



Fleet economics & operations outlook: 2025 recap, 2026 forecast

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Introduction

Fleet operators closed out 2025 having navigated one of the most complex operating environments in recent memory. Fuel price volatility, shifting vehicle availability, changes to emissions policies, and persistent cost pressures all forced fleet leaders to rethink budgets, routes, and long-term strategies. At the same time, new technologies and mixed-energy vehicles created fresh opportunities to improve efficiency and resilience.

We sat down recently for interviews with Fred Rozell, President, and Denton Cinquegrana, Chief Oil Analyst, with Oil Price Information Service (OPIS) and Michael Parr, a senior advisor to NAFA, the Fleet Management Association (NAFA) to discuss the year behind us, and to take stock of the state of the fleet industry from both a fuel pricing and legislative perspective. This report examines the defining trends of 2025, and provides a practical, data-driven outlook for 2026, so fleet leaders can plan with greater confidence in an uncertain market.

In our discussions we learned that while fuel prices were stable in 2025, the volume data on a same-store basis showed that the volume fuel retailers sell is still down 25% when compared to 2019. The biggest pain points from a fleet management perspective were overall economic uncertainty, supply chain disruption, and rising vehicle costs.

Rozell described 2025 as a “relatively mild year in terms of fuel pricing compared to years past.” Cinquegrana agreed, saying, “Prices were remarkably stable despite a lot of intra-day volatility.” OPIS data showed that the difference between the highest day of the year in 2025 and the lowest day of the year was 35 cents. Cinquegrana couldn’t recall

a year where it was so narrow. In 2025, he explained, there were plenty of events that spiked prices but the spikes and price drops were fleeting.

The year was filled with events that could affect the cost of fuel, for instance, yanked-up tariff rates, the U.S. bombing of Iran, the U.S. bombing of ships off the coast of Venezuela and imposed regime change in that country, and Russia’s ongoing war in Ukraine. Strangely, oil price fluctuations did not affect the street cost of fuel in 2025 much at all.

Cinquegrana painted the picture for us: “The perfect example of that stability but also the intra-day volatility was in the last week of June when the U.S. attacked Iran’s nuclear facilities. It was on a Sunday and I knew I needed to be at my desk when the market opened at 6 AM. As expected, the market jumped. Gas was up ten cents, oil was up 3-4 dollars and these ended up being some of the highest numbers for the year. But by the end of the day, the numbers were down significantly lower than they’d been before the attack.”

The market no longer retains high fuel prices for long periods. The spikes don’t have the same kind of staying power that they formerly had. What may be the cause? As we continued our conversation, possible causes were drawn to light.



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Denton Cinquegrana, *Chief Oil Analyst, OPIS*



Stay at home orders dating back to COVID have a shadow impact on fuel prices

During the COVID-19 lockdown, much of the workforce worked from home, and as a result fuel volume went down as did price. Because working from home became the “new normal” for a lot of businesses, demand stayed low, and lower prices barely budged. Remember how we said same-store basis fuel prices are still down 25% when compared to 2019? In that figure alone you can see the lasting effect of the pandemic. But that’s not the whole story. Read on to learn how vehicle efficiency played arguably a larger role in lower fuel prices.

Vehicle efficiency improvements keep fuel prices low

Beyond the workforce staying home there has also been a marked increase in vehicle efficiency in recent years. Original equipment manufacturers (OEMs) were building ICE vehicles to be more fuel efficient. This is due in part to President Biden’s corporate average fuel economy standards, referred to as CAFE standards.

CAFE standards are U.S. federal regulations requiring that an entire fleet of vehicles sold by any given automaker get more fuel-efficient over time. OEMs who fell short needed to either pay hefty fines, or buy credits from a company that over-performs on efficiency. Increased vehicle efficiency contributed to the reduction in fuel demand and the corresponding reduction in fuel prices. According to Rozell, while electric vehicle and hybrid vehicle adoption also played a role in fuel price stagnation, it was not as significant a role as vehicle efficiency played. Additionally, oil supplies in the U.S. remain strong. The U.S. has a robust enough oil capacity to avoid a supply vs. demand impact. The price will remain steady because there is enough supply to meet U.S. fueling demands. Cinquegrana added: “The reason for reduced fuel demand in 2025 can be directly attributed to OEM improvements in vehicle efficiency. When you look at all the factors involved in fuel price including people working from home, increases in hybrid and EV adoption, and improvements in vehicle efficiency, 90% of the impact on the price of fuel is from vehicle efficiency.”

