportation and NEVI Coordinator, testimony in support (#21722).

Sonja Kaye, testimony in support #21499.

Jay Mosbrucker, testimony in support #21290.

Chairman D. Ruby closed the hearing at 9:33AM.

Mary Brucker, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee
Room JW327E, State Capitol

SB 2063
3/2/2023

A bill relating to the authorization and appropriations necessary to administer the national electric vehicle infrastructure program grants and other discretionary funding items.

Chairman D. Ruby opened the meeting at 10:39AM.

Members present: Chairman Ruby, Vice Chairman Grueneich, Representatives Anderson, Christensen, Dyk, Frelich, Hauck, Koppelman, Murphy, Timmons, Wagner, Weisz, Dakane, Dobervich. No members absent.

Discussion Topics:

- Committee vote

Vice Chairman Grueneich moved an amendment to remove section 2 of the bill.

Representative Christensen seconded the motion.

Roll call vote:

Representatives	Vote
Representative Dan Ruby	Y
Representative Jim Grueneich	Y
Representative Karen A. Anderson	Y
Representative Cole Christensen	Y
Representative Hamida Dakane	Y
Representative Gretchen Dobervich	Y
Representative Scott Dyk	N
Representative Kathy Frelich	Y
Representative Dori Hauck	N
Representative Ben Koppelman	N
Representative Eric James Murphy	Y
Representative Kelby Timmons	N
Representative Scott Wagner	Y
Representative Robin Weisz	Y

Motion carried 10-4-0

Representative Koppelman moved a Do Not Pass.

Representative Dyk seconded the motion.

Roll call vote:

Representatives	Vote
Representative Dan Ruby	N
Representative Jim Grueneich	N
Representative Karen A. Anderson	Y
Representative Cole Christensen	Y
Representative Hamida Dakane	N
Representative Gretchen Dobervich	N
Representative Scott Dyk	Y
Representative Kathy Frelich	Y
Representative Dori Hauck	Y
Representative Ben Koppelman	Y
Representative Eric James Murphy	N
Representative Kelby Timmons	Y
Representative Scott Wagner	N
Representative Robin Weisz	N

Motion failed 7-7-0

Chairman D. Ruby adjourned at 10:52AM.

Mary Brucker, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee
Room JW327E, State Capitol

SB 2063
3/16/2023

A bill relating to the authorization and appropriations necessary to administer the national electric vehicle infrastructure program grants and other discretionary funding items.

Chairman D. Ruby opened the meeting at 10:13AM.

Members present: Chairman Ruby, Vice Chairman Grueneich, Representatives Anderson, Christensen, Dyk, Frelich, Hauck, Koppelman, Murphy, Timmons, Wagner, Weisz, Dakane. **Members absent:** Vice Representative Dobervich.

Discussion Topics:

- Proposed amendment 23.8131.03001

Representative Koppelman distributed a proposed amendment 23.8131.03001 (#25577).

Representative Koppelman moved the amendment **23.8131.03001**.

Representative Wagner seconded the motion.

Ron Henke, Director of North Dakota Department of Transportation, answered questions from the committee.

Representative Koppelman rescinded his motion.

Chairman D. Ruby adjourned at 10:33AM.

Mary Brucker, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee
Room JW327E, State Capitol

SB 2063
3/16/2023

A bill relating to the authorization and appropriations necessary to administer the national electric vehicle infrastructure program grants and other discretionary funding items.

Chairman D. Ruby opened the meeting at 11:42AM.

Members present: Chairman Ruby, Vice Chairman Grueneich, Representatives Anderson, Christensen, Dyk, Frelich, Hauck, Koppelman, Murphy, Timmons, Wagner, and Dakane. **Members absent:** Representatives Weisz and Dobervich.

Discussion Topics:

- Proposed amendment 23.8131.03001
- Committee vote

Representative Koppelman moved the amendment 23.8131.03001 and in subsection 1 changing 50 percent to 10 percent of the cost-share for a project. #25577

Representative Christensen seconded the motion.

Roll call vote:

Representatives	Vote
Representative Dan Ruby	Y
Representative Jim Grueneich	Y
Representative Karen A. Anderson	Y
Representative Cole Christensen	Y
Representative Hamida Dakane	Y
Representative Gretchen Dobervich	AB
Representative Scott Dyk	Y
Representative Kathy Frelich	Y
Representative Dori Hauck	Y
Representative Ben Koppelman	Y
Representative Eric James Murphy	Y
Representative Kelby Timmons	Y
Representative Scott Wagner	Y
Representative Robin Weisz	AB

Motion carried 12-0-2

Representative Koppelman moved a Do Pass as Amended.

Representative Dakane seconded the motion.

Roll call vote:

Representatives	Vote
Representative Dan Ruby	Y
Representative Jim Grueneich	Y
Representative Karen A. Anderson	N
Representative Cole Christensen	N
Representative Hamida Dakane	Y
Representative Gretchen Dobervich	AB
Representative Scott Dyk	N
Representative Kathy Frelich	Y
Representative Dori Hauck	Y
Representative Ben Koppelman	Y
Representative Eric James Murphy	Y
Representative Kelby Timmons	N
Representative Scott Wagner	Y
Representative Robin Weisz	AB

Motion carried 8-4-2

Representative Koppelman is the bill carrier.

Chairman D. Ruby adjourned at 11:45AM.

Mary Brucker, Committee Clerk

March 16, 2023

DR
1/21
3-16-23

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2063

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact section 24-02-45.4 of the North Dakota Century Code, relating to reimbursable federal electric vehicle infrastructure grants; and to provide for a legislative management report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Section 24-02-45.4 of the North Dakota Century Code is created and enacted as follows:

24-02-45.4. Reimbursable federal electric vehicle infrastructure grants - Agreements with public or private entities for the administration of federal aid programs - Report.

1. Notwithstanding any other provision of law but subject to legislative appropriation, the director may enter agreements and may accept any federal or other public or private funds for the administration of reimbursable electric vehicle charging grant programs. The director may enter an agreement with any person for the administration, approval, and inspection of a project to be constructed by a public or private entity. The cost-share for any project may consist only of federal, public, political subdivision, or private funding. Any federal formula funding for reimbursement grants must be at least ten percent of the cost-share for a project, but may not exceed eighty percent. The director may establish criteria for the grants and determine a reasonable grant reimbursement cost-share or limit for the project in accordance with federal aid provisions.
2. In accordance with the federal formula program, the director shall establish criteria for the consideration of operation and maintenance costs of the electric charging stations in the grant award.
3. Before July 1, 2024, the department of transportation shall present a report to the legislative management regarding an update on the deployment and administration of electric vehicle charging stations."

Re-number accordingly

REPORT OF STANDING COMMITTEE

SB 2063, as reengrossed: Transportation Committee (Rep. D. Ruby, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (8 YEAS, 4 NAYS, 2 ABSENT AND NOT VOTING). Reengrossed SB 2063 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact section 24-02-45.4 of the North Dakota Century Code, relating to reimbursable federal electric vehicle infrastructure grants; and to provide for a legislative management report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Section 24-02-45.4 of the North Dakota Century Code is created and enacted as follows:

24-02-45.4. Reimbursable federal electric vehicle infrastructure grants - Agreements with public or private entities for the administration of federal aid programs - Report.

1. Notwithstanding any other provision of law but subject to legislative appropriation, the director may enter agreements and may accept any federal or other public or private funds for the administration of reimbursable electric vehicle charging grant programs. The director may enter an agreement with any person for the administration, approval, and inspection of a project to be constructed by a public or private entity. The cost-share for any project may consist only of federal, public, political subdivision, or private funding. Any federal formula funding for reimbursement grants must be at least ten percent of the cost-share for a project, but may not exceed eighty percent. The director may establish criteria for the grants and determine a reasonable grant reimbursement cost-share or limit for the project in accordance with federal aid provisions.
2. In accordance with the federal formula program, the director shall establish criteria for the consideration of operation and maintenance costs of the electric charging stations in the grant award.
3. Before July 1, 2024, the department of transportation shall present a report to the legislative management regarding an update on the deployment and administration of electric vehicle charging stations."

