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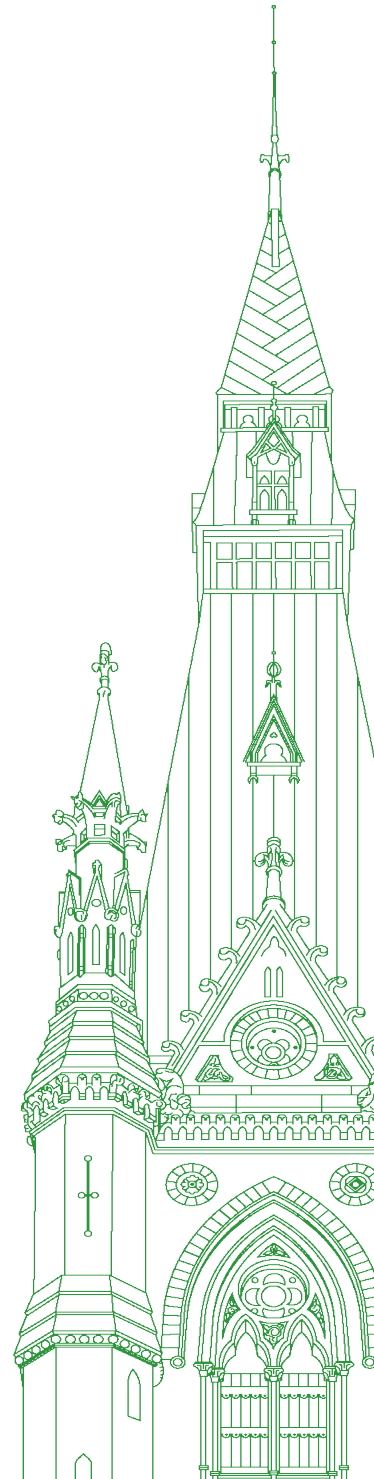
Standing Committee on Environment and Sustainable Development

EVIDENCE

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Chair: Shannon Miedema



Standing Committee on Environment and Sustainable Development

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• (1105)

[Translation]

The Chair (Shannon Miedema (Halifax, Lib.)): I call this meeting to order.

Good morning, everyone.

[English]

This is meeting number 33 of the Standing Committee on Environment and Sustainable Development.

For those here in person, please remember to follow the health and safety guidelines, as per the cards on your table, to prevent audio or feedback incidents.

Today, we are doing an additional session for our study on the electric vehicle availability standard. We have witnesses from various government departments here today.

Thank you so much for being here with us.

From the Department of Industry, we have Benoit Tessier, director general, automotive, transportation and industrial skills branch.

From the Department of the Environment, we have Mark Cauchi, director general, energy and transportation, environmental protection branch.

From the Department of Natural Resources, we have Anna van der Kamp, executive director of decarbonization programs.

To begin, every witness will have five minutes to give an opening statement. I have cards and will give you a one-minute warning and let you know when your time is up, if that is helpful. After all three of you have given your comments, we will go to questions from committee members.

Let's begin with Mr. Tessier.

The floor is yours.

Benoit Tessier (Director General, Automotive, Transportation and Industrial Skills Branch, Department of Industry): Thank you, Madam Chair and members of the committee.

It's my pleasure to appear today to discuss the Government of Canada's actions to support the automotive sector and the workers who are the foundation of this industry.

[Translation]

For over a century, Canada's auto industry and its dedicated workforce have been a pillar of the Canadian economy.

[English]

In 2025, the sector contributed over \$17 billion to Canada's gross domestic product and supported more than 120,000 direct jobs across the country. It remains, of course, one of Canada's largest export industries.

Earlier this year, the government launched Canada's automotive strategy to protect the industry in the face of trade disruptions and to position it to become a global leader in next-generation vehicle manufacturing. ISED is mainly responsible for the strategic response fund component of the auto strategy, so I can summarize the strategy in my remarks, but I suggest that specific questions related to each element be directed to the appropriate departments.

[Translation]

This strategy charts a course for a sector that is electrifying and becoming increasingly competitive on a global scale. It aims to protect manufacturers operating in Canada and their supply chains, while attracting new investments.

[English]

The Government of Canada announced an allocation of up to \$3 billion through the strategic response fund and up to \$100 million through the regional tariff response initiative to support large-scale projects and small and medium-sized enterprises across the automotive supply chain.

The government is also seeking to strengthen the automotive duty remission framework to better align trade policy with industrial objectives, while maintaining countervailing duties on U.S. vehicle imports for as long as necessary to protect Canadian workers and manufacturers.

[Translation]

At the heart of the strategy is the long-term certainty it provides regarding projections for reducing emissions from light-duty vehicles, which is particularly relevant to this committee.

[English]

The Government of Canada will introduce new Canada-specific greenhouse gas emissions standards for light-duty vehicles for model years 2027 to 2032, and will repeal the electric vehicle availability standard in order to provide a more flexible, outcome-based approach that supports emissions reductions in a technology-neutral manner, enabling industry to adapt to market conditions and consumer demand.

To support electric vehicle adoption, the Government of Canada has launched a new five-year electric vehicle affordability program. This program provides up to \$5,000 for battery electric and fuel cell vehicles and up to \$2,500 for plug-in hybrid vehicles to help make zero-emission vehicles more accessible to Canadian families and businesses.

In parallel, the Government of Canada will develop a national charging infrastructure strategy supported by a \$1.5-billion investment through the Canada Infrastructure Bank. This initiative seeks to accelerate the deployment of charging infrastructure, leverage private sector investment and ensure that Canadians have reliable access to charging across the country. Taken together, these measures are aiming to support an automotive sector that is competitive, resilient and aligned with Canada's environmental and economic objectives.

