



EMC on Canada's Light-Duty Vehicle Regulatory Framework : Comments on the Proposed Regulatory Amendments and Recommendations for a Future GHG Standard

October 1, 2026

Purpose and Structure of this Submission

Electric Mobility Canada (EMC) welcomes the opportunity to provide input regarding the proposed [Regulations Amending the Passenger Automobile and Light Truck Greenhouse Gas Emission Regulations](#) published in the *Canada Gazette, Part I* on August 15, 2026. This submission responds to the Government of Canada's proposal to repeal the Electric Vehicle Availability Standard (EVAS) and implement related amendments to Canada's existing light-duty vehicle greenhouse gas (GHG) regulations.

This document is organized in three parts:

- **Part 1** provides historic context to the automotive industry and its behavior regarding regulation: It's important for elected officials, bureaucrats and the general public to understand that fearmongering has always been part of many legacy carmakers discourse towards regulation towards, safety, health, and environment for more than three quarters of a century in order to stop or at least slow down progress towards better, safer, cleaner and more efficient cars.
- **Part 2** provides EMC's comments on the specific sections of the consultation document published in the Canada Gazette. The section headings used throughout Part 1 correspond directly to the consultation headings and comment fields provided by the Government of Canada.
- **Part 3** provides EMC's comments and recommendations regarding the future Canadian light-duty vehicle GHG standard referenced throughout the consultation document. While the proposed regulatory amendments focus primarily on repealing EVAS and maintaining the operation of Canada's existing GHG framework, the consultation repeatedly references the Government's intention to develop a new sovereign Canadian GHG standard. EMC believes it is important to provide recommendations regarding the design of that future framework so that the current regulatory transition preserves Canada's competitiveness, supports investment certainty, and maintains progress toward the Government's stated electric vehicle adoption objectives.

About EMC

Founded in 2006, Electric Mobility Canada (EMC) is **Canada's national EV industry association**. Our mission is to enable and accelerate the transition to sustainable electric mobility in Canada through advocacy, collaboration, education, and thought leadership, with the ultimate goal of creating a cleaner, healthier, and more prosperous future for all Canadians.

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PART 1 - Putting the Facts into Perspective

1-A. A Familiar Playbook: Automaker Opposition to Vehicle Regulations

Before the Government of Canada announced its proposal to repeal the Electric Vehicle Availability Standard (EVAS), many traditional automakers and their industry associations argued that Canada should abandon its vehicle electrification requirements because market conditions had changed. They pointed to a combination of factors, including the suspension of purchase incentives, trade uncertainty, and policy reversals in the United States, as justification for weakening or eliminating Canadian regulations. The Government of Quebec stated these market shifts in its recent Regulatory Impact Analysis Statement earlier this year:

“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.”

The existence of such challenges, however, does not automatically justify abandoning Canadian regulations. The more important question for policymakers is whether these developments represent a permanent structural shift or a temporary setback in a transition that continues to advance globally. On that point, history offers important perspective. Many traditional automakers point to recent U.S. policy reversals as evidence that governments should scale back electrification requirements. What they rarely acknowledge is that environmental regulations in the United States have advanced and retreated in cycles for decades.

The current rollback of environmental regulation under President Trump is therefore not unprecedented. Similar battles over vehicle emissions standards, fuel economy requirements, and electric vehicle mandates have occurred repeatedly, often followed by later administrations restoring or strengthening those same policies. Those conflicts have often extended beyond lobbying efforts and into the courts. To assess whether today's U.S. policy reversals warrant a similar response in Canada, it is useful to examine how the automotive industry has responded to major regulatory initiatives in the past.

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.

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>

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 Canada to maintain its own regulations, is based on a major falsehood. In any case, nothing will satisfy them except the complete abandonment of Canadian regulations aimed at protecting the environment and the health of Canadians. As a result, there is little point in trying to appease them because **they will always oppose efforts to regulate the auto industry.**

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 what the Trump administration is doing with respect to GHG, ZEV sales, and fuel economy standards, namely eliminating them altogether.

Despite the urgency of climate action, some legacy automaker representatives are actively lobbying for Canada to abandon its EV Availability Standard AND its up and coming GHG regulation and instead align with U.S. regulations. The catch? The Trump administration is currently dismantling its own rules on light-duty vehicle efficiency and greenhouse gas emissions.

1-B. 2005 Voluntary System: FAIL

In 2005, the federal government⁴ signed a voluntary agreement with carmakers who voluntarily agreed to reduce greenhouse gas (GHG) emissions from new vehicles in Canada so that by 2010, annual emissions reductions would reach 5.3 megatons.

Because there was no obligation for them to reach this target, **they missed it by 95%.**

When governments rely on voluntary commitments rather than enforceable regulations, automakers fail to deliver.

1-C. Credit Trading Benefits Legacy Automakers Too

Legacy automakers continue to repeat the myth that, if the federal government adopts its proposed GHG regulation, regulated parties will have to pay billions of dollars to companies like Tesla... Historical credit market data says otherwise.

⁴ <https://www.canada.ca/en/news/archive/2005/04/automobile-industry-government-agree-climate-change-action.html>

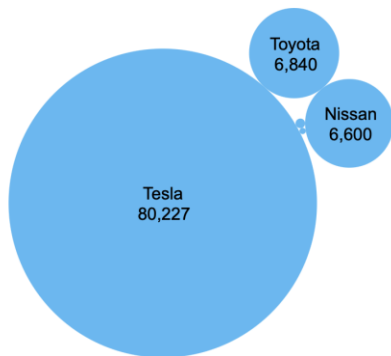
In California, most legacy automakers have not had to purchase large volumes of credits from pure-play EV manufacturers. In fact, several traditional automakers have generated surplus credits and sold them to other regulated parties, demonstrating that credit trading is a compliance mechanism available to all manufacturers, not a one-way transfer of wealth to Tesla.

2015 CREDIT MARKET DATA: Tesla helped other automakers meet targets. Toyota and Nissan too. ⁵

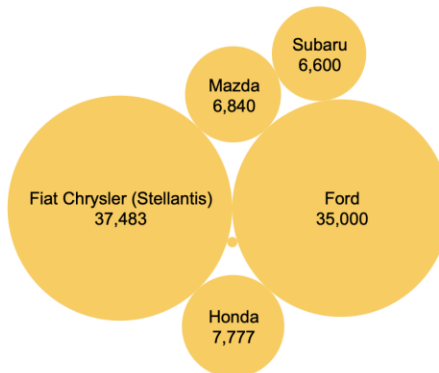
The pair of manufacturer transfer charts below depicts the same information as the graphic above, but through a different visualization. Blue circles represents the transferor, whereas the orange circles represent the transferee. Data is filterable by reporting year in the far right panel.

Manufacturer Credit Transfers

Transferred From



Transferred To



Clear Filters

Reporting Year

2015

Transfer Category

Transferred from

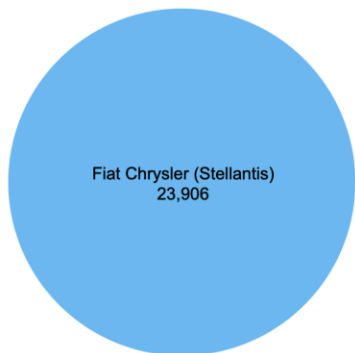
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2018 CREDIT MARKET DATA: Fiat Chrysler (Stellantis) selling to Honda

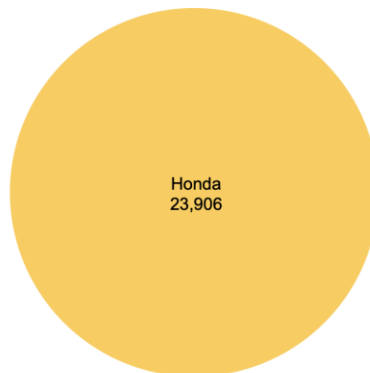
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Manufacturer Credit Transfers

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Reporting Year

2018

Transfer Category

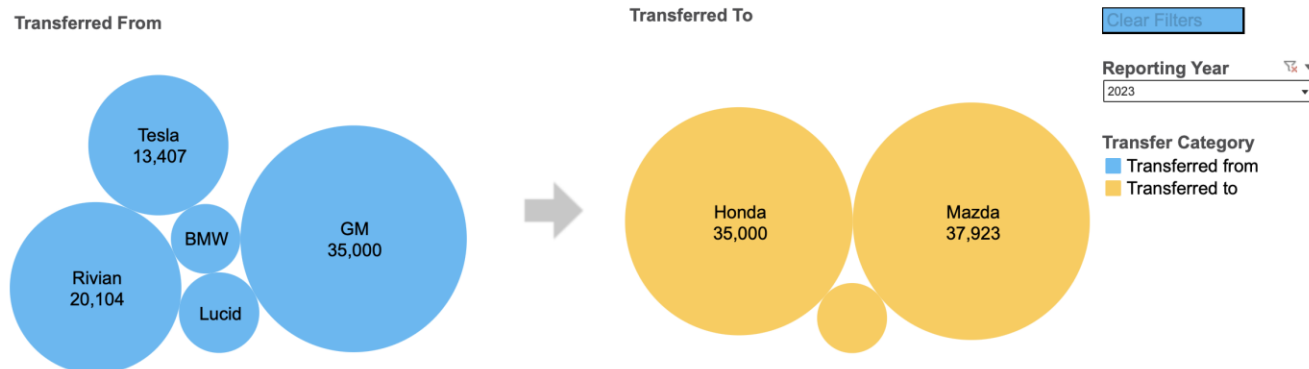
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⁵ Source for this graph and the following three : <https://ww2.arb.ca.gov/applications/annual-zev-credits-disclosure-dashboard>

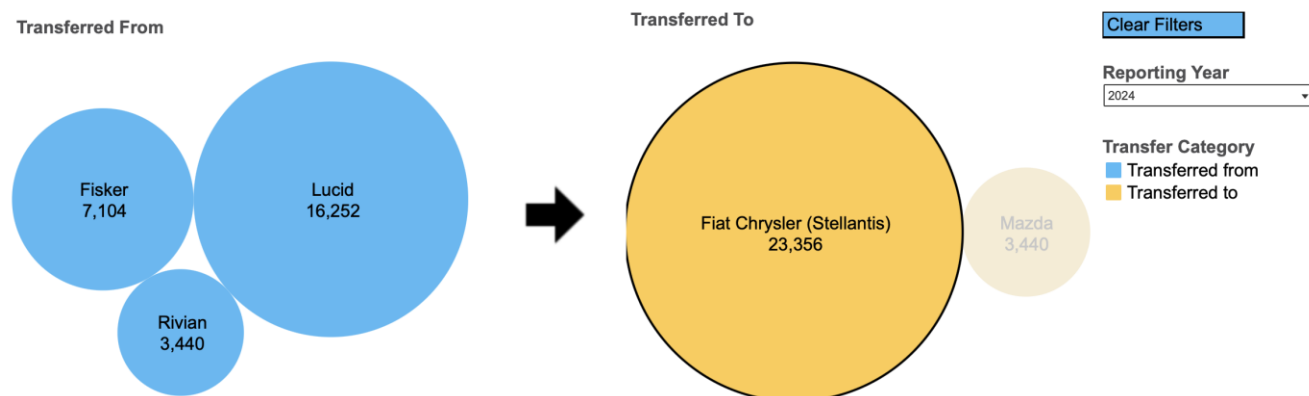
2023 CREDIT MARKET DATA: GM now the largest seller

