



SUBMISSION

Comments and Recommendations by Electric Mobility Canada

On Amendments to Québec's Zero-Emission Vehicle Standard

Submitted to:

Direction de l'expertise en décarbonation et efficacité
énergétique,
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changements climatiques, de la Faune et des Parcs

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PREFACE : Putting the Facts into Perspective

Before the Quebec government released its revised zero-emission vehicle standard, the vast majority of traditional automakers loudly proclaimed, across the media and in meetings with elected officials, that Quebec should eliminate its electric vehicle sales regulation because, they argued, circumstances had changed. The Quebec government's regulatory impact analysis begins as follows:

“The favourable environment for transportation electrification, which peaked in the fourth quarter of 2024 with electric vehicle (EV) sales reaching 40% of all light-duty vehicles sold in Quebec, was disrupted in 2025. Among other factors, the change in administration of the U.S. federal government altered the landscape, notably through the repeal of environmental measures, the withdrawal of support for EVs, and the revocation of the waiver allowing California and 15 partner states to implement their Zero-Emission Vehicle (ZEV) standard.”

However, anyone who has followed this file for years knows that this regulatory setback will be temporary, a fact that traditional automakers have been careful not to mention to elected officials who are less familiar with the issue.

Indeed, regulatory advances and setbacks in the United States have been part of the landscape for three decades, recurring with each transition between Democratic and Republican administrations. For example, in the early 2000s, California was sued by General Motors over its electric vehicle regulations. As reported by The New York Times, General Motors Corporation filed a lawsuit seeking to invalidate a new California regulation that would require automakers to sell thousands of electric cars in the state each year beginning in 2003.

The company argued that the rule violated state laws requiring regulations to be reasonable and prudent. General Motors, along with the broader automotive industry, maintained that battery-powered vehicles were impractical and that the regulation would result in only a marginal reduction in air pollution, at a cost of hundreds of millions of dollars.

Daimler-Chrysler joined GM in the lawsuit. They were soon followed by the federal government of George W. Bush in 2002. At the time, President Bush's Chief of Staff, Andrew H. Card Jr., had previously served as General Motors' chief lobbyist, with GM being one of the plaintiffs in the case. Mr. Card had also headed an automotive industry trade association when California first proposed mandating electric vehicles, and he had publicly opposed such a requirement.

In 2004, BMW, Ford, Mazda, Mitsubishi, Porsche, Volkswagen, and Toyota joined the lawsuit. In 2005, the California Air Resources Board (CARB) applied for a waiver that would allow the Pacific state to continue adopting its own vehicle emissions regulations. That request was ultimately denied by the Environmental Protection Agency (EPA) under the George W. Bush administration on March 6, 2008.

Upon taking office in 2009, the Obama administration re-examined California's waiver request and reversed the previous administration's decision, once again allowing California to move forward with its own regulations.

The Obama administration also renewed efforts to reduce greenhouse gas (GHG) emissions from the fleet of light-duty vehicles on U.S. roads. However, these new rules were almost entirely rolled back during the first

Trump administration. Indeed, in 2020, the Trump administration dismantled U.S. vehicle emissions standards adopted under Obama, and required annual efficiency improvements of 1.5% through 2026, far below the 5% annual increases called for under the repealed regulations.

Once elected, Joe Biden restarted the process of reducing GHG emissions by introducing new fuel economy and emissions standards for both light-duty and heavy-duty vehicle fleets. However, these standards were later weakened between 2023 and 2024 following pressure from automakers and vehicle dealers. In November 2023, 4,000 dealerships signed a letter urging President Biden to slow the pace of the transition.

Thus, the regulatory rollbacks pursued by the second Trump administration, while particularly aggressive, are part of a broader Republican tradition of opposition to regulation and environmental protection that dates back to the Reagan Administration. It is worth remembering, however, that there was a time when California Governor Ronald Reagan championed a number of environmental protection measures and signed the Mulford-Carrell Air Resources Act into law. This legislation established the State Air Resources Board and committed California to a coordinated, statewide approach aimed at aggressively addressing the state's severe air pollution problem.

The California Air Resources Board (CARB) was created through the merger of the Bureau of Air Sanitation and the California Motor Vehicle Pollution Control Board.

That same year, the Federal Air Quality Act of 1967 was enacted, granting California the authority to establish its own, more stringent air quality standards due to its unique geography and weather conditions, as well as its growing population and increasing number of vehicles.¹

Thus, the California waiver that the Trump administration has worked to eliminate originated with the very same man whose legacy President Trump and many Republicans continue to praise today.

In 2026, California once again responded by taking the federal administration to court. On June 22, 2026, "the State of California filed a lawsuit against the U.S. Environmental Protection Agency (EPA) after the agency had, earlier that month, submitted to the Republican-controlled Congress a proposal aimed at overturning California's longstanding vehicle emissions regulations."²

In addition, 24 states are currently suing the EPA, alleging that the agency has abandoned its responsibility to address climate change³.

Therefore, if we look at what has occurred in the United States over the past fifty years, it is reasonable to assume that the next Democratic administration will once again pursue legislation and regulations aimed at reducing vehicle emissions. And the same laggard automakers, resistant to progress and opposed to environmental regulation for decades, will likely resume their lobbying efforts to delay the inevitable, at the expense of consumers' economic interests, as well as their health and environment.

It is therefore important to emphasize that the argument put forward by traditional automakers and automobile dealers, namely that the elimination of regulations south of the border makes it impossible for Quebec to maintain its own regulations, is based on a major falsehood. In any case, nothing will satisfy them

¹ <https://ww2.arb.ca.gov/about/history>

² <https://www.reuters.com/legal/government/california-sues-us-epa-over-sending-emissions-rules-congress-potential-reversal-2026-06-22/>

³ <https://www.nytimes.com/2026/03/19/climate/epa-endangerment-states-lawsuit.html>

except the complete abandonment of Quebec and Canadian regulations aimed at protecting the environment and the health of Quebecers and Canadians. As a result, there is little point in trying to appease them because **they will always find something to complain about.**

In fact, after convincing the Canadian government to abandon its own Zero-Emission Vehicle standard and after the government announced that it would be replaced by a GHG standard targeting 75% electric vehicle sales by 2035 and 90% by 2040, traditional automakers applauded the change... for only a few weeks.

Those same automakers now say they are frustrated that Canada is maintaining a regulatory framework, even a weakened one, rather than doing what it has done in the past and docilely following whatever the Trump administration is doing with respect to GHG, ZEV sales, and fuel economy standards, namely eliminating them altogether. In other words, these automakers would have preferred the Canadian government to behave as if Canada were the **51st American state**. That is the reality.

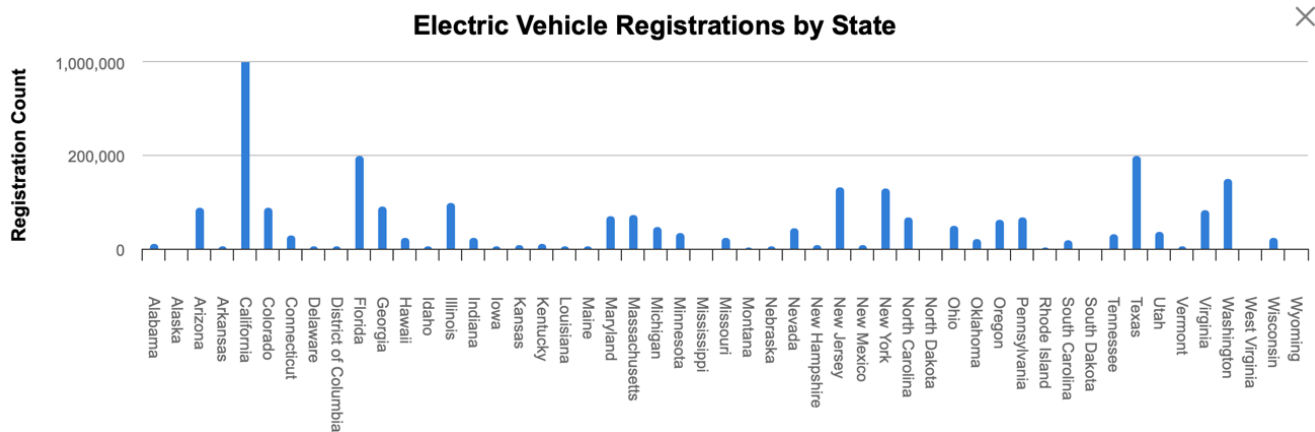
Moreover, it is simply false to claim that the North American market is one vast, fully integrated marketplace in which all vehicles offered and sold are essentially the same. Anyone familiar with the industry knows full well that vehicle sales vary from one region to another, and even from one state or province to another, based on a host of factors, including climate, urban versus rural conditions, fuel prices, regulations, and regional consumer preferences.

Here is one example⁴:



⁴ <https://www.honda.ca/en/prologue>

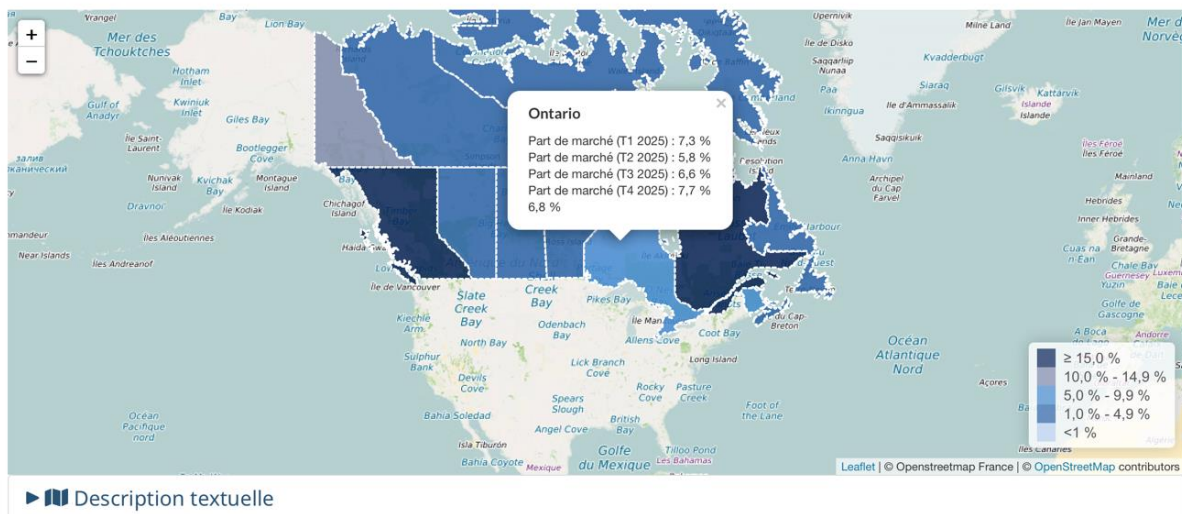
The following chart demonstrates this point with absolute clarity.⁵



The same is true in Canada. According to data from the Government of Canada⁶, ZEV sales in the first quarter of 2025 were twice as high in Quebec (14.8%) as in Ontario (7.3%).

Part de marché des VE légers

Remarque : sélectionnez une province/territoire pour voir ses données

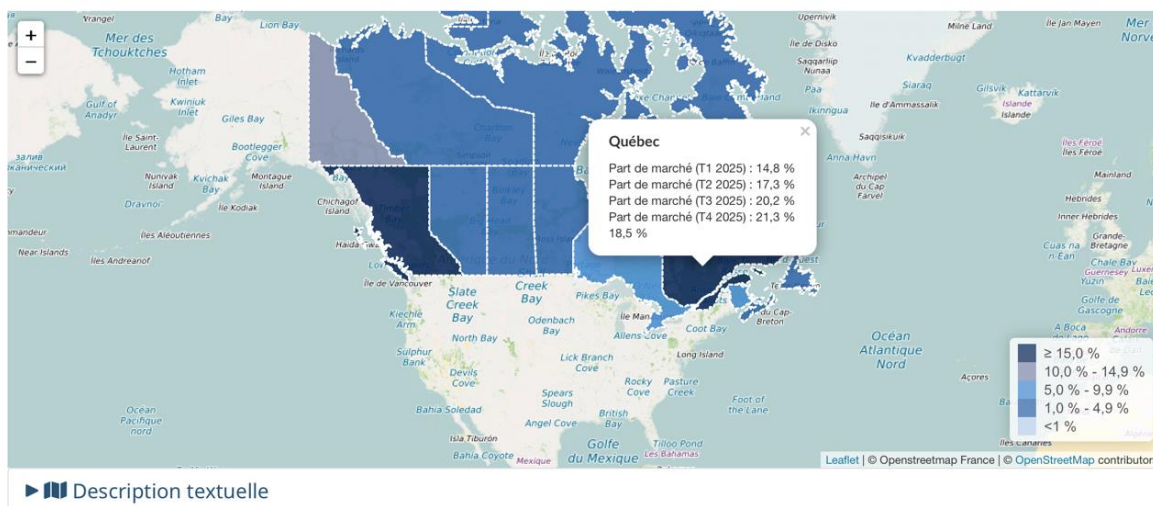


⁵ <https://afdc.energy.gov/data/10962>

⁶ <https://tc.canada.ca/en/road-transportation/innovative-technologies/electric-vehicles/canada-s-electric-vehicle-ev-dashboard>

Part de marché des VE légers

Remarque : sélectionnez une province/territoire pour voir ses données



Even at the local level, ZEV sales can vary significantly. For example, Léry and Kahnawake are only 25 kilometres apart. Yet the difference in battery electric vehicle market share between these two communities exceeds 40%⁷.

Part des véhicules électriques à batterie des subdivisions de la région métropolitaine de recensement de 2024

Filtrer les articles

Affiche 71 à 80 de 140 entrées | Afficher 10 entrées

Province 	RMR 	Subdivision de recensement 	Somme de la contribution en pourcentage 
Québec	Montréal	Hampstead	30,92 %
Québec	Montréal	Hudson	34,43 %
Québec	Montréal	Kahnawake	5,04 %
Québec	Montréal	Kirkland	33,33 %
Québec	Montréal	La Prairie	47,25 %
Québec	Montréal	L'Assomption	42,24 %
Québec	Montréal	Laval	35,66 %
Québec	Montréal	Lavaltrie	40,00 %
Québec	Montréal	L'Épiphanie	37,67 %
Québec	Montréal	Léry	50,34 %

Battery Electric Vehicle Share of Metropolitan Region Subdivision, 2024 Census

The traditional automakers' argument that the North American market is so integrated that it effectively constitutes a single, unified market is therefore completely refuted by government statistics.