Renumber accordingly

2023 SENATE TRANSPORTATION

SB 2063

2023 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Fort Totten Room, State Capitol

SB 2063
3/30/2023

Relating to reimbursable federal electric vehicle infrastructure grants; and to provide for a legislative management report.

10:50 AM Chairman Clemens opened the meeting.

Senators Present: **Clemens, Conley, Larsen, Rummel, Paulson.**

Discussion Topics:

- State funding
- Federal formula
- Conference committee members

Committee discussed.

10:56 AM Chairman Clemens closed the meeting.

Nathan Liesen, Committee Clerk

2023 CONFERENCE COMMITTEE

SB 2063

2023 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Fort Totten Room, State Capitol

SB 2063
4/6/2023
Conference Committee

relating to reimbursable federal electric vehicle infrastructure grants; and to provide for a legislative management report.

4:02 PM Chairman Paulson opens meeting.

Present: **Chairman Paulson, Senator Clemens, Senator Larsen, Representative Koppelman, Representative Christensen, Representative Grueneich**

Discussion Topics:

- Attached study
- Bill reporting
- State dollars
- Public funds
- Political subdivisions

4:15 PM Chad Orn, Deputy Director of Development, ND Department of Transportation, answered questions.

4:27 PM Chairman Paulson adjourns meeting.

Nathan Liesen, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Fort Totten Room, State Capitol

SB 2063
4/11/2023
Conference Committee

Relating to reimbursable federal electric vehicle infrastructure grants; and to provide for a legislative management report.

11:00 AM Chairman Paulson opened meeting.

Present: **Chairman Paulson, Senator Clemens, Representative Koppelman, Representative Christensen, Representative Grueneich**

Absent: **Senator Larsen**

Discussion Topics:

- Proposed amendment 23.8131.03004
- Committee action

11:07 AM Representative Koppelman proposed amendment LC 23.8131.03004 #27434

11:08 AM Representative Grueneich moved to adopt an amendment.

11:08 AM Representative Koppelman seconded.

11:11 AM Representative Grueneich withdrew motion.

11:11 AM Representative Koppelman withdrew seconded.

11:11 AM Representative Koppelman moved to Recede from House Amendments and further amend with LC 23.8131.03004.

11:11 AM Representative Christensen seconded.

11:12 AM Roll Call Vote passed 5-0-1

11:12 AM Chairman Paulson adjourned meeting.

Nathan Liesen, Committee Clerk

mgf
AM 1123
202

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2063

That the House recede from its amendments as printed on pages 1070 and 1071 of the Senate Journal and pages 1265 and 1266 of the House Journal and that Reengrossed Senate Bill No. 2063 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact section 24-02-45.4 of the North Dakota Century Code, relating to reimbursable federal electric vehicle infrastructure grants; and to provide for a legislative management report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Section 24-02-45.4 of the North Dakota Century Code is created and enacted as follows:

24-02-45.4. Reimbursable federal electric vehicle infrastructure grants - Agreements with public or private entities for the administration of federal aid programs - Report.

1. Notwithstanding any other provision of law but subject to legislative appropriation, the director may enter agreements and may accept any federal or nonstate funds for the administration of reimbursable electric vehicle charging grant programs.
 - a. The director may enter an agreement with any person for the administration, approval, and inspection of a project to be constructed by a public or private entity, or a political subdivision.
 - b. The cost-share for any project may consist only of federal, public, political subdivision, or private funding.
 - c. A political subdivision may not have an ownership interest in an electric vehicle charging station.
 - d. Any federal formula funding for reimbursement grants must be at least ten percent of the cost-share for a project, but may not exceed eighty percent.
 - e. The director may establish criteria for the grants and determine a reasonable grant reimbursement cost-share or limit for the project in accordance with federal aid provisions.
2. In accordance with the federal formula program, the director shall establish criteria for the consideration of operation and maintenance costs of the electric charging stations in the grant award.
3. Before July 1, 2024, the department of transportation shall present a report to the legislative management regarding an update on the deployment and administration of electric vehicle charging stations."

Renumber accordingly

202

**2023 SENATE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2063 as (re) engrossed

Senate "Enter committee name" Committee

- Action Taken SENATE accede to House Amendments
 SENATE accede to House Amendments and further amend
 HOUSE recede from House amendments
 HOUSE recede from House amendments and amend as follows
 Unable to agree, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Koppelman Seconded by: Christensen

Senators	4/6	4/11		Yes	No	Representatives	4/6	4/11		Yes	No
Paulson, Bob (R) (Chair)	X	X		X		Koppelman, Ben (R) (Chair)	X	X		X	
Clemens, David A. (R)	X	X		X		Grueneich, Jim (R)	X	X		X	
Larsen, Doug (R)	X	AB		AB		Christensen, Cole (R)	X	X		X	
Total Senate Vote				2		Total Rep. Vote				3	

Vote Count Yes: 5 No: 0 Absent: 1

Senate Carrier Paulson House Carrier Koppelman

LC Number 23.8131 . 03004 of amendment

LC Number 23.8131 . 05000 of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Insert LC: 23.8131.03004
Senate Carrier: Paulson
House Carrier: Koppelman

REPORT OF CONFERENCE COMMITTEE

SB 2063, as reengrossed: Your conference committee (Sens. Paulson, Clemens, Larsen and Reps. Koppelman, Grueneich, Christensen) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1070-1071, adopt amendments as follows, and place SB 2063 on the Seventh order:

That the House recede from its amendments as printed on pages 1070 and 1071 of the Senate Journal and pages 1265 and 1266 of the House Journal and that Reengrossed Senate Bill No. 2063 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact section 24-02-45.4 of the North Dakota Century Code, relating to reimbursable federal electric vehicle infrastructure grants; and to provide for a legislative management report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Section 24-02-45.4 of the North Dakota Century Code is created and enacted as follows:

24-02-45.4. Reimbursable federal electric vehicle infrastructure grants - Agreements with public or private entities for the administration of federal aid programs - Report.

1. Notwithstanding any other provision of law but subject to legislative appropriation, the director may enter agreements and may accept any federal or nonstate funds for the administration of reimbursable electric vehicle charging grant programs.
 - a. The director may enter an agreement with any person for the administration, approval, and inspection of a project to be constructed by a public or private entity, or a political subdivision.
 - b. The cost-share for any project may consist only of federal, public, political subdivision, or private funding.
 - c. A political subdivision may not have an ownership interest in an electric vehicle charging station.
 - d. Any federal formula funding for reimbursement grants must be at least ten percent of the cost-share for a project, but may not exceed eighty percent.
 - e. The director may establish criteria for the grants and determine a reasonable grant reimbursement cost-share or limit for the project in accordance with federal aid provisions.
2. In accordance with the federal formula program, the director shall establish criteria for the consideration of operation and maintenance costs of the electric charging stations in the grant award.
3. Before July 1, 2024, the department of transportation shall present a report to the legislative management regarding an update on the deployment and administration of electric vehicle charging stations."

Renumber accordingly

Reengrossed SB 2063 was placed on the Seventh order of business on the calendar.

TESTIMONY

SB 2063

Senate Bill 2063

Submitted by: **The Public Service Commission**

Before: **Senate Transportation Committee**
 Honorable David Clemens, Chair

Date: **January 05, 2023**

TESTIMONY

The Public Service Commission (Commission) respectfully submits testimony on HB 2063.

The widespread adoption of electric vehicles will have implications for transportation and energy infrastructure throughout the state and nation. The adoption of electric vehicles (EVs) is expected to continue and likely accelerate due to federal support and funding such as the Infrastructure Investment and Jobs Act and Inflation Reduction Act of 2022.