While 2025 saw an increase in vehicle efficiency, the current administration began pulling back on fuel efficiency incentives last year. With the Trump administration dialing back CAFE standards, further vehicle efficiency advancements may shrink in 2026.



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Operations in California as the outlier

California is a legislative outlier when compared to the rest of the United States with some of the most stringent environmental protection laws in the country, making its standards more complicated to uphold for fleet managers. As far back as 1970, California started enacting strong legislation to improve environmental sustainability. An example of this type of legislation is California’s Low Carbon Fuel Standard (LCFS), managed by the California Air Resources Board (**CARB**). This policy is designed to reduce the carbon intensity (CI) of transportation fuels by 30% below 2010 levels by 2030, and 90% by 2045.

This impacts fleets in California because they have to be more strategic and thoughtful about what vehicles they have in their fleet as a result. Cinquegrana described an additional policy, called cap and trade, which keeps corporate fuel standards high. “Cap and trade is a market-based policy that reduces pollution by setting a decreasing, legally binding cap on total greenhouse gas emissions, requiring companies to hold permits for every ton they emit.” Fleets need to be aware of and in compliance with these policies if they are operating in California which is an additional administrative burden on fleet managers.

The oil industry is no stranger to California’s strong sustainability rules. And yet, 2025 saw dramatic changes to the list of major oil companies operating in the state.

California’s Low Carbon Fuel Standard policy is designed to reduce carbon intensity of fuel by:

30% AND **90%**
below 2010 levels by 2030 by 2045



A concern in 2026: Cost and availability of diesel

The week of January 26, 2026 brought extreme cold across large swaths of the United States. Diesel prices increased dramatically as a result, by about 14 cents per barrel. When colder temperatures occur, utilities use more natural gas because long periods of cold require higher levels of energy for providing heat. Sometimes during cold snaps utilities run out of natural gas and switch to diesel as a back-up energy source. Larger facilities like hospitals often use diesel as a back-up to natural gas as well. These out-of-the-ordinary diesel uses cause a bigger diesel demand, which in turn spikes fuel prices.

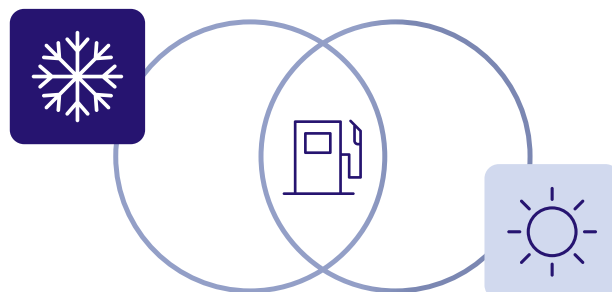
Larger industrial facilities and casinos are often heated with natural gas. Some of these larger operations get a price break for the natural gas to run their facilities which comes with an “interruptible clause” in their contract. They get sweetheart deals on natural gas during times when demand is low with a trade-off that when demand spikes, their gas supply will be shut off. This ensures natural gas suppliers have enough to supply hospitals, schools, and residential customers during extreme weather. During such interruptions in supply, those large industrial facilities customers use diesel in place of natural gas. This is when diesel supply is stretched thin. Cinquegrana shares, “These facilities can sometimes run on 20,000 gallons of diesel an hour. This is where there’s concern about our current state of diesel supply in the U.S.”

Prior to 2022, the U.S. imported a fair amount of diesel from Russia. When Russia invaded Ukraine, the U.S.’s importing relationship with Russia was compromised which impacted diesel supply. The U.S. also imported “unfinished oils” from Russia. Unfinished oils—coal and refinery feed stocks—are distillate-heavy, and are used to produce diesel. Since we don’t get unfinished oils from Russia anymore, procuring the amount of diesel we need here in the U.S. has been difficult.

As Cinquegrana shared, “Beyond losing our diesel and unfinished oils supply from Russia, another impact to diesel supplies in the U.S. was the 2019 closure of the Philadelphia Energy Solutions refinery.” That refinery had been providing about 30% of diesel to the Northeast. They closed after experiencing a fire on site which caused severe damage to the facility. They never reopened. All of these factors together cause concern for Cinquegrana and Rozell about diesel supply in 2026.

