

REGIONAL ECONOMIC DEVELOPMENT

The Interconnected Electric Vehicle and Battery Supply Chains in the Southeast United States

June 2025

There needs to be support for all aspects of the battery supply chain to stand up a complex industry in an intensely competitive global market. Far upstream producers (such as mineral extraction and refining) and midstream materials producers (like electrode active material manufacturers) have business models reliant on the existence of large downstream customers like stationary storage and EV battery manufacturers. Without the downstream pull of large consumer industries for batteries in the United States, the largest being electric vehicles, many projects in the mid- and upstream will cancel their plans or move to other markets – shuttering these nascent industries in America.



WHAT PARTICIPANTS SAID

“The **interconnected nature of battery supply chains** means that shocks to downstream consumer businesses will affect businesses all the way from midstream manufacturing through upstream mining and refining. In particular, ending demand support mechanisms can lead to businesses throughout the supply chain losing their downstream customers and potentially cause them to cease operations or move abroad.

Currently, the **45X tax credit** supports building new manufacturing capacity in the United States (supply), while the **30D tax credit** incentivizes companies to source these materials from the United States (demand) in the products they sell. **The industry needs both incentives in tandem.** Without both, the United States will not be able to produce or sell batteries at a cost-competitive level to other producing countries.

POLICY SOLUTIONS

Near Term

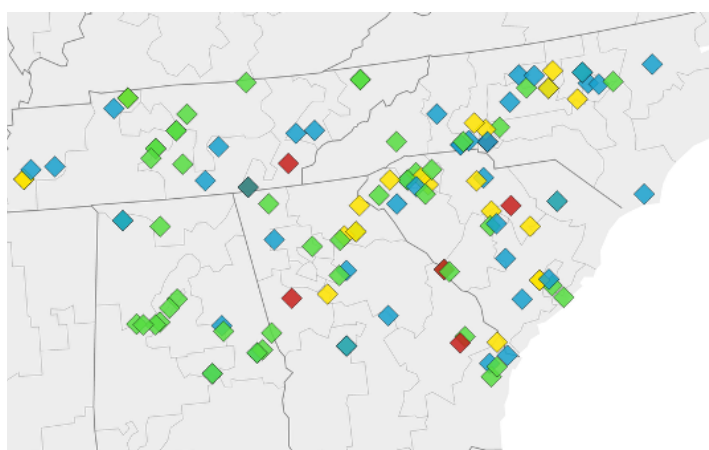
To ensure business confidence in announced investments and the long-term stability necessary to grow American manufacturing in the battery and EV industries, **Congress should maintain clean energy and clean vehicle tax credits, specifically 45X, 30D, and 45W.**

Long Term

Compatible, complimentary, and comprehensive supply- and demand- side support for the battery industry is necessary in the United States.

Learn more about our Regional Clean Economies initiative and our series on *Securing the Critical Battery Materials Supply Chain in the Southeast*: <https://www.c2es.org/critical-battery-materials-supply-chain-southeast/>

THE BATTERY SUPPLY CHAIN IN THE SOUTHEAST



- ◆ Active
- ◆ Pilot/Expanding
- ◆ Canceled
- ◆ Planned
- ◆ Under Construction