The Commission is closely following a number of issues and concerns related to the deployment of Electric Vehicles. This new trend stands to significantly increase demand for electricity, and both regulated utilities and cooperatives will be responsible for meeting that demand. The rates that are established for EV charging, the location and cost of the infrastructure needed to support EV charging and the public policy surrounding who can own this infrastructure and who should pay for it are all issues the Public Service Commission is intimately involved in. The Commission supports policies that

ensure that the cost of Electric Vehicle deployment is borne by EV users and not subsidized or socialized to all utility rate payers. The Department of Transportation's coordination with the Commission to address interrelated challenges has been greatly appreciated and we look forward to continuing that partnership.

Thank you for the opportunity to submit testimony. The Commission would be happy to provide follow-up or send a representative at the Committee's request.

**Senate Bill No. 2063****Senate Transportation Committee**

Ft. Totten Room | January 5, 2023, 9:30 a.m.

Chad Orn, Director of Project Development

Good morning, Mr. Chairman and members of the committee. My name is Chad Orn, Director of Project Development for the North Dakota Department of Transportation (NDDOT). I'm here to introduce and support Senate Bill 2063.

Senate Bill 2063 would allow the NDDOT to enter into cooperative agreements with public or private entities to administer funds received from the federal government for electric vehicle (EV) charging programs such as the current National Electric Vehicle Infrastructure (NEVI) program. The goal of this program is for states to strategically deploy EV charging infrastructure and establish an interconnected charging network throughout the states. The NDDOT will receive \$25.9M over five years to develop DC fast charging infrastructure. The initial phase will build out the two existing alternative fuel corridors (AFC's) I-29 and I-94 to full NEVI compliance by 2026.

NDDOT's intent is to create a grant program to award funding to construct, operate, administer, and maintain electric vehicles charging infrastructure in accordance with the states NEVI plan. The program requires a match component to the federal funding of 20%. This bill would allow the director to determine a reasonable cost-share for the project in accordance with the federal aid provisions. Ultimately, NDDOT would delegate ownership of the station to those public or private entities.

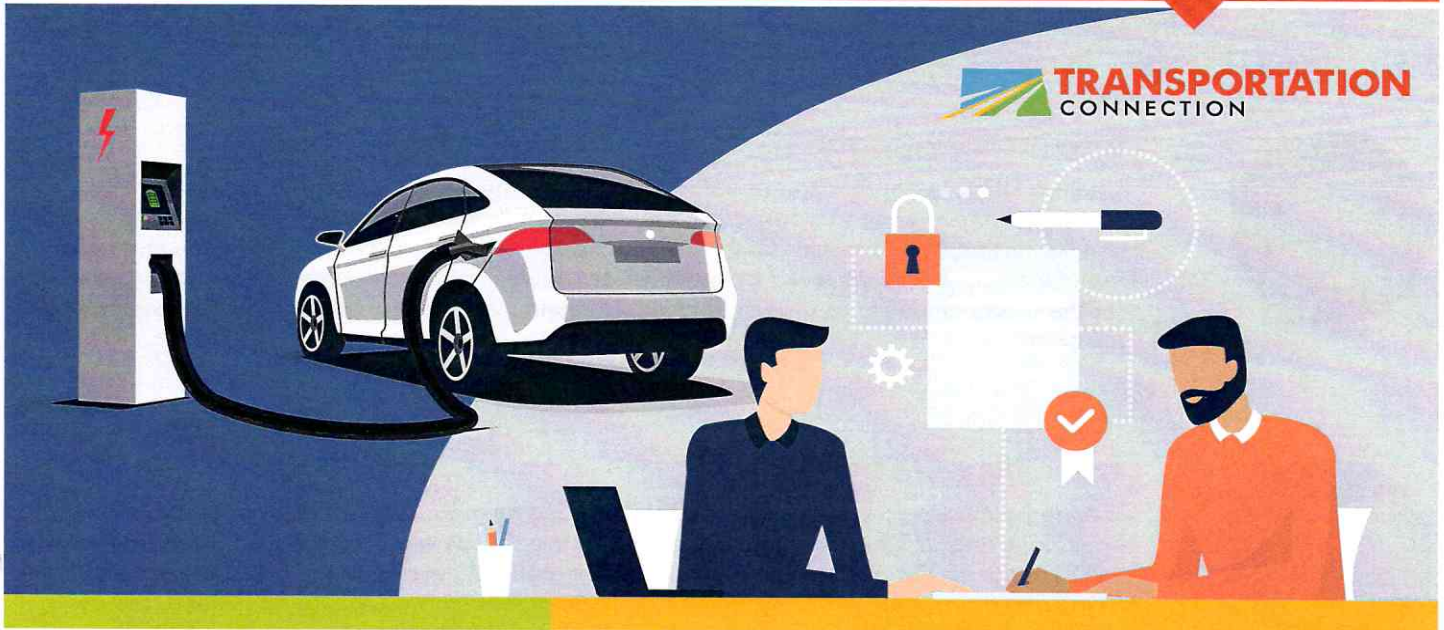
Although the department does not intend to own the charging stations there may be locations where it is not feasible for private entities to own and operate them. In this case, we would ask to be allowed to charge a fee to users to cover the cost of electricity. The fees collected would be deposited into a separate electric vehicle charging fund within the state treasury as a continuing appropriation used to fund the infrastructure.

The guidance from the Joint Office of Energy and Transportation is evolving. Adding this section would give NDDOT the flexibility to work collaboratively with public or private entities to meet the goals of EV charging programs.

This concludes my testimony. Thank you.

CONTRACTING

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:



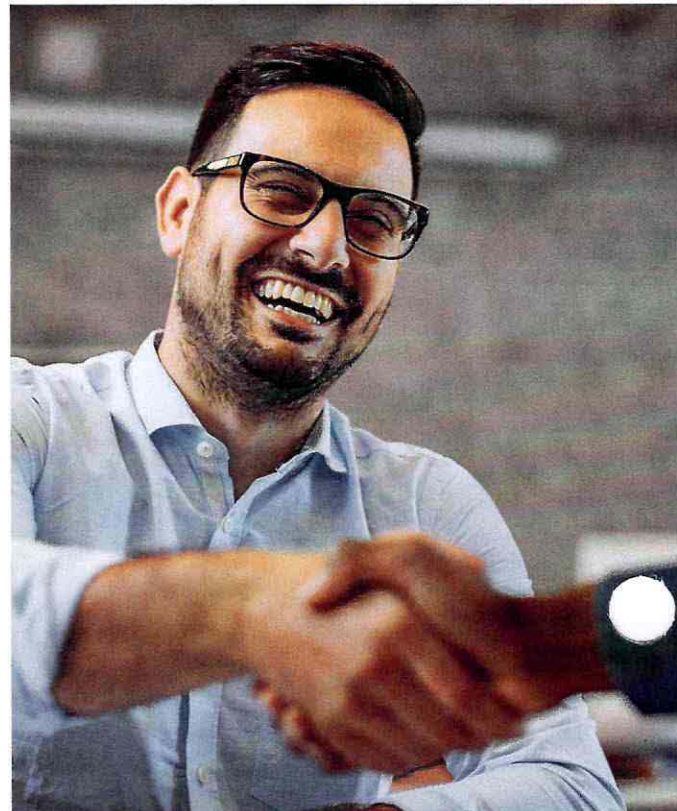
Master Developer

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)



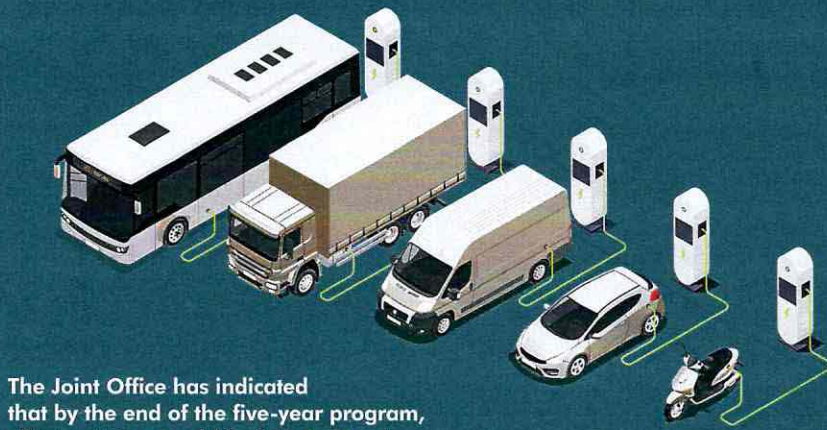
Support up to four vehicles charging at 150kw simultaneously



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



Transportation

Senate Bill No. 2063**Senate Appropriations Committee**

Roughrider Room | January 30, 2023, 10:00 a.m.

