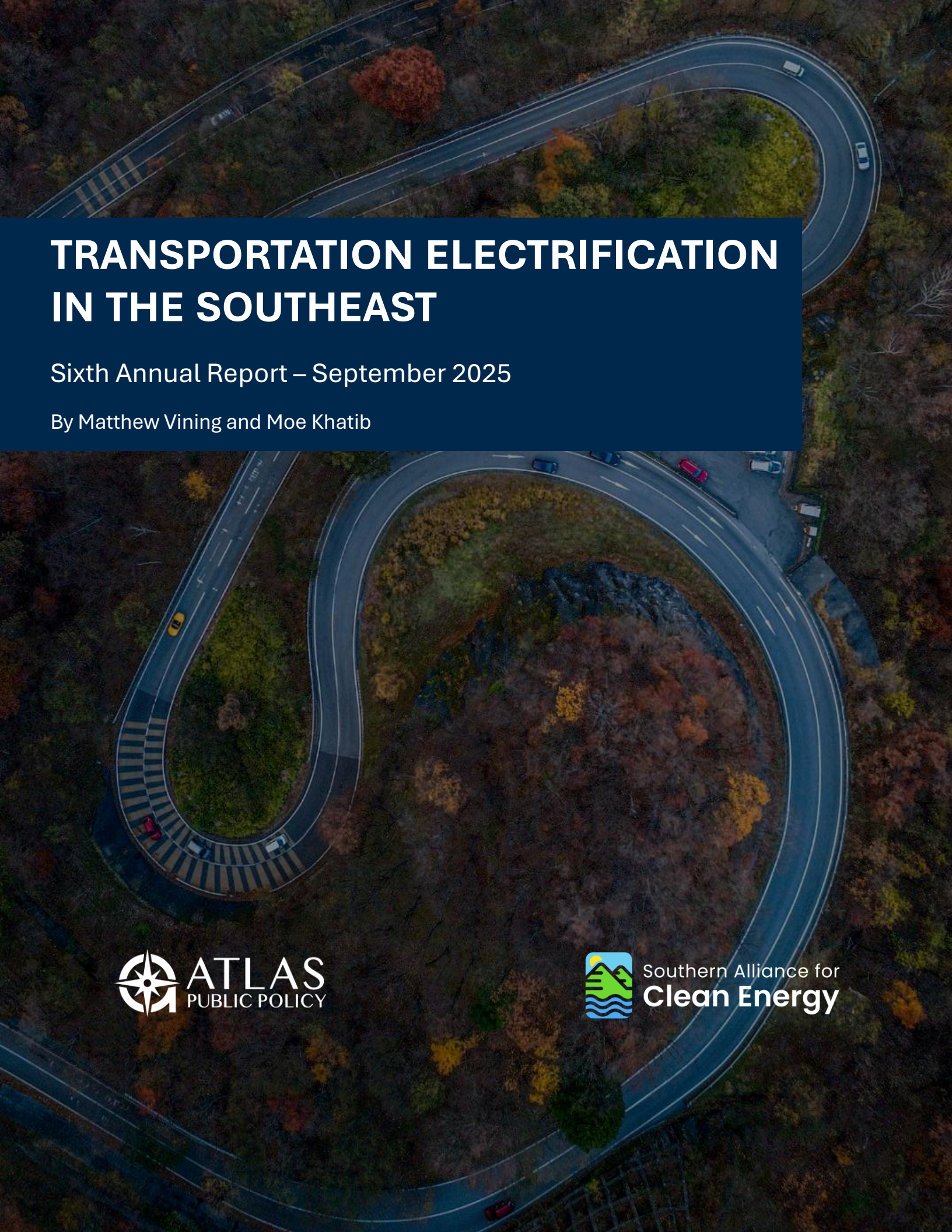

TRANSPORTATION ELECTRIFICATION IN THE SOUTHEAST

Sixth Annual Report – September 2025

By Matthew Vining and Moe Khatib

ATLAS PUBLIC POLICY

Southern Alliance for Clean Energy

Table of Contents

Acknowledgments....3
Executive Summary....4
About the Data....5
Introduction....8
Manufacturing Jobs and Investment....10
EV Sales and Market Share Trends....15
Charging Deployment....20
Utility Investment....23
Public Funding for Transportation Electrification....26
States Progress Federal EV Grants....27
Expiring Federal EV Tax Credits Benefit the Region....33
State-Level EV Policy and Programs....34
Legislative Actions....35
EV and EV Charging Taxes....35
Workforce Development Progress....36
Conclusion....37
References....38

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Since September 2020, Atlas Public Policy (Atlas) has partnered with the Southern Alliance for Clean Energy (SACE) to publish a report on Transportation Electrification in the Southeast. This report benchmarks progress on transportation electrification in six states in the Southeast: Alabama, Florida, Georgia, North Carolina, South Carolina, and Tennessee. This is the sixth report and provides an update on progress from July 2024 through June 2025.

About Atlas Public Policy

For a decade, Atlas Public Policy has equipped businesses and policymakers with the tools and insights they need to make strategic, impactful decisions that are pragmatic and serve the public interest. We build analytical tools and dashboards using powerful, accessible technology, and offer expert advisory services to tackle a wide range of pressing and emerging issues. Atlas staff are nationally known experts in vehicle electrification, sustainable transportation policy analysis, and clean energy planning.

About the Southern Alliance for Clean Energy

The Southern Alliance for Clean Energy (SACE) is a nonprofit organization that promotes responsible and equitable energy choices to ensure clean, safe and healthy communities throughout the Southeast. As a leading voice for energy policy in our region, SACE is focused on transforming the way we produce and consume energy in the Southeast.

Executive Summary

The Southeast region in the United States continues to lead the nation in electric vehicle (EV) related manufacturing and anticipated jobs. The region is seeing more EV sales and charging infrastructure, though both remain below national averages. Similarly, electric utility investments and public funding for transportation electrification are increasing, but still trail the national average.

As of June 30, 2025, companies in the Southeast have announced nearly $80 billion in investments and over 75,000 jobs in EV manufacturing, largely in battery production and EV assembly. States are seeing two types of manufacturing developments – large facilities that have progressed construction and production, and cancellations of planned facilities. There have been cancellations and retractions of nearly $3.5 billion and more than 2,100 committed jobs, compared to $4.8 billion in new investments and more than 2,200 newly announced jobs, within the past 12 months. Manufacturers will face challenges with stricter Foreign Entity of Concern (FEOC) rules and demand reductions due to the One Big Beautiful Bill (OBBB).

Meanwhile, consumers continue to seek out EVs. New passenger EV sales in the region reached more than 912,000 cumulatively, with the average new sales market share rising above 8 percent, narrowing the gap with the national average. Florida and Georgia lead the region with the highest 12-month new sales market shares of 10.3 percent and 8.1 percent, respectively. Commercial medium- and heavy-duty (MDHD) sales in the Southeast also increased to a new peak in Q2 2025, with adoption remaining concentrated in select models and states. Given the strong momentum in passenger vehicle sales and increasing availability of varying commercial EVs, it is too early to tell if and where EV market share may be imperiled under looming regulatory and policy changes, such as the end of key tax credits like the New Clean Vehicle Tax Credit (30D), the Used Clean Vehicle Tax Credit (25E), and the Commercial Clean Vehicle Tax Credit (45W), and frozen and canceled federal funding.

Charging infrastructure in the Southeast is making strides, with more than 2,600 new public direct current fast charger (DCFC) ports added in the last 12 months, a 41 percent increase year-over-year. The rate of growth in the region was higher than the national rate of growth for DCFC charging. Alabama had the highest rate of growth in DCFC ports at 81 percent year-over-year, tying Florida for the most cumulative DCFC ports per 1,000 people. However, publicly accessible MDHD charging infrastructure continues to lag much of the rest of the country.

Investor-owned utilities' approved investment in transportation electrification in the Southeast increased by around 10.5 percent as Florida expanded programs and initiatives like vehicle-to-grid school buses, and South Carolina and Florida joined North Carolina in adopting utility make-ready infrastructure programs. The region's utilities face the challenge of meeting rapidly growing energy demand from large data centers. Meanwhile, EV charging needs are also increasing. Unlike the inflexible demand from data centers, EVs provide energy storage, load management and bidirectional capabilities, which, if properly planned for and implemented, can serve as critical tools for future grid management and reliability.

Under the Biden Administration, federal funding for transportation electrification rose 25 percent to $2.2 billion in awarded and allocated funds for charging network expansions, electric bus deployments, and replacing old gas and diesel fleet vehicles with electric options. Funding freezes and recessions under the Trump Administration undermine progress in a region reliant on federal funding as state funding remains negligible. While some states have passed legislation and enacted new policies to address workforce development challenges, charging access, and fleet replacement, these efforts are overshadowed by the scale of lost federal funding and incentives.

About the Data

Data used to develop this report and track metrics described below are derived from the Atlas EV Hub: www.atlasevhub.com and EV Jobs Hub: https://evjobs.bgafoundation.org, and are pulled through the end of June 2025, unless otherwise noted. Where data are not derived from EV Hub or EV Jobs Hub, the source is noted.

Electric Vehicle (EV) Sales are sourced from data provided by Experian (2019-present) and the former Alliance for Automobile Manufacturers (2011-2018). New vehicle registrations from both data sources are used as a proxy for EV sales. Aggregated EV sales data for all states are provided by make and model since 2019 and include battery EVs (BEVs) and plug-in hybrid EVs (PHEVs). Passenger vehicles account for light-duty classes 1-2A and other passenger vehicles under classes 2B and 3, using gross vehicle weight rating (GVWR) as the indicator. Large passenger vehicles such as the Rivian R1TS, GMC Hummer EV, and Tesla Cybertruck are classified as 2B or 3. Commercial vehicles include non-passenger medium-duty vehicle classes 2B-6, and heavy-duty 7-8. Sales data includes new vehicle sales only.

EV Manufacturing Employment and Investment measures the number of private-led, direct manufacturing jobs and investment for light-, medium-, and heavy-duty EV assembly; critical minerals processing and separation; EV battery production; EV battery recycling; EV parts manufacturing; and EV charger manufacturing. This is tied to specific facilities and is

usually publicly reported directly by companies. Data is updated regularly using press releases or direct communications with companies, including removing announcement data included in previous reports if understood to no longer be in scope. While this data is updated to reflect new announcements or updates to previous announcements, these investments and/or jobs may not eventuate or may look different from the original announcement as more information is publicized.

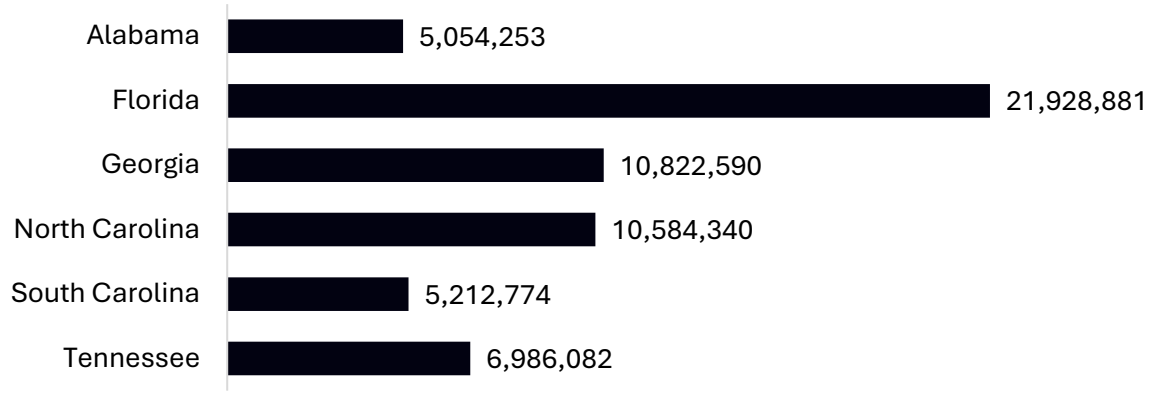
Electric Utility Investment tracks EV-related investments and is sourced from investor-owned electric utility dockets filed with state utility regulatory commissions. The investment data includes both EV programs proposed by utilities that await commission approval as well as investments approved or denied by commission orders. Data does not include investments from electric cooperatives or municipally owned utilities.

