2018 Annual Report to U.S. EPA

April 30, 2019

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1. Introduction

Electrify America, LLC was created by the Volkswagen Group of America to invest $2 billion in financially sustainable business opportunities that advance the use of Zero Emission Vehicle (ZEV) technology, $800 million of which must be spent in California. From its inception early in 2017, Electrify America has moved rapidly to implement the $2 billion ZEV Investment Commitment.

As detailed below, Electrify America focused in 2018 on securing real estate and initiating construction and operations of Electrify America's ultra-fast electric vehicle charging stations, while overseeing vendors as they deployed a significant number of Level 2 charging stations at workplaces and multiunit dwellings (MUDs). The marketing team deployed a brand-neutral education and awareness campaign, while the Green City Initiative launched its programs. Finally, Electrify America concluded its National Outreach effort as part of its Cycle 2 planning process, and submitted Cycle 2 ZEV Investment Plans for approval.

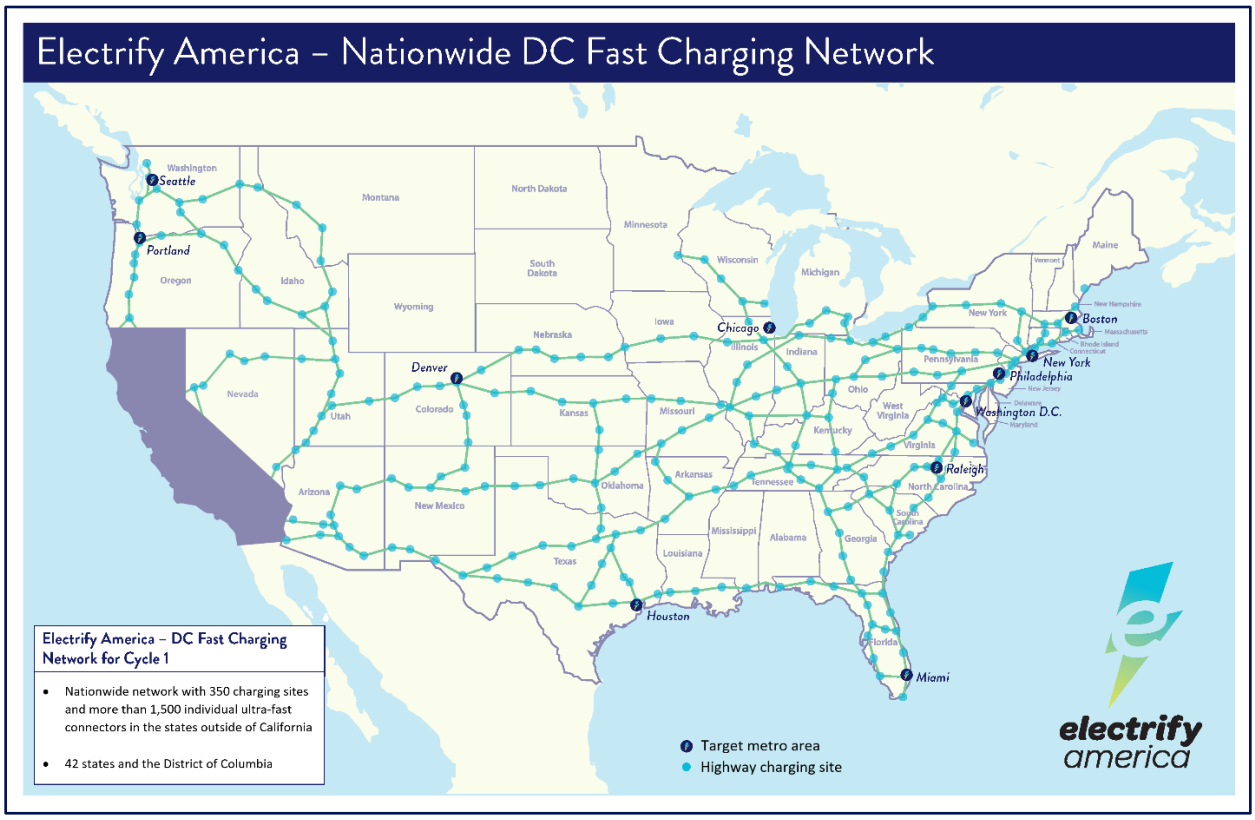
Electrify America publishes this annual report to share the progress and impact of its Cycle 1 investments across the county.

2. A Network of Electric Vehicle Charging Stations

2.1 Introduction

As laid out in the Cycle 1 National ZEV Investment Plan, Electrify America intends to develop a network of electric vehicle charging stations along highly traveled highway corridors and in 11 carefully selected metropolitan areas during Cycle 1 (see Figure 1). The planned network will consist of more than 1,400 DC fast charging dispensers at approximately 325 charging station sites built or under development.[1] In addition, Electrify America will build charging stations at approximately 215 workplaces and multiunit dwellings in its 11 target markets. The network will deploy cutting-edge technology to deliver customer-centric charging safely and conveniently, and connect an Electrify America national network in 42 states and the District of Columbia.

Figure 1 - National Charging Infrastructure Map



To launch the network expeditiously, Electrify America initiated two distinct infrastructure strategies:

- First, the company utilized a robust procurement and real estate acquisition process to launch its nationwide ultra-fast DC charging network.[2]

[1] The Cycle 1 National ZEV Investment Plan included up to 90 station sites "under development" in Cycle 1, but to be built in Cycle 2.

[2] In 2017, Electrify America funded a third party to deploy 50 kW DCFC stations at 33 sites. These stations are not operated by Electrify America, but they are part of the Cycle 1 ZEV Investment and their utilization is reported in Appendix 1a.

