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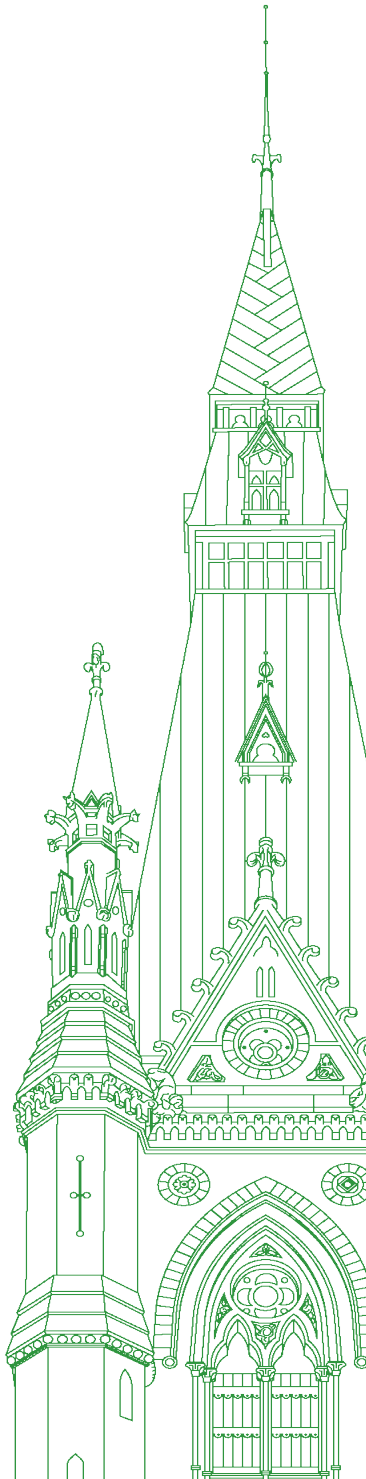

Chair: Angelo Iacono

Standing Committee on Environment and Sustainable Development

Thursday, November 6, 2025

● (1100)

[*English*]

The Chair (Angelo Iacono (Alfred-Pellan, Lib.)): I'm calling the meeting to order.

[*Translation*]

Good morning, members.

[*English*]

Today is meeting number 13 of the Standing Committee on Environment and Sustainable Development. This meeting is taking place in a hybrid format and is in public. We have witness testimony for two hours.

For those in person, please follow the health and safety guidelines on the cards that are found on the table to prevent audio or feedback incidents.

[*Translation*]

The committee is resuming its study on the electric vehicle availability standard.

This morning, we will hear from a few witnesses.

[*English*]

From Clean Energy Canada, we have Joanna Kyriazis, director of policy and strategy.

[*Translation*]

From Electric Mobility Canada, we have Daniel Breton, president and chief executive officer.

[*English*]

From High Country Chevrolet Buick GMC Ltd., we have Mr. Doug Green, president, who is here by video conference.

Witnesses, you will be seeing at some point that I will be lifting up this card, which indicates that you have one more minute to respond to the question that's being asked of you. Once it's flipped over, please to try to end your sentence as best you can.

Thank you.

[*Translation*]

Each witness will have five minutes for their presentation.

[*English*]

We will start with Joanna Kyriazis. You have five minutes.

Joanna Kyriazis (Director of Policy and Strategy, Clean Energy Canada): Good afternoon, Mr. Chair and members of the committee.

Clean Energy Canada is a national think tank at Simon Fraser University that is focused on advancing the country's energy transition.

Today I'd to like to speak to why the EV availability standard is one of the best policies we have to drive down costs for Canadian families and ensure that our industries are set up for long-term success.

You may have heard that the EV transition is slowing, but the numbers tell a different story. EV sales are up in almost all regions of the world this year. EVs now make up over 30% of new car sales in the EU and over 50% in China. EV popularity is also skyrocketing in less developed countries, with places like Nepal and Ethiopia seeing sales shares of 60% to 70%.

It's true that Canadian EV sales have dipped this year. Uncertainty around federal and provincial rebates has caused many buyers to hold off on purchasing, pushing our sales numbers artificially low and making Canada a global outlier in EV sales trends in 2025.

This isn't because Canadians have cooled on EVs, though: Nearly half of the Canadians we polled this summer still lean towards an electric vehicle for their next vehicle. Those percentages are higher in certain provinces, such as B.C. and Quebec; certain regions, like the GTHA and metro Vancouver; and among young people. This is because six in 10 Canadians rightly know that driving an EV will save them money. Today's Canadian EV drivers pay the equivalent of around 40 cents per litre of gas to charge their cars.

There's also another Canada-specific barrier standing in our way: We have an EV affordability problem here. By following the U.S. and walling off our car market, Canadians are missing out on many of the lower-priced electric models being sold and enjoyed in other countries around the world. A recent Clean Energy Canada analysis found that Europe has 21 EV models selling under the price point of $40,000 Canadian. In Canada, we have only one.

Often carmakers introduce affordable models in the EU but not in North America, whether it's Volkswagen's ID.3, which is an all-electric compact hatchback, or the Kia EV3, a compact electric SUV.

Canada's EV availability standard was put in place to address this exact issue. Its very purpose is to make more EVs available for consumers here. As it ramps up in ambition, automakers will be incentivized to produce lower-priced models to meet more of the market. Canada's EVAS would reduce the average price of an EV by 20%, according to one study.

This is likely why we found that Canadians support this policy. Two-thirds of those polled in September said that they want to keep a version of this policy in place. Helping more drivers get behind the wheel of an EV would go a long way in easing the second-biggest cost households endure, transportation.

We recognize that circumstances have changed since Canada's original EVAS was designed and that changes may be required to offer automakers short-term relief. President Trump's tariffs and premature cancellation of EV policies have introduced significant uncertainty for the auto sector, causing certain companies to cancel projects and lay off auto workers in the U.S. and Canada alike.

Canada's EV availability standard, though—a policy that has not yet come into effect and that offers a three-year grace period for automakers to comply with once it does—is not responsible for these impacts. In the U.S., where President Trump has repealed federal tailpipe emission standards and state-level authority to implement their own EV sales regulations, thousands of auto workers continue to be laid off and billions in EV-related investments are being abandoned. Repealing Canada's EVAS will not reverse the impacts that Trump's tariffs are having on the North American auto industry. What that would do, however, is deprive Canadians of the lower-priced EVs available in other markets; compromise jobs and investments in Canada's EV charging, electricity and critical mineral sectors; and slow the modernization of Canada's auto sector in a global market where one in four new cars sold will be electric this year.

In this time of turbulence, Canadian industries and consumers need more certainty, not less. As such, we encourage the government to move swiftly to confirm this policy will stay in place, even if revised to respond to the changing context.

Thank you for the opportunity to contribute today. I look forward to your questions.

● (1105)

The Chair: Thank you very much.

[*Translation*]

Mr. Breton, you have five minutes.

Daniel Breton (President and Chief Executive Officer, Electric Mobility Canada): Thank you, Mr. Chair.

My name is Daniel Breton. I'm the president and CEO of Electric Mobility Canada, or EMC.

EMC is Canada's transportation electrification industry association. It has over 190 members, including car manufacturers, truck and bus manufacturers, labour unions and research centres. Also, I'm certainly the most knowledgeable and experienced person in Canada to talk about this, having worked in the auto industry on the Sainte-Thérese assembly line, from repair to assembly to sales. I also worked as a writer. In fact, last year I wrote a book called *50 Myths and Half-truths about Electric Vehicles*. I was also a member of Parliament and Minister of the Environment. In 2012, I was responsible for the first proposed transportation electrification strategy in Canada.

According to a 2025 report by Ernst & Young, our industry already employs 130,000 workers, and it is expected to employ between 360,000 and 600,000 over the next 10 years.

[*English*]

Today I won't talk about the details surrounding the EV availability standard. I would rather talk about the facts versus the fake news or falsehoods surrounding it.

As facts, the purpose of the EVAS is, first, to make sure that Canadians have access to a growing choice of affordable EVs, which we don't have right now, as Joanna just said. Second, it's to bring market predictability to companies investing in the EV industry in Canada all along the supply chain, from mining to infrastructure to mobility to electricity production to R and D. Third, it's for Canada to lower GHG emissions and air pollution, helping to save thousands of Canadian lives and billions of dollars in health costs.

Now let's talk about the falsehoods.

First, according to some people, it's going to make cars less affordable. That's false. It's actually the exact opposite. Right now we don't have access to affordable cars, whether gas or electric.

Second is the idea that it's the equivalent of a $20,000 tax on cars with gasoline engines. That's false as well. Saying that means that the people who say it do not understand the EVAS credit system or that some people are misleading Canadians.

Third is that carmakers have to sell 20% EVs in 2026. That's false as well. Because of the early compliance credit system and other flexibilities, no carmaker has to sell 20% EVs in 2026.

Fourth is that Tesla was going to be the carmaker selling most of the credits. That's false as well. In 2023 in California, GM was the carmaker that sold the most credits, almost three times as many as Tesla. As well, who sold the most EVs in Canada last year? It was GM.

Fifth is that it's going to cost 38,000 jobs. That's false. The Canadian professor who wrote that so-called report conveniently forgot to include the jobs created in the EV industry, but then again, he is the same person who co-signed the Trump administration report on energy and climate this summer.

Sixth is that the EVAS is redundant because we also have GHG emission regulations in place for light-duty vehicles. Well, that's false, as that regulation is designed to be aligned with the U.S. regulation, which is now being scrapped by the U.S. administration, so beyond the 2026 model year, there will be no GHG emission regulation left.

Seventh is the idea that the EVAS is akin to “banning the rural way of life”. I live in rural Canada, so I know this is false, not only because I travel across rural Canada day in and day out with an electric car—I do 50,000 to 60,000 kilometres a year—but also because PHEVs are included in the regulation, which means that you don't have to worry about charging if you don't feel comfortable driving a BEV.

Regarding the so-called “freedom of choice” argument, the truth is that right now, Canadians do not have the choice of buying the vehicle they want; they have, rather, the choice of buying the vehicle that carmakers have decided to offer them from the U.S. To me, choice and affordability are very important points.

Anybody with common sense knows that the Trump administration right now is moving in the wrong direction, not only on EVs but on science, on the environment, on health and on the jobs that will come to define the 21st century. Those who advocate that Canada should scrap the regulation and instead blindly follow Donald Trump's path on EV policies and regulation while he is currently in the process of eliminating regulation and setting the U.S. back 50 years are certainly not acting in the best interests of Canadians. Indeed, their stance would only subordinate our regulations and our interests to those of the U.S., as if we were the 51st state, so the real question is this: As Canadians, are we supporting health, the environment and jobs in Canada, or are we supporting 51st state policies?

Thank you.

● (1110)

[*Translation*]

The Chair: Thank you, Mr. Breton.

That's very interesting. Your presentation was very lively and very concrete. We really appreciate it.

[*English*]

Mr. Doug Green, the floor is yours for five minutes. Thank you.

Doug Green (President, High Country Chevrolet Buick GMC Ltd): Good morning, Mr. Chair, and thank you very much.

I'm Doug Green, president of High Country Chevrolet Buick GMC Limited. I'm in the small rural town of High River, just outside of Calgary.