⁷ <https://tc.canada.ca/en/road-transportation/innovative-technologies/electric-vehicles/canada-s-electric-vehicle-ev-dashboard#wb-auto-4>

Neither For Nor Against, Quite the Contrary

In 2026, it has become commonplace for many representatives of the traditional automotive industry to claim that they support the transition to electric vehicles, as denying the obvious is no longer a credible position. Their argument now focuses on the "pace of the transition."

This explains their opposition to regulations governing electric vehicle sales and/or GHG emissions in Quebec, British Columbia, at the federal level, in California, across the United States, in the United Kingdom, Japan, India, South Korea, Europe, and, in short, virtually everywhere on the planet where such regulations are being considered or implemented⁸.

And this is hardly surprising. The opposition of many traditional automakers to the transition toward electric vehicles is nothing new. In fact, for three-quarters of a century, several automakers have resisted the adoption of numerous technological innovations designed to improve occupant safety, public health, or the environment more broadly. In an excellent 2017 report entitled ***Time for a U-Turn: Automakers' History of Intransigence and an Opportunity for Change***⁹, the Union of Concerned Scientists documented the extent to which some automakers employed a wide range of tactics to delay, and even overturn, the adoption of laws and regulations intended to improve safety, health, and environmental outcomes.

According to the report, "Since the 1950s, automobiles have become substantially safer and cleaner, and they can travel farther on a gallon of gasoline, benefiting drivers, communities, and the environment.

Unfortunately, this record of progress has been accompanied by another pattern: the intransigence of an auto industry that has consistently fought to block or weaken safety and environmental regulations, even as automakers have successfully met every challenge presented to them through federal policy."

In 2026, many automakers continue to rely on the same tactics and messaging to oppose government measures in the United States, Europe, and Canada aimed at reducing air pollutant and greenhouse gas (GHG) emissions by accelerating the deployment of more efficient, less polluting vehicles, including electric vehicles.

Thus, according to the report, we continue to hear the same messages from traditional automakers today, repeated from one issue to the next for **the past 75 years**:

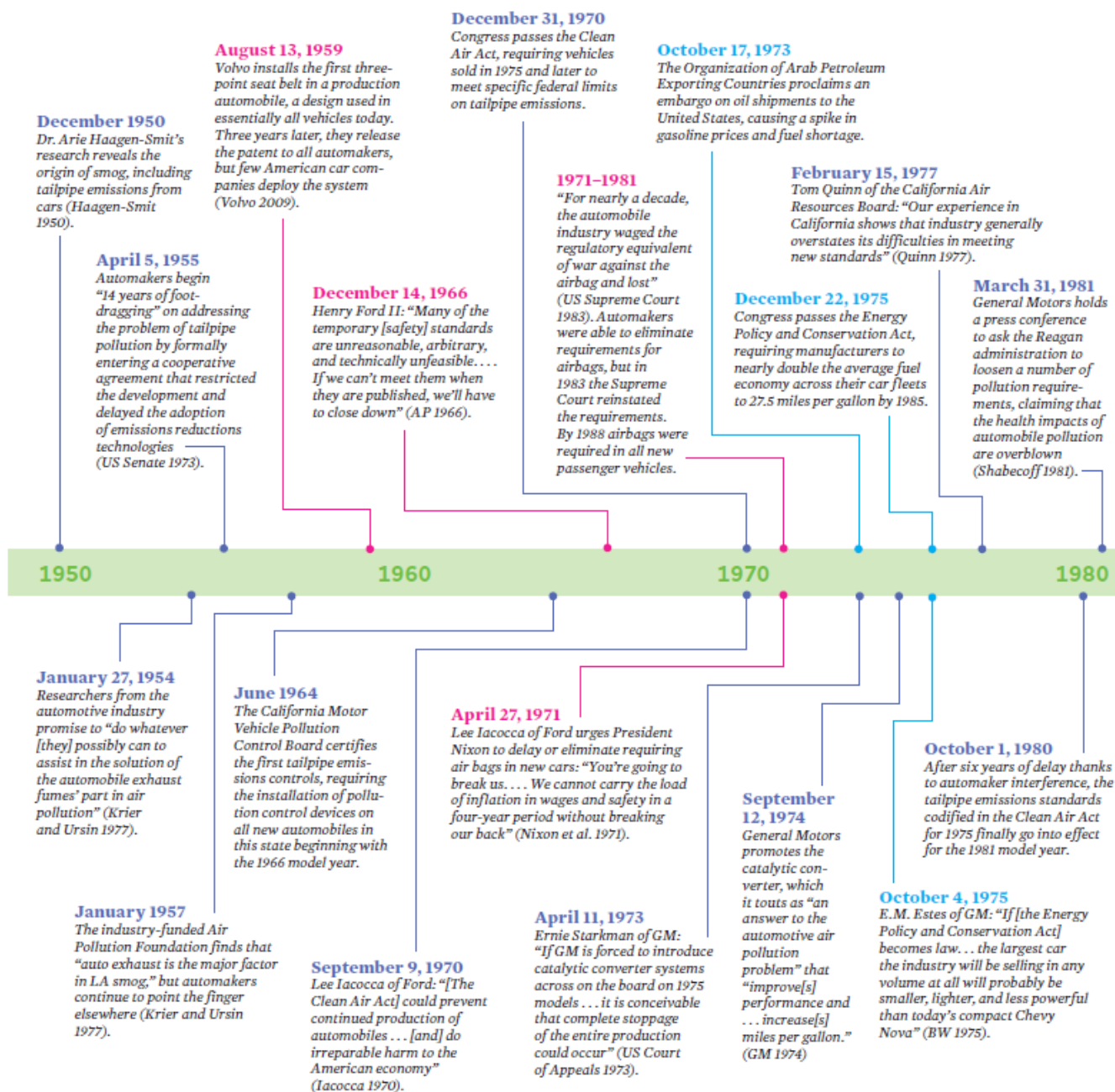
- *It's impossible*: automakers exaggerate the technical challenges involved in complying with new regulations.
- *It will cost too much*: they claim that compliance with new standards will be far more expensive than federal agencies estimate.
- *It will destroy the industry and eliminate jobs*: they portray every new requirement as a potential apocalypse for the auto industry, leading to massive layoffs and plant closures.
- *Consumers don't want it*: industry groups suggest that automakers must choose between producing vehicles consumers want and producing vehicles required by new regulations.
- *The science isn't clear*: on issues such as air pollution, climate change, and seat belt effectiveness, automakers and trade associations attack the science, amplify uncertainty, and deny or challenge the facts.
- *The market will solve the problem*: regardless of the issue, automakers argue that voluntary action is sufficient.

Every time, these arguments have proven to be false.

⁸ <https://influencemap.org/report/Automakers-and-Climate-Policy-Advocacy-A-Global-Analysis-27906>

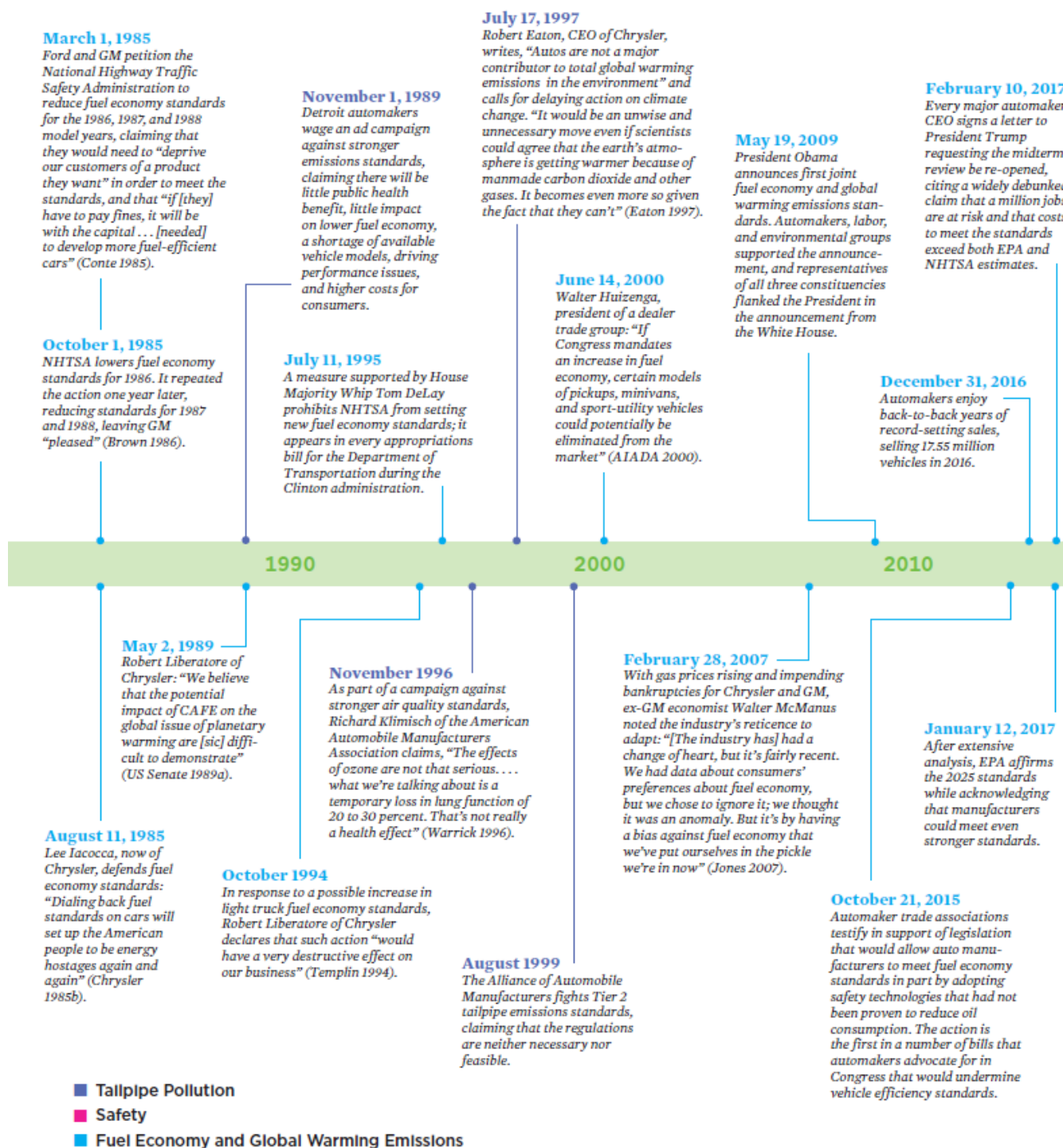
⁹ https://www.ucs.org/sites/default/files/attach/2017/12/cv-fuel-efficiency-intransigence-full_0.pdf

A History of Automaker Intransigence, 1950–2017



Over the course of almost 70 years, the American automaker industry has maintained a "can't-do attitude" on tailpipe pollution, driver and passenger safety, and fuel economy and climate change, placing profits ahead of the needs of the public.

SOURCE: [Union of Concerned Scientists, Time for a U-Turn – Automakers' History of Intransigence and an Opportunity for Change](#)

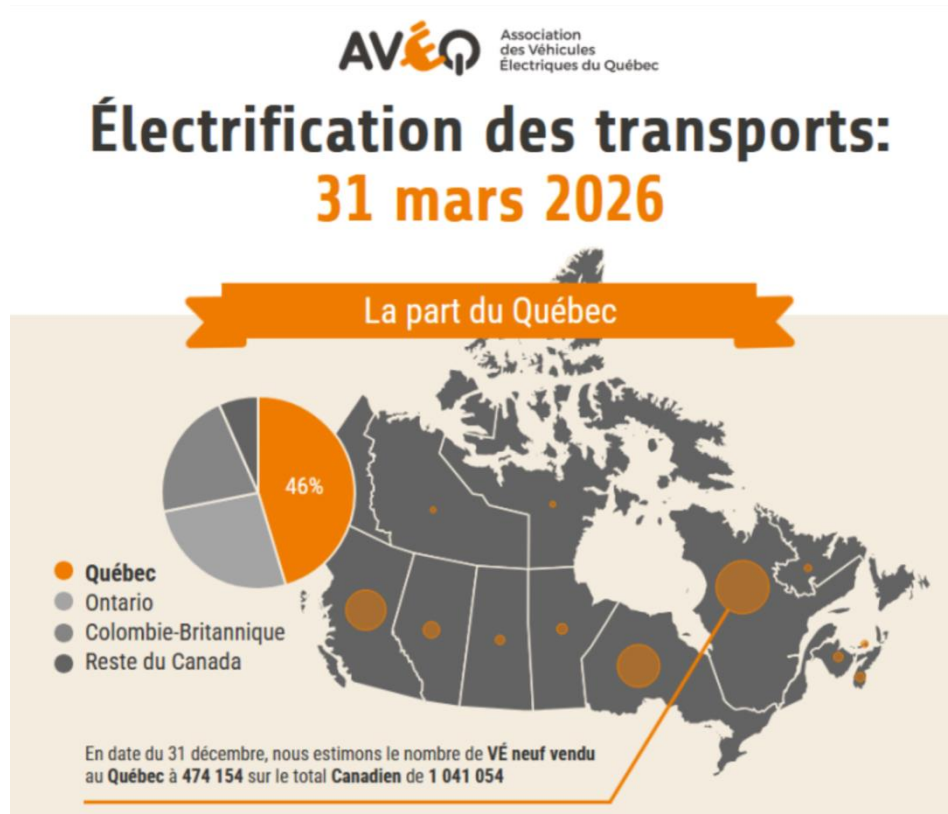


SOURCE: [Union of Concerned Scientists, Time for a U-Turn – Automakers' History of Intransigence and an Opportunity for Change](#)

2026: The Year the Quebec Government Wants to Create a World First... in the Wrong Direction

Since 2012, Quebec has demonstrated boldness and leadership in providing economic and regulatory support for electric vehicles.