Public Funding for EVs tracks federal and state government funding programs dedicated to transportation electrification, including funding allocated through the Volkswagen Settlement. Funding considered includes awarded, made available, or allocated to states. Where available, funding data is also classified as obligated and outlayed, per the Climate Program Portal and USASpending. Does not include loans or tax credits.

EV Charging Deployment tracks all deployed publicly available EV charging infrastructure and is sourced from the Department of Energy's Alternative Fueling Station Locator. In addition to this tool, Atlas's Medium and Heavy-Duty (MDHD) Charging Investment Dashboard tracks charging sites and ports specifically dedicated to medium and heavy-duty EVs, collected from press releases and company announcements. Charging equipment may have multiple connectors (plugs); however, Atlas does not count connectors as separate ports unless both are able to supply power to a vehicle simultaneously.

Population Data is sourced from the U.S. Census Bureau's American Community Survey (ACS). The most recent data has been gathered from the 5-year ACS 2023 data file, so current population numbers reflect the year 2023 (see Figure 1). These data are used to calculate per capita metrics. Current estimates for state populations may differ from what are used in this report.

Figure 1. Population by State in 2023



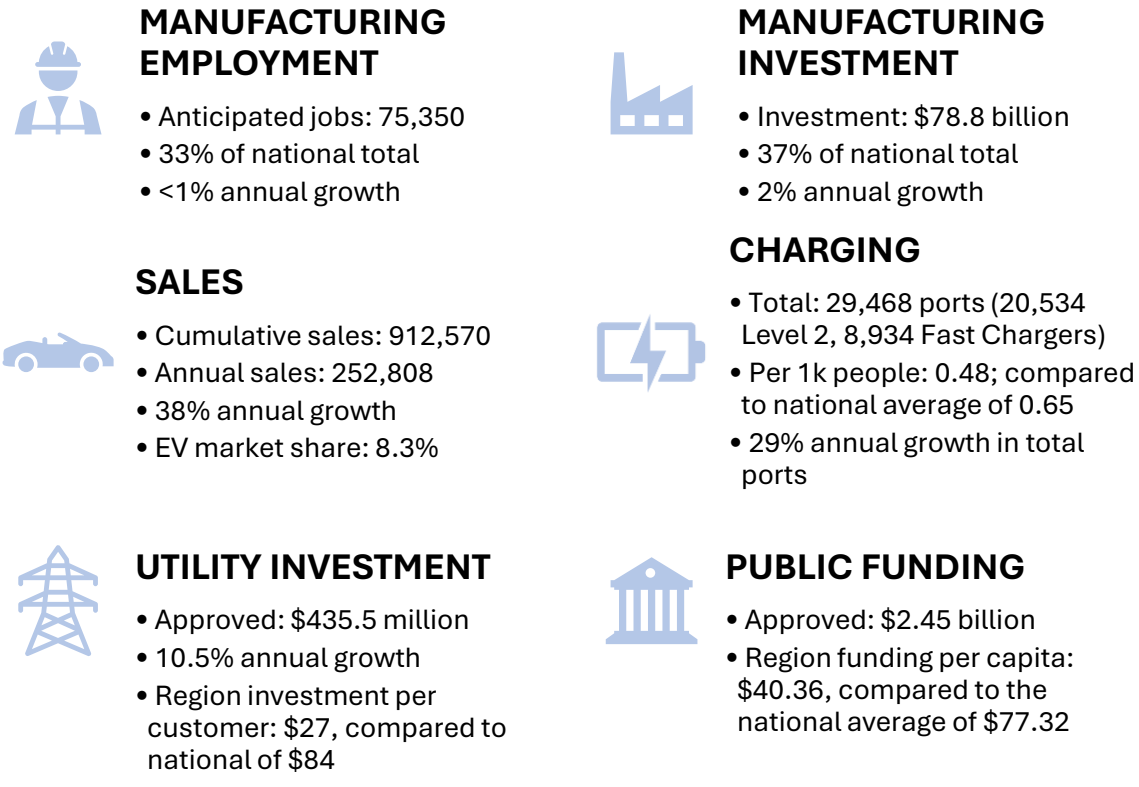
This chart shows the population of each state in the Southeast as of 2023, based on the 5-year ACS 2023 data report.

Source: U.S. Census Bureau [1]

Introduction

In the past 12 months states in the Southeast have made considerable progress as a major hub for electric vehicle (EV) automakers and suppliers, as more people gained access to reliable charging and affordable EV models, and as school buses and transit buses electrified (see Figure 2). While this report includes policy developments up until release in September 2025, data is specifically through June 30, 2025.

Figure 2. Electric Transportation Indicators in the Southeast Through June 2025



Sales measures include passenger EVs. Manufacturing Employment and Manufacturing Investment refers to announced investments in EV assembly, EV parts, EV charging infrastructure, batteries, mineral processing, and battery recycling facilities. Charging refers to publicly accessible chargers, and rankings and growth include Level 2 and fast chargers. Utility Investment refers to investor-owned utilities only. Public funding includes both awarded and allocated funds. Totals are cumulative unless stated. Rankings are for all time, except for market share which is over the 12 months between July 2024 and June 2025.

Source: Atlas EV Hub [2] and EV Jobs Hub [3] for the Southern Alliance on Clean Energy

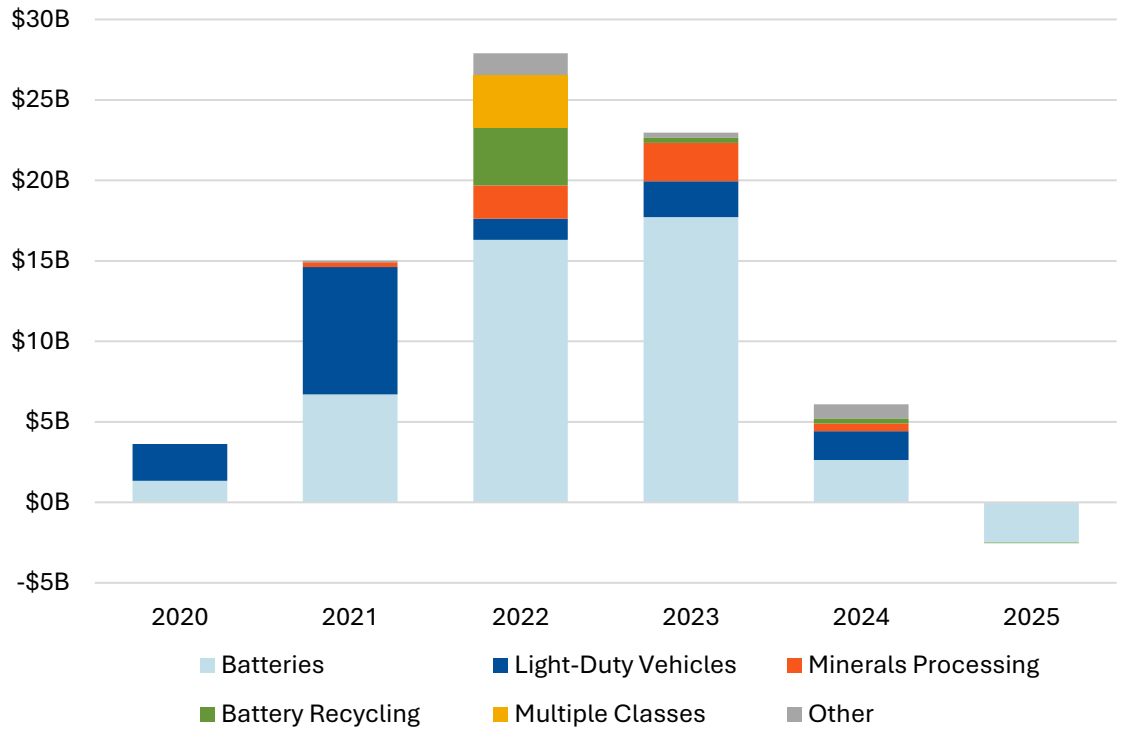
While there have been limited announcements of new investments and jobs in the EV manufacturing sector, many of the existing investments have started production or made significant progress on construction, oftentimes leveraging existing federal tax credits provided through the Inflation Reduction Act (IRA). Bolstered by favorable federal policies and regulations in the last few years, the Southeast has also continued to experience record-setting growth in EV sales and the build-out of more reliable charging options, inching the region closer to national averages and, in some cases, exceeding. The region has also benefitted from the deployment of new electric school buses and transit buses through programs like the Clean School Bus Program, funded by the Infrastructure and Investment Jobs Act (IIJA). At the same time, companies have scaled back their manufacturing investments and delayed construction of facilities. As tax credits phase out, the regulatory landscape evolves, and tariffs take effect, the Southeast will need to adapt to those shifts. Challenges also persist in advancing meaningful engagement with some of the region's large investor-owned utilities and expanding efficient and accessible charging infrastructure at a rapid pace.

Investments in critical electric transportation infrastructure through publicly funded programs have been impacted by federal policy shifts. In February 2025, the Trump Administration instructed states to freeze all spending of allocated funds under the National Electric Vehicle Infrastructure (NEVI) program, delaying state EV charging infrastructure plans across the Southeast [4]. In August 2025, the Federal Highway Administration (FHWA) announced that this funding may be made available again to states, albeit under revised guidance and upon resubmitting a NEVI plan to the FHWA [5]. In May 2025, Congress revoked the Environmental Protection Agency's (EPA's) California waivers for the Advanced Clean Trucks rule, Advanced Clean Cars II rule, and Heavy-Duty Engine Omnibus NO_x rule [6]. California, and other states who adopted the waiver, now risk delaying transportation electrification goals that depended on these rules for enforcement. Additionally, Congress passed the "One Big Beautiful Bill" (OBBB) in early July 2025. The law will significantly speed up the phase out for many tax credits subsidizing purchases of electric vehicles (EVs) such as the New Clean Vehicle Tax Credit (30D), the Used Clean Vehicle Tax Credit (25E), and the Commercial Clean Vehicle Tax Credit (45W) [7]. Rhodium Group estimates that the loss of tax credits and Congress's nullification of the EPA waiver to California could result in 34-70 million fewer light-duty EVs in stock in 2035, a 37-65 percent reduction from the baseline, which accounts for existing policies such as IIJA and IRA [8].

Manufacturing Jobs and Investment

Companies have announced $78.8 billion in EV manufacturing investments and committed to 75,400 EV manufacturing jobs in the Southeast through June 30, 2025. These investments are tied to 120 facilities throughout the region (counting minerals processing, EV battery production and recycling, EV charging, EV assembly, and other EV component manufacturing operations). New manufacturing investments in the Southeast in the past 12 months have slowed down, amounting to just $4.8 billion, compared to $15.2 billion the prior 12 months. Further, in the last 12 months, companies in the region have canceled plans for seven facilities, totaling $3.5 billion worth of investments and nearly 2,000 manufacturing-based jobs. Including the negative impacts of cancelled and retracted funding for manufacturing facilities, total investment for EV manufacturing in the Southeast has grown by less than two percent over the past 12 months (see Figure 3). Most of the region's existing announced investment, $48.2 billion or 61 percent, is dedicated to battery manufacturing and battery recycling facilities. The second most significant portion of investment, $22.7 billion (29 percent), will support the original construction and retooling of existing facilities for light-duty, medium-duty, and heavy-duty EV assembly.