- Second, it hired highly qualified and experienced "turnkey" vendors to deploy and maintain charging stations at workplaces and multiunit dwellings.

These strategies allowed Electrify America to move forward quickly in partnership with existing industry leaders.

2.2 Electrify America's DC Fast Charging Network

Electrify America's internal goal is to build or initiate construction of DC fast charging stations at about 325 distinct sites along high-traffic highways and in 11 targeted metro areas across the country, based on the budgets established in the Cycle 1 National ZEV Investment Plan. This is an ambitious target, based on aggressive station cost estimates, and it is subject to likely revisions as final station costs are realized. Target locations (known as "target zones") for each station were identified using Electrify America's proprietary station siting methodology, which projected locations where DC fast charging stations will be most needed by 2020.

2.2.1. Acquiring Station Sites in Station Target Zones

Before Electrify America can build a DC fast charging station in any of its carefully selected target zones, it must acquire access to a site to host the station. Therefore, real estate acquisition is a critical component of building a network of DC fast charging stations.

Using dedicated internal staff and external real estate experts, Electrify America took steps to secure licenses and leases from site hosts for the 10-year period of the ZEV Investment Commitment in each of its target zones during 2018. In each target zone, Electrify America considers multiple real estate leads, based on their unique attributes, such as availability of three-phase power, site lighting, and access to customer amenities. To acquire high-quality sites, Electrify America has entered into master agreements with 25 large-scale real estate owners that provide access to sites nationwide,[3] as well as site host agreements with

Figure 2 - National Site Acquisition Tracker

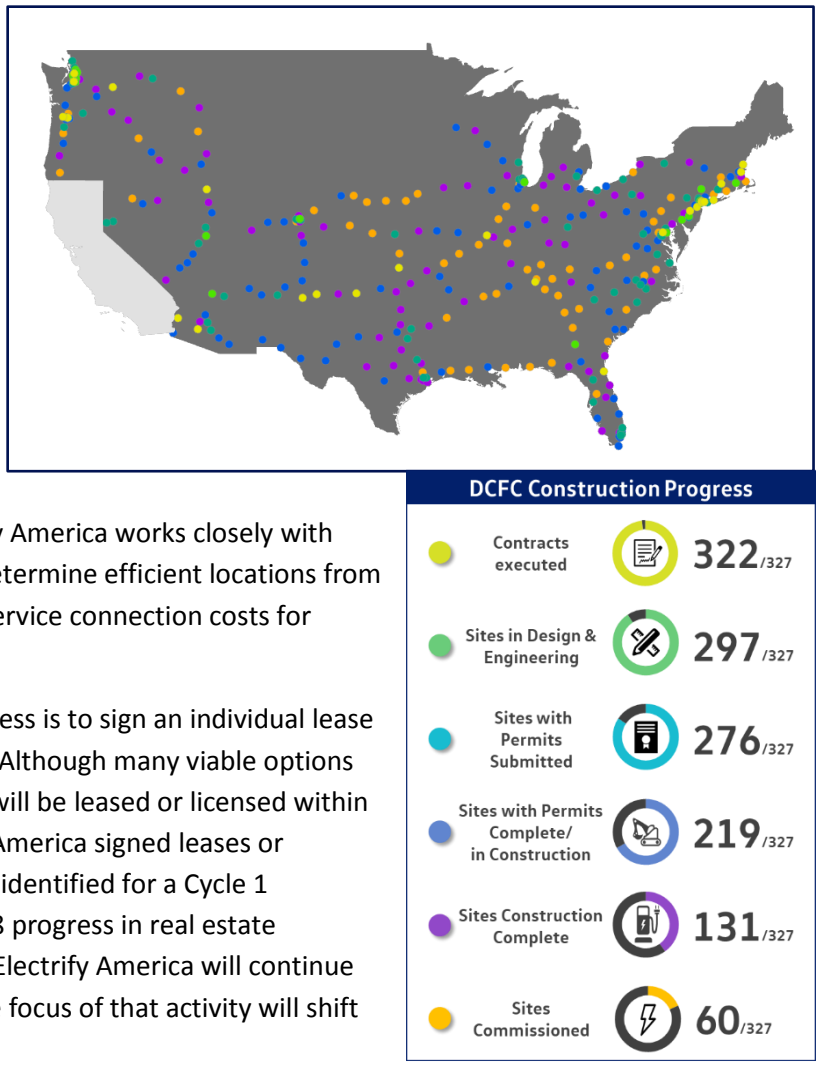
[3] Electrify America previously announced real estate partners including Simon Property Group, Walmart, Target Corporation, Brixmor Property Group, Kimco Realty Corporation, Sheetz, Inc., Casey's General Stores, Inc., DDR Corporation, and Global Partners LP's Alltown. In April 2019, Electrify America announced its relationships with Kroger, the Save Mart Companies, Federal Realty Investment Trust, Fulcrum Property, ShopCore Properties, ValueRock Realty Partners, The Macerich Company, Washington Prime Group, and Pan-Cal Corporation.

owners of desirable individual properties. (In 2018, Electrify America considered an average of more than 11 real estate leads per site.)

Within each target zone, specific sites are identified for further desktop analysis and then onsite assessments. Electrify America then validates the installation specifics with the local utility and property owner through a site walk and discussion. Throughout the site acquisition process, Electrify America works closely with more than 165 electric utilities to determine efficient locations from a grid perspective with the lowest service connection costs for Electrify America.

The final step in the real estate process is to sign an individual lease or license with the property owner. Although many viable options may exist, ultimately, only one site will be leased or licensed within each target zone. In 2018, Electrify America signed leases or licenses in almost every target zone identified for a Cycle 1 investment. Electrify America's 2018 progress in real estate acquisition can be seen in Figure 2. Electrify America will continue to secure sites in 2019, although the focus of that activity will shift toward Cycle 2 investments.

