



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

45th PARLIAMENT, 1st SESSION

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# Standing Committee on Environment and Sustainable Development

EVIDENCE

**NUMBER 016**

Monday, November 24, 2025

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Chair: Angelo Iacono





# Standing Committee on Environment and Sustainable Development

Monday, November 24, 2025

• (1100)

[English]

**The Chair (Angelo Iacono (Alfred-Pellan, Lib.)):** I'll call the meeting to order.

[Translation]

Good morning, colleagues.

[English]

Today is meeting number 16 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 the full two hours.

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

[Translation]

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

The committee will hear from a few witnesses this morning.

[English]

From The Atmospheric Fund, we have Mr. Wiseman, senior manager, climate policy.

From Electro-Federation Canada, we have Ms. Cherith Sinasac, director of standards and government affairs.

[Translation]

From Équiterre, we have Blandine Sebileau, sustainable mobility analyst.

Good morning to our guests.

I will hold up this yellow card when you have one minute left in your speaking time.

[English]

When I turn it over, please try to finish your sentence.

[Translation]

Each witness has five minutes for their opening remarks.

[English]

Monsieur Wiseman, you have up to five minutes for an opening statement. The floor is yours.

**Evan Wiseman (Senior Climate Policy Manager, The Atmospheric Fund):** Thank you, Chair.

Good morning. My name is Evan Wiseman. I'm the senior climate policy manager at The Atmospheric Fund. We are a regional climate agency that operates in the greater Toronto-Hamilton area and provides investments, grants and policy support to help scale low-carbon solutions.

Today, I would like to talk to you about a policy that is more than just a climate measure: It is a health policy, an economic policy and a statement about Canada's future. That policy is the electric vehicle availability standard, or EVAS.

EVAS is not just about cars: It's about choice, affordability and competitiveness. It ensures that Canadians can access reliable, affordable electric vehicles when and where they need them. Countries without strong domestic policies risk becoming dumping grounds for outdated technologies while consumers elsewhere enjoy cleaner, cheaper options.

If I can refer you to the chart, under the original EVAS timeline—20% EV sales by 2026, 60% by 2030, and 100% by 2035—we would have secured \$91.9 billion in health benefits, cut 362 megatonnes of greenhouse gas emissions and prevented 11,000 deaths by 2050. That's our baseline and our reference point. It's what we would have achieved before the delay.

The health case is overwhelming. EVAS will help to avoid 11,000 premature deaths, reduce asthma attacks, lower cancer rates and clean the air in our communities. These numbers aren't inflated; they are, in fact, conservative estimates. They represent fewer hospital visits, lower health care costs and longer, healthier lives.

Again, the chart tells the story. What we would have advised was to stick to the original timeline and achieve \$91.9 billion in health benefits. A delay of just one year drops it to \$83.8 billion, a loss of \$8.1 billion. This has already happened, and this is not just a delay: It's a cost that each and every Canadian pays out of pocket through our taxes and, most importantly, with our health.

You might be wondering how these health numbers work and what's in them. They're based on Health Canada's "benefits per tonne" method, which is the dollar value of air pollution reductions. In simple terms, we calculated how much air pollution drops when gasoline use declines and people shift to the use of EVs, and then applied Health Canada's dollar values for the health impacts of those reductions. That includes fewer asthma attacks, lower risks of lung and heart disease, reduced hospital visits and reduced mortality rates. When you add it all up across the major regions and over the lifetime of these vehicles, the benefits exceed \$90 billion in the original scenario.

These numbers are further conservative in that, at the time of calculating, Health Canada was able to provide air modelling only for southwestern British Columbia and the Windsor to Quebec City corridor, meaning that this number is at the absolute low end. We hope to have greater and more precise modelling that includes the rest of Canada in the future.

Every time we weaken this regulation, we are not saving money: We are paying for illness, especially in children, for hospital beds and longer emergency wait times, and for lost productivity. The one-year delay already implemented will cost Canadians \$8 billion in health benefits and 36 megatonnes of emissions reductions. If you push the targets further out, the losses expand.

Again, as per the chart, the one-year delay, plus the weakened back-end targets, costs \$20.9 billion in health benefits and 82 megatonnes of emissions. In the fourth scenario, with a delayed back end, the cost is \$19.8 billion.

Let's call this what it is: Every concession to weaken EVAS increases the costs to Canadians and props up yesterday's technology at the expense of Canadians' health and wallets.

Affordability matters. EV sales dipped in 2025 after the federal rebates were cancelled. Renewing rebates and adding measures like compliance credits for vehicles under \$40,000 or zero-interest financing will help keep EVs within reach for Canadian families.

Again, if you look at the chart, without these enabling policies, we risk sliding toward scenarios like Quebec's weakened back-end approach, which is the fifth scenario on the chart. That would cost Canadians \$8.4 billion in health benefits.

To keep EVAS strong, we need scheduled reviews every five years—flexibility without compromise—because the chart makes it very clear that every deviation from the original timeline costs billions in health benefits and millions of tonnes in emissions reductions. Regulatory certainty is the single most important catalyst for private investment in charging infrastructure.

EVAS delivers measurable gains for health, climate and the economy. It offers the certainty investors need, the affordability consumers expect and the cleaner air that Canadians deserve. Weakening EVAS is not a neutral choice; Canadians will suffer, and they will have to pay out of pocket with their taxes and with their health.

Let's choose progress. Let's keep Canada moving forward with the rest of the world.

• (1105)

**The Chair:** Thank you, Mr. Wiseman.

The floor is yours for five minutes, Mrs. Sinasac.

**Cherith Sinasac (Director of Standards and Government Affairs, Electro-Federation Canada):** Good morning and thank you, Chair and members of the committee, for inviting me to appear here today.

My name is Cherith Sinasac. I am the director of standards and government affairs at Electro-Federation Canada, commonly known as EFC.

EFC is a national not-for-profit industry association representing over 230 member organizations that manufacture, distribute, market and sell, as well as service, electrical and automation products. Our member organizations manufacture everything from grid equipment to intelligent building systems, as well as the full range of equipment that is essential for zero-emission vehicle charging infrastructure.

With the Canadian Net-Zero Emissions Accountability Act, Canada committed to achieving net-zero by 2050. This commitment was reaffirmed by Prime Minister Carney earlier this month.

Let me be clear; electrifying transportation is essential to meeting that goal. It is essential, also, for enabling long-term economic competitiveness during the global energy transition to electrification.

A key driver of EV adoption is the availability, reliability and accessibility of charging infrastructure. Investments in charging infrastructure only occur when there are clear and consistent policy signals that give the industry confidence to plan, build, scale and invest in local capacity.

EFC represents the entire electrical supply chain. This supply chain is globally integrated. Here's why that matters.

Right now, the whole world is electrifying at the same time. Manufacturers must decide where to allocate limited global production of chargers, transformers, switchgear and other critical components that are going into this infrastructure. When governments provide policy certainty, countries receive higher priority in the global allocation. When the policy is unclear, those resources are allocated elsewhere, and the investments here in Canada will not be made.

Without clear and stable demand signals, Canada risks having fewer available products, higher costs, longer lead times and delayed infrastructure deployment. These impacts will cascade. They impact affordability, providing Canadians with fewer choices, not more.

The EV availability standard provides exactly the type of long-term predictability and long-term signal that manufacturers need to allocate supply to Canada. It allows us to make new investments in capacity, including materials, workforce and logistics. Let's put it simply: Policy certainty is market certainty.

Across the electrical and automation industry, companies are operating under the assumption that Canada will maintain its regulatory trajectory. If Canada chooses to backtrack and abandon the standard or weaken it significantly, we will miss out on critical economic development opportunities, lose jobs and miss out on investments. The impacts would be felt down our supply chains by manufacturers of chargers, transformers, switchgear, battery storage systems and other critical components. Private investment in charging infrastructure will stall because there will be a lack of business confidence.

EFC recommends that the government pause at the 2032 compliance ratio of 83%. This will provide the sector and the supply chains with the confidence for further investments. Doing so will provide Canadians with a choice: Those who would like to access an EV can do so, and those who would like to maintain ICE vehicles—internal combustion engine vehicles—will still have the ability to do that as well.

The EV availability standard is not merely an emissions policy. It is an economic strategy, and it is a supply chain signal. EFC encourages the government to maintain the strength of EVAS.

Thank you for the opportunity to speak here today. I look forward to all your questions.

• (1110)

**The Chair:** Thank you, Mrs. Sinasac.

[*Translation*]

Ms. Sebileau, you have the floor for five minutes.

**Blandine Sebileau (Sustainable mobility analyst, Équiterre):** Thank you, Mr. Chair.

Good morning, committee members. My name is Blandine Sebileau, and I am a sustainable mobility analyst at Équiterre.

[*English*]

Équiterre has been supporting both the Government of Quebec's zero-emission vehicle standard and the Government of Canada's electric vehicle availability standard. We have contributed to the development of both policies through continuous feedback.

Since 2018, Équiterre has also been leading a large-scale awareness campaign, *Roulons électrique*, to inform and educate Quebecers as well as organizations about EVs.

[*Translation*]

This awareness campaign was put together by environmental and electrification partners as well as Quebec dealers. For six years, we ran advertising campaigns and had boots on the ground in every region, including at events such as auto shows, to talk to people and debunk false beliefs about electric vehicles.

According to a survey we conducted last year, over 90% of electric vehicle owners do not want to go back to a gas-powered vehicle. Once you try an EV, there's no going back.

Thanks to the zero-emission vehicle standard adopted in 2018, one in three new vehicles sold in Quebec last year was electric. That's more than 30% of sales, and we're nearly two years ahead of Quebec's targets.

The ingredients for success are as follows. First, the regulations are stable. Yes, they are restrictive, but they have many flexible elements intended to absorb economic instability. Second, the financial incentives decline over time. Third, we have an electric charging strategy. Fourth, we've conducted extensive awareness campaigns.

In Canada, sales have increased significantly since the adoption of the EV availability standard.

According to a study conducted for Équiterre and its partners by Jonn Axsen at Simon Fraser University, this standard is the most effective policy for reducing greenhouse gas emissions from light-duty vehicles. The proliferation of SUVs and light-duty trucks has cancelled out 80% of the savings achieved with engine energy efficiency. The standard will also reduce the cost of electric vehicles by 20%, while allowing the industry to increase its profits.

How did we get to the point of challenging regulations that are the result of years of work, thought and consultations in which the industry itself took part?

Let's not forget that it was our neighbours who sparked this crisis by imposing tariffs on their industry, on their own companies that do business in Canada. They penalized the entire economy and hindered Canadians' financial capacity.

We're here thinking about how to be more flexible for the industry, while penalizing electric vehicle manufacturers and the Canadian dealers who depend on them, in Quebec and elsewhere. The trade war gave the Canadian auto industry an opportunity to improve a strategy that has been around since the 1970s.

The very real decline in electric vehicle sales is the result of political uncertainty, a sudden withdrawal of federal and provincial incentives, and concerted industry messaging designed to slow the transition and preserve an antiquated technology. However, these factors are cyclical and temporary; global, economic and technological trends clearly remain in favour of electrification. It would be a mistake to confuse this temporary and artificial situation with a long-term trend.

The EV availability standard already includes a significant degree of flexibility. For example, an automaker that has not met its sales targets has three years to make up that shortfall. Another option is to invest in charging infrastructure or sell plug-in hybrid vehicles instead of electric vehicles. These elements were designed specifically to help them weather a turbulent market.

If additional flexibility is needed, we recommend that affordable electric vehicle sales be eligible for additional credits. We also recommend reintroducing targeted and unique incentives for low-income households. Lastly, we recommend investing in large-scale education and awareness programs.