To date, I've invested $200,000 in my facility to be ready to sell EVs. I've had to change power requirements for my building, replace the trenched power supply to my transformers, purchase and install EV chargers, and purchase a hoist, a battery table and a forklift.

To date, in the last three years, I've managed to sell three EVs, with losses totalling over $10,000.

When the EVs first came on the site, I was excited. I invited 1,000 of my customers to come in for a ride on test drive day; 30 customers showed up. They all drove the new Blazer, Equinox and Hummer. There was lots of fanfare and excitement, but at the end of the day, not one person was interested in buying them.

They all said comments like, “That's nice, but it doesn't work for our rural lifestyle”, “Our climate is too cold; there's no range in the cold with winter tires”, “I can't pull my trailer and get range”, “There's no local charging structure in my town or the neighbouring towns around”, “I have four drivers; how do I charge four EVs from home?”

The list continued on and on, so I took my remaining three EVs and sold them to a dealer in Quebec, taking a $2,000-per-vehicle loss, totalling another $6,000. Why was it Quebec? It had a $14,000 federal subsidy. Without subsidization, consumer demand is not there.

Right now, dealers are not making profit to recoup their investments. I am a for-profit business. Perhaps we forget that. We're not a government that can run deficits. I'll never recover my $200,000 investment, and my losses pale in comparison to what the manufacturers are losing—which is millions and billions—in trying to reach these mandates.

Manufacturers are losing $30,000, $40,000, $50,000 per EV sold. Ford publicly stated that they're losing $36,000 per EV sold. That's why plants are being idled, production is being scaled back and battery plants, such as those in Quebec, are going broke before they're even opened.

In the past three to four years, we've seen huge price increases on our vehicles, and it's not because of tariffs or inflation; it's primarily to subsidize the EV losses. Everybody's banking on the idea that prices will come down, battery prices will go down and range will extend, but that's a big if and a maybe.

If there are no gas sales to subsidize EVs, the question is very simple—who goes broke first and when? When one of the large manufacturers says it's too difficult to sell them or we're going to go broke, they pull out of Canada, leaving the distribution network all across the country abandoned.

Sadly, GM proved this point last month, when they pulled their EV BrightDrop plant in Ingersoll because of mounting losses and no demand for the vehicle.

If we continue down this road, we're going to destroy the auto industry as we know it in rural towns across the country. My store won't survive if I'm forced to sell EVs. “A family-run business put out of business by the government after 45 years in business” is going to be the headline.

We're a profit-based, free market economy, and the adoption rate of new technologies such as EVs is based on price, reliability, ease of use, long-term durability, value and resale. EVs right now are not more affordable because of regulations in our country. Yes, the Chinese ones are cheaper, but as you know from watching the news, they tend to catch on fire a little bit more.

The infrastructure is not there. It's not there anywhere. It works right now because we have a limited number of EVs on the road, but if you go to a 100% EV mandate, we won't be able to charge them.

Because we're not moving at the speed that you want, you're going to try to mandate sales in communities like mine. If EV mandates are left in place, people like me are going to go out of business because I just don't have the demand and the small volumes will not allow me to remain profitable.

When I go out of business, the downstream effect is going to be that Mr. Lube, Midas, transmission repair shops and the small backyard mechanic who fixes things won't be able to sustain themselves either. That backyard mechanic doesn't have the resources to invest in the technology. The return on investment, friends, is not there.

Gas stations do not have the capital or the land to install the chargers needed for full electrification. Customers don't have 30 to 50 minutes to go to a quick charger. Home charging requires a 48- to 80-amp service; homes come with 100-amp service, so this complicates things. When you look at that, you see that you can charge your car or you can run your dishwasher or stove, but you can't do both.

If the RV dealers collapse, so do the boat dealers, because you can't pull your boat with your RV and get there.

We need EV mandates that are grounded in reality. Sales are slowing, costs are rising and workers are feeling the pressure. Repealing the EV mandate doesn't mean we're abandoning it; it means that we're giving time to do it properly and to make things work. If you try to push a string, it buckles, and so will the economy and the manufacturers, but if you slowly pull that string with good leadership, you'll get to where you want to go.

Mandating stuff is never the way. It's a bully tactic. It doesn't work.

Thank you.

● (1115)

The Chair: Thank you, Mr. Green, for your opening remarks.

I will now move to the Conservative Party for six minutes.

Ms. Anstey, the floor is yours.

Carol Anstey (Long Range Mountains, CPC): Thank you, and thank you for your strong opening statement, Mr. Green.

I'd like to start by saying that you live and die with these mandates and have lived experience with them, so I would qualify you as the expert in this space.

I also have a large family-owned dealership in my riding in Newfoundland and Labrador and I've spent lots of time having conversations with them.

There's so much to unpack. I want to break it down and give you more opportunities to expand on some of the things you said.

Family-owned dealerships often operate on tight margins, and they are deeply rooted in their communities. You mentioned in your opening statement that you made a $200,000 investment in upgrades and that you sold only three units in three years. How do this top-down approach and the cost of requirements place additional financial pressure on you?

I want you to expand on that a little, and also specifically on your competitiveness with dealerships in more urban areas and the unique challenges that you face in having a dealership in a rural area.

Doug Green: Thank you very much.

In a small town, I meet with my customers day in and day out. They sit with me and they tell me that they don't have the capital to buy these things.

When I invested in my facility, I did it out of the fear that I might lose my franchise. I didn't do it because I thought it would be profitable. At the end of the day, I am a for-profit businesses, so I looked at it and said that if I have to do this, then I will. If it can increase my marginal sales, then great.

However, the reality is that when General Motors made cost and invoice the same, because they were losing so much money, there was no advantage in coming to my store as opposed to another store. I paid the same price that I sold the vehicle to you for. If I was a good gentleman and met all of my compliances, they would send me a token amount of profit at the end of the day, which wasn't enough to sustain me. The interest that I had to pay on these units to have them sit here on my lot for six or eight or nine months far exceeded the potential profit that I could ever make on them.

The capital investment for my store—the power changes, the transformer changes, digging up my lot to put transformers in—was large. For big-city stores, it's massive. I didn't have to buy a gas station to sell gas-powered vehicles. Why did I have to spend hundreds of thousands of dollars to put in charging?

I did not put in my chargers as forward-facing. I did not want the traffic to come here, because there's not any profit in selling the power and electricity. That's why the free market has not put these things everywhere.

In my town, there's a FLO charger. It's been disabled and now abandoned after being broken for a year or two, but it still shows on the map. Everybody came with their EVs and tried to charge there, but it was broken. There was no gas station attendant. Who do you call? There was nobody. They don't care.

There are so many realities that we're not facing. I appreciate all the other panellists, and yes, we can say all these great platitudinal things, but when it boils down to rubber meeting the road, do customers want them? Not yet, but maybe, so let's keep pursuing it. I'm not saying abandon it, but don't force it. Don't try to make something happen that the free market is not willing to see happen. The free market goes on profit, and if there isn't profit and it's not reliable—and it's not—then the free market is not going to run with it.

We'll get there slowly. Keep pushing. Keep going. Maybe electricity isn't the right choice. Maybe it will be hydrogen or maybe wind power. I'm game for that. I want to see advancements. I want to see our industry lead, but I do not want to be forced, bullied or coerced into selling something that my consumers do not want to buy. They can't, because if they drive 300 or 400 kilometres on a cold day on a gravel road with winter tires in a pickup truck, they're not getting home. If they go to the hospital in High River, there's no charger there.

There's no charger in the neighbouring town. It shows that there's one on the map, but it's been abandoned. It's no longer there. The map shows my charger there, but you can't use my charger, because I didn't make it forward-facing, and there are reasons for that. I can share why: My neighbouring colleague did, and somebody drove away with his vehicle plugged in. It cost him $6,000 to replace that charging cord on a quick charger, rather than the $200 cost if you drive away from the pump when it's still in your gas-powered vehicle. I can't absorb that. I can't recoup that.

It's nice to speak in platitudes. It's nice to think green and go there. I get it and I'm with you, but you can't force it. You're trying to go way too fast, because the free market is not getting there and they're not ready to get there yet.

● (1120)

Carol Anstey: Thank you so much. I appreciate all your comments. I'm picking up on your passion and I appreciate it as a small business owner myself.

You touched on something that I also hear: It's also this idea of it being a mandate. That has implications as far as your business is concerned.

I've heard from other dealers that it's counterintuitive from the consumer perspective as well. Do you think that Canadians appreciate being told what type of vehicle to drive?

Doug Green: Well, a recent poll by Automotive News said that 59% of Canadians oppose a federal EV mandate, so yes, we have lots of free loving, free enterprise people here, and no, they don't want to be told. They want to be given choice.

The reason we don't have a choice of the kind that exists in China and other places is that we have very different standards. I don't want a $10,000 EV that's going to catch fire. Where do you charge your vehicle? It's supposedly at home. When does it catch on fire? That's potentially when you're charging it at your home, in your garage.

There has to be a standard that maybe other countries don't want to comply with, and that's fine. That's their prerogative. We set ours. We have to meet them. That's why they're not quite as affordable as in other places around the world.

Yes, people are pushing back against being told what they have to buy. Give them affordable choice, but you can't mandate it. If the manufacturer can't make money, they're out of business.

Carol Anstey: Thank you, sir.

The Chair: Please go ahead for six minutes, Mr. Grant.

Wade Grant (Vancouver Quadra, Lib.): Thank you, Mr. Chair, and thank you to the witnesses for coming forward.

Ms. Kyriazis, thank you for your statements.

I was reading a recent poll that Abacus conducted for Clean Energy Canada. It found that a large number of Canadians are actually inclined to get an EV. In fact, 69% of those in metro Vancouver, where I am from, have said that they're inclined toward getting an EV in the future, and then the younger generations are very keen on it. In fact, my two kids, who are 15 and 17, have said that their first car would probably be an EV.

What sort of incentives can the government provide and offer to make the concept of ZEVs more affordable as we move forward?

● (1125)

Joanna Kyriazis: Certainly federal and provincial rebates help.

We know that an electric vehicle comparable to a gas car saves significant amounts of money—$30,000 to $40,000—over the course of the vehicle's life, but right now the sticker price is still slightly higher, so rebates help bring down that upfront cost and help Canadians unlock the savings faster.

The EV availability standard is also designed to drive affordability, because as the ambition ramps up, carmakers need to start offering lower-priced models to meet more of the market. We're seeing that happen in the EU, where they invest in battery technology, better charging systems and better range.

They can also choose to change their pricing structures internally by offering better discounts on electric vehicles. Often car manufacturers will offer 0% down or low-interest financing for gas cars, but we're not seeing similar incentives for EVs.

Also, requiring carmakers to sell more can help unlock some of those private sector incentives.

Wade Grant: You just mentioned the EU, and you said in your opening statement that buyers have more options in Europe and the United States right now, and that Canadians have access to fewer EV options. How does the EVAS availability standard help close that gap?

Joanna Kyriazis: It ensures that the Canadian market is prioritized when carmakers globally are deciding where to send their inventory. It's not a production mandate; it's a sales mandate. It's about where the inventory is sent, and you can see the impacts play out within Canada.