As a result, Quebec today accounts for approximately **46% of all electric and plug-in hybrid vehicles in Canada**, despite representing only about **22% of the country's population**.



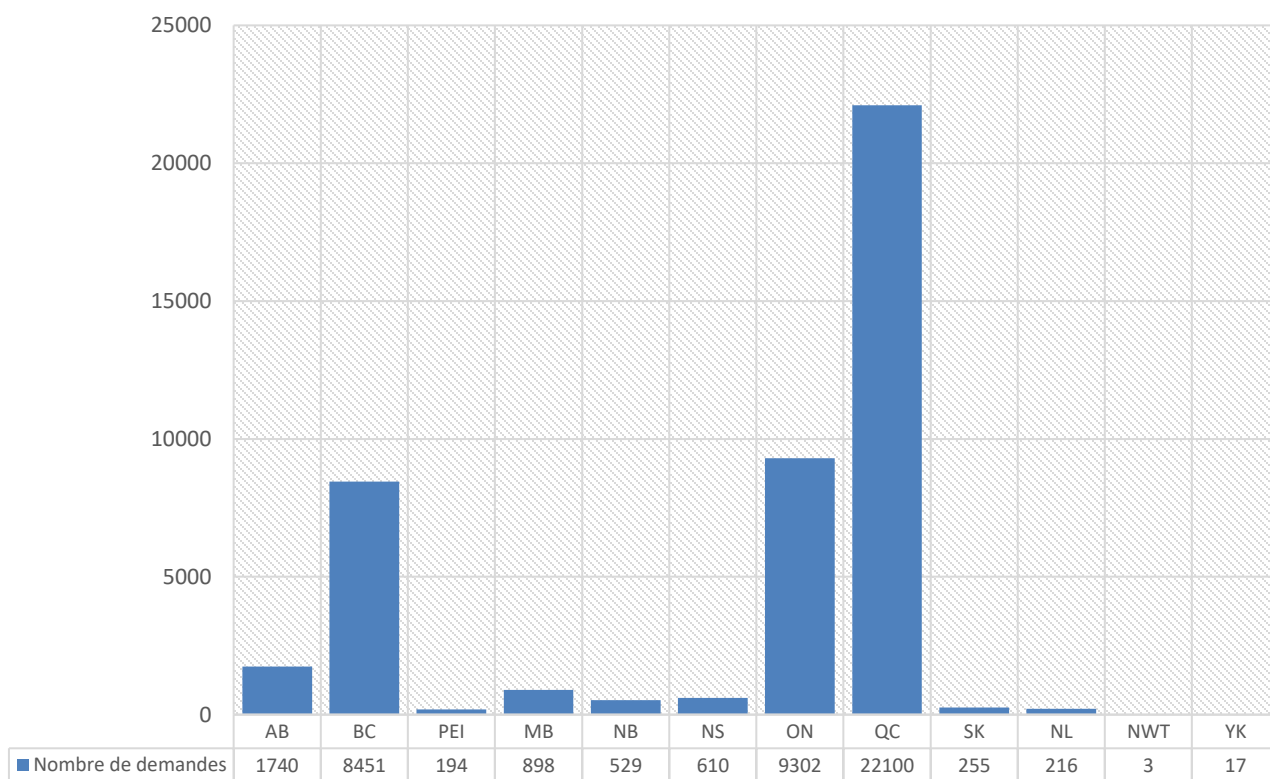
Source: [Association de Véhicules électriques du Québec](https://www.aveq.org/)

The Return of the Federal Rebate Changes the Game

While electric vehicle sales declined sharply in 2025 due to the suspension of rebate programs, the tariff war, and broader economic uncertainty, sales have rebounded significantly in recent months as a result of the return of the federal rebate and the conflict between Iran and the United States, which has led to a substantial increase in fuel prices.

As a result, consumers in Quebec received more than 50% of all federal rebates for the purchase of electric vehicles, as shown in the following table:

Number of Requests EV Affordability Program (as of Juin 2026)



Data Source: [Statistics on the Electric Vehicle Affordability Program \(EVAP\)](#)

Facts Matter

For years, many people have made and repeated false claims about electric vehicles. However, when those falsehoods come from an elected official, they take on a different significance. In June 2026, Environment Minister Pascale Déry announced the government's retreat on the Zero-Emission Vehicle standard while making a number of statements that revealed a lack of understanding of the issue. Here are two examples:

1- ***“Non-plug-in hybrid vehicles are better for people living in rural areas because of the lack of charging infrastructure”***

In the government's press release announcing the proposed changes to the Zero-Emission Vehicle standard, the following statement appeared: *“Non-plug-in hybrid vehicles will temporarily become eligible for credits. As a result, the credit system will be thoroughly revised to better reflect consumer needs, particularly those of people living in rural areas who must travel long distances.”*

This claim by the government is based on a major misconception, for two reasons:

- Many people living in rural regions already drive fully electric vehicles and regularly travel long distances without any difficulty in most regions of Quebec.
- Plug-in hybrid vehicles can address this concern perfectly well. One simply has to be aware of it.

2- “We don’t yet have vehicles with 500 or 600 kilometres [of range]. That will come.”

> Pascale Déry, Quebec Minister of the Environment, quoted in Le Soleil, June 11, 2026¹⁰

This statement is also false. **There are already approximately thirty fully electric vehicles offering ranges between 480 and 800 kilometres.** Here they are:

#	Brand	Model	Average Range
1	BMW	iX3	698 km
2	BMW	i4	536 km
3	BMW	i7	560 km
4	BMW	iX	586 km
5	Cadillac	Optiq	510 km
6	Cadillac	Escalade IQ	748 km
7	Cadillac	Lyriq	525 km
8	Chevrolet	Blazer EV	502 km
9	Chevrolet	Equinox EV	513 km
10	Chevrolet	Silverado EV	793 km
11	Ford	Mustang Mach-E	483 km
12	Hyundai	Ioniq 5	504 km
13	Hyundai	Ioniq 9	539 km
14	Kia	EV4	552 km
15	Kia	EV6	513 km
16	Kia	EV9	489 km
17	Lucid	Air	676 km
18	Lucid	Gravity	724 km
19	Mercedes	CLA 350	502 km
20	Mercedes	EQS 450	591 km
21	Nissan	LEAF	488 km
22	Polestar	3	502 km
23	Polestar	4	499 km
24	Rivian	R1S	660 km
25	Rivian	R2	555 km
26	Tesla	Model 3	570 km
27	Tesla	Model Y	542 km
28	Tesla	Cybertruck	523 km
29	Volvo	EX60	514 km
30	Volvo	EX90	499 km

On “Parity”

While many people in the automotive industry speak of the coming “price parity” between electric vehicles and gasoline-powered vehicles, few pay much attention to parity between electric vehicles and conventional hybrid vehicles, namely non-plug-in hybrids.

¹⁰ <https://www.lesoleil.com/actualites/politique/2026/06/11/vehicules-electriques-en-region-il-faut-etre-pragmatique-dit-deroy-OPMQYNJW5FEHLDL5UHXEIE2VE/>

According to the regulatory impact analysis, *“The relaxed ZEV standard would therefore generate purchase savings for consumers by reducing the acquisition of battery electric vehicles (BEVs), particularly during the early years. However, a portion of these savings would be offset by increased costs resulting from the anticipated growth in hybrid vehicle sales. To assess the overall impact on consumers, an estimate was developed based on changes in incremental costs by vehicle type, weighted according to the most popular models currently available on the market. Accordingly, the MELCCFP estimates that the proposed regulation would result in purchase savings for consumers through 2032, and additional costs for consumers in subsequent years. The following table presents the projected savings and costs associated with vehicle purchases.”*

Tableau6 8. Impact du projet sur les dépenses d’acquisition des véhicules, en millions de dollars

Type de véhicules	2026-2030	2031-2035	Total
VEE	3 966,4	1 981,8	5 948,3
VHR	5 455,1	(1 922,5)	3 532,6
VHC	(4 603,0)	(2 719,8)	(7 322,8)
Total	4 818,5	(2 660,4)	2 158,1

TABLE TRANSLATION:

Title: Project impact on acquisition cost of vehicles, in millions of dollars*.

Vehicle types: VEE = Battery Electric Vehicle (BEV), VHR = Plug-in Hybrid Vehicle (PHEV), VHC = Conventional Hybrid Vehicle (CHV)

*Note : Positive values represent savings and negative values represent costs.

Thus, it is argued that between 2026 and 2035, conventional hybrid vehicles would cost less to purchase than plug-in hybrid vehicles, resulting in savings estimated at **\$7.3 billion**.

Table 3.2 of the Quebec government's regulatory impact analysis projects an increase in the number of conventional hybrid vehicles. According to the analysis: *“By allowing credits to be earned through the sale of conventional hybrid vehicles, the proposed regulation would increase sales of this type of vehicle relative to the baseline scenario. Indeed, the MELCCFP estimates that manufacturers would take advantage of this opportunity, particularly in the early years. The following chart presents the projected evolution in the number of electric vehicles, based on the credit requirements under the two scenarios studied.”*

Upon closer examination of the Quebec government's proposed scenario, it reveals a projected reduction of **806,000 electric and plug-in hybrid vehicles** by 2030 vs an additional **715,000 conventional hybrid vehicles** (HEVs), compared with only **91,000 additional gasoline-powered vehicles**.

By 2035, the projected shift becomes even more pronounced:

- 1,433,000 fewer electric and plug-in hybrid vehicles;
- 1,164,000 more conventional hybrid vehicles;
- 269,000 more gasoline-powered vehicles.

Tableau 3.2 Évolution du nombre de véhicules électriques sur les routes (cumulatif)

Année	Scénario de référence		Scénario projeté		Différence	
	VE ¹	VHC	VE	VHC	VE	VHC
2026	600 000	234 000	540 000	280 000	(60 000)	46 000
2027	800 000	267 000	633 000	407 000	(167 000)	140 000
2028	1 100 000	289 000	787 000	604 000	(313 000)	315 000
2029	1 500 000	297 000	977 000	817 000	(523 000)	520 000
2030	2 000 000	288 000	1 194 000	1 003 000	(806 000)	715 000
2031	2 400 000	298 000	1 448 000	1 148 000	(952 000)	850 000
2032	2 800 000	308 000	1 730 000	1 268 000	(1 070 000)	960 000
2033	3 200 000	319 000	2 028 000	1 363 000	(1 172 000)	1 044 000
2034	3 600 000	331 000	2 351 000	1 435 000	(1 249 000)	1 104 000
2035	4 100 000	319 000	2 667 000	1 483 000	(1 433 000)	1 164 000

(1) Dans le cadre de ce tableau, les VE représentent la somme des VEE et des VHR.

TABLE TRANSLATION:

Title: Evolution of number of vehicles in circulation (cumulative)

Reference Scenario, Projected Scenario, Difference

VE: In this table, represents total of BEVs and PHEVs

VHC: Conventional Hybrid Vehicles.

In other words, the government appears to assume that traditional automakers will sell far more additional conventional hybrid vehicles than additional gasoline-powered vehicles under the new standard, even though the credits available for hybrid vehicles apply only to model years 2025, 2026, and 2027.

According to the following table, presented in the regulatory impact analysis, electric cars with a range of 480 km are expected to reach price parity in 2034. The problem with this assertion is that, in 2026, there are already electric vehicles offering a range of approximately 480 km at a price comparable to that of gasoline-powered or hybrid vehicles in the same category (see image at the bottom of the following page). Furthermore, there are fewer and fewer cars available on the market, whether gasoline-powered or electric. It would not be surprising to see even fewer by then.

Tableau 5.7. Date de parité des prix pour les différents VEE

Classe de véhicule	Motorisation	Date de parité
Automobile	Électrique, 320 km d'autonomie	2027
	Électrique, 480 km d'autonomie	2034
	Électrique, 640 km d'autonomie	2047
Camion léger	Électrique, 320 km d'autonomie	2032
	Électrique, 480 km d'autonomie	2041
	Électrique, 640 km d'autonomie	Après 2050

TABLE TRANSLATION:

Title: Date of price parity for different BEVs

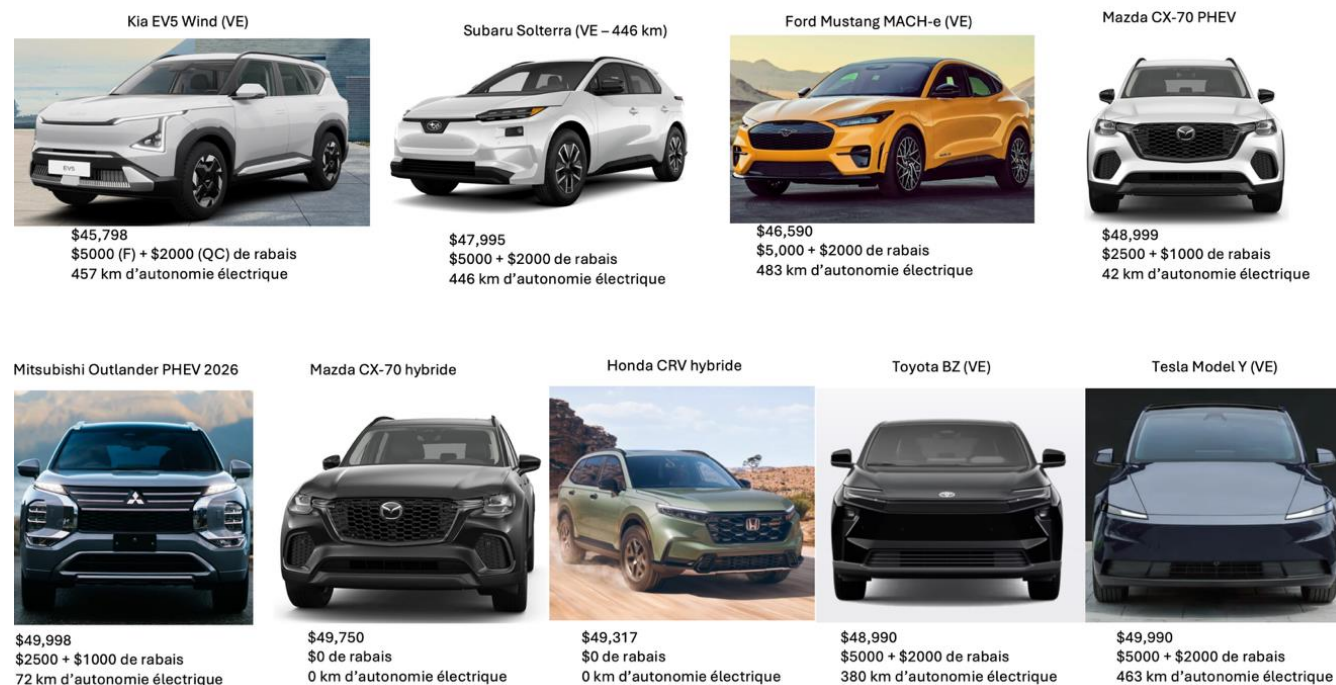
Automobile: Passenger Car / Camion Léger: Light Truck

km d'autonomie: Electric range

As for light-duty trucks, the projected achievement of price parity at 480 km of range by 2041 is based on outdated assumptions, as we will demonstrate later.