The EV availability standard is an effective policy. It is flexible, robust and designed to absorb market shocks. We must not backslide. We need to clearly signal stability: Canada is not giving up on an electric future; it will continue to invest in building this new industry in Canada. Canada is staying the course and weathering economic turbulence thanks to stable policies that give the sector predictability.

• (1115)

Thank you for your attention.

**The Chair:** Thank you, Ms. Sebileau.

[*English*]

Now I will turn to Mrs. Anstey for six minutes.

**Carol Anstey (Long Range Mountains, CPC):** Thank you.

Thank you to the witnesses for being here today.

I've sat in on a few of these meetings now, and a lot of the conversation has been very similar. I want to return to something my colleague touched on in our last meeting, and that's with respect to the constituency concerns we have around the EV mandates, especially as that translates out in rural areas. One of the responses we've commonly gotten is this notion that it's really just a result of myth or misinformation that's been spreading with respect to the EV mandates. My translation of this is that the government just hasn't convinced the Canadian public yet.

I want to respond today with some of the realities of the rural communities I represent. Just because these concerns or this information comes from around kitchen tables or the floors of dealerships in rural communities, that doesn't mean that it's misinformed or that rural people's voices are not educated enough.

Allow me to give you some information about my riding. Then I'm going to allow you to respond.

The riding I represent is 47,000 square kilometres in area and extremely sparsely populated. As an example, we have communities of 150 people or 40 or 50 people. The low density alone of my riding makes the rollout of charging infrastructure fundamentally different from the rollout in an urban centre. We can't assume that the solutions for Toronto and Vancouver are going to translate well in some of these more rural areas.

I want to give you some context. If you live in St. Anthony, in Newfoundland and Labrador, you have to travel 470 kilometres to deliver your baby. If something happens while you're in the hospital and, heaven forbid, that child has to go to a NICU, that's over 1,000 kilometres away from this community. These are some of the challenges these people are facing.

In addition to that, there are three communities in my riding—Grey River, François and Ramea—that you can only get to by ferry. There is no charging infrastructure in any of these places.

These are some of the really rural components that we're talking about. I know that we're often framing these conversations to say that you don't need to buy an EV today, but practically speaking, whether that's seven, five or four years down the road, and whether it's 20% or 80%, it might as well be 100%, given what these people are looking at right now.

My question is especially as it relates to this myth-busting narrative, because another piece of this is that we're asking these people to pay \$15,000 to \$20,000 more in upfront costs for a lot of these vehicles that absolutely don't make any sense for their communities and the areas in which they live. When we're having these conversations, I get extremely frustrated because I feel they're deeply dismissive of the lived experience of rural Canadians in some of these really rural and remote areas.

It's not just about educating them. It's also about really understanding the dynamics when you look at these family-owned and -operated repair shops. They don't have the upfront money to invest in new electrification within these areas, or the specialized technicians. These seem like some pretty far-fetched concepts for people living in these rural communities.

I wanted to put that out there, for either of you, actually, to walk me through this, based on the picture I've just painted for you. How do I respond to my constituents who look at me and say that this makes absolutely no sense to them? Can you help me overcome that barrier? Are we just going to give them more information and debunk these challenges for them?

• (1120)

**Cherith Sinasac:** I grew up in a rural community. My family is Mennonite. We are farmers. I know we drove very long distances to get to local towns and communities.

The facts do matter. The savings are even greater when you drive long distances. Look at Lucid right now. It has a car with a range of 800 kilometres. The battery technology is improving every single day—

**Carol Anstey:** If they live in a community that they can only get to by ferry, are we telling them that they're going to take that car, put it on the ferry, take it over, bring it 400 to 500 kilometres to where they can charge it up and then drive it back? Walk me through that.

**Cherith Sinasac:** There are also hybrid vehicles available. That's also in the EVAS. It depends on your particular situation. You may choose a hybrid vehicle to save money.

**Carol Anstey:** We're telling them what to drive, in that case.

**Cherith Sinasac:** It depends on whether you want to do the math. I spend a ton of money on gas. We have a truck. It's expensive. If I want to save money, I'm buying an electric truck.

**The Chair:** Thank you very much.

Mrs. Miedema, the floor is yours for six minutes.

• (1125)

**Shannon Miedema (Halifax, Lib.):** Thank you to all the witnesses for their wonderful testimony and for being here this morning.

Because there wasn't too much time to answer that original question from my colleague opposite, I wonder if you'd like to take another minute to provide some response.

Thank you.

**Evan Wiseman:** I'll say this quickly.

In a lot of the feedback that we get in terms of polling from citizens, 80% of charging is expected to happen at home. Look at cases in British Columbia with BC Hydro. They have disconnected grid charging as well. A lot of this charging can be happening in a lot of very innovative ways that can also provide redundancy for rural communities, particularly in extreme inclement weather events, which we're seeing more and more. Electric vehicles can keep your home powered, keep your fridge on, keep the lights on and keep you cool in hot weather and warm in cold weather.

**Shannon Miedema:** Ms. Sinasac, do you want to say any more with regard to that original question?

**Blandine Sebileau:** I can add a couple of things.

Obviously, before customer demand arrives, we all agree that the infrastructure and the offer needs to be here in terms of vehicle and charging infrastructure. This is exactly the purpose of this regulation. It's not to force people. It's to bring infrastructure and the right offer of electric vehicles that people need. This is the first component. When this is in place, then obviously.... When people are educated and are given the right information, customer demand arrives. That's what we have been witnessing in Quebec. That can happen all across Canada.

**Shannon Miedema:** Thank you.

Go ahead.

**Cherith Sinasac:** I have no further comments.

**Shannon Miedema:** Okay. Thank you for that.

Let's talk a little bit about the health benefits that you mentioned. I have never seen those numbers before. Thank you for actually going through how they were calculated. You said that they were quite conservative and why that was so. What would a more optimistic and potentially realistic picture look like?

**Evan Wiseman:** It gets very complicated because of how air-flow works, but some of the numbers also establish it. It doesn't include Atlantic Canada. It doesn't include the western provinces outside of southwestern British Columbia. It doesn't include northern Ontario or Quebec, and it doesn't include the territories. You can start to see that this number would go up.

Also, within the numbers is a bit of a low estimate for certain health events, such as an emergency room visit, based on Health Canada numbers determined from a 1995 study, a 1996 study and a 2007 study, I believe it was. We adjusted those numbers for inflation with regard to what an emergency room visit would be. That only got us to around \$3,500. That's not what an emergency room visit costs in 2025, because health care costs have vastly outstripped inflation.

There are numbers. This was a very conservative estimate. We did our best to really give the benefit of the doubt in the numbers, because we didn't want to paint an inaccurate picture. We wanted to provide a floor for good policy decisions to be made.

**Shannon Miedema:** Thanks for that.

This would be reducing the health impact, because those emissions are gone when there are electric vehicles. Does it consider what would happen to health if we actually don't achieve emissions reduction targets locally, as well as around the globe? I'm thinking about wildfires and the serious health impacts and air quality impacts from wildfires. That's not part of this, is it?

**Evan Wiseman:** No. The wildfires are not included in the numbers. It includes the particulate matter or PM2.5, nitric oxide and volatile organic compounds that are emitted from the tailpipe. These are just tailpipe emissions for light-duty vehicles. It doesn't include MHDVs.

**Shannon Miedema:** Thank you.

Ms. Sinasac, you said you're a non-profit industrial association. Can you say a little bit about the different companies you represent and who they are?

**Cherith Sinasac:** Yes. We represent 230 member organizations. Many of these are manufacturers. You may recognize the names of some companies, such as Eaton, Siemens and ABB. Then we represent, obviously, Schneider Electric. These are all global organizations, but they also have Canadian operations. They have Canadian employees. They're making significant investments here in Canada right now to prepare for electrification.

The numbers were actually quite mind-boggling when I put them all on one sheet. ABB is a company from Switzerland, but they have significant Canadian manufacturing. They're developing a \$130-million investment in Quebec to produce here in Canada. That is to prepare for the electrification of transportation.

I could go down the whole list here.

• (1130)

**Shannon Miedema:** What would happen if companies like that lost the policy and market certainty that the EVAS is providing?

**Cherith Sinasac:** When I spoke to our members and asked them what would happen if EVAS went away, they said that EVAS sets the tone for the future of ZEVs here in Canada. Without it, the shift will still happen. It will just be slower and we will be less prepared. We know what happens when we don't prepare our supply chains. We saw that during COVID. This is a situation where we want to make sure we're producing these things in Canada and the investments are coming to Canada.

There will be job losses and there will be decisions. Even this pause right now, I guarantee you, has paused investments in supply chains here in Canada. They're saying let's wait and see.

**The Chair:** Thank you.

[Translation]

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

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

I'm going to do the exact opposite of what my Conservative colleagues are doing; I'm going to ask the witnesses questions instead of using all my speaking time myself, so this will be quick.

Ms. Sebileau, can you give us examples of what has been done in Quebec with things like the Roulons électrique campaign to raise awareness, set the record straight and counter disinformation? The federal government has been criticized for doing little or nothing on this.

Is there anything inspiring that you would like to share with us?

I would also ask you to send the committee a summary of what your organization has done, if possible.

**Blandine Sebileau:** Yes, I can certainly prepare a summary. Thank you for that suggestion.

The Roulons électrique campaign started six or seven years ago and just wrapped up. Now we're working with the federal government on electric charging.

The campaign was special because it brought together 12 to 15 partners in electrification, the environment and the EV world, as well as car dealerships that sold EVs. We had a public education platform and we ran advertising campaigns. We were on the ground across Quebec. In every region, we worked with an EV owners' association that organized free test drives so people who didn't have access to EVs could test a few models and learn directly from owners. It was a great way to pass on information and build people's knowledge. It also did a lot to move things forward in terms of EV adoption in Quebec. Test drives really work. I would encourage you to look into that.

In addition, we did all kinds of outreach and we held online conferences. We participated in EV shows and car shows. We talk to individuals to debunk false beliefs and provide information. We also had a guide to all the EVs available in Quebec, which was designed for individuals and organizations.

Believe me, there is an impressive array of vehicles available to meet any need.

**Patrick Bonin:** You mentioned that the standard reduces prices by 20%.

Can you tell us more about that?

**Blandine Sebileau:** According to a study done a few years ago by Jonn Axsen, regulations would reduce the cost of electric vehicles by 20%. This is crucial to getting people to adopt EVs. As everyone knows, price is one of the biggest barriers to the adoption of electric vehicles.

I think we also have to educate people about how much money they can save throughout the life of the vehicle. People often look at the purchase price, but we have to convince them that they're going to get their money's worth fairly quickly. In fact, the more you drive, the more you save. I'm not just talking about the cost of gas, but also the maintenance costs. People can save several hundred dollars or several thousand dollars, depending on the financial incentives available. Financial incentives reduce vehicle operating costs by \$2,000 to \$3,000 per year.

The standard is essential to bringing sticker prices down and changing people's perceptions.

**Patrick Bonin:** Kindly send the committee Jonn Axsen's study.

You mentioned that 90% of people with EVs don't want to go back to gas. I imagine that percentage comes from a survey. Can you tell us why people don't want to go back to a gas-powered vehicle? Is it just cost?

Please send that survey to the committee as well.

• (1135)

**Blandine Sebileau:** The survey was conducted as part of the Roulons électrique campaign.

That campaign reached people who are already aware of electrification because they already own or use an EV, so high numbers were to be expected. The satisfaction rate or no-return rate is actually 99%, which is really impressive.

Once again, this shows that testing an EV is enough to convince people not to go back to a gas-powered car. Saving money can really make a difference.

**Patrick Bonin:** You said that uncertainty, government backsliding and industry campaigns explain the drop in sales.

Can you elaborate on those three aspects?