B.C. and Quebec are the only jurisdictions that have this policy in place. It's not in place in Newfoundland or Alberta or federally. Those two jurisdictions, B.C. and Quebec, always get the first offerings of new EV makes and models, whether it's the Fiat 500e or the Jeep Wagoneer S. Even when the electric Dodge Charger was rolling off assembly lines in Ontario, it was not available for Ontarians to buy. It was exclusively available to Quebec and B.C. residents. Jurisdictions that have these policies in place are first in line for the best makes and models out there.

Wade Grant: Thank you.

Mr. Breton, thank you for your statements as well.

Can you tell us how many jobs the EV industry can create in Canada, compared to the current number of jobs across the automotive industry?

Daniel Breton: As I said, we currently are at about 130,000 jobs in the EV industry, from mining to manufacturing to infrastructure to electricity production to R and D. According to the EY report that was published and updated just a few weeks ago, we will be at approximately 600,000 jobs in the EV industry by 2035 because of policies that are pro-EV, whether on infrastructure or manufacturing.

I can't help saying something about what the dealer said when he talked about fires in electric cars. Actually, you have 20 to 30 times more chances of having a gas or diesel car catch on fire than an electric car in North America or in Europe. This whole notion that electric cars could catch on fire and be dangerous is just false.

This is part of all of the fake news that I'm hearing day in and day out. That's why I wrote a book about it. I think it is important.

Wade Grant: With reference to gas-fuelled cars, global automakers are already setting their own phase-out dates for gas engines. Without the EVAS, how would Canada ensure that we're not left behind or treated as a dumping ground for the older ones?

Daniel Breton: Let me give you two examples.

Nissan announced that the Ariya won't be sold in the U.S. anymore, because there are no longer any EV policies. As well, Kia announced that their new, more affordable electric model won't be sold in the U.S., because there are no EV policies, but it will be sold in Canada.

If you want to talk about choice, that's a perfect example. If we don't have regulation, we'll end up having no choice.

Wade Grant: Finally, do you see the EVAS a part of an industrial strategy that keeps Canadian workers and suppliers competitive in the global EV market?

Daniel Breton: I do, absolutely.

As I said, it is consumer-based, but it's also helping to create the conditions that are going to give more predictability to investors, in particular when it comes to EV charging infrastructure and utilities.

Some of our members are utilities, but some of our members are companies like Parkland, for instance. They have gas stations across Canada, and because of the EVAS, they know how much they want to invest. If we get out of the EVAS, they're saying that they won't invest as much as they should.

People are saying there are not enough chargers and that they want to get rid of the EVAS. That's completely counterproductive, because we want to install more chargers.

● (1130)

Wade Grant: Thank you.

[*Translation*]

The Chair: Thank you, Mr. Breton.

Mr. Bonin, you have the floor for six minutes.

Patrick Bonin (Repentigny, BQ): Thank you, Mr. Chair.

Greetings, Mr. Green. I suggest you come and see what's happening in Quebec. To my knowledge, EV sales increased by 100% last year, thanks in part to General Motors and its Chevrolet Equinox, the top-selling vehicle in Quebec. There clearly is a market. I suggest you focus on your advertising or move to another province.

Mr. Breton and Ms. Kyriazis, can you tell us more about the sales obligation dealers have? We're hearing about a 20% sales obligation and an extra $20,000.

Daniel Breton: The Alberta dealer can sell zero EVs with no problem if he wants to. The obligation is on the manufacturers, not the dealers. Some manufacturers will sell more, others will sell fewer and still others can sell none by 2030, 2032 or 2034.

We recommend that, as of 2032, the target be maintained and fixed at 83%, if memory serves, because some people will never want to drive an electric vehicle. I would remind you that, in 2032, technology will have improved considerably, which will make things easier and easier.

I live in a rural area and work in Saint-Hyacinthe, the largest agricultural region in Quebec. Every dealership in the area sells a lot of pickup trucks and cars to farmers. EV sales in Saint-Hyacinthe are going very well because dealerships and farmers have decided to transition to electric vehicles. In April or May 2025, when the federal rebate had been removed and all that was left was the $4,000 rebate from Quebec, about 40% of the vehicles sold by the GM dealership in Saint-Hyacinthe were GM electric vehicles.

We should look at the Province of Alberta, which, instead of encouraging the transition to electric vehicles, taxes them. That's part of the equation as well.

Patrick Bonin: You talk a lot about disinformation. In fact, I've seen campaigns based on slogans often quoted by my Conservative colleagues.

To your knowledge, is the oil industry linked to these campaigns? Who is behind the disinformation campaigns often quoted by my colleagues?

Daniel Breton: On the Canadian side, I don't know. However, last year, under the Joe Biden presidency, the Independent Petroleum Association of America launched a campaign specifically to oppose the transition to electric vehicles. Therefore, we need to take a closer look at what is happening on the Canadian side. All I can tell you is that, as I said at the beginning of my presentation, there is a great deal of disinformation.

I'll remind you of what I meant earlier when I said that the price of new gas-powered vehicles was really a problem. Ms. Kyriazis talked about that. According to AutoTrader, the average sale price of a new gas-powered vehicle is $63,000, and the average sale price of a new pickup truck is $81,000. The affordability of new vehicles is a major issue. That's why the regulations will lead to more and more affordable electric vehicles on the market.

Ms. Kyriazis is absolutely right to say that, for the moment, people aren't actually being given a choice. It is wrong to tell people that they have a choice to buy the vehicle they want. There are no cheap vehicles. How many GM cars are left on the market? There is one, the Chevrolet Corvette. There is only one gas-powered Ford car left, the Mustang. There is no cheap Chrysler gas-powered car. The manufacturers all produce pickup trucks and SUVs that are much more expensive than cars. There are no more cheap cars from most manufacturers, especially American manufacturers.

Patrick Bonin: You're telling us that the “My car, my choice” campaign, which was run by the leader of the Conservative Party of Quebec, Mr. Duhaime, and launched by my Conservative colleagues to abolish the reduction of greenhouse gas emissions, is nonsense.

Daniel Breton: To buy more cars, there aren't a lot of choices.

Patrick Bonin: Okay.

I understand that we need a zero-emission mandate.

What about European vehicles and Chinese electric vehicles?

Do you think there are enough of them and that they could be part of the solution if we want more economical vehicles?

● (1135)

Daniel Breton: The Canadian Automobile Dealers Association advocates for affordable European vehicles to enter the Canadian market, because it recognizes that access to affordable vehicles, whether electric or gas-powered, is a problem.

Patrick Bonin: Why are there no such vehicles on the Canadian market?

Daniel Breton: Having worked with the auto industry for a long time, I know that it is often the Americans who choose the vehicles that are available on the Canadian market. The American branch manufacturer chooses the vehicles, not us. Canadian branches can make requests, but it is often not up to them to make the decision. If there are no regulations, the Americans will decide most of the time. This is a real problem.

That's why we want to let European vehicles enter the Canadian market, at the very least. For Chinese vehicles, it's more complicated for obvious geopolitical reasons, but we definitely need more affordable vehicles.

Honestly, I see this as a real problem for the average person, but it has nothing to do with the electric vehicle regulations. In addition, as you can see, some automakers now want to bring affordable vehicles from Europe into the Canadian market.

Patrick Bonin: Can they do that?

Daniel Breton: They can't do it for regulatory reasons. We are told that the regulations in Europe and America are not the same and that there are constraints. I'm saying that European vehicles manufactured in Europe, sold in Europe and available in Europe are just as safe as vehicles sold in North America.

Patrick Bonin: Could the government easily change the regulations?

Daniel Breton: Yes.

Patrick Bonin: Thank you.

[*English*]

The Chair: The floor is yours, Mr. Bexte, for five minutes.

David Bexte (Bow River, CPC): Thank you, Chair.

Thank you, witnesses. I appreciate your being here today.

Mr. Green, you mentioned that rural customers aren't purchasing EVs because they don't suit their work or lifestyle needs. There's a disparity between the use case for people who live in urban environments and rural people, particularly farmers, tradespeople and ranchers. That's your hometown.

What would be your estimate on the split of vehicle sales to people buying for pleasure, for commuting, or for work and trades?

Doug Green: Gosh, that's a great question. I would say that it's probably fifty-fifty.

If you have two vehicles at your home, one is going to be probably more for pleasure and one is going to be more for work. If you have a pickup truck and maybe a crossover SUV, it's a fifty-fifty split.

Mr. Bexte, if I could just take 30 seconds, we do make an affordable car at $28,000, and it is a gas-powered vehicle, just so we're on the record—

David Bexte: Please, I'll try to—

Doug Green: —and General Motors sales did drop.

David Bexte: I'll let you follow up with more material later.

Doug Green: Sure.

David Bexte: I wanted you to comment on the suitability of gas-powered vehicles or diesel-powered vehicles for work use. We know there are no EV or hybrid alternatives available.

Doug Green: A farmer or a tradesperson who has a truck has to pull his trailer. When you have a Silverado half-ton EV, it's great and it's nice, but it doesn't have the same capacity to do the job, and the range isn't there when you start pulling trailers and doing utility and doing work with it.

You can drive around and you can get to where you want to go. It has a massive battery and it's a heavyweight vehicle, but are people saying, “Hey, I want to use this for work capacity”? No, they're not. If it's a $120,000 Sierra Denali, sure, or if it's a $183,000 Hummer truck, okay, but the tradesperson is not buying that. They can't afford that.

They know it doesn't work for them. They know that it won't pull their trailer with range in the wintertime.

David Bexte: It's not their first purpose.

If we take a lot of the testimony together, we're hearing that no one is buying EVs en masse without policy incentives and subsidies. We have an $80-billion deficit projected this year by this new government, this new old government, and there's nothing available in the market that's fit for purpose.

Would you concur with that?

Doug Green: Yes, that's probably true.

Do I fully understand how you're asking it? No.

David Bexte: What I'm suggesting is that there is no EV alternative. There is no fit-for-purpose EV available, or even projected to be available, that suits the tradespeople, the farmers, the ranchers and the people who are using the vehicles to actually do work and not just cruise from A to B.

Doug Green: Well, yes, General Motors first announced that the Chevy Silverado was going to be priced at $60,000. I took orders for them. We then found out it was going to be $95,000, because they couldn't be profitable produced at $60,000. They had high hopes, but your colleagues are forgetting the profitability factor. If you can't be profitable, you don't produce. There is not an affordable alternative for the tradesperson other than a very expensive truck that doesn't get the job done, period.

● (1140)

David Bexte: Once again, we're seeing that mandates result in a purpose that doesn't match the implementation. There is a mismatch.

Doug Green: A hundred per cent.

David Bexte: Mr. Green, you mentioned investing over $200,000 to sell EVs, and losing $10,000. In your view, what does that say about the government's understanding of the affordability and the market readiness for electric vehicles in Canada?

Doug Green: Your colleagues talked about misinformation. A lot of what they've said is somewhat factual, but it's also misrepresentation as well. The market is not ready for it. If the free market was ready for it, and it was the best technology at the best prices, it would champion the market and we would rock 'n' roll with it. I'd be all on board. But when I can't make a profit, and nobody is asking and nobody is demanding.... Even Quebec dealers saw massive drops when the subsidization stopped. The tap turned off in B.C. and Quebec.

General Motors knows it. We just went to a conference on it. We're reducing production on the Equinox. It's too expensive. We're going to try to regroup with the Chevy Bolt, which is less expensive. We're trying to bring more market products available at a price that's affordable. It's hard in the market when battery prices and everything else are huge components. We just can't get there and be profitable. You can demand something, but at the end of the day, if you can't make it profitable, it doesn't work.