[Translation]

Thank you. I look forward to your questions.

The Chair: Thank you, Mr. Tessier.

[English]

Now we will move to Mr. Cauchi for five minutes.

The floor is yours.

Mark Cauchi (Director General, Energy and Transportation, Environmental Protection Branch, Department of the Environment): Thank you, Madam Chair, vice-chairs and members of the committee, for the opportunity to appear before you today.

I would like to begin by acknowledging that we are gathered on the traditional and unceded territory of the Algonquin Anishinabe people.

I am pleased to be here with colleagues from across the government to discuss the auto strategy that the Government of Canada announced and the approach we are taking to reduce emissions in the transportation sector while supporting jobs, investment and affordability for Canadians. While transportation is central to Canadians' daily lives and our economy, it is also one of the largest sources of greenhouse gases and air pollutant emissions. This gives us an opportunity.

[Translation]

The challenge before us is not whether change is coming to the auto sector—it is already under way globally—but how Canada manages that transition in a way that maintains the auto sector's competitiveness while enabling Canadian drivers to have access to the most innovative, affordable and clean vehicles and technologies possible.

• (1110)

[English]

At its core, this discussion is about practicality. Canadians expect environmental policies to deliver results in the real world, not just on paper. Canada's auto industry is grounded in a simple principle: Focus on outcomes that matter to Canadians while giving industry the flexibility it needs to succeed in a rapidly changing global market.

This means three things.

[Translation]

First, ensuring Canadians have access to clean, affordable transportation options.

Second, reducing emissions in real and measurable ways.

Third, supporting a competitive, resilient automotive sector that provides good jobs and reduces unnecessary red tape.

[English]

To this end, following extensive consultations, the Prime Minister announced in 2026 that we will repeal the electric vehicle availability standard and strengthen Canada's light-duty greenhouse gas performance standard for new vehicles and make them sovereign. This is not a retreat from climate ambition. It is a move toward a simpler, more coherent and more effective regulatory framework. By focusing on a performance-based standard, Canada is setting clear and achievable expectations for emissions reductions while remaining technology neutral. It is expected to drive increased zero-emissions vehicle sales as the standard becomes more stringent.

The outcome is clear: Emissions must come down. What remains flexible is how industry gets there. An informed and rational policy approach recognizes the need for increased flexibility for everyone, especially in the context of the current tariff situation and the price volatility of oil and gas, while still moving decisively toward lower emissions. Automakers will have flexibility in how they comply, whether through battery electric vehicles, hybrid technologies that include both plug-in hybrids and conventional hybrids and increasingly efficient internal combustion vehicles. What they cannot do is avoid reducing emissions further. This will be non-negotiable.

[Translation]

This approach sets Canada on a credible path toward approximately 75% electric vehicle sales by 2035, with an aspirational target of 90% by 2040.

[English]

It also increases flexibility for automakers while still positioning us to continue reducing emissions on a pathway to net zero by 2050. In short, it's a win-win.

As many of you know, Canada's auto sector employs nearly half a million people and contributes billions of dollars annually to our economy. At a time when the sector is facing global competition, trade pressures and rapid technological change, competitiveness matters and so does affordability. One in four new vehicles sold globally is now an electric vehicle, and that share is rising.

Many Canadians want cleaner, more efficient vehicles, but cost and practicality remain a consideration. That is why regulatory measures are being complemented by a broader national auto strategy developed in collaboration with Transport Canada, Natural Resources Canada and ISED in an effort to create supportive policies for consumers and industry. These include the renewal of federal purchase incentives of up to \$5,000, investments to expand charging infrastructure and actions to increase access to a wider range of lower-cost electric vehicles.

Thank you. I look forward to the committee's questions.

The Chair: Thank you very much, Mr. Cauchi, for your testimony.

We will now move to Ms. van der Kamp.

The floor is yours for five minutes.

Anna van der Kamp (Executive Director, Decarbonization Programs, Department of Natural Resources): Thank you very much.

[Translation]

Thank you for the opportunity to testify today.

[English]

I'd like to present some of the issues that really impact charging affordability, availability and convenience for Canadians in both rural and urban areas. As you know, the vast majority of charging is going to happen at home, when a car is sitting idle for several hours, generally overnight. This is generally provided by what's called level 2 charging. It takes about eight hours or so to recharge a battery and should serve, actually, 80% to 90% of charging needs of the average Canadian, even in a rural area, where they may travel 60 to 70 kilometres, as compared to urban daily travel, which is only about 30 to 40 kilometres. The average range for an EV now is 450 kilometres. That's enough for daily travel, even in the coldest winter.

DC fast charging, or level 3 charging, generally only takes 15 to 30 minutes now to charge an EV. That's used for the occasional long trip of over 400 kilometres a day. These are placed along highways, but also in town centres, like at a grocery store or a fast food restaurant. The idea is to place them in convenient places where you would already want to stop for 15 to 30 minutes.

NRCAN has mapped every square populated kilometre in Canada and every major travel corridor to estimate the expected demand two years out based on many factors. I'd like to give you some highlights of our findings.

With respect to daily travel for EV owners, drivers in rural areas should actually be okay, but with respect to corridors, we see gaps in those northern and remote regions. In urban areas, with respect

to daily travel there are actually serious gaps, but in most cities the main corridors around them are fine.

The issue in urban areas is that many don't have access to home charging. One-third of Canadians live in multi-unit residential buildings, and the vast majority of those buildings don't have charging. If you have a single family home with a parking spot, it's feasible to install a charger. That costs about \$1,500.