**Blandine Sebileau:** We've seen a recurring theme since the 1970s: It's hard to work on bringing emissions standards down and it's hard to change things and adopt new technologies.

The Canadian Vehicle Manufacturers' Association created a platform that is spreading misinformation about EVs. We think it's unfortunate that not everyone is working toward the same goal. When entities spread false information, that makes it twice as hard to persuade people.

**Patrick Bonin:** You talked about the government backsliding. Do you think the government is partly responsible for the drop in sales?

**Blandine Sebileau:** Absolutely.

Removing financial incentives was a step backward. Uncertainty looms, and people have been waiting since May for subsidies to be reinstated. Minister Joly actually made an announcement about it. In Quebec, sales went down when the government put the incentives on hold, but they went up quickly once the incentives were reinstated.

**The Chair:** Thank you, Ms. Sebileau.

[English]

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

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

Over the last 10 years, at least, there's been a national-provincial strategy to electrify Canada and the province of B.C. I was an MLA there when I first found out about CleanBC's mandate to have electric cars mandated as a purchaser's option. That's what they called it, but it wasn't really a purchaser's option, because there was a penalty attached to it. The goal was 90% EVs in B.C. by 2030 and 100% EVs by 2035.

The penalty was a \$20,000 charge put on retailers that would then be passed on to consumers, which was very unaffordable. Even without the rebate, it was very unaffordable for low-income earners. As soon as the rebates started being questioned or dropped, people stopped purchasing EVs.

I've heard the argument from the witnesses saying that we should not walk away from the EV mandate. Do the witnesses—I'll direct my question to Mr. Wiseman—think the \$20,000 penalty attached to EVs should remain as well?

**Evan Wiseman:** Just to be clear, the EVAS is incredibly flexible in how those compliance components can be accommodated. If a manufacturer doesn't sell enough EVs, they can roll it over, year over year, for up to three years, to come into compliance. They can partner with electric charging companies to further install more charging, and they get credits for that. I believe they get credits for

hybrid vehicles as well, so those are many of the manufacturers right now.

I think the key point—

**Ellis Ross:** Mr. Wiseman, I only have six minutes. The specific question was this. Should the \$20,000 penalty to retailers, which gets passed on to consumers, remain as part of the mandate?

**Evan Wiseman:** It doesn't work like that, though, to be clear. There are a lot of flexibilities, and then it's up to the OEMs to decide how they work with it.

I think the key point here, just on our health benefits, is that there are costs today to Canadians, as well, related to—

**Ellis Ross:** I understand that, but my question was specific. I asked the same question in B.C., and basically their answer was that, yes, the penalty will remain. I'm asking because B.C. just dropped their mandate. They said that it wasn't realistic. I'm sure everybody in this room—and in Canada for that matter—wants to see a cleaner future, but it has to be realistic. The B.C. government is saying now that it has to be realistic.

I like your comments in terms of choice and affordability, but it's not much of a choice if there's a markup in cost to either the retailer or the manufacturer, and that gets passed on to the consumer, so with the rebates, the demand starts to go down.

In B.C., we have a problem with the production and supply of electricity. We're probably one of the greenest provinces in terms of providing electricity, mainly coming from dams, for instance. Site C is going to be producing 1,100 megawatts of electricity, and it's not enough for today's needs, let alone future needs. We have a \$6-billion northwest transmission line being built in B.C. as well, from Prince George to Terrace, and that's not enough for current demand, let alone future demand. On top of that, we're actually importing electricity from the United States, which questionably produces their electricity from natural gas and coal.

Has your organization done any investigations into how we can increase the production and supply of clean electricity?

● (1140)

**Evan Wiseman:** Absolutely. I'm happy to come back on another study, if you'd like, to engage with that. We'd be more than happy to come back.

**Ellis Ross:** That would be great. Just give me some—

**Evan Wiseman:** Absolutely. The line we always say at TAF is that the cheapest kilowatt hour is the one you don't use, so efficiency is the name of the game to begin with. That's step one. That's the cheapest thing you could start doing today—start with energy efficiency.

From there, you start to go into the deployment of alternative renewable resources. Solar and wind can deploy incredibly quickly. Battery, electric and storage can help, especially with charging during off-peak or overnight hours.

I know that Hydro-Québec is looking to get a lot of its demand response from electric vehicles, as well, in peak shaving and off-peak times. Electric vehicles shouldn't be viewed as just a drain on the system. They are an absolute resource as a battery as well, as part of it—

**Ellis Ross:** No, I'm not talking about EVs. I'm talking about the production and supply, which we're actually deficient in right now in B.C., yet we have the most abundant clean energy. In fact, B.C., right now, has put limits on their electricity use. We talk about a new economy—

**The Chair:** Thank you, Mr. Ross.

**Ellis Ross:** Was it five or six minutes?

**The Chair:** It was five minutes.

**Ellis Ross:** Oh, I'm sorry about that.

**The Chair:** Mr. Fanjoy, the floor is yours for five minutes.

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

Thank you, witnesses.

I'd like to go back to what Ms. Sinasac talked about in terms of the supply chain for components to help electrify our grids and our communities, and the impact of government policy signals on the development or the contraction of that supply chain.

Could you please elaborate on how that would impact the pace, whether we're talking about rural communities, like the one I represent, or urban communities? How would that impact Canada?

**Cherith Sinasac:** I'm sorry. Is it a question about how it would impact the supply chains if EVAS were retracted?

**Bruce Fanjoy:** Yes. What signal would that have for the development of our supply chains in Canada and globally?

**Cherith Sinasac:** It's crucially important. We saw, obviously with COVID, what happens when the whole world has a demand for something. We saw the price of PPE go up because we weren't prepared with the supply chain. We know the impact of not preparing your supply chain.

Right now, there are significant investments being made in the electrical industry here in Canada, trying to manufacture more transformers here in Canada. We have PTI Transformers, which is located in Regina, Saskatchewan, and Winnipeg, Manitoba, sourcing 85% of its raw materials from Canadian suppliers. It has just made a major expansion to produce more transformers here in Canada. I could go on and on, and I will, if you'll let me.

There's \$150 million in battery production in Oakville. When you produce more electricity, you attract investment. It's an eco-

nomie tool. You see the battery production facility in Oakville. They chose Canada instead of the U.S. because we have clean and affordable electricity. There's a reason why a company is located in Quebec: clean and affordable electricity.

This is the economics behind electrification and making sure that our supply chains.... We have the supply here in Canada, so that we don't have to compete with the rest of the world, driving up those costs and delaying projects. We want that investment here. They can choose to say, "Where are we going to allocate this year? Let's allocate to France, because we know France is going electric," but then Canada doesn't get those investments. We lose out on jobs and investments when we don't send the policy signals.

• (1145)

**Bruce Fanjoy:** One of the things we talk about a lot here in the House of Commons is affordability. It's a matter that all of my colleagues care about. The total cost of ownership of an electric vehicle, even without subsidizing the upfront cost, is a clear win for electricity due to the reduced maintenance costs and, in particular, more plentiful electricity, which we can produce ourselves through renewable energy projects here in Canada.

What are the obstacles that are preventing faster adoption? Is there something we can do through smart public policy to help advance this process more quickly?

**Cherith Sinasac:** I feel like Evan is going to be the best person to answer this question. Even though I could, I want Evan to answer it.

**Evan Wiseman:** Very quickly, we need to align with the safety regulations of the EU to bring more models in. That's number one.

Examine the tariffs on the Chinese EVs up front to increase the number of EVs coming in early. That would absolutely impact the health benefits as well. Think of this as compound interest. You can't make this up on the back end by investing more. You have to invest early and continue that investment.

Additionally, at the municipal level, there's a lot of red tape that impacts being able to deploy charging. You could do another study on that. Provincial strategies, like B.C.'s and Quebec's, are notable in how effective they've been, largely because of the intensive charging strategies they've deployed. While Ontario has invested money recently in ChargeON—it's a great program and we love to see it—there needs to be a more comprehensive strategy to help address range anxiety as part of the education.

**The Chair:** Thank you, Mr. Wiseman.

[Translation]

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

**Patrick Bonin:** Could you send us the main points of your report on health benefits, costs and repercussions?

[English]

**Evan Wiseman:** Yes. The overview would be that.... Prior to the delay the Prime Minister announced—

[Translation]

**Patrick Bonin:** I'm sorry, but I really don't have much time.

Can you send that report to the committee?

[English]

**Evan Wiseman:** Yes, absolutely.

[Translation]

**Patrick Bonin:** Okay.

You talked about 11,000 premature deaths if the ad was removed. Is that correct?

[English]

**Evan Wiseman:** Yes.

[Translation]

**Patrick Bonin:** That is huge.

Ms. Sinasac, I'd like to talk more about job and investment losses. Have you costed that? How many jobs would be lost? How much investment would be lost?

Can you also send the committee something in writing?

[English]

**Cherith Sinasac:** I don't have the numbers currently. It would all depend on the strength of EVAS. If we can keep the strength of EVAS, as I said earlier, that 83% will allow people to have a choice, but it will send the proper policy signals for investment. If we don't achieve that strength.... I don't have the exact numbers now. It will all depend on where we land.

[Translation]

**Patrick Bonin:** Have you come up with scenarios based on various parameters?

[English]

**Cherith Sinasac:** We don't, because the EVAS just came out, the 60 days.... Our scenarios are all about projections to prepare.

[Translation]

**Patrick Bonin:** Are you aware of any scenarios? Did any organizations come up with some that we can study?

[English]

**Evan Wiseman:** I'm on the board of Electric Mobility Canada. We've partnered with Ernst & Young, and there's a report.

Currently, the EV ecosystem employs about 130,000. We expect it to grow to about 600,000, in an optimistic scenario, with EVAS.

It's an Ernst & Young report. I will provide that as well.

**Cherith Sinasac:** Yes, and I believe the low end was 300,000 jobs, so that's over 300,000 jobs that we could miss out on.

[Translation]

**Patrick Bonin:** Thank you.

Ms. Sebileau, do you think it's a good idea to consider conventional hybrid vehicles? I don't mean plug-in vehicles, but conventional hybrid vehicles, as some have suggested. Do you think that should be part of the mandate?

• (1150)

**Blandine Sebileau:** That's a very good question.

Absolutely not. We think that is an extremely bad idea. It will impede electrification. A non-plug-in hybrid vehicle is not an electric vehicle. It generates greenhouse gases and pollutes 300 times more than a conventional vehicle. It maintains our dependence on fossil fuels and does nothing to advance the installation of charging infrastructure.

**The Chair:** Thank you.

[English]

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

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

I appreciate the witnesses coming in today. This is a fascinating subject, and I have many different places where I'd like to start.

Ms. Sinasac, could you comment on the electrical equipment? What is the back order right now on transformers?

**Cherith Sinasac:** There was a back order during the pandemic, but we have been scaling in order to meet that demand. A lot of that is caused by data centres, not by EVs.

**David Bexte:** Thank you very much.

That implies, then, that demand overall is increasing because the industry is growing into new markets, and data centres as well.

**Cherith Sinasac:** Yes, we're investing.

**David Bexte:** What is the typical delay from order to delivery?

**Cherith Sinasac:** I don't think there is a significant delay right now. It's come down because of the new investments in Canada and because—

**David Bexte:** So this is 125 and less.... What about substations?

**Cherith Sinasac:** This is also about the trade relationship with the U.S. We're now not able to export as many as we used to, so we need demand here in Canada.

**David Bexte:** Okay.

Mr. Wiseman, could you explain why the EV adoption rate is so low in some regions? What is your understanding of that?