Oil price fluctuation: Past, present, and future

Fuel pricing typically follows a predictable pattern, and has done so for 20 of the last 25 years. There are two different types of fuel produced, summer fuel and winter fuel. Winter fuel has a higher Reid Vapor Pressure (RVP) with more volatile components like butane for easier cold starts, while summer fuel has a lower RVP and special additives to reduce smog and evaporation in hot weather, making it slightly less efficient but cleaner. Essentially, winter gas helps engines ignite in the cold, and summer gas prevents pollution in the heat. Summer blends typically cost more due to complex production.



Typically, at the beginning of January there is a decline in crude oil prices as businesses try to offload their winter fuel. Gas stations switch blends automatically as the seasons change.

As part of the predictable pattern, toward the end of Q1 fuel prices start to ramp up. This is because businesses have started the switch to summer fuel and there’s always a fear that there’s not going to be enough supply on hand. This makes fuel prices go up. The prices sometimes peak in April in anticipation of that summer fuel being brought to market. Usually after Memorial Day, you see an ebb tide of that price because at this point oil companies can see that they do have enough supply to get through the year. At this point prices come down. Then toward the middle to end of summer there is higher demand so prices start to shoot up again. This lasts until September 15th when companies switch back to winter fuel and prices again decline. There may be spikes from storm warnings in those fall and winter months, but in Q4 there is traditionally a decline in fuel pricing. As Rozell shared, “Prices typically bottom out in Q4 and then have a steady upward trend until hitting the summer driving season.”

For the last five years, starting in 2020, those traditional patterns were thrown out the window and fuel prices were less predictable. The impact COVID lockdowns had on fuel prices in 2020 has been much discussed (even in this report!). Then two years later, Russia’s invasion of Ukraine threw patterns out of whack once again.

As Cinquegrana describes 2022, “All of the really high gasoline prices happened in the summer that year with retail going above \$5 a gallon. For crude oil there was a spike in mid-March where Brent got to almost \$140 a barrel.” ‘Brent’ refers to Brent Crude, one of the world’s most important benchmarks for pricing crude oil.

During the early days of the war there was concern that Russian sanctions would profoundly affect the oil industry. Russia was producing upwards of 9.5 million barrels a day at the time. The market reacted to that concern by prophesying that 9-9.5 million barrels would be lost every day Russia was in conflict with Ukraine. Russian production dropped, but it didn't completely fall off. Cinquegrana described what happened next, "Then the oil market collapsed, refining margins shot up, and retail prices followed." By the end of 2022, fuel prices were very low, not as low as they were during COVID lockdowns, but the change was significant.

2024 and 2025 were also both anomalies in fuel pricing trends. Cinquegrana said, "The highest oil price in 2024 for WTI and Brent Futures was in the first two weeks of the year, inconsistent with traditional forecasting trends. The same was true in 2025." 'West Texas Intermediate' (WTI) oil is another benchmark used by oil markets, solely focused on U.S. oil production. When fuel pricing trends are not consistent with expectations fleet managers face challenges with budgetary planning.



Forecast: in 2026 fuel prices will revert to traditional patterns

More traditional fuel price patterns have returned in early 2026 according to Rozell and Cinquegrana. "Gasoline and crude oil prices bottomed out in Q4 of 2025 and very early in the new year and have already slowly started to ramp up as we progress through Q1 of 2026," said Cinquegrana. Some early impacts to price came with political unrest in Venezuela and a military build-up in the Middle East surrounding Israel's attacks on Iran in June of 2025. Venezuela typically produces between 8 to 9 hundred thousand barrels of oil a day. Iran produces about four times that amount. The United States' removal of the Venezuelan president, Nicolás Maduro, and bombing of ships in the region, as well as the twelve day war in June 2025 and continuing war in Iran have impacted oil prices in 2026. Despite these factors, Cinquegrana and Rozell believe 2026 will see a return to historical fuel price patterns.

However, with the U.S. attack on Iran, Iran's threatened retaliation was closing the Strait of Hormuz to international trade, which has happened. The Strait of Hormuz is a narrow waterway located between Iran and Oman through which 25% of all the crude oil produced in the world is transported. The Strait's closure impacted crude oil prices, and has thrown 2026 off course for a return to historical fuel fluctuation trends.