Manufacturer Credit Transfers



2024 CREDIT MARKET DATA: Pure EV automakers selling to Fiat Chrysler (Stellantis)

Manufacturer Credit Transfers



1-D. Historical GHG Credit Transfers

Overview of the credit transfer system

The *Passenger Automobile and Light Truck Greenhouse Gas Emission Regulations* include an emission credit system that allows manufacturers to generate credits when their fleet performs better than the applicable GHG standard. Credits can be used to offset deficits and can be transferred to another automaker. The regulations also established early action credits for the 2008, 2009 and 2010 model years.⁶ The historical compliance reports by ECCC show that credits generated for these model years were effectively transferred between companies.⁷

Subject to limits on how long they remain valid, credits can be accumulated and used to offset future deficits. The regulations initially established a 5 model year lifespan for credits but were subsequently amended to

⁶ See: Government of Canada, [Passenger Automobile and Light Truck Greenhouse Gas Emission Regulations, SOR/2010-201, sections 21 and 29.](#)

⁷ Ibid

extend the period during which credits from the 2010 to 2016 model years could be used, with those remaining valid through the 2021 model year.

Since the start of the credit system, ECCC reports that **more than 32 million credits have been transferred between companies** for immediate use to offset a deficit or in anticipation of a possible future deficit.⁸

Credit transfers

The 2024 ECCC report provides cumulative credit transfers by manufacturer and by the model year in which the credits were generated. The tables below summarize the credits transferred out and transferred in (including early action credits and credits purchased from the Receiver General). They give us an idea of the scale of the credit transfer system and the manufacturers that have participated as credit suppliers or recipients. The public ECCC data do not identify the specific company-to-company counterparties for individual transfers. The figures therefore show the total credits transferred or received by each manufacturer rather than bilateral transaction volumes.

Credits transferred OUT by model year (Mg CO₂e)

Manufacturer	Early Action	2011-2020	2021	2022	2023	2024	Total
FCA	0	30,103	0	0	0	0	30,103
Honda	2,138,563	4,269,910	0	0	0	0	6,408,473
Hyundai	0	0	189,003	25,997	0	0	215,000
Lucid	0	0	0	6,381	5,721	2,898	15,000
Mazda	0	113,000	0	0	0	0	113,000
Mitsubishi	63,349	0	0	0	0	0	63,349
Nissan	822,292	402,728	0	0	0	0	1,225,020
Subaru	0	86,500	0	0	0	0	86,500
Suzuki	123,345	30,431	0	0	0	0	153,776
Tesla	2,292	5,247,606	2,987,365	3,315,527	3,928,061	2,000,000	17,480,851
Toyota	2,623,142	3,276,435	777,825	0	0	0	6,677,402
Volkswagen	0	77,000	0	0	0	0	77,000
Receiver General*	-	6,906	-	-	-	-	6,906

* There is a provision in the regulations that allowed a company with a 2011 model year deficit to obtain credits directly from the Government of Canada upon payment to the Receiver General. The rate was \$20 per Mg of CO₂e. These credits could only be used to offset a 2011 model year deficit and could not be transferred to another company.

Even though Tesla is the largest transferer of credits, several automakers have also generated and transferred substantial volumes of credits. Toyota transferred 6.68 million Mg CO₂e, Honda 6.41 million, and Nissan 1.23 million, in addition to transfers from Hyundai, Mazda, Mitsubishi, Subaru, Suzuki, Volkswagen and FCA. This demonstrates that the federal credit system has generated surplus credits for multiple automakers and allows many of them to participate as credit suppliers.

⁸ See: Environment and Climate Change Canada, [Greenhouse Gas Emissions Performance for the 2024 Model Year Light-Duty Vehicle Fleet, section 3.1.](#)

Credits transferred IN by model year (Mg CO₂e)

Manufacturer	Early Action	2011-2020	2021	2022	2023	2024	Total
Aston Martin	0	2,626	0	0	0	0	2,626
BMW	0	1,000,000	0	0	0	0	1,000,000
FCA	4,775,129	7,758,827	969,820	6,381	5,721	2,898	13,518,776
Ferrari	8,473	0	0	0	0	0	8,473
Ford	342,272	257,728	0	2,000,000	2,000,000	0	4,600,000
GM	0	1,419,718	417,545	1,015,527	1,928,061	2,000,000	6,780,851
JLR	143,369	130,162	0	0	0	0	273,531
Lotus	0	139	0	0	0	0	139
Maserati	3,740	30,103	0	0	0	0	33,843
Mazda	0	452,175	1,277,825	0	0	0	1,730,000
Mercedes-Benz	0	1,745,000	1,100,000	300,000	0	0	3,145,000
Porsche	0	444,141	189,003	25,997	0	0	659,141
Subaru	0	300,000	0	0	0	0	300,000
Volkswagen	500,000	0	0	0	0	0	500,000

The transferred-in data show that **most manufacturers received few or no transferred credits for the last five model years**. Ford, GM, and FCA stand out as the main recurring recipients. By comparison, several other established manufacturers received no transferred credits during this period, with limited exceptions for Mercedes and other luxury manufacturers. This suggests that the use of transferred credits in recent years has been concentrated among legacy automakers.

Current credit balances⁹

Manufacturer	Generated/(Deficit) in 2024	Current balance
Ford	44,649	7,406,065
GM	-523,022	6,552,509
Toyota	1,799,811	5,089,690
Hyundai	1,268,982	2,483,689
FCA	-813,210	1,393,745
Mazda	-241,936	1,261,811
Tesla	2,960,203	1,121,050
Mercedes	-28,917	1,057,277
Volvo	342,431	1,006,200
Others (combined)	11,225	4,492,396
Total	4,820,216	31,864,432

The current credit balances show that a large share of the remaining credits is held by major legacy automakers. Ford held 7.41 million Mg CO₂e at the end of model year 2024, followed by GM at 6.55 million and Toyota at 5.09 million, while Hyundai held 2.48 million. As mentioned above, Ford and GM were also among the main recipients of credits generated in recent model years. The combination of recent transfers and large remaining balances is consistent with a strategy of building up credits for future compliance

⁹ Adapted from Environment and Climate Change Canada, [Greenhouse Gas Emissions Performance for the 2024 Model Year Light-Duty Vehicle Fleet, table 18](#).

needs. This flexibility may have reduced the need for these manufacturers to quickly shift toward lower-emitting vehicles, allowing higher-emitting models to remain in their fleets while they continued to meet the regulatory requirements through the credit system.

1-E. Governments Have Consistently Shared Transformation Costs

Canadian governments have consistently partnered with automakers to support vehicle manufacturing investments and the transition to advanced vehicle technologies. Federal and provincial governments have provided substantial financial support for major automotive projects, including contributions of up to \$34 million for Toyota's hybrid vehicle production in Ontario (2013)¹⁰, support for Toyota's subsequent manufacturing investments (2018)¹¹, and a combined \$263 million contribution from the Government of Canada and the Government of Ontario to support Honda's \$1.38 billion investment in hybrid vehicle production in Alliston (2022)¹². These investments demonstrate that governments have repeatedly shared in the costs of automotive sector transformation, helping manufacturers modernize Canadian production facilities and adopt new vehicle technologies while maintaining competitiveness.

1-F. 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 implemented¹³.

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***¹⁴, 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.

¹⁰ [CBC News, Toyota gets government funding to build hybrid car in Canada, January 23, 2013](#). Federal and Ontario governments provided up to \$34 million in repayable contributions for Toyota hybrid vehicle production in Ontario.

¹¹ [Prime Minister of Canada, Canada's investment in Toyota supports thousands of jobs in Ontario, May 4, 2018](#).

¹² [Radio-Canada International, Honda plans \\$1.38B plant upgrade in Ontario, feds and province to invest millions, March 16, 2022](#). Federal and provincial governments each contributed \$131.6 million toward Honda's manufacturing investment.

¹³ <https://influencemap.org/report/Automakers-and-Climate-Policy-Advocacy-A-Global-Analysis-27906>

¹⁴ https://www.ucs.org/sites/default/files/attach/2017/12/cv-fuel-efficiency-intransigence-full_0.pdf

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.”