Given the rapid evolution of electric vehicle battery technology, particularly in China, full price parity is likely to be achieved much sooner than what is projected in the preceding table.

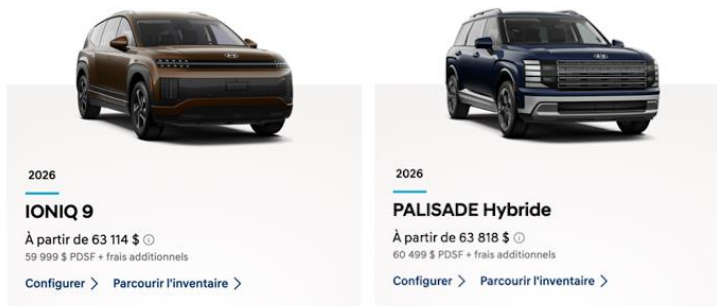
If we take a closer look at the vehicle offerings in the market's most popular segment, compact SUVs, the facts speak for themselves. Several conventional hybrid vehicles are priced roughly the same as comparable electric and plug-in hybrid vehicles **in 2026**, as illustrated in the following figure.



If we look at the mid-size sedan segment, both gasoline-powered and hybrid models, consumer choice is becoming increasingly limited, and the prices of gasoline and hybrid vehicles now fall within the same price range as a fully electric vehicle such as the Tesla Model 3.



Notably, among mainstream automakers, only one offers a plug-in hybrid passenger car: the **Toyota Prius Prime**, which has a starting price of **\$44,015**.



Other examples, such as the comparison between the Hyundai Ioniq 9 electric vehicle and the Hyundai Palisade Hybrid (both three-row SUVs), which are offered at essentially the same price, demonstrate that price parity between electric vehicles and hybrid, and even gasoline-powered, vehicles is not a distant prospect. It is already at our doorstep, especially when total cost of ownership is taken into consideration.

In May 2026, an article published by *Motor Illustrated*¹¹ stated: *The Average Transaction Price is Now at Parity Between Combustion powered and Electric Vehicles in Canada.*

The Average Transaction Price is Now at Parity Between Combustion-Powered and Electric Vehicles in Canada

Anthony Lemonde

NEWS May 8, 2026



"The average transaction price of a new vehicle in Canada was \$49,500 during the first quarter of 2026, regardless of powertrain. This can be explained by reduced EV prices and the return of the federal EV incentive.

The imminent arrival of Chinese EVs should make the average transaction price of EVs reduce further.

While upfront cost remains the main obstacle for EV adoption in Canada according to consumer surveys, this disparity seems on its way out.

Indeed, Automotive News Canada reports that the average transaction price of electric vehicles in Canada matched that of all vehicles regardless of powertrain during the first quarter of the year.

This information, sourced from J.D. Power, does not account for automakers that operate direct to consumer sales, such as Tesla, Rivian, Lucid and Polestar, which price all of their vehicles above this average.

Nevertheless, this is an encouraging sign for EV adoption rates, which have dropped significantly since the end of 2024, when federal and provincial electric vehicle rebates were reduced or stopped completely."

Considering that electric vehicles and plug-in hybrid vehicles were eligible in 2026 for a **\$5,000 federal rebate** and a **\$2,000 Quebec rebate**, an increasing number of hybrid vehicles are no longer competitively priced compared with equivalent electric and plug-in hybrid models. When the higher cost of gasoline relative to electricity is also considered, the difference amounts to several thousand dollars over 100,000 km of driving. As a result, when comparing a compact SUV powered by gasoline, a conventional hybrid, a plug-in hybrid, and a fully electric drivetrain, the difference in energy costs is substantial.

¹¹ <https://motorillustrated.com/the-average-transaction-price-is-now-at-parity-between-combustion-powered-and-electric-vehicles-in-canada/183429/>

Being conservative and assuming an average gasoline price of \$1.60/L and an electricity price of 12 cents/kWh over 100,000 km, the energy cost would be:

- At **8.4 L/100 km** (gasoline Honda CR-V): **\$13,440** in gasoline
- At **6.4 L/100 km** (Honda CR-V Hybrid): **\$10,240** in gasoline
- At **15.4 kWh/100 km** (Tesla Model Y): **\$1,848** in electricity (if a driver charges 20% of the time using DC fast chargers at an average price of \$0.50/kWh, approximately \$1,100 should be added, for a total of roughly \$3,000)
- For plug-in hybrid SUVs, the equation becomes more complex because it depends on the share of kilometres driven in hybrid mode versus electric mode. For example, if the owner of a Mitsubishi Outlander PHEV rarely or never plugs in the vehicle, they will see little to no economic benefit. Indeed, this plug-in hybrid SUV has a fuel consumption rating of 8.6 L/100 km in hybrid mode, which is no more efficient than a gasoline-powered Honda CR-V. Yet many of these vehicles are used in the Government of Quebec's vehicle fleet, and many users never charge them because charging stations have still not been installed at their workplaces.

This issue was documented in the past, including by the current President and CEO of Electric Mobility Canada¹².



It is in 2027 that we will mark the 30th anniversary of conventional hybrid vehicles. Yet, in light of the figures presented here, it is clear that these three decades have not made them economically competitive with electric vehicles.

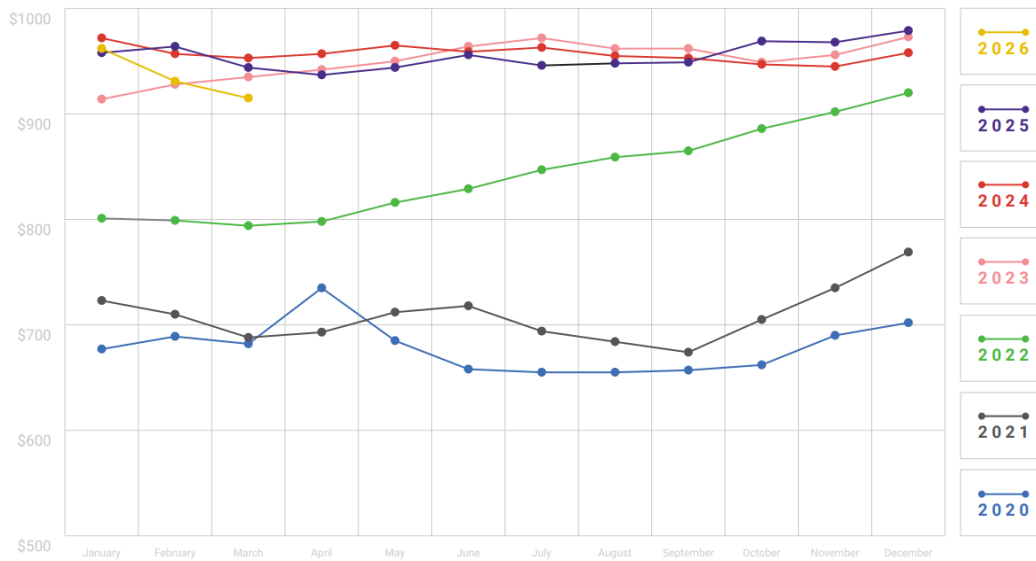
We therefore cannot expect them to become competitive in the future. Quite the opposite. While electric vehicle technology continues to advance by leaps and bounds, conventional hybrid technology is now progressing very little.

¹² <https://www.journaldemontreal.com/2019/08/08/des-vehicules-electriquesmais-pas-de-bornes>

The Central Affordability Issue

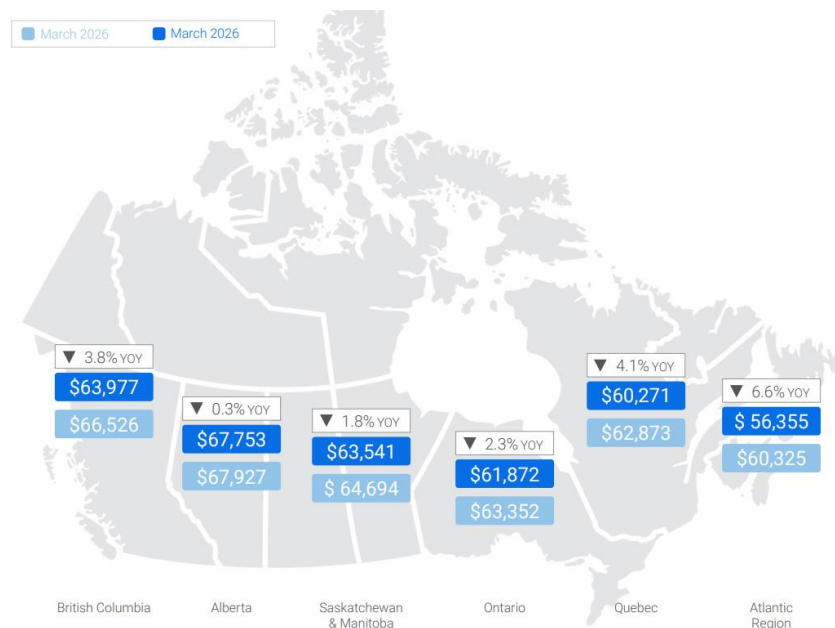
In 2026, the cost of living is among consumers' top concerns. This is true not only for people in Quebec, but also for Americans, Europeans, Asians, and consumers in just about every part of the world.

At the same time, the price of new vehicles has increased dramatically since 2020. According to AutoTrader, average monthly payments for a new vehicle rose by 35% between March 2020 and March 2026.



Average Monthly Payments (New). Source : [AutoTrader](#)

Again, according to AutoTrader, the average price of a new vehicle in March 2026 was \$60,271.



Average Price (New). Source : [AutoTrader](#)

Vehicle Categories... and Consumers, Left Behind

It is important to remember that all of the traditional automakers have stopped offering entry-level gasoline vehicles to consumers in Quebec and across Canada.

Affordable gasoline-powered vehicles of the past, such as the Honda Fit, Toyota Yaris, Mazda2, Nissan Micra, Hyundai Accent, Ford Fiesta, Chevrolet Spark, and others, have disappeared from the market, leaving consumers who cannot or do not want to spend \$30,000 or more on a new vehicle with few options.

Here are a few examples of some of the least expensive gasoline-powered vehicles available on the market in 2026:

- Mazda 3 : \$28,316
- Honda Civic LX : \$31,592
- Hyundai Elantra : \$28,118
- Toyota Corolla : \$27,854

For their part, traditional American automakers have completely stopped offering affordable gasoline-powered passenger cars. To such an extent that the only car models now offered by Ford, Chevrolet, and Dodge are "muscle cars" aimed at a nostalgic niche market.

The following are the passenger cars currently offered by these five American brands:

- Ford Mustang – starting price: \$41,425
- Dodge Charger – starting price: \$62,390
- Chevrolet Corvette – starting price: \$93,525
- Chrysler – no passenger cars
- Buick – no passenger cars

As a result, anyone looking for an inexpensive new gasoline-powered car will no longer find one on dealership lots. This situation has contributed significantly to the increase in the purchase price of both new and used vehicles.

The “Freedom of Choice” ... for Automakers

For some time now, certain elected officials and commentators unfamiliar with the automotive sector have been repeating ad nauseam the concept of “freedom of choice” as an argument **against the ZEV standard**.

What they fail to recognize is that consumers have never truly been able to buy the vehicle of their choice.

Anyone working in the automotive sector knows full well that many vehicle models available in other markets are inaccessible to consumers because the federal government does not allow those vehicles to be sold in Canada.

Examples abound but let us simply mention vehicles sold in Europe that comply with European safety standards yet are not authorized for sale here. Transport Canada argues that Canadian standards provide stronger safety protections. In our view, however, this has more to do with protectionism aimed at favouring vehicle manufacturers operating in Canada than with genuinely enhancing passenger safety.



Under Canadian safety standards, the Renault 5 and Twingo are not permitted to be driven in Canada.

We could also reiterate that traditional automakers have chosen to stop offering affordable small gasoline-powered vehicles to consumers in Quebec and Canada. In conclusion, this is not a matter of **consumer choice**, but rather of **automaker choice**.

Parity, Affordability... and the Federal Government

Another important element in the discussion surrounding new vehicle price parity in Quebec is the federal rebate.

While some fully electric and plug-in hybrid vehicles remain somewhat more expensive to purchase than equivalent gasoline-powered vehicles, consumers in Quebec are assisted in their ability to purchase an electric vehicle through the federal government's rebate program.

In other words, the purchase price of a new electric or plug-in hybrid vehicle in Quebec is reduced because the federal government supports the acquisition of these vehicles through subsidies under a program whose name is particularly revealing: the **Electric Vehicle Affordability Program (EVAP)**¹³.

From the federal government's website:

"The new Electric Vehicle Affordability Program (EVAP) encourages Canadians to buy or lease affordable electric vehicles (EVs) by offering incentives for transactions with a final value of \$50,000 or less. There is no final transaction value limit on EVs made in Canada.