I would note that the new proposed regulatory approach is technology neutral, and so more Canadians in rural areas are going to purchase plug-in hybrids or conventional hybrids that actually require even less charging, if any at all. However, for those living in apartment buildings or condos, it can be prohibitive, costing between \$2,500 and \$10,000 to have charging installed in your space. There are many other barriers, so we need to consider the Canadians who don't have private parking spots at all.

Another important part is affordability. Level 2 charging is by far the cheapest, especially at home. In Canada, on average, if you can just charge at home, this will cost only about \$700 a year. You can recuperate the cost of that charger in a year. As a point of reference, filling a tank of gas, at about \$1.50 per litre, would be more than \$3,000 a year. Level 3 charging is the most expensive. The average cost currently is about 42¢ per kilowatt hour. If this is your sole source of charging, it will cost you about \$2,000 annually, three times as much as charging at home.

There is another option, which is level 2 public charging. This could be at a community centre, a restaurant or, hopefully, where you work, somewhere where your car is going to sit for a few hours. If you had to rely on only this charging, that would be about \$1,200. The point is that level 2 charging at home or at work is fundamentally cheaper and more convenient for Canadians.

The amount of public charging that's required is dependent on how much private charging we have. In Canada, we have around 700,000 private chargers and just under 40,000 public chargers. However, over 30,000 of those public chargers are level 2 chargers.

Public charging is concentrated, as we can see, where there is demand. However, I would note that those areas that have the highest demand still actually have the highest capacity gaps. We need a basic level of service for public charging for sure, but the real underserved areas in two years will continue to be remote corridors as well as urban and suburban areas with high-density housing.

To reiterate, private level 2 charging should be favoured, and access to private charging impacts how much public charging we need. I like to think of that level 3 charging, which most people are concerned about, as the tip of the iceberg above the water. The real issue is below the water, those level 2 chargers.

Given all these complexities, that's why the government is committed to putting together this national charging infrastructure strategy as part of the automotive strategy that will bring together the Canadian ecosystem to address top barriers and to attract more private sector investment, which is going to be necessary to meet demand. Private investment in charging is dependent on how much revenue can be generated. Currently, only the sites with high traffic areas are getting the utilization rates that attract significant private investment.

• (1115)

The zero emission vehicle infrastructure program, which I manage, is designed to support charging where it is needed, but also where it's challenging to attract private investment. To date, a large percentage of our funds have gone to those multi-unit residential buildings, and I would note that our last two calls for project proposals were focused on filling the gaps in Canada's charging infrastructure in rural and remote areas.

Thank you.

The Chair: Thank you very much for your testimony.

We will now move to questions from committee members. We will begin with Mr. Leslie for six minutes.

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

I'm going to direct most of my questions to ECCC, but if somebody knows more, please step in.

Have the EV mandate regulations been officially repealed?

Mark Cauchi: The mandate regulations are in the process of being repealed. They have not been legally repealed. That will require a publication in the Canada Gazette. We are in the process of developing that repeal document for Governor in Council approval.

• (1120)

Branden Leslie: Now, in lieu of this, the Liberals are set to announce tougher tailpipe rules. If those rules are set high enough, is this not just a rebranded EV forced mandate program?

Mark Cauchi: We are not implementing a sales mandate. The direction we've been given by the government is to develop GHG performance standards. These standards were put in place originally in Canada in 2010 by the Harper government. These standards are technology neutral. They do not require sales of any particular kind of vehicle.

The stringency, however, of those standards will be set at a level that will definitely drive increased efficiency—

Branden Leslie: Will it also drive a higher cost for the manufacturer?

Mark Cauchi: We're going to be releasing our cost-benefit analysis on that. There's pretty clear evidence that technology-neutral GHG performance standards are lower cost. I think the industry has now gone on the record to say that they support the government's announcement to—

Branden Leslie: There certainly seems to be lots of details lacking.

What is the anticipated timeline? Are the regulations finalized on your end? When are they planning to be gazetted? You're talking about 2027. That's under nine months away. Manufacturers are going to have to make adjustments to abide by these new regulations. What does this timeline look like?

Mark Cauchi: The regulations are in place right now for the 2026 model year. The government is going to publish the revised regulations by the end of the year.

Branden Leslie: How would a manufacturer for the 2027 model year, as outlined in the plan, make those necessary adjustments if they don't know the regulations?

Mark Cauchi: As the Prime Minister announced on February 5, the existing regulations remain in place for 2026, the GHG performance standards.

The stringency for next year, which the Prime Minister also stated, is the same as this year, so the auto sector does have some certainty as to what those regulations look like and what the stringency will be.

Branden Leslie: Well, they don't actually start in 2027. I can probably buy a 2027 model in a month. They come out quite a bit earlier. It's actually a 2028 model year.

Mark Cauchi: Legal obligations will apply for the 2027 model year, the new stringency, running out until 2032. The existing regulations are in place now.

Branden Leslie: You mentioned 2010. That was the harmonization with the United States. My expectation is that we are going to be deharmonizing with the United States and having more stringent tailpipe emissions requirements. What impact is that going to have on the cost for manufacturers? What impact is it going to have in terms of availability of models that may not be able to come in here? Most importantly perhaps, with the ongoing and upcoming CUSMA negotiations and the government's seemingly lack of an auto strategy, what does the collaboration look like in terms of trade negotiations? If we don't maintain harmony with tailpipe emissions with the United States, what impact is that going to have on availability and cost for Canadian consumers?

Mark Cauchi: I have a couple of things on that point.