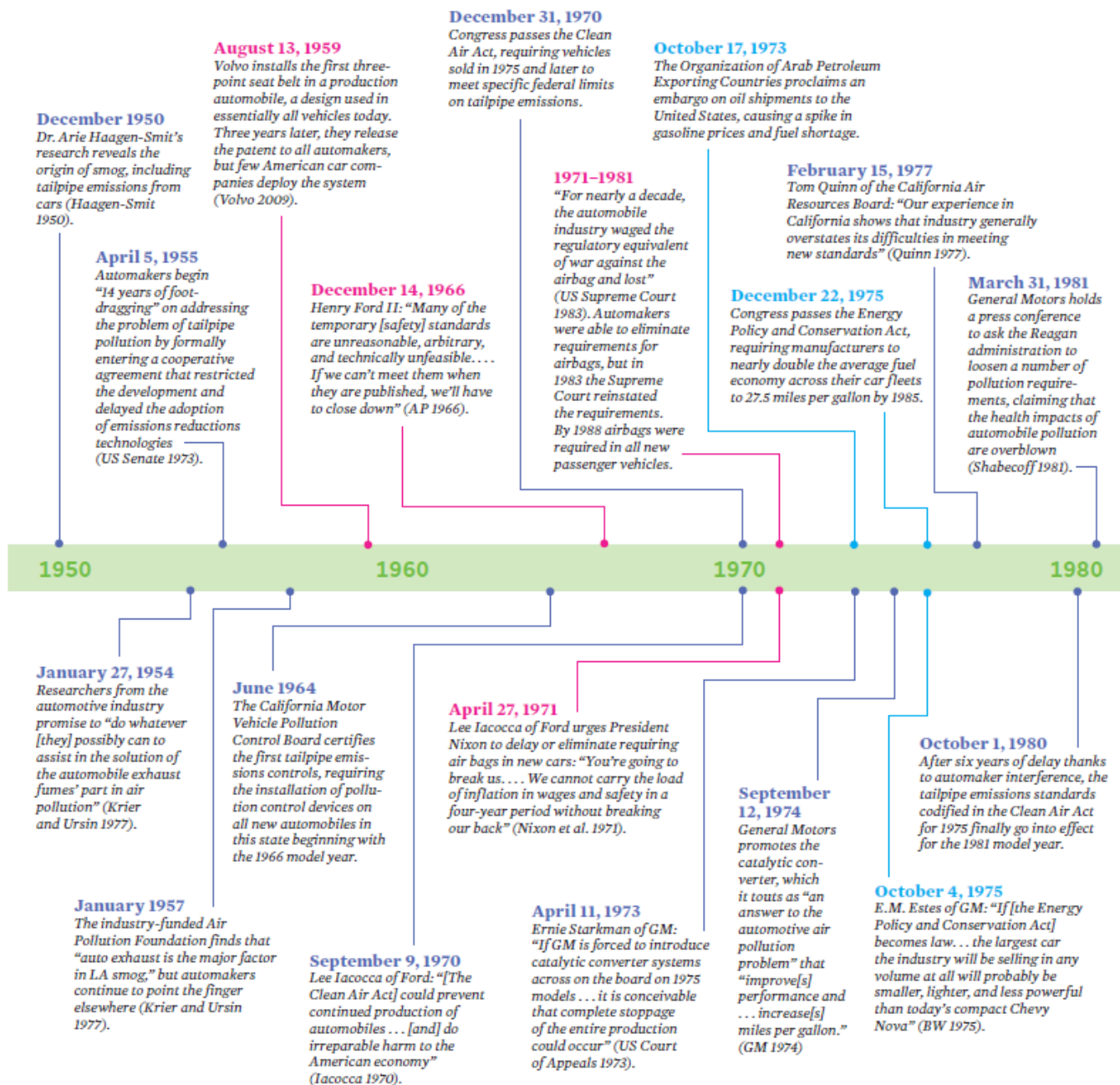
In 2026, many automakers continue to rely on the same tactics and messaging to oppose government measures in the United States, Europe, and Canada aimed at reducing air pollutant and greenhouse gas (GHG) emissions by accelerating the deployment of more efficient, less polluting vehicles, including electric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

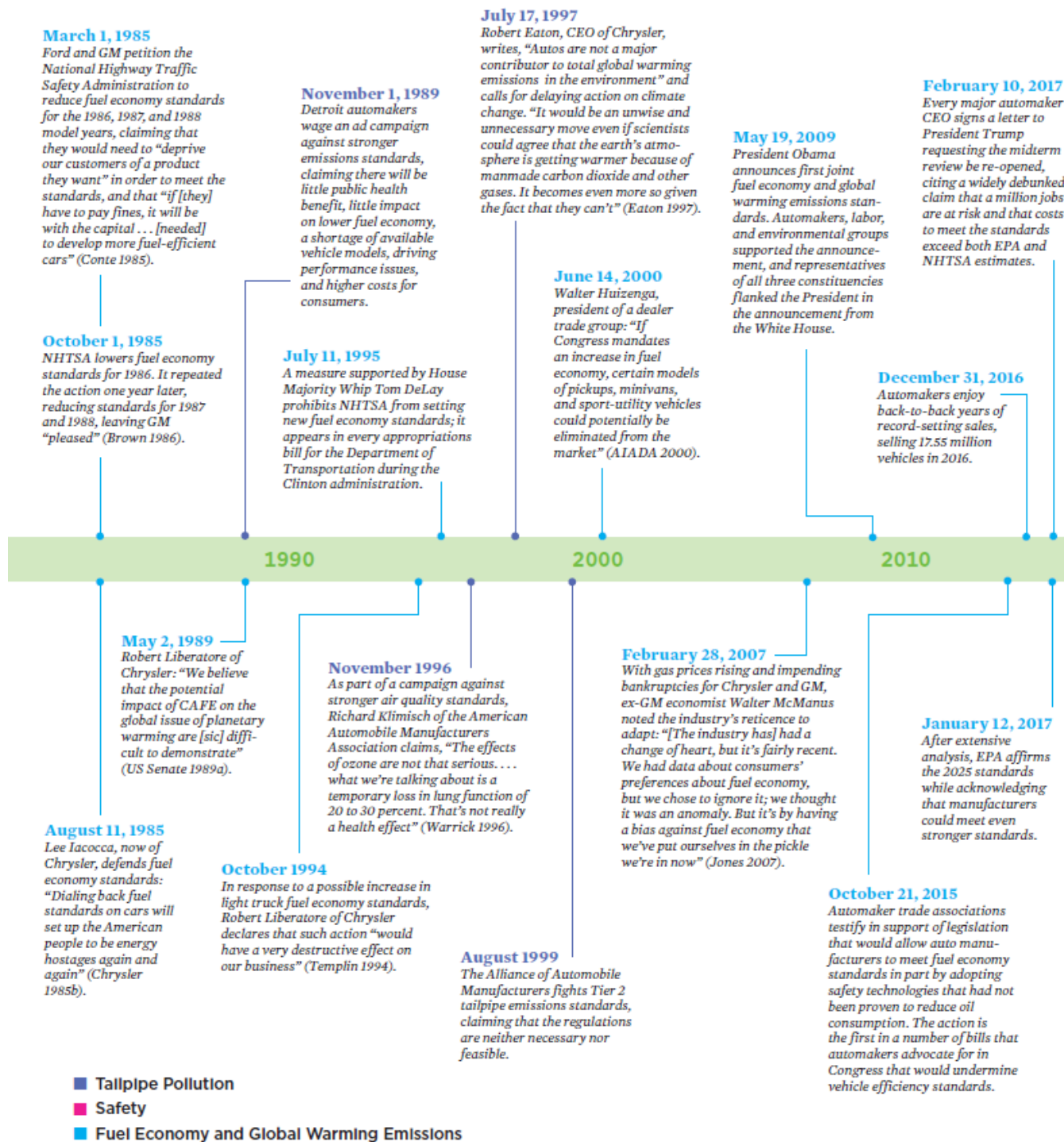
Every time, these arguments have proven to be false.

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



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

1-G. Freedom of choice? Not when automakers keep EVs off the lot

As the national EV industry association, we have heard every argument in the book against electric vehicles. Most, if not all, of these arguments can be accurately countered (read: fact checked) with data and research in favour of EVs – the following false line of reasoning is no exception: Implementing an EV sales mandate equates to taking away the freedom of choice from the consumer; that is, the freedom of choosing between an internal combustion engine (ICE) vehicle and an EV.

But what if the loudest champions of “consumer choice” are the very ones leaving consumers, and often dealerships, with no real choice? That is not freedom to choose. It is hypocrisy. Traditional automakers decide what they will build and allocate, while dealerships are often expected to sell what they are sent, regardless of how well they know their local market.

That lack of choice is already visible at dealerships across the country. Some traditional automakers are sending dealers only ICE vehicles, denying them the opportunity to offer the manufacturers’ EV models. A dealer may know that its community is ready for more electric options, yet still have little say over the mix of vehicles delivered to its lot.

Why would they do that?

The answer is not that consumers have rejected electric vehicles. It is that established automakers have powerful incentives to protect the business model they already know. Their factories, supply chains, dealer networks, and service operations were built around internal combustion engines. Even as EV manufacturing costs continue to fall, changing that system requires investment and delaying the transition can look easier in the short term.

Restricting supply also creates a convenient feedback loop. If a dealership has few or no EVs to show, test-drive or sell, fewer customers can buy one. Dealers generally finance the vehicles sitting on their lots, so when manufacturers allocate models, they did not ask for, dealers are under pressure to sell that inventory. That can shape the advice consumers receive, steering them toward vehicles the dealership needs to move rather than the option that best fits their needs. Automakers can then point to weak EV sales as evidence of weak demand without acknowledging that their own allocation decisions helped produce that result. That apparent lack of demand becomes an argument for spending less on research, innovation, workforce training, and new technology.

This is not the free market responding to consumers or to the local knowledge of dealers. It is a market being shaped upstream by what manufacturers decide to make available. A driver cannot choose a vehicle that never reaches the lot, and a dealer cannot sell a model the manufacturer refuses to supply, even when that dealer knows its customers are asking for it.

What traditional automakers are supporting by withholding EVs from dealerships

Withholding EVs does more than frustrate an individual shopper. It slows innovation across Canada’s auto sector. When manufacturers delay investment, workers and businesses lose opportunities to build the skills, technology and supply chains that will define the next era of mobility. Other markets move ahead while Canada is left competing for yesterday’s jobs.

It can also leave households paying more. The sticker price is only one part of owning a vehicle; fuel and maintenance matter for years after the purchase. By limiting access to electric options, automakers can steer consumers toward vehicles that may carry higher operating costs and expose families to volatile gasoline prices.

The consequences extend beyond household budgets. Tailpipe pollution contributes to poor air quality, which increases health risks and is linked to premature deaths. Communities near busy roads and freight corridors bear a disproportionate share of that burden. Every delayed zero-emission vehicle means more avoidable pollution on our streets.

And, of course, there is the climate crisis. Transportation is a major source of greenhouse gas emissions in Canada. Keeping electric models out of showrooms locks in years of additional emissions from every new gasoline-powered vehicle sold today, making our climate targets harder and more expensive to reach.

Real consumer choice requires real availability. EV sales requirements do not force a driver to buy an electric vehicle; they require automakers to offer electric options in meaningful numbers, across communities, so that consumers, not manufacturers' allocation strategies, can decide what meets their needs.

Automakers cannot credibly invoke freedom of choice while withholding one of the choices from consumers and denying dealerships a meaningful say in the inventory they must finance and sell. If manufacturers truly believe consumers should decide, they should put the vehicles on the lot, equip dealers to sell and service them, and let dealerships compete for customers on price, quality, and performance, not pressure them to move whichever vehicles arrive. Canadians deserve nothing less than the freedom to choose from the full range of vehicles already being built.

PART 2 – EMC comments on proposed Regulations Amending the Passenger Automobile and Light Truck Greenhouse Gas Emission Regulations (Canada Gazette, Part 1, Volume 160, Number 33)

This chapter provides EMC's comments on the specific sections of the **REGULATORY IMPACT ANALYSIS STATEMENT** published in the Canada Gazette. The heading titles below correspond to the consultation headings and comment fields provided by the Government for this consultation.

