

DEPARTMENT OF THE NAVY

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(ENERGY, INSTALLATIONS, AND ENVIRONMENT)
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MEMORANDUM FOR DISTRIBUTION

SUBJECT: Electric Vehicle Charging Policy

References: (a) ASN(EI&E) Memorandum, Delegation of Authority to Implement Plug-in Electric Vehicle Charging for Privately Owned Vehicles on Navy and Marine Corps Installations, 4 Dec 17

- (b) National Defense Authorization Act for Fiscal Year 2023, Section 2875, codified at 10 United States Code § 2802
- (c) Executive Order 14057, Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability, 8 Dec 21
- (d) Implementing Instructions for Executive Order 14057, Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability, Aug 22
- (e) Department of the Navy Chief Sustainability Officer Serial Five: Shore Energy Goals, 31 Oct 23
- (f) Department of the Navy Chief Sustainability Officer Serial One: Infrastructure, 3 Jan 23
- (g) Department of the Navy Policy for Inclusion of Electric Vehicle Charging Infrastructure in Project Documentation, 5 Nov 23
- (h) 10 United States Code § 2686
- (i) 10 United States Code § 8013
- (j) DoDI 1330.21, Armed Services Exchange Regulations, 14 Jul 05
- (k) DoDI 1330.09, Armed Services Exchange Policy, 7 Dec 05
- (l) Distribution of the Facility-Related Control Systems Master List, Office of the Secretary of Defense, Deputy Assistant Secretary of Defense (Environment and Energy Resilience), 16, Jul 21
- (m) Addendum FRCS Master List Final, Office of the Secretary of Defense, Deputy Assistant Secretary of Defense (Environment and Energy Resilience), 15 Nov 21
- (n) DoDI 8510.01, Risk Management Framework for DoD Systems, 19 Jul 22
- (o) SECNAVINST 5000.2G, Department of the Navy Implementation of the Defense Acquisition System, 8 Apr 22

Enclosure: (1) Policy on Electric Vehicle Charging Infrastructure and Equipment in the Military Housing Privatization Initiative (MHPI) Portfolio

1. This umbrella policy addresses requirements and governance of electric vehicle (EV) charging and associated infrastructure throughout Department of the Navy (DON) installations worldwide. The policy provides prioritization and direction on electric vehicle charging facility (EVCF) planning and operations, financial responsibility, cost minimization, acquisition, business models, energy charging use accounting, and cybersecurity. This policy is effective immediately and supersedes reference (a).

- 2. Demand for EV charging to support government-owned vehicles (GOVs) and privately-owned vehicles (POVs is growing. DON installations must plan for all use cases anticipating significant increases in overfall vehicle electrification. This policy memorandum governs all EV charging facilities (e.g., charging for GOVs, charging at retail facilities, charging at privatized housing, and any additional charging to meet POV demands) and will be reviewed annually to determine if additional clarification or guidance for unique circumstances are required.
- 3. Per references (b) through (g), the DON is accelerating integration of zero-emission vehicles (ZEVs) into the government fleet through policy guidance and by establishing requirements for government-owned or leased vehicle acquisitions and EVCFs. Per reference (c) the DON is planning to transition 100% of light-duty non-tactical vehicles (NTV) acquisitions to ZEVs by 2027 and 100% of all NTV acquisitions where a suitable ZEV is available on the General Services Administration (GSA) schedule for the respective ordering year by 2035.
- 4. "EVCF" is the Department of Defense (DoD) Real Property Categorization System term designating as real property structures that deliver energy to EVs. EVCF are permanently constructed to include, as required, (1) the Electric Vehicle Supply Equipment (EVSE) or "charging station(s)," and (2) the electric meters, associated electrical service lines and conduits, dedicated transformers, and concrete pads/footings. This designation does not include removable chargers plugged into wall outlets (120V or 240V), which are portable units and are considered equipment, nor does it include electrical distribution to the EVCF.
- 5. For EVCF that supports GOV-only EV charging, appropriated funding (APF) shall be used for capital construction (to include utility infrastructure). For EVCF that supports POV-only EV charging, APF may be used to the extent authorized by DoDI 1015.15. Dual-use EVCF may be funded with a combination of APF and non-appropriated funding (NAF), depending on the circumstances.
- 6. To support ZEV transition requirements and governance, Navy and Marine Corps shall review and update their existing EV charging policies to align with the guidance in this document and references (b) through (o). Policy updates shall include, but are not limited to, the following topics:
 - a. EVCF to support charging of non-tactical GOVs: The DON is required to plan and execute EVCF projects to meet the requirements of transitioning NTV acquisitions to ZEV per reference (c). Navy and Marine Corps shall develop framework guidance for installations to identify, define, and meet EVCF project requirements and determine best-fit acquisition strategies.
 - b. Financial responsibility for POV and dual POV/GOV charging use: Per references (c), (h), and (i), the DON may install, construct, operate, and maintain EVCF for federal employees and others authorized to park at federal facilities to the extent such use does not significantly interfere with or impede access to EVCF by Federal fleet vehicles.