While CUSMA definitely is in the mix here, and we've seen a long history of alignment in Canada, I would say that the air pollution regulations that Canada has right now on vehicles will remain aligned with those of the United States. Those are critical alignment areas. Those include test cycles. There will be a consistency of test cycles across the border in Canada and the U.S., so they will remain identical.

Most of the vehicles that are electric are actually being imported from outside the U.S. About 80% of EVs are coming from jurisdictions outside the U.S.

Branden Leslie: I'm talking about non-electric vehicles.

Mark Cauchi: The technology-neutral performance standard does not require a specific type of vehicle to be sold. OEMs will have the choice as to what vehicles they bring for sale into Canada. There's no enforcement on the particular type of vehicle.

Branden Leslie: It's reasonable to think it's going to reduce the number of models coming into the country. We're a smaller market than the United States. That's our predominant interaction in terms of manufacturing. It's reasonable to believe that fewer models from fewer manufacturers are going to make their way in here if they can just sell more cars in the United States and have lower tailpipe emissions. That was the point of harmonization back in 2010, if I recall correctly.

Mark Cauchi: Yes. I would say it was another time, 2010, and now we're in very different times. We see a much more efficient fleet both in Canada and the U.S. We also see state-level requirements remaining in place in the United States. About 40% of the U.S. auto market is under some sort of state-level regulation, which is also going to drive the fleet. We're not entirely clear that the U.S. fleet is going to—

• (1125)

Branden Leslie: My main concern is, are you building this in a silo? Is the international trade and the international auto strategy involvement, cross-border manufacturing, being considered as you develop these gazetted process regulations?

Mark Cauchi: Well, absolutely. I think that was the impetus for the announcement the government made originally around shifting to this type of regulation, which the industry has called for.

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

We will now turn to Mr. Greaves for six minutes.

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

Good morning, colleagues, and thank you to our witnesses for being here today.

Given some of the recent events occurring in the world, we understand what a difficult time it is for manufacturers, but also for Canadian consumers, whether that's the spike in oil prices due to the crisis in the Strait of Hormuz caused by the United States and Iran, or whether it's the trade war that's been thrust on us by the United States.

I'd rather focus my questions on some of the domestic aspects and the domestic benefits that flow from higher rates of EV adoption. In my riding of Victoria, for example, transportation-related emissions account for around 50% of air pollution in our entire re-

gion, and some communities in Canada have even higher rates. Health Canada estimates that traffic-related air pollution contributes to around 1,200 premature deaths annually across the country.

Mr. Cauchi, I'll start with you.

I'm wondering if we could discuss what the health benefits are for Canadians of these newly strengthened GHG standards. How will Canadians benefit in terms of their long-term health outcomes and reduce the strain on our public health care system?

Mark Cauchi: I appreciate the question.

Certainly, the evidence is well documented. I believe Health Canada has put out some fairly compelling evidence regarding the costs of air pollution from vehicles in Canada to our health care system and to Canadians as individuals. I think those have been monetized at about \$9.5 billion annually. We know that electric vehicles and more efficient vehicles with pollution controls on them do reduce the exposure of Canadians to harmful air pollution. It is not just a carbon dioxide issue. We're talking about things like NOx and PM2.5 ultrafine particulates, etc.

There will be a gain obviously for Canadians at the local level in terms of lower asthma rates and lower instances of cardiovascular and cardiopulmonary disease. That is fairly well documented globally. A shift to electrification is certainly good for the health of Canadians.

Will Greaves: Thank you for that.

In a similar vein that is certainly public health and safety related, I think one of the perhaps less discussed aspects of EV adoption has to do with increased safety for all road users given the lighter mass of electric vehicles as battery technology has become more sophisticated. We've seen not only more energy-efficient EVs entering the market, but also lighter vehicles, which then might have corresponding benefits for road safety and all road users.

Is that something that you could also comment on, Mr. Cauchi?

Mark Cauchi: It depends a lot on the vendor, the manufacturer, the importer and the type of vehicle. We certainly are seeing improvements in technology and improvements in safety. In the early years of EV adoption, we did see some concerns about safety issues. Those are definitely in decline, and we see a much broader range of weights and vehicle types being deployed. I think we have well over 100 EV models now available in Canada.

I would defer, though, the question around safety to Transport Canada, which is responsible for vehicle safety. It's probably not something that I should get too far down in the weeds on.

Will Greaves: Fair enough.

Switching gears slightly, I'll direct my next question to Ms. van der Kamp. If any of the other witnesses would like to respond as well, they should please feel free to do so afterwards.

I'd like to drill in on what the estimated cost savings are for the average Canadian household, given the increased cost of fuel and given the market price of EVs now. Can you give us a sense of what the long-term economic benefits to households would be of switching to an EV and saving for themselves those high costs of fuel that we're seeing at the pumps?

• (1130)

Anna van der Kamp: As I mentioned, you would probably be spending on average in Canada—electricity rates vary across the country, of course, so it really is a regional issue—only about \$800 to charge your EV at home, if you could do that all the time, whereas filling a gas car right now, a conventional ICE car at about \$1.50, which also varies across the country, is about \$3,000.

That gives you the savings you would get annually.

Will Greaves: Right now the price of gas in Victoria is around \$2.15, so that \$1.50 sounds pretty good.

Ms. van der Kamp, you also discussed the difference between dense urban, more suburban, remote and in some cases rural regions. Do you have any sense of what the different cost savings would be for Canadians living in those types of communities? Will remote drivers who obviously have much longer distances to cover gain more savings from EV adoption as a result of their longer commutes?