2-A. General comment

Electric Mobility Canada (EMC) represents nearly 200 organizations operating across Canada's electric transportation ecosystem, including vehicle manufacturers, charging companies, electricity providers, technology firms, research institutions, fleet operators, municipalities, labour organizations, and non-governmental organizations. This submission reflects extensive consultation with stakeholders across the electric mobility value chain and represents a consensus industry perspective focused on maintaining Canada's competitiveness in the global transition to electric transportation.

EMC opposes the proposed repeal of Canada's Electric Vehicle Availability Standard (EVAS). EMC remains confident that the EVAS requirements could have easily been met by industry. However, EMC recognizes that Canada must adapt its regulatory framework in response to the repeal of U.S. federal vehicle greenhouse gas (GHG) standards. EMC further supports the Government's objective of developing a sovereign Canadian GHG regulatory framework for light-duty vehicles given the lack of U.S. interest in regulating GHG emissions from vehicles.

The central issue raised by this proposal is not whether transportation electrification remains Canada's long-term direction. On that point, there appears to be broad agreement across industry, governments, investors, infrastructure providers, and environmental organizations. The Government's own Automotive Strategy explicitly commits Canada to establishing a pathway towards (i.e. an annualized regulatory trajectory) accomplishing 75% electric vehicle¹⁵ sales by 2035 and 90% by 2040. The consultation record similarly demonstrates broad recognition that transportation electrification will continue to play a central role in Canada's economic and industrial future.

The more important question is how Canada manages the transition between the EVAS and a new sovereign GHG regulatory framework pegged to the 75% EV sales objective in 2035.

EMC is concerned that the proposed amendments eliminate an existing framework (EVAS) before stakeholders have visibility regarding the framework that will replace it (revised GHG regulations). The proposal provides certainty regarding what is being removed but limited clarity regarding the timeline, design, or implementation of the future Canadian greenhouse gas regulations repeatedly referenced throughout the consultation document.

This uncertainty extends beyond traditional automakers.

¹⁵ See **Figure 1: Definitions of Vehicle Types** (page 12)

Vehicle electrification supports a broad ecosystem that includes EV manufacturers, utilities, charging infrastructure providers, battery manufacturers, critical mineral developers, software companies, engineering firms, construction contractors, fleet operators, investors, and many others. More than 130,000 Canadians are already employed in activities linked to transportation electrification, and substantial public and private investments have been made across the country based on expectations of continued growth in EV adoption. EV manufacturers including Rivian and Tesla are already actively growing in Canada, driven by clear policy signals, with a directed combined workforce in Canada today already exceeding 1,800 employees across engineering, software development, battery technology, manufacturing, machining, charging, sales, and service.

EMC is concerned that the proposal places significant emphasis on near-term challenges faced by legacy automakers while giving less consideration to the broader economic impacts of regulatory uncertainty on the wider electric mobility ecosystem. The tariff dispute, changing U.S. policies, and market uncertainty have affected many sectors involved in transportation electrification, not only vehicle manufacturers.

EMC is also concerned that the rationale for repeal places considerable weight on EV sales data from a period characterized by exceptional market conditions, including the suspension of federal purchase incentives, elevated borrowing costs, and trade uncertainty. Early signs of recovery following the reintroduction of federal incentives suggest that temporary market instability should not be interpreted as a permanent shift in consumer preferences or long-term market potential.

The Government's own Regulatory Impact Analysis Statement projects that repeal of EVAS would result in lower EV adoption (and therefore related employment) and significant forgone emissions reductions absent equivalent replacement measures. It also estimates a substantial net societal cost associated with repeal. EMC believes these findings reinforce the importance of ensuring a timely and credible transition toward a replacement framework.

EMC further notes that the 2025 EVAS review consultation participants expressed a wide range of views regarding EVAS. While many traditional automakers advocated for repeal or reduced stringency, other stakeholders supported maintaining EVAS or preserving equivalent levels of regulatory ambition through alternative mechanisms. The consultation record demonstrates broad support for transportation electrification, but not consensus on the repeal of EVAS.

For these reasons, EMC recommends that the Government:

- Pause the EVAS revocation until a final long-term GHG standard is set.
- Clearly communicate the timeline for developing and implementing future light-duty vehicle GHG regulations.
- A firm commitment to increase the standards starting in MY 2027, rather than MY 2028, so as not to miss the path towards achieving 75% EV sales in 2035
- Achieve no less than **50g CO₂/km** in its standard by 2035 to achieve the 75% EV sales goal.
- Ensure that future regulations provide a strong and durable signal supporting investment, vehicle availability, infrastructure deployment, and continued electrification of the Canadian transportation sector.
- Evaluate future policy decisions based not only on impacts to traditional automakers, but also on impacts to the broader electric mobility ecosystem and the investments already made across Canada.

EMC remains disappointed by the proposed repeal of EVAS. Nevertheless, should the Government proceed to repeal EVAS before establishing its own GHG standard, Canada must move quickly to establish a replacement GHG framework that ensures year-over-year increases in EV supply, minimizes new administrative burden, provides broader industry certainty, supports continued investment, maintains competitiveness, and continues advancing transportation electrification.

The success of this regulatory transition will ultimately depend not on the repeal itself, but on the strength, clarity, and timeliness of what comes next while also addressing the lack of a U.S. framework in the interim.

2-B. Comment for the Executive Summary

Government is repealing EVAS before defining the replacement framework.

Electric Mobility Canada (EMC) opposes the proposed repeal of Canada's Electric Vehicle Availability Standard (EVAS). While EMC supports the development of a sovereign Canadian greenhouse gas regulatory framework and recognizes the need to respond to changing market conditions, the proposed amendments would eliminate an existing regulatory framework before its replacement has been defined.

The proposal provides stakeholders with certainty regarding what is being removed, but no visibility regarding the regulatory framework that will replace it or how it will achieve the 75% EV target in 2035. EMC therefore recommends that the Government move rapidly to develop and publish the replacement regulatory framework and provide a clear timeline for consultation, publication, and implementation.

2-C. Comment for the Issues section

The Government's problem statement over-relies on a temporary EV sales slowdown.

EMC agrees that Canada's traditional automotive sector has experienced significant disruption in recent years. However, EMC believes the Issues section of the RIAS places too much weight on EV market conditions observed during a temporary period characterized by the suspension of federal incentives, elevated interest rates, and significant trade uncertainty. The industry has proven around the world that it can achieve regulated emissions and EV targets when set by government – Canada would be no different.

The discussion relies heavily on the decline in EV sales growth observed during 2025. However, the Regulatory Impact Analysis Statement itself notes that EV sales began recovering in early 2026 following the introduction of the Electric Vehicle Affordability Program, with market share increasing from 2025 levels.

Major regulatory decisions should be based on long-term market trends rather than a brief period of market instability. EMC therefore encourages the Government to place greater weight on long-term market trends rather than a temporary period of market instability when assessing the necessity of regulatory changes. Government needs to set science-based standards that achieve needed reductions in emissions to meet public health and global climate change commitments as well.

2-D. Comment for the Background section

Important context is missing and repeal was not the only available policy response.

EMC agrees that the policy context has changed considerably since EVAS was adopted in 2023. However, the Background section places considerable emphasis on the challenges faced by traditional automakers while providing limited discussion of impacts across the broader transportation electrification ecosystem.

EMC therefore believes the Background section underestimates both the breadth of stakeholders affected by this decision and the policy options that were available to Government.

2-E. Comment for the Objective section

Certainty for who?

EMC agrees that regulatory certainty is an important policy objective. However, the Objective section focuses exclusively on providing certainty and flexibility for traditional automakers while ignoring the interests of EMCs broad and varied [membership base](#), many of whom do not have the deep pockets, cash on hand and ability to secure the seemingly continued stream of extensive government grants, loans and access to tariff remission afforded to legacy OEMs.

In fact, repealing EVAS without a replacement regulation in place will do the opposite of providing certainty. It leaves ALL stakeholders – industry, investors, and consumers – facing even greater uncertainty.

Utilities, charging infrastructure providers, EV manufacturers, EV factory automation firms, battery companies, technology and EV software firms, critical mineral developers, and investors all make long-term decisions based on expectations regarding vehicle electrification. The proposed objective does not acknowledge the uncertainty created for these stakeholders during the transition between regulatory frameworks. The objective should explicitly acknowledge the importance of minimizing uncertainty not only of traditional auto industry stakeholders but also across the broader electric mobility ecosystem during the regulatory transition.

2-F. Comment for the Description section

Administrative amendments and EVAS repeal are separate policy issues.

EMC has no concerns regarding the administrative amendments proposed to maintain the operation of Canada's greenhouse gas regulations following the repeal of U.S. vehicle GHG standards although we feel the amendment should include a modest increase in the standard in MY2027, not to flatline it. Failing to do this will make future year reductions appear more onerous on the trajectory to 2035.

However, the Description section combines these technical amendments with the proposed repeal of EVAS. While the administrative amendments are technical in nature, the repeal of EVAS is a separate policy decision.

2-G. Comment for the Regulatory Development section

The EVAS review consultation in late 2025 revealed broad support for transportation electrification, but not consensus on the repeal of EVAS.

EMC appreciates Environment and Climate Change Canada's (ECCC) extensive engagement with stakeholders during the 2025 EVAS review process and recognizes the effort invested in conducting bilateral meetings, stakeholder roundtables, and the review of written submissions.

However, EMC believes the Regulatory Development section places disproportionate weight on concerns raised by traditional automakers and their representative associations while providing comparatively limited discussion of stakeholders that supported maintaining EVAS or preserving equivalent levels of regulatory ambition.

The consultation record demonstrates that views were far from unanimous. While many traditional automakers advocated for repeal, delay, or significant reductions in stringency, other stakeholders, including EV-only manufacturers, environmental organizations, charging infrastructure providers, utilities, and other participants in the electric mobility ecosystem supported maintaining EVAS or preserving a strong regulatory framework to ensure Canada remains a priority market for electric vehicles.

EMC notes that the narrative presented in the Regulatory Development section very much overstates the degree of stakeholder support for repeal and fails to adequately reflect the views of EMC's large and diverse membership base. The consultation findings themselves suggest a considerably broader range of views.

EMC also believes that the assessment of policy options warrants further explanation. The Regulatory Development section identifies four options:

- maintaining the status quo;
- repealing EVAS;
- delaying or reducing EVAS stringency; and
- repealing EVAS and introducing enhanced GHG standards.

However, the analysis does not appear to fully evaluate transitional approaches that could have reduced market disruption while preserving regulatory continuity. For example, the Government had already announced the removal of model year 2026 compliance obligations. A modified EVAS pathway, combined with the administrative amendments necessary to preserve Canada's greenhouse gas framework, could have provided additional time to develop future regulations without fully repealing the existing framework.