**Evan Wiseman:** It varies. Incentives are a big part of it. Purchase incentives, I think, are one part. Especially if you look globally year over year, the sales have continued to increase. Canada has been an outlier—

**David Bexte:** No, I mean specifically within Canada.

**Evan Wiseman:** Specifically within Canada, I think it's partly the federal government's announcement earlier this year that there was going to be an incentive—it was about six months ago—and they haven't brought it back out. That has depreciated purchases.

**David Bexte:** Are there any features of the regions themselves, different characteristics that—

**Evan Wiseman:** There are. In B.C. and Quebec, range anxiety isn't really as much of a factor as it is in other provinces, because of—

**David Bexte:** Thank you very much.

In other places, range anxiety is a factor.

**Evan Wiseman:** It's generally because they are still deploying their infrastructure, but it goes to show that when you have a plan, it really does manifest in deployment.

**David Bexte:** Ms. Sinasac, your press release argues that the EV mandate provides industry certainty. Do you agree that it simultaneously provides consumer certainty by restricting their ability to purchase the vehicle that they would like to have?

**Cherith Sinasac:** I'm sorry. Are you asking whether I said that it restricts their ability?

**David Bexte:** No. Your press release argues that the EV mandate provides industry certainty.

**Cherith Sinasac:** Yes.

**David Bexte:** Do you agree that it simultaneously removes consumer certainty by restricting their ability to purchase the type of vehicle that they would like to have?

**Cherith Sinasac:** I don't agree with that, no. You can continue.... There are a lot of myths around it. It's not a ban on internal combustion vehicles, and the presence of the 100% figure has been repeatedly mis-characterized as a consumer ban, but you can—

**David Bexte:** It is 100%. It's not a question of increasing choice. It's a mandate by design.

**Cherith Sinasac:** I think—

**David Bexte:** It will be.... One hundred per cent is 100%.

**Cherith Sinasac:** That's why we're suggesting going down to 80%—to keep the strength of the EVAS but ensure that Canadians don't feel that it's a mandate.

This has become a political lightning rod and—

**David Bexte:** Maybe justifiably—

**Cherith Sinasac:** —this is maybe an opportunity.... It's essential that you keep the strength of the EVAS.

**David Bexte:** Thank you.

Ms. Sebileau, did you poll satisfaction results in rural areas? Can you break that out—rural versus urban, Lower Mainland, B.C., versus the GTA and the Golden Horseshoe?

**Blandine Sebileau:** The poll that I mentioned was for Quebec. It was linked to our company in Quebec.

**David Bexte:** It was only for Quebec. Did it separate out rural versus urban?

**Blandine Sebileau:** I don't have the numbers, but—

**David Bexte:** Okay. Thank you.

**Blandine Sebileau:** —it's 99%, so it wouldn't make a lot of difference.

**David Bexte:** You could argue that it's people who have already bought EVs and who have already committed to that—

**Blandine Sebileau:** Yes, or have used—

**David Bexte:** —and that it doesn't include any stretch of the balance of the population.

All of the witnesses.... I would like to follow the tack of my Bloc colleague.

Ms. Sinasac, you're fully funded by the electrical manufacturers industry.

• (1155)

**Cherith Sinasac:** We are a not-for-profit industry association.

**David Bexte:** However, it's fully funded by the electrical manufacturers.

**Cherith Sinasac:** Yes, we represent electrical and automation manufacturers and distributors.

**David Bexte:** Okay. Thank you.

Mr. Wiseman, could you supply the committee with your funding structure, please?

**Evan Wiseman:** Yes, absolutely.

**David Bexte:** Ms. Sebileau, I'll ask you the same. Can you provide your funding structure to the committee—where your funding comes from?

**Blandine Sebileau:** Sure.

**David Bexte:** There is some question as to the funding agenda dictating outcomes of belief.

I have one final question, Mr. Wiseman, about your data on the health. Could you explain the change of inflection? As the projected outcomes get worse, there's an inflection, and the benefits drop and drop and drop.

My time is up. It's okay. Thank you.

**The Chair:** Thank you very much. I'm sorry about that.

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

**Will Greaves (Victoria, Lib.):** Thank you, Mr. Chair.

Good morning, witnesses.

Thank you, colleagues, for having me today.

I'd like to follow up on the question that has been raised about the accuracy of some of the information that's circulating around the EVAS and electrical vehicles more broadly. Something that hasn't been discussed yet in this meeting—but that seems relevant with respect to questions around long distances in remote communities and also questions around the suitability of EVs in winter and cold temperatures and so on—is that we have a very strong comparator to Canada in the country of Norway. I wonder if you might speak to that briefly in terms of what lessons we could derive and in terms of the accuracy of some of the information that has—to be blunt—been trial ballooned again here today.

I wonder if you might speak to whether or not we might look to the existing example of Norway, which has now achieved 90% EV adoption, as a very solid base on which to dispel some of these myths.

**Evan Wiseman:** The key points are education, incentives and support for consumers, as well as robust and intentional charging infrastructure deployment. Do those four things, and you get higher adoption rates.

A key point, too, is that as we've learned more and more about the impacts of this, I think it's key for Canada to factor in the health impacts, which weren't a factor in the original RIAS for the original Canada Gazette process but which we would like to see included as a factor this time around.

**Will Greaves:** Thank you.

If either of your colleagues would like to respond, please go ahead.

**Blandine Sebileau:** One fact that I could share with you is that they have about four times more charging infrastructure in Norway than we have in Canada. That's based on the number of charging stations and public stations by 50 kilometres of highway roads.

**Will Greaves:** Would it be fair to say that one of the reasons that Norway has been so successful in this regard is also that it's maintained consistency in its policy approach and that it hasn't seen this yo-yo swinging back and forth that actively serves, of course, to undermine the very intent of these kinds of incentives and these kinds of programs?

**Cherith Sinasac:** Absolutely, yes.

**Will Greaves:** All right. Thank you for that.

**Cherith Sinasac:** I think it's really important that we all row in a similar direction. I think the elephant in the room here is that we have car companies that are actively lobbying against EVs right now. We want car companies to be successful. We have a very educated workforce here in Canada, but we have to figure out how to all be successful together. All boats can rise.

We have to figure out where our competitive edge is. China is investing significantly—billions and billions of dollars—and that is why we are not able to compete. We need to figure out where we can compete, and we need to do it as a country. The more we fight amongst each other, the less we succeed as a whole.

**Will Greaves:** Thank you.

I'd like to follow up on the discussion about sources of information and the quality of information that circulates around this issue. It has been raised this morning, and in fact aspersions have been raised about potential motivations of these witnesses based on the ways their organizations are funded.

I'd like to invite you to respond to that, in terms of whether or not you feel that's a valid criticism to make of your organizations and your representation today.

Also, could you speak to where the sources of this misinformation are? Whether it's purposeful or whether it's unintentionally or sloppily inaccurate, where is that information coming from that has led some Canadians to be, for example, under the misimpression that it would be a ban on all gasoline-powered vehicles that would go into effect, rather than a standard for new vehicles to meet a certain rate of EV adoption? That seems to be a critical point that is widely and indeed perhaps actively disseminated.

**Evan Wiseman:** I could go first.

TAF is actually incorporated under provincial statute. It also has an agreement with the City of Toronto. We work off an endowment model. We invest into the market with expected rates of return, and we operate off that return on investment for our operating costs. That is the quick version of that.

In terms of the misinformation, I think it's concerning, especially given that sometimes there's a narrative of, "Oh, just let the industry decide." However, when industry has been given voluntary metrics, they have failed to meet them, consistently, in every scenario. Particularly in California, with CARB, they never achieve what they say they will. I've never met an industry that likes more regulations.

• (1200)

**Will Greaves:** Okay, thank you.

Ms. Sinasac.

**Cherith Sinasac:** I think it's healthy to question people's intentions. I think it's healthy to question where my funding comes from. I think that's a healthy thing to do.

I think that if you want to win, you have to look at the facts. If you want to compete in a world that is electrifying, look around the world. Why is China pumping huge money into electrification? Is it because they're dumb? No. They're very smart. They know where they're going. They know where the puck is going, and they're skating to it.

Go ahead; do your own research, but the facts are the facts.

**The Chair:** Thank you very much.

I would like to thank the witnesses for their testimony today.

The witnesses are now excused, and the meeting will briefly suspend while we prepare the next panel.

• (1200) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1210)

**The Chair:** I'm resuming the meeting.

[*Translation*]

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

This afternoon, the committee will be meeting with Sébastien Côté, chairman of the board of directors at the Association des véhicules électriques du Québec.

Welcome.

[*English*]

We also have Global Automakers of Canada and Mr. David Adams, president. Welcome.

[*Translation*]

From Propulsion Québec, we have Stéphane Pascalon, senior project manager.

Welcome.

Each speaker has five minutes for their opening remarks. When I raise this card, that lets you know that you have one minute left. If you see the back of the card, you have to finish your sentence.

Mr. Côté, you have the floor for five minutes.

**Sébastien Côté (Chairman of the Board of Directors, Association des véhicules électriques du Québec):** Mr. Chair, members of the committee, ladies and gentlemen, good afternoon.

My name is Sébastien Côté. I am pleased to be here today as chairman of the Association des véhicules électriques du Québec, or AVEC.

For 12 years, AVEC has been a non-profit organization whose mission is to support and promote electromobility in Quebec—whether through training, education or representation—thanks to the expertise of our employees and volunteers. Our vision is both simple and ambitious. We want to be the gold standard for information and education on electromobility in Quebec for Quebec consumers.

Our role is to give consumers objective information on electric vehicles, demystify the technology and the real costs of use, assist

future buyers through experienced volunteers and support the transition by offering objective advice and using practices based on real user experience and reliable data. It's important to note that AVEC isn't an activist organization but a consumer organization dedicated to consumers.

That said, why is it important to maintain the electric vehicle availability standard? AVEC is based on two important principles: accessibility and affordability. I will make my case in four points.

First, electric vehicles have to become a real buying option for households. According to Statistics Canada, zero-emission vehicles, or ZEVs, accounted for 13.8% of all new vehicle sales in the country in 2024. In the second quarter of 2025, that percentage dropped to 9.2%. According to the same source, as at June of this year, only 7.9% of vehicles sold were ZEVs. In other words, the Canadian market is slowing down.

Why is that?

First, it's slowing down because supply is no longer as strong as it is elsewhere in the world. Without ZEV standards, Canada becomes a non-priority market for manufacturers, which means fewer models, slower deliveries and higher prices. A clear standard makes it possible to force the industry to offer the same vehicles here as in Europe or California. Canada has to remain in that group to ensure a modern and competitive market for Canadians. When manufacturers are forced to deliver vehicles, prices drop, and there are more choices, so the consumer comes out ahead. It's a win for consumers.

Second, electric vehicles are economically beneficial for consumers when the full life cycle is taken into account. For example, the total cost of owning a 2022 electric Kona was about \$50,000 over eight years, compared with about \$60,000 for the gas version. Those \$10,000 in savings are due to significantly lower energy costs. For their part, Quebec consumers benefit from low-cost hydroelectricity and make substantial savings as a result. Driving 100 km in an electric car costs \$2 to \$3 if you charge the battery at home, while it costs \$10 to \$15 for a gas-powered car.

Third, Canada has to catch up with, or at least not fall further behind, countries that are doing well. Quebec is often compared to Norway. This is not a pipe dream. In that cold Nordic country with a number of rural regions, sales for new all-electric vehicles are now over 80%, whereas in Canada, the sales are peaking at 14% in 2025. What are the differences between Canada and Norway? Norway has implemented a clear policy, strict regulations and a stable vision. What's the outcome? There are more models, and those models cost less and are available more quickly. Without a standard, Canada would become a country where the industry liquidates its heat engine models while it sells its electric models en masse elsewhere.

