



U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

March 03, 2023

1200 New Jersey Avenue, SE
Washington, DC 20590

DOT-SP 21328

EXPIRATION DATE: 2024-12-31

(FOR RENEWAL, SEE 49 CFR 107.109)

1. GRANTEE: Dragonfly Energy Corp.
Reno, Nevada
2. PURPOSE AND LIMITATION:
 - a. This special permit authorizes the transportation in commerce of certain lithium ion batteries without shipping papers when transported by ground for trade support services. This special permit provides no relief from the Hazardous Materials Regulations (HMR) other than as specifically stated herein. The most recent revision supersedes all previous revisions.
 - b. The safety analyses performed in the development of this special permit only considered the hazards and risks associated with the transportation in commerce.
 - c. No party status will be granted to this special permit.
3. REGULATORY SYSTEM AFFECTED: 49 CFR Parts 106, 107 and 171-180.
4. REGULATIONS FROM WHICH EXEMPTED: 49 CFR Subpart C of Part 172 of 49 CFR in that shipping papers are not required except as specified herein.
5. BASIS: This special permit is based on the application of Dragonfly Energy Corp. dated January 25, 2022 and the revised application dated March 10, 2022, submitted in accordance with § 107.105 and the public proceeding thereon.

Tracking Number: 2022015210

6. HAZARDOUS MATERIALS (49 CFR 172.101):

Hazardous Materials Description			
Proper Shipping Name	Hazard Class/ Division	Identification Number	Packing Group
Lithium ion batteries <i>including lithium ion polymer batteries</i>	9	UN3480	N/A

7. SAFETY CONTROL MEASURES:a. PACKAGING:

- (1) The completed battery pack must weigh more than 12 kg and have a strong-impact-resistance outer casing;
- (2) Inner Packaging: Each battery pack must be individually packaged in a fully enclosed non-metallic, fire retardant inner packaging;
- (3) Outer packaging: The inner packaging must be further packaged in strong sheet metal housing. The housing serves as a strong outer packaging.
- (4) Not more than one package which contains not more than one power bank is allowed per motor vehicle.
- (5) The net weight of the power bank may not exceed 210 pounds as described within in Dragonfly Energy's application dated January 25, 2022, and on file with the OHMS.

b. TESTING REQUIREMENTS:

- (1) Each cell within the battery module must be of a type tested in accordance with the UN Manual of Tests and Criteria, 7th Revised Edition.
- (2) Each battery module identified in Dragonfly Energy's supplemental information dated March 11, 2022, and on file with the Office of Hazardous Materials Safety (OHMS) must be of a type tested in accordance with the UN Manual of Tests and Criteria, 7th Revised Edition.

c. OPERATIONAL CONTROLS:

- (1) Only lithium ion batteries for services for the trade, as described in Dragonfly Energy's application dated January 25, 2022, and on file with the Office of Hazardous Materials Safety (OHMS), are authorized for transportation under the terms of this special permit. Each different battery type including different types of chemistry must comply with all the conditions of this special permit prior to being offered for transportation.
- (2) A person who transports the completed battery pack must be a carrier only for services of their core business as described in Dragonfly Energy's application dated January 25, 2022, and on file with the Office of Hazardous Materials Safety (OHMS).
- (3) The battery packs must be equipped with an effective means of preventing dangerous reverse current flow if a battery pack contains cells or modules that are connected in parallel.
- (4) Cells and battery packs must be protected against short circuiting.
- (5) A battery pack must be equipped with a battery management system that has been verified as preventing overcharge, short circuits, and over discharge between the modules.
- (6) The completed package is subject to 49 CFR Subparts D through H of Part 172 (i.e., marking labeling, placarding, emergency response information, and training).
- (7) When utilized as specified in this special permit, the completed package is not subject to 49 CFR Subpart C of Part 172 (i.e., shipping papers). Instead, the carrier must carry this special permit.

d. MARKING: Each package, and overpack if used, prepared under the provisions of this Special Permit must be durably and legibly marked and displayed on a background of contrasting color with:

- (1) "DOT-SP 21328" in accordance with § 172.301(c).
- (2) Lithium battery label in accordance with § 172.447.
- (3) Proper shipping name and UN number.
- (4) Emergency response information including the emergency response telephone number in case of damage to the packaging or contents.

8. SPECIAL PROVISIONS:

a. A person who is not a holder of this special permit who receives a package covered by this special permit may reoffer it for transportation provided no modification or change is made to the package or its contents and it is reoffered for transportation in conformance with this special permit and the HMR.

b. A current copy of this special permit must be maintained at each facility where the package is offered or reoffered for transportation.

9. MODES OF TRANSPORTATION AUTHORIZED: Motor vehicle.

10. MODAL REQUIREMENTS: A current copy of this special permit must be carried by the carrier aboard each motor vehicle used to transport packages covered by this special permit.

11. COMPLIANCE: Failure by a person to comply with any of the following may result in suspension or revocation of this special permit and penalties prescribed by the Federal hazardous materials transportation law, 49 U.S.C. 5101 et seq.:

- o All terms and conditions prescribed in this special permit and the Hazardous Materials Regulations, 49 CFR Parts 171-180.
- o Persons operating under the terms of this special permit must comply with the security plan requirement in Subpart I of Part 172 of the HMR, when applicable.
- o Registration required by § 107.601 et seq., when applicable.

Each "Hazmat employee", as defined in § 171.8, who performs a function subject to this special permit must receive training on the requirements and conditions of this special permit in addition to the training required by §§ 172.700 through 172.704.

No person may use or apply this special permit, including display of its number, when this special permit has expired or is otherwise no longer in effect.

Under Title VII of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) —“The Hazardous Materials Safety and Security Reauthorization Act of 2005” (Pub. L. 109-59), 119 Stat. 1144 (August 10, 2005), amended the Federal hazardous materials transportation law by changing the term “exemption” to “special permit” and authorizes a special permit to be granted up to two years for new special permits and up to four years for renewals.

12. **REPORTING REQUIREMENTS:** Shipments or operations conducted under this special permit are subject to the Hazardous Materials Incident Reporting requirements specified in 49 CFR §§ 171.15 - Immediate notice of certain hazardous materials incidents, and 171.16 - Detailed hazardous materials incident reports. In addition, the grantee(s) of this special permit must notify the Associate Administrator for Hazardous Materials Safety, in writing, of any incident involving a package, shipment or operation conducted under terms of this special permit.

Issued in Washington, D.C.:



for William Schoonover
Associate Administrator for Hazardous Materials Safety

Address all inquiries to: Associate Administrator for Hazardous Materials Safety, Pipeline and Hazardous Material Safety Administration, U.S. Department of Transportation, East Building PHH-13, 1200 New Jersey Avenue, Southeast, Washington, D.C. 20590.

Copies of this special permit may be obtained by accessing the Hazardous Materials Safety Homepage at <https://www.phmsa.dot.gov/approvals-and-permits/hazmat/special-permits-search>. Photo reproductions and legible reductions of this special permit are permitted. Any alteration of this special permit is prohibited.

PO: SH/TG