As Cinquegrana puts it, "While fuel prices have recently increased because of disruption in Iran, I don't think the market takes that next step higher until you see a disruption in supply. The markets are falling into traditional patterns in 2026, but as soon as there is a supply chain disruption, all bets are off." Inter-country stability makes for stable prices, while the inverse also holds.



What did 2025 look like from a policy standpoint?

In 2025 fleets experienced a challenging policy environment. “The hallmark of 2025 from a policy standpoint was rapid, unexpected change, and uncertainty,” NAFA’s Michael Parr said. The legislative and Administrative policy changes in 2025 came at a rapid-fire pace, many of them abrupt. A number of funding streams relevant to alternative fuels stopped suddenly. The introduction of a variety of tariffs to the marketplace had a dramatic impact on fleets as well. The current U.S. government’s aggressive foreign policy stance also impacted fuel prices which of course impacted fleets.

Another difficulty for fleet companies came via changes in energy policy. The Biden administration had enacted a range of policies to make it easier for state governments and companies to transition to electric vehicles and also sought to transition the broader vehicle market to EVs, and some states took aggressive steps to transition. Most of those energy transition incentives disappeared (the incentives for battery manufacturing were retained) with the passage of the reconciliation bill, often referred to as “**The One Big Beautiful Bill Act (H.R. 1)**”. Another incentive, **National Electric Vehicle Infrastructure (NEVI)** funding, was ended abruptly when Trump took office. As Parr put it, “From there, the Trump administration used its administrative authority to end programs, and withhold and claw back funding, even when that funding was congressionally appropriated and previously allocated.”



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Michael Parr, Senior advisor to NAFA

How did tariffs impact fleets in 2025?

While fuel prices remained relatively stable, tariffs introduced a different kind of volatility for fleets in 2025—one that directly affected capital planning, procurement timelines, and total vehicle costs. Rapid shifts in trade policy, layered tariffs on raw materials and finished goods, and retaliatory actions from key trading partners created ripple effects across the automotive supply chain. For fleet operators already managing tight budgets and long replacement cycles, the unpredictability of input costs—from steel and aluminum to semiconductors and rare earth minerals—made forecasting far more complex. Even when market demand was steady, the cost structure behind vehicles, parts, and infrastructure projects was anything but.



Tariffs impact on capital planning

Constantly fluctuating tariffs made capital planning difficult for fleets in 2025. Tariffs affect the price of goods necessary for operations, and when tariffs are not predictable (and change from one day to the next), companies of all kinds struggle to make big decisions about their physical plants.

Parr described the phenomenon: “For fleets doing facility work or expanding an existing depot, tariffs broadly impacted goods across the economy needed for that kind of construction such as steel and cement. Prices also increased in reaction to the volatility of the marketplace. Tariffs were coming and going in a chaotic way that was difficult to follow and not programmatic.”

Businesses didn’t know what something ordered today for delivery in six months was going to cost when it eventually arrived. There are a number of ways supply chains were impacted by tariffs as well. First there were basic tariffs put into place on raw materials like steel and aluminum. Then additional tariffs were layered on top of that for vehicles and parts. All of these tariffs impacted fleets.



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Tariffs causing retaliatory action in the marketplace

There was also retaliatory action by trading partners like China that impacted the marketplace. As Parr described it, “All of a sudden access to rare earth minerals or access to certain kinds of chips disappeared. There was frantic scrambling in response.” Modern vehicles require a large number of specialized magnets made from rare earth minerals. When China stopped supplying those materials the lead time on a vehicle increased dramatically. This was because OEMs couldn’t get some of the basic supplies they needed to construct a vehicle.

What is the economic forecast for 2026

Unpredictable policy leads to uncertainty about the cost of doing business in the year ahead. According to Parr, “We now know where the policy sits in terms of the EV incentives, for example, but there is still a lack of clarity on things like EV infrastructure grants.” The current administration stopped NEVI funding cold. Less than 5% of NEVI funds were distributed during the Biden administration, so there was a good deal of money yet to be dispersed from that legislation. The Department of Energy (DOE) continued to get NEVI grants out the door at the beginning of the Trump administration, but then funding stopped altogether. A coalition of 17 states and various environmental groups filed a lawsuit aimed at forcing the administration to start distributing NEVI money again, and a federal judge recently ruled that the NEVI funding must be released. But at the same time, appropriations bills recently passed by Congress cut \$900 million from NEVI funding. With all the uncertainty, it’s hard to know as a fleet manager if it makes sense to adopt EVs when you don’t have clarity on how to budget for that adoption.