Anna van der Kamp: That adds up for certain when you're discussing the level 2 charging at home. If you have to do extremely long distances and you do rely on some public charging, then it could be somewhere in between. As I said, public charging is more expensive. It's also extremely dependent on the province, actually, so it depends on where you live. It goes anywhere from 32¢ a kilowatt hour up to 65¢ a kilowatt hour, but for the most part, I would say that even the folks in rural areas with home charging will benefit more.

Will Greaves: Thank you.

Thanks, Chair.

The Chair: Thank you, Mr. Greaves.

[Translation]

Mr. Simard, you now have the floor for six minutes.

Mario Simard (Jonquière, BQ): Thank you very much, Madam Chair.

Mr. Cauchi and Mr. Tessier, I was surprised while listening to your opening statements, as you both talked about flexibility for the industry, the opportunity to make the automotive sector more competitive and resilient, and a simple outcomes-based approach. Consequently, I get the impression that government standards are dictated more by industry needs than by a desire to reduce greenhouse gas emissions. I'll explain why.

I usually sit on the Standing Committee on Natural Resources. When it comes to carbon pricing, a number of people in the energy sector have told us that a certain degree of predictability is needed

to make major technological shifts. What is being done with electric vehicles is undermining that predictability because you're changing the entire set of industry standards and perhaps acting in a somewhat complacent manner.

The crisis we are experiencing is not permanent; sooner or later, Mr. Trump will no longer be the President of the United States. However, I understand that you are adjusting and that you are doing so in response to a problem that is, in fact, permanent. Climate change is permanent. Therefore, you must have your own indicators, each of you.

If we had kept the old standards in place, which would have increased the availability of electric vehicles, we would have achieved *x* result in 2030 or *y* result in 2050. If we change these standards to implement them differently, with less ambitious targets, that means that, in 2030 or 2050, we will inevitably achieve different greenhouse gas reductions.

Do you have that data? If so, is it possible to provide it to the committee?

Mark Cauchi: Thank you for your question.

The Department of the Environment has modelled the impact of this government announcement. It's a preliminary model, but it's important to recognize that the regulations we've implemented, and which are now in effect, have led to many significant environmental outcomes, including a reduction in greenhouse gas emissions of more than 50% per vehicle, on average. That's very important.

• (1135)

Mario Simard: Mr. Cauchi, I want to make sure I'm following your point.

You're talking about results—

Mark Cauchi: I'm talking about the current regulations aimed at vehicle energy efficiency.

[English]

The actual vehicle regulations that have existed since 2010 have achieved an emissions improvement and an improvement in efficiency of vehicles by more than 50% on average, so—

[Translation]

Mario Simard: The government has backed down on certain standards that required the industry to provide electric vehicles.

[English]

Mark Cauchi: The government has announced that it is going to increase the stringency of those existing regulations. I think the Prime Minister has indicated the government's intent to double the stringency of the existing regulations, so we will see additional improvements in and reductions of greenhouse gases. We will also see increased sales of electric vehicles and conventional hybrids as well as plug-in hybrids. The modelling we have conducted indicates that we'll see important reductions—

[Translation]

Mario Simard: I'm sorry to interrupt you, but I'm having a little trouble following you.

Looking at the figures for electric vehicles available in Europe, we see that there are about 20 models available for under \$40,000. In Canada, there's only one electric vehicle available at that price. If our goal is to increase the fleet of electric vehicles, one of the first solutions would be to ensure that affordable vehicles are available. Personally, I feel like we're not pushing the industry to provide these affordable vehicles: We're reducing obligations and commitments and rolling back standards. Furthermore, to guarantee a market for the industry, we're blocking access to European vehicles that could easily be sold here and that would significantly reduce our greenhouse gas emissions.

I have nothing against the automotive sector, but we need to be honest with people, with the public. When I take a step back, it gives me the strange impression that, to support the automotive sector, we're having to put the brakes on transport electrification, because the automotive sector is going through something more complex due to the tariff war with the United States. That's the impression I get and, inevitably, that has an impact on reducing greenhouse gas emissions and on the outcomes you may achieve. We can come back to this in a few moments.

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

[English]

We will now go to Mr. Ross for five minutes, please.

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

Thank you, witnesses, for your presence and your presentations.

My question is for Mr. Tessier.

Can you describe your role in the deal between the federal government and Northvolt for a \$7-billion battery facility in Quebec?

Benoit Tessier: Yes. Essentially, the Ministry of Industry, ISED, is responsible for some programs. The SIF program, as you will recall, was in place at the time of the negotiations with some of the battery companies. As you will also recall, the federal government offered a subsidy through that program, which was never ratified, between the federal government and the company. Essentially, we, at the end of the day—

Ellis Ross: I'm asking about your role.

Benoit Tessier: My personal role is the policy work behind the auto sector in general, so I advise my colleagues in the program who are managing the program and provide processes.

Ellis Ross: Okay, thank you.

In September 2023, the government announced that it would provide \$1.3 billion in a capital commitment toward the project and, not even a year later, Northvolt was declared insolvent. This was in September 2025, which ended this proposed gigafactory outside of Montreal.

Did the government know that this was an unstable company to begin with and, if so, why did it invest this money?

Benoit Tessier: The government did a due diligence and risk assessment on the company, for sure. For that reason, it had some very specific mitigation measures in place. Among other things, we did not—

● (1140)

Ellis Ross: Excuse me. Before I lose a note, there was a mitigation assessment done. Were there any red flags to show that this might not be a good investment? Given that the assessment was done, was there anything there?