Chad M. Orn, Director of Project Development

Good morning, Mr. Chairman and members of the committee. My name is Chad M. Orn, Director of Project Development for the North Dakota Department of Transportation (NDDOT). I'm here to introduce and support Senate Bill 2063.

Senate Bill 2063 would allow the NDDOT to enter into cooperative agreements with public or private entities to administer funds received from the federal government for electric vehicle (EV) charging programs such as the current National Electric Vehicle Infrastructure (NEVI) program. The goal of this program is for states to strategically deploy EV charging infrastructure and establish an interconnected charging network throughout the states. The NDDOT will receive \$25.9M over five years to develop DC fast charging infrastructure. The initial phase will build out the two existing alternative fuel corridors (AFC's) I-29 and I-94 to full NEVI compliance by 2026.

NDDOT's intent is to create a grant program to award funding to construct, operate, administer, and maintain electric vehicle charging infrastructure in accordance with the states NEVI plan. The program requires a match component to the federal funding of 20%. This bill would allow the director to determine a reasonable cost-share for the project in accordance with the federal aid provisions. Ultimately, NDDOT would delegate ownership of the station to those public or private entities.

Although the department does not intend to own the charging stations, there may be locations where it is not feasible for private entities to own and operate them. In this case, we would ask to be allowed to charge a fee to users to cover the cost of electricity. The fees collected would be deposited into a separate electric vehicle charging fund within the state treasury as a continuing appropriation used to fund the infrastructure. The original version of Senate Bill 2063 presented to the Senate Transportation Committee included language to give the NDDOT flexibility to use state funds for the federal match and create the electric vehicle charging fund. As this language was removed by amendment, the NDDOT offers the attached amendment to reinstate that language.

The guidance from the Joint Office of Energy and Transportation is evolving. Adding this section would give NDDOT the flexibility to work collaboratively with public or private entities to meet the goals of EV charging programs.

This concludes my testimony. Thank you.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2063

Page 1, line 9 insert, "1." before "Notwithstanding"

Page 1, line 11, overstrike "federal or private"

Page 1, line 15, overstrike "Any cost-share for the project may consist only of federal and private funding."

Page 1, after line 20, insert:

"The department may charge a fee for any department owned charging infrastructure, to cover its costs of providing electricity for charging.

2. There is created in the state treasury a fund known as the electric vehicle charging fund. Funds received pursuant to this section must be deposited into the electric vehicle charging fund and are appropriated to the department as a continuing appropriation and may be used to fund necessary electric vehicle charging infrastructure."

Re-number accordingly.

Introduced by

(At the request of the Department of Transportation)

A BILL for an Act to create and enact section 24-02-45.4 of the North Dakota Century Code relating to the authorization and appropriations necessary to administer the National Electric Vehicle Infrastructure Program grants and other discretionary funding items.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Section 24-02-45.4 of the North Dakota Century Code is created and enacted as follows:

24-02-45.4. Federal electric vehicle infrastructure grants - Cooperative agreements with public or private entities for the administration of federal aid programs.

1. Notwithstanding any other provision of law, the director is authorized and empowered to do all things necessary and make all necessary agreements to acquire, be appropriated funds for, and administer electric vehicle charging grants and acquire any associated discretionary ~~federal or private~~ funding that may become available. The director may enter into cooperative agreements with public or private entities, for the purpose of administering federal aid electric vehicle charging programs. The director is authorized to determine a reasonable cost share for the project in accordance with federal aid provisions. ~~Any cost share for the project may consist only of federal and private funding.~~ The director or the public or private entity, may construct, operate, administer, and maintain the project. If the department constructs the project, the private entity's cost-share must be paid for in advance of the construction by the private entity before the department can construct the project. The director has the authority to turn over said project to the private entity once the project meets federal requirements. ~~The department may charge a fee for any department owned charging infrastructure, to cover its costs of providing electricity for charging.~~

2. There is created in the state treasury a fund known as the electric vehicle charging fund. Funds received pursuant to this section must be deposited into the electric vehicle charging fund

and are appropriated to the department as a continuing appropriation and may be used to fund necessary electric vehicle charging infrastructure.

Chairman Ruby and members of the House Transportation Committee,

I'm asking for your support of SB 2063 for the several compelling reasons:

1. **Economic Benefits:** The transition to EVs is already underway and investing in charging infrastructure can help create jobs and stimulate economic growth. By using NEVI funds to build charging stations, we can support local businesses and help to build a more sustainable economy.
2. **Public Health Benefits:** Air pollution from transportation is a major contributor to poor air quality and can have serious health impacts, particularly for vulnerable populations like children and the elderly. By promoting EVs and building charging stations, we can help reduce these health risks and create a cleaner and healthier environment for everyone.
3. **Future-proofing:** The transition to EVs is not only a matter of sustainability, but also a matter of practicality. As more and more countries set targets to phase out gas-powered vehicles, investing in EV charging infrastructure now will help ensure that our communities are prepared for the future and can continue to meet the needs of drivers.
4. **Environmental Benefits:** EVs are a more environmentally friendly alternative to traditional gas-powered cars, as they produce zero emissions at the tailpipe. By supporting the development of EV charging stations, we can encourage the adoption of this cleaner form of transportation and reduce our overall carbon footprint.

Overall, using NEVI funds to support the development of EV charging stations is a smart and responsible investment in our economy, public health, future, and environment. For these reasons I ask that you vote in favor of SB 2063.

Thank you for your consideration.

Regards,

Jay Mosbrucker

West Fargo, ND

Testimony in Favor of SB 2063

Sonja Kaye

March 2, 2023

My name is **Sonja Kaye**. I'm a resident of South Fargo, and the proud owner of a 2014 all- electric Nissan LEAF. My LEAF is ancient by EV standards, only getting about 65-90 miles in range. However, that range is enough for me, because our household has another vehicle that we use for road trips. Eventually we would like to exchange our road-trip car for an all-electric one, but we are **waiting** for ND to be better prepared with charging stations along the highways.

I hope my testimony will impress on you the many benefits of EV ownership, the benefits that EVs provide to North Dakota, and the opportunity costs associated with throwing away NEVI funds.

The electric vehicle industry is in its infancy, yet the efficiency of EV battery technology is improving at a rapid pace. All major car manufacturers are ramping up their production of electric vehicles with 100% confidence in their ability to sell them. Why?

Benefits to Owners

EVs have many benefits over gas-powered vehicles. Here are just a few:

- 1) EVs cost **40% less in labor to manufacture**.
- 2) **EVs are less expensive to drive**, saving you about **\$149 for every 1,000 miles** you drive.
 - a) EVs have **lower maintenance costs** due to fewer moving parts and no need for oil changes.
- 3) EVs have **zero emissions**. People who care about **life** and the health of their children are choosing to buy them.

But having limited options for charging during road trips is a drawback, one for which consumers can do little themselves. Please support our consumer right to own a cheaper and cleaner car.