Fourth, the ZEV standard enables an orderly transition that protects the economy, the workforce and charging infrastructure. If there isn't a predictable framework, then services, manufacturing and private investments in charging slow down, which directly harms consumers; small or medium-sized businesses, or SMEs; and workers. The standard sends a clear signal of stability to the industry. Charging companies can plan their activities; electricians can be trained; manufacturers can invest; SMEs can innovate; and municipalities and condominiums can gradually adapt. Conversely, a market without a standard becomes chaotic and experiences alternating surpluses and shortages, inconsistent investments and infrastructure that moves in fits and starts. A poorly managed transition comes at a high cost, while a planned transition like the one enabled by the ZEV standard reduces risks and maximizes economic benefits.

In closing, AVEC's mission is simple. We help Canadians understand and choose the electric vehicles that meet their needs. The ZEV standard is not a constraint; it ensures access to affordable models that are available here, not just elsewhere.

• (1215)

**The Chair:** Thank you, Mr. Côté.

[*English*]

The floor is yours for five minutes, Mr. Adams.

**David Adams (President, Global Automakers of Canada):** Thank you, Mr. Chair.

Thank you, members of the committee, for the opportunity to speak to you today on behalf of the 16 member companies of the Global Automakers of Canada.

The Global Automakers of Canada is a national trade association representing the Canadian interests of 16 of the world's most significant automakers. Our members are collectively responsible for more than 62% of the sales in Canada, and our two manufacturing members, Toyota and Honda, are Canada's largest and second-largest vehicle producers, representing, through the end of September, 75.5% of Canadian light-duty vehicle production. Additionally, GAC member Volkswagen and their partner PowerCo remain in the process of building up the \$7-billion factory in St. Thomas, Ontario, which is slated to employ up to 3,000 people directly.

Importantly, the members directly and indirectly employ more than 216,000 people, contribute almost \$25 billion to Canada's GDP and generate more than \$10.5 billion in government revenues.

With respect to electric vehicles, GAC members have been at the forefront of their introduction into the Canadian marketplace, with the Nissan LEAF and the Mitsubishi i-MiEV being introduced in Canada in 2011. Since then, GAC members have gone on to make 63% of the 120 model variants of ZEVs available in Canada, with more to come.

I want to be clear at the outset that the members of the GAC are fully committed to decarbonizing their products. Our challenge with the government has always been the tools deployed to attempt to drive that decarbonization and the time frame over which that decarbonization should take place.

The EVAS is a technology-specific tool. The rules, as currently constructed under the EVAS, establish targets that are not achievable by the entire industry. We believe that both industry and government want achievable, durable regulatory certainty. To that end, we appreciated the government's response to pause the application of the EVAS for the 2026 model year.

We want to offer additional specific recommendations.

First, the review should be extended beyond the initial 60-day period in order to develop realistic regulation for automakers that keeps Canada competitive with Europe and the United States. We currently do not know what the regulatory environments will be in these jurisdictions, and we need to know that in order to develop a credible and competitive climate policy.

Second, we believe the government should pause the application of the EVAS for the 2027 and 2028 model years as well, for which our members are currently finalizing product planning without knowing what the regulations will be moving forward. This additional pause could be undertaken while still incentivizing automakers with early action credits as they continue to bring zero-emission vehicles to market.

Third, the membership of the Global Automakers of Canada is diverse, with smaller and larger manufacturers. Some have full product lineups, while others have limited product lineups. If EVAS is to remain, it must be flexible, and maximum flexibility is required. In our view, such flexibility would contemplate providing automakers with the option of complying with either GHG emissions regulations or a revised, achievable ZEV mandate. Under such a scenario, if a company met the provisions of one regulation, it would be deemed to have met the provisions of the other. This approach would assist industry by allowing each company to adopt the regulatory framework that would work best for that company's needs while ensuring that the goal of emissions reduction is achieved. This flexibility is key, especially with the current supply chain disruptions and the unprecedented tariff situation, which have put a strain on companies' financial liquidity. Importantly, such flexibility would avoid product constraint for consumers and retain maximum choice.

Fourth, British Columbia's and Quebec's respective ZEV mandates are a significant internal trade barrier for automakers in Canada. They distort the internal market and present compliance liabilities for automakers. The Government of Canada must work with both jurisdictions to ensure alignment with the federal government's policy approach. At the very least, it should secure agreement from both provinces for a "deemed to comply" clause within their regulations, which recognizes EVAS compliance as an effective compliance with their own provincial mandate.

Finally, the collapse of consumer demand for ZEVs demonstrates that the government cannot reasonably set targets for ZEV adoption without complementary and established demand-side policies, such as addressing price parity for consumers and supporting access to reliable and affordable charging infrastructure.

At the end of the day, if we're not crystal clear on the goal of the regulation, it's very difficult to know if we have achieved it.

• (1220)

The current situation is that we have more ZEV models available than ever before. What the industry doesn't have is customers, or at least not enough of them to meet the regulatory targets for next year. What customers don't have are the incentives that were put in place to encourage them to purchase ZEVs.

**The Chair:** Thank you, Mr. Adams.

[*Translation*]

Ms. Côté, you have the floor for five minutes.

**Marie-Josée Côté (As an Individual):** Thank you, Mr. Chair.

Good afternoon to you all, committee members.

My name is Marie-Josée Côté, and I am the director of government affairs and public policy at Propulsion Québec. With me today is my colleague Stéphane Pascalon, senior project manager.

Propulsion Québec is the—

[*English*]

**David Bexte:** I have a point of order. There's no translation.

[*Translation*]

**The Chair:** Can you hear me okay?

[*English*]

Do you hear the translation?

[*Translation*]

Everything's working. We're going to start over.

Ms. Côté, please start your opening remarks from the beginning.

**Marie-Josée Côté:** Thank you, Mr. Chair.

Propulsion Québec is the industrial cluster for zero-emission transportation. Its mission is to accelerate the growth of this sector and strengthen its international competitiveness. We bring together more than 200 Quebec companies that are active in three strategic sectors of the economy: zero-emission vehicles, charging infrastructure and the battery sector, from mining to recycling.

Zero-emission transportation is an economic driver for Quebec, which can count on its renewable energy, critical and strategic minerals, and world-class expertise to build a competitive and wealth-generating industry. Those assets put us at the forefront of contributions to Canada's success in the ongoing industrial revolution.

We appreciate the opportunity to participate in this review of the electric vehicle availability standard. This is an opportunity to take stock of developments in the zero-emission transportation sector and adjust course to move forward more effectively, but it remains essential to continue the efforts that are already under way.

From the outset, Propulsion Québec supports a standard on the availability of electric vehicles in Canada. That's a structural tool that promotes not only the rollout of a charging network in all regions, but also the growth of an entire industrial ecosystem around batteries, critical and strategic minerals, charging stations and ener-

gy management software. On that note, let us remember that the Quebec industry includes suppliers of strategic parts, and businesses that specialize in the development and manufacture of charging infrastructure, as well as in the production, assembly and recycling of batteries. Those stakeholders need to benefit from a predictable environment that supports the electrification of transportation. Clear standards build investor confidence, foster innovation and demonstrate strong political will. Thanks to the early adoption of its standard in 2018 and a set of winning conditions, Quebec is now becoming a Canadian leader in electric transportation.

However, we recognize that automakers are currently facing a number of major challenges. Those include trade tensions; tariffs on steel, aluminum and vehicles; and slower growth in electric vehicle sales in Canada.

Given the circumstances, it's important to consider adjusting the standard and its pace to take into account economic and industrial constraints, while maintaining the goal of transitioning to sustainable mobility. Canada must combine pragmatism and ambition to stay competitive, particularly in the face of Europe and China, which are advancing very quickly. The transformation of the Canadian automotive industry is essential to ensure its longevity and sustainability.

We would also like to take this opportunity to reiterate that the standard must be part of a comprehensive industrial strategy for zero-emission transportation. Creating the right conditions for success will be essential to achieving the goals that have been set out. International and Quebec experience shows that an integrated approach that combines regulations, financial incentives and accessible infrastructure remains the key to success. That means that complementary measures are necessary to ensure the success of a standard. In particular, we recommend the urgent reintroduction of the incentives for zero-emission vehicles program to stimulate demand, support for the rapid and consistent deployment of a national charging network across the country, and support for local production, assembly and manufacture of key components and vehicles. The Government of Canada must also become a role model by promoting zero-emission vehicles in its own public vehicle fleets, thereby creating a showcase for all buyers.

In closing, we have to seize the opportunities before us to position Quebec and Canada as North American leaders in sustainable transportation. Now is the time to shape the economy of tomorrow, take concrete action to meet climate targets and provide high-quality, sustainable jobs for future generations. For that reason, we encourage the government to implement an industrial strategy that includes a standard with realistic and ambitious targets, and, above all, robust incentives.

Thank you for your attention. We would now be happy to continue this discussion with you.

• (1225)

**The Chair:** We'll start with the Conservative Party.

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

[*English*]

**Branden Leslie (Portage—Lisgar, CPC):** Thank you, Mr. Chair.

I'd like to start with you, Mr. Adams. You mentioned toward the end of your opening remarks that there are many different models available from many of your members here in Canada, but there are simply not enough customers.

How will manufacturers and, more importantly, car dealers meet their targets if they simply do not have enough customers wanting to buy EVs?

**David Adams:** The car dealers don't have targets. The manufacturers do, but the dealers end up being at the end of the tunnel, if you will, with respect to having EVs on their lots. If they have EVs on their lots and they're not able to sell them, the normal practice is to discount that product. All of that results in.... Even before being discounted, the vehicle is going to stay in the lot longer, which means increased financing costs for the dealer. If they're going to sell it, they have to incentivize that vehicle. A vehicle that's probably being built and sold to the dealer at a loss incurs another loss as well.

**Branden Leslie:** This is after significant upfront costs for specialized equipment and forklifts and a lot of extra costs, particularly in smaller dealership networks, where liquidity is a problem, just as it is for you and the folks you represent as the manufacturers.

We've heard a lot about the compliance credit system. This costly system will work out to about \$20,000. There's some flexibility in how the manufacturer can spend that money.

What are the costs involved, from your perspective, for the manufacturers, and who is ultimately going to bear them?

• (1230)

**David Adams:** The costs associated with the manufacturers are going to be the costs of purchasing credits to be able to comply with the regulation. As with most things, costs are normally passed along to the consumer at the end of the day.

I'm sure the committee has been provided with the recent C.D. Howe report. It estimated something like \$200 million, if I'm not mistaken, in costs just associated with the transition for next year.

**Branden Leslie:** These are for-profit companies. It's not expected that they'll bear the cost, but it's a really overlooked factor in the entirety of the cost. It seems like the development of an EV system is supposed to be such a cheap enterprise.

When we look at the compliance system, a company like Tesla—an American, Elon Musk-owned company—is one of the few that are simply creating credits because they are not manufacturing hybridized or gas-powered, ICE, vehicles as well as EVs.

Under the proposed, although paused, system and moving forward, will Canadian automakers be paying companies like Tesla

millions of dollars to buy these compliance credits if they're not able to sell enough EVs?

**David Adams:** The short answer is yes.

**Branden Leslie:** My understanding is that Tesla had on its balance sheet in the first quarter of last year something like \$400 million. Do you know if money has already been transferred from some Canadian companies to Tesla?

**David Adams:** I don't have a line of sight into that. I'm sorry.

**Branden Leslie:** Okay.

In your view, if automakers can simply buy these credits from Tesla instead of selling the EVs, is this really about reducing emissions, or is it a way to transfer money from Canadian companies to foreign-owned ones?

**David Adams:** It is setting up a structure where there are a number of ways companies can comply. That could be one result, yes, in terms of transferring money in that regard.