Figure 3. Announced Manufacturing Investment by Sector in the Southeast



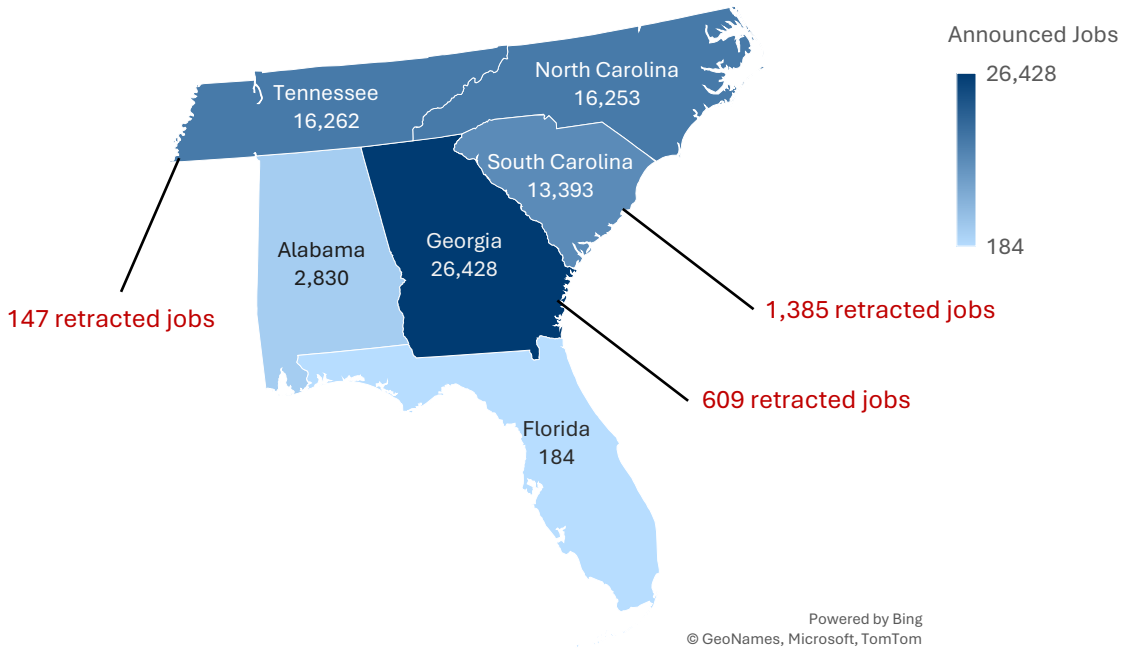
This chart shows the sum of announced EV investment by manufacturing sector per year. Negative values indicate years when cancellations and retractions outweighed value of new investments. 'Batteries' refers to EV batteries solely. The 'Other' category includes EV Parts, EV charging and medium and heavy-duty vehicle assembly. The 'Multiple Classes' category describes manufacturing investments made for facilities that produce vehicles from more than one class: Light-Duty, Medium-Duty, and Heavy-Duty. Data is through June 30, 2025.

Source: EV Jobs Hub [3] for the Southern Alliance on Clean Energy

Removal of the consumer-based New Clean Vehicle Tax Credit (30D) after September 30, 2025 risks undermining the growth of the EV manufacturing sector in the Southeast. The tax credit was designed to support domestic manufacturing through a consumer side credit [9]. Analysis from Atlas Public Policy released in May 2025 found that eight factories in the Southeast were currently or planned to produce 30D eligible vehicles or batteries [10]. Atlas estimated that nearly $20 billion in announced investments and 19,900 jobs in the region are tied to facilities producing 30D-eligible EVs and batteries. Once the credit is no longer available, production at those facilities may be impacted. Further, tighter restrictions on the Advanced Manufacturing Production Tax Credit (45X) could undermine manufacturing efforts in the region. Analysis from Atlas revealed that more than $55 billion in announced investments and 39,200 jobs are linked to 45X qualifying battery and critical mineral facilities in the Southeast [11]. New Federal Entities of Concern (FEOCs) rules for tax credits, particularly 45X, are seen by tax experts as cost-prohibitive and perhaps impossible to comply with given China's current dominance of clean energy supply chains [12].

Although the region experienced a slowdown in new investments over the past 12 months, the Southeast is still home to about 38 percent of all EV manufacturing investments and 33 percent of anticipated EV manufacturing jobs announced in the United States. The region accounts for three of the top five states for most investments in EV manufacturing – Georgia, North Carolina, then Tennessee, trailing only Michigan. Edged out by Michigan, Georgia has the second most anticipated EV manufacturing jobs in the country. The Southeast accounts for four of the top eight states for most anticipated EV manufacturing jobs – Georgia, North Carolina, Tennessee, and as of this year, South Carolina. Georgia, South Carolina, and Tennessee all saw job retractions from EV manufacturers the last 12 months because of cancellations or down-scaled investments (see Figure 4).

Figure 4. Announced EV Manufacturing Jobs in the Southeast and Call Outs for Cancellations in the Past 12 Months



This map shows the sum of announced EV manufacturing jobs (including minerals processing, EV assembly, battery manufacturing and recycling, EV charging manufacturing, and other EV component manufacturing) by state. States that experienced a reduction in announced manufacturing jobs from July 1, 2024 through June 30, 2025 because of cancellations or down-scaling of facilities, are noted in red and included in the total job count per state. Routine data cleaning between this year's report and last year's report revealed some facilities in Florida, Georgia, and South Carolina were out of scope of the EV supply chain, and thus removed from the manufacturing data set. Data is through June 30, 2025.

Source: EV Jobs Hub [3] for the Southern Alliance on Clean Energy

The buildout of the Southeast's EV manufacturing capacity is well underway, with at least 55 facilities having already started operations, representing about 38 percent of announced regional investments. At least another 19 facilities are actively undergoing construction and retooling, representing an additional 45 percent of announced regional investments. Table 1 summarizes some of the most significant EV investments in the Southeast and their statuses as of June 30, 2025, including large-scale investments that have been cancelled.

Table 1. Significant EV Manufacturing Investments in the Southeast

State	Company	Facility Name	Anticipated Jobs	Announced Investment	Status
NC	Toyota	Toyota Battery Manufacturing North Carolina	5,100	$13.9 billion	Operational
GA	Hyundai, LG Energy Solution	Hyundai Metaplant (JV)	8,500	$7.6 billion	Operational
GA	Rivian	Georgia Manufacturing Plant	7,500	$6.6 billion	Construction Delayed[1]
TN	Ford, SK On	BlueOval SK Tennessee (JV)	5,800	$5.8 billion	Under Construction
GA	Hyundai, SK On	Bartow County Facility (JV)	3,500	$5 billion	Under Construction
NC	VinFast	Chatham County Facility	7,500	$4 billion	Construction Delayed
SC	*AESC*	*Florence Gigafactory Factory 2*	*-1,080*	*-$1.5 billion*	*Canceled*
GA	*Aspen Aerogels*	*Aspen Aerogels Georgia Facility*	*-255*	*-$1 billion*	*Canceled*

Companies may not necessarily deliver these jobs and there is often little clarity regarding the types and quality of jobs available. This table shows EV manufacturing jobs only and does not reflect corporate or research and development jobs. The Hyundai Metaplant's investment and jobs total have been updated from last year's report to include both the vehicle assembly and battery manufacturing plants as one location. Data is through June 30, 2025.

Source: EV Jobs Hub [3] for the Southern Alliance on Clean Energy

The region's two largest investments became operational just within the last six months. In March 2025, Hyundai Motor Group's Metaplant celebrated its opening and the start of EV assembly and battery production [13]. The project is the largest economic development project in Georgia's history and was completed in just two and a half years after breaking ground. Hyundai's total investment in the state is projected to create 40,000 total direct and

[1] In July 2025, the company confirmed it would commence construction in the first quarter of 2026 [53].

indirect jobs. The sheer size of production and input needs for manufacturing have also attracted $2.5 billion in capital investments and an anticipated 6,900 jobs from local suppliers, creating a clustering effect[2]. In April 2025, Toyota's nearly $14 billion North Carolina battery manufacturing facility started shipping batteries to customers [14]. The facility is Toyota's first in-house battery manufacturing facility outside Japan and at its peak will reach a capacity of 30 gigawatt hours annually.

Both Rivian and Ford and SK On's joint venture BlueOval SK closed their loan agreements with the Department of Energy (DOE) in the past year, helping finance the construction of their facilities in Georgia and Tennessee, respectively [15] [16]. Rivian's final loan agreement increased total expected capital investment at the facility from $5 billion to $6.6 billion, committing to 9,500 full-time construction and production jobs. BlueOval SK received a $9.6 billion loan to finance construction of its facilities in Kentucky and Tennessee; together, these plants will enable 120 gigawatt hours of battery production annually. A key requirement of these loans is the development and implementation of a Community Benefits Plan (CBP), which ensures that Rivian and BlueOval SK engage with communities and labor groups to bring meaningful benefits to residents and workers. It is unclear if these will be enforced moving forward given the Trump Administration's resistance to CBPs [17].

Though some projects are progressing, others are facing significant hurdles. Despite the DOE loan, the aforementioned BlueOval SK manufacturing campus in west Tennessee delayed production dates to 2027 for battery packs and 2028 for electric truck production [18]. The battery production delay is intended to accommodate the effort required to incorporate a lower-cost battery technology, ultimately reducing costs for the consumer [19]. The electric truck production delay is in response to Ford's shift to prioritizing production of a midsize electric pick-up based on their new production system for lower-cost EVs at their Louisville Assembly Plant in Kentucky. In August 2025, the company redoubled its commitment to EV production by introducing a new EV platform focused on affordability and scalability and a shift in battery technology and approach [20].

In 2025, companies cancelled two significant EV manufacturing investments for key parts of the supply chain. Aspen Aerogels' thermal barrier manufacturing plant was undergoing construction in March when the company decided to cancel its plans and withdraw itself from a $670 million conditional DOE loan [21]. Instead of investing in the Statesboro, Georgia community, Aspen Aerogels will focus on shifting production to its plants in Rhode Island, China, and Mexico. A spokesperson for the company said Aspen is concerned about

[2] A clustering effect refers to the phenomenon where suppliers and other manufacturers in related industries locate near one another, often resulting in reduced costs, improved efficiency, and increased economic activity and job opportunities for the region.

