

March 17, 2023

For immediate release

Electric Mobility Canada makes final recommendations for new Canadian light-duty zero-emission vehicle (ZEV) sales regulations

Toronto, March 17, 2023 -- Electric Mobility Canada (EMC) has submitted its recommendations for the new Canadian ZEV sales regulations, intended to increase supply so that more Canadians who want an electric vehicle can buy one.

The association's key concerns are sales targets, regional distribution, and compliance enforcement options.

Its recommendations are in response to the federal government's proposed regulations, published in December, that set ZEV sales targets for manufacturers and importers of new passenger cars, SUVs, and pickup trucks. The regulations will require that at least 20 percent of new vehicles sold in Canada be zero emission by 2026, 60 percent by 2030, and 100 percent by 2035. The 75-day public consultation period has ended and final regulations are expected this year.

"EMC applauds the Government of Canada for its commitment to accelerating the transition of transportation to electricity through ZEV targets and other policies and programs," said Daniel Breton, president and CEO of Electric Mobility Canada. "At the same time, we need to ensure that Canada's ZEV regulations will be stringent enough to motivate automakers to prioritize Canadian markets when they choose where to promote and sell their ZEV models and to send ZEV inventory here. We also need to ensure that all provinces get sufficient supply of EVs"

The six recommendations from EMC are:

1. Targets: Set more ambitious ZEV sales targets, aligning with B.C. targets, to make a more significant impact on supply and greenhouse gas emissions, and avoid making regional inequities worse. Breton said estimates show market demand in 2025-2026 and the following years may surpass the proposed targets: In European countries such as the UK, ZEV sales increased from 2.4 per cent to 24 per cent between 2019 and 2022.

2. Regional Distribution: Set more ambitious targets to ensure that more sales outside of B.C and Quebec would be required to meet national targets and establish an opt-in provision to allow provinces or a group of provinces to set subnational targets. Without a mechanism to enable a more even distribution of ZEV supply across Canada, supply will continue to be concentrated in already regulated provinces and larger markets while others face shortages and

miss out on the economic, health and environmental benefits of transportation electrification, Breton said. Currently, ZEVs must already be sold in BC and Quebec under provincial legislation.

3. Penalties for non-compliance: For companies who don't meet the ZEV sales targets and instead choose to buy ZEV sales credits from those who do, add a credit clearance mechanism as a last resort compliance pathway, creating predictable financial consequences for non-compliance.

4. Deficit time limit: Establish a credit clearance mechanism and limit credit debt that can be carried forward to 10 per cent of annual compliance obligations.

5. Credit lifespan: Reduce lifespan for banked credits to three years.

6. Plug-in hybrid electric vehicle (PHEV) credits and caps: Reduce credits and compliance caps for PHEV sales.

“By implementing these recommendations for more stringent ZEV sales targets, a mechanism for more equitable regional EV supply and clear enforcement options, Canada can attract more economic electric transportation investment that creates clean, quality jobs for Canadians, reduces the impact of climate change, improves air quality and health and reduces health care costs,” Breton said.

Electric Mobility Canada's final ZEV sales regulation recommendations can be found at: https://emc-mec.ca/wp-content/uploads/2023-03-15_EMC-on-Canada-proposed-ZEV-Regulation-Final-EN.pdf

About Electric Mobility Canada

Founded in 2006 Electric Mobility Canada is a national industry association that works to advance electric transportation in order to support the Canadian economy while fighting climate change and air pollution. With more than 170 member organizations, EMC includes light, medium, heavy-duty, and off-road vehicle manufacturers; utilities; infrastructure providers; technology companies; mining companies; research centres; cities; governments; universities; unions; environmental organizations and electric vehicle owners' groups. The EMC team helps develop electric mobility policies, programs and projects that apply to all types of EVs, from bikes to cars, from buses to boats, from trucks to trains. Electric Mobility Canada is the national voice of the transportation electrification industry, from B.C. to Atlantic Canada

For more information please contact:

Daniel Breton

daniel.breton@emc-mec.ca

(514) 883-9274