



# 2027 FEDERAL BUDGET RECOMMENDATIONS

**By Electric Mobility Canada**

**Submitted to the Standing Committee on Finance (FINA)**

*MAY 22, 2026*





## Submission for the Pre-Budget Consultations in Advance of the Upcoming Federal Budget By Electric Mobility Canada – MAY 22, 2026

### INTRODUCTION

Canada's electric mobility sector is emerging as a strategic economic pillar with **significant potential for job creation, industrial growth, productivity gains, and long-term competitiveness**. Today, the sector supports approximately 130,000 jobs across the country, spanning vehicle manufacturing, battery production, charging infrastructure, services, and supply chains. By 2035, employment in the electric mobility ecosystem is expected to expand substantially, reaching between 360,000 jobs under a conservative scenario and as many as 600,000 jobs under a moderate growth trajectory<sup>1</sup>.

This growth reflects more than the direct expansion of zero-emission vehicle manufacturing. It is driven by the broader ecosystem effects of transportation electrification, which **stimulate investment and economic activity across multiple sectors**. The transition to electric mobility generates sustained domestic value creation through manufacturing of vehicles and components, development and production of charging equipment, deployment of charging infrastructure, grid integration, research, education, software development and ongoing operations and maintenance. Critically, charging infrastructure is not only an enabling condition for adoption, but also a significant **driver of capital investment and economic activity**. Widespread adoption of both light-duty and medium- and heavy-duty vehicles anchors local job creation in communities across the country, including in construction, electrical trades, software, and energy services.

In this context, transportation electrification is not only an environmental imperative, but also **a critical nation-building opportunity** with direct implications for GDP growth and industrial productivity. Canada possesses key competitive advantages, including access to critical minerals, an integrated North American automotive supply chain, a skilled workforce, and a clean electricity mix. **Strategic, predictable federal investments and policy clarity** can improve investment certainty, reduce deployment costs, and enable economies of scale, ensuring that Canada captures a greater share of the economic value associated with the global transition to electric mobility. **These investments also play a catalytic role by crowding in private capital** across charging infrastructure, electricity production and distribution, fleet electrification, and manufacturing.

Harnessing this opportunity will require coordinated action to accelerate both supply and demand, while reinforcing the enabling infrastructure and workforce needed to sustain growth. In a context of intensifying global competition for EV investment and supply chains, policy uncertainty or delayed action risks constraining growth, reducing productivity gains, and shifting investment to competing jurisdictions. **With the right policy framework, the electric mobility ecosystem can serve as a cornerstone of Canada's economic future, delivering high-quality jobs, enhancing productivity, and strengthening long-term economic resilience.**

The following recommendations set out the federal budget priorities identified by Electric Mobility Canada's members across the Canadian EV industry ecosystem **to support growth, investment, and competitiveness**.

<sup>1</sup> EY for EMC: [Electrifying Progress: A Complete Economic Outlook Of The Canadian Ev Industry, April 2025](#)



## EMC'S PRIORITY BUDGET RECOMMENDATIONS

### 1. LIGHT-DUTY EV CHARGING INFRASTRUCTURE

#### 1.1. Public Charging

- Recapitalize and streamline ZEVIP to support a reliable public charging network, with a focus on underserved areas.
- 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.
- Include a stream for charging installations (including chargers, electrical upgrades, and load management systems) in multi-unit residential buildings.

#### 1.2. Home charging

- 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.

### 2. MEDIUM- AND HEAVY-DUTY EVS AND CHARGING INFRASTRUCTURE

Funding for MHDVs must be adapted to different segments because fleet management and business structures vary widely for each segment: 1) Electric School Buses, 2) Electric Transit Buses and 3) Electric Commercial Trucks. Infrastructure and planning support should be integrated to vehicle acquisition programs to streamline access and reduce administrative costs. Allow fleets to bundle vehicle and charging/refueling infrastructure funding in a single application to simplify uptake and accelerate deployment.

#### 2.1. Electric School Buses

- Establish a dedicated funding stream to support Electric School Bus adoption across Canada. Invest \$700 million over the next four years for vehicle acquisitions, plus \$200 million for charging infrastructure and planning.

YEAR	Rebate Per Vehicle	Rabate Program Sub-total	Charging and Planning Sub-total	TOTAL
1	<b>250,000</b>	250,000,000	75,000,000	325,000,000
2	<b>200,000</b>	200,000,000	55,000,000	255,000,000
3	<b>150,000</b>	150,000,000	40,000,000	190,000,000
4	<b>100,000</b>	100,000,000	30,000,000	130,000,000
<b>TOTALS</b>	<b>-</b>	<b>700,000,000</b>	<b>200,000,000</b>	<b>900,000,000</b>

#### 2.2. Electric Transit Buses

- Establish a dedicated funding stream to support Electric Transit Bus adoption across Canada. Funds should support fleet electrification planning, vehicle acquisitions and charging infrastructure deployment.

#### 2.3. Commercial Electric Trucks

- Recapitalize and relaunch iMHZEV program for medium- and heavy-duty Zero Emission trucks, ensuring that funding, eligibility, and program timelines match the pace of industry transition.
- 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.



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

### 3. AWARENESS AND EDUCATION FUNDING FOR LDV AND MHDV SEGMENTS

- Fund National EV Awareness activities to support citizen and business readiness.
- Fund workforce training programs to support EV industry capacity.

## EMC'S RECOMMENDATIONS ON SUPPORTING POLICIES

### A. CLEAN FUEL REGULATION

- Extend the residential credit generation pathway in the Clean Fuel Regulation under credit category 3 (CC3), which otherwise sunsets in 2035.
- 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.
- Maintain the Clean Fuel Regulations, including Category CC3 for electricity, to sustain private investment in public EV charging.
- Expand the scope of eligible reinvestment activities under the Clean Fuel Regulations (CFR) - while remaining consistent with Section 103(1) - to better reflect real-world costs, including station upgrades, project financing, operations and maintenance, R&D and reliability enhancements necessary to support improving and expanding infrastructure across Canada.

### B. TRADE POLICIES THAT 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.

### C. AN AUTOMOTIVE TARIFF REMISSION FRAMEWORK THAT SUPPORTS EV MANUFACTURERS

- Create fairness in the remission framework for counter-tariffs by redefining eligibility criteria to support Canadian EV jobs. Some traditional automakers are shrinking their workforces while claiming remission. Yet EV automakers, such as Rivian, Tesla and Lucid, who are growing their workforces and investing in Canada are currently ineligible for remission. Remission for EV automakers will support their growth in Canada.

## CONTACT INFORMATION

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