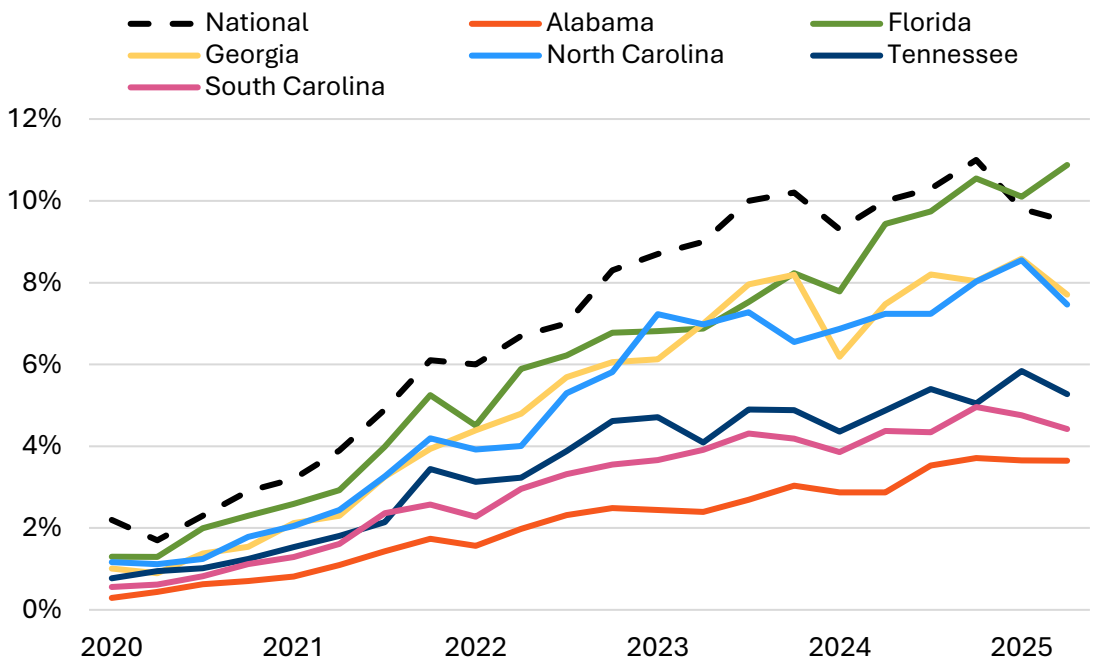
the slow rate of EV adoption in the United States and the implications for the company, and that production in China has proven more effective. The largest investment announcement in the community's history, the facility would have created 500 construction jobs and 255 full-time manufacturing jobs. The company also planned to supply General Motors. A supplier of batteries for BMW's facilities in South Carolina, AESC, paused construction at their $1.6 billion manufacturing facility due to policy and market uncertainty in June 2025 [22]. The battery manufacturer also decided to withdraw their plans for a nearby second facility worth $1.5 billion, stating that they could meet customer demand with just one facility. The second facility would have provided over 1,000 jobs to the Spartanburg community. Continued market and regulatory uncertainty, combined with the loss of EV-based tax credits and shifting strategies from automakers, threatens additional investments in the Southeast [9].

EV Sales and Market Share Trends

New sales of passenger EVs, cars and pick-ups in gross vehicle weight rating (GVWR) classes 1-3, have continued to grow and set new records in the Southeast in the last 12 months.[3] This vehicle category includes medium-duty passenger cars and pick-up trucks used as passenger vehicles. The Q2 2025 new EV sales market share reached 8.3 percent, up from 7.5 percent in Q2 2024. While still trailing the national market, where EVs made up 9.5 percent of all new passenger sales in Q2 2025, the gap between several states in the region and the broader national market has narrowed (Figure 5). Florida continues to lead the region with a 10.9 percent new passenger EV market share at the end of Q2 2025, followed by Georgia and North Carolina with 7.7 percent and 7.5 percent, respectively. As of Q2 2025, Florida is the only state to have surpassed the average national market share for new passenger EV sales. Alabama had the lowest new passenger market share at 3.6 percent. Cumulative new passenger EV sales in the Southeast grew 38 percent over the last 12 months, from 659,762 vehicles to 912,570 vehicles.

[3] Classification of new passenger EV sales differs from last year's report where vehicles classified as light-duty (class 1-2A) was used as a proxy for passenger vehicle sales. This year's report incorporates heavier class 2A -3 passenger vehicles, so as to better distinguish them from vehicles used for commercial uses.

Figure 5. EV Sales Market Share for Passenger Vehicles in the Southeast

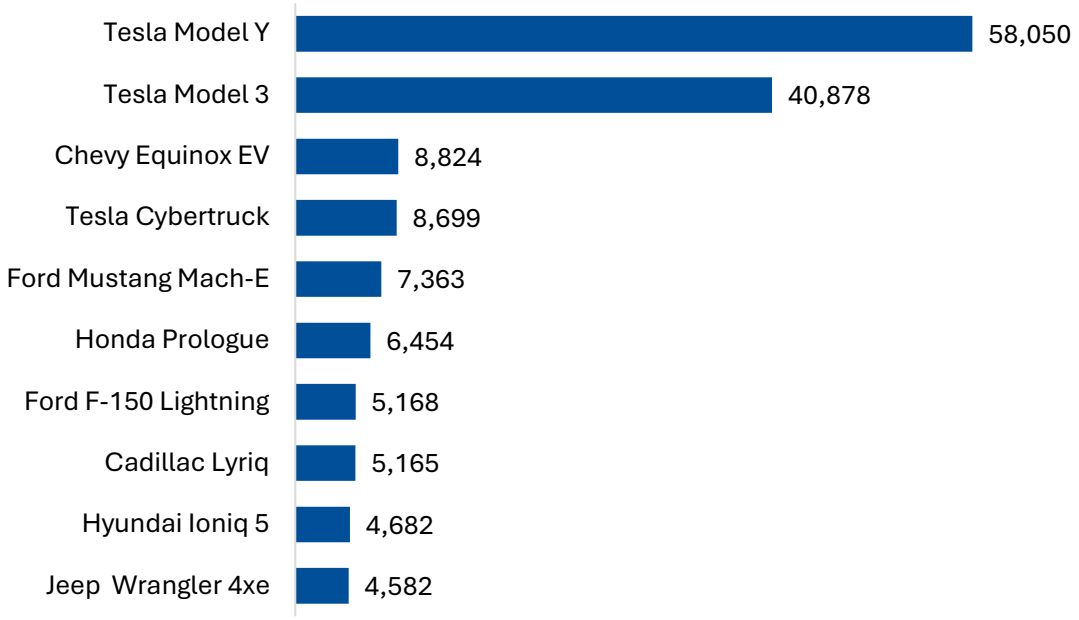


This figure depicts EV sales as a percentage of new passenger vehicle sales from 2020 to the end of June 2025. EV includes both BEV and PHEV sales.

Source: Atlas EV Hub [2] for the Southern Alliance on Clean Energy

Tesla retains a dominant share of the EV market with 45 percent of all new EV sales in the first six months of 2025, followed by General Motors at 11 percent. Makes and models produced by General Motors have gained popularity in the region, as depicted in Figure 7. Consumers are able to access a variety of options in the EV market in the region, with more than 45 different EV makes and 151 models sold in the past 12 months. For comparison, during the same time the year prior, the Southeast had access to 42 different makes and 118 models. Tesla's Model Y and Model 3 were easily the most popular passenger EV models in the Southeast the last 12 months, followed by the Chevrolet Equinox EV, Tesla Cybertruck, and Ford Mustang Mach-E. A chart of the top selling new EV passenger models the last 12 months is depicted in Figure 6.

Figure 6. Top 10 Passenger EVs for New Sales in the Southeast in the Last 12 Months

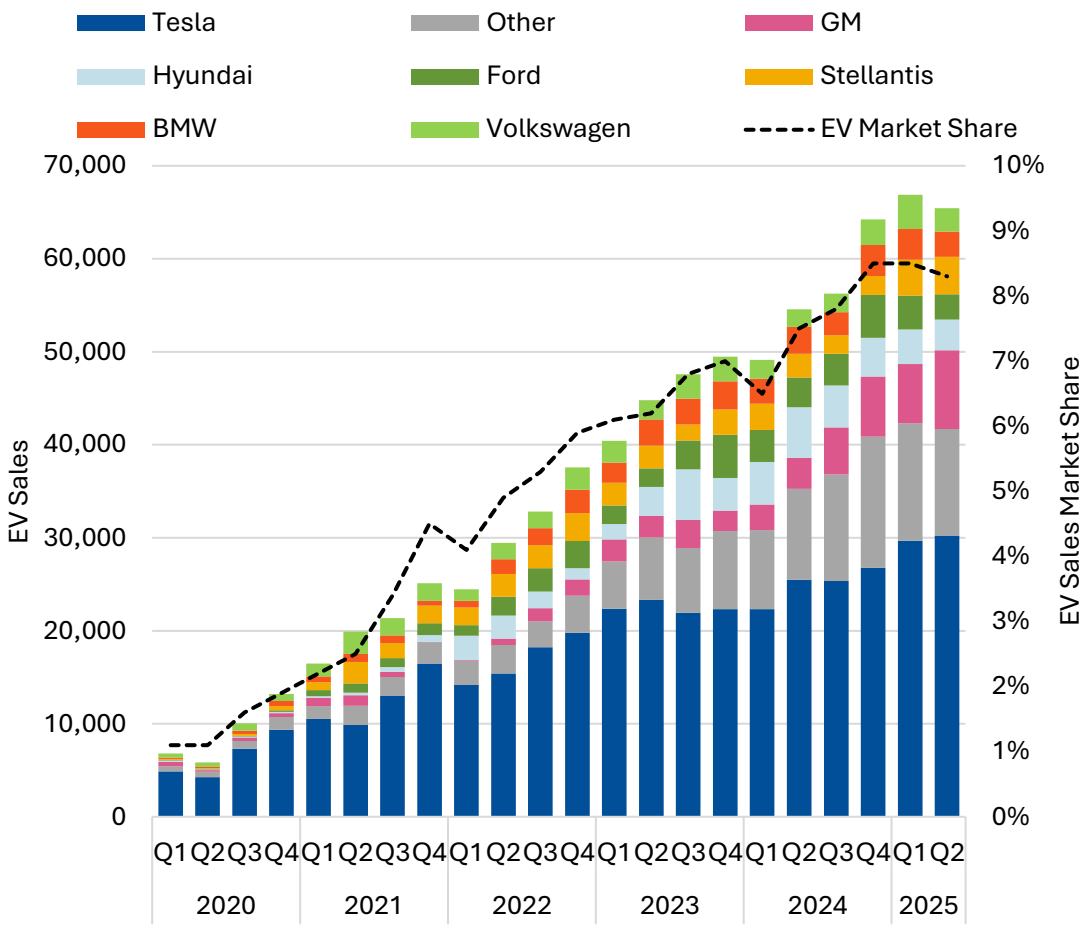


This figure depicts the top 10 new passenger EV makes and models by new sales from July 1, 2024 through June 30, 2025. EV includes both BEV and PHEV sales.

Source: Atlas EV Hub [2] for the Southern Alliance on Clean Energy

Passenger EV sales have benefited from the 30D tax credit, with most of the leading models in the Southeast eligible for the full $7,500 or partial $3,750 tax credit in 2025. In May 2024, the Treasury Department finalized its rules for the program, increasing requirements for responsible sourcing of critical minerals and battery components, requiring final assembly in North America, and compliance with Foreign Entity of Concern (FEOC) restrictions [23]. The highest selling models in the region, as noted in Figure 6, were all eligible for the full tax credit in 2025, depending on the specific trim model, except for the Mach-E and Jeep Wrangler 4xe [24]. These models and others will continue to be eligible until the tax credit ends on September 30, 2025. Figure 7 presents a breakdown of quarterly new passenger EV sales in the Southeast, and a breakdown of the leading automakers.