David Bexte: I have one short question: Would you say your dealership is typical of southern Canadian prairie dealerships?

The Chair: Could we have a very short answer, please?

Doug Green: Sure.

Absolutely. Even at the big metro stores—

The Chair: Thank you.

Doug Green: —who we talk with all the time, they have an EV that's been on their lot for a year and a half.

[*Translation*]

The Chair: Mr. St-Pierre, you have five minutes.

Eric St-Pierre (Honoré-Mercier, Lib.): Thank you for your testimony.

Mr. Breton, as a former Quebec environment minister and mobility expert, you have given us some amazing and compelling testimony today. You also talked about the Ernst & Young 2025 report, which said that your industry already employs 130,000 people. I know that my Conservative colleagues prefer the economy of the past. This report seems to be about the economy of the future.

Can you share that report with the members of our committee?

Daniel Breton: Absolutely. This is a public report that came out a few months ago and was recently updated by Ernst & Young.

To respond to what our dealer friend says about making affordable cars, I would say to him that these are not cars, but sport utility vehicles, or SUVs, that are manufactured in South Korea or China, by the way. There are tariffs on Chinese EVs, but there are no tariffs on Chinese gas-powered vehicles.

[*English*]

Eric St-Pierre: Going back to the EY report, you mentioned 130,000 jobs currently, and I believe you said over 600,000 jobs by 2035, which is quite impressive. Can you comment on specifically the types of jobs that would exist or that currently exist in such provinces as Saskatchewan or Alberta or B.C.?

Daniel Breton: One thing that is very interesting is the fact that people are now waking up to the fact that we as a country have critical minerals in pretty much every province—Nova Scotia, Newfoundland, Quebec, Ontario, Saskatchewan, Alberta, Manitoba and B.C. I've been talking about this for two decades, and nobody was interested until a few years ago. Now we're starting to talk about national security and critical minerals. One component is that it obviously has to do with the military, but the other component is the transition to electric vehicles and renewable energy. We're talking about jobs in mining and jobs in refining and transformation. We're also talking about jobs in infrastructure and manufacturing and R and D. For instance, in Saskatchewan they build electric trucks that go into mines now. These are new jobs that did not exist before.

On top of that, we have electricity production. If utilities have to plan forward to see where the trend is going to go, keep in mind that there were fewer than 10,000 electric cars in Canada 15 years ago. Now there are almost a million. We should be at approximately two and a half million to three million between now and the next five to 10 years. We have to plan forward. Utilities have to plan forward. We have to create jobs. When I talk to folks in different provinces, their issue is not so much that we have to lay off people; it's that we have to find qualified workers. That's a real challenge. I am happy that your government decided to put money aside so that we can train or retrain workers who are currently losing their jobs in other departments.

One thing I would like to say about that is the fact that when we are talking about the future of jobs, keep in mind that some people do not want the regulation. They don't want the competition either, which I find odd, because if we're talking about freedom of choice, that is not at all the way we're going. The real situation is the tariffs. We have to look at the tariffs situation and what we do with our minerals in Canada. Do we work with reliable partners? I think that's a real question that we need to ask ourselves when it comes to the EVAS and what we do with these critical minerals.

● (1145)

Eric St-Pierre: You mentioned earlier some fake news, and you wrote a book about some myths. Why would the opposition communicate falsehoods?

Daniel Breton: Well, I don't want to say anything on their behalf. I mean, I've tried to meet with Conservatives for about six months. I've looked at the list of meetings they've had with some legacy automakers. They have meetings pretty much every month with legacy automakers. They've had no meetings with us so far. I'm guessing they're getting their false information from some manufacturers or they're not interested in the best interests of Canadians.

Eric St-Pierre: What would you make of Mr. Green's testimony today?

Daniel Breton: I can understand his point of view. He's a dealer in a rural area of a province that is not pushing for electric cars, to say the least. But if I talk to other rural dealers—in Quebec, for instance—we have made a difference. We have shown leadership. I live in rural Quebec, so I know full well how easy it is to travel in eastern Canada, beyond Quebec to Atlantic Canada. In the winter I was in Nova Scotia, New Brunswick, and P.E.I., and there was no issue at all travelling or commuting for those people.

Eric St-Pierre: We talked about charging infrastructure. I'm wondering if you could comment on charging infrastructure—

The Chair: That's time.

Eric St-Pierre: All right.

Thank you for your testimony.

[*Translation*]

The Chair: Mr. Bonin, you have the floor for two and a half minutes.

One minute, please.

[*English*]

[*Technical difficulty—Editor*]

The Clerk of the Committee (Leif-Erik Aune): We're webcast. I don't know why it says that. We're public.

The Chair: We're public.

The Clerk: Yes, sir.

The Chair: Okay.

Mr. Bonin, you have the floor.

[*Translation*]

Patrick Bonin: Thank you, Mr. Chair.

In the federal government's latest budget, which I read on Tuesday, there is nothing about the incentives for the purchase of electric vehicles that Ms. Joly and Ms. Freeland had promised back in the day.

Do you think it's a good idea not to have rebates on the purchase of electric vehicles? Is this a policy that should be brought back in addition to the legislation on zero-emission vehicles?

Daniel Breton: We expect to hear about the update in the coming weeks.

Patrick Bonin: The budget was tabled on Tuesday.

Daniel Breton: Yes, but not all announcements are made in the budget.

When we get news about the update of the federal zero-emission vehicle strategy, I expect there will be some information about it. It's too early to tell, but we are certainly advocating for that.

To be perfectly honest, we've been talking for about 15 years about the need for a reward-penalty system to encourage the purchase of greener vehicles and discourage the purchase of more polluting vehicles.

That is exactly what the Conservative Party did in 2007, under Stephen Harper's government. It was a great policy, and we encourage the government to bring it back.

Patrick Bonin: In your opinion, then, such a measure complements and goes hand in hand with a zero-emissions policy. Is that correct?

Daniel Breton: Yes, exactly.

Whether for charging infrastructure issues, a zero-emissions standard, how to incentivize the transition to EVs and disincentivize the purchase of polluting vehicles, or worker training campaigns, we really need to train workers. Right now, it's a real problem. We really need to do this work.

I'm talking about training workers, vendors and people who work in garages, all the way up to automakers and well-established dealerships. This is a real challenge, because there is a problem with labour and staff turnover.

I've asked people who work at dealerships if they've ever plugged an electric car into a fast-charging station. Less than 5% of the 2,000 respondents said yes. That means that people who work at dealerships don't have the training to know how to sell, charge and introduce electric vehicles to customers. It's a real problem.

Patrick Bonin: I understand the scope of the problem.

I have a question for both of you. Can you tell us about the health benefits of replacing gas-powered vehicles with electric vehicles?

Daniel Breton: Thank you for raising that.

● (1150)

The Chair: I would like a brief answer.

Daniel Breton: Most opponents of the zero-emissions standard never talk about health or the environment, yet we see that the impact of air pollution from motor vehicle traffic amounts to nearly $10 billion a year.

Patrick Bonin: Can you give me the information on that?

Daniel Breton: Yes, I'll get back to you.

The Chair: You can always write to us.

[*English*]

Mr. Green and Ms. Kyriazis, if you have any comments you want to add, please forward them to the clerk. It's always a pleasure to have your comments inserted into our reports.

Mr. Ross, the floor is yours for five minutes.

Ellis Ross (Skeena—Bulkley Valley, CPC): Thank you.

Ms. Kyriazis, I've heard the comments about making more lower-priced models available in Canada and how that would encourage EV sales. Most of the world is acknowledging that that lower-priced model comes from China. The European Union is seeing a surge in Chinese EVs being employed in Europe, for example. Europe is starting to employ tariffs and subsidies to domestic manufacturers to compete with the Chinese EVs.

Should Canada be encouraging more Chinese EVs as lower-priced models here in Canada?

Joanna Kyriazis: As Canada explores other ways to bring more affordable models to the Canadian market, it's an option. The EU has placed tariffs on Chinese-made EVs. They range from 8% to 35%. Chinese EVs have come into the EU and are popular with buyers, but not as popular as you think. In—

Ellis Ross: Should Canada encourage Chinese EVs to be allowed in Canada without a 100% tariff, as you are currently seeing?

Joanna Kyriazis: It's definitely an option to consider. It would not only directly offer more affordable models to Canadians, coming from China, but it would also stimulate competition here in Canada, which is what we're seeing in the EU, where 10 of those 21 affordable models available in the EU are being produced by domestic EU carmakers.

Ellis Ross: Canada has a lot to consider, especially the tariffs they're imposing on Chinese EVs to be in line with U.S. policy, but should we be considering the security concern that other countries have had with Chinese EVs when we're talking about bringing in Chinese EVs to Canada?

Joanna Kyriazis: I think Canada wants to look at lots of considerations if we make that decision—some related to cybersecurity, some related to potentially labour standards, maybe putting conditions on lower tariffs based on attracting investment from Chinese battery or automakers here, employing Canadian workers and purchasing Canadian critical minerals. There are lots of ways that we could structure that agreement to ensure that it benefits Canadian consumers and workers.

Ellis Ross: You actually led me into my next question. The reason for lower-priced models is basically because of their cost structure, which Canada doesn't have. Does your organization look into the different standards that Chinese EV makers have, for instance, that Canada doesn't have? I'm really talking about environmental standards that Chinese manufacturers don't have and labour standards that Chinese manufacturers don't have as opposed to Canadian. Does your institute look into that?

Joanna Kyriazis: The cost competitiveness of Chinese-made EVs is due to decades of investment. They are so far ahead of American automakers in driving down battery costs—

Ellis Ross: No, I'm not talking about that. I'm talking about the lack of environmental standards and the lack of employment standards in a place like China as opposed to Canada.

Joanna Kyriazis: Have we looked at that? Yes. There are ways we could structure deals that impose labour standards or environmental standards. Again, the EU has done this. They're introducing a labour regulation that would apply to any Chinese-made EVs coming in. They have battery regulations that set thresholds of what carbon footprints must be for the batteries to go into the vehicles that sell and how responsibly produced the critical minerals are.

Ellis Ross: Staying on the critical minerals topic, first nations leaders don't have the luxury of just focusing in on air impacts. We have to look at air, land and water. Has your organization looked into the impacts of the sourcing of the critical minerals, not only in Canada but across the world?

Joanna Kyriazis: We haven't done an extensive analysis of the impacts there, but the global analysis that I've seen is that electric vehicles are more environmentally friendly—

Ellis Ross: No, no, I'm not talking about that. I'm talking about the impact on land specifically, especially in a place like the Congo, where child labour is being used. Has your institute considered that in factoring in whether or not Canada should be sourcing critical minerals or EVs from these types of countries?

Joanna Kyriazis: Absolutely. We support Canada producing critical minerals here to put into the electric vehicles that are being made in Canada and North America and the world, which are more responsibly produced. But carmakers are also innovating away from some of those critical minerals that are dominated by certain parts of the world, such as the DRC, that have lower standards and are instead focusing on—

● (1155)

Ellis Ross: Thank you.