Benefit to North Dakota

Some on the Senate floor would have us believe that we should oppose this bill for philosophical reasons, but I ask you what *philosophy* asks us to stop progress? What *philosophy* forces us to continue buying a type of vehicle that is more expensive to own and operate? What good philosophy threatens the economic relevancy of our state?

ND is already poised to be a **key player in the supply chain** of electric vehicle batteries. The Talon Nickel processing plant is coming to coal country. This is an exciting new industry for ND and helps us diversify our economy. Voting "no" on this bill would be detrimental to this **emerging ND industry**.

Suggesting the EV industry is a threat to our energy production is ludicrous, as we will likely supply all the energy needed with **100% homegrown energy**, including coal power.

Federal funding of our interstate highway infrastructure is nothing new. **Republican** president Dwight D Eisenhower implemented the Federal-Aid Highway Act in 1956.

Furthermore, federal aid in jump-starting **new** industries is not new either. **Rural electric cooperatives** got federal help to establish coal plants. North Dakota was in a difficult situation, because Investor-

owned utilities were unwilling to provide power to our rural customers. Our state simply did not have the population density to make business profitable enough for them.

Likewise, the DOT included in their testimony that ND, unlike other states, will potentially struggle to find investors in **remote areas**. It will be important for ND to use federal funds to build out some of these remote areas.

Reinstate Option to use State Money

Furthermore, I would like you to **reconsider** giving the DOT an option to use **state money** to install chargers where a private investor is not interested. This is a **low-risk venture** for our state (unlike other projects being proposed in the state right now.)

A few state-owned charging stations would be a benefit to ND citizens, potentially giving us a new revenue stream for road maintenance.

Furthermore, having a state-owned facility in ND is not new. We have very successful examples in the Bank of ND and the State Mill.

Grid Concerns

I have heard people express concern about EVs' impact on the grid and believe these fears are unfounded. Local electric utilities will be involved in the process of interconnection. If an installation was a threat to the grid, the utility would prevent the interconnection.

In terms of **capacity** of the grid, there are many opportunities to build capacity right on location of the charging sites.

As far as **reliability**, our grid is in most peril during extreme weather events at which time EVs are less likely to be on the road anyway. Also, there is new technology where EVs can send electrons back to the grid acting like a storage generation resource.

Also, the **majority of EV charging is done at night** at home, which is an ideal situation for utilities as it can be done outside of peak demand hours.

Opportunity Cost

The transition to EVs is happening whether people want it to or not. We can graciously accept the \$25 million the federal government has on the table today. Or we can kick ourselves in five years down the road when most of you will also probably own an EV, and we are short on charging facilities. Let's not waste this opportunity. Please vote Do Pass on this bill and reconsider the benefits of using state money for state-owned charging stations.

Thank you.

Podcast discussion with a ND Tesla Owner

<https://omny.fm/shows/it-takes-2-with-amy-jj/whats-it-like-to-own-an-ev-in-north-dakota>

**Senate Bill No. 2063****House Transportation Committee**

Room 327E | March 2, 2023, 9 a.m.

Chad M. Orn, Director of Project Development

Good morning, Mr. Chairman and members of the committee. My name is Chad M. Orn, Director of Project Development for the North Dakota Department of Transportation (NDDOT). I'm here to introduce and support Senate Bill 2063.

Senate Bill 2063 would allow the NDDOT to enter into cooperative agreements with public or private entities to administer funds received from the federal government for electric vehicle (EV) charging programs such as the current National Electric Vehicle Infrastructure (NEVI) program. The goal of this program is for states to strategically deploy EV charging infrastructure and establish an interconnected charging network throughout the states. The NDDOT will receive \$25.9M over five years to develop DC fast charging infrastructure. The initial phase will build out the two existing alternative fuel corridors (AFC's) I-29 and I-94 to full NEVI compliance by 2026. The ND EV Infrastructure Plan was approved in the fall of 2022, which allows the NDDOT to use the NEVI funds. View the complete plan at the following link www.dot.nd.gov/projects/lrtp/evplan.htm

NDDOT's intent is to create a grant program to award funding to construct, operate, administer, and maintain electric vehicle charging infrastructure in accordance with the state's NEVI plan. The program requires a match component to the federal funding of 20%. As the bill is currently written, the NDDOT cannot use state dollars to provide the match. Ultimately, NDDOT would delegate ownership of the station to those public or private entities. As of the end of January, there were 575 licensed EVs. This is close to double from the same time in 2022.

Since this bill passed the Senate, the final rule on NEVI standards and requirements was released by the Joint Office of Energy and Transportation. From our initial review, we don't see any major differences between the final rule and guidance previously provided.

The Senate did amend Section 2 of SB 2063. This section refers to a Legislative Management Study. With the release of the final rule, the ongoing stakeholder (such as utility companies) engagement strategy provided in the ND EV Infrastructure Plan, and our coordination with surrounding states on the development of the NEVI program, we respectfully ask that Section 2 of SB 2063 be removed.

This bill would give NDDOT the flexibility to work collaboratively with public or private entities, along with our power utilities and Public Service Commission to meet the goals of EV charging programs.

This concludes my testimony. Thank you.

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)



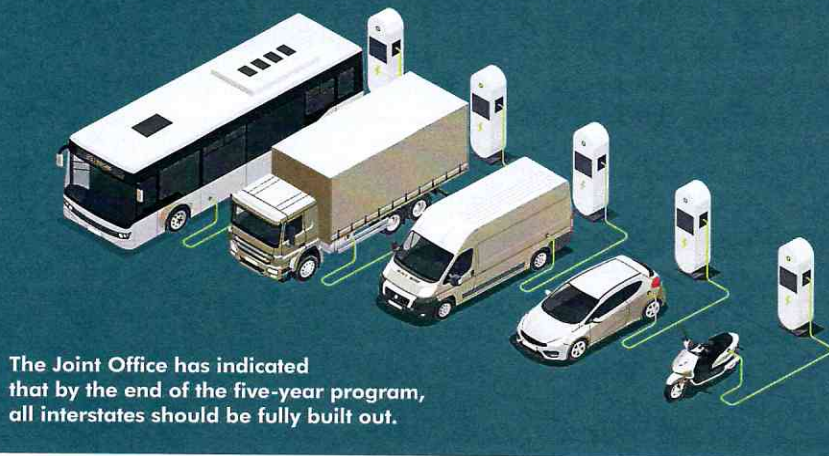
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In order to access NEVI funds, North Dakota was required to submit a plan by August 1, 2022 demonstrating how the network will be completed to meet requirements set by the U.S. Department of Energy and U.S. Department of Transportation's Joint Office 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

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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.



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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

ELECTRIC VEHICLES AND MOTOR FUEL TAX REVENUE



Data from 2019



Vehicle Miles Traveled
9,859,000,000



Tax Rate
\$0.23/Gal
 (both unleaded and diesel)



Fuel Sold
762,000,000 Gal
 (both unleaded and diesel)



MFT Revenue Collected
\$175,260,000



Licensed Drivers
559,887
 (561,000 current)



Registered Vehicles
 Passenger **466,248**
 Pickup **279,837**
 Truck **89,746**
Total 835,831

As electric vehicle (EV) use continues to grow in North Dakota, the state must consider how to address the impact on the state's motor fuel tax (MFT) revenue. Because EVs do not require gasoline to operate, they do not contribute to the MFT that helps fund North Dakota's transportation system. North Dakota currently charges an annual \$120 registration fee for fully-electric EVs, \$50 for plug-in hybrid EVs, and \$20 for fully-electric motorcycles in addition to the typical annual registration fees (see N.D.C.C. § 39-04-19.2)

What does the average vehicle currently generate in MFT?

North Dakota DOT conducted a study based on historic state travel data and vehicle registration data to estimate the average contribution of MFT from different vehicle categories. Data from 2019 was used as the base.