Figure 7. New Passenger EV Sales in the Southeast



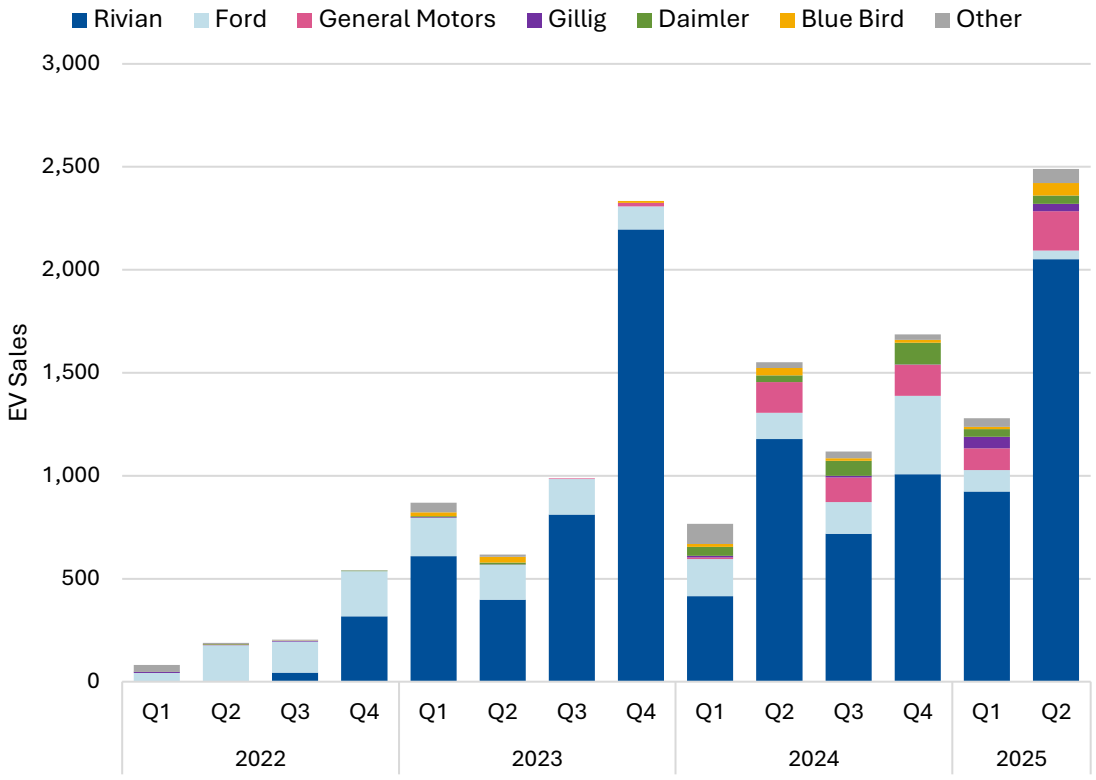
This figure shows new passenger EV sales over time in the Southeast through the end of June 2025. The EV share line depicts the share of EV sales compared to all new passenger vehicle sales.

Source: Atlas EV Hub [2] for the Southern Alliance on Clean Energy

Commercial EV sales, non-passenger medium-duty and heavy-duty (MDHD) class 2B-8 vehicles, increased in 2025, achieving a new peak in sales in Q2 2025 of nearly 2,500. This vehicle category does not include medium-duty passenger cars and pick-up trucks. There have been just over 6,570 new commercial MDHD EV sales total in the last 12 months (Figure 8). Rivian's EDV 700 made up the bulk of sales in the region, followed by Ford's E-transit 350 and Brightdrop's ZEVO 600, as commercial delivery and cargo vans continue to electrify. Georgia made up over half of the new commercial EV sales in the Southeast in the last 12 months with 3,381 total sales, more than any state in the country. The new commercial EV sales market share in the region rose to 7.1 percent in Q2 2025, up from 5.1

percent in Q2 2024. The national average new commercial EV sales market share was just 3.5 percent in Q2 2025.

Figure 8. New Commercial EV Sales in the Southeast



This figure shows new commercial EV sales over time in the Southeast through the end of June 2025.

Source: Atlas EV Hub [2] for the Southern Alliance on Clean Energy

Increased public funding, the Commercial Clean Vehicle Tax Credit (45W), and the increased adoption of regulations like California's Advanced Clean Trucks (ACT) rule have helped drive growth nationwide and create a more appealing market for fleet operators interested in integrating EVs into their businesses. However, in May 2025, Congress approved three resolutions that rolled back California's ability to set rules like ACT and other emissions policies on vehicles, and thus impacting other states adopting those rules as well [25]. None of the states in the Southeast had adopted California's standards, despite a broadly supported effort in North Carolina in 2024 to adopt ACT. As part of that effort, A study published by RMI in 2023 found that over 40 percent of North Carolina's trucks are

currently electrifiable[4] [26], which is likely the case in the region's other states. The repeal of the 45W tax credit after September 30, 2025 threatens to decrease demand for commercial EVs and make it more difficult for fleets and businesses to replace older vehicles with EVs [9]. Both automakers and fleet operators will need to shift their strategies for electrification to address mixed policy signals that may delay progress on electrification for commercial vehicles.

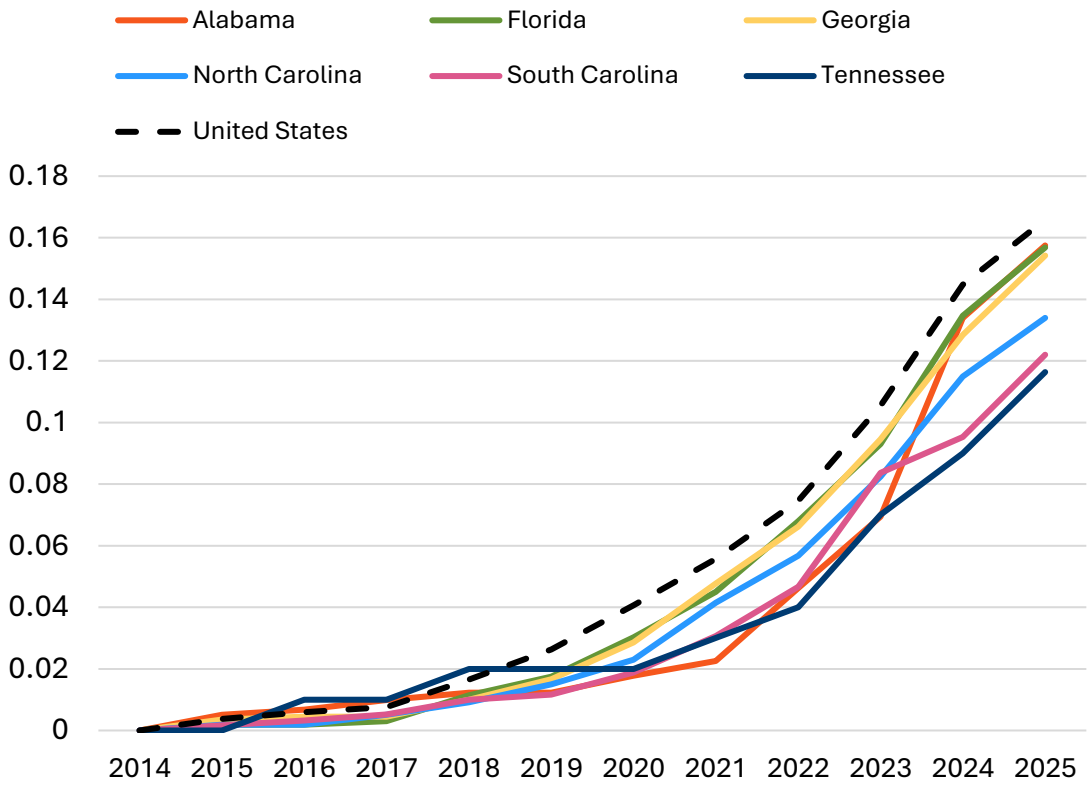
Charging Deployment

To support the growing number of EVs on the road across the Southeast, states and the private sector will need to make significant strides in the strategic deployment of EV charging infrastructure. This requires a coordinated approach from government agencies, utilities, charging network providers, fleets, and other private sector actors. The United States has seen an average of more than 1,000 public charging stations open per month over the last 12 months, 829 charging stations with Level 2 ports and 274 charging stations with Direct Current Fast Charger (DCFC) ports. Reliable and accessible public, workplace and residential charging options directly impact the uptake of EVs, with home charging still the most important since homes are where upwards of 80% of charging occurs [27]. While Level 2 chargers are often best suited for homes, workplaces, and some public charging locations, there is also high demand for Level 2 destination charging to support the tourism industry, particularly at hotels, parks, beaches, and attractions. DCFC chargers are ideal for highway and freight corridors where drivers need the option to rapidly charge their vehicle during longer periods of travel. EV charging infrastructure is also becoming increasingly more efficient and convenient, as charging providers standardize the deployment of high-powered chargers with more ports, enabling more vehicles to charge at the same station at the same time [28].

In the past 12 months, states in the Southeast saw progress in their deployment of public DCFC chargers, adding over 2,600 new DCFC ports, a 41 percent increase year-over-year. For the first time in the six-year history of this report, Alabama had the greatest rate of growth, an 81 percent increase in DCFC port count year-over-year, taking over South Carolina for the 5th most cumulative DCFC ports in the region. Florida leads the region with the most DCFC ports installed, but ties with Alabama for highest DCFC ports per 1,000 people, with Georgia following closely behind (Figure 9).

[4] RMI assumes that the "most "electrifiable" trucks are those that return to their depot after fewer than 300 miles traveled in 95 percent of use cases".

Figure 9. Cumulative DCFC Ports per 1,000 People in the Southeast



This figure depicts the steep rise in cumulative DCFC ports per 1,000 people installed across states in the Southeast from 2014 onwards, alongside the national average. The figure only accounts for stations still active today, by installation date. Florida and Alabama converge into a single line in 2024-2025. Data is through June 30, 2025.

Source: Atlas EV Hub [2] for the Southern Alliance on Clean Energy

The growth of Level 2 charger deployment in the region was not as steep as the growth of DCFC chargers but was still notable at 24 percent year-over-year (Table 2). North Carolina had the highest year-over-year growth in Level 2 chargers (30 percent), followed by Georgia (29 percent) and Florida (21 percent). Florida had the most cumulative Level 2 ports in the region at 8,665, over 42 percent of all Level 2 ports deployed in the Southeast. The region's growth rates in both Level 2 and DCFC ports were greater than the national average growth rates, although still well behind the national average total ports per 1,000 people and DCFC ports per 1,000 people ratios; the gap between DCFC ports per 1,000 people is significantly smaller between the Southeast and U.S. total, however.

Table 2. Charging Ports in the Southeast

State	DCFC Ports (% Change YOY)	DCFC Ports per 1,000 People	Level 2 Ports (% Change YOY)	Total Ports per 1,000 People
Alabama	799 (81%)	0.16	717 (19%)	0.30
Florida	3,502 (41%)	0.16	8,665 (21%)	0.55
Georgia	1,684 (41%)	0.16	4,381 (29%)	0.56
North Carolina	1,468 (31%)	0.14	3,737 (30%)	0.49
South Carolina	651 (36%)	0.12	1,138 (18%)	0.34
Tennessee	830 (38%)	0.12	1,897 (18%)	0.39
Southeast	**8,934 (41%)**	**0.15**	**20,534 (24%)**	**0.48**
U.S. Total	**57,084 (34%)**	**0.17**	**159,994 (20%)**	**0.65**

Total ports include both DCFC and Level 2 ports. Data is through June 30, 2025.

Source: Atlas EV Hub [2] for the Southern Alliance on Clean Energy

Alongside charging infrastructure for passenger vehicles, there is a growing need for investment in MDHD charging to support electrification in the Southeast. Today, many DCFC stations built for passenger EVs are also being used by smaller commercial vans and trucks, but the infrastructure is unable to accommodate larger vehicles. According to the Alternative Fuels Data Center, the Southeast has over 60 public charging stations accessible to MDHD EVs [29], yet only two sites are dedicated specifically to class 2b–8 trucks [30]. Atlas estimates that $307 million in public, private, and utility funding has been invested, awarded, or committed to support MDHD charging in the region. However, much of this funding is still in early stages, and public access remains limited. As a result, most MDHD fleets rely on depot-based charging, with roughly 90 percent of operators reporting that their vehicles return to a home base between trips [31]. Moreover, the National Zero-Emissions Freight Corridor Strategy identifies the Southeast as the site of 25 future charging hubs, but progress on these deployments is unclear [32]. Experts stress that while depot charging will continue to anchor the market, a robust on-road public charging network is

essential to enable long-distance freight movement and fully realize MDHD electrification in the region [33].

Utility Investment

Investor-owned utilities (IOUs) are central to the growth of transportation electrification, acting as primary energy providers, managing the electric grid, and enabling key elements of the infrastructure needed for EV charging. Operating as regulated monopolies, IOUs deliver power to more than 70 percent of electricity customers in the United States [34]. This section focuses on IOU-EV investments, though other providers such as electric cooperatives, municipal utilities, and the Tennessee Valley Authority, have a key role to play.