**Branden Leslie:** How transparent would the trading of this credit system be? Would Canadians be able to see who is profiting from and who is paying into this system?

**David Adams:** My understanding is that there's no visibility on that at the moment.

**Branden Leslie:** We've talked about this being an attempt to drive market signals. It seems obvious to me that many of the companies you represent see the value in the market dynamic that already exists. People in certain areas of this country, for certain reasons, want to buy an EV. They are innovative machines. They make sense for them and their families.

Would you expect your member companies to...? Whether or not the mandate stays in place, or whether it is enhanced or eliminated, are EVs here to stay? Are you expecting that the manufacturers working in Canada will continue to make them? Will the retailers and the dealers that have them in Canada continue to sell them because they want to make money and they think there's a market demand for it?

**David Adams:** Yes. The long-term trend around the world, including in North America, is toward electrification. I would say that electrification probably includes hybrid as well, but that is the long-term trend of where the world is going. There's been probably \$1.5 trillion invested worldwide toward this electrification transition.

**Branden Leslie:** In the context of the Canadian regulations and this mandate, why do you think it doesn't include hybrids? I know some of the companies you represent have focused more on hybrids.

I come from a rural area. Hybrids make a heck of a lot more sense. Why does the mandate not aim to include hybrids?

**David Adams:** Well, I think some of your environmental witnesses would say that the mandate shouldn't even include plug-in hybrids. The inference there is that a plug-in hybrid still emits greenhouse gas emissions by virtue of the fact that it runs on a gasoline engine. That would be the reason I would suggest that hybrids have not been included in the mandate, but are we looking at emissions reduction overall or are we looking at emissions reduction from a specific technology?

**Branden Leslie:** Right. If it were to be included, it would still reduce emissions. I think that's where we get lost in this conversation: It's the be-all and end-all of "We must completely electrify our entire fleet of our nation's vehicles by a certain date." I would take the more practical approach of making incremental changes as technology develops and developing the proper supply chains in Canada.

Is it the view of your organization and many of your members that we need to have a practical approach that takes in the considerations of consumers now and into the future and expands hybridization into this conversation?

**The Chair:** Thank you very much.

I'm sorry about that. Time is up.

Mrs. Miedema, the floor is yours for six minutes.

**Shannon Miedema:** Thank you to the witnesses for appearing today. I really appreciate it.

Mr. Adams, how many members are in Global Automakers of Canada?

**David Adams:** We have 16 member companies, representing approximately 25 different brands.

**Shannon Miedema:** Did every single member agree to the recommendations you're proposing to the EVAS?

• (1235)

**David Adams:** Yes.

**Shannon Miedema:** Did they vote?

**David Adams:** Yes.

**Shannon Miedema:** Was it unanimous?

**David Adams:** Yes.

**Shannon Miedema:** Okay.

We've been hearing a lot of testimony about the need for market certainty and how that really drives investment. It drives risk-taking. It drives scaling up. How can you have that certainty if your proposal is to pause for the next few years so that there wouldn't be any clarity in the direction this country is going when it comes to EVAS?

**David Adams:** Well, I think when we talk about certainty, we need certainty in the environment that we're going to be operating in. Right now, we have discussion, as I'm sure the committee is well aware, in the States, where environmental regulation is essentially being pulled down by the Trump administration. We're waiting for certainty out of the U.S. in terms of the CAFE regulations under NHTSA, which should come either later this year or early next year.

I think the reality is that our companies' product-planning horizons are generally about three years. If we don't know what the regulation is.... We won't know what the outcome of the EVAS review will be until sometime later this year, at which point we'll be halfway through the 2026 model year.

**Shannon Miedema:** I think Canada's focus is on what it can control. We don't know how long this uncertainty from the United States is going to continue.

I have just one point to make about hybrids before I move on to the other witnesses. The plug-in hybrid electric vehicles are included in the EVAS. That is essentially the compromise for areas that need it as we continue to roll out complete charging infrastructure across this country.

Monsieur Côté, can you talk about why EVAS is important when we have things like the sunset of the *Roulez vert* program and other subsidies? How can we continue moving forward with the transition?

**Sébastien Côté:** I'm sorry. I'm not sure I got the start of your question. Can you repeat it, please?

**Shannon Miedema:** Sure.

[Translation]

The roulez vert program is coming to an end, along with other subsidies.

[English]

What does that do to the importance of having the electric vehicle availability standard?

[Translation]

**Sébastien Côté:** For manufacturers and dealers, that will result in an adjustment to the price of vehicles sold in Canada. Dealers and manufacturers adjusted their prices after the subsidy cuts that took place this year, so we know it's possible.

It remains to be seen, then, how the market or industry will adapt to that. It unfortunately may not be as quick as the removal of subsidies.

[English]

**Shannon Miedema:** Thank you.

Your organization is for consumers. You do a lot of education and awareness. Do you do surveys of your membership?

[Translation]

**Sébastien Côté:** Yes, we do surveys. There have been two since I took office in 2018. We also participate, as partners, in larger surveys. Yes, our members are asked to respond to surveys.

[English]

**Shannon Miedema:** Mr. Adams talked in his testimony about the collapse of consumer demand for electric vehicles, which runs counter to what we've heard from a lot of testimony through this study. I'm wondering what your consumers would say about the demand for electric vehicles in Quebec.

[Translation]

**Sébastien Côté:** The demand is still there. In Quebec, people will definitely make the transition. With the uncertainty surrounding subsidies, people don't seem to be reacting as much as they used to. They're going to continue buying their vehicles. They may be pushed further, but when they have to change vehicles, they will still consider an electric vehicle. Most, in fact, almost all, will buy another electric vehicle.

[English]

**Shannon Miedema:** Monsieur Pascalon, would you like to comment on that? What do you have to say about this statement about the collapse of consumer demand for electric vehicles, from your perspective?

[Translation]

**Stéphane Pascalon (Senior project manager, Propulsion Québec):** We see that demand is continuing in Quebec. It has simply slowed down because the political environment in support of electric vehicles is too variable. We noticed that, in the first quarter of 2025, there was a significant drop because of federal and provincial purchase rebates disappearing for two months. People waited to buy their vehicles.

Having a stable environment is really what will get people to commit. Having charging infrastructure is also very important, because charging infrastructure is built according to electric vehicle sales targets. As Mr. Adams said earlier, it's the whole ecosystem surrounding electric vehicles that has to be predictable.

• (1240)

[English]

**Shannon Miedema:** Thank you so much.

[Translation]

**The Chair:** Thank you very much.

Thank you, Ms. Miedema.

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

**Patrick Bonin:** Mr. Adams, some of your members support the electric vehicle availability standard. I'm thinking in particular of Volkswagen and Kia. There are others, such as Honda and Toyota, that are doing everything they can to get rid of it.

You represent everyone. Where do you fit into all of this?

[English]

**David Adams:** Sorry, I didn't hear the last part.

[Translation]

**Patrick Bonin:** You represent Honda, Toyota, Kia and Volkswagen. Kia and Volkswagen are in favour of the standard, and Honda

and Toyota are doing everything they can to get rid of it. Is your association, which represents everyone, for or against the standard?

[English]

**David Adams:** As outlined, if EVAS is going to remain, it needs to have the recommended changes that I outlined in my remarks.

[Translation]

**Patrick Bonin:** You aren't against the standard, then, but you want to water it down. I don't believe that's the position of Volkswagen and Kia.

[English]

**David Adams:** That's the position of the industry association.

[Translation]

**Patrick Bonin:** Is that the position of Volkswagen and Kia?

[English]

**David Adams:** You would have to ask Volkswagen or Kia.

[Translation]

**Patrick Bonin:** Okay.

That said, you represent those people, don't you?

[English]

**David Adams:** Yes.

[Translation]

**Patrick Bonin:** You can't tell me what their position is.

[English]

**David Adams:** Their position is what I have outlined here, as our group. That's what we have consensus on.

[Translation]

**Patrick Bonin:** Volkswagen and Kia have the same position as Toyota and Honda.

[English]

**David Adams:** It's the same position as I've outlined in my remarks, yes.

[Translation]

**Patrick Bonin:** Do you acknowledge that they don't have the same positions, that Toyota and Honda want to eliminate the standard and that the others want to change it?

[English]

**David Adams:** I don't know if that is actually the position of Honda and Toyota, but I think the—

[Translation]

**Patrick Bonin:** You're saying you don't know.

[English]

**David Adams:** No, I'm not saying that. I'm saying I don't know that it's the position of Honda and Toyota that they want to end EVAS.

[Translation]

**Patrick Bonin:** That's it; you don't know if that's their position. You can't tell me whether they want to eliminate it.

[English]

**David Adams:** I'm telling you that Honda and Toyota, my members, are comfortable with the position that I put before you today.

[Translation]

**Patrick Bonin:** That's not my question. Can you tell me if Toyota and Honda want to keep or eliminate the standard?

[English]

**David Adams:** They support the remarks that I've made today.

[Translation]

**Patrick Bonin:** You aren't answering my question, then. Okay.

You previously said that you were against importing affordable European electric vehicles, saying that it would harm jobs at Honda. Honda doesn't manufacture 100% electric vehicles in Canada, only conventional hybrid vehicles, if that.

Do you mean that Canadians should be forced to buy gas-powered vehicles so as not to harm manufacturers like Honda, which refuse to manufacture electric vehicles?

[English]

**David Adams:** That's not what I'm saying, no.

[Translation]

**Patrick Bonin:** Okay, but you're saying that it would harm jobs at Honda.

Is that not what you're saying?

[English]

**David Adams:** I don't think I made any specific remarks with respect to Honda.

[Translation]

**Patrick Bonin:** You've never said that in your life?

[English]

**David Adams:** I haven't said it in my remarks today.

[Translation]

**Patrick Bonin:** I'm not talking about today, but in general. When things are said in the public sphere, they are public.

Have you ever said that it would jeopardize jobs at Honda?

[English]

**David Adams:** I'm sorry. Was the original question what would jeopardize jobs at Honda?

[Translation]

**Patrick Bonin:** Have you ever said that if there were a zero-emission standard in Canada, it would jeopardize jobs at Honda?

[English]

**David Adams:** I don't believe I've said that.

[Translation]

**Patrick Bonin:** Okay.

We'll look it up. It will be interesting.

Right now, regulations on greenhouse gas emissions from light-duty vehicles are being cancelled because they need to be aligned with those of the United States.

What do you suggest to regulate the reduction of greenhouse gases in light-duty vehicles?

• (1245)

[English]

**David Adams:** I don't think there's been a determination that the Canadian regulations are going to be changed at this point.

[Translation]

**Patrick Bonin:** Canadian regulations must be aligned with the United States, which has abandoned its commitments.

What do you recommend to reduce greenhouse gas emissions in light-duty vehicles?

[English]

**David Adams:** I think the view that makes sense, which all the members support, is to have a technology-neutral approach to reducing emissions. That would be having greenhouse gas emission targets that every company can work towards by deploying their own specific technology to meet specific targets. In that regard, that tends to drive the same outcome as what an EVAS does, which drives more electrification of the marketplace.

[Translation]

**Patrick Bonin:** Okay.

Mr. Pascalon and Ms. Côté, what should we base our sales targets on for electric vehicles in Canada?

**Stéphane Pascalon:** Propulsion Québec's proposals are based on the electric vehicle adoption curve observed in other countries. We followed Norway's example exactly, but with a 12-year lag, since we are 12 years behind Norway.

Right now, if you look at the EV adoption curves in China and Great Britain, they follow exactly the same curve as Norway, but seven years behind. That would put us five years behind China and Great Britain.

