Objectives

- Overarching framework for ZEV policies
- Federal actions
- Focus on iZEV Program
- Data tidbits
- Final thoughts
Framework for ZEV policies

**ZEV Sales Targets**
- 10% of new light-duty vehicle sales to be ZEVs by 2025, 30% by 2030, and 100% by 2040
  - Definition of LDV is aligned with vehicles covered under ECCC’s LDV GHG regulations

**Affordability**
- Ensuring that ZEVs become more affordable for Canadians and comparable in purchase price to ICE vehicles

**Availability**
- Ensuring Canada is allocated more variety and volume of ZEVs to meet growing consumer demand
Framework cont’d

**Infrastructure Readiness**
- Supporting deployment ZEV infrastructure to provide Canadians with the assurance to know that they will be able to get where they need to go

**Consumer Awareness**
- Providing Canadians with better information and tools to consider a ZEV as their next vehicle

**Clean Growth and Clean Jobs**
- Working with automakers, suppliers, academia and other key stakeholders to improve conditions for investment, manufacturing, research and competition regarding the vehicle of the future, including zero-emission vehicles, in part through initiatives such as the Strategic Innovation Fund

**Greening Government Fleets**
- Increasing uptake of ZEVs and ZEV infrastructure in federal operations
- Administrative fleets to be at least 80% ZEVs by 2030; all new executive vehicles purchases to be ZEVs or hybrids
Federal actions

iZEV Program
- $300M over 3 years for a point-of-sale incentive program that provides up to $5,000 for eligible ZEVs (Budget 2019)

Business Tax Write-Off
- $265M to support adoption by businesses by allowing a full tax write-off for eligible ZEVs (Budget 2019)

LDV GHG Regulations
- Vehicle electrification can help a company comply with increasingly stringent emission standards

Voluntary Sales Targets
- Securing agreements with individual automakers to ensure that supply meets demand across Canada (Budget 2019)
Federal actions cont’d

Zero-Emission Vehicle Infrastructure Program
- $130M over five years to deploy network of charging stations (level 2 and higher) in more localized areas, where Canadians live, work and play, as well as infrastructure to facilitate fuel switching and electrification of commercial fleets, last mile delivery, and mass transit (Budget 2019)

Electric Vehicle and Alternative Fuel Infrastructure Deployment Initiative
- $182.5M to support deployment of ZEV and alternative fuel infrastructure, demonstration of next generation charging technologies, as well as developing and enabling binational codes and standards

Consumer Awareness
- Suite of programs to provide consumers with information and tools to inform and assist their vehicle purchasing decisions and driving behaviour, (e.g. EnergGuide Label, Fuel Consumption Guide, tailored apps, etc.)

Complementary Measures
- Carbon Pricing: Helping to internalize environmental costs of carbon pollution will make it easier for Canadians to realize cost savings by switching to ZEVs

- Clean Fuel Standard: May require revenue generated from charging infrastructure to be recycled to further incent ZEV adoption
Focus on iZEV Program

Point-of-Sale
- Canadians benefit immediately as incentives are applied to eligible vehicles by dealerships

Incentive Levels
- Up to $5,000 for BEV, FCEVs, and longer-range PHEVs
- Up to $2,500 for shorter-range PHEVs

Eligible Models
- 25 ZEV models eligible for incentives, as of May 31
- Intended to target incentives towards middle-class Canadians
- Base model under $45,000 for vehicle with six or fewer seats
  - Higher trims up to $55,000 permitted
- Base model under $55,000 for vehicle with seven or greater seats
  - Higher trims up to $60,000 permitted
- Captures just under 75% of 2018 Canadian ZEV market
iZEV Program – May 2019 Results

Incentives Claimed

Jurisdiction Breakdown

OEM Breakdown

Chevrolet
Hyundai
Toyota
Kia
Nissan
Mitsubishi
Tesla
Volkswagen
Ford
Honda
Chrysler
Smart
Audi
MINI
Data tidbits

ZEV Market Share 2015-2018

Key Points
- Alignment of national and Ontario trend
- Significant decline in Ontario with incentive cancellation
- Offset by significant increase in Quebec and BC
TC’s Inventory Study
- Based on web-scraping and dealer phone surveys
- Conducted two snapshots for web-scraping – December 2018 and March 2019
- Illustrates most jurisdictions have very limited availability
- Even in leading provinces like BC and Quebec, availability seemed constrained when compared with sales
- Inventory in Ontario high relative to sales, as automakers adjusted to new policy landscape

Inventory Levels
- > 1500
- 1000 – 1499
- 500 – 999
- 50 – 499
- < 50
- 0

December 2018
All Available Inventory Data
Data tidbits cont’d

TC’s Inventory Study
- Comparison of web-scrapped data – 7 out of 17 OEMs
- March 2019 saw significant increase over December 2019 snapshot, but growth was largely attributed to increased Chevrolet and Ford inventory, with most taking place in Quebec

December 2018
Web-Scraping Inventory Data

Inventory Levels
- > 1500
- 1000 – 1499
- 500 – 999
- 50 – 499
- < 50
- 0
Data tidbits cont’d

TC’s Inventory Study
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March 2019
Web-Scraping Inventory Data

Inventory Levels
- > 1500
- 1000 – 1499
- 500 – 999
- 50 – 499
- < 50
- 0
**Data tidbits cont’d**

**Q1 2019 Registrations**

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<th>Share of LDV Market</th>
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**Key Points**

- Increasing lopsidedness of ZEV market in Canada
- British Columbia and Quebec represented 80% of ZEV sales in Q1, but only 34% of total LDV sales
- Whether federal measures can help realign ZEV and LDV markets over time may be basis for assessing success
Final thoughts

- Continuing analysis of additional supply- and demand-side measures that may be needed to ensure that Canada’s ZEV sales targets can be met
  - Role and effectiveness of various policy instruments in supporting increased ZEV uptake
  - Best mix of instruments for automakers to secure greater ZEV allocations to Canada

- Considering interactions across different policy instruments to ensure that dual objectives of reducing transportation emissions and more ZEVs on Canadian roads are being met

- Considering how best to sustain uptake until price parity
Thank You