

**Parliamentary Commission
on Transportation and the Environment
of the Quebec Government
January 28th, 2015**

Electric Mobility Canada's Memoir

Context

The Quebec government conducted a parliamentary commission on its revised Sustainable Development strategy for 2015-2020. One of its objectives is to support transportation electrification (public transit and individual) and improve energy efficiency to develop the economy and reduce GHG emissions.

On January 28, 2015, EMC made a presentation (see enclosed - in French only), summarizing its position, and answered questions posed by the commissioners. After describing EMC's mission, its members, scope and activities covering all modes of transport, the presentation focused on highlighting the successful measures that can be adopted in Québec in order to accelerate the arrival of EVs in individual transportation.

Background – Québec's EV Leadership

Electric Mobility Canada (EMC) is Canada's national membership-based not-for-profit organization dedicated exclusively to the promotion of electric mobility, including plug-in hybrid (PHEVs) and battery electric vehicles (BEVs) both referred to as EVs.

EMC has been working with leading electric vehicle stakeholders in every province and with all levels of governments for almost 10 years now to accelerate the adoption of EVs. Québec remains, without a doubt, one of Canada's leading jurisdictions for EVs.

The EV policies that Québec has adopted have proven effective in their design to promote the adoption of EVs, leading to the highest provincial sales of EVs for 2013 and 2014.

Summary of EMC's memoir concerning Québec¹

1. There is no secret formula to determine the choice of measures that have the highest impact on the acceleration of the adoption of EVs. It is more a bundle of measures adapted to a jurisdiction's context that need to be implemented, tracked and adjusted over time.
2. The most favorable measures to support the arrival of EVs are:
 - a. To create demand
 - Awareness and road tests
 - Incentives for the purchase of EVs
 - b. To reassure potential EV drivers with respect to range anxiety
 - Incentives for the purchase and installation of home charging
 - Access to public charging (240v and DCFC)
 - Incentives for the purchase and installation of workplace charging
 - c. To support EV drivers with additional low cost incentives
 - HOV lanes, dedicated and free parking, etc...
 - Change in the building code
 - d. To continue working in a collaborative approach with all stakeholders including manufacturers, to increase electrification in Québec by ...
 - boosting promotional activities
 - increasing inventory supply
 - reducing delivery times
3. One issue being emphasized is that some EV buyers face delays when interested in purchasing EVs. The good news is that EV sales are on the rise in Québec and there is a need for more EV inventory. Both auto OEMs and dealerships are paying attention to this process, cognizant that adjustments may need to be made in order to meet the demand of a growing market.

With the positive results experienced to date in Québec, the current approach is having the desired impact of continuing to generate demand. On the other hand, public awareness and education, key to the increased deployment of EVs, is lacking. Within the EV Technology Roadmap updates, we will analyze all the means of communication including OEMs' communication plans.

¹ Approved by the Board of directors of EMC

EMC's position is that EV financial incentives are a priority measure to stimulate demand, as observed in many jurisdictions. EMC has not measured the impact and the relevance of increasing the amount of financial support higher than the one in Québec nor has EMC determined the immediate relevance of a gasoline vehicle purchase tax which can be as high as 100% of the price of the car, as in Norway.

Active monitoring of market evolution

For the moment, EMC does not evaluate that a ZEV mandate is necessary.

The Québec Government always has the option to introduce ZEV type regulations at a future time but for now, EMC believes that Québec has already chartered a course for success with its *Transportation and Electrification Strategy*. This strategy lays out a robust and vibrant plan that has the goal to drive EV adoption rates through policies, incentives, fleet usage (including taxi fleets) and infrastructure that encourage EV sales and use, rather than imposing additional requirements on retailers, consumers and automakers in a specific ZEV mandate. It should be noted that ZEV regulations do not stimulate demand.

One of the best policy actions is the continuation of EV customer incentives that provide dealers with a very positive signal and the confidence required to order more inventory. It is imperative that the financial incentives offered to Québec EV buyers be extended beyond the 10,200th EV. In fact, an announcement of the continued availability of the incentives should be made before the current funding ends to avoid a disruption in the momentum.

EMC is committed to work in collaboration with Québec Government officials and the leading provincial stakeholders to accelerate EV adoption. Never before has there been as broad a range of EVs for consumers to choose from and never before has there been as much collaboration between automakers, government, environmentalists, utilities, and other EV stakeholders. It is for this reason, and the strength of Québec's EV strategy, that we strongly believe that the key to success lies in working to implement the current Québec EV strategies, without the need for a ZEV mandate at this time.

March 9, 2015