

ENERGY LEADERSHIP IN A TIME OF NEED: A BLUEPRINT FOR STATES

The passage of the One Big Beautiful Bill Act (OBBBA) has shocked the U.S. economy, which was experiencing record investments in new affordable energy projects, improving home and business access to efficient products, and supercharging domestic clean manufacturing. Energy Innovation projects the energy provisions in the OBBBA will cost American households and businesses \$170 billion in higher energy bills, shrink U.S. GDP by \$1.1 trillion, and cost 790,000 jobs by 2035.

This Blueprint for States provides a starting place for state policymakers to develop rapid responsive strategies lead where the Federal government has failed. Our Blueprint shows how, regardless of budgetary flexibility, states can take immediate action to continue attracting private-sector investments, deploying lower-cost clean energy, protecting U.S. households from rising costs, and restoring economic opportunities for their constituents.

NO-REGRETS ACTION 3: SUSTAIN MOMENTUM FOR ELECTRIC TRANSPORTATION

Electric vehicles save drivers money at the pump and offer lower operation and maintenance costs over the vehicles' lifetime. Today, consumers have access to more EV models (new and used) than ever before, as falling battery prices and growing market competition spur price declines—the global average battery pack price in 2024 fell more than 25 percent compared with 2023 levels. By 2030 heavy-duty electric vehicles are poised to outcompete diesel and hydrogen, offering lower costs across all types of trucks, including long-haul semis. This all puts downward pressure on prices economy-wide and delivers clean air benefits for communities long burdened by diesel exhaust.



Federal incentives for EVs and charging will terminate abruptly at the end of September 2025, but states can help promote broad access to EVs with policies that simultaneously get more vehicles on the road, ramp up EV charging, and ensure EVs are poised to support the electric grid with flexible charging.

Policies should be designed with an eye to overcoming the primary barriers to EV adoption, which are: high upfront cost of EVs for most models; insufficient and inequitable access to reliable and convenient charging stations, especially for rural communities, multifamily housing, and renters; and slow or expensive interconnection to install new charging.

For now, legal uncertainty prevails following Congress’s repeal of Advanced Clean Cars 2 and Advanced Clean Trucks. Given the unprecedented and uncertain legality of the repeal—and the fact that such policies are explicitly authorized under the Clean Air Act—they may yet return on firmer legal footing. In the meantime, they are not included in the policy toolkit.

| Policy Action | Policymaker | Impacts State Budget? |
|--|---|-----------------------|
| Offer financial incentives (such as point-of-sale rebates, tax credits, trade-in programs, or grants) for vehicles and charging to reduce upfront purchase costs. | Governor, legislature, transportation agency | Yes |
| Implement tech-neutral clean/low carbon fuel standards that explicitly allow and encourage EVs for compliance. These flexible policies support continuous technology improvements to reduce costs, while also supplementing incentives to accelerate vehicle adoption and charging infrastructure development. | Governor, legislature, transportation agency | No |
| Establish a State Charging Infrastructure Coordinator that has authority to regulate the quality, accessibility, and interoperability of public charging infrastructure and work with other states to develop interstate charging corridors. | Governor, legislature, transportation or relevant state agency | Yes |
| Invest public funds in EV charging stations, particularly along highways, in public places, and in communities with high concentrations of multi-unit dwellings or at significant risk of being underserved, such as rural communities. | Governor, legislature, transportation agency, local governments | Yes |
| Adopt building codes and standards that require all new buildings to be EV-ready; consider phase-in requirements to make existing buildings EV-ready. | Governor, legislature, energy office, local governments | No |

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|--|--|-----------------------|
| Adopt lead-by-example government fleet electrification requirements (and supporting infrastructure) to support the electrification of public and commercial fleets. | Governor, legislature, state transportation agency, local governments, general services agency | No |
| Streamline permitting for EV charging station construction; identify opportunities to align local permitting processes with utility interconnection processes. | Governor, legislature, transportation agencies, utility regulators, local governments | No |
| Direct utilities to: <ul style="list-style-type: none"> offer rates that incentivize off-peak charging; encourage enrollment in managed charging programs to reduce EV grid impacts and ratepayer costs; adopt guidance for vehicle-to-grid/building capabilities; combine utility grid planning and demand forecasting efforts with transportation plans. | Governor, legislature, utility regulators, utilities, state transportation agency, municipal transit authorities | No |

Additional resources:

- [State Agency Transportation Electrification Guides](#) (Electrification Coalition)
- [Public Electric Vehicle Charging Infrastructure Playbook](#) (Joint Office of Energy and Transportation)
- [Energy Innovation's EV Fill Up Tool comparing the cost to drive an EV versus an internal combustion engine vehicle in all states](#) (Energy Innovation)
- [2035 2.0 – Plummeting Costs and Dramatic Improvements in Batteries can Accelerate our Clean Transportation Future](#) (University of California Berkeley Goldman School of Public Policy, Energy Innovation, and GridLab)
- [The State of Electric Vehicle Charging for Multifamily Housing](#) (Energy Innovation)
- [Delivering Affordability: The Emerging Cost Advantages of Battery Electric Heavy-Duty Trucks and U.S. Policy Strategies to Unlock Their Full Potential](#) (Energy Innovation and the ICCT)

Example policies:

- [Electric Vehicles: Policy Options](#) (National Caucus of Environmental Legislators)
- [State Climate Policy Dashboard – State Transportation Policies](#) (Climate X Change)
- [ACEEE State and Local Policy Database for Fleet Electrification](#) (American Council for an Energy Efficient Economy)
- [Oregon's Clean Vehicle Rebate Program](#) (Oregon Department of Environmental Quality)

Energy Innovation has policy experts to help state policymakers go deeper into which policies can best accomplish their state goals. Contact us: transportation@energyinnovation.org