

## Locations, Permits And Power Are Key In EV Charger Projects

By **Levi McAllister** (February 19, 2026, 5:01 PM EST)

In the last 10 years, annual electric vehicle sales in the U.S. have increased by nearly 1,100%. While approximately 115,000 new EVs were sold in U.S. markets in 2015, calendar year 2025 sales were substantially larger — nearly 1.3 million new EVs.

Despite strong sales numbers, the state of the EV industry in the U.S. at the conclusion of 2025 could best be described as one of confusion. As sales numbers increased year over year, changes in various federal policy initiatives signaled potential trouble ahead for the EV market.

During 2025 alone, policymakers and executive decision-makers eliminated the Inflation Reduction Act's \$7,500 tax credit for new EV purchases; proposed revisions to the Corporate Average Fuel Economy standards that would reduce target average fuel economy by 16 miles per gallon by 2031; worked to rescind California's Clean Air Act waivers; and suspended federal funding for public charging stations made available through the National Electric Vehicle Infrastructure program.

These decisions affected the market: Sales of new EVs in the U.S. in the fourth quarter of 2025 were lower than previous quarters. 2025 concluded with a shifting tide in public perception about the state of the U.S. EV market, as some media narratives forecast a crash of the industry.

Such forecasts may be premature. Data and policy actions point to an industry that is still growing — albeit at a slower pace than in the prior three years.

In addition, the U.S. Department of Transportation has proposed new guidance to implement funding distributions under the National Electric Vehicle Infrastructure program that would reopen federal funding opportunities for entities to develop and monetize public charging.

At the same time, the Federal Highway Administration has just proposed modifying its existing Buy America waiver for EV charging projects to require 100% domestic content, an increase from the current 55% threshold. This raises concerns that charging developers may face significant procurement and compliance hurdles in accessing federal funds if supply chains cannot meet the new standard.

Given these developments, the adequacy of public charging infrastructure is likely to remain a key issue that directly affects the growth trajectory of the EV industry. Simply put, adequate and commercially successful public charging infrastructure can alleviate consumer range anxiety while inadequate infrastructure can aggravate it.



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This is vital, because 2026 study results already show that 47% of U.S. consumers identify range anxiety as their main hesitation in purchasing a new EV.[1] A key question thus emerges: What are the primary issues in 2026 that affect successful commercial charging station development and operation in the U.S.?

Whether it be site hosts, charge point operators, electric utilities or consumers, all market participants are directly affected by the extent to which charging station development is commercially successful and widespread in scope.

As the industry rolls forward, this two-part article considers issues that should be paramount for market participants. This first installment discusses host site options and selection, distribution grid infrastructure requirements and costs, and permitting and timeline impacts.

### **Host Site Options and Selection for Installation**

The threshold issue that any developer, charging network financier, charge point operator or site host must consider is where to locate a network of public EV chargers. Locations that are easily accessible and attractive to consumers for reasons other than charging availability are optimal fits for an initial evaluation.

Consider consumer behavior in choosing refueling locations for a vehicle. Ease of access and opportunities to purchase retail goods or meals often drive consumer choice in picking one station over another while refueling. Such is also the case in the context of EV charging.

Unlike refueling, however, EV charging site selection poses additional considerations that must be evaluated after initial location options are identified.

Developers and financiers should consider grid capacity and parking lot space adequacy. Those same entities, as well as financiers and site hosts, should also consider the proximity of competing networks — at adjacent retail properties, for example — that could affect marketability and commercial success of the contemplated network.

All involved entities should consider the availability of any regional initiatives that promote EV charging station development, and the requirements or conditions imposed by those initiatives.

These front-of-mind considerations are essential to ensuring that the right locations are identified before the capital investments are made and the contracts signed. After all, EV stations are only commercially successful if consumers are willing to consistently use them.

### **Distribution Grid Infrastructure Requirements and Costs**

Overall project costs to develop and operate public charging networks are the second key issue that developers, financiers and site hosts should consider in order to pursue commercially successful charging station developments.

Although an optimal site or cluster of sites may be identified, an otherwise commercially successful project could be rendered uneconomic if installation costs are prohibitive. A project could specifically trigger this issue if significant grid infrastructure upgrades are required and required to be borne by the

developer or site host.

While hardware and charging station costs are predictable well in advance of identifying potential sites, grid upgrade costs are not as easily identifiable. In some instances, the costs can be significant.

Potential grid upgrade requirements will turn on the location of a potential station network, the number of chargers and charging ports contemplated at the station, projected demand, availability of managed charging, and existing load on the local distribution network.

Areas where the distribution grid is fully utilized could require significant upgrades, while older or smaller potential sites could require transformer upgrades, new utility connections and trenching regardless of grid utilization.

Of course, not all upgrade costs are borne by the developer and site host. That responsibility is likely to be shared between the local distribution utility and the project developer.

The local distribution utility is likely to assume responsibility for certain costs, such as transformers, substations and wires, which may well be socialized among all ratepayers as part of the utility rate base. The developer and site host should be prepared to assume responsibility for behind-the-meter costs.

Putting aside the generalizations, it is important that project participants understand upfront that potential grid upgrade and interconnection costs are going to be project-dependent and not certain in advance.

Developers and site hosts should consider the potential for a range of grid and interconnection costs and potential range of scenarios related to cost responsibility, while also bearing in mind that some regions may have public funding opportunities to cover certain costs.

For these reasons, close coordination and communication with the local distribution utility at the initial stages of a potential project is essential in order to minimize any cost surprises that could threaten the commercial success of a project.

### **Permitting and Timeline Impact**

All parties to a potential public charging development — developers, financiers, site hosts and charge point operators — should also carefully consider the permitting and zoning implications and requirements of a proposed project.

As a corollary, those parties should also consider the impact that the permitting and zoning issues will have on the project's timeline from development to commercial operation.

As is the case with utility distribution infrastructure coordination, permitting and zoning issues should be considered at the outset of a project — as early as the identification of potential sites.

Like utility infrastructure upgrades, the implications posed by permitting and zoning approvals are highly project-specific, and turn on the requirements of both the state and the local municipality where a project is proposed.

Some projects could secure applicable permits and zoning approvals in as little as a few weeks. Other

projects that involve environmental or zoning complexities could take multiple months.

For its part, the U.S. Department of Energy has encouraged state and local authorities to examine permitting processes and identify barriers for EV charging development. And some jurisdictions, such as California, New York and New Jersey, have issued streamlining requirements and best practices intended to expedite permitting.

However, these states are clearly a minority. Careful consideration must be paid to the applicable requirements and timeline implications in each state and locality in which a project will be sited.

The second installment of this article will discuss the importance of monetizing charging stations, contractual relationships with partners, and the reliability and security of charging stations.

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[1] See Deloitte's 2026 Global Automotive Consumer Study (Jan. 2026), available at <https://www.deloitte.com/us/en/insights/industry/retail-distribution/global-automotive-consumer-study.html#banner>.