- (1) Navy and Marine Corps shall address reimbursement procedures for POV and non-DON fleet charging to ensure full reimbursement of any required transaction fees.
- (2) A third party can be contracted to provide dual GOV/POV EV charging services. At a minimum, the third party will be responsible for the costs of operating and maintaining the installed EV charging equipment. Under certain business models, a third party may also be contracted to purchase and install or construct the make-ready infrastructure and/or EVSE and will be responsible for the associated material, equipment, and installation costs.
- c. POV charging solutions: All DON Installations shall prioritize the pursuit of the POV charging solutions below when sufficient demand, incentives, and credible investment and sustainment plans exist:
 - (1) EVCF installed for consumer resale to POVs. This includes retail facilities, community centers, and other shared spaces, and government housing such as dormitories, base enlisted quarters (BEQs), lodging facilities, and other non-appropriated fund facilities.
 - (2) EVCF to support POVs in privatized housing. Details are found in Enclosure (1).
- d. Minimization of EVCF ownership and charging service costs. Installations shall pursue methods to minimize total ownership costs of EVCF to support DON GOVs. Furthermore, where possible, installations shall pursue methods to reduce the cost of EV charging services when provided to POVs and non-DON fleet vehicles (competitive and low-cost charging fees will encourage more ZEV use and provide a quality service for Sailors, Marines, and their families).
 - (1) Installations should pursue alternative sustainment methods other than government-owned / government-operated (GO/GO) charging stations when demonstrated to be cost effective, convenient, and in the best interest of the government. The DON preference is for EVCF to be owned and operated by a third-party in a contractor-owned / contractor-operated (CO/CO) model but government-owned / contractor-operated (GO/CO) and other models may be considered. Organizations providing alternative sustainment services include military exchanges, local utility companies, specialized service providers, and other third-party vendors to install, maintain, and/or operate EVCF.
 - (2) To help reduce both total ownerships costs of EVCF and charging service costs, regions and installations should pursue grants, incentives, and rebates for the installation of EVCF when feasible and legally acceptable. These opportunities are offered by states, utilities, and private enterprises. For example, the Alternative Fuel Data Center Laws and Incentives Database (https://afdc.energy.gov/laws) and local Clean Cities Coalition Coordinators (https://cleancities.energy.gov/coalitions/contacts/) that can provide support for and answer questions about federal eligibility for specific grant programs.