Figure 3 - National Sites and Construction Status



2.2.2 Constructing a Network of DC Fast Charging Stations

After an extremely thorough and competitive process, Electrify America awarded contracts to SAI and Black & Veatch for all DC fast charging station permitting, design and installation work nationwide. These engineering and construction firms were selected because they provide good paying jobs to thousands of employees, contractors, and subcontractors; they have an established track record of building complex projects on time and on budget; and they have exemplary safety records.

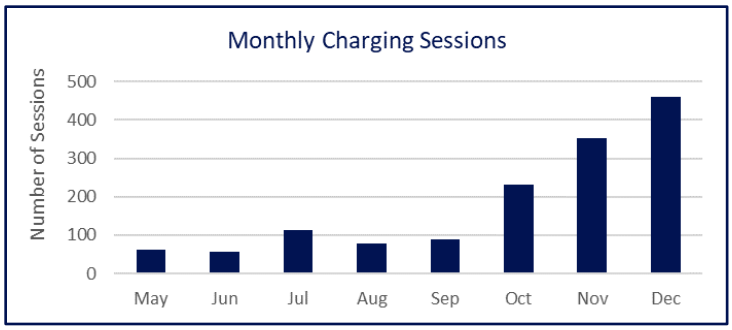
In 2018, Electrify America and its design/build contracting firms made progress designing DC fast charging stations and continued the permitting process.

As shown in Figure 3, Electrify America moved quickly to initiate construction of DC fast charging stations at all sites with permits. The first stations were opened to the public in May, and by the end of the year 60 station sites were open. Electricity delivered at these stations steadily grew during the year,

and Electrify America is optimistic that the utilization will continue to rise as the network is completed, and as brand identity grows in 2019. Trends in station utilization for 2018 is illustrated in Figure 4.

Electrify America did encounter some issues and challenges associated with installation of the national DC fast charging network, particularly with regard to lengthy permitting timeframes in some jurisdictions. Electrify America has been working with state governments, regional associations, and individual municipalities to promote better understanding of EV charging installations and ensure that stations are permitted expeditiously.

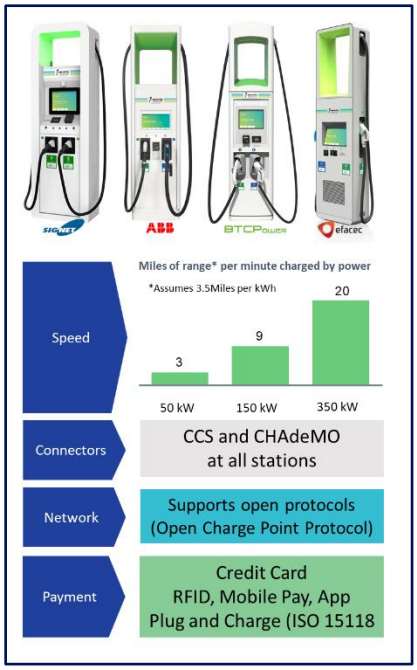
Figure 4 - Monthly Utilization of Public Charging Network



2.2.3 Ultra-fast Electric Vehicle Charger Technology

Electrify America's customer-centric stations use the most advanced technology ever deployed for convenient, fast charging (see Figure 5). Early in 2018, Electrify America's charging systems became the first 350 kW chargers with state-of-the-art liquid-cooled cables certified to UL standards, and in late 2018, *Popular Science* named Electrify America's charging system an award winner for its 2018 "Best of What's New" in the Automotive category.[4]

Figure 5 - Transformational DC Fast Charging Technology



Highway stations will be equipped with chargers capable of delivering maximum power levels from 150 kW to 350 kW, which are capable of stepping down to lower power levels for vehicles equipped for lower powered DC fast charging. At maximum continuous power, 350 kW chargers are able to deliver approximately 20 miles of range per minute to a vehicle, vastly improving the customer experience and delivering a high level of power safely and conveniently.[5]

Metro charging stations will feature configurations of either three or six DCFC chargers, reducing queuing times and providing redundancy in high-utilization urban areas. Consistent with Electrify America's commitment to deploying ultra-fast charging, Electrify

[4] Neither liquid-cooled cables nor 350 kW charging has ever been deployed commercially in the United States. As a result, Electrify America leased a small space for equipment quality control and validation during 2018.

[5] Idaho National Lab, DOE, and DOT refer to power levels of 350 kW because the limit of the standard is currently 350 amps multiplied by 1000 volts, or 350 kW. Comments from OEMs and experts during the Outreach Plan process have led Electrify America to believe that the next generation of vehicles will be designed to go up to 920V. As such, the actual range delivered per minute will depend on the vehicle, as vehicles govern the power level accepted. This estimate assumes the vehicle being charged can travel approximately 3.5 miles per kWh.

America has chosen to upgrade up to 63% of planned 50 kW Cycle 1 metro chargers to 150 kW power. This power increase will offer consumers maximum charging speeds almost three times faster than initially planned. Electrify America DC fast charging sites support both the CCS Combo and CHAdeMO connectors. To maximize the ability of customers to use chargers regardless of which charging network they have joined, Electrify America's networked public stations accept credit and debit card payment, creating an easy customer experience that is the primary goal of most interoperability efforts. Electrify America is equipping its networked DC fast chargers using the CCS standard with ISO 15118, which enables smart charging functionality and "Plug & Charge" capability.