Market corrections for irrational exuberance are partly to blame for a reduction on EV speed-to-market

One of the rescinded credits that hit fleets hardest was the end of the commercial vehicle EV credit. Vehicle costs are still quite high for EVs when compared to ICE vehicles, particularly for medium and heavy duty vehicles. Parr believes that there was some unfounded market exuberance surrounding the rate of EV transition during the Biden administration, citing former Fed Chair Alan Greenspan’s reference to irrational exuberance during the [dot.com](#) bubble. “EV-related regulations, particularly the CAFE and the federal greenhouse gas tailpipe rules, reflected high exuberance about the EV path. Ford and others were saying we’re going to be all EV by 2035 but statements like this were out of sync with how the market actually developed.” The gap between policy goals and market development in part drove the Trump Administration’s approach to EV policies.

Parr cites California as an example of this irrational exuberance in full color: “With the advanced clean fleet rule, the gap between the expectations laid out by the rule and what the market was actually capable of delivering was increasingly untenable. Their rules were almost impossible for fleets to comply with because of the slow growth in EV availability, particularly medium and heavy duty.”

Some of the dialing back of EV-related policies is allowing EV development to operate in a more market-based way, according to Parr. “Now people are starting to buy EVs for fleets where they make total cost of ownership (TCO) sense, and at the same time help with emission reductions goals. It’s been a painful transition, but I do think in some ways we’re now seeing a more sustainable approach to EVs in the fleet industry rather than one where fleet managers are trying to chase subsidies or meet artificially high programmatic goals.”



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A surprising high note for a mixed-energy fleet future

Some lawmakers are quietly moving sustainability transportation policies forward regardless of current administration support. “We are in a very strange period of American politics,” Parr said, “Congress has become increasingly partisan, but there is legislation being made in the background where we continue to see support for EVs and EV infrastructure.” While these actions don’t get a lot of attention, the signal at the state and federal level is that legislators recognize the benefits of EVs, and they recognize that their constituents see the value of converting to mixed-energy fleets. OEMs also continue to be interested in producing EVs. Parr predicts we’ll continue to see quiet beneficial policy development for cleaner transportation in the coming years.

How fleet advisory councils will impact fleets in 2026

One of NAFAs's missions is educating lawmakers on the importance of fleets to public safety and the US economy, as well as continuing professional education for the fleet management community. NAFA employs many methods of education for policy makers, including bringing fleet managers to DC to talk to members of Congress, and organizing visits of elected officials to fleet facilities. These site visits show lawmakers what fleets do and how they operate.

To further institutionalize lawmaker education, NAFA is working with a cross section of fleet stakeholders to legislate fleet advisory councils across the U.S. There are a handful of states actively planning to legislatively enact fleet advisory councils in 2026. These advisory councils are made up of fleet-related stakeholders including fleet managers, utilities representatives, OEMs, and New Old Stock companies (NOSCs). "The idea is that state legislators and regulators could turn to these councils for guidance and insight as they think about transportation and fleet policy."

Parr provided an example of how this would work. One goal in the fleet sector is to drive down emissions. A state fleet advisory council would provide lawmakers with the insight and real world knowledge that would allow them to craft policy that worked for all stakeholders. "One of the things we saw in California was that while they conducted extensive outreach when they developed their fleet electrification regulations they didn't really take fleet manager input into consideration. As a result, rules were developed that didn't work for the very entities for whom they were created." NAFA spent the last several years working with California legislators and regulators to adapt the advanced clean fleet rule to improve compliance pathways. Fleet advisory councils will give policy makers and regulators access to stakeholders with expertise in vehicle production, alternative fuel production, and fleet operations to help policy makers develop practical and effective policies.

Advisory council as lawmaking resource

The **North American Electric Reliability Corporation (NERC)** is a body that tracks the health of the power grid. In January 2026 they released a report showing that by 2030 large sections of the U.S. grid will be unstable. This is due to the rapid rate of rising power demand outstripping the rate of additional generation. There is not enough energy being generated in the U.S. to meet predicted future demand. Artificial intelligence data centers and the digital economy account for most of the projected demand, but the report also identifies large industrial facilities, electrified transportation, cryptomining, and heat pump deployments as drivers as well.