EMC is not suggesting that Government was obligated to pursue such an approach. However, given the significance of the policy change being proposed, stakeholders would benefit from a clearer explanation of why transitional options were rejected and why full repeal was ultimately preferred.

Finally, EMC encourages ECCC to maintain active engagement with stakeholders as future Canadian greenhouse gas regulations are developed. The transition from EVAS to a new regulatory approach will have implications far beyond traditional vehicle manufacturers alone. Meaningful participation from utilities, EV manufacturers, charging infrastructure providers, technology companies, battery companies, critical

mineral developers, labour organizations, and other ecosystem participants will be essential to ensuring that the future framework reflects the realities of the broader transportation electrification sector.

2-H. **Comment for the Regulatory Analysis section**

The Regulatory Analysis understates the economic impacts of slowing vehicle electrification and narrowing Canada's EV market.

EMC recognizes the significant effort undertaken by ECCC to quantify the impacts associated with repealing the EVAS. However, EMC believes the Regulatory Analysis places considerable emphasis on avoided vehicle purchase costs while understating several important economic impacts associated with slower vehicle electrification.

The government's analysis concludes that repeal would avoid approximately \$57.6 billion in vehicle and home charger costs while resulting in forgone fuel savings of approximately \$53.8 billion and forgone greenhouse gas reductions valued at \$94.2 billion. The analysis therefore estimates a net societal cost of approximately \$90 billion. This finding warrants greater attention within the overall rationale supporting the proposed amendments. Moreover, the entire vehicle industry will transition to electric at some point so any costs associated with EV infrastructure are simply being differed to later years when costs may be higher due to inflation.

EMC notes that the analysis treats avoided residential charging investments as a societal benefit associated with repeal. While households may avoid these upfront expenditures, those charging assets enable long-term fuel savings, lower operating costs, and support the broader electrification of Canada's transportation system. Avoided charger purchases should therefore not be viewed solely as a benefit without considering the long-term value these investments provide.

EMC also notes that ECCC conducted sensitivity testing around liquid fuel prices and found that the repeal scenario continued to generate a substantial net societal cost even when fuel prices were varied significantly. This suggests that the overall economic conclusion is not dependent on a particular fuel-price forecast and reinforces the finding that repeal carries substantial economic costs. Slower adoption of electric vehicles would also leave more Canadian households exposed to future gasoline and diesel price volatility, reducing one of the key economic resiliency benefits associated with transportation electrification.

EMC is concerned that several impacts associated with transportation electrification appear to be treated qualitatively or are excluded from the quantitative analysis altogether. The analysis acknowledges that electric vehicle owners would forgo vehicle maintenance savings resulting from fewer moving parts and lower service requirements, but these benefits are not monetized in the cost-benefit analysis. ECCC has confirmed that vehicle maintenance costs were excluded from the quantitative analysis despite citing U.S. Department of Energy estimates indicating maintenance savings of approximately \$320 annually for a vehicle driven 16,000 km per year. This represents a direct affordability benefit to Canadian households that does not appear in the quantified results.

Similarly, the analysis recognizes that air pollutant emissions would increase under the repeal scenario but does not quantify or monetize (1) the associated public health impacts; (2) the costs associated with finding those emission reductions in other sectors in order to implement Canada's registered Nationally Determine Contribution reductions to the UN Framework Convention on Climate Change's Paris treaty; and, (3) the costs associated with adaptation or infrastructure damage resulting from unaddressed emissions growth.

While this might be expected if the analysis were conducted by an economic development ministry, it is highly disappointing for analysis conducted by an environment ministry – particularly one with “Climate Change” in its name.

The analysis also places considerable emphasis on costs and benefits directly affecting vehicle purchasers and a subset of regulated manufacturers, while providing comparatively limited examination of impacts on the broader electric mobility ecosystem. It assumes compliance cannot viably be achieved at low cost or that EV production results in lower automaker margins which is false.

Canada's transportation electrification sector includes charging infrastructure providers, utilities, EV manufacturers, battery companies, technology firms, critical mineral developers, engineering firms, construction contractors, and other businesses making long-term investment decisions based on expected growth in vehicle electrification. While the analysis references potential impacts on automotive employment and GDP, it provides limited consideration of how slower EV adoption could affect investment decisions, project development, employment growth, and business formation across the wider electrification value chain.

EMC is particularly concerned that the analysis focuses heavily on avoided costs associated with EV adoption while providing less attention to the economic opportunities associated with maintaining a strong domestic EV market. Regulatory signals influence decisions regarding charging infrastructure deployment, electricity system planning and utility system upgrades, battery investments, critical mineral development, parts and supply chain, software development, and related manufacturing. Reduced electrification trajectories may therefore carry broader economic consequences than those captured in the analysis.

EMC therefore encourages the Government to provide additional analysis regarding:

- monetized maintenance-cost savings associated with EV ownership, which ECCC has acknowledged qualitatively but excluded from the quantitative analysis
- health impacts associated with increased air pollutant emissions;
- The cost of finding the lost GHG reductions elsewhere in order to implement its registered UN FCCC NDC.
- The cost associated with climate change impacts and additional adaptation measures resulting from a failure to implement Canada's science-derived GHG reduction goals.
- impacts on charging infrastructure deployment and electricity system planning;
- impacts on employment and investment across the broader electric mobility ecosystem;
- updated market data on price of EVs compared to equivalent gas vehicle models
- economic opportunities associated with maintaining a strong domestic market for electric vehicles.

EMC requests that the CG2 publication's impact analysis account for the above measures in totality and that this cost-benefit analysis inform Canada's final decision on EVAS.

PART 3 – Future GHG Emission Regulation Amendment

This chapter provides EMC's comments and recommendations regarding the **future Canadian light-duty vehicle GHG standard** referenced throughout the consultation document. While the proposed regulatory amendments focus primarily on repealing EVAS and maintaining the operation of Canada's existing GHG framework, the consultation repeatedly references the Government's intention to develop a new sovereign Canadian GHG standard. EMC believes it is important to provide recommendations regarding the design of that future framework so that the current regulatory transition preserves Canada's competitiveness, supports investment certainty, and maintains progress toward the Government's stated electric vehicle adoption objectives.

3-A. Summary

As Canada cannot align with U.S. federal GHG standards, which no longer exist, EMC calls on the Government of Canada to adopt a new sovereign **fleet average performance standard** for GHGs in regulation as soon as possible with emissions stringency increasing starting for Model Year 2027.

EMC welcomed the Prime Minister himself committing that “Canada’s new government will introduce stronger greenhouse gas emission standards that put Canada on a path to achieve a goal of 75% EV sales by 2035 and 90% EV sales by 2040 – reducing our carbon footprint and securing Canada’s global leadership in clean energy.”¹⁶ This sends a strong signal that he is personally vested and accountable for achieving this goal.

To achieve the Prime Minister’s commitment then, a maximum fleet average CO₂ emissions of **50 g/km by 2035**, tested on the basis of an NRCAN **5-cycle** emissions test or an equivalent international testing methodology of equal stringency, must be achieved.¹⁷ EMC further proposes annualized standards to achieve this end goal in 2035 and to put Canada on track to achieve the Prime Minister’s 2040 goals.

The standard must be ambitious, predictable, and sufficiently rigorous to ensure Canadian consumers have access to zero-emission vehicles while supporting investment and jobs in Canada's electric mobility ecosystem.

3-B. Context: A Regulatory Transition that must Preserve Canada’s Ambition

With the abrupt abandonment of Canada’s EVAS as communicated in 2025, a major gap emerged in Canada’s GHG emissions reductions planning. As a means of addressing it, at least in part, the Prime Minister further communicated that a technology-agnostic GHG standard would be established to achieve a target of 75% EV sales. The reality today, though, is that no legally enforceable GHG standard exists in Canada. Moreover, automakers who have relied on US EPA testing and certification procedures as a means of meeting Canada’s standards could no longer comply even if Canada believes its own standards are unaffected. This must be rectified swiftly if the Prime Minister’s commitment is to be achieved – let alone to address even further delayed the much-needed climate, economic and public health benefits – not to

¹⁶ February 5, 2026, Prime Minister’s Office Press Release - [Prime Minister Carney launches new strategy to transform Canada’s auto industry](#) stated: “Canada’s new government will... Introduce stronger greenhouse gas emission standards that put Canada on a path to achieve a goal of 75% EV sales by 2035 and 90% EV sales by 2040 – reducing our carbon footprint and securing Canada’s global leadership in clean energy.”

¹⁷ A truly Canadian standard will use a **metric value** (g/km) and utilize a Canadian testing methodology like the 5-cycle emissions test NRCAN has established rather than continued reliance on a repealed US standard linked to some past date stamp.

mention Canada's commitments to the Paris Climate Treaty and its own registered NDC with the UN Framework Convention on Climate Change.

In February 2026, the federal government announced a new Automotive Strategy aimed at protecting jobs, strengthening Canada's industrial capacity, and positioning the country as a leader in the manufacturing of next-generation vehicles. The strategy explicitly recognizes that the future of the automotive industry is electric, connected, and integrated into emerging supply chains for batteries, critical minerals, digital technologies, and clean energy infrastructure.

In this context, the decision to replace the EVAS with a new GHG emissions standard for light-duty vehicles should be understood as a change in regulatory instrument, not a weakening of the policy objective. The government has already indicated that the electric vehicle sales target will be reduced from 100% to 75% by 2035. Any further rollback would undermine the credibility of the Automotive Strategy, reduce regulatory certainty, and send the wrong signal to investors, charging infrastructure providers, battery manufacturers, mining sector investors, clean energy producers, and consumers.

3-C. Protecting Investment, Jobs, and Competitiveness

Beyond climate considerations, any further weakening of regulatory ambition would also jeopardize the development of Canada's electric mobility ecosystem. In addition to supporting Canada's GHG emission reduction goals, the transition to low- and zero-emission vehicles supports a broad value chain that includes vehicles and their components, charging infrastructure, batteries, critical minerals, and electricity generation and distribution. This EV ecosystem already employs approximately 130,000 Canadians. According to an EY study published in 2025, between 360,000 and 600,000 jobs could be linked to transport electrification by 2035¹⁸. Many of these jobs are also inherently domestic in nature. Jobs associated with electricity distribution, charging infrastructure deployment, electrical contracting, equipment installation, maintenance, and related services must be performed locally and cannot be offshored. As a result, sustained growth in vehicle electrification supports employment opportunities that are anchored in Canadian communities.