- e. Bundling of GOV and POV EVCF requirements under a single GO/CO or CO/CO agreement: Navy and Marine Corps should pursue bundling of GOV and POV requirements when it is in the best interest of the government to enhance the efficient operations of the property's EV charging strategy. In these contracts, dual electric charging is provided to both DON-owned GOVs and service POVs. Examples of alternative and innovative strategies include, but are not limited to:
 - (1) Defense Innovation Unit prototype pilot projects and ensuing "Success Memos" addressing dual POV/GOV charging use and ownership cost reduction. These projects enable DON entities to enter into production Other Transaction Agreements for EVCF deployment at scale with a proven technology.
 - (2) "Charging as a Service" as a business model that could provide a way for the DON to pay a recurring subscription fee in lieu of paying some or all the upfront costs of equipment, installation, and permitting as well as ongoing sustainment and management costs.
- f. Primacy of military exchanges for consumer resale activity: Per references (j) and (k), military exchanges are the primary consumer resale activity on DoD property, and preference shall be given to utilize partnerships with military exchanges on POV and dual POV/GOV charging requirements.
 - (1) Navy Exchange Service Command (NEXCOM) and Marine Corps Community Services (MCCS) have a right of first refusal (ROFR) for EVCF intended for POV or dual POV/GOV charging at any location aboard installations outside of public-private venture (PPV) residential housing. Where NEXCOM or MCCS have ROFR, the installation will provide written notice to NEXCOM or MCCS of the opportunity available at a particular location. NEXCOM and MCCS will be provided 60 days to respond to the notice with an intent to pursue their ROFR in writing. Failure to respond will be treated as a decision by NEXCOM or MCCS that they do not intend to pursue this line of business for the particular location. The DON may then pursue alternative options for installation of an EVCF at the location. If no suitable provider or operator of an EVCF is identified within 18 months, NEXCOM or MCCS will be provided another ROFR before a solicitation for EVCF service is issued.
 - (2) Hospitality Services shall coordinate with Exchange Services for POV charging.
- g. Policy and processes for verifying and accounting for energy charging use by EVs: EVCF shall include the capability to verify and account for energy provided to connected vehicles, whether GOV or POV. This capability is needed for proper utility bill accounting, EV and EVCF acquisition goal tracking, and overall planning and deployment of EV and EVCF. Installations shall install submeters or utilize EVCF vendor data collection technology, cloud data software platforms, or other efficient and accurate methods of accounting for energy use that maximize value. Value engineering decisions, that meet accounting and reporting requirements, are deferred to Navy and Marine Corps.

- h. Cybersecurity: Per references (l) and (m), EV charging stations are categorized as facility-related control systems and may require a connection to a DON network or an outside network.
 - (1) To properly identify a path to cyber accreditation and approval in accordance with reference (n), cybersecurity requirements for charging stations must be coordinated with the appropriate DON cyber, information, and/or control Command.
 - (2) Per reference (o), cybersecurity shall be an intrinsic design and systems engineering consideration from program inception, tracked through development, and into production and sustainment. Navy and Marine Corps shall include language and references regarding cybersecurity requirements in their updated EV charging policies.
- 7. My point of contact for this effort is Michael Savena, Director, Installation Energy for OASN (EI&E). He can be reached by telephone at (703) 692-2596 or by email at michael.j.savena.civ@us.navy.mil.

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Subj: POLICY ON ELECTRIC VEHICLE CHARGING INFRASTUCTURE EQUIPMENT IN THE MILITARY HOUSING PRIVITIZATION INITIATIVE (MHPI) PORTFOLIO

Ref: (a) DoDI 13320.21, dated 14 Jul 05, Armed Services Exchange Regulations

(b) Title 10 United States Code, Section 2881(b)

The purpose of this policy guidance is to encourage Department of the Navy (DON) MHPI housing providers to offer sufficient access to electric vehicle (EV) charging infrastructure for their residents, to establish standard practices for proper resident financial responsibility for EV charging, and to ensure EV charging is safe.