If you're running a mixed-energy fleet and either your power prices surge, or you can't get enough power because power is rationed, your business will be impacted. The advisory council will let your needs be heard as regulators and legislators develop policy.

NAFA is working with legislators on fleet advisory council bills in several states. Their goal is to get three or four of these bills passed in 2026. "Once these advisory councils are running in a few states, the hope is that word will spread and other states will want to adopt the same system. There is also some interest in performing this activity on a federal level," Parr shared.



How are OEMs adapting to the change in administration?

OEMs have reduced their investment in vehicle electrification because of the slowdown in EV sales and changes to policy. "With direction from the administration, OEMs have pulled back on EV investments and pivoted to making big pickups and SUVs because that's where the biggest margins are. They are also emphasizing hybrids over pure EVs, even as they continue to invest in pure play EV platforms that will allow them to produce EVs at lower cost. While the US EV market has cooled it continues to grow in the rest of the world and U.S. OEMs recognize the need to compete in those markets."

While CAFE standards were clawed back in 2025 and EV incentives ended, the DOE did not defund U.S. battery manufacturing incentives. OEMs are continuing their battery programs, and those federal production incentives for batteries are instrumental in keeping production going. Parr sees that as a positive sign and believes that lawmakers intentionally kept battery incentives active.

2026 may see some movement on data access for fleets from OEMs

With the adoption of Event Data Recorders (EDRs or “black boxes”) and the rise of “connected” car technologies, OEMs saw an opportunity to make more money: they could sell the data these technologies were capturing. Fleet managers have long sought access to the data that their vehicles generate, and with NAFAs help, in 2026 there might be legislative breakthroughs. This data is critical for fleet management, allowing improvements to fleet efficiency and cost effectiveness, vehicle maintenance, and operational safety. “We have been working this issue pretty hard for the last couple of years, and there are now several bipartisan bills working their way through Congress to give fleets and consumers access to the data that their vehicles generate without having to pay OEMs for that data,” Parr shares.



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2026 may see some movement on catalytic converter theft protections

Catalytic converter or “cat” theft has been a rapidly increasing problem for fleets since 2020. The issue is largely driven by soaring precious metal prices: a major component of catalytic converters is platinum. **Reports say** thefts of cats increased by 325% between 2019 and 2020. Then there were huge spikes of over 1,200% by the end of 2022.

“With a battery-powered angle grinder, you can take the cat out of a car in under five minutes, throw it in your trunk and drive away, take it to a scrapyards and get the value. It’s been difficult to nab perpetrators because the cats don’t bear any identifying marks connecting them to a particular vehicle. Fleets report the same vehicle can be hit multiple times.” This kind of theft puts fleet vehicles out of service, sometimes in the middle of a workday, and adds to the budget, replacing an expensive line item unexpectedly. Cats can cost thousands of dollars depending on the make and model of the vehicle.

NAFA has supported legislation that would require cats to bear vehicle identification numbers and placing recordkeeping requirements on scrap dealers, that would make cats more traceable, giving police the ability to associate a cat to a particular vehicle, and therefore be able to charge for the theft. Parr is hopeful there will be significant movement on this legislation in 2026.

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325% Between 2019 and 2020

Followed by huge spikes of over

1200% by the end of 2022



The electric grid will see some attention in 2026

In response to the slow rollout in public EV charging infrastructure and the Trump administration’s policy changes, automotive manufacturers have become more active in deploying charging infrastructure. “One of the things that is quite notable is that OEMs jumped in, looked at what was going on with NEVI and public charging and realized that infrastructure planning wasn’t happening fast enough. They saw that the lack of public charging was a barrier to selling EVs.” A number of OEMs now have major charging infrastructure programs they’re managing and they’re rolling out charging stations across the US. Charging solutions are being developed without government funding, which Parr sees as a positive for fleets. Parr predicts that in 2026 there will be an even more rapid expansion of public charging by private sector companies.

Additionally, OEMs are taking the infrastructure they’ve built for battery production and using it to build **grid-scale batteries**. Ford announced in December they’d be building batteries for data centers and utilities, and Tesla is doing the same at a new factory they’ve built in Texas. On a small scale they can be attached to solar panels, store energy from the sun during the day and use the battery at night for power. Grid-scale batteries can be used to help power the grid as well. On a larger scale, shipping-container-sized batteries can build up energy during the day when the grid’s pricing is low and then can be used at night for power during higher electricity demand and higher prices.