Benoit Tessier: It was a few years ago. At the time, the sector was booming. That particular company was still successful and was hoping to establish in North America, and Canada was competing with other jurisdictions—

Ellis Ross: Did the government look at this in terms of a healthy company? They were speculating that this would be a good economy, a good market and a good company, as opposed to looking at the financial stability or the viability of the company itself. Is it safe to say that?

Benoit Tessier: It's safe to say that the unfolding of events after the fact, if you rewind the history of—

Ellis Ross: I get all that. I'm just talking about the viability of the company itself. There was an assessment done that didn't talk about emerging markets or what's possible. Anybody can do that. We're really talking about the financial health and the viability of the company itself. The assessment didn't raise any flags in that respect.

Benoit Tessier: That's what I'm trying to say. At the time of that negotiation, which was before all this happened with the company, there was certainly some risk, as with any deal or investment. However, it was deemed mitigated in order for us to make an offer.

I will repeat the fact that we never signed an agreement with that company, and that's as a result of what happened after, in terms of the financial stability of Northvolt.

Ellis Ross: Thank you.

In that same context, what was your role in the deal between the federal government and the \$5-billion Stellantis-LG joint venture plant in Windsor?

Benoit Tessier: It was similar.

Ellis Ross: It was very similar, in terms of.... Could you repeat your specific role in that?

Benoit Tessier: Like I said, my team and I are supporting the policy assessment of the automotive sector, including the battery sector.

Ellis Ross: Okay.

Given that the government promised to pay Stellantis up to \$529 million, \$268 million of which has already been paid out, what protections did you negotiate into this agreement? Even if it was just policy advisement, what protections were there?

Benoit Tessier: I'm not in a position to answer that question, unfortunately, at the moment. There's a lot of commercially sensitive information in an agreement between the government and a company like this, and I certainly don't have it in front of me at the moment.

Ellis Ross: To your recollection, did you advise any policies in terms of protecting this \$5-billion commitment?

Benoit Tessier: Absolutely. There's always some protection negotiated with companies like this.

I will remind the member that this was in 2022, if I recall, so it's a number of years ago.

Ellis Ross: However, there was some policy to—

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

We will now turn to Mr. Grant for five minutes.

Wade Grant (Vancouver Quadra, Lib.): Thank you, Madam Chair.

Thank you to the witnesses. It's always great when an Olympic medal-winning person is in the witness chair. I follow my Olympic history, and I was watching, Ms. van der Kamp.

Mr. Cauchi, transportation remains one of the largest sources of greenhouse gas emissions in Canada. It is also a major driver of local air pollution in our communities. As outlined in the government's automotive strategy, we are moving away from prescriptive sales mandates and instead strengthening greenhouse gas emissions standards, which were described by the department as some of the strongest tools we have right now to support emissions reductions while giving industry flexibility. These standards are designed not only to reduce emissions but also to cut the pollution that is breathed in every day by Canadians, especially children, seniors, and people who live near busy roads.

From ECCC's perspective, why is the light-duty vehicle sector such a critical focus for emissions reduction, and how do strengthened vehicle GHG standards contribute to both climate goals and improving air quality and public health across Canada?

Mark Cauchi: I think it's fair to say, and the facts are pretty clear on this, that transportation is the second-highest emitting sector in Canada, so it is clear that we are not going to achieve our climate goals unless we do address emissions from the transportation sector. Light-duty vehicles are a major contributor to those overall sector emissions.

Net zero by 2050 is, obviously, the end goal here. While we also have interim targets along the way, we appreciate that there needs to be some flexibility and consideration given to the economic health of our manufacturing and import vehicle sector. We are trying to take that into consideration as we develop regulations.

You mentioned air pollution. I addressed that before. There are major gains with respect to air pollution associated with these regulations; that's on top of existing air pollution controls for vehicles.

Increased EV deployment in Canada will help to further decrease harmful air pollution for Canadians.

We will be seeing benefits and not just social and health benefits. We also see very important benefits for consumers. We know that an EV, for example, is about 40% to 50% less costly in terms of maintenance and operations than an ICE vehicle is. While upfront costs may be higher, over the life cycle or the lifespan of a vehicle, total ownership costs will be lower for consumers, so there is an economic gain, as well, for consumers.

Then, of course, we see really strong growth in the EV market globally. If Canada is going to be a major player in the global auto sector, it will need to be part of that global transition. We have a lot of confidence in our ability to innovate and to make the cars that the world wants, and we think this policy is also complementary to those innovation and competitiveness objectives.

• (1145)

Wade Grant: Mr. Cauchi, we've often heard the term "range anxiety". Opponents often argue that electric vehicles are impractical outside of major urban centres, despite growing evidence to the contrary. What data or analysis does ECCC rely on to assess the real-world viability of electric vehicles across different regions, including northern and colder climates, and long-distance travel corridors in our country?

Mark Cauchi: Certainly, when you look globally at countries that have the highest EV adoption, you see that those countries are actually Nordic countries. We see countries such as Norway, Denmark, Sweden, Iceland and even the U.K. with very high adoption of EVs. We think this does show that northern climates are not necessarily an impediment to EV sales but quite the contrary.

We also see that the average Canadian does not drive more than 40 kilometres to and from their house in a day. While we do appreciate that range anxiety is a major barrier to increased EV uptake, statistics show that as more and more models come to market with greater range and as Canadians become more familiar with EVs, those range anxieties will, hopefully, decrease over time.

The Chair: Thank you very much.

We will now turn to Monsieur Simard for two and a half minutes, please.

[Translation]

Mario Simard: Thank you very much, Mr. Chair.

I'm sorry, Mr. Cauchi, I didn't give you a chance to respond earlier. We'll make up for that.