Mr. Green, we heard some shocking numbers the other today that if tariffs continue with the United States, the projected job loss could be 60,000. Then we heard another number that if we continue down this EV mandate and we force out the existing manufacturers, 137,000 jobs could be lost. If you times that by an average of, say, 50,000—

The Chair: Thank you, Mr. Ross. I'm sorry to interrupt.

Mr. Fanjoy, the floor is yours for five minutes.

Bruce Fanjoy (Carleton, Lib.): Thank you.

Mr. Breton, I'd like to give you an opportunity. You started an answer on the health impacts. I'd like to give you a moment to finish that.

Daniel Breton: The issue is very important because we have to keep in mind that gas and diesel cars are having an impact on the health of Canadians. According to Health Canada, we're talking about, if I'm not mistaken, 1,200 premature deaths, plus almost $10 billion in impact from health costs. This is something that people don't mention but that I think is very important.

With regard to Mr. Ross's comment on the critical minerals and Congo and all that, I would like to reiterate the fact that this takes cobalt. This takes cobalt, and gas cars need cobalt as well. If we want to look at everything related to environment but also at human conditions where people are working, I think that we should look at the whole picture—not just at electric cars but at gas cars and at every product that we buy.

Bruce Fanjoy: Thank you.

What would be the consequences of our losing the electric vehicle availability standard or significantly backtracking on it? What would the impact be on Canadian consumers?

Daniel Breton: There would be an impact not only on consumers but on jobs as well. Let me give you an example. A lot of people don't know this, but some car manufacturers are employing workers here to build electric cars and electric trucks. Paccar Peterbilt makes electric trucks in Canada. Tesla has manufacturing capacity in Canada that people don't know about. We have suppliers in Canada. A company like Rivian employs hundreds of people working on software in B.C. We have electricians, construction workers, and utility workers and have research and development being done in Alberta, Ontario, and Quebec and at Dalhousie University, obviously, because we have been at the forefront of research and development in Canada.

You might not know about this, but the very first research done on lithium iron phosphate batteries was done in Quebec. The very first research—some of the best standards for NMC batteries—was done at Dalhousie University in Nova Scotia. We have some of the best researchers in the world on EV batteries.

Bruce Fanjoy: Thank you for mentioning one of my alma maters.

Ms. Kyriazis, we often hear from Conservative members about how electricity doesn't work in their province or in rural Canada. I represent a rural riding myself. I drive an electric vehicle. I came in today at a fraction of the cost of a gas vehicle.

Why is it that electric vehicles improve affordability, improve health care outcomes and have many other benefits in some jurisdictions but just don't work in other jurisdictions?

Joanna Kyriazis: In many ways, rural Canadians would benefit the most from electric vehicles because they have longer commutes. With EVs, the more you drive, the more you save compared to a gas car. In rural communities, it's also the case that most people live in single-family homes where they have access to home charging, often without needing to make any sort of upgrade. They could use a regular level 1 outlet if they wanted, and they could plug in at home and wake up to a fully charged car. The average range of new electric vehicles being sold today is 480 kilometres on a single charge. That is more than enough to meet most Canadians' needs.

Bruce Fanjoy: Mr. Breton, you referenced a book that you wrote on—

● (1200)

Daniel Breton: It's on both languages.

Bruce Fanjoy: —both languages. Thank you very much.

Could you give it to this committee to incorporate in this study?

Daniel Breton: I'll send you a copy in PDF.

Bruce Fanjoy: Thank you very much.

What would be the greatest myths that we need to debunk when it comes to electric vehicles and their benefits?

Daniel Breton: One that we haven't mentioned yet is this: We live in a large country, so we cannot drive an electric car. I don't know anybody who wakes up in the morning in Halifax and goes to work in Vancouver. The average commute is 50 kilometres. For any electric car, there is no issue at all.

Bruce Fanjoy: Thank you very much.

The Chair: I would like to thank the witnesses for their testimony today. It was very enriching. I wish you all the best. You are excused.

The meeting will be suspended while we prepare the witnesses for the next panel.

● (1200)

_____(Pause)_____

● (1210)

[*Translation*]

The Chair: We now welcome our second panel of witnesses.

From the Canadian ZEV Supply Chain Alliance, we have Matthew Fortier, president and chief executive officer. From the Energy Futures Institute, we have Barry Penner, president.

[*English*]

Witnesses, you each have five minutes for your opening remarks. When you see this yellow card go up, it means you have one minute left to respond to the question. When you see the other side, that means it's time to end your sentence, please, or else, I'll unfortunately have to cut you off.

Thank you.

We will start with Mr. Matthew Fortier.

[*Translation*]

Mr. Fortier, you have five minutes.

[*English*]

Matthew Fortier (President and Chief Executive Officer, Accelerate: Canada's ZEV Supply Chain Alliance): Thank you. Good afternoon, Chair and members of the committee.

My name is Matthew Fortier. I'm the president of Accelerate ZEV. We are a national organization that works with companies and stakeholders in the electric vehicle supply chain to position Canada as an indispensable contributor to the North American EV industry by embedding our resources and technologies in key stages of the value chain.

[*Translation*]

Thank you for the opportunity to speak to you today about the electric vehicle availability standard.

[*English*]

The global automotive industry is undergoing its most profound transformation in a century, and Canada faces a choice. Will we be passive observers, importing electric vehicles and all of their components from overseas, or will we seize this moment to build a thriving domestic supply chain that represents the foundation of our future auto sector and that creates Canadian jobs and strengthens our economy?

Prime Minister Carney recently paused the EVAS as it became clear that automakers would struggle to meet their 2026 targets. I'm not here today to defend rigid timelines but to propose something better: an EVAS that drives EV adoption and that drives investment in Canadian jobs and Canadian manufacturing.

Right now, the EVAS—Canada's primary electric vehicle policy—has a fundamental weakness. It contains no Canadian content requirements. Under current rules, automakers could satisfy their entire EVAS obligation by importing every single vehicle from overseas. This might achieve our emissions targets, but it would create zero Canadian jobs in the process. That's a missed opportunity for Canadian workers and communities. It's also an opportunity we can't afford to miss, as we face hostile trade measures from the United States, which threaten our integrated automotive manufacturing sector.

[*Translation*]

In this environment, an EV policy that is focused solely on emissions reductions—regardless of where vehicles are built—is not good enough. We need a policy that serves both our environmental goals and our economic security.

[*English*]

The way to do this is straightforward and builds on mechanisms already in the EVAS. Currently, automakers can earn credits by investing $20,000 in charging infrastructure. We propose expanding these credits to cover the entire EV supply chain.

Under our proposal, automakers could generate compliance credits by investing in these things: critical mineral mining operations in Canada, battery materials processing facilities, battery cell and pack manufacturing, research and development partnerships with Canadian universities and colleges, and EV component manufacturing.

We propose that these credits be capped at 10% of the company's annual obligation. This means that automakers would still have to bring many more EVs to market in Canada, but they would also have strong incentives to build their supply chains for EV manufacturing right here in Canada.

Consider Volkswagen's $7-billion battery factory in St. Thomas, Ontario. Under our proposal, this massive investment in Canadian manufacturing and Canadian jobs could generate substantial compliance credits, recognizing a company that has committed to Canada while ensuring thousands of Canadians benefit from good-paying jobs in the EV transition.

Everyone wins. Automakers get flexible compliance options. Canada strengthens its industrial base. Consumers get more affordable vehicles to choose from. The good news is that there would likely be strong support for this kind of action. Recent polling by our organization, which was conducted by Environics Research, shows overwhelming support for building EV industries here at home. Over 70% of Canadians want to see more critical mineral mining, battery production and EV manufacturing happen right here in Canada. They understand that this means jobs and economic growth.

The same polling reveals a problem. Most Canadians don't see a clear national EV plan, and two-thirds believe we're falling behind other countries. At a time when we’re seeing Stellantis move production to the U.S. and GM cancel its electric van production in Ingersoll, they're right to be concerned.

Reforming the EVAS to incentivize investment in the future of automotive would send a strong message to Canadians that the government is using all of the tools in its tool box to fight for jobs and to build a climate-competitive economy. Time is not on our side, though.

Committee members know well that Chinese manufacturers, heavily subsidized by their government, can sell EVs for thousands of dollars less than traditional manufacturers can manage. The only way North America can compete is by building integrated, cost-competitive supply chains here in North America. Canada must be the cornerstone of that strategy.

We have three options.

Option one is to scrap the EVAS entirely, defining Canada's primary EV policy as a failure, restricting consumer choice and guaranteeing that we fall further behind in the global transition.

Option two is to maintain the status quo. This would drive EV adoption, but we'd have to accept that the vehicles we drive would likely have little Canadian content and would create almost no Canadian jobs.

Option three is to reform the EVAS to create the best of both worlds. It would be an EV policy that drives higher adoption rates, that incentivizes investment in Canada and that creates thousands of jobs across multiple sectors and regions.

We strongly recommend option three.

Thank you, and I welcome your questions.

● (1215)

The Chair: Thank you, Monsieur Fortier.

[*Translation*]

Mr. Penner, the floor is yours.

[*English*]

The floor is yours for five minutes.

Thank you.

Barry Penner (Chair, Energy Futures Institute): Mr. Chair and honourable members, thank you for the opportunity to appear on behalf of the Energy Futures Institute regarding the electric vehicle availability standard, better known as the federal EV mandate. I will address a number of pressing issues.

One is the declining market for EVs. Statistics Canada reports a significant drop in market share for EVs. In the first quarter of this year, zero-emissions vehicles—fully battery electric and plug-in hybrids combined—accounted for about 9% of new vehicle sales, down from 12.5% in the first quarter of last year. In the second quarter of this year, the news got worse, with the share slipping further to 8.6%. This represents a one-quarter drop in 12 months and should be a flashing warning sign for policy-makers.

No battery electric passenger vehicles are currently assembled in Canada. The one EV assembly line in our country—for GM's BrightDrop electric delivery van—was recently shut down due to weak demand.

Meanwhile, Toyota and Honda continue to assemble regular hybrid vehicles here in Ontario, such as the Honda Civic and CR-V and the RAV4, many of which I see around the streets of Ottawa, but under both the federal and B.C. mandates, these vehicles don't count towards zero-emissions targets and could face penalties of up to $20,000 per vehicle in B.C. and Quebec.

While Quebec recently announced plans to award partial credit for conventional hybrids, mandates penalize vehicles that are currently built in Canada while encouraging EV imports, strengthening U.S.-based automakers such as Tesla at our expense. Does this make sense?

Second, the compliance credit system transfers money out of Canada. The EV availability standard allows automakers exceeding the sales target to earn credits that can be banked or sold. Those below target must purchase credits. As mentioned under the B.C. and Quebec programs, they may pay large penalties of up to $20,000 per vehicle if they don't get enough credits. In practice, this directs millions of dollars to high-volume EV producers such as Tesla. We recommend redesigning the system so that credits reward Canadian industrial investment, rather than sending money out of our country.

The third issue is electricity demand and infrastructure. Studies estimate that fully electrifying Canada's passenger fleet will increase national electricity consumption by 7.5% to 15%. That equals up to 19 more Site C dams—that's the recently completed $16-billion project in northeastern British Columbia—or up to four more Darlington-sized nuclear power stations just for vehicles.