- 1. Community EV chargers within an MHPI ground lease, which include those at community centers and other shared spaces within the MHPI footprint (i.e., stations not located at a resident's home) will be coordinated with the Navy Exchange Service Command (NEXCOM) and Marine Corps Community Services (MCCS) in accordance with the following policies and applicable law:
 - a. Paragraph E3.3.8 of reference (a) states, "Armed Services exchanges may sell alternative fuels to the general public in compliance with 42.U.S.C. 6374, 42 U.S.C. 7586, and Executive Order 13149". One of the many "alternative fuels" described in U.S. Code is electricity.
 - b. Reference (b) provides an Ancillary Supporting Facility in MHPI may not be used for merchandise or services in direct competition with NEXCOM and MCCS. MHPI Project Owners will notify NEXCOM and MCCS in writing of the opportunity for EV charging that is available at a particular location. NEXCOM and MCCS are provided 60 days to respond to the notice with an intent to pursue their right of first refusal (ROFR) in writing. Failure to respond will be treated as a decision by NEXCOM or MCCS that they do not intend to pursue this line of business for the particular location. The DON may then pursue alternative options for installation of an EVCF at the location. If no suitable provider or operator of an EVCF is identified within 18 months, NEXCOM or MCCS will be provided another ROFR before a solicitation for EVCF service is issued.
- 2. MHPI housing providers should prioritize providing EV charging capability to homes, subject to the following conditions.
 - a. MHPI housing providers shall be responsible for facilitating installation, maintenance, and access to EV charging infrastructure for residents of DON MHPI housing to the extent practicable.
 - b. The resident will be required to sign an addendum to their lease to charge their EV at their home. EV chargers will be separately metered and billed to the resident in addition to the rental rate paid by the resident.
 - c. The resident, including General Officers (GO), may be charged for the cost of installing any EV chargers and meters that the resident requests. For GO homes, if there is a scenario where any costs are borne by the MHPI project company or the Government it will be

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included in the GO cost report. All work associated with EV charger or meter installation, or related electrical upgrades will be completed by a vendor approved by the MHPI Project Owner or by the Government based on the demarcation line of the electrical utility. Once the resident moves out of the MHPI home, the infrastructure installed will remain with the home. The resident may remove and maintain any charger components specific to the vehicle.

- d. The EV chargers and any associated meters installed by the MHPI-Project-Owner-approved vendor must adhere to all applicable laws and codes.
- e. If the MHPI project is participating in a Resident Energy Conservation Program (RECP), the EV charger's usage will not be included in RECP baseline averages for like-type groups.
- f. If the MHPI project is participating in a RECP program and an installed EV charger cannot be separately metered from the home's normal electric usage, the resident will not be charged an estimate for electricity used by the EV charger, the electric usage of the home will not be included in the baseline average for the home's like-type-group; however, the resident will be responsible for the total usage in excess of the RECP like-type-group utility allowance that is assigned to their home.
- g. If the MHPI project has entered a DON-approved contractual relationship with a third-party provider for EV chargers in the home, residents will be required to enroll in that EV charging program if they wish to charge their EV at the home. Residents may be responsible for costs associated with the installation, maintenance and administration of EV chargers and meters if these costs are included in EV charging programs.
- h. If a third-party EV charger is installed within a home and the resident moves out of the home, reasonable efforts should be made to lease the home to another owner of an EV. Notwithstanding the foregoing, home offers and assignments will not violate waitlist management procedures regardless of incoming resident ownership of an EV.
- 3. MHPI Project Owners will use reasonable efforts to monitor utility consumption and perform energy audits for homes within their MHPI projects to ensure residents are not violating this policy. Military Housing Offices will engage with residents that own EVs to ensure compliance with this policy.
- 4. MHPI projects that receive electrical power through the DON installation should anticipate future demand for EV charging will require adequate capability of electrical distribution systems and avoidance of increased demand or time-based electricity changes for the installation. MHPI projects receiving electrical power through the DON installation will coordinate their plans with the Installation Public Works office prior to installation of EV chargers.
- 5. Upon implementation of this policy guidance, residents are required to utilize MHPI Project Owner approved EV charging infrastructure and may not charge EVs from any other household electrical outlets without written approval from the MHPI housing provider.

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6. Questions regarding this enclosure should be directed to Mr. Eric Dauer, Director of Housing & Lodging for OASN (EI&E), at eric.l.dauer.civ@us.navy.mil or (703) 693-0236. Additional questions regarding EV charging policy can be directed to Mr. Michael Savena, Director, Installation Energy for OASN (EI&E) at (703) 692-2596 or michael.j.savena.civ@us.navy.mil.