¹³ <https://tc.canada.ca/en/road-transportation/innovative-technologies/electric-vehicles/electric-vehicle-affordability-program>

To qualify, EVs must be made in Canada or in countries that have free-trade agreements with Canada. Incentives start at:

- up to \$5,000 for battery-electric and fuel cell electric vehicles
- up to \$2,500 for plug-in hybrid vehicles

Canadians can now benefit from this new program as of February 16, 2026.” This program will remain in effect until 2030.

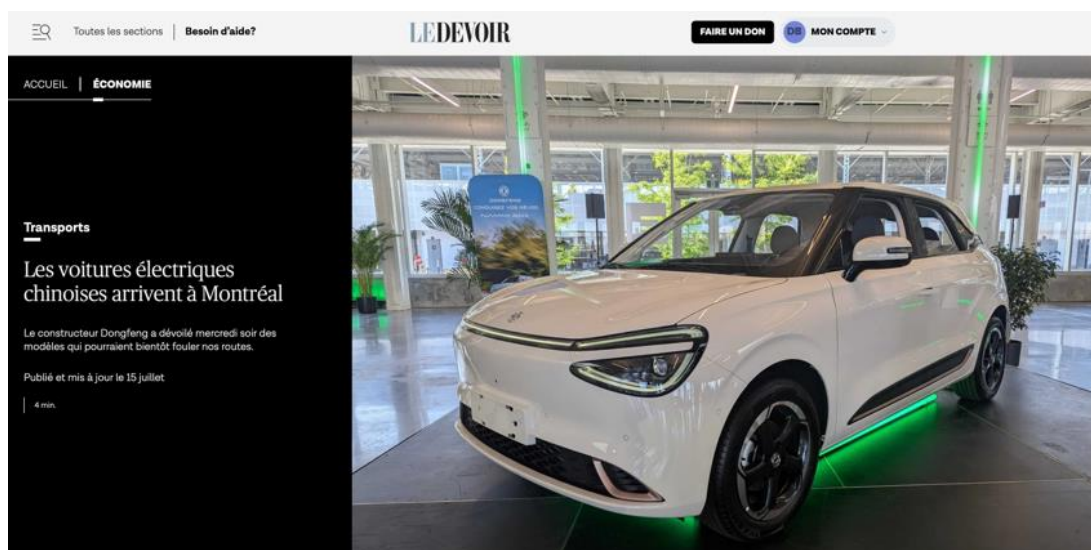
For fully electric vehicles, the rebates will be as follows:

- \$5,000 in 2026
- \$4,000 in 2027
- \$3,000 in 2028
- \$2,000 in 2029
- \$1,000 in 2030

In other words, reluctant and/or lagging automakers such as Honda, Mazda, and others have five years to adjust to the regulation.

Parity, Affordability... and Chinese Automakers

The arrival of Chinese electric vehicles is already beginning to reshape the market and influence consumer purchasing decisions. Indeed, the first electric vehicle manufactured in China to be offered in Canada following the reopening of the market by the Canadian government, the LFP-battery Tesla Model 3 priced at under \$40,000, has disrupted vehicle pricing in Quebec. However, all indications suggest that this is only the beginning, as several Chinese automakers are planning to offer vehicles across various market segments, including models priced below \$35,000.



On July 15, 2026, *Le Devoir* reported the following:¹⁴ : “It was at the Grand Quay of the Port of Montreal, before approximately 200 guests gathered in a subdued atmosphere, that Dongfeng showcased, among other vehicles, the BOX 01 EV and the Vigo EV, its first two electric vehicle models intended for the Canadian market. Both are expected to retail for under \$35,000, Julie Mazorra Fernández, director of North World Industry, the Canadian company that will import the vehicles, confirmed to *Le Devoir*.”

Manufacturers such as Dongfeng, BYD, Geely, and Chery are therefore preparing to offer vehicles that will compete directly with the same traditional automakers that are lobbying against ZEV regulations.

In practice, these traditional automakers:

- do not want competition from vehicles manufactured in China;
- do not want regulation;
- but are quite willing to accept subsidies.

As the saying goes, they want to have their cake and eat it too, at the expense of Quebec consumers. The arrival of Chinese electric vehicles will therefore accelerate both the affordability of electric vehicles and the achievement of price parity.

The False Argument of “Urgency”

As part of the current consultation, the government has invoked sections 12 and 13 in order to provide for a shorter enactment period than the 45-day period prescribed by law. Section 12 states:

12. *A proposed regulation may be made or approved at the expiry of a shorter period than the period applicable to it, or without having been published, if the authority making or approving it is of the opinion that a reason provided for in the Act under which the proposed regulation may be made or approved, or one of the following circumstances, warrants it:*
- 1° *the urgency of the situation requires it;*
 - 2° *the proposed regulation is designed to establish, amend or repeal norms of a fiscal nature.*

The rationale provided in the notice accompanying the Draft Regulation is as follows: The draft Regulation may be made at the expiry of a shorter publication period than the period set in section 11 of the Regulations Act, in accordance with section 12 of the Act, in order to provide predictability for motor vehicle manufacturers, which need to be aware of regulatory requirements to plan their activities, in particular determining the model and quantity of motor vehicles to be made available in Québec car dealerships, and planning motor vehicle production and market distribution.

The “urgency” argument advanced by automakers and automobile dealers does not hold up, for three reasons:

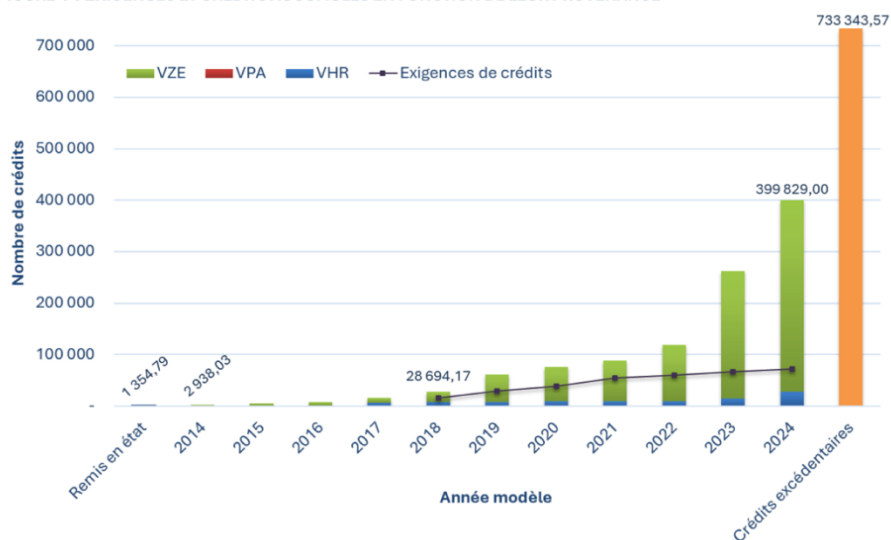
- 1) It was in response to pressure from both automakers and automobile dealers (who are not subject to the Zero-Emission Vehicle standard) that the Quebec government undertook this revision of the ZEV standard. Had it not been for their lobbying efforts, the regulation would never have been amended.

¹⁴ <https://www.ledevoir.com/economie/994949/voitures-electriques-chinoises-arrirent-montreal>

These same automakers and dealers cannot now turn around and claim that time is so urgent that the consultation period should be reduced to 30 days instead of the 45 days normally provided for by law.

- 2) If they are truly as supportive of electric vehicles as they claim to be, they need only order more electric and plug-in hybrid vehicles to meet the growing demand for ZEVs. Indeed, the return of the federal rebate and rising fuel prices have increased sales to such an extent that more and more dealerships are now running short of inventory for these vehicles. Given that many continue to argue that electric vehicle sales are declining in the United States, they are perfectly free to redirect those vehicles to Quebec to meet growing demand.
- 3) It is important to recall that all automakers subject to the ZEV standard have accumulated a substantial surplus of compliance credits over the years. In fact, according to the Quebec government's report on the 2022-2024 compliance period¹⁵, "For this third compliance period, as in previous periods, all regulated manufacturers met their regulatory obligations. They did so either by accumulating credits generated through their own sales or leases of ZEVs and FCEVs, or by acquiring credits from other manufacturers."

FIGURE 1 : EXIGENCES ET CRÉDITS ACCUMULÉS EN FONCTION DE LEUR PROVENANCE



GRAPH CONTENT TRANSLATION:

Title: Credits required and accumulated by provenance

VZE: ZEV / VPA: EREV / VHR: PHEV / Exigences de crédits: Credit Requirements

Vertical axis: Number of credits

Horizontal axis: Model year / Remis en état: Refurbished / Crédits excédentaires: Exceeding Credits

This report also shows that automakers have accumulated nearly 735,000 excess credits since the ZEV standard came into force, **more than three times the number of credits required to meet the regulatory requirements for that period**. This substantial surplus of credits will have the direct effect of reducing the credit requirements in force for the 2025-2027 compliance period by 20% and could lead to a reduction of approximately 15% for the 2028-2030 period. This flexibility associated with the accumulation of excess credits, which has existed since the ZEV standard was introduced, remains available to manufacturers. However, it also means that fewer electric vehicles will be required to achieve compliance in the future.

¹⁵ <https://www.environnement.gouv.qc.ca/changementsclimatiques/vze/bilan-norme-vze-periode-2022-2024.pdf>



Finally, given that Quebec is in the midst of a pre-election period, we believe it is, at the very least, ethically questionable for the current Quebec government to seek to amend the ZEV standard in August 2026, when the various political parties may put forward different positions on the issue during the upcoming election campaign.

If they truly believe in what they are proposing, they should submit it to the people of Quebec for a vote rather than pushing through this change behind closed doors.

1 INTRODUCTION

Electric Mobility Canada (EMC) welcomes the opportunity to participate in the Government of Quebec’s consultation on the proposed amendments to the Zero-Emission Vehicle (ZEV) Standard. Since its inception, the ZEV Standard has played a pivotal role in the development of Quebec’s electric vehicle market. It has helped establish Quebec as Canada’s leader in light-duty transportation electrification, expanded the availability of electric vehicles, and accelerated emissions reductions in the transportation sector.

EMC believes that the challenges currently cited to justify revising the Standard stem primarily from the political environment and strategic choices made by certain automakers, rather than from any inability of the Quebec market to continue its electrification trajectory. The current Standard remains realistic, relevant, and aligned with Quebec’s climate, economic, and energy objectives.

Considering that the Government wishes to provide greater short-term flexibility to the automotive industry, EMC presents a series of recommendations aimed at preserving the integrity and effectiveness of the Standard. More broadly, EMC believes that the various measures under consideration must be assessed cumulatively: the greater the flexibility granted in certain aspects of the compliance framework, the less justified it is to weaken the annual credit requirements.

The recommendations that follow are therefore intended to preserve the role of the ZEV Standard as the primary driver of transportation electrification in Quebec, while safeguarding the economic, energy, and environmental benefits it delivers to consumers, businesses, and Quebec society as a whole.

2 SUMMARY OF EMC RECOMMENDATIONS

Credits for Conventional Hybrid Vehicles (Non-Plug-In)		
Current Regulation	Proposed Amendment	EMC Recommendation
No Credit	0,25 Crédit, from model year 2025 to model year 2027	No Credit

- Conventional hybrid vehicles cannot be recharged from the electricity grid and do not represent a transitional technology toward electric mobility.
- Their inclusion would set a precedent unmatched by any other ZEV program in North America or elsewhere.

Credits for Plug-in Hybrid Vehicles		
Current Regulation	Proposed Amendment	EMC Recommendation
Based on electric range: – < 50 km: no credit – 50 to < 80 km: 0.3 to 0.5 credit, through model year 2027 – 80 km and above: 0.5 credit	Based on electric range: – < 50 km: 0.5 credit, through model year 2030 – 50 to < 80 km: 0.5 credit, through model year 2030 – 80 km and above: 0.75 credit	Based on electric range: – < 50 km: 0.25 credit, through model year 2027 – 50 to < 80 km: 0.5 credit, through model year 2027 – 80 km and above: 0.75 credit through model year 2027, and 0.5 credit thereafter.

- Plug-in hybrid vehicles can contribute to transportation electrification and play a transitional role in certain market segments.
- However, any credits awarded should remain temporary and proportional to their actual contribution to electric driving.
- The Standard must continue to promote the long-term deployment of zero-emission vehicles.

Credits for Zero-Emission Vehicles (Battery Electric Vehicles)		
Current Regulation	Proposed Amendment	EMC Recommendation
1 credit	1 credit	1 credit

- Zero-emission vehicles remain the technology that delivers the greatest emissions reductions and represent the ultimate objective of the Standard.
- Their compliance value should remain unchanged.

Credit Expiration		
Current Regulation	Proposed Amendment	EMC Recommendation
Credits accumulated before model year 2025: – Expire in 2027	When the period ends in 2027: – Remaining ZEV credits would be divided in half and – Residual credits would remain valid through model year 2030	– Expire in 2027
Credits accumulated from model year 2025 onward: – Valid for the compliance period in which they are generated and the following period	– No expiration.	– Valid for the compliance period in which they are generated and the following period.
Plug-in hybrid vehicle credits:	Less than 80 km of electric range: – Expire in 2030 80 km or more of electric range:	Less than 80 km of electric range: – Expire in 2030 80 km or more of electric range:

– Valid for the compliance period in which they are generated and the following period	– Valid for the compliance period in which they are generated and the following period	– Valid for the compliance period in which they are generated and the following period
Conventional hybrid vehicle credits: – No credits	– Expire in 2027	– No Credits
Maximum permitted carry-forward of excess credits: – 2025-2026: 20% – 2028-2030: 15% – 2031-2033: 10% – Subsequent periods: 0%	Maximum permitted carry-forward of excess credits: – 2025-2026: 20% – 2028-2030: 10% – 2031-2033: 5% – Subsequent periods: 0%	Maximum permitted carry-forward of excess credits: – 2025-2026: 15% – 2028-2030: 10% – 2031-2033: 5% – Subsequent periods: 0%

- Credit expiration mechanisms are essential to preserving the integrity of the Standard and ensuring a sustained commitment to transportation electrification.
- The rules should not be amended retroactively to extend the value of credits that have already been accumulated.
- The flexibility measures introduced elsewhere in the reform justify a more stringent approach to excess credit carry-forward provisions.