Figure 6 - Electrify America DCFC and User Interface

Finally, all Electrify America DC fast charging stations are networked, using open protocols compliant with Open Charge Point Protocol (OCPP) version 1.6 or higher, and support cellular connectivity.[6] These capabilities, which are managed for Electrify America by Greenlots after a competitive selection process, help to standardize communication between different chargers and networks. Electrify America also exchanged Open Charge Point Interface (OCPI) based roaming specifications which most US charging networks, and in 2018 Electrify America reached network interoperability agreements with EV Connect, Greenlots and SemaConnect. The collaboration will increase the range confidence of EV drivers, and will feature an interconnected network of approximately 12,500 chargers by mid-2019.[7]

2.2.3.1 Chargers and Equipment Ordered and Delivered

Following an RFP process, Electrify America selected four companies – ABB, BTC Power, Efacec, and Signet – as suppliers of its ultra-fast DC fast chargers during Cycle 1.[8] Electrify America has ordered all of the more than 1,400 chargers needed for Cycle 1. These chargers are scheduled to be delivered to station construction sites in 2018 and 2019. In 2018, 614 DC fast chargers were delivered to construction sites.

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[6] The network controls are hosted by Amazon Web Service (AWS), which allows a high security standard. Electrify America undertook intensive testing to approve AWS as a safe and secure environment, as well as security audits of Greenlots as part of the licensing of the network. Also Electrify America selected a vendor to perform architecture reviews and penetration tests to provide data security.

[7] Electrify America Press Release. "Electrify America Expanding EV Charging Network: Network Interoperability Agreements Announced with EV Network Providers EV Connect, Greenlots, and SemaConnect." October 18, 2018. https://www.electrifyamerica.com/sites/default/files/inline-files/ElectrifyAmericaAnnouncesInteroperabilityNetwork.pdf

[8] Electrify America Press Release. "Designing and Deploying more than 2,000 Ultra-Fast Electric Vehicle Chargers across the U.S., Electrify America Selects ABB, BTC Power, Efacec and Signet as Charging Equipment Suppliers." April 17, 2018. https://www.electrifyamerica.com/sites/default/files/inline-files/Electrify%20America%20Announces%20Charger%20Hardware%20Suppliers%20Update%2004172018.pdf

Electrify America also ordered battery storage capacity in order to mitigate high demand charges, reduce on-peak energy charges, and ease grid loads. In 2018, Electrify America ordered battery storage for approximately 62 station sites, to be delivered and installed in 2019. The destinations of battery systems will continue to be reevaluated in 2019 based on site-specific limitations, ongoing changes in utility rates, and utility grid needs.

2.2.4 Maintenance, Reliability and Backup Systems

The Electrify America Customer Support Center began operations on Wednesday, May 2, 2018. The launch date corresponded with the opening of the first Electrify America charging station site in Chicopee, Massachusetts. In 2018, Charging Specialists on staff were available over the phone seven days a week. Customers are passionate about electric vehicles and excited about the company's plans to build an extensive and convenient charging network. Many callers to the Center asked about Electrify America's new and upcoming charging station locations and expressed interest in all details that can be provided. The Customer Support Center team also provided support for customers that are physically at chargers, whether they needed assistance initiating a charge at an Electrify America charging station or had general questions. In addition, the Center received calls from individuals interested in partnering with or providing services to Electrify America.

The Customer Support Center provides excellent and prompt customer service and aims to help promote ZEV adoption by building lasting relationships with Electrify America customers. The average wait time to speak with a Charging Specialist on staff has been less than 30 seconds. In 2018, the Center received 1,249 calls, with an average call length of just under seven minutes.

As the Electrify America network continues to grow, the scale of the operation and the methods in which customers can engage in conversation with the Center's team will expand.

2.3 Level 2 Workplace and Multiunit Dwelling Charging Stations

Electrify America targeted 11 metropolitan areas for community charging station investments in Cycle 1. In these communities, Electrify America and its "turnkey" vendors (EV Connect, Greenlots, and SemaConnect) plan to install Level 2 (L2) charging stations at 215 sites, with approximately 75% of the new L2 charging stations at workplaces and the remainder at multiunit dwellings (e.g., apartment buildings, condominiums and row houses). Employees with chargers at their workplace are six times more likely to drive a plug-in electric vehicle than the average worker, according to DOE studies, and chargers located at the workplace can potentially double an electric vehicle owner's daily driving range.

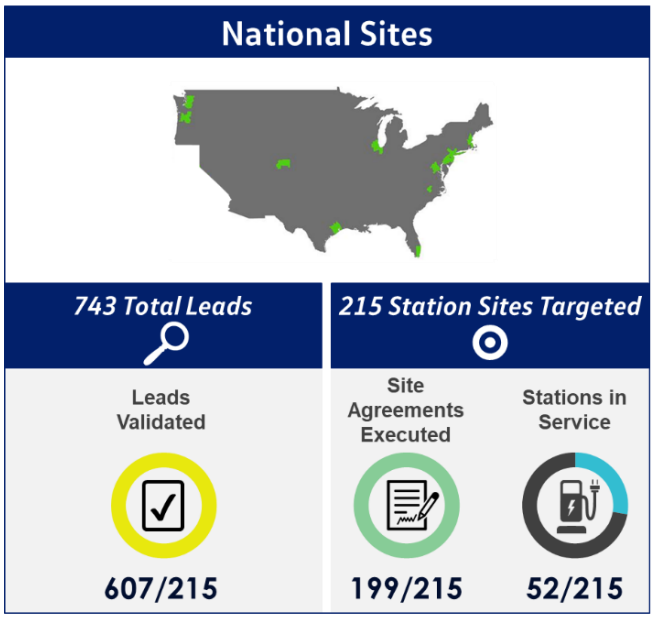
2.3.1. Progress Deploying Workplace and Multiunit Dwelling Charging Stations

Electrify America oversaw the process by which its three vendors secured station sites and deployed L2 charging stations within the boundaries of the targeted metro areas. Vendors used their own proprietary site leads analysis, supplemented by leads suggested by Electrify America, to identify and submit sites for preliminary review by Electrify America. The extensive National Outreach Process (NOP) launched in 2018 to prepare the Cycle 2 ZEV Investment Plans resulted in the submission of over 2,000 site leads from interested stakeholders (e.g., state and local government entities, community organizations, business owners, etc.). These site suggestions were evaluated by Electrify America's real

estate team for alignment to the Cycle 1 ZEV Investment Plan. In cases where the leads matched Cycle 1 target zones, Electrify America referred leads to its vendors. Sites that met the team's site selection criteria then went through a more rigorous qualitative and quantitative review for possible viability as a location for charging investment.