Recently, hydro-based provinces have been importing power. BC Hydro's latest annual report shows they imported 8,356 GWh, the equivalent to 14.7% of total domestic load, at a cost of $861 million. While that's down from 24% of imported power last year, which cost $1.5 billion, it still means that one in seven electrons used in British Columbia came from imported power, mostly from the U.S., where roughly 60% of electricity continues to come from fossil fuel generation. Hydro-Québec was also a net importer in 2023, bringing in about 7% of required supply. Manitoba Hydro has at times imported electricity in dry years. Let's not deepen our dependence on the United States, for either vehicles or electricity.

The fourth issue is consumer affordability and inequality. EV mandates risk deepening social inequality. An analysis by Jerome Gessaroli of the B.C. Institute of Technology shows that aggressive EV mandates can raise prices by 20% or more by restricting the supply of non-EV vehicles, with a ripple effect pushing up the prices of used cars that lower-income households rely on. Apartment dwellers also face greater challenges and costs, and rural Canadians face longer travel distances with less public charging infrastructure.

Here are our recommendations.

Rather than using mandates that dictate a specific technology, a proven approach is to continue using Canada's Motor Vehicle Fuel Consumption Standards Act, similar to the U.S. CAFE standards, requiring progressive improvements to average fuel economy across manufacturers' fleets. If some form of mandate remains, we recommend giving at least partial credit to regular hybrids and considering full credit if they're assembled in Canada. We should not allow a desire for the perfect to become the enemy of the very good.

Let's remove the cap on plug-in hybrids so that they can count for 100% compliance provided they have at least a certain minimum all-electric range, and 75 kilometres would cover the daily commute of more than 90% of Canadians. Let's reward Canadian value chain investment, such as critical mineral processing, batteries, charging networks and vehicle assembly, with compliance credits. Also, let's align any targets with infrastructure and affordability; consider changing the target years; require percentages to reflect reality; and work with provinces to ensure the grid keeps pace with EV-related growth.

In closing, vehicle electrification can support Canada's climate goals, but government policy needs to be affordable and aligned with industrial and energy reality.

● (1220)

Thank you.

The Chair: Thank you very much, Mr. Penner.

Mrs. Smith, the floor is yours for five minutes. Thank you.

Merran Smith (President, New Economy Canada): *Bonjour*. Good afternoon. Thank you for having me.

I'm Merran Smith, the president of New Economy Canada. We're a new initiative that's uniting the industrial, mining, clean energy and technology sectors that are committed to accelerating investment in Canada's clean economy. We represent 410,000 employees and over $200 billion in annual revenues.

I'm also a former board member of BC Hydro, the Crown utility. I'm currently appointed by the B.C. government to conduct an independent review of its climate plan, including its zero-emissions vehicle mandate.

I want to begin by situating Canada's EV availability standard in the context of three trends in the automotive sector.

The first trend is in sales. Globally, sales of internal combustion vehicles peaked in 2017. They're now in decline, with EV sales growing faster than anticipated. EV sales exceeded $17 million globally in 2024, reaching a sales share of more than 20%. This was driven by demand, predominately in Europe and Asia. The global shift from ICE vehicles to electric vehicles continues apace and is inevitable. Why are EVs taking off faster than expected? It's because they're better to drive, cheaper to run and cleaner, and they free drivers from volatile fuel prices.

The second trend is with the auto manufacturers. Around the world, the auto sector is pivoting to secure the critical minerals, supply chains, intellectual property and manufacturing capacity needed to compete in the electric era. We're starting to see it happen here in Canada. In St. Thomas, Ontario, as Matthew mentioned, Volkswagen's PowerCo is investing $7 billion in building an EV battery plant that will employ up to 3,000 highly skilled workers. In just four years, Ontario has attracted $46 billion in new investments, connecting northern critical mineral wealth with southern manufacturing expertise.

For the third trend, let's talk about affordability. Canadians stand to benefit significantly from a greater availability of EVs, because they drastically lower fuel and maintenance costs and deliver cleaner air, which means healthier communities. A Canadian study found that over the lifetime of a vehicle, the average EV fuel cost savings will be $20,000 to $40,000, depending on how much you drive. Another study found that transitioning to EVs and a cleaner grid would result in $115 billion in health savings.

The EVAS is the right tool to help Canada modernize its auto manufacturing sector. It sends a clear, long-term market signal not only to automakers but to the entire supply chain, including the mining sector, battery manufacturers, charging companies and utilities powering the grid. It tells the world that Canada is serious about EVs and committed to the policy certainty that makes it the place to invest in the EV future. If that certainty disappears, Canada and Canadians will ultimately lose out on better cars, cleaner cars and the long-term investments and jobs that support Canadian communities.

There are challenges currently facing automakers and consumers. What can we do about them?

We should calibrate and add flexibility to the current EVAS. I support getting rid of the 2035 prohibition on ICE vehicles. Give people choice. Adjust the 2026 through to 2030 EV sales targets to be more readily achievable. Rebates should be resumed, but with a clear plan to phase them down and end them by 2030 so that both consumers and automakers have certainty.

Ultimately, we need to ask ourselves a simple question: Do we want Canada to have an auto sector for the next five years or the next 50 years? The EVAS isn't just environmental policy; it's also economic policy. Repealing the EVAS would be like doubling down on the horse and buggy, instead of embracing the Ford Model T. If we want to continue to retool Canada's auto sector to compete into the future and capitalize on new opportunities created for the mining sector and battery supply chain, we need to maintain the clear market signal the EVAS sends.

In closing, the countries that are leading the way are combining regulations with consumer incentives, investments in charging infrastructure and—for those that have a domestic auto sector—an industrial strategy. It's paying off.

● (1225)

The EVAS is working, not just in driving down emissions but in offering Canadians a cleaner and more affordable transportation choice, while also spurring innovation and investment in our mining sector, our emerging battery supply chain and a clean and competitive auto sector. Let's retool it and let it work.

Thank you. I welcome any questions.

The Chair: Thank you.

Mr. Ross, the floor is yours for six minutes.

Ellis Ross: Thank you.

Mr. Penner, thank you for your submission. Thank you for being here.

This government talks about an electric vehicle future, but refuses to talk about the infrastructure and the cost to allow that future to take place. Your submission talks about national electricity consumption going up by 7.5% to 15%, which would equal 19 more Site C dams, the $16-billion project in B.C. that took years. I doubt we'll ever see another Site C dam completed in B.C. within the next 20 years.

Could you talk more about where we make up the difference? Where does the electricity come from to make up for that deficit in B.C. for electricity? Where is that electricity sourced?

Barry Penner: As I mentioned, BC Hydro has been a net importer of electricity now for, I think, three consecutive years. We've had record amounts. We were a net importer in previous years, but historically, we've tended to export as well. We have a record amount of imported electricity due to a prolonged dry spell and below-average precipitation. When we're short, we import primarily from the United States, and that continues today.

I checked this morning, and at one o'clock this morning, we were importing about 1,900 megawatts from the United States to help us balance our system. When we're short, we tend to import, and not just here; as I mentioned in my opening remarks, Manitoba Hydro and Hydro-Québec have in recent years also had to reverse the usual flow in order to make up the difference.

Ellis Ross: It's my understanding that we also import electricity from Alberta. Is that correct?

● (1230)

Barry Penner: That's correct. British Columbia has an intertie with Alberta. About 75% of the electricity generated in Alberta today comes from natural gas.

Ellis Ross: From what we understand, from the testimony from different witnesses, the electric vehicle mandate is possible through rebates and subsidies, but the lower-income citizens of Canada can't really afford electric vehicles, even with rebates and whatnot. Is there a social inequality equation here that this government is not considering?

Barry Penner: Yes. Energy Futures has issued reports on this topic. We commissioned Jerome Gessaroli, a business instructor at the B.C. Institute of Technology, to look at this issue.

We all remember that during COVID, when there was an interruption in supply chains and you couldn't get new vehicles, the price of used vehicles shot up dramatically. Who typically buys used vehicles? Lower-income people. Jerome's conclusion is that the electric vehicle mandate will disproportionately punish lower-income Canadians more than higher-income people, who can comfortably afford to buy an EV today and have a stand-alone home where they can securely plug in their vehicle at night to access lower-cost, residential rate electricity. If you live in an apartment building, as 40% of British Columbians do, your challenge is finding access to charging infrastructure. If you turn to public charging stations, you're not paying the residential rate for electricity; you're paying a higher price.

It presents a challenge by accentuating social inequality, rather than overcoming it.

Ellis Ross: We've heard different comments about the infrastructure cost. They've been focused mainly on the supply, meaning dams, nuclear power or natural gas turbines, for example. We've also talked about transmission lines and that cost.

There's a neighbourhood-by-neighbourhood cost as well. A cost that was relayed to me is a transformer being installed in a neighbourhood where all of the homeowners would have to chip in to pay for that cost. Has that cost been brought down to the level of each homeowner and neighbourhood?

Barry Penner: I don't know. I haven't seen any studies that have looked at that individual cost, but you raise a good point. I talked about the extra amount of electricity that would be required if all of Canada's personal vehicle fleet was transformed to an electric mode. That's daunting. As you mentioned, it would be 19 Site C dams at a cost of $16 billion each. That project was announced in 2010 and it's almost completed now, 15 years later and after a lot of money was spent. That's probably the easiest part of the challenge.

The much more difficult part of the challenge is building transmission lines to move that additional electricity, building the transformers in individual neighbourhoods—no one wants one close to where they live—and then upgrading the distribution system into apartment buildings and older dwellings so that people can charge their vehicles overnight at the same time. That represents a much more daunting task than building 19 more Site C dams.

Ellis Ross: Your submission talks about needing 19 more Site C dams to fully achieve the EV mandate as put forward by this government. That's a huge cost. That's going to take a lot of time, and we don't have the power, the infrastructure or anything else to actually achieve that.

However, there are first nations that want to use natural gas to produce electricity, for example. The costs you're talking about are strictly to the EV mandate. We're not talking about additional electricity demand, such as what we're seeing in B.C., where we can't even keep up with New Economy in terms of, say, building an AI plant to compete with the United States, for example.

Are there some increased costs we should be looking at in terms of overall electricity demand in Canada, apart from the EV?

Barry Penner: Future EV demand represents a very small percentage of anticipated electricity growth in Canada. If you look at British Columbia, at Energy Futures, we recently did a freedom of information request to BC Hydro and found out that they have 7,000 megawatts of unmet industrial demand waiting to be served. That's not EVs. That's for industrial demand that we currently don't have.

The Chair: Thank you. I'm sorry. The time is up.

[*Translation*]

Mr. Grant, you have the floor for six minutes.

[*English*]

The floor is yours.

Wade Grant: Thank you.

Thank you to the witnesses for joining us.

Mr. Fortier, my first questions are really simple. What are the consequences of us totally eliminating the EVAS, and what impact would that have on consumers?

Matthew Fortier: I think that if we eliminate the EVAS, we're sending a signal that Canada's not taking this transition seriously. If we really want to be tracking the investment into supply chain projects, critical mineral projects, battery projects and manufacturing projects, we really do need to be walking the walk, as well.

We need Canadians to be driving these vehicles. That sends a strong signal to investors and to companies that build big projects that we are a country that's transitioning. That would be the first point.

The second point is that eliminating the EVAS sends a signal to Canadians that we're willing to just dump a policy because there's opposition to it, instead of maybe looking at that policy and seeing how it can be tweaked to be made better. There are options to make it better, including incentivizing investment into the supply chain.

