

2022 Ontario Election Policy Recommendations

Content is adapted from the Final 2030 Action Plan by Electric Mobility Canada (EMC)

Light Duty ZEV Consumer Adoption

1. Establish a light duty EV sales target of 100% by 2030. Follow up the target with a regulated provincial ZEV Standard to ensure that Ontarians get access to their fair share of EVs.

An Ontario ZEV Standard (sometimes referred to as a "mandate" in US jurisdictions) will increase consumer choice, provide earlier access in Ontario to new products launched by manufacturers, reduce wait times for vehicles, and potentially even reduce vehicle costs. Today, most ZEV supply goes to the two provinces that already have ZEV Standards in place: British Columbia and Quebec. As a result, Ontarians have limited access to EVs. A strong target and regulated ZEV Standard in Ontario will overcome this problem and ensure Ontarians have access to EVs. ZEV Standards are in place in # US states and two Canadian provinces today. These standards are increasingly the norm, not the exception.

2. Establish a modest provincial purchase incentive for new passenger EVs focused on *value for electric-only range*. Doing so will make incentivize the efficient use of battery resources and ensure Ontarians can access the types of electric cars, SUVs and pickups they as seeking.

The purchase incentive program in Canada continues to be successful in accelerating the transition to electric mobility but more should be done to accommodate long range zero emission vehicles, including SUVs and pickup trucks which are so often preferred by Canadian consumers. Until EVs reach price parity in sticker price, point-of-sale purchase incentives are needed to "level the playing field" between electric and combustion cars for consumers. New vehicle incentives also help grow the supply of used EVs in the market, bringing down vehicle costs in that segment over time. Any incentive created in Ontario should base eligibility on a straightforward evaluation of *price* relative to *electric range* -- not MSRP. The incentive amount issued could be based on achieving revenue neutrality relative to revenues generated though a feebate program (see below).

3. Fund incentives through a revenue-neutral system by having the most polluting vehicles fund EV incentives for new vehicles

Establish a feebate system where purchases of the most polluting new vehicles would be subject to polluter-pay fees that would fund ZEV purchase incentives (see above). Average and less-than-average polluting vehicles would face no fee. This approach would offer consumers a choice: they can purchase a low-polluting vehicle and avoid the fee or they can choose a higher polluting vehicle and help support other Ontarians in going electric. Until all categories of vehicles are available in an electric version, exemptions can be proposed for big families and people who need bigger vehicles for work.

4. Offer incentives for used EVs

Establish a used EV incentive to encourage used-vehicle buyers to consider an electric vehicle when making their next purchase. This program is complemented by the new vehicle incentive which contributes to ensuring sufficient long-term supply of used vehicles to the market.

5. Low-and-modest income household purchase incentive "top-up"

To further support low- and modest-income households in going electric, it is recommended that Ontario establish a meaningful income-based incentive "top-up" for new or used EVs, and further offer grants to support the installation of home charging infrastructure.

6. Support the establishment of a shared-EV program for lower-income communities.

Recognizing the shortage in supply of used EVs in Ontario (driven by a lack of new EV supply in the province), and the lack of charging infrastructure in rental buildings, consider establishing a program to deploy shared EVs and charging to social housing properties and other buildings in lower-income communities for use by residents.

7. Support more consumer education

While many Ontarians want to go electric, for others low levels of consumer awareness continue to be a barrier. Work with leading and trusted organizations like Plug n' Drive, EV Society, TOCO and others to establish a suite of programs to educate and support consumers in making the transition to electric vehicles.

8. Maintain the existing Green Plate program

Access to HOV and HOT lanes has been a motivator for many Ontarians to go electric. Maintain the green plate program given its successful track record and historic all-party support. Continue to provide the same benefits as currently offered on existing highways when new HOV/HOT lanes are constructed in the province until 50% of new vehicle sales are EV.

Medium, Heavy and Off-road ZEV Fleet Electrification

9. Establish a medium/heavy-duty EV sales target of at least 100% by 2040, at the latest.

Make Ontario a leader in electric medium- and heavy-duty vehicle use. Electrifying transit and freight will deliver significant economic benefits to transit operators, freight carriers and others, strengthening the Ontario economy. Consider establishing a medium/heavy duty truck ZEV Standard or fleet rule to achieve the target, similar to US-based programs.

10. Work with regulators and utilities to ensure transmission and grid capacity exists to serve return-to-base operations that will be common in freight and transit use.

Electric heavy-duty vehicles are expected to see a rapid growth in demand as more products come to market given the significant economic savings associated with operating electrified fleets. Work with IESO to ensure transmission and grid capacity is available in Ontario's large freight / logistics districts and near transit facilities. Work with the OEB to ensure distributors are well equipped to provide connections to new heavy-duty freight and transit customers swiftly so as not to bottleneck commercial adoption.

11. Establish tax credits or rebates for the purchase of medium/heavy duty charging infrastructure or vehicles for freight use.

Facilitate EV adoption in transit and freight sectors by incentivizing fleet transitions to electric for companies that have publicly committed to eliminate all combustion trucks/vehicles from their fleets by no later than 2040. Establish new rebates or refundable tax credits for the purchase of electric vehicles for transit and freight fleets.

12. Support public transit and school bus electrification and work with the provincial government to secure federal-provincial funding programs.

Working with the federal government, provide predictable and long-term funding to municipalities, transit agencies and service providers, public bodies and school bus operators that plan to convert their entire fleet to electric vehicles. This includes helping entities procure electric buses and build out infrastructure, including charging infrastructure and facility upgrades, as well mid-term operational funding support associated with the purchase of electric transit vehicles due to lost revenue associated with a recent decrease in ridership due to COVID-19. More should be done to support operators, distributors and transmission companies for electrical upgrade costs associated with charging large batteries for transit and school bus electrification.