Propulsion Québec uses actual data to make projections. The curve we are proposing is based on what has actually happened in other countries when it comes to the adoption of electric vehicles.

**The Chair:** Thank you.

Thank you, Mr. Bonin.

Mr. Bexte, you have five minutes.

[English]

**David Bexte:** Thank you, Chair.

Thank you, witnesses, for being here today. I appreciate it.

Mr. Adams, you mentioned a C.D. Howe report. Do you have access to that report?

**David Adams:** I do.

**David Bexte:** Could you provide the link to the committee, or provide the material to the committee? Thank you.

You've warned that the transition to EVs can only happen as quickly as consumers are willing to move. It's the old adage of pushing a rope versus pulling a rope. We talk about all kinds of things, like higher upfront costs, lack of charging infrastructure, range anxiety and all these barriers. Whether those are excuses or reality doesn't matter as much as the practicality of today.

We've also heard from dealers that 50% of sales of their inventory are vocational. It means they're work vehicles, vehicles that are used to produce or contribute to GDP. Can you comment on the GDP impact if the right tools for the job aren't available, if this EV standard pushes the dealerships out of inventory balance and they don't have the vehicles that their customers want? What is that going to do to our GDP, which is already in precipitous decline?

**David Adams:** I think how I would answer that question is that the C.D. Howe talks a little bit about that in that report, which I will get for the committee or get the link for the committee. It suggests that if companies have to comply with EVAS, one of the fundamental ways that a company could comply is to reduce the sale of gas-line-powered vehicles. They cite a potential compliance demand reduction of about 400,000 units in the Canadian marketplace.

**David Bexte:** What do you think that would do to the price of the remaining units in inventory? Supply and demand dictate—

**David Adams:** That is a supply-and-demand question, obviously. I think it would mean that the cost of vehicles, which is already challenging for a lot of consumers, would go up.

**David Bexte:** It's not just the consumers, but tradespeople.

**David Adams:** Yes.

**David Bexte:** Your plumber is going to have to spend much more for his tools of the trade to come out and fix your toilet in the middle of winter.

You suggested that there's \$1.5 trillion already invested in electrification.

**David Adams:** That's globally.

**David Bexte:** With that being the case, and on that trajectory, could you comment on an argument that these regulations are just interfering with the natural process that's going to happen anyway if you allow consumer choice to happen? We're going in that direction.

**David Adams:** Yes, that is definitely where the industry is going.

**David Bexte:** It could go that way without taxpayer subsidy and just digging deeper into taxpayers' pockets to synthetically manipulate the market.

**David Adams:** I don't think anybody thought this was going to be a straight upward curve. The road to transition is always going to be a bumpy one, with ups and downs.

The challenge is that consumers have been used to incentives, and without incentives, they're not purchasing vehicles in the same quantity that they used to. I'm not denying that EV sales have gone up, but they just haven't gone up to the degree that's required under the EVAS.

• (1250)

**David Bexte:** Do you think it's saturated right now? Do you think the EV demand is saturated without government subsidies?

**David Adams:** I can't necessarily speak to that. What I can say is that I think the higher you go up the adoption curve, the more difficult it is to switch people into a different vehicle. Early adopters are prepared to pay anything for the latest technology, undergo any inconvenience—

**David Bexte:** Absolutely. Windows, iPhone, take your pick. I appreciate that.

I think somewhere along the line here, with plug-in hybrids and the EV standard.... There's an arbitrary requirement that they must have a rather large plug-in range before the internal combustion engine kicks in to carry on. I think that significantly impacts the choice of vehicles available to consumers, especially tradespeople who might want to consider a hybrid. Could you comment on that?

**David Adams:** I'm not sure I entirely understand the question, but I think the best solution for consumers and tradespeople is to have the broadest availability of vehicles to suit their needs.

**David Bexte:** The broadest selection.... The perfect is the enemy of the good, I think, in this case. It's not to say we shouldn't be ambitious and shoot for the moon in our ambitions, but we should be realistic in our expectations.

Do you have any closing comments?

**David Adams:** I just think that some of the comments that have been made.... We're not against electric vehicles. Our members make electric vehicles. We support electric vehicle adoption.

**David Bexte:** Thank you very much.

**The Chair:** Thank you very much, Mr. Bexte.

**David Bexte:** I cede my time. Does anybody else want the two seconds?

**The Chair:** You're done, but thank you for offering, Mr. Bexte.

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

**Bruce Fanjoy:** Thank you.

Thank you, witnesses.

Mr. Côté, in your original testimony this afternoon, you cited a difference in the cost between operating an electric vehicle per 100 kilometres and a comparable gas-powered vehicle. Can you share that number again? I didn't quite catch the number.

[*Translation*]

**Sébastien Côté:** Okay.

The cost of charging an electric vehicle at home ranges from \$2 to \$3 per 100 kilometres, while the cost of a tank of gas is \$10 to \$15 per 100 kilometres.

[*English*]

**Bruce Fanjoy:** It's two dollars to three dollars for an electric vehicle versus \$10 to \$15 for a gas-powered vehicle.

**Sébastien Côté:** Yes, that's for the same distance.

**Bruce Fanjoy:** Okay.

This morning, we heard that 99% of electric vehicle users will buy another electric vehicle in the future. I think you also mentioned that this figure may be close to 100%.

Do I have those figures correct?

**Sébastien Côté:** Yes.

**Bruce Fanjoy:** Okay.

Mr. Adams, economic history is littered with companies that fail to adapt to shifting market demands. What do you foresee as the impact for the automakers that you represent—which contribute greatly to our economy at present—of moving too slowly as market demand shifts towards electric vehicles?

**David Adams:** I would say that I think some of the Japanese manufacturers were actually criticized for being too slow to adopt electrification. When you look at what's happened over the course of time here, they actually maybe look a bit smarter now in terms of how they adopted a full range, a full technological suite they offer to the consumer, whether it's hybrid, plug-in hybrid or EV.

Yes, my two manufacturers are actually producing plug-in hybrids in Canada right now. What I do know is that manufacturers will always produce what consumers want to buy.

**Bruce Fanjoy:** Yes. We do have, I believe, a full suite of gas-powered vehicles available for Canadians. The electric availability standard is more about broadening that spectrum, which you've already said is good for consumer choice. Why wouldn't that be something that we would embrace in order to provide more choice?

• (1255)

**David Adams:** Do you mean in terms of having the manufacturers, the two manufacturers I represent, build electric vehicles in Canada?

**Bruce Fanjoy:** Yes, it's to align more closely with where you've already testified the market is headed indisputably.

**David Adams:** I think that was certainly Honda's plan, as I think the committee is well aware. I think they had to pull back that plan, based on consumer demand and the new realities we're facing. If you look at it—it doesn't matter which manufacturer in Canada it is, the two I represent or the other three—85% of their production goes into the U.S. market, so what we build here is somewhat predicated on what consumers in the United States want.

**Bruce Fanjoy:** Is the consumer demand...? We've already heard that the savings in operating an electric vehicle are vastly superior than for a gas-powered vehicle. Is that consumer hesitancy a result

of misinformation and disinformation about the practicality of electric vehicles in Canada?

**David Adams:** I don't think so. What I will say, as an electric vehicle driver myself, is that there are a few things that still bother consumers. There's the price of the vehicles, and also the charging infrastructure—which I'm acutely aware of, because my home is in Owen Sound, Ontario, and I'm down in the city quite a bit. A fast charger cannot be a fast charger at times when you actually think it is.

There are all these challenges, and I think the other thing is convenience for consumers. It will get there, but they want to be able to charge their EV in the same amount of time that it takes them to fill their gas tank.

**Bruce Fanjoy:** You're not disputing that the EV has a lower total cost of ownership than a gas-powered vehicle?

**David Adams:** No, absolutely not. The problem is the upfront cost. It's about getting people to trade off. Am I going to pay \$200 or \$300 more a month for an EV that costs more to save money over time? I think that, given the affordability challenges a lot of Canadians are facing today, the answer is probably no.

**Bruce Fanjoy:** Would you agree, then, that smart public policy is beneficial to Canadians and consumers if it helps them to make that transition?

**The Chair:** I'm sorry, Mr. Fanjoy. The time is up. Thank you.

[*Translation*]

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

**Patrick Bonin:** Ms. Côté and Mr. Pascalon, can you tell us about the rollout of charging stations? In your opinion, are they distributed equally among the provinces? Are some provinces, such as Quebec, further ahead than others?

**Marie-Josée Côté:** Thank you for your question.

Quebec is a leader in terms of the number of charging stations it has. It has about a third of the charging infrastructure in all of Canada. The Government of Quebec has put winning conditions in place, including a fast-tracked and fair rollout of charging infrastructure.

There's more work to be done, but we need to have the same kind of strategy in Canada.

**Patrick Bonin:** Mr. Chair, I see that time is running out, so I'd like to come back to proposing a motion that we should have adopted a few meetings ago.

The motion was about inviting the commissioner of the environment and sustainable development. I would like us to adopt it quickly because I think there is a consensus. This is a practice that has always been followed in this committee.

The motion was sent to all my colleagues' representatives.

**The Chair:** We just sent everyone the motion again.

The clerk is asking that you read it into the record.

**Patrick Bonin:** Okay, Mr. Chair.

I'll read it again quickly since we have it in writing.

That all organizations that were the subject of a performance audit conducted by the commissioner of the environment and sustainable development, including the June 2025 audit, provide a detailed action plan to follow up on the audit's recommendations—with specific measures, implementation timelines, and the names of those responsible—to both the committee and the commissioner of the environment and sustainable development within six months of the tabling of the audit in the House of Commons;

That organizations invited to appear before the committee to discuss the findings of an audit, including the June 2025 audit, provide an action plan to committee members no later than 48 hours before the start of the hearing;

That the action plans and progress reports submitted to the committee be published on the committee's website;

That the commissioner of the environment and sustainable development be invited to appear before the committee to discuss his reports, including those of June 2025, and each time new reports are published.

**The Chair:** Thank you, Mr. Bonin.

Now on to the debate.

Ms. Miedema, you have the floor.

[*English*]

**Shannon Miedema:** Thank you, Mr. Chair.

I think this is a good motion, but it's very broad. I would like to propose an amendment to this motion, if I may.

I propose that we delete “That all organizations that have been subject to a performance audit by the commissioner of the environment and sustainable development” and replace it with “Environment and Climate Change Canada” for a more focused motion. Otherwise, it could relate to any part of the full government, and I don't think that's the objective.

• (1300)

**The Chair:** Is there debate on the suggested amendment?

(Amendment negated)

**The Chair:** We'll go back to debate on the main motion.

Mrs. Miedema.

**Shannon Miedema:** I'm sorry. I have one other. It's a question of clarity.

After the words “the audit's recommendations”, we should add “from the commissioner of the environment and sustainable development”. That way, it's audit recommendations from that commissioner. Otherwise, it could mean just any audit recommendations. I think that's appropriate for this motion.

**The Chair:** Is there debate on the suggested amendment?

[*Translation*]

**Patrick Bonin:** Ms. Miedema, could you specify where the amendment would go?

[*English*]

**Shannon Miedema:** It would be to add, after “the audit's recommendations”, the words “from the commissioner of the environment and sustainable development”. It wouldn't be just any audit recommendations.

**The Chair:** Mr. Leslie.

**Branden Leslie:** I see the intention. To me, it seems very clear. Given that it says “the commissioner of the environment and sustainable development” in the same sentence, I think it's pretty clear that our committee would not feel the prerogative to just willy-nilly pick a different department outside of Environment or outside of this commissioner's report.

I don't think it's a necessary addition.