● (1235)

Wade Grant: Thank you.

Ms. Smith, I have the same question. What consequences would eliminating the EVAS have, especially for consumers?

Merran Smith: I think Matthew has covered the investment signal that it sends to companies setting up battery supply chains around the world. People are going to set them up in the next few years, and that's where they're going to be. Then we will be importing that technology. This transition is inevitable, so we should be acting right now to attract those manufacturers to come to Canada.

On the affordability side, it means that consumers are going to miss out on the opportunity to save $20,000 plus, depending on how much they drive. The majority of Canadians do live in urban places, so for those drivers who are driving 50 kilometres or less a day, an electric vehicle is really an amazing new transportation system for them. For rural communities, like I said, I believe that if you want to have an ICE vehicle because you don't think the conditions work for you, I would encourage all consumers to look at it.

However, I believe that everybody should have a choice. If consumers want to buy a gas vehicle, they can, but rural Canadians actually do stand to benefit the most, as I heard Joanna Kyriazis mention in the previous session.

Wade Grant: Thank you, Ms. Smith.

New Economy Canada welcomed the review of the EVAS, which ended on Monday. You said that it would be an opportunity to strengthen the policy. How do you think we could strengthen the policy?

Merran Smith: I outlined a couple of things.

Because of choice, I think, that's why we need the EVAS: to make sure the electric vehicles come to Canada so that people who want to choose an electric vehicle have that choice. The way I would strengthen it is that I would get rid of the 2035 ban on ICE vehicles, so that people feel like they have the choices they want. I would recalibrate the 2026 through 2030 targets to adjust for the global economic situation we're in, but I'd still keep us on a trajectory to have that electric vehicle standard requiring the sales.

I heard your session before and...the man who had the auto dealership. The truth is that each auto dealership doesn't have to sell a percentage of cars. It's the auto manufacturers as a whole. If you're GM, sell your cars in the urban centres. That auto dealership is not required to sell them. It's the manufacturers as a whole. That dealership is not required to sell them.

Those are a couple of things I would do.

I also would use the credit system in a more effective way. I would use the credit system so that you can get credits for investing in charging infrastructure and for reducing the price of those vehicles.

The last thing I'd say to government is that I do think we need the subsidies to come back. One of the reasons why people aren't buying cars right now is that there's a pause on that subsidy. It's the same with British Columbia, where there's a pause. Anybody who's looking to buy an EV is going to wait until that pause is taken off and there's a clear signal. If there is a subsidy, then let's have it. Let's create a subsidy plan and stick to it, so that between now and 2030 those subsidies can start here and get ramped down, because the cost of vehicles is coming down.

I would also really open up the conversation here about those vehicles from the EU and Asia that cost $40,000 or under for those 21 models of vehicles that are not available to Canadians. In the 1970s, we invited Toyota and Honda to come to Canada and to set up shop here, using Canadian auto workers. Before that, we just had the U.S. auto manufacturers. We did that because those companies were not creating fuel-efficient vehicles, so we invited in the competition: Toyota and Honda. That's why they're here in Canada today, employing Canadians and manufacturing cars here.

There are other companies. It's 50 years later. Maybe it's time for us to be inviting a couple of other companies to set up shop here in Canada using Canadian auto workers and using those metals and minerals from Canadian mines and the Canadian supply chain. What we're seeing at Powerex today is they're using Canadian steel and Canadian cement to build that plant, and that's what we need: more Canadian production using Canadian parts and creating cheaper vehicles for Canadians to consume.

● (1240)

Wade Grant: I think I'm out of time. Thank you for your answer.

The Chair: Thank you very much.

[*Translation*]

Mr. Bonin, over to you for six minutes.

Patrick Bonin: Thank you, Mr. Chair.

I'd like to thank the witnesses for being here with us.

My questions are for Ms. Smith or Mr. Fortier.

You talked about restoring a sense of certainty to consumers and industry. In your opinion, has the suspension of Canada's electric vehicle availability standard created uncertainty in the EV market? If so, what kind of uncertainty is it?

Matthew Fortier: Yes, absolutely, it creates uncertainty. I also think the support that has been given—

The Chair: Mr. Fortier, I apologize for interrupting.

Could you just lower your mike a bit? Thank you.

Matthew Fortier: Is that better? Okay.

I was saying that, yes, absolutely, the suspension of the EV standard and support has created uncertainty.

We also think it's important for the federal and provincial governments to revive their support measures for electric vehicles.

Patrick Bonin: You're saying that we need a clear plan for 2030. What exactly would a clear incentive plan for the sale and purchase of electric vehicles look like, one that would help us meet emissions reduction targets and send a message that would restore a sense of certainty to the automotive market?

Matthew Fortier: To me, a clear plan is one that supports and endorses Canadian content. It's important that the plan include critical minerals from Canada, batteries made in Canada and a Canadian workforce that builds the electric vehicles we drive here in Canada and elsewhere in North America.

I'm not just talking about a plan for the industry to revive the purchase of electric vehicles—which is important, as we were saying, to restore a sense of certainty—but also a plan to have a complete supply chain here in Canada, which would contribute to the North American industry. That's how we're finally going to create an auto industry in Canada for years to come.

That's the kind of plan we want to see.

Patrick Bonin: We're talking about “zero-emission” regulations.

For example, should there be a requirement to have smaller vehicles, less expensive vehicles, carpooling vehicles? Will simply having regulations automatically bring this about?

Matthew Fortier: Of course, it would be nice to have a market offering smaller vehicles, but it's really the market that will give us the signals, it's the market that will speak for itself. If Canadians want to drive trucks, sport utility vehicles, or SUVs, that's their choice. We can build EVs here, since we have batteries with the necessary power, but it's really the market that will decide that. Vehicles in Asia and Europe are smaller. The market is different in North America. We drive trucks and SUVs, and that's not likely to change much in the next few years. That's the market we live in. I wouldn't necessarily want to see regulations requiring Canadians to drive smaller vehicles. We can also build electric vehicles and batteries here. So it's possible.

Patrick Bonin: Ms. Smith, do you have an opinion on that?

Merran Smith: Thank you very much.

[*English*]

I would agree that the Canadian manufacturing sector is able to build these cars here. That's what I'd really like to see. That market signal that comes from the EVAS is for the consumers, but it's really sending the signal to the auto manufacturing sector.

I read that the chief economist from the Toronto-Dominion Bank said that it would really be helpful for the North American market to benefit from some competition. That's going to help shake it up, and it might bring in smaller cars. Toyota and Honda, for example, are making electric vehicles. There are compact SUVs available in Europe that aren't available in Canada.

For some of these companies, they already have the models. They just need to bring them to Canada and/or manufacture them in Canada.

● (1245)

[*Translation*]

Patrick Bonin: Ms. Smith, you mentioned that we risk importing this EV technology if we don't get on board. I think that was the expression you used.

What impact can this have on Canada's economic competitiveness?

[*English*]

Merran Smith: That's really one of the most significant things. We have a large auto manufacturing sector. We want that manufacturing sector to stay here. We're having threats from the U.S. It just wants its cars built in Canada, so we need to retool that. We should build cars for Canadians and keep those jobs in Canada.

One of the interesting things with batteries is that we have all those metals and minerals needed to manufacture those batteries. We could be manufacturing them in Canada, so we aren't purchasing them from south of the border or Asia, which is often where we're getting a lot of our electronics and clean technologies right now.

It's really about jobs and investment in Canada. The EVAS is a critical piece of ensuring that we build out that auto sector for today and for the future.

[*Translation*]

The Chair: Thank you very much, Mr. Bonin.

Mr. Patzer, the floor is yours for five minutes.

[*English*]

Jeremy Patzer (Swift Current—Grasslands—Kindersley, CPC): Thank you very much, Mr. Chair.

Ms. Smith, I'm going to go to you really quickly.

Which regulations are you asking the government to repeal, so that we can source needed minerals in a timely fashion in Canada and beef up the industry?

Merran Smith: I'm not suggesting that we repeal any regulations. I'm sorry if it came across that way.

I'm asking that we really start investing in our mining sector. There's a lot of talk and work going on to move forward those projects more quickly. That is good as long as we get the right indigenous consents and community support consents. We're seeing some real opportunities in northern B.C., for example.

The mining sector's very keen to electrify in many places. There's a real interest to build out that electrification network and work with indigenous partnerships, for example. We have the metals and minerals. It's really a matter of us doubling down, focusing on this and moving these projects through.

Jeremy Patzer: I've been a member of Parliament for over six years now. I've been part of several studies that have outlined the challenges facing the mining industry in Canada. In every single study, we hear the same thing over and over again: that the regulatory timelines for approvals are one of the single largest drivers of investment out of Canada because of the lack of certainty. Also, there is the fact that cabinet still has a veto. Even with the Major Projects Office, cabinet still has a veto on projects, even if it gets the approval from the province and from local first nations.

Would you not agree that the regulatory environment in Canada is one of the single largest barriers to actually getting this industry going on its feet?

Merran Smith: I would say that we definitely have been very slow at getting projects going. There's no question about that. We've been hearing this for decades from multiple governments. In this concierge-type model that helps a company move through the system, one of the challenges that have been identified is that things are in different ministries and sitting on different desks. That contributes to a real slowdown.

Building partnerships with local communities and indigenous nations is really key to all of this; so is creating local jobs and ensuring that Canadians are benefiting.

Jeremy Patzer: Mr. Fortier, are you asking the government to repeal or fix its regulatory approvals process? That way we can get projects going faster so that we can actually be competitive on the mining side.

Matthew Fortier: That's a great question, and the answer to that is yes.

We've convened critical minerals task forces over the last couple of years. That has been one of the recommendations. It's a recommendation that you hear a lot, as you just said. The reality, of course, in most developed economies is that it takes a long time to get mines up and going, but it takes too long in Canada.

One of the things I would like the committee to consider is this. You were talking about the future auto sector here. It's not going to just be southern Ontario. It's going to be the west. It's going to be the north. It's going to be the east. It's going to be central Canada. Canada actually has a unique opportunity in the world because we have all of these sectors to combine and to build a supply chain to become essential in a North American auto sector that is electrified. That's just the way it's going. That's the market.

In 10 years, 50% of global sales are going to be electric. North America is not immune to that. We want to engage the mining sector in this supply chain. However, you're absolutely right. We need to speed this stuff up or else we're going to miss that opportunity.

● (1250)

Jeremy Patzer: Mr. Fortier, have you done or has your organization done a study on the impact on tires that EVs have compared to conventional ICE vehicles?

Matthew Fortier: No, I have not done that. I have seen that there is greater wear because of weight, but we haven't conducted our own study on that.

Jeremy Patzer: Have you done a study on the impacts to highways and roads from driving heavier vehicles on them?

Matthew Fortier: No. There have been some studies done in other jurisdictions. Unless somebody else on the panel knows of this, I haven't seen a great study done in Canada. The reality is that in North America there are so few relative to gas-powered vehicles.

Jeremy Patzer: There are multiple states in the United States that have imposed an EV tax, for lack of a better term, for road maintenance, more or less. I know that my home province of Saskatchewan was the first province, and I could be wrong, but I think we're still the only province that has an EV tax.

David Bexte: Alberta does.

Jeremy Patzer: I think Alberta does now, too.