OEMs will continue pivoting to producing hybrids instead of EVs in 2026

In 2026 NAFA is working with lawmakers to adapt vehicle purchasing incentives to include more vehicle types so fleets have more purchasing flexibility. OEMs are increasingly producing hybrids, long-range hybrids, and plug-in hybrids. Some existing federal and state fleet policies focus on the use of zero-emission vehicles and don't provide incentives for hybrids. "These policies risk the perfect being the enemy of the good. If fleets can't cost-effectively source EVs for a particular application, but can get used hybrids which provide a reduction in emissions, we should be encouraging that," says Parr. NAFA is working to modify some of these programs to credit the emissions reductions available from battery-powered hybrid and other lower emitting vehicle technologies.

An example is a fleet alternative fuel vehicle (AFV) purchase requirement established in the Energy Policy Act of 2009. That bill created a program requiring public fleets to steadily increase the percentage of their fleet vehicles that were alternative fuel vehicles. It involves a points system by which fleets demonstrate compliance. Parr explains: "You get a full point for an E85 vehicle, a full point for a battery electric vehicle, etc. As the market has changed, some of those vehicle types are just not available. Nobody's selling E85 anymore. So fleet managers still have this big compliance obligation, but they can't get any points out of E85 vehicles anymore. Hybrids are given only a half a point within this policy for state and university fleets, while federal fleets get a full point. With fleets struggling to comply with these standards given that the market isn't giving them the tools to do so, harmonizing the federal and state/university fleet requirements would give fleets more compliance tools."

Advice to fleets for navigating uncertainty in 2026

Uncertainty is the worst thing to navigate when running a business or a public fleet. For one thing, you've got long-term capital planning to consider. As Parr puts it, "You're making plans for five to 10 years out and when the policy environment is just flip-flopping like a fish in a boat, that's very hard to do." NAFA advises fleet managers to focus on the things that at the moment seem clear and predictable. And with business decisions that are tied to factors which are less predictable, their advice is to set those decisions on the back burner for now. "If you have an electrification program that isn't purely driven by economics, maybe take a pause on that until you better understand how the market's adapting. On the other hand, if you've got an electrification program designed and mapped out to lower your total operating cost, and lower your emissions profile, do it." The advice is to stick to the bread and butter, and to manage the risk of your business decisions. Where there's too much uncertainty to make a decision, stand down and let the administrative and market developments play out a little bit longer.

The second piece of advice from NAFA is for fleet managers to get involved in the policy process. "Develop a relationship with your constituent legislators. Invite them to your facility. Every House member and every Senate member has staff in the state and in your district, as do your local elected officials. Get to know them. Talk to them once a month. Let them know who you are, what you do, and why it's important." Parr also recommends engaging with an association like NAFA that tracks policy so you have access to the latest policy developments and can engage with experts in the process.

NAFA has a government affairs committee with a diverse selection of fleet managers from across the country. This includes both public and private sector fleets. These businesses guide NAFA's advocacy program. In turn, committee members then serve as ambassadors back to the rest of the NAFA membership to both keep them apprised of what NAFA's doing and also to take input to help shape organizational priorities. NAFA also brings its members to Congress to engage with policy-makers and their staff. Improving elected officials' understanding of the critical services fleets provide and how policy affects fleets allows lawmakers and business leaders to develop a shared vision of the future and improve policy development.





Conclusion

In many ways, 2025 proved that stability on the surface can still mask deep underlying structural strife. Fuel prices held within a narrow band, yet demand patterns shifted, vehicle costs rose, supply chains remained fragile, and policy direction changed rapidly. As insights from OPIS economists and NAFA experts make clear, fleets are entering 2026 in an environment defined less by a single dominant trend and more by overlapping forces—geopolitical risk, evolving emissions rules, infrastructure constraints, and continued pressure on capital planning. The year ahead may bring a return to more traditional fuel price patterns, but uncertainty will continue to shape fleet decisions. For operators, the path forward is pragmatic: focus on total cost of ownership, invest where the economics are steady, stay engaged in the policy process, and build flexibility into long-term plans. In a market where conditions can shift quickly, the fleets that combine data-driven planning with operational agility will be best positioned to control costs and stay competitive as 2026 unfolds.



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