Once sites were reviewed and approved, vendors finalized a standardized site host agreement with potential site hosts (e.g., property developers, office space facility managers, and other real estate site hosts). After reaching an agreement, the vendor will pursue the necessary permits and install and maintain charging stations at no cost to the workplace or MUD, providing a unique benefit to workplace and residential property owners.

Figure 7 - National Workplace/MUD Sites



At the end of 2018, Electrify America's vendors had identified 743 leads in L2 target zones, and had qualified 607 leads as meeting key station site criteria. Vendors had signed site host agreements for 199 station sites by the end of the year, as shown in Figure 7. The first 52 stations were operational.

Figure 8 - Level 2 Charger Technology

Connector type	J1772
Maximum Power (kW)	6.6-9.6
Estimated charge rate	20-25 mi/hr.
Use case	Workplace/ MUD

Electrify America encountered some issues and challenges with regard to progress towards L2 installations; both the timeline to convert leads and the conversion rate did not meet projections during the year. In response, Electrify America reformed the site acquisition process, and the three vendors leveraged extra sales resources to increase the pace. Electrify America is managing this program closely in order to complete Cycle 1 stations by June 30, 2019.

2.3.2. Charger Technology

Electrify America-funded workplace and MUD charging stations typically have four to six Level 2 chargers, each with a minimum power level of 6.6 kW (see Figure 8). The chargers will provide 20 to 25 miles of driving range per hour of charging using the non-proprietary SAE J1772 connector, which can be used with all electric vehicles in the United States.

Electrify America’s L2 vendors own, operate, and maintain their own electronic data network in support of L2 chargers installed and operated on behalf of Electrify America, as well as those installed independently of the program’s efforts. The chargers installed under this program will be on vendors' networks and will be able to connect and interoperate with Electrify America's network.

3. Brand-Neutral Education and Awareness

3.1 Brand-Neutral ZEV Education and Awareness Media Campaign

In 2018, Electrify America officially launched its Cycle 1, $25 million education and awareness campaign nationally to educate consumers about the reasons to purchase a ZEV. In order to quickly maximize messaging presence, a coordinated national/local media strategy was developed and executed across multiple media channels to reach consumers at critical touchpoints based on their consumption habits.

Figure 9 - "Plug into the Present" Landing Page

As stated in the Cycle 1 ZEV Investment Plan, Electrify America committed to leverage "media to put ZEVs on the big stage in order to help consumers understand that ZEVs not only meet the majority of their needs today, but even more so as the charging infrastructure network grows." The education and awareness effort included a brand-neutral TV spot, radio, and a bilingual landing page (www.plugintothepresent.com) that provides an overview of the benefits of both battery electric and hydrogen fuel cell electric ZEVs, with links to third-party websites containing robust content for users.

3.1.1. JetStones

In early 2018, Electrify America worked closely with Deutsch LA, an advertising agency, and PHD, a communications planning and media buying agency, to design a multi-media campaign (e.g., TV, radio, digital, etc.) for Cycle 1. Electrify America's brand-neutral advertising spot, titled "JetStones" (Figure 10), aims to broaden consumer awareness of the advantages and availability of zero emission vehicles. Using the theme songs from two popular Warner Bros.' Hanna-Barbera cartoons, "The Jetsons" and "The Flintstones," in the television and radio commercials, the campaign is a playful take on the transition of personal transportation from the Stone Age to the reality of electric vehicles available today. The advertising spot, which can be viewed at www.plugintothepresent.com/#tv-spot, features the Chevy Bolt EV and includes zero emission vehicles from six different car manufacturers to showcase a wide variety of EVs available in today's marketplace.

Figure 10 - Scene from "JetStones" Advertising Spot

The six car manufacturers featured in the "JetStones" advertising campaign are Chevrolet, Hyundai, BMW, Volkswagen, Honda, and Nissan. Electrify America offered to numerous other automakers the

opportunity to have their vehicles features at no cost.