Using a cell phone validated travel demand model, the impacts to current MFT from out of state drivers was estimated. Because fuel can currently be purchased out of state for miles driven within North Dakota, the state's total VMT is not an accurate representation of the revenue generated from in-state driving. It is estimated that 94.63% of Commercial Truck VMT are paying MFT and 97.51% of Passenger VMT are paying MFT.

Using a combination of the cell phone validated travel demand model and data from NDDOT, the average mileage driven per year, gallons of fuel consumed per year, MFT collected per vehicle per year, and total MFT collected by vehicle class were estimated.

Fuel Consumption and Revenue by Vehicle Class

The estimates indicate that the average passenger vehicle generates \$104 per year in MFT, while the average commercial truck generates \$1,090. The actual contribution by vehicle will differ based on mileage driven and the vehicle's fuel efficiency, with less efficient vehicles contributing more MFT for every mile driven.

With a \$120 EV registration fee in place, the state collects \$16 more per year on average through the EV supplemental registration fee than the average MFT.

However, the \$120 registration fee is substantially less than the \$1,090 estimated revenue collected from commercial trucks. While the use of batteries or hydrogen for commercial vehicles may be years away, their relative effects on revenue will be substantially higher per vehicle than that of passenger vehicles. It should also be mentioned that commercial interstate trucking is highly regulated and subject to interstate agreements such as IFTA and IRP that will impact how fees are assessed and collected from these carriers.

Passenger/Pickup

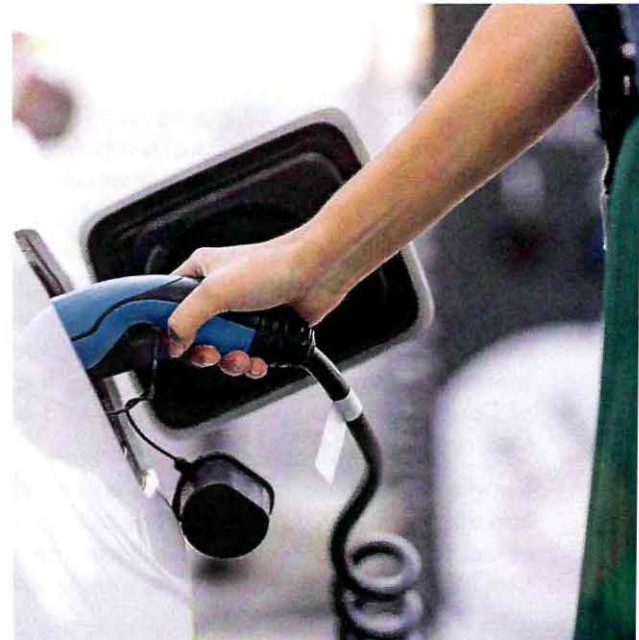


9,947
 Avg VMT/ Reg. Veh.
22.00
 MPG (Assumed)
452
 Gal./Year
\$104
 MFT/Year
\$77,589,523
 MFT/Year/Class

Commercial Truck



23,701
 Avg VMT/ Reg. Veh.
5.00
 MPG (Assumed)
4740
 Gal./Year
\$1,090
 MFT/Year
\$97,844,335
 MFT/Year/Class



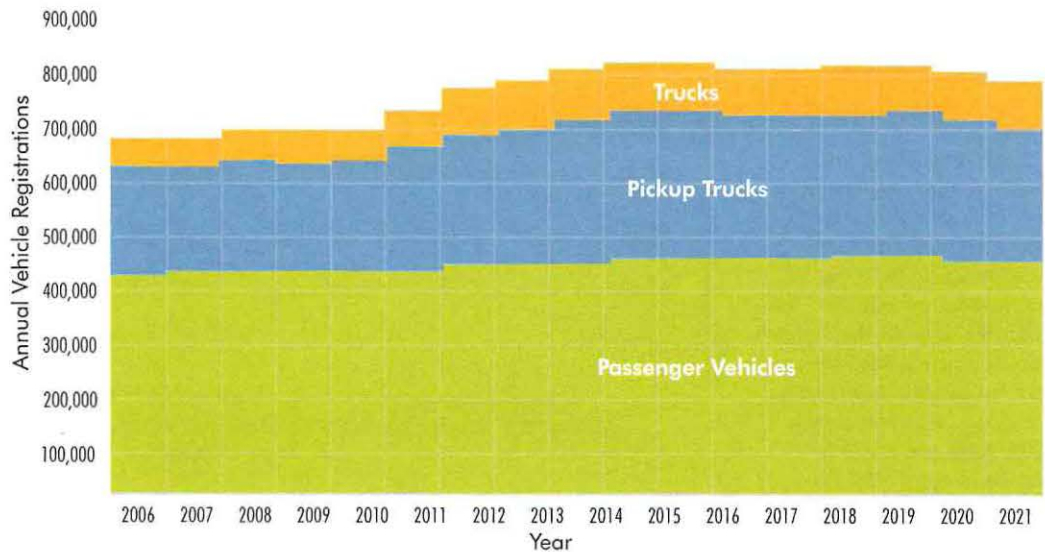
HOW WILL EVs IMPACT MOTOR FUEL TAX REVENUE?



The estimated impact on the state's motor fuel tax revenue used a number of trends to understand the growth of EVs in the state, as well as the growth of VMT and the overall growth of vehicle registrations.

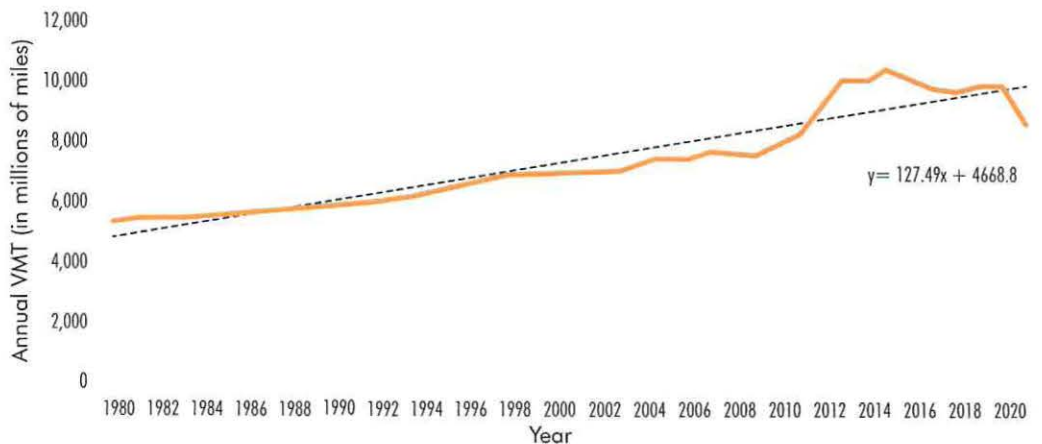
Annual Vehicle Registration

This chart shows the trends of vehicle registrations within North Dakota back to 2006 for passenger vehicles, pickup trucks, and commercial trucks. Overall, the state has averaged an additional 10,259 vehicle registrations per year. This number also accounts for the transfer of vehicles which would count the registration of the same vehicle twice.