Vehicle electrification can attract tens of billions of dollars in private-sector capital investment over the next 10-20 years. Major investment and hiring decisions are being made every day, by every utility, every charging network, every battery company, every landlord, and every dealership across the country. These decisions all hinge on strong and growing EV adoption over the coming decades. The risk of stranded capital is high, which is why strong and durable policy signals are so important.

According to our members, the current regulatory uncertainty on vehicle electrification is already creating an unwelcome climate for investment. Projects are getting cancelled, new business formation is stalling, and investors are walking away from the sector. The biggest lever that the federal government can pull to restore investor confidence in the sector is a GHG standard that codifies the ambition laid out in the government's Auto Strategy.

¹⁸ [EMC's response to the federal government's announcement regarding the Electric Vehicle Availability Standard, September 5, 2025](#)

3-D. Guiding Principles for the Future Standard

- 1) **Ensure availability of zero-emission vehicles in Canada.** Achieve the 75% EV target announced by the Prime Minister by advancing a strong technology-agnostic GHG standard in a manner that accelerates the supply of electric vehicles to Canada through stringent, annually-increasing compliance obligations.
- 2) **Recognize that hybrids are not EVs.** Non-plug-in hybrids rely entirely on liquid fuel and cannot draw energy from the grid, meaning their lifetime fuel consumption and tailpipe CO₂ remain structurally tied to fossil fuels regardless of efficiency gains. Conventional hybrids do nothing to accelerate investment in EV charging, power infrastructure, and other new-new job-creating segments of the Canadian economy. See **Figure 1: Definitions of Vehicle Types** below.
- 3) **Support EV Affordability.** As demand for EVs robustly grows in Canada, any limitations in supply of these vehicles will put upward pressure on prices for new and used EVs alike. A stringent GHG standard that achieves the 75% EV target will address EV affordability head-on by ensuring automakers deliver offerings to Canadians in volumes that moderate price.
- 4) **Maintain climate ambition and climate treaty obligations.** The standard should contribute to reducing emissions from the transportation sector in line with Canada's existing registered Nationally Determined Contribution filed with the United Nations Framework Convention on Climate Change (UNFCCC) under the Paris Treaty.
- 5) **Preserve Canada's regulatory sovereignty.** North American trade integration does not justify abandoning Canada's regulatory autonomy, particularly when U.S. policy choices run counter to Canada's objectives. If the U.S. chooses not to regulate emissions, Canada has no standard to align to and is thereby obligated to establish its own standards.
- 6) **Stimulate domestic investments and job creation.** A sufficiently robust GHG standard also supports Canada's Automotive Strategy and investments in electrification.
- 7) **Streamline and simplify the standard.** Carry over what has worked in Canada's past GHG Standards regulations but forgo those things which are obsolete or unproven, such as off-cycle credits and multipliers, while simplifying the overall regulation to reduce complexity.

Figure 1: Definitions of Vehicle Types¹⁹

Zero-emission Vehicles (ZEVs)	Hydrogen Fuel Cell Vehicles (FCV) Extremely limited on-road market	Electric Vehicles (EVs)
	Battery Electric Vehicles (BEVs)	
Vehicles with Internal Combustion Engines (ICE)	Plug-in Hybrid Electric Vehicles (PHEVs)	
	No-plug vehicles Including conventional hybrids	

¹⁹ The term "electrified vehicle" is not a technical classification. It is a *marketing* term that groups conventional hybrids (classified as ICE vehicles) with plug-in hybrid and battery-electric vehicles (both classified as EVs).

3-E. Canada-US Alignment Is No Longer Possible or Prudent

The history of the automotive industry demonstrates that calls for regulatory flexibility are nothing new. For decades, automakers have regularly opposed new environmental requirements, whether related to fuel economy standards, air pollutant emissions standards, or GHG emission reduction requirements. In many cases, the industry has advocated for voluntary approaches or requested implementation delays, arguing that the requirements were unrealistic or could undermine the sector's competitiveness.

Yet experience has shown that these standards have been met, and in some cases exceeded. They have driven technological innovation and improved the environmental performance of vehicles without hindering the development of the automotive industry. In fact, they have helped spur major investment announcements in Canada's automotive sector in recent years. Current requests to further weaken Canadian requirements should therefore be assessed in light of this historical record. The government should not assume that the arguments being put forward today are fundamentally different from those that accompanied most major regulatory advances in the automotive sector over the past fifty years.

With regard to trade, the Canada-United States-Mexico Agreement (CUSMA) governs trade and rules of origin, but it does not prevent Canada from adopting environmental requirements tailored to its own market. At a time when the U.S. administration is retreating from climate regulation, Canada must use the economic regulatory policy levers at its disposal to protect jobs and remain competitive in global electric vehicle value chains while using environmental policy to protect human health and the environment from pollutants. Indeed, under the Canadian Environmental Protection Act (CEPA), the Minister may set regulations governing GHGs and other pollutants to protect the environment and human health (drawing on science and precaution), but CEPA does not authorize the Minister to make regulations to regulate trade and economic objectives. Likewise, CEPA does not authorize the government to make trade deals that limit the Minister's authority to govern such pollutants.

Some automakers argue that Canada, which represents a relatively small share of the North American market, lacks the ability to influence manufacturers' decisions. This argument overlooks three facts:

- Automakers continue to invest heavily in electric vehicles to meet the requirements of numerous international markets. If the United States slows its transition, the volumes of electric vehicles intended for that market will not simply disappear. A portion of that supply can be redirected to jurisdictions that maintain ambitious policies, including Canada. A robust standard can therefore help attract a broader range of vehicles and manufacturers to the Canadian market.
- Canadian new motor vehicle sales topped 1.98-million units in 2025²⁰. Meanwhile, in California, new motor vehicle sales grew to 1.81-million units²¹. While Canada's GDP is about half of California's, our automotive marketplace is 8% larger. Legacy automakers often point to the overall size of Canada's economic clout as an argument in opposition to unique Canadian vehicle standards, citing the market size as being insignificant to influence product design. This is false. Canada's market size is significant and can influence manufacturers' production decisions – just as California has done for decades.
- In light of ongoing discussions regarding a closer Canada-EU relationship, it only makes sense for Canada to align more closely with the EU GHG regulation for its light duty vehicle fleet regulation... as well as its vehicle safety regulation.

²⁰ Statistics Canada (2026). [Table 20-10-0085-01 New motor vehicle sales, monthly](#)

²¹ California New Car Dealers (2026). [California Auto Outlook](#).

3-F. The Standard Must Be an Ambitious and Verifiable Fleet Standard

Currently, Canada applies two different standards – one for cars and one for light trucks. The future emissions standard should instead be based on a **fleet average performance approach**. Unlike a standard applied to each vehicle type separately, a fleet standard allows manufacturers to comply with an average emissions target across all passenger cars and light trucks sold in Canada. This approach provides commercial flexibility while maintaining a clear obligation to achieve results.

- **The target should become more stringent each year.** An annual compliance trajectory is necessary to avoid market disruptions and support an orderly transition to zero-emission vehicles.
- **The standard should fully recognize the contribution of electric vehicles.** The credit system should favour technologies that deliver the greatest emissions reductions and support the accelerated electrification of Canada's vehicle fleet.
- **Plug-in hybrid vehicles should be subject to rigorous requirements.** They can contribute to the transition, but only if their electric range, real-world emissions, and actual usage patterns deliver measurable climate benefits.

3-G. Vehicle Availability Is an Essential Condition for Affordability and Emissions Reductions

The primary risk of an overly weak GHG standard would be a reduction in the Canadian supply of zero-emission vehicles. Consumers cannot purchase vehicles that are not made available to them.

Experience over the past several years has demonstrated that automakers allocate vehicles based on the regulatory and commercial signals they receive from different markets. Low- and zero-emission vehicles are generally directed toward jurisdictions where their sale contributes to meeting regulatory requirements or helps avoid compliance penalties. Conversely, in markets where requirements are weak or nonexistent, automakers have fewer incentives to dedicate their limited inventories to local consumers. A robust standard therefore remains the most effective way to ensure an adequate supply of vehicles in the Canadian market.

Recent fluctuations in electric vehicle deliveries in Canada clearly illustrate this reality. Despite sustained demand, several popular models have experienced extended delivery times and inventory constraints. These situations demonstrate that electric vehicle adoption depends not only on consumer interest but also on Canada's ability to remain a priority market for automakers.

As recently as the week of September 27, 2026, EMC learned that GM was sending relatively unpopular gasoline vehicles to Quebec dealers instead of EVs, despite strong demand for EVs in many dealerships (between 25% and 55% of all sales, depending on the dealer). This is a clear signal that if carmakers are not on EV sales, they will not necessarily what consumers – and dealers – ask for. GM tell their dealers not to worry about the fact that they are not actually sending them the vehicles their customers want, because they are going to launch incentive programs to help them sell them.

Dealerships, whose primary mission is to sell vehicles, therefore have little choice. They must comply with their manufacturers by selling gas-powered vehicles—which have sometimes proven unappealing to their

customers in the past—*even if it means trying to convince customers to abandon their plans to switch to an electric vehicle.*

When the supply of electric vehicles becomes insufficient, the consequences are felt throughout the distribution chain. Dealers remain subject to OEM sales targets and cannot meet consumer demand using the vehicles available in their inventories. In a context where electric vehicle supply is limited, they are often compelled to focus their efforts on selling gasoline-powered or conventional hybrid vehicles in order to meet their commercial objectives. An insufficient supply of zero-emission vehicles can therefore slow the electrification of the vehicle fleet even when consumer interest remains strong.

For this reason, the future standard should include requirements and indicators related to the actual market availability of low- and zero-emission vehicles in Canada. A standard that measures only average theoretical emissions, without ensuring real-world access to clean vehicles, risks reproducing the availability challenges observed in recent years and slowing adoption by households and businesses.

3-H. Electric Mobility Canada's Recommendations

Electric Mobility Canada recommends that the Government of Canada incorporate the following elements into the future light-duty vehicle emissions standard:

- 1) **Set a target aligned with the Prime Minister's commitment.** Set the 2035 CO₂ emissions target at no more than **50 g/km** to achieve 75% BEV/PHEV sales by 2035 and recognize that legacy Hybrid vehicles are not EVs.
- 2) **Establish an ambitious trajectory of annual emissions targets through 2035.** The regulation requires annual fleet emission standards aligned with the minimum target of 75% electric vehicle sales by 2035 on a reasonable emissions decline scope so as to be credible.