Annual Credit Requirements			
Current Regulation	Proposed Amendment	EMC Recommendation	
		Scenario #1 (If the Government adopts EMC's other recommendations)	Scenario #2 (If the Government maintains the other proposed flexibility measures)
2025: 22.0%	2025: 22.0%	2025: 22.0%	2025: 22.0%
2026: 32.5%	2026: 26.0%	2026: 26.0%	2026: 30.0%
2027: 45.0%	2027: 30.0%	2027: 30.0%	2027: 40.0%
2028: 60.0%	2028: 35.0%	2028: 35.0%	2028: 50.0%
2029: 75.0%	2029: 44.0%	2029: 44.0%	2029: 60.0%
2030: 85.0%	2030: 51.0%	2030: 60.0%	2030: 70.0%
2031: 91.0%	2031: 58.0%	2031: 65.0%	2031: 75.0%
2032: 95.0%	2032: 64.0%	2032: 70.0%	2032: 78.0%
2033: 97.5%	2033: 70.0%	2033: 75.0%	2033: 81.0%
2034: 99.0%	2034: 75.0%	2034: 80.0%	2034: 83.0%
2035: 100.0%	2035: 80.0%	2035: 85.0%	2035: 85.0%

- The current targets remain achievable and consistent with Quebec's electrification objectives.
- Compliance requirements must be evaluated in the context of all other proposed flexibility measures.
- Maintaining an ambitious compliance trajectory remains essential to supporting electric vehicle availability, affordability, and the continued development of the Quebec market.

3 COMMENTS ON THE REGULATORY IMPACT ANALYSIS

The Regulatory Impact Analysis (RIA) contains several significant internal tensions. Some are methodological in nature, while others are strategic or political. Interestingly, several of the MELCCFP's own findings tend to demonstrate that the proposed relaxation is poor public policy, even as the document seeks to justify it.

The ultimate justification therefore appears to rest more on a political desire to provide relief to certain automakers than on an economic or environmental demonstration that the proposed approach would produce superior outcomes.

In summary :

- **The RIA does not demonstrate that the current targets are unrealistic.**
- **The economic analysis largely overlooks Quebec's transportation electrification industry.**
- **The impact of including conventional hybrids on public and private investments in charging infrastructure is not considered.**
- **The RIA itself acknowledges a net cost of \$17 billion to Quebec society.**
- **The benefits cited consist primarily of additional revenues for the petroleum industry rather than genuine economic gains for Quebec.**
- **The impact of Quebec's trade deficit associated with petroleum imports is not considered.**

3.1 The Analysis Does Not Demonstrate the Need to Revise the Current Targets

The Regulatory Impact Analysis assumes that relaxing the Standard is necessary under current market conditions. However, it never demonstrates that the targets currently in force are unrealistic or unattainable. It provides no analysis of anticipated credit deficits among automakers, nor does it demonstrate that the Quebec market would be unable to sustain the current trajectory. On the contrary, the analysis notes that new electric vehicle registrations increased by 160% between March 2025 and March 2026, driven in part by the return of federal incentives and higher fuel prices.

The issue identified is essentially that:

- some automakers are calling for regulatory relief;
- the geopolitical context has changed;
- there is uncertainty.

However, at no point does the RIA demonstrate:

- that the current targets are impossible to achieve;
- that automakers will, in fact, face credit shortfalls;
- that the Quebec market can no longer sustain the current trajectory;
- that consumers no longer want to purchase EVs.

There is therefore a fundamental disconnect between the **problem being cited** (market challenges) and **the evidence presented** (a strong rebound in demand).

The RIA demonstrates the existence of **political and industry pressure**, but not the regulatory necessity of revising the targets

3.2 The RIA Implicitly Accepts Automakers' Claims Without Verifying Them

The analysis places significant weight on concerns raised by certain automakers yet provides very little data to assess the validity of those claims. It does not quantify expected compliance costs, projected credit deficits, or the actual risks automakers would face if the current Standard were maintained.

Readers are therefore asked to take it on faith that certain manufacturers are experiencing difficulties. For a Regulatory Impact Analysis intended to justify a major regulatory change, this lack of quantification is surprising.

3.3 The Analysis Itself Concludes That the Proposed Relaxation Represents a Step Backward for Quebec

According to the MELCCFP's own calculations, the proposed amendments would reduce electric vehicle adoption rates, increase GHG emissions, increase air pollutant emissions, and result in a net cost of more than **\$17 billion to Quebec society** by 2035.

In other words, the document itself demonstrates that the proposed relaxation would produce economic, environmental, and social outcomes that are inferior to those expected under the current regulatory framework. A Regulatory Impact Analysis would normally justify a policy change by demonstrating that its benefits outweigh its costs. In this case, the RIA effectively demonstrates the opposite.

3.4 The "Savings" for Businesses Are Actually Additional Revenues for the Petroleum Industry

The analysis presents increased revenues for gas stations, petroleum wholesalers, and refineries as the project's primary economic benefit. These gains stem directly from increased gasoline consumption. EMC believes it is misleading to characterize these additional revenues as a net economic benefit for Quebec, since they are derived primarily from additional costs borne by Quebec consumers.

The RIA therefore portrays as an economic benefit what is, in reality, a financial transfer from Quebec consumers to the petroleum industry.

3.5 Quebec's Transportation Electrification Industry Is Largely Absent from the Analysis

The analysis assesses the impacts on the petroleum industry, automakers, and dealerships, but gives little consideration to the Quebec companies that are helping drive transportation electrification. Potential impacts on charging equipment suppliers, charging service providers,



electrical contractors, software providers, equipment manufacturers, and other participants in Quebec's electrification value chain are absent from the assessment.

3.6 The Impact on Employment Is Likely Underestimated

The analysis concludes that *no impact* on employment is expected in the short term, while acknowledging that a slowdown in electrification could reduce the future economic benefits associated with the energy transition. EMC believes that the potential impacts on jobs related to charging infrastructure, electrical systems, clean technologies, and the battery value chain warrant a more thorough assessment.

While these impacts may be difficult to quantify precisely, concluding that there will be "no impact" appears overly categorical.

3.7 The Economic Benefits of an Adequate Supply of Electric Vehicles Are Underestimated

The analysis acknowledges that the ZEV Standard plays an important role in ensuring the availability of electric vehicles, but it does not consider the consequences that a reduced supply could have on consumers. In particular, it does not address the risk of longer wait times, reduced competition among automakers, or a slowdown in the future development of the used electric vehicle market.

The effect of competition on affordability is absent from the analysis. The analysis simply assumes that a decline in electric vehicle sales generates purchase savings for consumers who instead buy gasoline-powered vehicles. However, it fails to account for the role the ZEV Standard plays in increasing vehicle availability, expanding model diversity, and intensifying competition among automakers. These factors directly contribute to lower prices and improved accessibility of electric vehicles.

The analysis treats additional revenues for gas stations, fuel distributors, and refineries as an economic benefit of the proposal, but it ignores the fact that greater fossil fuel consumption also results in additional capital outflows from Quebec. By contrast, transportation electrification replaces petroleum imports with increased consumption of locally generated electricity. By reducing Quebec's dependence on imported fossil fuels, the ZEV Standard helps strengthen the province's energy sovereignty and improve its trade balance. This economic benefit is absent from the analysis.

Between 2017 and 2024, despite an increase of 325,000 light-duty passenger vehicles on Quebec roads, gasoline consumption **declined by nearly 10%**, largely as a result of the growing electric vehicle fleet. This represents nearly **one billion fewer litres of gasoline consumed**.

Geography	Quebec (map)							
Type of fuel sales	2017	2018	2019	2020	2021	2022	2023	2024
	Litres							
Net sales of gasoline ³	8,820,509	8,727,383	8,621,760	7,241,361	7,878,877	8,027,145	8,187,988	7,985,147
Gross sales of gasoline ⁴	9,097,393	8,942,883	9,009,471	7,993,371	8,677,423	8,729,477	9,169,769	8,849,061
Net sales of diesel oil ³	3,042,434	3,201,096	3,359,760	2,962,120	3,629,139	3,314,546	3,194,720	3,063,217
Net sales of liquefied petroleum gas ³	0	0	0	30,953	74,836	74,968	118,200	82,996

Source: [Statistics Canada](#).

3.8 Public Health Impacts Are Insufficiently Considered

The analysis quantifies the economic value of the additional air pollutants that would result from relaxing the Standard but provides little discussion of the real-world impacts associated with this increase in pollution. The public health consequences, including respiratory illnesses, cardiovascular disease, hospitalizations, and increased healthcare system costs, deserve far greater attention.

The RIA does not meaningfully discuss the impacts associated with higher emissions, including:

- increased respiratory illnesses;
- worsening asthma;
- cardiovascular disease;
- hospitalizations;
- increased strain on the healthcare system;
- lost workdays;
- reduced productivity.

The analysis moves directly from tonnes of NO_x and PM_{2.5} emissions to a monetary value without ever explaining what those emissions actually mean for citizens.

3.9 Climate Change Costs Are Treated Abstractly

The analysis acknowledges that the proposed amendments would result in nearly 15 Mt of additional GHG emissions by 2035. However, it does not discuss in any meaningful detail the real-world consequences of those emissions through their contribution to climate change, whether in the form of extreme weather events, infrastructure damage, impacts on municipalities, adaptation costs, or future public expenditures. Environmental costs remain largely abstract in the RIA, even though a significant share of climate-related costs is ultimately borne by governments through disaster recovery, investments in more resilient infrastructure, emergency response measures, and healthcare spending.

The RIA quantifies certain environmental consequences of the proposed regulatory relaxation, but it does not adequately examine their tangible impacts on public health, public finances, and the growing costs associated with climate change in Quebec.



In both cases, public health and climate change, the analysis quantifies emissions but devotes little attention to their real-world consequences for citizens, businesses, municipalities, and Quebec's public finances.

3.10 A Fundamental Inconsistency

EMC notes that the analysis explicitly recognizes that the current Standard helps support the availability of electric vehicles and maintain Quebec's position as a North American leader in transportation electrification. It also acknowledges that the proposed relaxation would result in fewer electric vehicles, higher fuel consumption, increased emissions, and a significant net cost to Quebec society.

There is a fundamental inconsistency: the RIA acknowledges that the proposal would generate an additional 14.7 Mt of GHG emissions, increase air pollution, and impose a net cost of \$17 billion on Quebec society, yet **it never demonstrates why these costs would be preferable to maintaining the current regulatory framework.**

In practice, the RIA does more to demonstrate the costs of the proposed regulatory relaxation than to justify its necessity.

4 COMMENTS ON THE PROPOSED AMENDMENTS

EMC believes that several of the proposed amendments, both individually and collectively, risk significantly reducing the effectiveness of the ZEV Standard as a driver of transportation electrification in Quebec. While certain temporary flexibility measures may be considered, they should not compromise the fundamental objective of the regulation: increasing the availability and adoption of zero-emission vehicles.

The recommendations that follow are based on a simple principle: the various proposed relaxations must be evaluated cumulatively. A measure that may appear reasonable when assessed in isolation can have much more significant consequences when combined with other flexibility measures. It is in this spirit that EMC offers the following comments and recommendations.

4.1 Credits for Conventional Hybrid Vehicles (Non-Plug-In)

Credits for Conventional Hybrid Vehicles (Non-Plug-In)		
Current Regulation	Proposed Amendment	EMC Recommendation
No Credit	0,25 Crédit, from model year 2025 to model year 2027	No Credit

4.1.1 An Unprecedented Departure from ZEV Program Design

Quebec is proposing to award compliance credits to conventional hybrid vehicles that rely entirely on gasoline as their energy source. While these vehicles may deliver some reductions in fuel consumption, they cannot be charged from the electricity grid and do not represent a transition technology toward electric mobility in the same way as zero-emission vehicles or plug-in hybrid

vehicles. Their eligibility for compliance credits therefore represents a significant departure from the principles that underpin ZEV programs across North America and elsewhere in the world.

It is important to emphasize that the argument that non-plug-in hybrid vehicles are necessary in rural and remote regions is simply unfounded. In areas where public charging infrastructure is less developed, plug-in hybrid vehicles can serve as an effective transitional technology that meets motorists' needs very well. As such, the "rurality argument" cannot legitimately be used to justify including non-plug-in hybrid vehicles in the ZEV Standard.

Automakers, particularly those that have fallen significantly behind in their electrification efforts, are increasingly lobbying governments in North America and Europe to relax regulatory requirements and allow conventional hybrid vehicles to qualify under compliance mechanisms. Including non-plug-in hybrid vehicles in the ZEV credit system would make Quebec the first North American jurisdiction to award compliance credits for this technology under a ZEV standard. This approach is difficult to reconcile with the leadership role Quebec has played to date in transportation electrification. It would be particularly difficult to justify given the proven effectiveness of the current Standard. The Standard has helped make Quebec the leading electric vehicle market in Canada and has ensured that Quebec consumers have access to one of the most diverse ZEV offerings in North America. In this context, the Government should build on the Standard's success and preserve the integrity of its founding principles rather than expand access to compliance credits for vehicles powered exclusively by fossil fuels.

4.1.2 A Measure That Dilutes the Objective of the ZEV Standard

The ZEV Standard was designed to accelerate the availability and adoption of vehicles that can operate entirely or primarily on electricity. By allowing manufacturers to generate credits from non-plug-in hybrid vehicles, the proposal weakens the link between regulatory compliance obligations and the deployment of rechargeable or zero-emission vehicles. This amendment would dilute the regulatory signal sent to the market and could slow investment aimed at expanding the supply of electric vehicles in Quebec.

4.1.3 A Distortion of the Credit Market

Credits generated by conventional hybrid vehicles would be added to the existing supply of compliance credits. This increase in supply could reduce the value of credits on the secondary market and diminish the revenues associated with credits generated by zero-emission vehicles. As a result, manufacturers that have invested heavily in electrifying their product portfolios could see the economic value of their credits decline, to the benefit of manufacturers that continue to rely more heavily on gasoline-powered technologies.