I'll try to be clearer.

I really liked your exchange with my colleague. You made it clear that if we don't address the issue of transportation, we won't be able to meet our greenhouse gas reduction targets.

When the standard was in place, we had projections regarding the greenhouse gas reduction target to be achieved. I assume projections were also made for the scenario where the standard would be abolished. I believe that with the standard, this implied a reduction of 362 megatonnes. Without the standard, I assume you have projections.

Would it be possible for you to provide the committee with a brief comparative table? Can you explain how the government's new policy will effectively reduce greenhouse gas emissions?

I'll stop there to give you time to respond.

• (1150)

Mark Cauchi: It must be acknowledged that there was some overlap between the programs. There were two regulations for light-duty vehicles: the standard on the availability of electric vehicles and the greenhouse gas performance standards. We've consolidated these two regulations into a single one to eliminate the duplication. That's important.

Our modelling indicated that the approach announced by the Prime Minister would make it possible to achieve more than 300 million megatonnes in cumulative reductions by 2050. That's also important. We need to set out the details of this modelling in the Canada Gazette in the coming months.

Mario Simard: Okay, thank you.

I know I don't have much speaking time left, but I have a quick request. I'd like you to provide us with written data on vehicle availability, depending on whether the standard is in place or not. I think it would be useful for the committee to have that data.

Thank you.

Mark Cauchi: Thank you very much.

[English]

The Chair: I will now turn to Mr. Bexte for five minutes, please.

David Bexte (Bow River, CPC): Welcome, witnesses. Thank you very much for your attendance today.

Good day, colleagues.

I would like to get some understanding about the decrease in zero-emission vehicle sales this year and what drove that. Perhaps Mr. Cauchi could answer that.

From 2025 to 2026, there was a 39% reduction in EV sales. What is the mechanism—

Mark Cauchi: We could certainly talk about what we think is happening. Obviously, no one has the full answer.

Certainly, the data did show a decline in sales. We were at about 15% in 2024. We went to about 10.5% in 2025. I heard that Stats Canada has just released the numbers for the first quarter of 2026 and they're up significantly, not surprisingly. I think the price of gasoline is obviously going to have that impact.

We are seeing, as well, the effect of the rebate program. We certainly saw that—

David Bexte: Was it the expiry and the uncertainty of all the programs?

Mark Cauchi: We certainly did see an impact from the expiry of the rebate program. We also—

David Bexte: Thank you. Maybe I'll pivot here a little.

I wonder if there are some market saturation forces in effect here. It's the demand uptake coupled with uncertainty of government policy and the geopolitical circumstance. We just haven't adapted anything well enough.

Beyond that, if we have the aspiration to be a major exporter of EVs, how does this square with the fact that, irrespective of what our aspirations might be in Asia or Europe, our major customer is the United States and the demand there for imported EVs is not going to materialize?

Mark Cauchi: It's important to recognize that there's an ebb and flow of what we see in supply and demand. I take your point, but we're not going to see a static situation. I think that while policy signals south of the border are what they are, we're quite alive to the potential for that to shift.

We're also seeing, of course, the government's interest in trade diversification pretty clearly, including with the European Union. Certainly, automakers are more and more interested in competing globally.

David Bexte: I know there's an interest there, but it's just not going to change the fact that the United States is geographically adjacent and is always going to be the major opportunity.

Let's pivot here to infrastructure and grid.

We're starting to see from the testimony and the questions that there's kind of a paradoxical mismatch in supply and demand, where the infrastructure is, where the demand is and where the gaps are. Charging infrastructure depends on grid expansion, its transmission and distribution in rural long-distance travel, but the congestion is in the urban interface.

It's stated that it costs \$1,500 for a level 2 private charger. Where's the infrastructure money going to come from to fix that, especially with AI demand and new demands on the grid? We don't have the grid capacity to transmit. We don't have the capacity to distribute, and we don't have the capacity to generate.

• (1155)

Anna van der Kamp: Maybe I'll take that last question.

Studies are being done currently about the grid demands for charging. All of the utilities across the country are planning for this, certainly, and the federal government is looking very closely at the electricity system to discuss that.

I would note that with the opportunity to manage demand for charging across the country in the future, this is actually going to be a lot less of a problem than we think. Studies are coming out now to say that if we can control charging and have it, for example, when there aren't peaks overnight, then we're actually not going to create a lot of new demand.

David Bexte: Okay. Let's go to the cost to actually install the equipment in homes.

It's \$1,500 for a private charger. That's just the charger, but not the panel upgrade from a 60-amp, 100-amp, 200-amp service in a home, let alone the new transformers in all the neighbourhoods all over the place. What is the cost of that going to be?

Anna van der Kamp: The \$1,500 is the installed cost. Generally, if there is an additional requirement on your panel, that will be a small additional cost, but the cost savings eventually will outweigh that.

David Bexte: A panel upgrade is a huge expense.

Anna van der Kamp: It can be, but again I want to note that with demand management, folks are looking for an opportunity to stay within the panel cost.

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

[Translation]

I now turn to Mr. St-Pierre, who has the floor for five minutes.

Eric St-Pierre (Honoré-Mercier, Lib.): Thank you, Madam Chair.

I thank the witnesses for being here.

Mr. Cauchi, when the automotive strategy was unveiled in February, there was a lot of support from environmental groups. Clean Energy Canada, Electric Mobility Canada, and the Pembina Institute come to mind, among others.

Why do you think environmental groups support the automotive strategy?

Mark Cauchi: In my opinion, they recognize the importance of balancing two priorities: protecting our automotive sector and continuing to make progress on reducing greenhouse gas emissions. I believe that's the main reason.