EMC recommends that the Government of Canada publish a proposed regulation as soon as possible and implement annual compliance obligations beginning with Model Year 2027. To maintain progress toward the Government's objective of 75% electric vehicle sales by 2035, the future standard should establish a predictable year-over-year decline in allowable fleet-average GHG emissions, culminating in a maximum fleet-average value of 50 g CO₂/km in 2035. This approach provides regulatory certainty, supports investment decisions across the electric mobility ecosystem, and ensures a smooth transition from the repealed EVAS framework to a sovereign Canadian GHG standard.

**EMC's proposed annual fleet-average emission targets
based on modelling framework presented in [Annex 1](#) :**

Model Year	Combined Fleet Average CO ₂ (g/km) NRCAN 5-cycle test basis
2026	153
2027	141
2028	128
2029	116
2030	105
2031	93
2032	82
2033	71
2034	60
2035	50

- 3) **Retain a fleet-based approach, but with a clear obligation to achieve results.** Automakers should be able to manage their vehicle portfolios, provided that the average emissions of their Canadian sales follow a trajectory consistent with Canada's climate objectives.
- 4) **Limit flexibilities and carry-forward provisions.** Ensure no credit multipliers and no off-cycle credits. If credit banking is permitted, annual g/km targets should be tightened accordingly to ensure that banked credits do not weaken the standard's overall stringency, and the achievement of the Prime Minister's stated objective of 75% EV in 2035.
- 5) **Maintain Canada's regulatory autonomy.** While Canada has historically aligned its regulatory standards with the United States, today our two countries are clearly on separate regulatory pathways. Canada should be confident to set its own standards - independent of the United States - in order to achieve its commitment of 75% ZEV sales by 2035. Canada should remain open to harmonization when it raises ambition, while rejecting automatic alignment when it results in regulatory backsliding.
- 6) **Use Canada's existing 5-cycle test procedures for compliance with the Standard.** With the repeal of U.S. EPA test procedures, Canada will need to rely on the NRCAN 5-cycle test procedures for calculating compliance with the new standard²². To reduce red tape for automakers, we propose providing an alternative certification pathway whereby Canada would accept emissions results from peer jurisdictions where the testing methodologies are equal to or more stringent than NRCAN's own 5-cycle methodology²³.

²² Natural Resources Canada – [Fuel consumption testing](#)

²³ It is expedient to adopt the 5-cycle test procedure established by NRCAN. However, this procedure fails to accurately reflect the GHG emissions in the real world from PHEVs. Many PHEV owners do not charge their vehicles. EMC therefore encourages NRCAN to revise the 5-cycle procedure to better reflect real world emissions from PHEVs. This does not need to be completed prior to adoption a revised Canadian GHG standard.

3-1. A Moment for Canadian Leadership

The development of a new Canadian light-duty vehicle GHG standard comes at a pivotal moment, both for Canada and for global climate policy.

Prime Minister Mark Carney has repeatedly emphasized the importance of economic competitiveness, investment attraction, and industrial growth. EMC agrees that these objectives must remain central to Canada's regulatory approach. Indeed, one of the strongest arguments in favour of a robust vehicle emissions standard is that it provides the long-term certainty needed to support investment, innovation, infrastructure deployment, and employment across Canada's electric mobility ecosystem. Canada's own Automotive Strategy recognizes this reality by committing to stronger vehicle GHG standards capable of placing Canada on a pathway toward 75% EV sales by 2035 and 90% by 2040.

At the same time, economic objectives need not come at the expense of environmental ambition. Prior to entering politics, Prime Minister Carney was among the most prominent international voices calling for governments and financial institutions to take climate risks seriously and act decisively before future costs become more severe. EMC believes that insight remains as relevant today as ever.

The challenge facing policymakers has evolved. The question is no longer whether climate change is occurring, but how governments respond in a world where its impacts are increasingly visible and costly. In its recently released report²⁴ *Limiting Overshoot: Navigating Exceedance of 1.5°C and Pathways Towards Return*, the United Nations Environment Programme notes that exceedance of the Paris Agreement's 1.5°C objective is now widely assessed as unavoidable under current policy trajectories. The report nevertheless concludes that today's decisions remain critically important because lower peak warming and shorter periods of overshoot significantly reduce risks to people, economies, infrastructure, and ecosystems. The central message is not one of resignation, but of urgency.

The UNEP report further identifies two immediate priorities for governments around the world. First, the implementation of **immediate policies and measures** to reduce and avoid greenhouse gas emissions and slow the rate of warming. Second, the **advancement of sustained and deep decarbonisation** toward net-zero emissions in order to limit peak warming and avoid a more dangerous overshoot world. UNEP makes clear that the extent and duration of overshoot will ultimately be determined by decisions taken today, not by decisions deferred to future generations.

Canada's transportation sector stands at the centre of this challenge. Transportation is Canada's second-largest source of greenhouse gas emissions, accounting for approximately 22% of national emissions in 2024. Emissions from the sector have increased by approximately 29% since 1990, with much of that growth driven by passenger light trucks and freight transportation.

Unlike some sectors of the economy where viable decarbonisation pathways remain uncertain, many of the technologies required to substantially reduce transportation emissions already exist today. Electric vehicles, charging infrastructure, smart charging technologies, renewable electricity integration, and related supply chains are no longer theoretical solutions. They are commercially available and increasingly deployed across Canada and around the world. Moreover, Canada benefits from one of the cleanest electricity systems in

²⁴ [United Nations Environment Program, September 2026 : Limiting Overshoot – Navigating exceedance of 1.5C and pathways towards return](#)

the world, creating a unique opportunity to convert transportation energy demand from imported petroleum products to domestically produced electricity.

For this reason, EMC believes that a strong Canadian GHG standard should be viewed not merely as an environmental policy, but as a practical implementation tool for both of the action priorities identified by UNEP. It is an immediate policy measure capable of reducing emissions while simultaneously supporting the longer-term decarbonisation pathway required to reach net-zero emissions and limit peak warming. A strong standard, combined with complementary supporting programs, can accelerate the adoption of technologies that are already available while providing the market certainty needed to attract investment and build Canada's electric mobility economy.

EMC believes Canada now has an opportunity to demonstrate that economic competitiveness and climate ambition can reinforce one another. With a majority government in place, a growing domestic electric mobility industry, and a clear commitment to establish a sovereign Canadian vehicle GHG framework, the Government has the policy certainty and legislative capacity required to act decisively. The future vehicle emissions standard should therefore be viewed not merely as a replacement for EVAS, but as one of the cornerstone economic and environmental policies that will shape Canada's competitiveness, investment climate, and emissions trajectory over the next decade.

Annex 1 - Modelling Methodology for the Vehicle Emissions Standard

Overview of the model - Assumes NRCan 5-Cycle Test Procedure

This analysis estimates the average CO₂ emissions of the light-duty vehicle fleet in Canada through 2035 based on projected vehicle sales and powertrain mix. The model is built around the pathway needed to reach the government's stated objective of 75% EV sales by 2035 while considering the realities of the Canadian automotive market.

We use projected vehicle sales by trim from IHS and combine these with CO₂ ratings from NRCan's Fuel Consumption Guide that uses the **5-cycle testing procedure**²⁵, which combines city and highway results using a 55% city / 45% highway weighting and adds test conditions beyond the 2-cycle procedure, including higher-speed driving, more aggressive acceleration and braking, cold-temperature operation, and air-conditioning use. This gives a more representative basis for comparing fuel consumption across a broader range of driving conditions, though the ratings remain standardized laboratory measurements rather than real on-road performance. While ECCC relies on FTP/HFET (2-cycle) results reported through the regulatory compliance process,²⁶ our model uses NRCan's published 5-cycle consumer ratings combined with projected trim-level sales. The two are numerically distinct for the reasons set out in [Annex 3](#).

For each vehicle trim, the CO₂ value is weighted by its projected sales volume. Then, results are aggregated by powertrain and by vehicle category to calculate sales-weighted average CO₂ emissions for Passenger Vehicles (PV) and Light Trucks (LT). The model estimates this separately for four powertrain types (BEV, PHEV, ICE hybrid, and conventional ICE) within each of the PV and LT categories, before combining the two to obtain a fleet-wide result.

PV and LT categories applied in this analysis follow the technical classification used by ECCC and the EPA's former rules for vehicle emissions and differ from Statistics Canada and other sources that classify vehicles primarily by body style. Under this classification, some SUVs and crossovers can be classified as passenger vehicles depending on their technical characteristics such as drivetrain and ground clearance.²⁷ Two otherwise similar configurations of the same vehicle model can fall into different regulatory categories on this basis. The model applies average footprint assumptions of 46 square feet for PV and 51 square feet for LT.

²⁵ See: <https://natural-resources.canada.ca/sites/admin/files/documents/2026-02/2026-Fuel-Consumption-Guide.pdf>

²⁶ See: <https://www.canada.ca/en/environment-climate-change/services/canadian-environmental-protection-act-registry/publications/greenhouse-gas-emissions-performance-model-year-2024.html>

²⁷ See: <https://www.epa.gov/system/files/documents/2026-02/420r26001.pdf> (page 114)

Modelling caveat

The model assumes no carry-over of emission credits from previous regulatory periods and does not account for credit banking, credit trading, off-cycle credits, or other compliance flexibilities. A more stringent nominal regulatory target may be required to achieve our actual fleet-average outcome of 50 g/km by 2035.

The tables that follow show the resulting CO₂ emissions and powertrain mix for each segment and for the combined fleet from 2022 to 2035.

Passenger Vehicles (PV)

For Passenger Vehicles (PV), the model applies the trim-level weighting approach across BEVs, PHEVs, ICE-Hybrids, and ICE vehicles. The resulting CO₂ values by powertrain are combined using the projected sales mix for each year to calculate the weighted average CO₂ emissions for the segment.

YEAR	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
CO₂ (g/km)														
BEV	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PHEV	76	65	60	63	52	47	43	39	35	32	29	27	24	22
ICE-Hybrid	129	134	133	128	127	126	125	123	122	121	120	119	117	116
ICE	199	203	200	201	199	197	195	193	191	189	187	185	183	181
Powertrain mix (% of PV sales)														
BEV	15%	19%	20%	11%	20%	24%	29%	33%	38%	42%	47%	51%	56%	60%
PHEV	3%	4%	6%	7%	7%	8%	9%	10%	11%	12%	12%	13%	14%	15%
ICE-Hybrid	5%	6%	7%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
ICE	77%	71%	66%	69%	60%	54%	49%	44%	38%	33%	28%	23%	17%	12%
PV weighted average CO₂ (g/km)														
All PV powertrains	162	155	145	160	140	127	116	105	92	82	71	62	50	40

Light Trucks (LT)

The Light Truck (LT) results are calculated using the same trim-level sales and CO₂ weighting approach as for PV. The higher average CO₂ intensity of this segment, in addition to its larger share of the fleet, makes its powertrain mix an important driver of the overall fleet emissions.