4.1.4 A Retroactive Measure That Changes the Rules of the Market

The proposal would award credits for conventional hybrid (non-plug-in) vehicles from model years 2025 through 2027, even though the 2025 and 2026 model years have already passed or are already underway, and many product planning, procurement, and compliance decisions have already been made by manufacturers. This retroactive change alters the balance of the credit

market and the regulatory expectations of companies that developed their compliance strategies based on the rules currently in force.

4.1.5 Cumulative Impacts

The addition of credits for conventional hybrid vehicles should not be evaluated in isolation. When combined with lower compliance targets and other proposed flexibility measures, it further reduces the number of zero-emission vehicles that will need to be brought to market to satisfy regulatory requirements.

4.2 Credits for Plug-in Hybrid Vehicles and Zero-Emission Vehicles

Credits for Plug-in Hybrid Vehicles		
Current Regulation	Proposed Amendment	EMC Recommendation
Based on electric range: – < 50 km: no credit – 50 to < 80 km: 0.3 to 0.5 credit, through model year 2027 – 80 km and above: 0.5 credit	Based on electric range: – < 50 km: 0.5 credit, through model year 2030 – 50 to < 80 km: 0.5 credit, through model year 2030 – 80 km and above: 0.75 credit	Based on electric range: – < 50 km: 0.25 credit, through model year 2027 – 50 to < 80 km: 0.5 credit, through model year 2027 – 80 km and above: 0.75 credit through model year 2027, and 0.5 credit thereafter.

Credits for Zero-Emission Vehicles (Battery Electric Vehicles)		
Current Regulation	Proposed Amendment	EMC Recommendation
1 credit	1 credit	1 credit

4.2.1 A Transitional Approach for Plug-in Hybrid Vehicles May Be Appropriate

EMC recognizes that plug-in hybrid vehicles can serve as a transitional technology in certain market segments where the adoption of fully electric vehicles remains more challenging. Unlike conventional hybrid vehicles, plug-in hybrids can be charged from the electricity grid and can reduce fuel consumption when used under favorable conditions. EMC also recognizes that plug-in hybrid vehicles with greater electric range can enable some drivers to complete the majority of their daily travel in electric mode. It is therefore reasonable for the regulation to distinguish between vehicles with higher electric range and those with more limited electric capability.

In the current North American market context, certain temporary measures aimed at facilitating regulatory compliance may therefore be appropriate. However, such measures should remain transitional in nature, and the compliance framework of the ZEV Standard must continue to send a clear signal regarding the Government of Quebec's ultimate objective: the deployment of zero-emission vehicles rather than the continued reliance on technologies that still depend on fossil fuels.



4.2.2 Vehicles with Less Than 50 Kilometres of Electric Range Should Not Be Treated the Same as Other Plug-in Hybrids

The proposal would grant 0.5 credit to plug-in hybrid vehicles offering less than 50 kilometres of electric range. Such range is generally insufficient to meet the daily driving needs of many motorists, particularly during Quebec winters when electric range is often reduced.

EMC believes that awarding credits to these vehicles should be approached with caution. If the Government considers it necessary to assign them regulatory value in order to facilitate the short-term transition, such treatment should be time-limited and should end no later than the conclusion of the 2025-2027 compliance period.

4.2.3 Simplifying the Credit Treatment of Plug-in Hybrids with 50 to 80 Kilometres of Electric Range May Be Acceptable in the Short Term

The current regulation provides for a graduated credit structure based on the electric range of plug-in hybrid vehicles. The proposed simplification, which would award 0.5 credit to vehicles offering between 50 and 80 kilometres of electric range, may represent an acceptable compromise for the 2025-2027 compliance period.

However, this measure should not have the effect of creating a long-term regulatory reliance on plug-in hybrid vehicles. Beyond the proposed transitional period, the Standard should progressively refocus regulatory incentives on zero-emission vehicles.

4.2.4 Plug-in Hybrid Vehicles with More Than 80 Kilometres of Electric Range Merit Greater Recognition, but Only on a Temporary Basis

EMC recognizes that plug-in hybrid vehicles offering more than 80 kilometres of electric range are capable of completing a substantial share of daily travel in electric mode, even during winter conditions, and can deliver greater emissions reductions than other plug-in hybrid vehicles.

In this context, awarding 0.75 credit may be justified in the short term. However, this enhanced credit value should remain temporary. Given the expected evolution of the market toward fully electric vehicles, EMC believes that the compliance value associated with these vehicles should be reduced to 0.5 credit after 2027 in order to preserve a clear regulatory advantage for zero-emission vehicles.

4.2.5 Avoid Substituting Zero-Emission Vehicles with Plug-in Hybrids

EMC remains concerned that the combined effect of the proposed flexibility measures could encourage compliance strategies that rely more heavily on plug-in hybrid vehicles. Plug-in hybrids are a transitional technology. They should not become a regulatory substitute for zero-emission vehicles. The Government should therefore ensure that any enhanced credit values granted to plug-in hybrids remain temporary and do not diminish automakers' incentive to bring a diverse and affordable range of fully electric vehicles to the Quebec market.



Beyond environmental considerations, this distinction is also important from an economic perspective. While plug-in hybrid vehicles will always incorporate two separate propulsion systems, making price parity difficult to achieve, zero-emission vehicles will continue to benefit from declining costs as production volumes increase. A regulatory framework that places excessive emphasis on plug-in hybrids therefore risks not only slowing the deployment of zero-emission vehicles, but also delaying the economic benefits associated with their widespread adoption. The Government should ensure that any enhanced credit values granted to plug-in hybrids remain temporary and do not reduce automakers' incentive to accelerate the introduction of affordable fully electric vehicles.

4.2.6 The Impacts Must Be Evaluated Cumulatively

EMC believes that this amendment must be assessed in conjunction with all other proposed changes to the ZEV Standard, including the introduction of credits for non-plug-in hybrid vehicles, the reduction in compliance requirements, and the revised credit banking rules.

When considered individually, some of these measures may appear reasonable or justifiable as transitional provisions. However, their combined effect could significantly reduce the number of zero-emission vehicles that will need to be brought to market to satisfy regulatory requirements. This reality should be considered in the overall assessment of the proposed reform.

4.2.7 Zero-Emission Vehicles Should Remain the Benchmark

Zero-emission vehicles remain the technology that delivers the greatest emissions reductions and represent the ultimate objective of the ZEV Standard. Unlike transitional technologies, they eliminate tailpipe emissions entirely and provide the greatest long-term benefits from environmental, energy, and economic perspectives. For this reason, EMC supports maintaining the current compliance value of one credit per vehicle. Preserving this clear regulatory distinction remains important to ensure that the Standard continues to prioritize the deployment of zero-emission vehicles and supports the long-term electrification of Quebec's transportation sector.

4.3 Credit Expiration

Credit Expiration		
Current Regulation	Proposed Amendment	EMC Recommendation
Credits accumulated before model year 2025: – Expire in 2027	When the period ends in 2027: – Remaining ZEV credits would be divided in half and – Residual credits would remain valid through model year 2030	– Expire in 2027
Credits accumulated from model year 2025 onward: – Valid for the compliance period in which they are generated and the following period	– No expiration.	– Valid for the compliance period in which they are generated and the following period.
Plug-in hybrid vehicle credits: – Valid for the compliance period in which they are generated and the following period	Less than 80 km of electric range: – Expire in 2030 80 km or more of electric range: – Valid for the compliance period in which they are generated and the following period	Less than 80 km of electric range: – Expire in 2030 80 km or more of electric range: – Valid for the compliance period in which they are generated and the following period
Conventional hybrid vehicle credits: – No credits	– Expire in 2027	– No Credits
Maximum permitted carry-forward of excess credits: – 2025-2026: 20% – 2028-2030: 15% – 2031-2033: 10% – Subsequent periods: 0%	Maximum permitted carry-forward of excess credits: – 2025-2026: 20% – 2028-2030: 10% – 2031-2033: 5% – Subsequent periods: 0%	Maximum permitted carry-forward of excess credits: – 2025-2026: 15% – 2028-2030: 10% – 2031-2033: 5% – Subsequent periods: 0%

4.3.1 Credit Expiration Mechanisms Are Essential to the Integrity of the Standard

Credit expiration is a fundamental component of any ZEV standard. It provides manufacturers with a degree of flexibility while ensuring that compliance efforts remain tied to market realities and zero-emission vehicle deployment objectives within a given compliance period.

Without an expiration mechanism, credits generated many years earlier could be used to satisfy future regulatory obligations, thereby reducing the incentive to maintain a sustained effort toward electrification. EMC believes that the current rules strike a reasonable balance between regulatory flexibility and genuine market progress.

The ability to carry forward credits should remain a flexibility mechanism, not a means of indefinitely avoiding compliance. Expiration rules exist precisely to preserve the integrity of the Standard.

4.3.2 Credits Accumulated Before 2025 Should Not Receive an Additional Extension

The proposal would allow a portion of the credits accumulated before 2025 to remain valid until 2030, even though those credits would normally expire at the end of the 2025-2027 compliance period.

EMC opposes this amendment. Manufacturers accumulated and managed their credits based on the rules that were known and in force at the time those credits were generated. Retroactively extending their validity would alter the original regulatory balance and confer additional value on credits that were awarded under a different set of market and regulatory conditions.

This amendment would also create unnecessary regulatory uncertainty by retroactively changing the value of assets accumulated under a different regulatory framework.

It would also reduce the need to bring new zero-emission vehicles to market during the very years when regulatory obligations are intended to become more stringent.

4.3.3 Credits Accumulated from 2025 Onward Should Continue to Be Subject to a Limited Validity Period

The proposal would eliminate the expiration of credits generated from 2025 onward. EMC believes that such a change would unnecessarily weaken the regulatory signal provided by the Standard. Allowing compliance credits to be carried forward indefinitely risks reducing the pressure on manufacturers to maintain a sustained level of zero-emission vehicle deployment in future years.

The current regulation already provides significant flexibility by allowing credits to be used during the compliance period in which they are generated as well as during the subsequent compliance period. EMC therefore recommends maintaining the rules currently in force.

The same principle should also apply to credits awarded for plug-in hybrid vehicles: they should expire at the end of the compliance period following the one in which they were accumulated.

4.3.4 Carry-Forward Limits Should Be Tightened Further in Light of the Other Proposed Flexibility Measures

EMC supports the proposed reduction in excess credit carry-forward limits for the 2028-2030 and 2031-2033 compliance periods.

However, changes to excess credit carry-forward limits must be evaluated in the context of the full suite of flexibility measures included in the proposed reform, including:

- the introduction of credits for non-plug-in hybrid vehicles;
- the introduction and enhancement of credits for certain plug-in hybrid vehicles;
- the reduction of compliance requirements;
- the extension of the validity period for certain existing credits.

Given the cumulative effect of these measures, particularly during the 2025-2027 period, EMC believes that the maximum carry-forward limit of 20% for 2025-2027 should also be reduced. To preserve the integrity of the Standard and limit the excessive accumulation of credits in a context where compliance obligations have already been substantially reduced, EMC recommends lowering the carry-forward limit for the 2025-2027 period to 15%.

4.3.5 The Impacts Must Be Evaluated Cumulatively

Changes related to credit expiration and credit carry-forward provisions should not be evaluated in isolation. Their interaction with the other proposed amendments could significantly reduce the number of zero-emission vehicles that will need to be sold in Quebec over the coming decade.

EMC considers that flexibility granted in one element of the compliance system should be offset by tightening other parameters in order to preserve the Standard's ability to support the supply of zero-emission vehicles, maintain competition among manufacturers, and advance Quebec's transportation electrification objectives.

4.4 Annual Credit Requirements

Annual Credit Requirements			
Current Regulation	Proposed Amendment	EMC Recommendation	
		Scenario #1 (If the Government adopts EMC's other recommendations)	Scenario #2 (If the Government maintains the other proposed flexibility measures)
2025: 22.0%	2025: 22.0%	2025: 22.0%	2025: 22.0%
2026: 32.5%	2026: 26.0%	2026: 26.0%	2026: 30.0%
2027: 45.0%	2027: 30.0%	2027: 30.0%	2027: 40.0%
2028: 60.0%	2028: 35.0%	2028: 35.0%	2028: 50.0%
2029: 75.0%	2029: 44.0%	2029: 44.0%	2029: 60.0%
2030: 85.0%	2030: 51.0%	2030: 60.0%	2030: 70.0%
2031: 91.0%	2031: 58.0%	2031: 65.0%	2031: 75.0%
2032: 95.0%	2032: 64.0%	2032: 70.0%	2032: 78.0%
2033: 97.5%	2033: 70.0%	2033: 75.0%	2033: 81.0%
2034: 99.0%	2034: 75.0%	2034: 80.0%	2034: 83.0%
2035: 100.0%	2035: 80.0%	2035: 85.0%	2035: 85.0%

4.4.1 The Current Targets Remain Achievable and Consistent with the Objectives of the Standard

EMC does not share the view that the targets currently established under the regulation have become unrealistic or technically unachievable. The flexibilities already built into the current regulation, the growing availability of electric vehicles, ongoing technological improvements, expanding global production capacity, and the experience gained by manufacturers over recent years all indicate that the industry has the necessary conditions to continue its transition toward electrification and meet its regulatory obligations.

EMC nevertheless observes that several automakers, particularly those whose electrification efforts have progressed more slowly, are currently exerting significant pressure on governments

to relax regulatory requirements. These efforts have helped fuel debates surrounding the revision of numerous electrification policies across North America and around the world.

That said, with the arrival of Chinese electric vehicles in the Quebec automotive market, achieving our EV adoption objectives will become even easier as consumers gain access to a growing supply of affordable electric vehicles

EMC is fully aware of the Government's desire to evaluate certain temporary adjustments to the Standard. However, any revisions should remain limited, proportionate, and consistent with the fundamental objectives of the regulation. They should not call into question the overall electrification trajectory or weaken the signal being sent to manufacturers.

EMC believes that the challenges currently cited by certain manufacturers are more closely linked to internal business considerations and strategic decisions specific to individual companies than to any structural inability of the Quebec market to continue its transition toward zero-emission vehicles. Fundamentally, the responsibility of the Government of Quebec is to serve the broader public interest of Quebec, not the particular interests of companies whose business decisions come at the expense of Quebec's economy, public health, environment, and citizens.