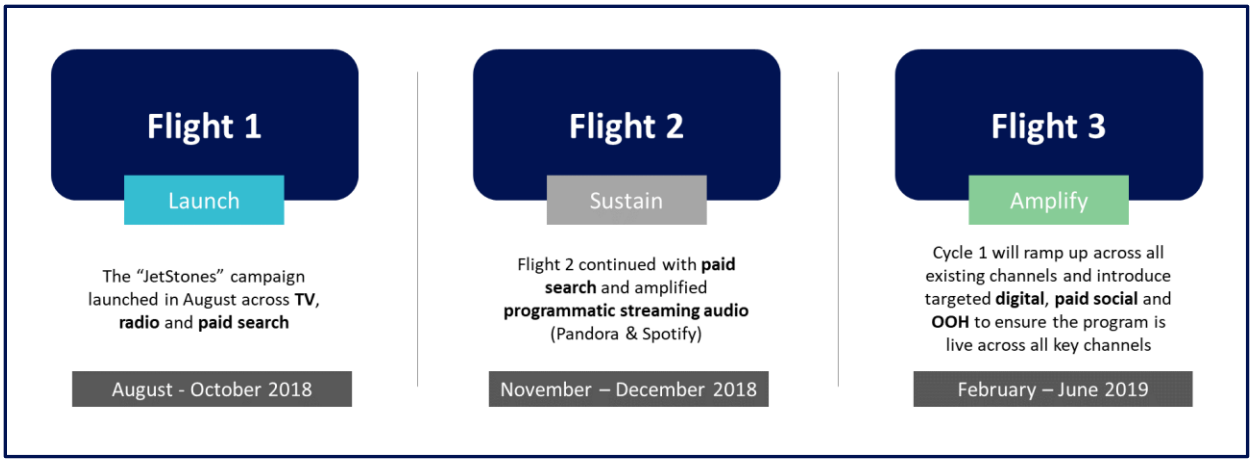
Electrify America also developed companion radio spots using the same music, themes, and messages, in both English and Spanish. Working with PHD, a media plan was developed based on segmentation analysis and consumer media consumption habits. PHD identified four audience segments to target with the "JetStones" awareness campaign. PHD illustrates its identified audience segments – Discerning Drivers, Strivers, Researcher Moms, and Millennials on a Mission – in Figure 11. The agency tailored its media buys to reach these audiences.

Figure 11 - PHD's Four Identified Audience Segments

Electrify America developed a comprehensive plan to deliver messaging about both ZEV benefits and overcoming barriers to ZEV adoption. The media plan for Cycle 1 has been broken out into three media flights, two of which were completed by the end of 2018 (Figure 12).

Each media flight has a targeted role within the overall campaign objectives to raise awareness of ZEVs and to educate interested audiences by providing third party resources on ZEVs and their benefits. The strategic media plan offered multi-channel messaging, and the messaging and media flights were split across traditional advertising channels like TV, and targeted digital advertising channels, including digital radio, social media, and website. To further support the launch of the campaign, Electrify America produced a toolkit to disseminate the campaign details, including a website link to the 30-second commercial. The campaign toolkit was distributed via email to ZEV community-based organizations, local and state government agencies, utility companies and OEMs. In addition, the campaign toolkit included "Electric Vehicle 101" facts in English and Spanish. (See Appendix 3a.)

Figure 12 - "JetStones" Media Schedule



Local TV, radio and streaming audio served as the primary mass awareness driving channels. In the second flight, Electrify America shifted to a more digitalized approach, keeping streaming audio live (e.g., Pandora and Spotify), and utilizing this platform for its pertinent data and geo-targeting capabilities.

Since the launch of the campaign, Electrify America has measured the campaign's success by the following metrics:

- The "JetStones" commercial proved popular and was ranked the 5th most talked about TV ad on social media.[9]
- Nationally, the campaign delivered 337.6 million impressions
- Generated 103.3K clicks to plugintothepresent.com
- 57% of overall traffic to the Plug into the Present website was driven by paid search
- Streaming Audio delivered over 38 million impressions and generated over 2K total onsite engagements on plugintothepresent.com
- Streaming Audio outperformed auto industry click through rate benchmark by .02%
- The average search session of the national audiences was 1 minute and 17 seconds

Electrify America also shared the JetStones campaign with top media publications, receiving coverage in Reuters, Ad Age, CNET and the New York Daily News, as well as top EV-focused blogs Green Car Reports, Inside EVs, Electrek and Electric Car Reports, among others. Several of these outlets also shared their articles on social media, driving additional engagement with key audiences.

3.1.2. Creative and Media Strategy

In July 2018, Electrify America published a Request for Proposal for creative marketing services to support ZEV brand-neutral education and awareness programs going forward into Cycle 2. After

[9] Desreumaux, Geoff, "This Week: The 10 Most Talked About TV Ads on Social," Wersm. August 19, 2018. Accessed October 8, 2018. https://wersm.com/this-week-the-10-most-talked-about-tv-ads-on-social-25/

receiving seven proposals and conducting in-person meetings, Electrify America selected Eleven, an agency based in a low-income census tract in San Francisco, California. Eleven was awarded a contract in November 2018. Eleven has strong omni-channel marketing disciplines and the agency has demonstrated abilities to elevate ZEV awareness by normalizing zero emission vehicles on a national scale. Eleven has been tasked with diversifying the "JetStones" campaign through the end of Cycle 1.

A strategic communications services Request for Proposal was also issued in August 2018 to secure a firm to promote brand-neutral education and awareness of ZEVs through earned media. Through a competitive selection process, including in-person meetings with nine agencies, a joint communications agency team, led by Zeno Group (based in Chicago) and in partnership with Compass Communications (based in California), was appointed the company's strategic communications agency. The Zeno / Compass agency was awarded the contract in December 2018.

5. Outreach and Planning

5.1 National Outreach Effort

Consistent with Electrify America's commitment to engage in national outreach as part of its investment planning process, Electrify America launched its second call for comments, proposals, and recommendations in 2018 to inform decisions regarding Cycle 2 investments. Electrify America intends to invest $300 million nationwide in Cycle 2.