Through June 2025, IOUs nationwide have been approved for $6.6 billion in transportation electrification investments. An additional $1.2 billion in investments were awaiting approval from state utility commissions. The Southeast represents just seven percent of all approved investments, with $436 million approved by the region's regulators. The funding approved to date is expected to support the deployment of more than 570 DCFC stations and more than 4,140 Level 2 stations. Florida utilities make up most of the investment in the region with $319.5 million in approved investments followed by Georgia with $82.5 million. No other Southeastern state has more than $25 million in approved investments. Over the past three years, Florida and Georgia combined have authorized nearly $100 million for EV programs in IOU filings, while no other Southeastern state has publicly disclosed any public service commission (PSC) approved funding in Atlas' dataset. Despite no new funding being announced, utilities have been approved to implement programs to enable EV infrastructure deployment in the Southeast.

Assessing investment on a per-customer basis allows for easier comparison between utilities, highlighting each utility's commitment to transportation electrification and the willingness of regulators to incorporate these investments into the rate base. Nationally, the average was nearly $84 in approved investment per utility customer, with the highest per capita investments in California, Massachusetts, and New York, respectively. Utilities in the Southeast fall significantly short of the national average, at just an average of $27 in approved investment per utility customer, indicating wide disparities in utility investment in transportation electrification across the region (see Table 3).

Table 3. Investor-Owned Utility Investments in the Southeast[5]

Operating Company	State	Investment	Customers	Investment per Customer
Florida Power & Light	Florida	$205,000,000	5,811,951	$35
Duke Energy	Florida	$112,159,946	1,968,212	$57
Georgia Power Company	Georgia	$82,500,000	2,735,271	$30
Duke Energy	North Carolina	$24,714,675	4,563,937	$5
Duke Energy	South Carolina	$8,830,000	4,563,937	$2
Tampa Electric	Florida	$2,300,000	834,144	$3
U.S. Total		**$6,623,776,088**	**78,587,157**	**$84**

"Investment" refers to funding in transportation electrification from investor-owned utilities approved by state commissions. "Investment per Customer" refers to the total utility investment divided by the number of residential customers, rounded to the nearest whole dollar. For the "U.S. Total" figure, the total investment is divided by the number of customers served by utilities that have announced investments in transportation electrification and therefore does not include utilities where no investments have been approved. Duke Energy customer data in North and South Carolina was drawn from a Duke Energy fact sheet as of April 1, 2023 (Duke Energy, 2023). Alabama Power is not included here as the company's EV programs were not submitted to the state's Public Service Commission. U.S. investment per customer in the 2024 report has been amended to $83 to capture solely IOU customer counts. Data is through June 30, 2025.[6]

Source: Atlas EV Hub [2] for the Southern Alliance on Clean Energy

[5] Investment reflects utility commission-approved budgets/caps or explicit regulatory-asset authorizations during the study window. For tariffed, uncapped programs (e.g., Duke Energy's make-ready programs in NC and SC) we have historically excluded spend-to-date reported in utility status filings to maintain cross-state comparability. However, we recognize that spending on tariffed, uncapped programs amounts to valuable investments made by utilities and, as those programs mature, we may include them in future reports.

[6] Unlike in the 2024 report, where the Southeast had no new approved utility investments, the region has made some progress, primarily driven by increased activity in Florida, where investments rose by 15 percent.

On April 2, 2024, Duke Energy Florida (DEF) filed a request with the Florida Public Service Commission (FPSC) to expand its EV programs alongside a broader rate base increase. The proposal included continuing the Off-Peak Credit Program, launching a Make Ready Credit (MRC) Program, and introducing a Fleet Advisory Program. The Off-Peak Credit Program, which offers incentives for residential EV charging during off-peak hours, aimed to remove program participation caps to accommodate an additional forecasted enrollment of 33,500 EVs into the program by 2028. The new MRC Program, replacing the Commercial & Industrial Rebate (C&I Rebate) Program, provides infrastructure credits ranging from $744 (residential Level 2) to $26,161 (transit DCFC), with total investments projected at $34.5 million over three years. The Fleet Advisory Program offers technical support to help fleets transition to EVs, with a $3.3 million budget through 2027. On November 12, 2024, the FPSC approved the proposal with modifications, reducing the Off-Peak Credit to $7.50 per month and requiring annual reporting, while maintaining spending caps for the MRC and Fleet programs. The Commission found the programs aligned with state energy policy and beneficial to ratepayers.

In 2020, the North Carolina Utilities Commission authorized Duke Energy to launch an electric transportation pilot that included several initiatives, one of which focuses on deploying electric school buses to assess the potential for vehicle-to-grid (V2G) capabilities. In February 2025, Duke Energy requested a 12-month extension, extending the pilot through June 2026, to accommodate supply chain delays and slowly develop V2G technology. This extension was approved by the Commission in March 2025. As of May 2025, there are currently 26 electric school buses enrolled in the pilot [35].

As utilities across the Southeast support some transportation electrification efforts, they are also confronting unprecedented load growth from the rise of data centers. Large data centers typically demand constant, high-capacity power, often in the tens or hundreds of megawatts, and historically have been difficult to optimize for grid flexibility [36] [37]. In contrast, EVs offer a more distributed and controllable form of load. When paired with things like smart charging, time of use (TOU) incentives, and bidirectional capabilities like V2G, EVs can enhance grid stability by absorbing excess energy during off-peak hours or feeding energy back into the grid during peak demand [38].

Public Funding for Transportation Electrification

The past year has been marked by two contrasting trends in public funding for transportation electrification. The first being the efforts from the Biden Administration to award significant funds through IIJA and IRA, and the second being the Trump Administration's efforts to freeze and rescind that funding since coming into office in January 2025. In the past 12 months, the region has benefited from an increase of federal funding awarded, meaning funding allocated to recipients but not yet legally committed, by 25 percent, or $336 million. Once funds move from awarded to obligated, when they are formally committed to specific projects through contracts or agreements, they are historically guaranteed for the recipient to spend. However, the Trump Administration has blocked many awarded funds from being obligated and shown a willingness to try to claw back obligated funding [39], causing regional and national uncertainty.

Regional state-level investments have been far more limited. Alabama and Tennessee are the only states in the Southeast to have introduced or awarded new state-led funding during this report period. In January 2025, the Alabama Department of Economic and Community Affairs awarded six grants totaling $2.26 million in state funds to expand the availability of EV charging stations along the state's roadways. Moreover, in April 2025, the Tennessee Department of Environmental and Conservation made available just over $19 million from the Volkswagen (VW) Settlement program specifically for the purchase of MDHD EVs. EV programs in the region have been highly reliant on federal dollars. For states to realize the benefits of transportation electrification, there is a need for greater state support. To date, all states in the Southeast have benefitted from federal funding support; however, for per capita federal funding, none have surpassed the national average of $48. South Carolina comes the closest at nearly $45, with Tennessee just behind at $44 (Table 4). Southeast states fall behind ever further from the national average in state funding on a per capita basis. State-level funding in the region ranges from just $0.44 (South Carolina) to nearly $7 (Florida) per capita, well below the national average of $29. Nearly all state funding (approximately 98 percent) comes from the VW Settlement, meaning that states are not appropriating other funds to support transportation electrification.

Table 4. Key Indicators for Public Funding for EVs in the Southeast

State	State Funding for Electric Transportation (millions)	State Funding for Electric Transportation per Capita	Federal Funding for Electric Transportation (millions)	Federal Funding for Electric Transportation per Capita
Alabama	$10.4	$2.06	$171.8	$36.06
Florida	$147.4	$6.72	$631.3	$28.79
Georgia	$8.9	$0.82	$434.0	$40.92
North Carolina	$50.2	$4.74	$418.9	$39.58
South Carolina	$2.3	$0.44	$232.2	$44.55
Tennessee	$29.9	$4.27	$307.6	$44.04
U.S. Total	**$9,752.7**	**$29.34**	**$15,947.0**	**$47.98**

This table depicts public funding allocated, awarded or made available to states in the Southeast. In this summary, state funding includes VW Settlement funds dispersed by the state. Federal funding excludes loans or tax credits. Data is through June 30, 2025.

Source: Atlas EV Hub [2] for the Southern Alliance on Clean Energy

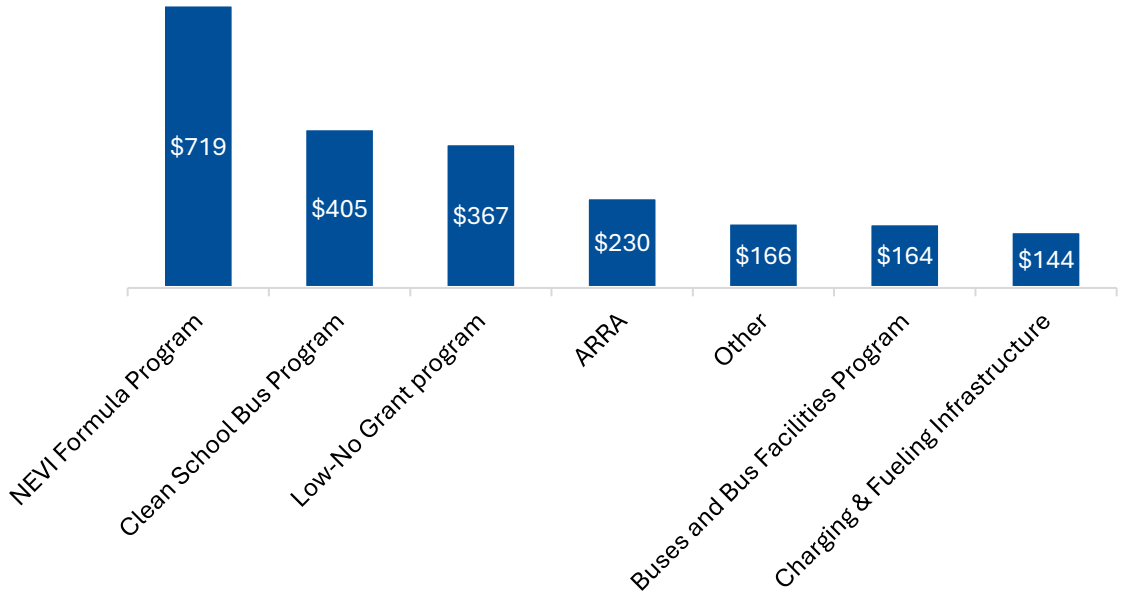
As of the end of June 2025, a total of $2.2 billion has been made available or awarded to Southeast states through federal grant programs supporting transportation electrification, an 18 percent increase compared to the same period in 2024. This funding was awarded prior to the Trump Administration starting in January 2025. Most of this funding has gone toward electric transit buses and EV charging infrastructure on highway corridors.

States Progress Federal EV Grants

Over the past 12 months, Southeast states were awarded $151.4 million for electric transit buses through the Buses and Bus Facilities and Low- and No-Emission (Low-No) programs, $149.7 million for EV charging infrastructure through the NEVI and the Charging and Fueling Infrastructure (CFI) programs, and an additional $34.6 million for electric heavy-duty vehicles through the Clean Heavy-Duty Vehicle Grant Program. Despite funding uncertainty

resulting from federal policy decisions, recipients in the region have made progress in obligating and outlaying funds for transportation electrification projects (Figure 10).

Figure 10. Federal Transportation Electrification Awarded by Program in the Southeast ($ millions)



This figure depicts electric-only federal funding allocated, awarded, or made available. Category for 'Other' includes Airport Zero Emission Vehicle and Infrastructure Pilot Program Grants, Clean Heavy-Duty Vehicles Grant Program, Congestion Mitigation and Air Quality Improvement (CMAQ), Diesel Emissions Reduction Act (DERA), RAISE/BUILD/TIGER (Rebuilding American Infrastructure with Sustainability and Equity formerly known as Better Utilizing Investments to Leverage Development and Transportation Investment Generating Economic Recovery), Small Business Innovation Research (SBIR), and Vehicle Technologies Office (VTO) funding. The American Recovery and Reinvestment Act (ARRA) includes multiple funding programs. This chart does not include loans or tax credits. Data is through June 30, 2025.

