



ECCC—Support for Federal Clean Fuel Regulation

**Submitted by Electric Mobility Canada
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Paola Mellow
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By email

Dear Ms. Mellow,

Re: Draft Clean Fuel Regulation

Electric Mobility Canada (EMC) would like to congratulate Environment and Climate Change Canada (ECCC) for its work in publishing the draft Clean Fuel Regulations (CFR) in Canada Gazette I. The CFR is an important policy tool that can support Canada's goals to reduce greenhouse gas (GHG) emissions by more than 30 per cent by 2030 and achieve net zero GHG emissions by 2050. Our members have followed the advancement of the CFR with great interest, and offer the following comments with respect to credit market opportunities for end-use fuel switching in transportation:

Electrification of transportation is critical to achieving Canada's climate commitments.

Between 1990 and 2018, GHG emissions from cars and light trucks increased by 40%. In 2018, transportation accounted for 25% of Canada's total GHG emissions, nearly tied with the Oil and Gas as the top source of emissions. With more than 80% of Canada's electricity generated by non-emitting sources, electrifying transportation is one of the most promising ways to not only reduce GHG emissions but also to improve air quality and health outcomes for Canadians.

Multiple barriers to transportation electrification can be addressed through the CFR

EMC members regularly discuss barriers to Zero Emission Vehicle (ZEV) adoption, including a lack of education about ZEVs, the price of ZEVs vs comparable internal combustion engine vehicles, lack of access and availability of charging infrastructure, and limited supply of ZEV makes and models. Despite recent growth in ZEV sales and the current federal and provincial policy context, there is still significant work ahead to address these barriers to adoption for Canada to achieve both its objectives regarding climate change and ZEV adoption.

The CFR has the potential to address a number of these barriers to ZEV adoption through credit creation that recognizes the GHG emission reductions associated with end-use fuel switching to ZEVs. For example, the CFR credit market has the potential to:

- a) Improve the business case for those investing in charging infrastructure which can support access and availability of charging infrastructure
- b) Support investments in electrical grids that are needed to enable new charging loads through credit revenue recycling
- c) Lower the price differential between ZEVs and internal combustion engine vehicles through credit revenue recycling
- d) Increase the differential between fossil fuels and lower-emissions fuels like electricity and hydrogen through a strong credit market

Further, a credit market that establishes fair verification and validation rules that are proportional to anticipated credits/revenues can assist in enabling participation by all sizes of organizations that are interested in supporting transportation electrification.

Canada does not currently have sufficient regulatory policies or funding to achieve our transportation electrification objectives.

As the leading Canadian industry association for transportation electrification, we would like to congratulate Canada for many important steps that have been taken to support ZEV education, sales and the deployment of charging infrastructure. These investments are critical steps toward helping Canada achieve its ZEV LDV adoption targets of 10% by 2025, 30% by 2030 and 100% by 2040. However, they are not sufficient to guarantee a full-scale transition to ZEVs.

The ZEV market is still in the “early adoption” phase. This is most apparent in the prairies, territories and Maritimes where adoption is very low and charging infrastructure is sparsely located. A strong ZEV mandate is a critical policy to achieve Canada’s adoption targets, as demonstrated in Quebec and California. Combined, a ZEV mandate, federal funding support for charging and ZEVs, a well-designed CFR and ZEV education can accelerate the transition to electric mobility and put Canada on a path to succeed in achieving its emission reduction goals.

EMC thanks ECCC for the opportunity to comment on this policy and would be pleased to provide additional comments should any further clarification be useful.

For additional questions, please contact :

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About Electric Mobility Canada / Mobilité Électrique Canada (EMC/MEC)

EMC is a national membership-based not-for-profit organization dedicated exclusively to the advancement of e-mobility as an exciting and promising opportunity to fight climate change and stimulate and support the Canadian economy. EMC’s mission is to strategically accelerate the transition to electric mobility across Canada.

Established in 2006, EMC is one the very first electromobility associations in the world. With over 200 members, EMC represent more than 50 billion dollars a year in revenue, and include vehicle manufacturers, utilities, charging infrastructure and network providers, fleet managers, unions, municipalities, mining companies, tech companies, universities, non-governmental environmental organizations, EV owners and EV associations.