In 2018, Electrify America made a huge effort to engage with stakeholders throughout the ZEV adoption space to understand opportunities to increase ZEV adoption in the United States. In January 2018, Electrify America opened a national outreach website to solicit specific information for Cycle 2 planning. The request for input provided an opportunity for governments, organizations, and others to assist Electrify America as it updated its analytical models, evaluated new technology and public policy developments, tracked evolving consumer expectations, and explored the value of new allowable ZEV Investments. To assist in drafting the Cycle 2 National ZEV Investment Plan, Electrify America specifically sought the following types of input:

- Suggestions and Data Relevant to Cycle 2 Investments – Inputs from governments or organizations helpful to the decision-making process, including data for helping qualify appropriate new use cases or to place charging stations, ZEV infrastructure plans for individual communities, and information regarding state and local policies designed to increase ZEV adoption;
- Education & Access Suggestions – Suggestions on Electrify America's approach to brand-neutral education and access or specific events it should consider for participation;
- Specific Site Locations – Site locations nominated for consideration in Cycle 2 infrastructure investments;
- Cycle 1 Comments and Feedback – Feedback on Cycle 1 National and California ZEV Investment Plans, including approaches to metro selection, highways included, evaluation of use cases, and integration of new technology; and
- Other – All other comments or submissions that relate directly to Electrify America's ZEV Investment Commitment.

Electrify America advertised the submission period in both California and National newspapers, reached out directly to hundreds of government staff and elected officials throughout the country, and held multiple webinars to explain the process and answer questions from government stakeholders.

As part of this process, Electrify America received more than 800 submissions, each of which was carefully reviewed and considered in developing the Cycle 2 National ZEV Investment Plan. Electrify America reviewed all submissions closely and reached out to submitters for clarification or to discuss collaboration where appropriate. All submissions received either a follow up phone call or an individual email response. Input from these organizations, as well as from state agencies, municipal governments, federally recognized Indian tribes, and federal agencies, collected through the entire national outreach process helped Electrify America make informed, data-driven decisions about where to invest and what type of investments to make when Cycle 2 commences in mid-2019.

5.2 Cycle 2 Planning

After considering all input received during the National Outreach Process, Electrify America completed its Cycle 2 National ZEV Investment Plan and submitted it to EPA. The guiding principles Electrify America used when developing the Plan were:

1. ***Start from the basics***: *Analyze both business fundamentals (e.g., highway and metro) and new business opportunities.*
2. ***Actively engage external stakeholders:*** *Collaborate with stakeholders throughout planning process to strengthen thinking.*
3. ***Emphasize real world inputs***: *Leverage operational data, evidence, and customer-backed research to make data-driven decisions.*

The Cycle 2 National ZEV Investment Plan builds on Electrify America's initial priorities and will continue a focus on metro charging, including expansion in existing target metro areas where the need for electric vehicle charging stations and technology are greatest or are most likely to be used regularly. Electrify America's Cycle 2 National metros include: Atlanta, Baltimore, Boston, Boulder (CO), Bremerton (WA), Bridgeport (CT), Chicago, Denver, Honolulu, Las Vegas, Miami, New York City, Olympia (WA), Philadelphia, Phoenix, Portland (OR), Seattle, and Washington D.C.

6. Corporate Citizenship

Electrify America has an unprecedented opportunity to make business-driven investments that facilitate ZEV adoption, thereby improving the quality of life for all Americans. Electrify America is committed to making a difference through our investments, and the impacts of this commitment take many forms.

Electrify America's investments are having a growing economic impact. The firm's vendors range from multi-national corporations to passion-driven community-based non-profit organizations, but they are each growing and doing new work due to their relationship with Electrify America. Combined, these vendors employ more than 350,000 people in the United States, though not all work on Electrify America projects.

Electrify America also has a unique opportunity to drive ZEV adoption, which is an opportunity and responsibility that firm staff takes very seriously. Electrify America seeks to engage stakeholders throughout the ZEV community in order to learn what other experts know, but also to share what Electrify America is learning in pursuit of this goal. This collaboration is an essential element of Electrify America's corporate citizenship.

In 2018, Electrify America executives and senior leaders were asked to speak at or participate in dozens of meetings, conferences, and other events regarding electric vehicles, charging technology, and ZEV mobility. Electrify America had to turn down many of these invitations in order to focus resources on ZEV infrastructure deployment and investment execution. However, Electrify America attempted to participate in events which were specifically focused on ZEV technology, are likely to grow ZEV awareness, or are consistent with the spirit of Electrify America's outreach obligations.

6.1 50x50 Commission

In October 2017, the Alliance to Save Energy chartered the Commission on U.S. Transportation Sector Efficiency (the "50 by 50 Commission"). Comprised of business executives, local elected officials, utility representatives, and other key stakeholders, the Commission investigates ways to reduce energy use in the United States transportation sector by 50% by 2050 while meeting future mobility needs. Electrify America is now represented on the Commission by its President and CEO, Giovanni Palazzo.

Working through six technical committees, the Commission developed a set of regulatory and policy recommendations needed to achieve the "50 by 50" energy use reduction goal. The report was released on September 26, 2018, and engagement is ongoing with local, state, and national officials, key stakeholder groups, and the general public to broaden the awareness of the Commission's work.

6.2 Minority, Women, and Veteran Business Outreach Efforts During the RFP Process

The company continues to work with the VWGoA Supplier Diversity Manager to ensure a diversity of vendors are aware of Electrify America's RFP process, and in October, this Manager conducted a company-wide training workshop on supplier diversity. We continue to seek out diverse vendors for our RFP's and awarded nearly $64.5 million to diversity suppliers in 2018.

If a vendor notes an interest in doing business with VWGoA and the vendor's capabilities may match the industries Electrify America is investing in (real estate, construction, charging hardware, electrical installers, etc.), the Supplier Diversity Manager sends vendors to the Electrify America team. The same manager also attends supplier diversity meetings and conferences and distributes contact information for the Electrify America Purchasing Team to vendors matching the company's needs. An influx of companies seeking more information about engaging with Electrify America often immediately follows one of the conferences.