When you fuel up your vehicle, you pay a tax that is wholly directed towards road maintenance and construction, yet you don't get that at an EV charging station. What are your views on those taxes?

Matthew Fortier: Personally, my hope is that we create so many jobs through the supply chain that the revenue flows to government coffers so that the tax in question is moot. Where that goes is up to every jurisdiction to figure out.

The Chair: Mr. Fortier, thank you. Time is up.

Mrs. Miedema, you have five minutes, please.

Shannon Miedema (Halifax, Lib.): Thank you very much.

Thank you to all of the witnesses today.

I want to pick up on something Mr. Penner said around equity. Equity in the clean transition is something I've been focused on in my career.

Maybe this question is for Ms. Smith.

In your role with New Economy Canada, do you think about our low-income and most vulnerable populations? We know the impacts of climate change impact vulnerable populations first and worst, so we absolutely have to address and drive our emissions down. The transport sector is a huge part of that. Do you have any thinking or commentary that you'd like to share on that?

Merran Smith: On the impacts of climate change, yes, we're living them and we're breathing them, and they're affecting communities across the country today. That's only going to get worse.

Transportation has roughly 25% of our emissions here in Canada, and electric vehicle technology is ready. It's here and ready for prime time. It's one of the easier things we can do to reduce our emissions to abate and reduce the impacts of climate change.

When it comes to low-income families, what we've done in British Columbia is that we've had those rebates targeted solely at low-income and middle-income families. There's a means testing that is done. I fully support that. I also support the rebates going to second-hand vehicles or a tax exemption for second-hand vehicles. Many Canadians don't buy vehicles new, and that's going to support them.

Ultimately, getting lower-income families into electric vehicles means that we're going to start their fuel and maintenance savings. They'll be saving money, but it's about helping families get over that hurdle of buying this new technology.

Shannon Miedema: Thank you very much.

Mr. Fortier, as we've heard, there's a lot of misinformation about zero-emissions vehicles. One key topic that comes up is how the availability standard supposedly distorts the free market. Can you explain how the standard actually levels the playing field for EV makers to be competitive with combustion vehicle producers?

Matthew Fortier: Well, the reality is that combustion engine vehicle producers also make EVs. They stand to gain as they bring more of their product into the market here in Canada.

The reality is that we want Canadians to have more choice in the vehicles that they can buy and lease. That's really what this is about. Merran said this earlier too. Once you drive an EV, you're not going to go back. They're better technologies. That's not a slight on gas-powered vehicles. It's just true. They're more efficient. They go really far. They're fun to drive. Once you realize that you can operate it for much less than you would operate your other vehicle, you're going to stick with it.

We're talking about a fairly short period of four, five or six years, and then we have eons to live. We're going to be into a world where the internal combustion engine is just not going to exist anymore, because it's not efficient. Better technologies win out over time.

The challenge for Canada is, how are we going to monetize that? How are we going to be part of this? If we don't act now, as I said in my remarks, we will lose out. We won't have an auto sector to defend. We won't be worried about tariffs and who's president of the U.S., because we'll have nothing to defend. We have to build the supply chain now. It's just the market speaking: 50% of vehicle sales in 10 years are going to be electric globally.

Canada and North America are not going to be immune from that shift, so what are we going to do now to prepare ourselves to make the things that the world is going to want?

● (1255)

Shannon Miedema: Thank you for that.

Mr. Fortier, in your role with Accelerate, do you spend time thinking about the barrier of charging infrastructure, about the cost and how to make a solid business case to have a really connected network so that it becomes less of a barrier for folks in adoption?

Matthew Fortier: Yes, absolutely. There are people who do a lot of work on this who are not part of our organization, but we collaborate with them. There are people who can speak more intelligently than I on grid integration, etc., but there are business cases for charging suppliers already. People are making money at this.

In the issue that we're talking about right now—the EVAS and the future of the policy—I think one of the challenges this presents to those businesses is predictability. If you take away a policy around which many private sector companies—some of which also operate gas stations, by the way—have set their business models.... They've attracted investment, etc.

My time is up, but you want to provide predictability.

The Chair: Thank you very much.

[*Translation*]

Mr. Bonin, you have the floor for two and a half minutes.

Patrick Bonin: Thank you, Mr. Chair.

Ms. Smith, we had a witness before you who talked to us about disinformation, myths and lies. Do you share the same view that there are so many lies and myths circulating about electric vehicles? I feel like there are a lot of them. Is that your impression too?

[*English*]

Merran Smith: Yes, it is very much. I'd love to take the opportunity to speak to the electricity situation.

I have been on the board of BC Hydro, the utility in British Columbia, and we heard from Mr. Penner about importing and exporting electricity. I would just say that BC Hydro and, I believe, Hydro-Québec and Manitoba Hydro, buy electricity—solar and wind—when the wind is blowing and when the sun is shining. They buy it when there is an excess down there, and then they sell electricity back to the U.S. when it's more needed and more expensive. BC Hydro made $568 million over the last two years. Yes, we import electricity. We buy low. We sell high. It's a good business, and it's using those hydroelectric dams.

That's an example of some misinformation or disinformation, and yes, there are other myths that are perpetuated about Canada being too cold and about the rural distances. Really, with electric vehicles nowadays, they have 350-kilometre or 400-kilometre ranges, and some are even higher now. That is just not an issue. When it's cold, for sure, the battery does not have as much range. However, most people aren't driving those huge ranges.

I think it's a good line of questioning to pursue, and just really get the facts out there about electric vehicles. They wouldn't be taking off around the world if they were inadequate. They're taking off in Europe. They're taking off in many countries in Asia. That's because they're better technology. It's just like when we all bought into cellphones. We didn't stick to the land line because it's what we knew. We moved on to digital technology, and that's what electric vehicles are like.

[*Translation*]

Patrick Bonin: You say that sales are up around the world, or pretty much.

Ms. Smith or Mr. Fortier, could you provide us with information on comparisons with other countries?

● (1300)

Matthew Fortier: Yes, absolutely.

Patrick Bonin: Thank you.

The Chair: Thank you, Mr. Bonin.

[*English*]

Mr. Bexte, the floor is yours for five minutes.

David Bexte: Thank you very much, Chair.

I appreciate the witnesses being in attendance today. It's been a very interesting discussion.

Mr. Penner, you were speaking about grid and generation, specifically in the B.C. context.

Importing isn't a bottomless cup, and if new generation and transmission aren't built, what's going to happen? This is really an open question right now. We'll see where it goes.

Barry Penner: In British Columbia, we are working on trying to build more. We're behind the eight ball.

I heard Madam Smith's comments about importing electricity in the afternoon when it's sunny, in California I guess. This morning, though, we were importing at 1 a.m. There were 1,900 megawatts from the United States. That's not solar power at 1 a.m., not even in California. It's not very sunny.

David Bexte: Often, it's not wind at night, either.

What I'm getting at is this: If there is no more supply available, what's going to happen to power prices?

Barry Penner: We are seeing an upward trend. In British Columbia, the B.C. government has ordered rates to go up 3.5% per year for the next two years, so that's a 7% increase in two years. That's just a down payment. We have a big bill coming called the Site C dam. We've talked about it several times today. That's $16 billion, which we haven't really started paying for yet.

David Bexte: That 3.5% seems to be higher than the level of inflation.

[*Translation*]

Patrick Bonin: I have a point of order, Mr. Chair.

There seems to be a black square on the screen on this side, which is preventing us from seeing the witnesses properly. I don't know if other people are seeing the thing as me.

The Chair: Are you talking about the black square on the right side of the screen? Okay.

We'll take a moment to look at that.

[*English*]

David Bexte: Are we paused?

[*Translation*]

The Chair: The technical issue has been resolved.

Mr. Bexte, you have another minute.

[*English*]

David Bexte: Thank you very much. I appreciate it, Chair.

The Chair: Extra time will be given to you.

David Bexte: I appreciate it. Thank you.

Mr. Penner, again, I'm sorry.

You were saying more power generation is being built.

Barry Penner: Yes. We're spending a lot of money, and it's borrowed money, so there's going to be interest and lots to pay in the future.

Just to go back to what we're talking about here, how do we make it possible and make Canadians comfortable to purchase electric vehicles, if that's what we want them to do? I think we've put the cart before the horse. The EV mandates are restricting the supply of non-electric vehicles before we have the infrastructure in place to make it convenient, affordable and reliable for Canadians to plug in their vehicles.

Again, if you live at home, in a stand-alone, picket-fence kind of house, that's one thing, but in an apartment building that's 50 years old, in an urban setting, it's very difficult to get your own reliable access to charging.

David Bexte: I totally agree with what you're saying, and I understand that there's a huge dilemma in society about how we're going to manage this. A big part of this is underpinned by the general grid availability and how much electricity is in the grid.

You alluded to how there are 7,000 megawatts of unserviced commercial and industrial demand in B.C., which comes with its own opportunity cost related to how much GDP is not being produced because that opportunity is not being pursued. You coupled that with incidents such as Brookfield looking like it's privatizing some power generation or exporting that power, which exacerbates the problem.

We spoke a bit about weather and climate impacting low-income people first and worst. All of these other things, the economy and more debt, are impacting low-income people first and worst with high grocery prices. Could you please comment on which regulations and regulatory models need to change in order to move this ball down the field a bit?

Barry Penner: I think we need to differentiate between market signal and government directives. We've heard some talk here today about the market signal the government is sending. That's not a market signal; it's a government directive. That's quite different. The market signal right now is that consumer consumption of electric vehicles is dropping in market share in Canada. Statistics Canada is reporting that. The market share has gone down by a quarter in the last 12 months. That's the market signal we're seeing right now.

A lot of it is tied to affordability. We did some polling and hired Ipsos to do a poll this summer. The number one reason British Columbians aren't electing to buy an electric vehicle is the cost. The purchase price is an average of $8,000 to $10,000 more than is it for a comparable non-electric vehicle. The other top two concerns are charging access and range anxiety. It is ironic that although the range has improved in electric vehicles, at the same time, public concern about range has been going up. Even though the range is getting better, public concern is getting stronger about that issue.

● (1305)

David Bexte: There's a real disparity between what goes on in the Lower Mainland and the GTA versus in the rest of Canada. It is not a 17-minute average commute. When your job is in your truck, going from well site to well site or field to field, it's not 17 minutes, and that is a great issue.

Is there anything else you'd like to add in the time I have left? It's an open forum.

Barry Penner: If we look back at what's worked so far, electric vehicles took off without a government directive. Cellphones became popular without the government telling phone manufacturers they couldn't make land lines anymore. It was consumer demand. Improved technology sold itself without government subsidies and without mandates.

David Bexte: Thank you very much.

The Chair: Go ahead, Mr. Ross.

I'm ready to listen to your motion.

Ellis Ross: Thank you, Mr. Chair.

I move:

> That, notwithstanding the usual practices of the committee concerning access to and distribution of documents: a) up to three associate members of the committee per party be authorized to receive the notices of meetings and notices of motion and be granted access to the digital binder; b) the associate members be designated by the offices of the whips of each recognized party and sent to the committee clerk; and, c) the provisions of this motion expire as of January 26, 2026, unless otherwise ordered.

(Motion agreed to)

The Chair: The meeting is adjourned.

I thank the witnesses for being here today. You are free to go.