

MARCH 2022

**Extended producer responsibility (EPR) draft regulation
RECOMMENDATIONS FROM ELECTRIC MOBILITY CANADA**



To: Benoit Charette,

Ministre de l'Environnement et de la Lutte contre les changements climatiques

Édifice Marie-Guyart

675, boulevard René-Lévesque Est, 30e étage

Québec (Québec) G1R 5V7

Phone: 418 521-3911

Fax: 418 643-4143

ministre@environnement.gouv.qc.ca

Electric Mobility Canada (EMC) applauds the leadership shown by the Quebec government in working towards the creation of regulations for the management of electric vehicle batteries. EMC would like to collaborate in the development of this regulation to ensure that it is as environmentally, economically and logistically effective as possible. In this document, we reiterate with additional details our recommendations for the management of electric vehicle batteries after their first useful life. These recommendations have been developed with our members who are experts in one or more aspects of the sector. If you have any questions or comments in relation to this document, please do not hesitate to contact us.

Yours sincerely,

Daniel Breton

President and CEO

Electric Mobility Canada

daniel.breton@emc-mec.ca

<https://emc-mec.ca>

514 883 9274

About Electric Mobility Canada

EMC is a national membership-based not-for-profit organization dedicated exclusively to the advancement of electric mobility as an exciting and promising opportunity to fight climate change and air pollution while stimulating the Canadian economy. EMC's mission is to strategically accelerate the transition to electric mobility across Canada. Established in 2006, EMC is one of the very first electric mobility associations in the world. It represents organizations working to electrify transportation across Canada. Members representing more than 70 billion dollars a year in revenue include vehicle manufacturers, utilities, charging infrastructure manufacturers, charging suppliers and networks, technology companies, mining companies, fleet managers, unions, cities, universities, dealers associations, NGOs and EV owners associations.

1. Introduction

Electric Mobility Canada (EMC) shares the Quebec government's objectives of:

- Ensuring that electric vehicle batteries are managed in an environmentally sustainable manner.
- Supporting the development of a circular economy for batteries.

EMC also believes that a well-designed EPR framework must respect:

- The rights of consumers;
- The unique characteristics of EV batteries, such as their size, weight, market value, diverse chemical composition, and lifespan.
- The innovation curve of the battery manufacturing industry, which means that batteries are and will be increasingly durable.
- Solutions that extend battery life through reuse to meet the 3RV-E hierarchy (source reduction, reuse, recycling, recovery and disposal), as reuse can be a superior option to battery recycling from environmental and vehicle ownership cost perspectives.
- The imperatives related to the fight against climate change by favoring sustainable and exemplary solutions.
- The basic principles of the circular economy to limit the need for mineral extraction in tomorrow's electric vehicle batteries.
- The economic interest of Quebec, which is investing significant sums in the light and heavy transportation electrification sector.

In this document, MEC recommends improvements to the regulation in the following areas:

- Electric vehicle battery (EVB) life and recovery rate.
- Reuse before recycling;
- Recovery networks;
- Liability transfer mechanism;
- Battery identification.

2. EMC Recommendations

Items under consideration	Comments	EMC Recommendations
<p>Recovery targets based on a hypothetical 10-year lifetime: 35% in 2027, reaching 90% in 2057. (Article 33.)</p> <p>Level of concern: HIGH</p>	<p>EVBs are designed to have a life span that exceeds the life of the vehicles - often more than 10 years. EVBs often have a second and third life.</p> <p>The proposed targets will undermine the development of battery reuse schemes by forcing the recovery of EVBs by producers according to a predetermined schedule.</p> <p>The target could also impede the development of more sustainable batteries and provide an incentive to market EVBs with a limited life of 10 years or less.</p>	<p>Require the take-back of all (100%) unwanted EVBs, i.e., EVBs for which there is no longer a market for reuse, recovery or recycling.</p> <p>Establish a standard specifying a collection deadline for unwanted EVBs. For example: collection and take-back no later than 90 days after receipt of a notice of availability for recovery.</p>
<p>Prohibition of parallel recovery networks (Article 8.1)</p> <p>Level of concern : HIGH</p>	<p>The draft regulation would prohibit several types of commercial activities such as the resale of EVs for reuse, electric conversion of gasoline vehicles or repurposing (e.g., into stationary batteries).</p> <p>The resale of EVBs for reuse extends the life of EVs on the road and thereby reduces the life-cycle emissions of EVs.</p> <p>Conversions contribute to the acceleration of transport electrification by filling the supply gap for certain types of vehicles and by promoting innovation in Quebec.</p> <p>Stationary battery reconditioning offsets the environmental impact of their initial manufacture by extending the useful life of EVBs</p>	<p>Enable the recovery of EVBs by third parties for reuse, repurposing, reconditioning or recycling.</p>

Items under consideration	Comments	EMC Recommendations
	and has significant potential economic benefits.	
No framework for the reuse or reconditioning of EVBs	Existing EVBs that are found outside of vehicles are highly sought after and have a high commercial value. They are sold, both in Quebec and abroad, for reuse, repurposing (e.g., in another electric vehicle or for stationary energy storage), reconditioning or even recycling. The circular economy activities that naturally arise to reuse batteries contribute to the reduction of greenhouse gases. These activities should be supervised and supported, rather than eliminated.	<p>Provide a framework for the reuse and reconditioning of EVBs and support third parties who contribute to extending the useful life of EVBs.</p> <p>Ensure transfer of responsibility for third parties that recover, recondition, repurpose or modify EVBs to return these new products to the market; clarify the definition of producer to include companies that recondition and return modified EVBs to the market.</p>
Identification/traceability of EVBs (Article 5-4)	Inspired by the "battery passport" proposed by the Global Battery Alliance and the European Commission, a battery identification requirement will allow the different actors in the circular economy to gather and reuse information and data on the different batteries on the market in a more efficient way and to make better informed choices in their recovery activities.	<p>Build on the draft EU regulation to include a requirement for a "battery passport" identifying the producer and characteristics of the battery.</p> <p>Also include provisions for read-only access to data that allows the battery's state of health to be assessed.</p>
<p>Possibility to create a non-profit organisation to manage end-of-life EVBs. (Article 6)</p> <p>Support</p>	Producers without their own end-of-life battery management system will be able to rely on strength in numbers to better manage the costs associated with the recovery and management of EVBs.	EMC supports the government's proposal to allow producers who do not have their own battery management system to set up a non-profit organisation to ensure the responsible and transparent management of their batteries.
Regulation integrated into a regulation covering waste management.	Used EVBs are not waste that consumers could "throw away" like other consumer products addressed in the regulation such as paint, latex, toy batteries and	Create a specific regulation for EVBs that considers secondary producers (reconditioning and re-purposing) and the sustainable and transparent management of

Items under consideration	Comments	EMC Recommendations
	portable electronics. Unlike these products of low residual value, used EVBs retain a high value for secondary use or even end-of-life. In addition, the safe management of unwanted EVBs requires a much more complex supply chain.	recovered unwanted EVBs.
Transparency of regulatory ERP fees.	EPR fees should be transparent. If these fees were internalised by manufacturers, there would be no transparency for the consumer. This "eco-fee" could be revised sporadically to reflect changes in technology and recycling costs.	In the interests of transparency to government and consumers, include in the regulation a requirement to display the average cost per kWh of managing batteries for reuse or recycling.