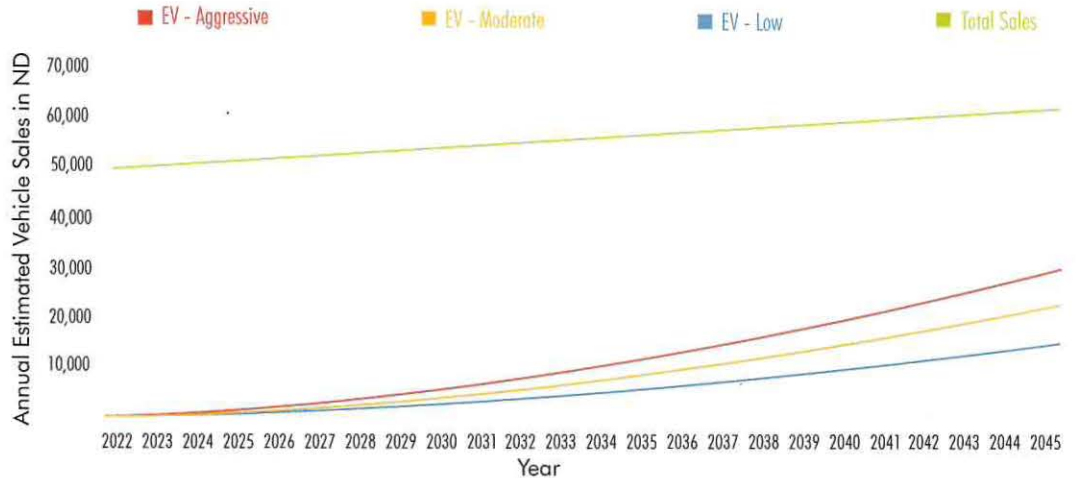
Annual Vehicle Miles Traveled (VMT)

This chart shows the growth of annual vehicles miles traveled (VMT), which shows a growth of 127 million miles per year on average since 1980.



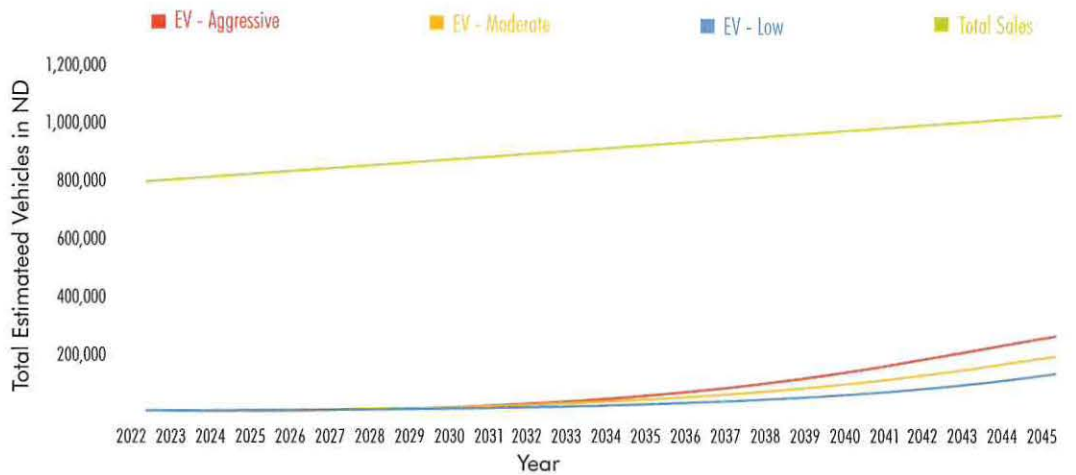
ND Vehicle Sales Projection

This chart shows the estimated growth of EVs within North Dakota, assuming an aggressive, moderate, and low adoptions scenario. The national average of EV adoption was assumed to be the most aggressive North Dakota would experience, moderate growth is 75%, and low growth is 50% of the national average.



ND Vehicle Makeup Projection

This chart shows the impact on the total number of vehicles in North Dakota. While EV sales are projected to grow, so too is the growth of the overall number of vehicles. The number of EVs in North Dakota will lag behind vehicle sales, as vehicles purchased today may last 15 years. As of December 1, 2022 there are 537 EVs registered in North Dakota.



Annual Impact On Revenue Due To EV Adoption

On average, North Dakota collects more money per EV through its EV fee than it receives from the MFT generated by the average registered vehicle. Under the following assumptions, EV's net effect on road fee collections (including MFT and EV registration fees) has been calculated in the table below and the following annual registration fee assumptions have been used for the estimate:



Passenger: \$120



Pickup: \$120



Commercial Truck: \$1,090
(estimated to be revenue-neutral)

	Aggressive EV Adoption	Moderate EV Adoption	Low EV Adoption
2030	+\$279k	+\$210k	+\$142k
2045	+\$4.1M	+\$3.1M	+\$2.0M

WHAT OPTIONS DOES NORTH DAKOTA HAVE TO SUPPLEMENT THE LOSS IN MOTOR FUEL TAX?



As EV purchases increase, most states are considering options to replace lost motor fuel tax revenues.

Implemented Fee Collection Approaches Throughout the U.S. in 2022

Mileage Based Fee

Oregon and Utah

OBD-II device, In-Vehicle Telematics, Annual odometer check (can be visual inspection during registration or captured via smartphone).

Benefits: Proportional to road usage. Captures actual EV driving.

Drawbacks: Does not capture out of state driving. Can be difficult/expensive to collect. Privacy concerns.

Electric Vehicle Registration Supplemental Fee

31 States

Fee paid during vehicle registration.

Benefits: Easy to collect.

Drawbacks: May charge drivers more or less than actual vehicle use. Does not capture out of state driving.

Electric Vehicle Registration Fee By Weight

Oklahoma and Michigan

Fee paid during vehicle registration.

Benefits: Easy to collect. Fees determined by vehicle weight recognize the efficiency differences between lighter and heavier vehicles.

Drawbacks: May charge drivers more or less than actual vehicle use.

Electricity Fee (per kWh) For Public Chargers

Kentucky

Wholesale from EVSE provider.

Benefits: Captures out of state driving.

Drawbacks: Double taxation for in-state drivers who already pay registration fee. Only captures public charging, not private charging.

Additional Fee Collection Approaches to Consider

Further EV fee approaches can be explored and customized to determine the best fit for North Dakota's priorities as EV adoption is anticipated to grow. Those options can be combined to provide flexibility. For example, Utah issues a supplemental registration fee for EV drivers but allows users to opt into a mileage-based fee that caps out at the original EV supplemental fee.

Depending on the fee structure, states may experience a net increase in revenue from their EV fees. Some states are using a portion of the EV supplemental funding for the deployment of electric vehicle infrastructure. This allocation has the potential to cover the 20% non-federal match in funding required for NEVI charging deployment projects. Alabama dedicates 25% of its EV fee revenue to the Rebuild Alabama Fund, which funds electric vehicle charging infrastructure until EV registrations exceed 4% of total vehicle registrations.



Peg Fees To Inflation

Inflation can erode the effectiveness of any fee or tax. Some states have pegged their EV fees to inflation, allowing an annual increase of the fee without annual legislation needed for the increase.



Fees Can Be Tiered

Many states have tiered fees for hybrids, plug-in hybrids, and full battery electric vehicles differently. This approach recognizes that fees are not "one size fits all" and can be adjusted as needed.

































Approaches Can Be Combined

Approaches do not need to be a singular solution. North Dakota can explore a combination of approaches such as vehicle registration fees and consumption fees that are calibrated to replace any offset in motor fuel tax collection.

