Memorandum from the Office of the Inspector General

July 16, 2026

Monika Beckner

REQUEST FOR FINAL ACTION – AUDIT 2025-17591 – FAST CHARGE NETWORK PROGRAM

Attached is the subject final report for your review and final action. Your written comments, which addressed your management decision and actions planned or taken, have been included in the report. Please notify us when final action is complete. In accordance with the Inspector General Act of 1978, as amended, the Office of the Inspector General is required to report to Congress semiannually regarding audits that remain unresolved after 6 months from the date of report issuance.

If you have any questions or wish to discuss our findings, please contact Rick C. Underwood, Director, Financial and Operational Audits, at (423) 785-4824. We appreciate the courtesy and cooperation received from your staff during the audit.

Greg Stinson

Greg Stinson
Assistant Inspector General
(Audits and Evaluations)

RLD:KDS
Attachment
cc (Attachment):
TVA Board of Directors
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OIG File No. 2025-17591

Office of the Inspector General

Audit Report

To the Vice President,
Power Supply and Fuels

FAST CHARGE NETWORK PROGRAM

Auditor
Robert L. Dixon

Audit 2025-17591
July 16, 2026

ABBREVIATIONS

EV	Electric Vehicle
FCN	Fast Charge Network
FY	Fiscal Year
LPC	Local Power Company
PS&F	Power Supply and Fuels
TVA	Tennessee Valley Authority

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EXECUTIVE SUMMARY

Why the OIG Did This Audit

The Tennessee Valley Authority (TVA) entered into a partnership with state agencies, local power companies (LPCs), and third-party developers to create a foundational network of publicly available electric vehicle (EV) fast-charging stations in its seven-state region. The Fast Charge Network (FCN) program was designed to support installation of fast charging[i] stations at least every 50 miles along interstates and major highways.

Through the FCN program, TVA typically reimburses LPCs up to 80 percent of the costs for eligible EV charging infrastructure.[ii] The maximum dollar amount of eligible project costs reimbursable by TVA is determined by the technical specifications of the individual charging sites. Reimbursement of TVA's portion of eligible project costs is made following charging site completion, commissioning, and submission of supporting documentation for costs incurred. Additionally, LPCs are required to submit an environmental review checklist for review and approval by TVA before any construction activities begin. This process is performed to ensure EV charging stations are developed with minimal impact on the surrounding environment. Upon approval, TVA reimburses the LPC by applying a credit to its monthly wholesale power bill.

We performed an audit of the FCN program due to the level of expenditures associated with TVA's EV infrastructure expansion efforts. Our audit objectives were to determine if (1) adequate controls were in place over credits provided to LPCs for EV charging stations installed under the FCN program and (2) FCN program credits were issued in compliance with TVA policies and procedures. Our audit scope included the 52 charging sites that were operational and fully reimbursed as of November 30, 2025.[iii] TVA's costs for these charging sites totaled approximately $16.3 million.

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[i] The three main levels of EV charger include level 1, level 2, and fast chargers. Level 1 and 2 chargers may be installed for home charging and can fully charge an EV battery over a period of several hours. Fast chargers supply a higher rate of power and are typically found at public locations, such as retail centers or near highways, and can fully charge a battery in less than an hour.

[ii] Under the FCN program agreement, LPCs are required to provide at least 20 percent of the total project costs. In some instances, TVA agreed to supply charging equipment to an FCN project in lieu of other reimbursement or cost sharing.

[iii] As of April 30, 2026, five additional charging sites were operational with reimbursement complete.

Audit 2025-17591 – Fast Charge Network Program

EXECUTIVE SUMMARY

What the OIG Found

We determined that, overall, adequate controls were in place over credits provided to LPCs for EV charging stations installed under the FCN program, and FCN program credits were issued in accordance with policies and procedures. We identified three key controls performed by TVA, specifically: (1) review and approval of the site environmental review checklist submitted by the LPC prior to the beginning of construction; (2) review and approval of LPC reimbursement requests and supporting documentation for eligible costs incurred; and (3) initiation of LPC billing credits for completed FCN projects following review and approval of the reimbursement requests. We determined these key internal controls were operating effectively. However, the key control related to TVA's required review and approval of the environmental review checklist for proposed charging sites was not performed for 3 of 52 projects.

What the OIG Recommends

We made one recommendation to TVA management to verify that environmental review checklists are reviewed and approved for the remaining FCN projects.

