ELECTRIC MOBILITY CANADA
ACCELERATING ELECTRIC TRANSPORTATION

MOBILITÉ ÉLECTRIQUE CANADA
ACCÉLÉRER L'ÉLECTRIFICATION DES TRANSPORTS

SUMMARY: 2025 FEDERAL PRE-BUDGET RECOMMENDATIONS

By Electric Mobility Canada

August 2025

Submission for the Pre-Budget Consultations in Advance of the Upcoming Federal Budget
By Electric Mobility Canada - August 1st, 2025

Complete report, with background information for all recommendations, available here:
https://emc-mec.ca/wp-content/uploads/2025/08/August-1-2025_EMC-priority-recommendations-2.pdf

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1- Maintain Canada's Electric Vehicle Availability Standard (EVAS) with the commitment to reassess the targets in 2030.
But, *if* any changes are made, only amend section 30.12 (*ZEV sales targets*) and leave all other sections of the regulation as-is.

2- Adopt a National EV Charging Infrastructure Strategy as a nation-building initiative to accelerate the deployment of home, public, and fleet charging; powering Canada's clean, competitive economy and creating quality jobs in communities across the country.

Strengthening Canada's Grid as Critical Infrastructure for Clean Transportation
- Incentivize electricity regulators to authorize proactive grid upgrades in areas with strong potential for fleet electrification.
- Enable local utilities to raise capital for electrification by revising the federal departure tax threshold, as committed in Budget 2024.

Making Residential Charging a Foundation of the EV Transition
- Recapitalize and streamline ZEVIP to support EV-Charging retrofits: Invest $250 million over four years to make existing condos and apartments EV-ready, improving affordability by covering up to 50% of electrical upgrades, installation costs, and charging stations.
- Extend the residential credit generation pathway in the Clean Fuel Regulation under credit category 3 (CC3), which otherwise sunsets in 2035.
- Integrate EV-readiness into the Model National Building Code and support provincial adoption to ensure more affordable, long-term access to home charging.
- Provide targeted home charging incentives through energy efficiency programs to reduce installation costs for lower-income households and used EV buyers.

Scaling Public Charging Infrastructure as Critical Clean Transportation Asset
- Update and meet national EV charging deployment targets through sustained federal-private collaboration.
- Recapitalize and streamline ZEVIP to support a reliable public charging network, with a focus on underserved regions.
- Establish a funding stream to support both capital and operating costs of fast chargers in rural and remote areas and include funding for battery energy storage when grid capacity is insufficient to operate DCFCs.
- Consider offering additional credit pathways, such as those utilized in the California and Washington clean fuel standards, in the Clean Fuel Regulation under credit category 3 (CC3), to catalyze private investment in public fast charging in rural and remote areas.
- Implement policy and regulatory reforms to unlock private investment in fast charging infrastructure.

Building Critical Charging Infrastructure for Medium- and Heavy-Duty Fleets
- Establish a dedicated funding stream for fleet charging infrastructure across private and public MHDV fleets, including public, shared, and depot-based models.
- Fund early-stage fleet charging planning to overcome adoption barriers among fleet operators.

- Require managed charging in federally funded fleet charging projects to reduce grid impact and operating costs.
- Invest in publicly accessible MHDV charging hubs, including rest stop-based DCFC and megawatt (MW) charging infrastructure.

3- Reinstate and Modernize Federal Light-Duty ZEV Incentives

- **Reinstate federal purchase and lease incentives for new and used electric light-duty vehicles** (LDVs), including two-wheel and four-wheel EVs and adopt a predictable, gradually declining incentive to provide certainty to consumers and the auto industry: 2025: $5,000 | 2026: $4,000 | 2027: $3,000 | 2028: $2,000 | 2029: $1,000
- **Adopt a fee-bate system so the funding is financially neutral for government**
- **Reinstate the 100% first-year capital cost allowance (CCA) for ZEV LDVs** purchased or leased by businesses and self-employed workers.
- **Gradually phase out the CCA for new ICE LDVs** on a similar timeline, aligning tax policy with Canada's climate goals.
- **(Alternative proposal) Fund EV incentives from polluters through a strengthened OBPS update to the Federal minimum benchmark.** Industrial polluters should fund the transition cost for Canadians to EVs which will reduce pollution, support Canadian jobs, and improve Canada's air quality.