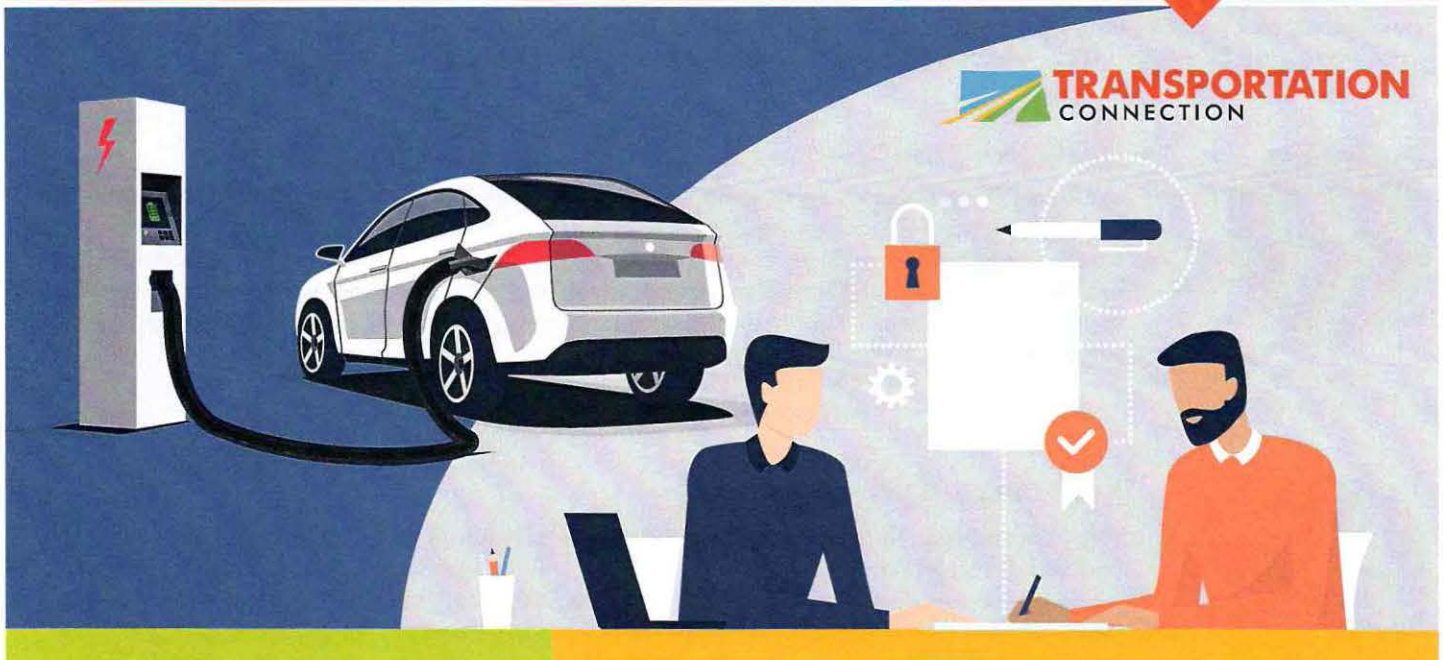
Electric Vehicle Fees by State (2022)

Though flat supplemental registration fees are most common in the application, some states are exploring additional fee mechanisms based on miles traveled, vehicle weight, electricity consumption, etc. Data was obtained October, 2022 and may be subject to change.

BEV = Battery Electric Vehicle PHEV = Plug-In Electric Vehicle HEV = Hybrid Electric Vehicle AFV = Alternative Fuel Vehicle

	Alabama \$200 BEV \$100 PHEV Annual Fee		Louisiana \$110 BEV \$60 PHEV, HEV Annual Fee		Oregon \$110 EV Annual Fee
	Arkansas \$200 EV \$100 Hybrid EV Annual Fee		Michigan \$135 BEV <8,000 lbs. \$47.50 PHEV <8,000 lbs. \$235 BEV >8,000 lbs. \$117.50 >8,000 lbs. Annual Fee		S. Carolina \$120 AFV \$60 PHEV, HEV Biennial Fee
	California \$100 BEV Annual Fee		Minnesota \$75 BEV Annual Fee		S. Dakota \$50 BEV Annual Registration Fee
	Colorado \$50 BEV, PHEV Annual Fee		Mississippi \$150 BEV \$75 PHEV, HEV Annual Fee		Tennessee \$100 EV Annual Fee
	Georgia \$212.78 non-commercial AFVs Annual Fee		Missouri \$75 Passenger AFV \$37.50 PHEV Annual Fee		Utah \$90 BEV, AFV \$39 PHEV \$15 HEV Annual Consumer Indexed Fee
	Hawaii \$50 EV Annual Surcharge		N. Carolina \$130 BEV, PHEV Annual Fee		Virginia \$64 AFV (Non-Hybrid) Annual License Tax
	Idaho \$140 BEV \$75 PHEV Annual Fee		N. Dakota \$120 EV \$50 PHEV \$20 EV Motorcycle Annual Road Use Fee		W. Virginia \$200 EV \$100 PHEV, HEV Annual Fee
	Illinois \$100 EV Annual Fee		Ohio \$200 BEV, PHEV \$100 HEV Annual Fee		Wisconsin \$75 PHEV, HEV \$100 BEV Annual Fee
	Indiana \$150 BEV \$50 PHEV, HEV Annual Inflation-Indexed Fee		Oklahoma \$110/\$82 Under 6000 lbs. BEV/PHEV (Class 1) \$158/\$118 6000-10000 lbs. BEV/PHEV (Class 2) \$363/\$272 10000-26000 lbs. BEV/PHEV (Class 3-6) \$2250/\$1687 Over 26000 lbs. BEV/PHEV (Class 7-8) Annual License Fee by Weight		Wyoming \$200 BEV, PHEV Annual Fee
	Iowa \$65 BEV \$32 PHEV Annual Fee				Washington \$150 BEV \$75 PHEV, HEV Annual Fee
	Kansas \$100 EV \$50 PHEV, HEV Annual Fee				

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.

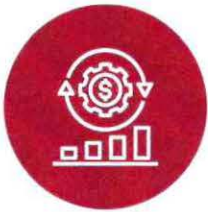


Traditional Design-Bid-Build Contracting Approach

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.



23.8131.03001
Title.

Prepared by the Legislative Council staff for
Representative Koppelman
March 15, 2023

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2063

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact section 24-02-45.4 of the North Dakota Century Code, relating to reimbursable federal electric vehicle infrastructure grants; and to provide for a legislative management report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Section 24-02-45.4 of the North Dakota Century Code is created and enacted as follows:

24-02-45.4. Reimbursable federal electric vehicle infrastructure grants - Agreements with public or private entities for the administration of federal aid programs - Report.

1. Notwithstanding any other provision of law but subject to legislative appropriation, the director may enter agreements and may accept any federal or other public or private funds for the administration of reimbursable electric vehicle charging grant programs. The director may enter an agreement with any person for the administration, approval, and inspection of a project to be constructed by a public or private entity. The cost-share for any project may consist only of federal, public, political subdivision, or private funding. Any federal formula funding for reimbursement grants must be at least fifty percent of the cost-share for a project, but may not exceed eighty percent. The director may establish criteria for the grants and determine a reasonable grant reimbursement cost-share or limit for the project in accordance with federal aid provisions.
2. In accordance with the federal formula program, the director shall establish criteria for the consideration of operation and maintenance costs of the electric charging stations in the grant award.
3. Before July 1, 2024, the department of transportation shall present a report to the legislative management regarding an update on the deployment and administration of electric vehicle charging stations."

Renumber accordingly

23.8131.03004
Title.

Prepared by the Legislative Council staff for
Representative Koppelman
April 7, 2023

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2063

That the House recede from its amendments as printed on pages 1070 and 1071 of the Senate Journal and pages 1265 and 1266 of the House Journal and that Reengrossed Senate Bill No. 2063 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact section 24-02-45.4 of the North Dakota Century Code, relating to reimbursable federal electric vehicle infrastructure grants; and to provide for a legislative management report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 - a. The director may enter an agreement with any person for the administration, approval, and inspection of a project to be constructed by a public or private entity, or a political subdivision.
 - b. The cost-share for any project may consist only of federal, public, political subdivision, or private funding.
 - c. A political subdivision may not have an ownership interest in an electric vehicle charging station.
 - d. Any federal formula funding for reimbursement grants must be at least ten percent of the cost-share for a project, but may not exceed eighty percent.
 - e. The director may establish criteria for the grants and determine a reasonable grant reimbursement cost-share or limit for the project in accordance with federal aid provisions.
2. In accordance with the federal formula program, the director shall establish criteria for the consideration of operation and maintenance costs of the electric charging stations in the grant award.
3. Before July 1, 2024, the department of transportation shall present a report to the legislative management regarding an update on the deployment and administration of electric vehicle charging stations."