TVA Management's Comments

Prior to issuing a formal response, TVA personnel reviewed the draft report and provided informal comments that have been incorporated into the final report as appropriate. In TVA management's formal response to the draft report, they provided actions taken and planned to address our recommendation. See the Appendix for TVA management's complete response.

Auditor's Response

We concur with TVA management's completed and planned actions.

BACKGROUND

The Tennessee Valley Authority (TVA) entered into a partnership with state agencies, local power companies (LPCs), and third-party developers to create a foundational network of publicly available electric vehicle (EV) fast-charging stations in its seven-state region. The Fast Charge Network (FCN) Program was designed to support installation of fast charging[1] stations at least every 50 miles along interstates and major highways. The program is administered by TVA's Power Supply and Fuels (PS&F) organization.

Program Structure and Eligible Costs
LPCs are responsible for installing, owning, operating, and maintaining program-funded charging stations for a period of at least five years. TVA typically reimburses up to 80 percent of the costs for eligible EV charging infrastructure located near prioritized highway corridors and made available to the public. Under the EV fast charger program agreement, LPCs are required to provide at least 20 percent of the total project costs. In some instances, TVA agreed to supply charging equipment to an FCN project in lieu of other reimbursement or cost sharing.

TVA developed *Fast Charge Network Program Guidelines* (the guidelines), a reference document available to participants that provides technical specifications and site development guidelines for the program. The guidelines, together with the provisions of FCN program agreements executed between TVA and the LPCs, outline overall charging site requirements and the process for requesting reimbursement of eligible project costs. Categories of project costs that are generally eligible/ineligible for reimbursement include the following:

Eligible Costs

- Cost to purchase and install eligible EV charging infrastructure
- Support services, such as engineering and design, and site identification and qualification
- Operational and maintenance costs purchased upfront, including maintenance services and network fees

Ineligible Costs

- Purchase or rental of real estate
- Other capital costs, such as construction of buildings or parking facilities
- General maintenance for areas other than the charging infrastructure
- Legal fees associated with land acquisition

[1] The three main levels of EV chargers include level 1, level 2, and fast chargers. Level 1 and 2 chargers may be installed for home charging and can fully charge an EV battery over a period of several hours. Fast chargers supply a higher rate of power and are typically found at public locations, such as retail centers or near highways, and can fully charge a battery in less than an hour.

Reimbursement of TVA's portion of eligible project costs is made following charging site completion, commissioning, and submission of supporting documentation for costs incurred. Upon approval, TVA reimburses the LPC by applying a credit to its monthly wholesale power bill.

Charging Site Technical Specifications and Reimbursement Limits
FCN projects may be designed to meet either minimum or enhanced technical specifications as defined in the guidelines. Sites meeting enhanced technical specifications provide a higher level of power, which is intended to result in a faster charging experience. The technical specifications determine the maximum amount of eligible project costs that are reimbursable by TVA.

- For sites meeting minimum technical specifications, TVA's reimbursement is limited to $150,000 per charging station, for a maximum of four, or $600,000 at a given site.
- For sites meeting enhanced technical specifications, TVA's reimbursement is limited to $250,000 per charging station, for a maximum of four, or $1,000,000 at a given site.

The guidelines do not specify limits for equipment provided by TVA in lieu of cost reimbursement. For six of the seven projects where TVA agreed to provide charging equipment, the value of the equipment provided to each was approximately $118,000. For the remaining project, the value of the equipment was approximately $59,000. No other reimbursement was provided by TVA for these projects.

Site Environmental Review
The guidelines require a completed environmental review checklist be reviewed and approved by TVA before any construction activities begin. This checklist requires the LPC to provide responses and information about the proposed FCN charging site location for TVA's review. This process is performed to ensure EV charging stations are developed with minimal impact on the surrounding environment.

Summary of FCN Program Costs
The first charging sites utilizing TVA funding became operational during fiscal year (FY) 2022. The program was originally planned to continue for approximately 5 years, with an estimated 80 charging sites targeted and a projected budget of approximately $20 million. In FY 2025, TVA shifted focus to completing the remaining contracted projects and not expanding the FCN program further. As of November 30, 2025, 52 charging sites were operational with reimbursement complete.[2] TVA's costs for these projects, including reimbursement of eligible expenses and equipment provided, totaled approximately $16.3 million.

[2] As of April 30, 2026, five additional charging sites were operational with reimbursement complete.

We performed an audit of the FCN program due to the level of expenditures associated with TVA's EV infrastructure expansion efforts.