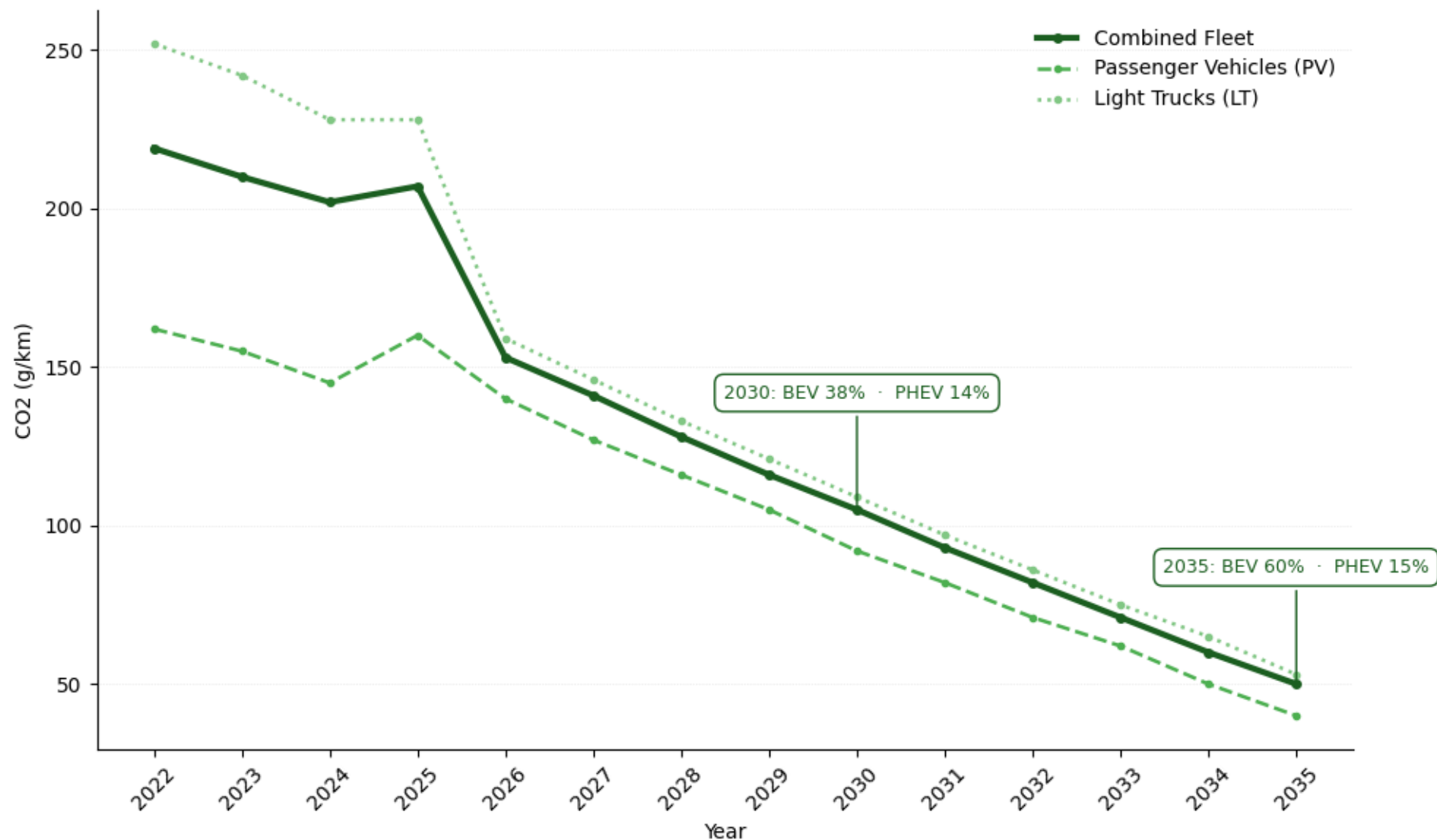
YEAR	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
CO₂ (g/km)														
BEV	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PHEV	97	78	78	77	59	52	46	41	36	32	28	25	22	19
ICE-Hybrid	170	163	167	170	168	167	165	163	162	160	158	157	155	154
ICE	261	259	256	251	249	246	244	242	239	237	234	232	230	227
Powertrain mix (% of LT sales)														
BEV	1%	3%	6%	4%	20%	24%	29%	33%	38%	42%	47%	51%	56%	60%
PHEV	1%	2%	2%	2%	16%	16%	16%	16%	15%	15%	15%	15%	15%	15%
ICE-Hybrid	5%	9%	10%	12%	12%	12%	11%	11%	11%	10%	10%	10%	10%	9%
ICE	93%	87%	82%	82%	52%	48%	44%	40%	36%	32%	28%	24%	20%	16%
LT weighted average CO₂ (g/km)														
All LT powertrains	252	242	228	228	159	146	133	121	109	97	86	75	65	53

Combined Fleet (PV and LT)

The combined fleet result is calculated by weighting the PV and LT averages according to their respective shares of total vehicle sales in each year. For example, in 2035 PV are projected to account for 23% of sales and LT for 77%. Applying these shares to their respective CO₂ averages produces a combined fleet value of 50 g/km.

YEAR	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
CO₂ (g/km)														
BEV	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PHEV	84	71	67	68	58	51	45	41	36	32	28	25	22	20
ICE-Hybrid	155	155	158	156	155	154	152	150	150	148	147	146	144	143
ICE	241	242	240	237	232	230	229	227	226	224	222	221	220	219
Powertrain mix (% of combined fleet sales)														
BEV	6%	9%	11%	6%	20%	24%	29%	33%	38%	42%	47%	51%	56%	60%
PHEV	2%	3%	3%	4%	13%	14%	14%	14%	14%	14%	14%	15%	15%	15%
ICE-Hybrid	5%	8%	9%	12%	12%	12%	12%	12%	12%	11%	11%	11%	11%	10%
ICE	87%	81%	77%	78%	54%	50%	45%	41%	37%	32%	28%	24%	19%	15%
Fleet composition (% of total sales)														
PV share of total vehicles	36%	35%	33%	31%	31%	30%	29%	28%	27%	26%	25%	24%	24%	23%
LT share of total vehicles	64%	65%	67%	69%	69%	70%	71%	72%	73%	74%	75%	76%	76%	77%
Combined fleet weighted average CO₂ (g/km)														
All powertrains	219	210	202	207	153	141	128	116	105	93	82	71	60	50

Annex 2 - Visualization of EMC's Vehicle Emissions Standard Proposal



Annex 3 - Comparison of Vehicle Emissions Standards and Testing Procedures

Comparison of 2-cycle and 5-cycle emission values

As described in [Annex 1](#), the CO₂ values used in the EMC model are based on NRCan's 5-cycle vehicle ratings. Comparing our GHG target of 50 g/km in 2035 with the [Pembina Institute](#) and [ICCT](#) requires accounting for the 2-cycle regulatory basis used in those figures. In their analyses, the Pembina Institute and ICCT relied on the regulatory framework currently used by ECCC, expressed on the 2-cycle basis and that has historically tracked the US regulatory approach²⁸.

The table below establishes a comparison that takes into consideration the differences in testing procedures.

Organization / Source	2-cycle value (g/mile)*	5-cycle equivalent (g/mile)*	5-cycle (g/km)*
Pembina (BEV and PHEV path)	62 g/mile	88 g/mile	55 g/km
ICCT	59 g/mile	84 g/mile	52 g/km
EMC Modelling	-	-	50 g/km
Pembina (BEV only path)	40 g/mile	57 g/mile	35 g/km

* Conversion factors :

2-cycle to 5-cycle conversion factor: 1.429, based on the Prius example of 80 mpg unadjusted versus 56 mpg on the 5-cycle label.

(source: [Table C.1. Fuel Economy Metrics for the Model Year 2024 Toyota Prius](#))

g/mile to g/km conversion factor: 0.621371

Canada and the European Union

The EU has used the Worldwide Harmonized Light Vehicles Test Procedure (WLTP)²⁹ for vehicle type approval and CO₂ standards since it replaced the New European Driving Cycle (NEDC). WLTP was designed to be more representative of real-world driving than NEDC, using more varied and demanding test conditions. However, like NRCan's 5-cycle procedure, it remains a standardized laboratory test.

²⁸ See: <https://www.govinfo.gov/content/pkg/FR-2024-04-18/pdf/2024-06214.pdf>

²⁹ See: <https://www.wltpfacts.eu/what-is-wltp-how-will-it-work/>

The European Commission monitors the gap between WLTP type-approval values and real-world performance using on-board fuel consumption data collected from vehicles in use. Its most recent published results, covering data collected in 2022, found real-world CO₂ emissions from petrol and diesel cars to be approximately 21.1% and 17.1% higher, respectively, than their official WLTP values. The gap is substantially larger for PHEVs. For PHEVs registered in 2021, real-world CO₂ emissions were on average 3.5 times higher than the laboratory values, with the relative gap larger still for PHEVs registered in 2022, despite their larger batteries and longer electric ranges. The Commission attributes this difference to PHEVs being charged and driven in electric mode less frequently than assumed in the type-approval test.³⁰

WLTP and NRCan's 5-cycle procedure differ in their test procedure, operating conditions, and treatment of vehicle categories and powertrains. Therefore, a direct comparison is less straightforward. The table below is provided for a directional assessment only.

YEAR	EMC's Proposal for Canada (g/km)			EU Emission Targets (g/km) ³¹	
	Passenger Vehicle	Light Truck	Combined Fleet	Cars	Vans
2026	140	159	153	93.6	153.9
2027	127	146	141	93.6	153.9
2028	116	133	128	93.6	153.9
2029	105	121	116	93.6	153.9
2030	92	109	105	49.5	90.6
2031	82	97	93	49.5	90.6
2032	71	86	82	49.5	90.6
2033	62	75	71	49.5	90.6
2034	50	65	60	49.5	90.6
2035	40	53	50	0	0

The EU currently has a binding target of 100% reduction by 2035 (0 g/km). A separate proposal from the European Commission that has not been adopted yet would instead set a 90% tailpipe emissions reduction target for 2035 compared with 2021 levels.

³⁰ See: https://climate.ec.europa.eu/news-other-reads/news/publication-real-world-co2-emissions-and-fuel-consumption-cars-and-vans-collected-2022-2024-07-26_en

³¹ See: https://climate.ec.europa.eu/areas-action/transport-decarbonisation/road-transport/cars-and-vans_en#target-levels