Electrify America continues to keep a record of any diversity supplier who seeks to do business with Electrify America and reaches out directly through the info@electrifyamerica.com and/or nationaloutreach@electrifyamerica.com email addresses. Electrify America informs potential vendors of any upcoming opportunities or shares how the vendor might fit within future investment plan cycles.

7. Schedule of Creditable Costs

For the reporting period of January 1, 2018, through December 31, 2018, Electrify America had the following creditable costs. Creditable Costs are in accordance with the final National Creditable Cost Guidance approved by EPA in a letter dated March 21, 2017, as supplemented, and the California Creditable Cost Guidance approved by CARB in a letter dated August 4, 2017, as supplemented.

Electrify America formally requests that the U.S. Environmental Protection Agency confirm that all costs expended during the period covered are creditable costs.

Electrify America, LLC
Schedule of Creditable Costs For Fiscal Year ending December 31, 2018 (in U.S. Dollars)

Creditable Costs	Total	California	National
ZEV Infrastructure Investments			
DCFC Infrastructure Investments			
L2 MUD & Workplace Investments			
Green City Infrastructure Investments			
Other Infrastructure Related Investments			
Total - Investments	**110,270,923**	**13,075,698**	**97,195,225**
ZEV Infrastructure Expenses			
Site Identification & Acquisition			
Land Lease			
Maintenance Expense			
Networking Fees & Software			
Customer Call Center			
Credit Card Processing Fees			
Demand Charges			
All Other Operating Expenses			
Subtotal - ZEV Infrastructure Expenses	**18,360,488**	**2,587,029**	**15,773,458**
Green City Expenses			
Car Share			
Infrastructure			
Marketing			
Subtotal - Green City Expenses	**5,540,232**	**5,540,232**	**0**
Education and Marketing Expenses			
Brand Neutral Education	19,315,394	6,975,460	12,339,934
Branded Marketing	2,313,217	1,480,052	833,165
Subtotal - Education and Marketing Expenses	**21,628,611**	**8,455,512**	**13,173,099**
Overhead Expenses			
Personnel Costs			
Personnel-Related Costs			
Service Level Agreements			
Office Rent and Facility Costs			
Legal Costs			
Office Facility and Equipment Maintenance			
Miscellaneous			
Property Taxes and Governmental Fees			
Telecom			
Subtotal - Overhead Expenses	**17,673,068**	**3,448,271**	**14,224,797**
Total - Expenses	**63,202,398**	**20,031,045**	**43,171,353**
Grand Total - Creditable Spending	**$ 173,473,321**	**$ 33,106,742**	**$ 140,366,579**

Notes:
The basis of cost presentation is accrual accounting in accordance with VWAG IFRS accounting standards (reference VW IFRS Handbook – May 2018). The acquisition of capitalizable assets (i.e. additions to property, plant and equipment) are reported in the Schedule of Creditable Costs when the costs are incurred.
Creditable Costs are in accordance with the published National Creditable Cost Guidance approved by EPA in a letter dated March 21, 2017 and the California Creditable Cost Guidance approved by CARB in a letter dated August 4, 2017, as modified by the Creditable Cost Supplement approved by CARB and EPA on March 13, 2019.
Reported overhead expenses in any given year will be provisionally treated as creditable, but EPA/CARB will only approve overhead costs for a particular investment cycle where the average overhead over a given 30-month cycle ends up being at or below the threshold specified in § 5.1 of Appendix C-1. The weighted average of 13 percent will be used as the overhead threshold for the first ZEV Investment cycle as a whole.
For 2018, the overhead costs as a percentage of total creditable costs is within the annual target. The first cycle planning demonstrates that the overhead costs in subsequent years will be below the threshold and the overall overhead costs for the Cycle is expected to be below the threshold. No overhead costs are required to be claimed as provisionally creditable, subject to measurement and verification at the conclusion of the first Cycle, for 2018.
The cumulative Cycle 1 spending, including costs included in the 2017 Annual Report, totals $152,323,930 for the National Investment Plan and $38,344,634 for the California Investment Plan. The Cycle 1 spending goal is $300,000,000 for the National Investment Plan and $200,000,000 for the California Investment Plan. In accordance with the National and California Creditable Cost Guidance, Cycle 1 Investment Plans will cover the period of January 2017 through June 2019 for the purpose of defining the 30-month period. However, costs incurred beginning in October 2016 through December 2016 are allowable expenses and were included under the 2017 Annual Report.
The Service Level Agreement costs, reported in the Schedule of Creditable Costs, are Related Party Transactions between Electrify America, LLC and affiliated companies comprised of Volkswagen AG subsidiaries.

8. Attestation by Third-Party Reviewer

Crowe

Crowe LLP
Independent Member Crowe Global

Independent Accountant's Report

To the Board of Directors and Management of Electrify America, LLC
2003 Edmund Halley Drive
Reston, Virginia 20191

We have examined the management of Electrify America, LLC's ("Electrify America") assertion that the total amounts presented in the Schedule of Creditable Costs ("Schedule") for the period of January 1, 2018, through December 31, 2018 ("Reporting Period") are creditable costs in accordance with Appendix C of the Partial Consent Decree dated June 28, 2016, and the approved National Creditable Cost Guidance (collectively referred to as "the Requirements"). Electrify America's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, Electrify America's assertion that the total amounts presented in the Schedule for the period of January 1, 2018, through December 31, 2018, are creditable costs in accordance with Appendix C of the Partial Consent Decree dated June 28, 2016, and the approved National Creditable Cost Guidance, is fairly stated, in all material respects.

This report is intended solely for the information and use of Electrify America, LLC, the United States Environmental Protection Agency, and the California Air Resources Board and is not intended to be and should not be used by anyone other than the specified parties.

Crowe LLP

Crowe LLP

Washington, D.C.
April 25, 2019