Source: Atlas EV Hub [2] for the Southern Alliance on Clean Energy

National Electric Vehicle Infrastructure (NEVI) Program

States in the Southeast have made considerable progress in implementing NEVI since the program's inception, though they have also faced notable roadblocks over the past year. The Trump Administration froze NEVI funding in January 2025, and the resulting uncertainty delayed rollout as states paused implementation. The NEVI program sets clear requirements for funded sites, including the ability to charge at least four vehicles

simultaneously with 150 kW DC fast chargers. To address reliability concerns, NEVI also mandates that stations are operational 97 percent of the time. Projects that meet these standards are eligible for up to 80 percent reimbursement of qualified costs through the program. In August 2025, the Federal Highway Administration (FHWA) released updated NEVI guidance that, among other changes, removed the requirement for stations to be spaced no more than 50 miles apart [40].

In the past 12 months, only Alabama and North Carolina have awarded NEVI funds to EV charging developers. In July 2024, Alabama conditionally awarded 14 grants totaling $11.2 million for charging stations along the state's highway corridors, part of the approximately $79 million the state is set to receive through NEVI over several years. Although Alabama launched its Round 2 grant application in December 2024, the program was later paused following the “Unleashing American Energy” Executive Order, which directed a reassessment of federal clean energy spending. Alabama’s NEVI program remains paused as of August 2025. Meanwhile, in September 2024, North Carolina awarded $5.9 million in NEVI funding to six companies to install and operate EV charging stations at nine locations along interstates and major highways. These sites mark the first steps toward building out the state’s network of roughly 50 locations required to complete its NEVI-designated alternative fuel corridors. Prior to Trump’s Executive Order, four of the six Southeast states had taken steps to make NEVI funding available. Alabama and North Carolina continued with contracted projects and awarded funds, while Georgia, South Carolina, and Tennessee chose to halt NEVI implementation until new federal guidance was released. No further progress has been recorded in the past 12 months.

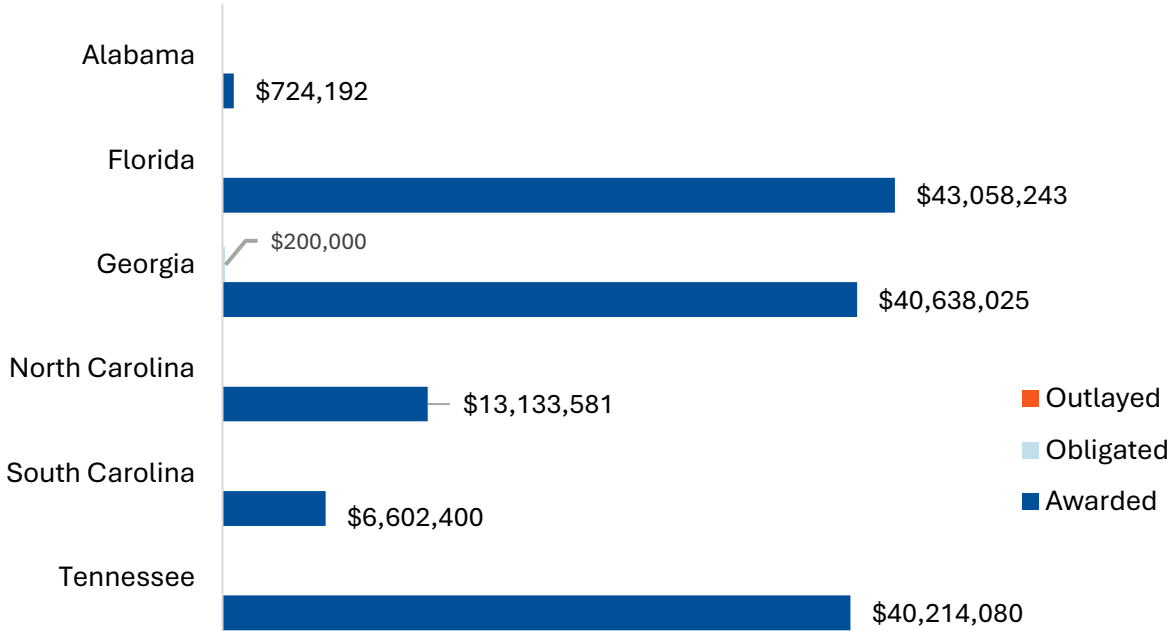
Charging and Fueling Infrastructure (CFI) Program

NEVI’s sister program, CFI, is also funding EV charging projects in the Southeast. In total, CFI makes available $2.5 billion over five years. Priority is given to areas where charging deserts exist, such as in rural areas, low- and moderate-income communities, and communities with low rates of private parking. Unlike NEVI, the CFI program considers other low-emission fuel types, such as hydrogen, propane, and compressed natural gas. Significant CFI funding has been awarded in the Southeast; however, with little obligated to date, the funding remains at risk of not being utilized.

In August 2024, the Biden Administration announced $521 million in awarded funding for Round 1b CFI funding to 47 projects across 22 states (with priority given to unselected applicants for Round 1a) [41]. In January 2025, the Biden Administration awarded a further $635 million in Round 2 funds were awarded [42]. Southeast states featured prominently among recipients with more than $132 million supporting projects in the region (that is, more than 11 percent of funding from Rounds 1b and 2). For both rounds, Florida received

the most funding, totaling $43 million, followed by Tennessee with nearly $40 million. Figure 11 shows the breakdown of awarded, obligated, and outlayed CFI funds in the Southeast, highlighting that very little has been obligated, leaving much of this funding at risk. To date, none of the funding awarded through CFI has been spent (outlayed). Georgia is the only state in the Southeast with an obligation.

Figure 11. Cumulative Funding from the Charging and Fueling Infrastructure Program in the Southeast



This chart depicts the funding awarded, obligated, and outlayed from the Charging and Fueling Infrastructure Program in the Southeast, including Rounds 1a, 1b, and 2. Funding awarded refers to funds non-contractually granted to a project or recipient. Funding obligated refers to funds contractually committed to be spent but not yet paid. Funding outlayed refers to funds spent or disbursed. Georgia is the only state with obligated funding, albeit a very small amount. No state has outlayed any funds.

Source: Atlas EV Hub [2] and Climate Program Portal [43] for the Southern Alliance on Clean Energy

Electric Transit and School Buses

Funding from the IIJA and IRA has played a significant role in accelerating the adoption of MDHD electric vehicles across the Southeast, particularly for electric transit bus and school bus fleets. Building on this momentum, in August 2024 the U.S. Department of Transportation (DOT) awarded nearly $151.4 million to Southeast states for electric transit and school buses through its Buses and Bus Facilities and Low-No programs. An additional

$30 million was awarded for hybrid-electric buses. These awards were part of a broader $1.5 billion funding award supporting cleaner public transportation nationwide. In this funding round, Florida received the largest share in the region, with over $85 million awarded to support the purchase of electric buses including $27 million to the Pinellas Suncoast Transit Authority to acquire new electric buses, install charging infrastructure, and launch a workforce development program.

Amid broader Trump Administration funding freezes and rescissions affecting several clean transportation programs in 2025, the Federal Transit Administration (FTA) has kept these key transit funding streams active. On May 14, 2025, the FTA issued a Notice of Funding Opportunity (NOFO) for the Low-No Grant Program and the Buses and Bus Facilities Program, together offering nearly $1.5 billion in competitive grant funding. Of this, approximately $1.1 billion in funding was authorized under the Low-No program and $398 million for the Buses and Bus Facilities Program. The application closed on July 14th, 2025. In July 2025, the U.S. DOT announced a change in policy for the Low-No program, allowing FTA grant recipients to change their project proposals from "no emissions" to "low emissions" technology. Consistent with this shift, the 2025 NOFO also gives selection priority to low-emission projects over zero-emission ones [44].

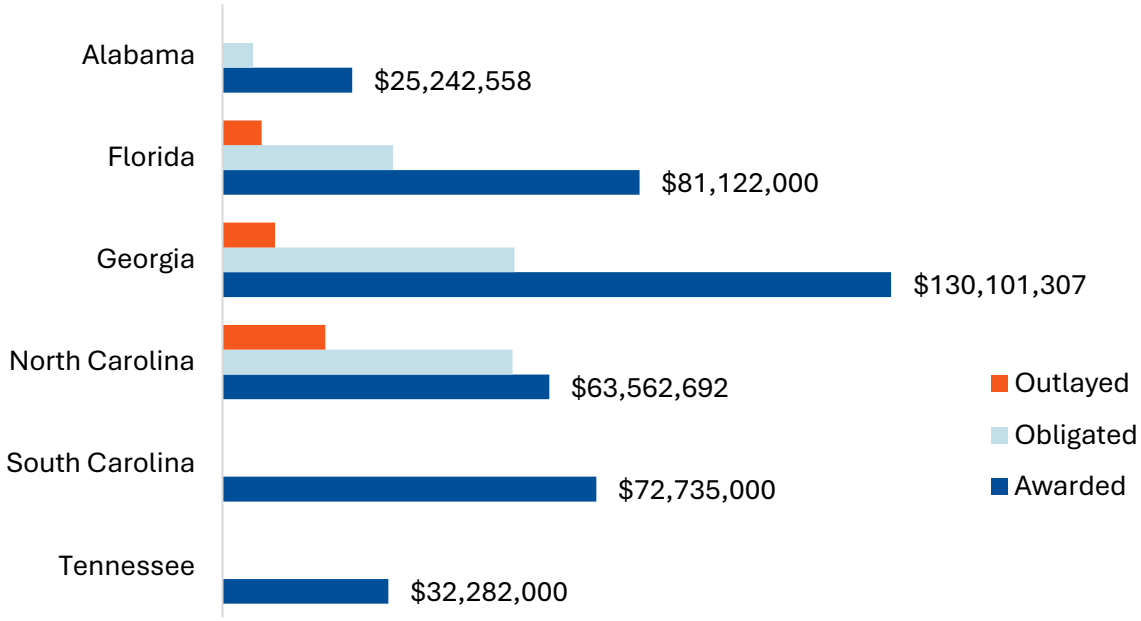
In December 2024, the EPA announced the selection of 70 projects to receive $735 million through the IRA's Clean Heavy-Duty Vehicles (CHDV) Grant Program. These awards will support the deployment of more than 2,400 new Class 6 and 7 zero-emission school buses and vocational vehicles[7], along with associated charging infrastructure and workforce development activities, across 27 states. Southeast states were awarded $35 million in this funding round. Of this funding for the region, $33 million has been obligated. Notably, the North Carolina Department of Public Instruction was awarded nearly $9 million to replace 31 diesel school buses with zero-emission electric models. Duval County Public Schools in Florida received nearly $8 million for 25 electric school buses, while Birmingham City Schools in Alabama were awarded close to $6 million to procure 20 electric school buses and install fast-charging equipment.

Funds awarded via the EPA's Clean School Bus Program have begun to be spent on vehicle deployments. To date, the EPA has awarded nearly $3 billion through the Clean School Bus Program, including both rebates and grants, to facilitate the replacement of more than 8,500 school buses, about 95 percent of which are zero-emission or battery-electric. Specifically in the Southeast, nearly $405 million has been awarded to replace old diesel school buses with electric models, of which $152 million has been obligated. In North

[7] Vocational vehicles are specialized commercial vehicles designed for a specific work or industry purpose, such as utility trucks, fire trucks, and refuse trucks.