EV Infrastructure Deployment Plan

13. Set provincial targets for EV charging deployment for all vehicle classes

Set ambitious two-, five-, and ten-year targets for AC and DC charging connector deployments in each of the following sectors: multi-unit residential buildings, at workplaces, at town/city destinations, for long distance travel, for remote travel corridors, and for fleet depots.

14. Allocate \$300 million over four years to make 300,000 existing condominium and apartment parking stalls in Ontario EV-ready.

Multi-unit residential buildings represent the largest infrastructure barrier to EV adoption, as highway-side and public charging is increasingly competitively developed or is supported by the federal government. As such, the province can alleviate this important barrier to EV adoption by allocating \$75M/year for four years specifically for the purpose of funding 50% of electrical power upgrades and make-ready infrastructure costs in Ontario's existing multi-unit residential building stock through building owners (for rental apartments) and condominium corporations. The goal should be to bring electrical capacity to 300,000 parking spaces, eliminating a major barrier to EV adoption.

15. Establish EV ready requirements for multi-unit buildings and workplaces in the Provincial building code and Provincial Policy Statement.

Establish requirements in the provincial building code to mandate the installation of EV-ready power infrastructure in new construction. Require 100% of multi-unit residential parking to be EV-ready, and 20%-40% of workplace parking to include the basic electrical infrastructure needed for EV charging, at the time of construction. Such requirements should be included in the Ontario Building Code and will save EV drivers and businesses money by avoiding expensive and complex retrofits. While building codes are the best tool to implement these requirements, alternatively, the province could update the Provincial Policy Statement to direct municipalities to have regard for EV charging infrastructure in municipal planning frameworks. Make clear that requirements should meet both the needs of current and future EV charging based on local, provincial and national targets, where they exist.

16. Put underutilized government lands to work solving the urban charging challenge by establishing "charging hubs."

To support access to charging in urban areas for those without reliable home charging access, and to put underutilized and high-cost provincial/agency real-estate to work supporting EV adoption, Ontario could take the lead in identifying parcels of public land in its high-cost real estate markets to establish as "Charging Hubs." Charging hubs should be large, available to any and all charging operators without exclusivity and should not cost EV drivers a fee to enter. In addition to its own lands, Ontario should also work through multi-party agencies (e.g. Waterfront Toronto) in which Ontario is a member, to achieve this goal. Charging hubs will provide scale in urban settings, enabling the market to meet growing demand for charging services until multi-unit residential building retrofits in cities can be completed. Approach provincially controlled highway rest stops in the same manner: without exclusivity to any and open to all operators to ensure a sufficient level of service is provided to Ontario's EV drivers over the long-term.

17. Implement a time-limited utility connection rebate, provincially funded, to support deployment of large-scale EV charging installations for all vehicle types

Moving freight and large volumes of passenger vehicles with electricity will require electrical service upgrades to accommodate the power needs of large-scale charging deployments. The federal government should provide funds to rebate a portion of the cost of electrical service upgrades and connections for these large, high power, charging deployments in the near-term to afford provincial regulators, working with utilities and charging operators, time to address these costs permanently through provincial measures. Examples of eligible costs could include line-extension costs and private substation costs, where required.

Provincial Leadership

18. Direct the Ontario Motor Vehicle Industry Council to require the estimated cost of fuel (whether gasoline, diesel or electric) be advertised over a 6-year ownership period with every vehicle advertisement made in Ontario.

To better inform and protect consumers, require retailers and manufacturers to advertise the estimated cost of fuel over a six-year ownership period next to the purchase price of every advertised vehicle (whether gasoline, diesel, hydrogen or electric), including on website advertising and in-store, as part of OMVIC's obligations to protect fair advertising practices. This will help consumers better understand the total cost of ownership of any vehicle – ICE vehicle or ZEV – at point of purchase and better inform consumers who are making a major purchase decision about the costs they will face.

19. Establish a "Cabinet Office Secretariate for Electric Transport"

Create a dedicated secretariate within the Cabinet Office to coordinate and advise the Premier on progress being made by government departments towards Premier-level oversight will ensure EV issues receive sufficient attention and priority. Such an office is justified given the public health benefits, climate change imperatives and the number of different government departments responsible for different aspects of electrification.

20. Make government & MPP EV awareness and education a priority

Unless both consumers and policy makers understand all the benefits and savings associated with electric vehicles, along with the challenges to adoption, the transition to an electric future will take longer than necessary. As such, the government should make EV education a priority, working with leading educational and independent consumer organizations like Plug n' Drive, EV Society, and Tesla Owners Club of Ontario.

21. Provincial fleet rule: 100% EV unless otherwise justified.

Government can lead by example and foster demand and investment in the EV ecosystem through its own purchasing power. No internal combustion engine vehicles -- whether heavy duty, medium duty, light duty or off-road -- should be purchased by the government unless an electric option does not yet exist to meet a specific need. In other words, every vehicle purchased by the government should be electric from this point forward, unless a compelling reason exists to purchase a combustion vehicle. This rule should extend to crown agencies and delegated administrative authorities in Ontario. Ontario should also start installing charging infrastructure in its owned and leased parking lots immediately to ensure that charging does not act as a barrier to EV adoption for government fleets or employees.

For more information, please visit https://emc-mec.ca and https://2030evactionplan.ca