

BUDGET NARRATIVE

This budget narrative uses the following budget categories to break out costs associated with implementation of the proposed measures:

- **Contractual:** Costs associated with contracts to acquire property (including intellectual property) and services needed to carry out the proposal.
- **Other:** Direct costs that do not fit in any of the other budget categories, including participant support costs and subawards.

The Minnesota Department of Transportation is covering staff time in-kind, so there are no personnel, fringe, or indirect costs.

An explanation of costs associated with each measure and a consolidated budget are presented below. A breakdown of costs for each budget category for each measure is provided in the **CPRG Implementation Grants Budget Table**.

1. Accelerating vehicle electrification for emerging applications

See Measure 1 Budget tab in the **CPRG Implementation Grants Budget Table** for itemized costs for each budget category.

a. Minnesota Department of Transportation Contractual

“Contractual” costs include the the regional optimization study and the development of up to two multi-use charging hubs in Minnesota.

The Minnesota Department of Transportation will issue a Request for Proposals to select a consultant to conduct a region-wide charging optimization study focused on medium- and heavy-duty electrification. Deliverables will include an optimization map, technical and safety standards white paper, and regional charging infrastructure plan. The consultant will also lead community and stakeholder engagement efforts. It is anticipated that the consultant will subcontract with community-based organizations to conduct engagement activities. Based on statewide studies of a similar scale (e.g., Minnesota Electric Vehicle Infrastructure Needs Assessment), consultant costs are estimated to be \$1.5 million. An additional \$2 million has been added to the budget to support community-based organization and low-income and disadvantaged community costs (e.g., travel support, childcare, etc.) so that they can meaningfully participate.

The Minnesota Department of Transportation will also issue a Request for Proposals to contract third-party owner-operators that will install up to two multi-use charging hubs in Minnesota. Cost estimates are derived from the 2022 National Renewable Energy Laboratory study *Estimating the Breakeven Cost of Delivered Electricity to Charge Class 8 Electric Tractors*. Based on the study, we estimate that each charging hub of four 350 kW chargers and four 1 MW chargers will cost \$5,802,773. These costs include the units, installation, and utility upgrades. Costs do not include land acquisition or facilities. Similar costs are included under subawards for the departments of transportation in Michigan and Wisconsin in the “Other” budget category. Funds to contract the Great Plains Institute as a third-party non-profit project administrator are included in the “Other” budget category.

DRIVE Midwest

b. Minnesota Department of Transportation Other

“Other” costs include subawards to coalition members and a subaward to the Great Plains Institute to assist with project administration and reporting requirements.

Subawards to coalition members (Michigan Department of Transportation and Wisconsin Department of Transportation) will provide the funding needed to issue requests for proposals to implement multi-use charging hubs. Each state agency will provide in-kind staff time to support project activities.

2. Consolidated Budget by Year

COST-TYPE	CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Direct Costs	TOTAL PERSONNEL	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL FRINGE BENEFITS	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL TRAVEL	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL EQUIPMENT	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL SUPPLIES	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL CONTRACTUAL	\$700,000	\$700,000	\$700,000	\$12,305,546	\$700,000	\$15,105,546
	TOTAL OTHER	\$150,000	\$160,500	\$171,735	\$23,394,848	\$196,619	\$24,073,703
	TOTAL DIRECT	\$850,000	\$860,500	\$871,735	\$35,700,394	\$896,619	\$39,179,249
	TOTAL INDIRECT	\$0	\$0	\$0	\$0	\$0	0
TOTAL FUNDING		\$850,000	\$860,500	\$871,735	\$35,700,394	\$896,619	\$39,179,249

3. Consolidated Budget by Project

Project Number	Project Name	Total Cost	% of Total
1	<i>Developing Regional Infrastructure for Vehicle Electrification in the Midwest</i>	\$39,179,249	100%
Total		\$39,179,249	100%

4. Expenditure of Awarded Funds

The Minnesota Department of Transportation (MnDOT) will expend and account for awarded funds in accordance with state laws and procedures for expending and accounting for the state's own funds. The financial management system for the agency complies with the requirements of 2 CFR 200.302(b). MnDOT has an [Agency Grants Management Manual](#) and policy that outlines the process and system for complying with 2 CFR 200.

The Minnesota Department of Transportation will enter into a subaward agreement with each coalition member prior to disbursement of subaward funds. These agreements will include all applicable pass-through requirements for subrecipients in accordance with [EPA's Subaward Policy](#) and [EPA's General Term and Condition for Subawards](#).

The semi-annual reports and final report will include a breakdown of expenditures associated with implementation of this proposal.