OBJECTIVES, SCOPE, AND METHODOLOGY

Our audit objectives were to determine if (1) adequate controls were in place over credits provided to LPCs for EV charging stations installed under the FCN program and (2) FCN program credits were issued in compliance with TVA policies and procedures. Our audit scope included charging stations installed and credits issued to LPCs from the start of the program through November 30, 2025. To achieve our objectives, we:

- Interviewed personnel in TVA's PS&F and Corporate Accounting organizations to obtain information related to the FCN program.
- Reviewed the guidelines and EV fast charger program agreements with LPCs to identify key requirements applicable to the administration of TVA's FCN program.
- Determined the significance of internal control to our audit objectives and documented our understanding of the internal control environment relating to the FCN program, including identification of the controls we determined were significant to the audit objectives. Our assessment included consideration of information systems controls. We identified three key internal controls significant to the audit objectives.
  - TVA's review and approval of the environmental review checklist and related documentation submitted by the LPC before site construction begins.
  - TVA's review and approval of the reimbursement request submitted by the LPC, including supporting documentation for eligible costs incurred.
  - TVA FCN program personnel's submission of a request to initiate an LPC billing credit for completed FCN projects following review and approval of the reimbursement request.

  We assessed the design, implementation, and operating effectiveness of the key internal controls. Our primary methods for testing these controls included reviewing (1) environment review checklist documentation, (2) reimbursement request documentation, and (3) billing credit request documentation for a judgmental selection of completed FCN projects. We determined these key internal controls were operating effectively. However, the control relating to review and approval of environmental review checklists was not always performed.
- Obtained a listing of FCN projects that were placed in service with reimbursements completed as of November 30, 2025. We performed procedures to assess the reliability of the data. Project and credit information is summarized in Table 1.

TVA Fast Charge Network Program Costs October 1, 2021, through November 30, 2025								
	Equipment		Reimbursement				Total	
			Minimum		Enhanced			
	Projects	Total Amount	Projects	Total Amount	Projects	Total Amount	Projects	Total Amount
FY 2022	2	$235,555	1	$154,575	0	$0	3	$390,130
FY 2023	1	117,778	7	1,641,712	0	0	8	1,759,490
FY 2024	1	117,778	16	3,704,023	2	902,372	19	4,724,173
FY 2025	3	294,444	7	2,028,607	10	6,443,916	20	8,766,967
FY 2026	0	0	1	177,884	1	480,301	2	658,185
Total	**7**	**$765,555**	**32**	**$7,706,801**	**13**	**$7,826,589**	**52**	**$16,298,945**

Table 1

- Judgmentally selected 27 completed FCN projects and related LPC billing credits to perform detailed reviews to determine compliance with key requirements and assess the operating effectiveness of identified key internal controls. Since this was a judgmental selection, the results of our testing cannot be projected to the population. Our judgmental selection was as follows:
  - Selected all seven projects where TVA provided charging equipment, with costs totaling $765,555.
  - Selected 20 projects, totaling $9,591,121, where TVA provided reimbursement for eligible costs, including (1) the largest five projects meeting the minimum technical specifications totaling $2,284,232, (2) the largest five projects meeting the enhanced technical specifications totaling $3,926,816, and (3) ten projects, totaling $3,380,073, where auditor judgment assessed a risk of noncompliance.[3]
  - For each FCN project judgmentally selected, we:
    - Evaluated compliance with key requirements of the guidelines and applicable EV fast charger program agreements, including the respective program technical specifications.
    - Reviewed the environmental checklist, including documentation of TVA's review and approval.
    - In addition, we performed the following for the 20 judgmentally selected reimbursement projects:
      - Reviewed the reimbursement request, along with adequate supporting documentation for eligible costs, submitted following site completion and commencement of operation.
      - Reviewed reimbursement documentation to verify TVA's review and approval prior to the initiation of the LPC billing credits.

[3] Information reviewed in making these selections included project in-service and reimbursement dates, reimbursement amounts, location, usage trends, and other information available.

  - Verified reimbursement was based on the level of technical specifications met.

