



Presentation to Senate Finance Committee

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Greetings Mr. Chair, and committee members.

On behalf of Electric Mobility Canada, (EMC) I am pleased to appear before this committee to share our association's support for measures to encourage the use of electric vehicles in Bill C-97, the *Budget Implementation Act*. I am joined by the chair of EMC's Government Relations Committee, Mr. Travis Allan, VP of Public Affairs and General Counsel at AddÉnergie Technologies Inc., who, with your permission, may assist if you have any questions related to our testimony.

EMC is the only national organization dedicated exclusively to accelerating the electrification of all modes of transportation and represents the complete value chain of this growing industry. We represent all elements of the electrified transportation value chain including automobile and component manufacturers, EV charging providers, utilities, fleet managers, non-profit organizations, owners' groups and academic and research institutions.

As committee members are no doubt aware, Canada has made a significant international commitment under the Paris Agreement to a 30% reduction of greenhouse gas emissions against 2005 levels by 2030. Transportation emissions make up the second largest source of Canadian Greenhouse Gas emissions and they have grown significantly since 2005. This means that, without making bold changes in the transportation sector, Canada will have little chance of achieving its Paris Commitments.

Canada is blessed with one of the cleanest electrical grids in the world, with over 80% of Canadian electricity generated without greenhouse gas emissions, meaning that increasing EV use by Canadian businesses has a significant positive impact on both greenhouse gas emissions and local air quality.

Increased EV adoption is also likely to support well-paying Canadian jobs. This includes electric bus and charging station manufacturing, areas in which Canada already has leading players. It also includes increased demand for metals used to make batteries, such as Lithium, Cobalt, Copper and Nickel, which are all seeing increased interest thanks to increased EV consumption.

In recognition of the many factors supporting transportation electrification, the Government of Canada has set important targets for EV adoption, striving to achieve 10 per cent light duty ZEV sales by 2025, 30 per cent by 2030 and 100 per cent by 2040. EMC believes that these targets, while ambitious, are achievable, with the right mix of policies.

At present, EVs tend to have higher up-front purchase costs than equivalent internal combustion engine vehicles, even though they can have a relatively short, and very attractive pay-back for owners.

Despite the possibility of a positive ROI, initial purchase cost and availability of charging infrastructure are both important to adoption, and Canadian survey and sales data support the position that EV buyers (including businesses) are motivated to purchase EVs in greater

numbers when there are economic incentives that effectively reduce purchase prices, particularly in jurisdictions where there is adequate charging station supply. Over 97% of Canadian EV sales since 2011 have occurred in provinces with government-based consumer EV purchase incentives and relatively advanced charging station deployment, namely, BC, Ontario and Quebec.

For these reasons, EMC strongly supports the federal government's recently announced EV purchase incentive and committed funding to support additional EV charging station deployment. The proposals at issue today, namely, a temporary enhanced first-year capital cost adjustment allowance of 100% for EVs, as well as an accelerated capital cost allowance for EV charging stations and HST/GST support will have an important complementary impact. Businesses are, rationally, responsive to tax changes, and those proposed in the budget bill will make a material difference in the ROI of purchasing EVs and installing more of the EV charging stations needed to make driving electric accessible to all Canadians. It is EMCs belief that these changes will be well-received by business, and will complement other federal initiatives targeted at promoting EVs, all in furtherance of Canada's EV sales and Paris Agreement commitments.

Thank you for the opportunity to present to you today, and we look forward to any questions you may have.