**The Chair:** Mrs. Miedema.

**Shannon Miedema:** Is it an issue, or can we just do it for clarity's sake? Words do matter.

[*Translation*]

**Patrick Bonin:** Mr. Chair, we have been working on these motions for several days. The commissioner of the environment and sustainable development himself proposed the wording. It is the same as under previous parliaments. I think we should keep it as is.

**The Chair:** However, the committee decides on the words, not the commissioner. That's why the amendments are being proposed.

[*English*]

Is there any debate on the amendment?

(Amendment negated)

**The Chair:** Mr. Fanjoy.

**Bruce Fanjoy:** Mr. Chair, it's not the responsibility of this committee to directly name government officials and assign them work. I therefore move to remove the line that states “and responsible individuals”, and instead place the word “and” after “including specific actions”.

**The Chair:** Is there debate on the suggested amendment?

Mr. Leslie.

**Branden Leslie:** Could you repeat where that is going?

**Bruce Fanjoy:** We would remove the line that states “and responsible individuals” and instead place the word “and” after “including specific actions”.

**Branden Leslie:** No. I like accountability.

**The Chair:** Is there further debate?

(Amendment negated)

**The Chair:** Are there any further amendments?

Mr. Fanjoy.

• (1305)

**Bruce Fanjoy:** I move to amend the motion by striking, in the second paragraph, the word “organization” and replacing it with “Environment and Climate Change Canada”.

**The Chair:** Is there debate on the amendment?

(Amendment negatived)

**The Chair:** Are there any further amendments?

Mr. Leslie, go ahead.

**Branden Leslie:** Given that we have since had a report from the environment commissioner, in the last paragraph that currently reads “before the committee to discuss his reports, including those of June 2025”, I would amend it to add “and November 2025”.

**The Chair:** Is there debate?

[*Translation*]

**Patrick Bonin:** I would like to ask a question, Mr. Chair.

Would you like to add the comment everywhere “June 2025” appears, or just at the end?

[*English*]

**The Chair:** Mr. Leslie, go ahead.

**Branden Leslie:** I believe it would be just at the end, given that the responding departments or agencies would not be able to fulfill the obligation as outlined earlier, so it would just be regarding the appearance that would include the “November 2025” portion.

[*Translation*]

**Patrick Bonin:** I want to make sure I understand. Do you not want the action plans to be produced following the report tabled in November? If appropriate, I think we should add your interesting proposal.

[*English*]

**Branden Leslie:** I think we should have the environment commissioner appear relatively soon. In fairness to what is a reasonable ask for a government that has caused much pain and very little gain, as the results have shown by this commissioner, I think we could start that for following appearances, but include the dates specific to the upcoming appearance so that we may ask questions of the environment commissioner regarding both the June and November reports.

**The Chair:** Is there debate on the proposed amendment?

Ms. Miedema, go ahead.

**Shannon Miedema:** I would ask for some clarification on that last piece that you just proposed—

**Branden Leslie:** All pain and no gain....?

**Shannon Miedema:** —and why it's part of this motion.

**Branden Leslie:** Sure.

I'm amending the last paragraph, which is the invitation for the commissioner to appear before the committee to discuss his reports, including those of June 2025. That was the one that the commissioner has not yet appeared for. Since this was originally drafted... I think it was tabled previous to his November 6 report coming out. It is so that we would be within the scope of questioning, during his appearance, that is based on the June 2025 reports and the November 2025 reports—not just the June reports. We're bundling probably two hours for both of those reports.

We're not touching the remaining words that give continuity for a more or less automatic invitation to the commissioner each time he releases his semi-annual reports.

**Bruce Fanjoy:** I'd like to suspend for two minutes.

**The Chair:** Okay, we will suspend.

• (1305) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1310)

**The Chair:** We're resuming debate. Is there any further debate?

Is everyone in favour of the suggested amendment presented by Mr. Leslie?

(Amendment agreed to)

**The Chair:** Go ahead, Mr. Leslie.

**Branden Leslie:** After further consideration, I think my colleague may have been correct in suggesting that “November 2025” should be added throughout.

I would like to move that wherever it says “June 2025,” we add “and November 2025”. It looks to be on two prior occasions within the motion.

**The Chair:** Is this another amendment that you are proposing?

**Branden Leslie:** That's correct.

**The Chair:** Is there debate on the proposed amendment?

(Amendment agreed to)

**The Chair:** Are there any further amendments?

We'll go back to the motion.

Is there any debate on the main motion?

(Motion as amended agreed to [*See Minutes of Proceedings*])

**The Chair:** We're back to questioning the witnesses.

[*Translation*]

Mr. Bonin, you had a few seconds left. Over to you.

**Patrick Bonin:** I'd like to hear your comments on user acceptance of electric vehicles. We've heard that 99% of people want to keep electric vehicles.

Have you understood that when people try electric vehicles, they adopt them and want to continue using them?

**Stéphane Pascalon:** I think that when people try an electric vehicle, they adopt it. Then they calculate the long-term costs and see plenty of advantages.

The initial outlay is a challenge, but consumers benefit over time. People continue to use an electric vehicle, because they can spend the money they save on things other than transportation.

**Patrick Bonin:** Do you have specific solutions for affordability?

It seems to me you mentioned vehicle affordability. It might be in your brief.

**Stéphane Pascalon:** Earlier, Mr. Adams said that the zero-emission standard would help lower costs.

**The Chair:** Thank you.

[English]

Mr. Ross, you have five minutes. The floor is yours.

**Ellis Ross:** Thank you, Mr. Chair.

Mr. Adams, thank you for your testimony here today.

It seems we're getting on the affordability topic for the majority of our discussions and our questions and answers, yet we are the environment committee.

In that same vein, can I ask about end of life when it comes to batteries for EVs? There doesn't seem to be one national strategy to address how these batteries are stored or recycled. Can you tell me if the cost of recycling these batteries or storing them at the end of life is absorbed by manufacturers? Is that subsidized by government, or is that passed on to consumers?

• (1315)

**David Adams:** It's a situation where the industry itself is taking care of that because there are not enough raw materials for the batteries. The manufacturers want back much of the materials in batteries to integrate it back into new batteries. Before they even get to the stage when they're recycled, after batteries decline below about 80% of their efficiency in the vehicle, they're no longer useful to the same degree, so they become battery storage for electricity, and then they go on to be recycled after that.

Currently, there is not an issue with the recycling of batteries. The manufacturers want those batteries back. The manufacturers have worked to develop a program so that, if there is an orphan battery somewhere in a junkyard or somewhere else, they will take care of that battery as well.

**Ellis Ross:** Okay, thank you.

However, there is a cost to do that. Where is that cost absorbed? Is it by the manufacturers?

**David Adams:** Yes.

**Ellis Ross:** Then it's not worked into the purchase price at all.

**David Adams:** The recycled materials help defray the cost of developing new batteries by bringing those batteries back into the whole supply chain.

**Ellis Ross:** Then there are no recycling costs passed on to the consumer, as with a rubber tire or a pop can. There's nothing transferred to the consumer.

**David Adams:** There isn't, currently. There are some provinces that are looking to try to do that, trying to equate an electric vehicle battery that's thousands of pounds to an AA battery, but there's no comparison whatsoever. You're not going to find EV batteries in any sort of waste stream, if you will.

**Ellis Ross:** We've been compared—in terms of the failings of our EV mandate—to Norway, but Norway has five million people, compared to Canada's 40 million people, and the geography is very

different. Norway has 30,000 square kilometres, compared to almost 10 million square miles of Canada, not including the marine areas.

Norway has been praised for its recycling ability, and that's something that Canada should duplicate, but Norway has a stockpile of batteries. It can't keep up. The market is trying to address this, but in the meantime, it's been characterized as a ticking time bomb, given that the components that go into a battery—mainly lithium—can cause a fire that you can't put out. We've already seen this in battery plants in California and Korea. The storage of batteries causes a fire risk. Mainly, what you do is just let them burn out. That same fire is actually releasing noxious gases.

If we go full-scale with the mandate, which B.C. has already dropped, and depending on Canada.... Do we need a national strategy, not only for the environmental issues surrounding the storage or recycling of batteries, but also for the safety of our communities? Do we need a national strategy to recycle and store batteries in Canada?

**David Adams:** To a certain extent, we did that with the program we put in place, to make sure that the situation you're talking about doesn't occur.

With respect to Norway, one thing I would say is that Norway had a value-added tax. When they removed that tax, EVs became cheaper than gasoline-powered vehicles, which has been largely responsible for the adoption of electric vehicles in Norway.

**Ellis Ross:** I'm talking about the storage of batteries that they can't keep up with. Their government has been praised for establishing a recycling plant, but the storage of batteries is going to become an issue for them, especially if it catches fire. We have thermal runaway similar to what we've seen in Korea and California, for a battery fire you can't put out.

Does Canada need a strategy for recycling batteries for environmental issues, as well as safety issues?

**David Adams:** It's part of what could be contemplated in the EVAS review that we're talking about now.

**Ellis Ross:** I cede my remaining two seconds.

**The Chair:** Thank you very much.

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

**Will Greaves:** Thank you, Mr. Chair.

Thank you to all of the witnesses for being here today.

Mr. Adams, I'd like to ask you a bit more about your members and some of the positions they've had in different jurisdictions on the question of EV adoption. Do your members have the same views on an EV standard in Canada as they do in other markets, such as the European Union?

• (1320)

**David Adams:** I'm aware of the standards they have in Canada. Without more research, I honestly don't have a line of sight into their standards or their position in Europe.

**Will Greaves:** My understanding is that some of those automakers have different targets that they're pursuing in different jurisdictions. That makes a lot of sense, because they're responding to the political and economic signals they're getting from governments in those different jurisdictions. We've heard a great deal today about supply and demand. We understand the way market signals work. We understand the way incentives work.

In the context of the concern you've raised about soft demand for electric vehicles among Canadian consumers, is it your view that governments maintaining support in the form of subsidies or other tools for consumers would help maintain and bolster that demand in a way that would then make it more cost-effective for your members?

**David Adams:** I think it would help, but it's not a solution to the whole problem of waning demand. It would help, though.

**Will Greaves:** It would contribute positively, though, to maintaining that demand in a way that would make the production of those vehicles more cost-effective for your members.

**David Adams:** I don't know about the cost of production, but it would certainly make the cost for consumers more affordable.

**Will Greaves:** Is part of the difficulty, then, that we are having in the Canadian market with respect to EV adoption actually about the inconsistency in our regulatory environment, and indeed the very overt efforts by some political parties, some politicians and some subnational governments to push back against this direction and impede and slow down the transition toward clean energy and electric vehicles, which they profess to support?

**David Adams:** The federal government has always had greenhouse gas emissions standards. With the environment being a shared jurisdiction, the federal government has allowed the provinces to make their own determination on zero-emission vehicle mandates, for instance. I think provincial governments have looked at what makes sense for their particular circumstances.

From a manufacturer's perspective, as I said in my remarks, if we're going to have a ZEV mandate, we would favour one national mandate.

**Will Greaves:** Thank you.

The final question will be for Mr. Côté.

[*Translation*]

Good afternoon, Mr. Côté.

From a consumer and market perspective, what would be the effects of delaying or easing the zero-emission vehicle availability standard on the availability of electric vehicles, as well as on wait times for buyers across Canada?

**Sébastien Côté:** Are you talking about a potential slow-down in the transition?

**Will Greaves:** Yes.

**Sébastien Côté:** I believe that if people were informed, they could still make the transition. However, people are very affected by all the standards and supports, so until we reach a higher percentage, they will have to be kept in place to maintain the initial momentum.

**Will Greaves:** Thank you.

[*English*]

I cede my time, Mr. Chair.

Thank you.

**The Chair:** I would like to thank the witnesses for their testimony today.

The witnesses are now excused. Thank you.

The meeting is adjourned.







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