

Via email

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The Right Honourable Justin P.J. Trudeau
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Subject: The electrification of transportation - an important solution to issues facing Canada's 43rd Government

Dear Prime Minister,

I am writing on behalf of our membership which includes companies involved in the manufacture, sale and servicing of battery electric vehicles (BEVs) and Plug-In-Hybrid Vehicles (PHEVs) across Canada, as well as suppliers of electric vehicle charging equipment, electric utilities and research organizations. Please accept our sincere congratulations on your re-election and our offer to continue assisting you, your Ministers and senior staff in developing realistic programs to accelerate the electrification of all modes of transport in Canada. Our mission is to strategically accelerate the transition to electric mobility across Canada. We support a comprehensive and

integrated suite of policies targeted at increasing both the demand and supply of light, medium and heavy-duty electric road and off-road vehicles.

We monitor EV progress in other G20 countries and we see many more opportunities for Canada to adopt for all modes of transportation which would reduce greenhouse gas emissions as well as create more jobs across Canada.

Our membership is grateful to the Government of Canada for implementing financial incentives for purchasers of EVs and EV charging infrastructure as announced in Budget 2019 on March 19th. As a result, by the end of Q3 2019, BEV and PHEV sales were 25% over those in Q3 2018 and this represented 3.5% of all passenger vehicle sales at the national level. We also note that British Columbia and Quebec, have reached 10% and 7% of Light Duty vehicle sales respectively. These are the only two provinces which also provide financial incentives to their residents for purchasing EVs. Experts predict that EVs will become more comparable in price to conventional vehicles within the next 10 years. Therefore, incentives are and will continue to be, an important interim tool to increase the consumer demand/sales of EVs during this period.

However, passenger vehicles represent only one part of all vehicles on the road today and other modes of transport also contribute significantly to greenhouse gas emissions. Our members are also involved in these other modes and are already making important inroads in the electrification of commercial trucks, transit buses, school buses as well as applications in marine and mining.

The electrification of transportation creates new jobs in several sectors. Using Statistics Canada's current limited capacity to measure jobs related to EVs, Canada's current target of 30% EVs by 2030, would result in an additional \$15.8 billion to our economy and 155,000 new jobs. These numbers likely understate the true impact, and we believe that a better system to identify EV jobs and more aggressive targets would dramatically increase the accuracy and quantity of these already important numbers.

We are therefore taking this opportunity to offer a list of what we think are realistic actions your government should adopt at your earliest opportunity.

A	Policy measures
A.1	Develop timeline targets for the electrification of all surface transportation modes to support Canada's climate targets, including off-road, that consider vehicle replacement cycles, available EV technologies and potential environmental and industrial benefits.
A.2	Identify the optimal combination of policies, programs, legislation, regulations and fiscal plans needed to attract the necessary public and private investments in attaining the timeline targets identified in A.1.

A.3	Introduce a federal zero emission vehicle supply mandate that is aligned with the achievement of Canada's stated EV sales targets. ¹
B	Fiscal measures
B.1	Double from \$5,000 to \$10,000 the federal incentive announced in the March 19, 2019 budget for the acquisition of light duty EVs but with a cap increased from \$45,000 to \$55,000 for consumers to increase the effectiveness of the program and ensure that more Canadian's can take advantage of this important measure. It is also important to ensure that funding assigned is sufficient for the anticipated consumer demand in the long term as start/stop gaps in funding distort markets, can undermine positive growth trends of EVs and cause customer and dealer confusion.
B.2	Provide financial incentives in the amount of \$2,000 for the purchase of a used battery electric vehicle.
B.3	Increase NRCan program funding targeted at expansion of public DC fast charging, public level 2 charging and workplace EV charging, noting that significant expansion of comprehensive, reliable public DC fast charging along highway corridors is a critical barrier to mainstream consumer adoption of EVs.
B.4	Invest \$50 million in a national public electrification education and awareness campaign. This program could also be structured as a matching program to new or existing provincial EV education programs.
B.4	Exempt electric vehicles (EVs) and EV charging equipment (EVSE) from the Goods and Services Tax (GST). The government should encourage all provinces to at least match this financial contribution on a per-vehicle basis. The budget associated with this recommendation was estimated at \$50 million for 2019.
B.5	Allow one-year depreciation for the acquisition costs of EV charging equipment by the private sector.
B.6	Decrease the taxable benefit associated with driving an EV by reducing the standby charge under tax rules to a level that is comparable to (or lower than) that of a conventional vehicle.
B.7	Give priority to companies producing clean technologies in the many federal programs aimed at supporting Canadian industry.
B.8	Revise federal government procurement criteria to give a preference to and increasing targets for the purchase of EVs and other clean technologies (i.e. in purchasing vehicles) including in the government fleet.
B.9	In addition to any federal funding programs for transit buses, provide financial incentive for zero emission transit buses at \$150K per bus for 5 years. For private sector cases, allow one-year depreciation for purchase costs. Additionally, adopt a policy to remove all financial support for buses using fossil fuels within 5 years.

¹ Some OEM members of Electric Mobility Canada have alternate views.

B.10	Provide financial incentive for electric trucks starting at \$100k going down to \$70k within three years to support early stage implementation for any electric truck with electric range of at least 100 km. For private sector cases, allow one-year depreciation for purchase costs.
B.11	Provide financial Incentives for electric school buses to private school bus operators and to school boards starting at \$150K declining to \$75k per vehicle over 3 years. For private sector cases, allow one-year depreciation for purchase costs.
C	Regulatory Measures
C.1	Implement the Clean Fuel Standards Regulations with a strong regulatory price signal for clean fuels (including electricity) used for transportation purposes (noting that this will also have major benefits for Canadian agriculture, electricity and clean technology sectors). Parallel to the regulations, develop support for the level of investments needed to achieve carbon neutrality.
C.2	Canadian Light Duty Vehicle GHG regulations are scheduled for mid-term review. We recommend maintaining the existing (2020MY) regulatory EV multiplier for the remaining years of the regulation (2021MY to 2025MY). This measure would provide continued additional motivation for OEMs to increase the availability of EVs in the Canadian market over this time frame.
C.3	Amend the Model National Building Code to help reduce the cost of installing EV charging in multi-unit commercial and residential buildings. The International Energy Conservation Code's reference on this matter is widely used in other jurisdictions.
C.4	Continue to support development of Canadian metrology requirements that would allow site hosts the option of providing energy-based billing for EV charging, including developing interim measures to support this functionality in capable existing charging stations.
D	Other measures
D.1	We recommend that your government upgrade its data collection practices to better quantify the number and type of EVs sold and the jurisdiction of their buyers/leasers. The impact of EVs on the electric grid also needs quantification as well the economic impact of clean technology industries on Canada's economy

Canada has the enviable position of one of the cleanest electrical grids in the world, with over 80% of Canadian electricity generated without greenhouse gas emissions. Increasing electric vehicle use by all Canadians and Canadian businesses can be an essential part of Canada's objectives in reducing Canada's transportation greenhouse gas emissions. EVs also help improve local air quality, particularly in communities with higher amounts of vehicle traffic.

I thank you for your attention and remain available to provide further information as required.

Yours sincerely,



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