4.4.2 The Impacts of the Various Measures Must Be Evaluated Cumulatively

The reduction in compliance requirements is the measure with the greatest impact on the operation of the ZEV Standard. On its own, it significantly reduces the number of credits that manufacturers would be required to accumulate between 2026 and 2035.

However, EMC believes that this measure cannot be analyzed independently of the other proposed amendments. The introduction of credits for non-plug-in hybrid vehicles, the enhancement of credits for certain plug-in hybrid vehicles, and the relaxation of rules governing credit validity all reduce the compliance effort required of manufacturers.

Consequently, the appropriate level of compliance targets depends directly on the decisions that will be made regarding the other proposed regulatory amendments.

4.4.3 Maintaining an Ambitious Trajectory Remains Essential to Preserving the Benefits of the Standard

The ZEV Standard has enabled Quebec to become Canada's leading electric vehicle market and has provided consumers with access to one of the most diverse selections of electric vehicles in North America.

An excessive reduction in compliance requirements risks weakening the signal sent to manufacturers, reducing their incentive to prioritize the Quebec market, and slowing the growth of electric vehicle supply. Over the longer term, it would also delay the development of a sufficiently large used electric vehicle market capable of meeting the needs of Quebec households across all income levels.



EMC believes that any revision of the targets should maintain a clear signal that Quebec remains committed to a gradual but irreversible transition toward zero-emission vehicles.

4.4.4 The Affordability of Electric Vehicles Also Depends on Market Availability

Since its adoption, the ZEV Standard has helped expand the supply of electric vehicles in Quebec and intensify competition among manufacturers. This dynamic has led to a rapid diversification of available models and has exerted downward pressure on prices. An ambitious standard helps make electric vehicles more accessible to consumers.

One of the ZEV Standard's key successes has been to ensure that Quebec consumers enjoy access to a broader and more diverse supply of electric vehicles than consumers in many other North American jurisdictions. If regulatory requirements are significantly reduced, some manufacturers may have less incentive to prioritize the Quebec market in their vehicle allocation strategies. Such a situation could slow the growth of vehicle availability and, in certain market segments, lead to the return of longer wait times for consumers seeking to purchase an electric vehicle.

A slowdown in the deployment of electric vehicles would not only affect the new vehicle market. The electric vehicles sold today will become the used vehicles of tomorrow. By reducing the number of electric vehicles entering the market over the coming years, Quebec will limit the future supply of used electric vehicles. This would delay access to electrification for many households that rely on the used vehicle market when replacing their vehicles.

EMC believes that achieving price parity between electric vehicles and internal combustion vehicles depends primarily on increased production volumes, intensified competition, and the continuous improvement of supply chains. An ambitious ZEV Standard directly supports these objectives by providing manufacturers with a clear and predictable market signal.

Conversely, a significant reduction in regulatory requirements risks slowing this momentum and delaying the economic benefits associated with the widespread adoption of electric vehicles.

An ambitious ZEV Standard does not increase the cost of the transition. It accelerates the conditions necessary for electric vehicles to become more affordable for everyone.

Beyond the benefits to consumers, transportation electrification also generates significant economic benefits for Quebec. Every gasoline-powered vehicle replaced by an electric vehicle reduces the consumption of imported fossil fuels and **increases the use of electricity generated in Quebec**. While a significant share of fuel expenditures leaves the Quebec economy, revenues associated with electricity consumption contribute to wealth creation within the province. A faster electrification of the vehicle fleet therefore **helps reduce Quebec's energy trade deficit and strengthen its energy sovereignty**.

4.4.5 Recommendations: Two Scenarios

Compliance targets cannot be assessed in isolation. The more flexibility the Government introduces elsewhere in the Standard, the less justification there is for reducing annual compliance

requirements. Accordingly, EMC presents two sets of recommendations depending on the regulatory scenario ultimately adopted.

Scenario 1 : The Government Adopts EMC's Recommendations

This scenario assumes, among other things:

- no credits for non-plug-in hybrid vehicles;
- a clearly transitional role for plug-in hybrid vehicles;
- retention of the current credit expiration rules;
- stricter limits on excess credits.

Under this scenario, EMC could support a somewhat more gradual compliance trajectory than the one currently established in the regulation in order to reflect current market conditions, while preserving the integrity and long-term effectiveness of the Standard.

Recommended principles:

- no change to the 2025 target;
- limited easing of the compliance trajectory between 2026 and 2029;
- a minimum target of 60% in 2030;
- gradual progression toward 85% by 2035.

This approach would provide a degree of flexibility for manufacturers facing challenges in meeting their compliance obligations while maintaining a trajectory consistent with Quebec's decarbonization objectives and the continued growth of the zero-emission vehicle market.

Annual Credit Requirements		
<i>Current Regulation</i>	<i>Proposed Amendment</i>	<i>EMC : SCENARIO #1</i> (If the Government adopts EMC's other recommendations)
2025: 22.0%	2025: 22.0%	2025: 22.0%
2026: 32.5%	2026: 26.0%	2026: 26.0%
2027: 45.0%	2027: 30.0%	2027: 30.0%
2028: 60.0%	2028: 35.0%	2028: 35.0%
2029: 75.0%	2029: 44.0%	2029: 44.0%
2030: 85.0%	2030: 51.0%	2030: 60.0%
2031: 91.0%	2031: 58.0%	2031: 65.0%
2032: 95.0%	2032: 64.0%	2032: 70.0%
2033: 97.5%	2033: 70.0%	2033: 75.0%
2034: 99.0%	2034: 75.0%	2034: 80.0%
2035: 100.0%	2035: 80.0%	2035: 85.0%

Scenario 2 : The Government Retains the Other Proposed Flexibility Measures

If the Government:

- enhances credits for plug-in hybrid vehicles;
- extends certain ZEV credits;
- introduces other flexibility measures included in the proposed regulation, except credit generation through sales of non-plug-in hybrids, which remains unacceptable under a ZEV Standard.

In this context, EMC believes that the scope of the proposed flexibility measures already significantly reduces manufacturers' compliance obligations. Any further reduction in compliance targets would amplify this effect even further.

EMC therefore recommends:

- no change to the 2025 target;
- a modest easing of the 2026 target;
- maintaining the existing targets from 2027 to 2029;
- a minimum target of 80% in 2030;
- annual increases of 1% thereafter through 2035.

This approach would preserve the overall effectiveness of the Standard despite the flexibility measures granted elsewhere in the compliance system and would help limit the risk of slowing the deployment of zero-emission vehicles in the Quebec market, as well as the resulting negative impacts on consumers, including delays in the availability of more affordable vehicles and the development of the used ZEV market.

Annual Credit Requirements		
Current Regulation	Proposed Amendment	EMC : SCENARIO #2 (If the Government maintains the other proposed flexibility measures)
2025: 22.0%	2025: 22.0%	2025: 22.0%
2026: 32.5%	2026: 26.0%	2026: 30.0%
2027: 45.0%	2027: 30.0%	2027: 40.0%
2028: 60.0%	2028: 35.0%	2028: 50.0%
2029: 75.0%	2029: 44.0%	2029: 60.0%
2030: 85.0%	2030: 51.0%	2030: 70.0%
2031: 91.0%	2031: 58.0%	2031: 75.0%
2032: 95.0%	2032: 64.0%	2032: 78.0%
2033: 97.5%	2033: 70.0%	2033: 81.0%
2034: 99.0%	2034: 75.0%	2034: 83.0%
2035: 100.0%	2035: 80.0%	2035: 85.0%

5 CONCLUSION

Since its adoption, the ZEV standard has demonstrated its effectiveness. It has enabled Quebec to become Canada's leading electric vehicle market, significantly increased the availability of vehicles for consumers, stimulated investment throughout the transportation electrification ecosystem, and reduced Quebec's dependence on imported fossil fuels. By facilitating access to more affordable electric vehicles, the Zero-Emission Vehicle standard protects consumers from oil price volatility and helps strengthen Quebec's economy.

As part of the current consultation, EMC notes that the regulatory impact analysis does not demonstrate that the targets currently in force have become unrealistic or impossible to achieve. Nor does it demonstrate that the Quebec market is incapable of continuing its electrification trajectory. On the contrary, several elements presented in the analysis indicate that demand remains strong, that the supply of electric vehicles continues to grow, and that the proposed measures would result in fewer electric vehicles on Quebec roads, higher greenhouse gas emissions, increased fossil fuel consumption, and a significant net cost to Quebec society.

If some temporary adjustments must nonetheless be considered, they should remain targeted, time-limited, and assessed on a cumulative basis. Otherwise, the combined effect of granting credits for certain technologies, relaxing the rules governing the use of credits, and reducing compliance requirements could undermine the economic, energy, and environmental benefits that the ZEV standard has generated since its adoption.

Beyond climate considerations, the ZEV standard is also an economic development tool. It promotes the use of energy that is both produced in Quebec **and** publicly owned, supports Quebec's transportation electrification ecosystem, improves the province's trade balance, and helps make electric vehicles more affordable through increased supply, stronger competition among automakers, and the development of a more accessible used-vehicle market.

In a context where technologies are evolving rapidly, where the federal government continues to support the purchase of electric vehicles through 2030, and where new manufacturers are preparing to increase competition in the Canadian market, Quebec should not slow down the transition it has helped build over more than a decade.

Quebec now has a standard that has proven its effectiveness. Any revision should seek to preserve its integrity and effectiveness rather than weaken the principal mechanism that has enabled Quebec to become a North American leader in transportation electrification.

An effective public policy should not be weakened because certain companies are slow to adapt to market transformations. It should be maintained when it serves Quebec's economic, energy, and environmental interests.

6 ABOUT ELECTRIC MOBILITY CANADA

Founded in 2006, Electric Mobility Canada is the national electric vehicle industry association dedicated to advancing transportation electrification in support of the Canadian economy while combating climate change and air pollution.

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APPENDIX A - GHG Emissions: Honda Civic Hybrid and Tesla Model 3 (LFP Battery)

HONDA CIVIC HYBRID (2026 Model Year)

Fuel consumption, according to Natural Resources Canada: **4.9 L/100 km**

- Fuel consumption over 250,000 km: **12,250 litres of gasoline**
- GHG emissions calculation (250,000 km):
 - **3 kg CO₂/litre** (upstream and downstream GHG emissions associated with gasoline)
 - Total (12,250 litres × 3 kg CO₂/litre) = **36,750 kg CO₂ over 250,000 km**
- CO₂ emissions per 100 km = **14.7 kg CO₂/100 km**

TESLA MODEL 3 (2026 Model Year, LFP Battery, 64 kWh)

Electricity consumption, according to Natural Resources Canada: 15.4 kWh/100 km

- Electricity consumption over 250,000 km: **38,500 kWh**
- GHG emissions calculation (250,000 km):
- Upstream CO₂ emissions associated with manufacturing the LFP battery:
 - 79 kg CO₂e/kWh (China², see chart below) × 64 kWh = **5,056 kg CO₂**
 - Downstream CO₂ emissions associated with electricity consumption:
 - 38,500 kWh × 1.53 g/kWh (Hydro-Québec's 10-year average GHG intensity per kWh) = **58.90 kg CO₂**
 - Total (upstream + downstream emissions) = **5,114 kg CO₂ over 250,000 km**
- CO₂ emissions per 100 km = **2.04 kg CO₂/100 km** (including **23.6 g/100 km** from downstream electricity consumption).

Emission intensities, kg CO₂e/kWh¹

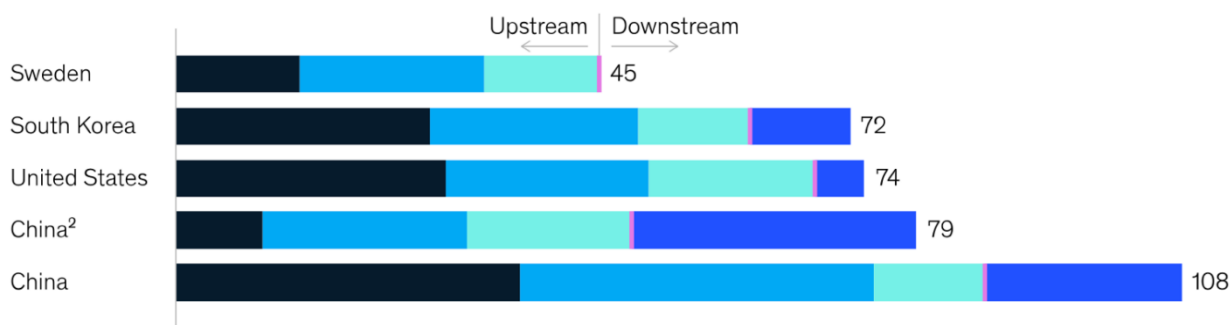


CHART: CO₂ Emissions Intensity by Manufacturing Location ([McKinsey & Company](#))

COMPARISON

The GHG emissions associated with the Honda Civic Hybrid's gasoline consumption amount to **14.7 kg/100 km** (14,700 g/100 km), compared with **23.6 g/100 km** for the Tesla Model 3. In other words, the Honda Civic Hybrid's operational emissions are **approximately 620 times higher per km** than those of the Tesla Model 3 when considering only the energy consumed to power the vehicles.

The emissions associated with manufacturing the Tesla Model 3's LFP battery would be **offset after approximately 34,400 km**. This corresponds to the distance required for the lower operating emissions of the Tesla Model 3 to compensate for the GHG emissions generated during battery production, relative to the Honda Civic Hybrid's emissions rate of 14.7 kg CO₂/100 km.

This means that after 34,400 km, the Honda Civic Hybrid will emit **620 times more GHGs per kilometre** than the Tesla Model 3 equipped with an LFP battery over approximately 85% of the vehicle's projected 250,000 km lifespan.

Given these figures, the government should not grant a half-credit, or even a quarter-credit, toward the Zero-Emission Vehicle standard for a hybrid vehicle, even one considered an "efficient" hybrid. The difference in GHG emissions between these two technologies is simply too large for them to be regarded as comparable in 2026, particularly in Quebec, where electricity generation is exceptionally clean.



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