Carolina, for instance, Highland Electric was obligated $30.7 million for the purchase of 97 electric school buses on behalf of their school district customers, and starting in August 2024, the recipient has spent nearly half of these funds. Similarly, the Richmond County Board of Education in Georgia was awarded nearly $10 million to replace existing school buses with zero-emission buses, and within the last year, the agency has spent all its obligated funds. Figure 12 shows the breakdown of awarded, obligated, and outlayed Clean School Bus Program funds in the Southeast.

Figure 12. Status of Funding from the EPA's Clean School Bus Program in the Southeast



This chart depicts the funding awarded, obligated, and outlayed for the Clean School Bus Program in the Southeast, including rebates and grants for all rounds through June 30th, 2025. Funding awarded data only considers electric school bus funding and no other fuel types. Funding awarded refers to funds non-contractually granted to a project or recipient. Funding obligated refers to funds contractually committed but not yet necessarily paid. Funding outlayed refers to funds disbursed by the administering federal agency. Numbers in this visual are not additive.

Source: Atlas EV Hub [2] and Climate Program Portal [43] for the Southern Alliance on Clean Energy

Expiring Federal EV Tax Credits Benefit the Region

The IRA offered a range of tax credits that support the domestic production, purchase, and deployment of electrified transportation options and charging infrastructure. These incentives provide financial benefits to individual consumers, manufacturers, fleet operators, and public entities. Before the official phaseout of certain provisions because of the OBBB, companies and organizations are taking advantage of these clean energy tax incentives to accelerate EV adoption and investment. Table 5 illustrates the differences in the phaseout dates for EV-related tax credits between IRA and OBBB.

Table 5. Overview of EV-Related Tax Credits under OBBB

Tax Credit	IRA Termination Date	OBBB Termination Date	Summary of Changes (timing refers to bill passage)
New Clean Vehicle (30D)	12/31/2032	9/30/2025	Phased out in ~3 months
Used Clean Vehicle (25E)	12/31/2032	9/30/2025	Phased out in ~3 months
Commercial Clean Vehicle (45W)	12/31/2032	9/30/2025	Phased out in ~3 months
Alternative Fuel Vehicle Refueling Property (30C)	12/31/2032	6/30/2026	Phased out in ~12 months
Advanced Manufacturing Production (45X)	Minerals: None All Other: 12/31/2029	Minerals: 12/31/2030 Wind: 12/31/2027 All Other: No Change	Phased out for wind ~2 years sooner, adds phase-out for critical minerals. Products made after 2025 also have new foreign entity restrictions.

This table depicts the changes in EV-related tax credits under OBBB.

Source: Atlas EV Hub Biweekly Digest [45]

Local Governments Accessing Tax Credits Via Direct Pay

The IRA's Direct Pay provision, also known as elective pay, allows eligible tax-exempt entities such as local governments, school districts, Tribal nations and nonprofits to qualify for federal clean energy tax credits in the form of a rebate from the Internal Revenue Service (IRS). Direct Pay makes clean energy incentives accessible to organizations that normally would not be able to benefit. Eligible Direct Pay projects include EV purchases and EV charging deployment, as well as other projects supporting renewable energy generation such as solar and wind, and battery storage systems.

Examples of local jurisdictions in the Southeast seeking tax credits through Direct Pay include [46]:

- **Miami-Dade County, Florida**: Miami-Dade County was eligible for 30C and 45W to purchase light, medium, and heavy-duty fleet EVs and their charging infrastructure to support countywide operations.
- **City of Chattanooga, Tennessee**: The city of Chattanooga was eligible for 30C to install EV charging infrastructure on city property.
- **City of Winston-Salem, North Carolina**: The city of Winston-Salem purchased five EVs and charging infrastructure via 45W and 30C as part of the city council's energy goals.
- **City of Atlanta, Georgia**: Atlanta was able to purchase 10 EVs and install charging infrastructure to support its municipal fleet.

In most instances, these tax credits will no longer be available because of the passage of the OBBB. While active, however, the credits via Direct Pay had a significant impact on local governments, enabling traditionally ineligible municipalities to offset costs for purchasing EVs and installing charging infrastructure.

State-Level EV Policy and Programs

Over the past 12 months, state-level policy action on transportation electrification in the Southeast has been limited, with few supportive measures introduced or enacted. Yet, with cuts to federal funding and less supportive federal policies, states will have to assume an increasingly critical role in shaping the future of EV adoption and charging infrastructure. Legislative decisions at the state level will be central to setting favorable market conditions, addressing barriers, and ensuring that policies and investments align with long-term transportation electrification, and more broadly climate goals.

Legislative Actions

Over the past year, only one state in the Southeast has enacted legislation that directly shapes the EV and charging infrastructure landscape. In South Carolina, Senate Bill 275, which was signed into law in May 2025, established clear definitions for EVs, charging providers, and direct current faster chargers (DCFC), while requiring that public charging services be offered on a "fair, reasonable, and nondiscriminatory basis" to ensure transparent, consistent pricing and prevent larger EV charging providers from undercutting smaller competitors [47]. The law also restricts the use of utility revenues from other services to subsidize charging infrastructure, a move intended to level the playing field for private investment and encourage broader market participation.

EV and EV Charging Taxes

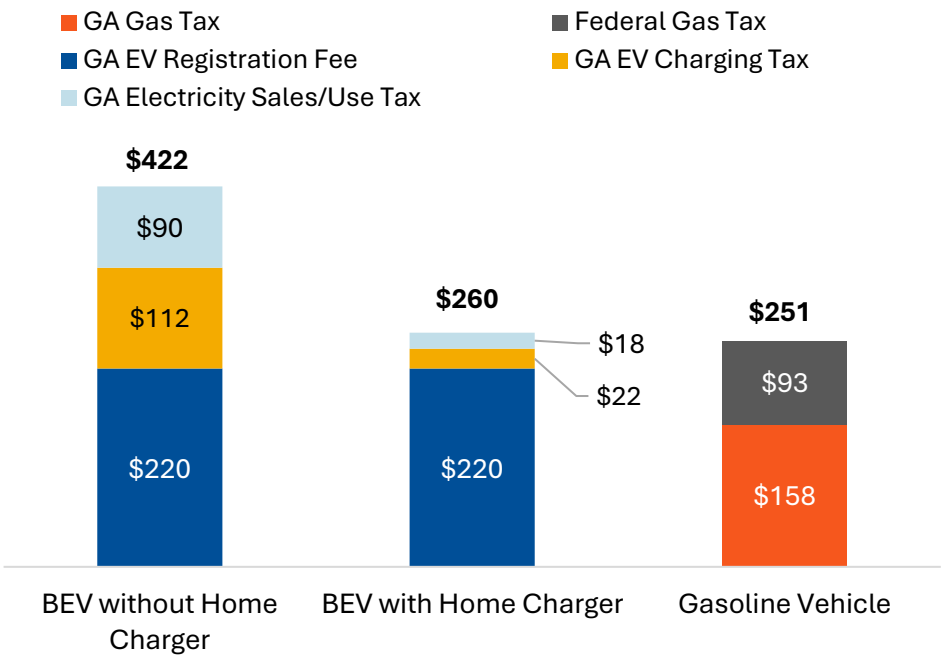
As internal combustion vehicles become more efficient, gas taxes that fund the transportation system remain flat, and highway construction costs continue to rise, there are growing budget shortfalls for road funding. As a result, states are levying additional taxes on EVs to increase revenue for highways and roads, a practice that does not solve the budget gap while disproportionately penalizing EVs and their contribution to state highway spending. Each state in the Southeast currently implements at least two EV-specific taxes, in addition to existing fees and taxes drivers are responsible for paying into. These taxes include charging taxes, EV registration taxes (commonly referred to as registration fees), and utility and sales taxes on electricity. This means that the average EV driver could face hundreds of dollars in taxes annually, posing an additional burden for low- and moderate-income people looking to purchase an EV. As EV-specific taxes stack up, they can penalize the average EV driver.

Analysis conducted by Atlas finds that the average EV penalty in the region costs drivers up to $117 in any given year, depending on their driving and charging habits. The average EV driver in all but one state in the Southeast, Florida, faces costs higher than their gasoline counterparts. Florida is the only state in the region that has yet to implement an annual EV registration fee, which tends to contribute the most to the cost inequity between EV and gasoline vehicle drivers.

Georgia levies the most taxes on EV drivers, three in total. In addition to EV registration fees and electricity use and sales taxes for charging, Georgia also passed legislation to tax users of all non-residential charging stations in the state at a rate of about 2.8 cents per kWh. This tax is set to start in January 2027, after being delayed for a second time in Georgia's 2025 legislative session [48]. Results from the analysis performed by Atlas found that the tax is

estimated to cost battery EV (BEV) drivers in the state anywhere from $22 to $122 a year, depending on their access to at-home charging (Figure 13). This falls particularly hard on drivers who live in multifamily housing or lack off-street parking, since without access to home charging they must rely on public charging, which is already more expensive and now faces additional taxes. Further, if a federal EV registration fee were enacted, as proposed in Congress during the negotiations for the OBBB, these costs would become even more burdensome. Though it was not included in the OBBB, Republican lawmakers have raised it since, and such a fee would add to the disproportionate fees faced by EV drivers [49].

Figure 13. Georgia EV Drivers Face Higher User Fee Costs than Gas Vehicle Drivers



Assumes vehicles travel 12,000 miles per year, BEVs consume 4,000 kWh of electricity per year, gasoline vehicles have a fuel efficiency of 23.7 mpg, and BEVs have an energy efficiency of 3 kWh per mile. PHEVs are not considered in these estimates.

Source: Atlas Public Policy

Workforce Development Progress

As EVs gain more traction, the need for a skilled and scalable EV workforce becomes increasingly critical. States in the Southeast are actively making programmatic efforts, through training initiatives, partnerships with community colleges, and workforce development grants, to cultivate the skilled talent needed for this growing industry. In last

year's report, Atlas noted several workforce development efforts underway across the region. In addition to those, Alabama has continued contributing to developing a robust EV workforce. The Alabama Industrial Development Training (AIDT) program is spearheading efforts to equip workers with the necessary skills for the state's growing EV sector. A notable development is the construction of a $30 million EV Technology Center at the Alabama Robotics Technology Park in Decatur, announced in the fall of 2024 with operations expected to begin in early 2026 [50].

Conclusion

In recent years, the electric transportation market in the United States has grown rapidly, with the Southeast emerging as a major hub for EV and battery manufacturing. Automakers and battery supply chain companies have announced billions in investments and committed to tens of thousands of manufacturing jobs in the region. Despite some scaling back due to policy and funding changes under the Trump Administration, a substantial portion of these investments remain on track. Meanwhile, new passenger EV sales in the Southeast continue to rise, with the region surpassing an eight percent EV market share, highlighting growing consumer demand for EV options. At the same time, federal funding programs critical for deploying EVs and charging infrastructure in the Southeast, and across most of the country, remain largely unobligated, putting millions of dollars at risk if not contractually committed.

States in the Southeast have a lot of economic development and job growth riding on global competitiveness, and hence, should be considering ways state governments can support the market as well. Still, the EV market's future is largely up to the automakers to produce the desirable and affordable EVs consumers and fleet operators seek, charging infrastructure companies to expand charging access and reliability, and electric utilities to enable an efficient and cost-effective transition to electric mobility. Private sector and utility investment and implementation becomes even more urgent as EV adoption accelerates worldwide, the federal policy and regulatory landscape shifts, and the United States seeks to remain competitive in the global EV and battery market.

The rolling back and delaying of federal support for consumers and the EV industry undoubtedly jeopardizes near term progress toward electrification goals but it also risks undermining promising economic growth in the region and the opportunity to lead in a global industry. The coming year will show whether consumers, the private sector, utilities, and state governments can build on the market momentum created by federal policy, even as federal support subsides.

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