- Visited 17 of the 27 selected FCN charging sites to verify operating status and assess compliance with applicable technical specifications. For the remaining ten selected sites, we reviewed publicly available online resources to verify and assess this information.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

FINDING AND RECOMMENDATION

We determined that, overall, adequate controls were in place over credits provided to LPCs for EV charging stations installed under the FCN program, and FCN program credits were issued in accordance with policies and procedures. We identified three key controls performed by TVA, specifically: (1) review and approval of the site environmental review checklist submitted by the LPC prior to the beginning of construction; (2) review and approval of LPC reimbursement requests and supporting documentation for eligible costs incurred; and (3) initiation of LPC billing credits for completed FCN projects following review and approval of the reimbursement requests. We determined these key internal controls were operating effectively. However, the key control related to TVA's required review and approval of the environmental review checklist for proposed charging sites was not performed for 3 of 52 projects.

TVA'S CONTROL FOR REVIEW AND APPROVAL OF SITE ENVIRONMENTAL CHECKLISTS WAS NOT ALWAYS PERFORMED

As stated previously, the guidelines require a completed environmental review checklist be reviewed and approved by TVA before any construction activities begin to ensure EV charging stations are developed with minimal impact on the surrounding environment. For the 27 projects selected for review, there were three where either the environmental review checklist documentation was not submitted, or TVA could not provide evidence of its review and approval. The specifics are as follows:

- For one project, the environmental review checklist was not submitted to TVA by the LPC. TVA personnel stated this should have been completed, and they will require it for the remaining FCN projects.
- For one project, a copy of the environmental review checklist submitted by the LPC was provided. However, a version that was signed and approved by TVA could not be located.

- For one project, an environmental checklist was reviewed and approved by TVA for the site location initially proposed by the LPC. However, the decision was later made to construct this charging site at a different location, and no environmental review checklist was submitted by the LPC or reviewed by TVA for the updated location.

We subsequently reviewed environmental review checklist documentation for the remaining 25 of the 52 FCN projects completed and reimbursed by TVA as of November 30, 2025, that were not included in our judgmental selection. We determined this information was submitted by the LPCs and TVA's review and approval of the environmental review checklists for each of these projects was appropriately documented.

Review and approval of proposed charging sites, including assessment of any subsequent revisions, helps to avoid selection of locations that result in undue environmental impact.

Recommendation – We recommend the Vice President, PS&F, verify that TVA performs a review of the environmental review checklist and documents approval of the final site location for remaining FCN projects in accordance with the guidelines.

TVA Management's Comments – In response to our draft report, TVA management agreed with our recommendation and stated the entire Fast Charge Network program team has been briefed and the requirement that all sites require an environmental review checklist was reiterated. In addition, TVA management stated an entry has been added to program tracking documentation to record the date an environmental review checklist is approved. TVA personnel are also working on a process to document environmental information for the three FCN projects discussed above. See the Appendix for TVA management's complete response.

Auditor's Response – We concur with TVA management's completed and planned actions and will verify completion prior to closing the recommendation.

July 9, 2026

Greg Stinson, WT 2C-K

RESPONSE TO REQUEST FOR COMMENTS - DRAFT AUDIT 2025-17591 – FAST CHARGE NETWORK PROGRAM

This letter is in response to the Draft Audit 2025-17591 – Fast Charge Network Program. Power Supply & Fuels (PS&F) would like to express our appreciation for Robert Dixon and the Office of Inspector General for a thorough evaluation of the Fast Charge Network program. We recognize the importance of continuous improvement, which ensures we are striving to become more efficient and effective within all aspects of our business.

Recommendation:

1. We recommend the Vice President, PS&F, verify that TVA performs a review of the environmental review checklist and documents approval of the final site location for remaining FCN projects in accordance with the guidelines.

Response:

PS&F agrees with the recommendation to review and document approval of environmental review checklists for remaining Fast Charge Network projects.

PS&F acknowledges that three environmental review checklists were missing or incomplete from program documentation for completed projects. All three projects were developed in existing parking lots: a car dealership, a gas station/restaurant, and a local power company customer office; which would result in minimal expected environmental concerns, but the documentation of checklists was incomplete.

As a corrective action, each local power company project contact is now aware of the oversight, and the Fast Charge Network program team is consulting with TVA's NEPA staff on a process to document these three projects.

As a process improvement moving forward, the entire Fast Charge Network program team has been briefed and the requirement that all sites require an environmental review checklist was reiterated. Also, an entry has been added to program tracking documentation to record the date an environmental review checklist is approved, so it can be tracked before moving to the next step in the project development process.

Thank you for allowing us to provide these comments. Please contact us if you have any questions.

Monika Beckner

Monika Beckner

Vice President

Power Supply & Fuels (PS&F)