4- Strengthen and Expand Medium- and Heavy-Duty ZEV Incentives

- **Sustain and expand the iMHZEV program** for medium- and heavy-duty ZEVs, ensuring that funding, eligibility, and program timelines match the pace of industry transition.
- **Integrate infrastructure support into iMHZEV to streamline access**: Allow fleets to bundle vehicle and charging/refueling infrastructure funding in a single application to simplify uptake and accelerate deployment.
- **Introduce dedicated incentives for vehicle conversions**, enabling the electrification of existing internal combustion vehicles meeting minimum range requirements (e.g. delivery trucks, utility vehicles) where feasible.
- **Reinstate the 100% first-year Capital Cost Allowance (CCA)** for eligible medium- and heavy-duty ZEVs (new and conversions) to support business investment in cleaner transportation. Without renewal, this incentive will be fully phased out by 2026.

5- Work with Industry to Establish National MHD ZEV Sales Targets

- Collaborate with provinces, fleets, and manufacturers to establish realistic, phased-in sales targets for new medium- and heavy-duty zero-emission vehicles, including Class 7–8 trucks and school buses, that reflect market and technology readiness.
- Finalize "made-in-Canada" vehicle emission standards for medium- and heavy-duty vehicles, currently under development by Environment and Climate Change Canada (ECCC), to secure deep reductions in greenhouse gas and air pollutant emissions from MHDVs and reinforce domestic leadership in low-carbon transportation.

6- Maintain the Clean Fuel Regulations, including Category CC3 for electricity, to sustain private investment in public EV charging.

7- Develop and implement a Canadian EV supply chain strategy that supports innovation, economic development, and domestic value creation across the full value chain: from critical minerals, to manufacturing, to commercialization, to recycling and end-of-life battery management.

8- **Fund National EV Awareness and Workforce Training Programs to Support Consumer Readiness and Industry Capacity**.

9- **Ensure Trade Policies Support Canada's EV Industry and E-Mobility Growth**

- **Avoid Tariffs on Critical EV Infrastructure and Components:** Exclude tariffs on EV charging equipment, electrical components, and replacement parts that are essential for the growth of Canada's EV infrastructure. Ensure that CUSMA-compliant EV components remain tariff-free to avoid hindering infrastructure expansion.
- **Maintain Access to Affordable EVs through Trade Exemptions:** Exempt light, medium, and heavy-duty electric vehicles (EVs) from tariffs, especially for imports from countries with which Canada has free trade agreements (FTAs), ensuring that EVs remain affordable and accessible to Canadian consumers.
- **Include EV Sector in Trade Negotiations:** Advocate for the inclusion of Canada's growing EV industry in trade discussions, particularly with the United States and Mexico, to ensure that free trade agreements reflect the strategic importance of the EV sector.
- **Foster International Collaboration in the EV Space:** Develop strategic partnerships with international markets such as the European Union, South Korea, and Mexico to expand the Canadian EV industry's reach and promote the import of affordable CETA-compliant electric vehicles.
- **Prioritize Non-Relocatable Projects and Domestic Supply Chains:** Focus on projects tied to domestic resources and infrastructure that cannot be relocated outside of Canada, such as renewable energy, EV charging networks, and critical minerals (extraction, refining, and recycling). Strengthen the Canadian EV industry's position as a global leader in clean technologies.
- **Reduce Provincial Regulatory Barriers to Accelerate Clean Technology:** Work to eliminate regulatory obstacles between provinces, accelerating the implementation of clean technologies and enabling smoother interprovincial trade in EV and related sectors.
- **Support Export of Canadian EV Solutions:** Expand export support programs to help Canadian EV technology and service providers access international markets and grow global competitiveness.

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Founded in 2006, **Electric Mobility Canada** is a **national industry association** that works to advance electric transportation in order to support the Canadian economy while fighting climate change and air pollution.