[English]

Obviously, environmental groups recognize the importance of electric vehicles to the transition and to Canada's net-zero goals. I think they saw a nice balance in the government's approach. They saw a technology-neutral, flexible regulation, with a reduction in the red tape associated with having two regulations in place rather than one, and at the same time clear targets for EV deployment and a grams-per-mile approach that would not only incentivize EVs but also reduce greenhouse gases from internal combustion vehicles as well as hybrids.

I think recognizing that a sales mandate focusing solely on battery electric vehicles would not necessarily drive the same reductions from other parts of the fleet is an environment win. I think the environmental community broadly recognizes the moment we're in and the importance of that approach.

[Translation]

Eric St-Pierre: Thank you.

[English]

Can you produce some of these media releases or anything that shows that environmental groups were in support?

Mark Cauchi: We can provide a list to the committee. We'd be happy to do that.

[Translation]

Eric St-Pierre: The Premier of Ontario, as well as several industry representatives in Ontario and across Canada, were also very supportive of the announcement.

In your view, why were many Canadians and stakeholders in favour of what was announced?

Mark Cauchi: There was a lot of criticism regarding the fact that two regulations existed. I think the Premier of Ontario was clear about his position on this matter.

• (1200)

[English]

I think it was very clear that there was a preference in some provincial capitals, and notably in Ontario, for a streamlined regulatory approach that would reduce the administrative burden on industry and support competitiveness. Certainly, that was pretty clear from the Premier of Ontario.

We do see, though, that other provinces, including Quebec and B.C., have obviously maintained their approach to sales mandates. I guess that fits nicely with what the federal government is doing. We did hear some concerns that the previous regulation was duplicating provincial ones, and that is no longer the case. There is some complementarity with what is happening at the provincial level.

Eric St-Pierre: That's perfect. Thanks.

If you could also provide media articles or anything that shows there was other sector support for the strategy, that would be appreciated.

[Translation]

Mr. Tessier, I have one minute left, and I'd like to ask a question about the \$1.5 billion investment from the Canada Infrastructure Bank.

Could you provide a bit more detail on that? Where exactly are we in the timeline? I'd also like a little more information on when the loan roll-out will begin. Could you quickly tell us where things stand regarding loans for charging stations? This is truly good news for Canadians.

Benoit Tessier: Since this falls under my colleague's purview, I'll let her answer your question.

Eric St-Pierre: All right.

So my question is for you, Ms. Van der Kamp.

[English]

Anna van der Kamp: Yes, the investment of the \$1.5 billion from the Canada Infrastructure Bank is already in play. They are already committing their funds. They've already committed \$630 million to charging across the country. If I understand the question, that is an active file for sure right now. There is a focus at the Canada Infrastructure Bank's program on fast public charging and revenue generating, so they're really trying to bring in private investment.

The Chair: Thank you very much.

As we have witnesses for a full two hours, I'm going to suspend for a few minutes for a quick health break, and then we will resume.

Thank you.

• (1200) _____ (Pause) _____

• (1205)

The Chair: We are going to get started again.

We are going to start on round two with Mr. Leslie for six minutes, please.

• (1210)

Branden Leslie: Thank you, Madam Chair.

The government says, "a larger percentage of EVs will be required by all companies to meet the standard over time." That's from the backgrounder as part of the news release of the new plan. To me, that sounds like the same old Liberal EV mandate plan with a new coat of paint.

What is that percentage?

Mark Cauchi: The government has been clear on the targets that it wants to achieve, the target of 75% of EV sales by 2035 and, I think, an aspirational target of 90% by 2040. Of course, that's consistent with a long-term trajectory getting to net zero—

Branden Leslie: Is the 75% based on today's market? Is that a best-case scenario? Is that just a random number picked?

Mark Cauchi: That comes from a decision made based on a variety of variables informing decision-making.

Branden Leslie: You've done modelling to suggest that, based on the current trajectory and the subsidies as planned for the next.... I'm unclear if it's a four- or five-year plan that's been outlined here. Is that what we can expect to get to?

Mark Cauchi: There are a variety of things in play here. You mentioned the subsidies. The rebate is definitely factored in. We're definitely seeing in that the technical feasibility piece, supply and demand issues—

Branden Leslie: You're confident that this is what's going to happen. We're going to get 75% adoption. Is that going to happen?

Mark Cauchi: That is the target the government has announced.

Branden Leslie: I mentioned modelling, and you alluded to it previously regarding GHG emissions reductions modelling. I'm hoping you can table with the committee the modelling that was done under the previous electrical availability standards, the mandate and the modelling that has been done under the new plan, side by side, so we can see the difference on a year-by-year basis as to how many emissions will be reduced for both plans.

Can you do that?

Mark Cauchi: The government is going to be publishing in the Canada Gazette that modelling with the proposed regulation. That modelling will be dependent on the parameters that are set in the regulations.

Branden Leslie: Will that include the modelling that was done for the previous...? Will it be side by side?

Mark Cauchi: It will be a comparison of previous modelling and new modelling.

Branden Leslie: When is that going to happen? Is that typical for the gazetting process?

Mark Cauchi: Yes, that is part of the RIAS, the regulatory impact analysis statement, that is a requirement of any federal regulation that goes before the Governor in Council. It is going to include and has included the cost benefit associated with any regulation. That will be the case in this case. We do intend to publish later this year in the Gazette.

Branden Leslie: There's been a lot of talk about air pollution and deaths in some Health Canada reports. Will you be tabling modelling on the number of deaths that could be prevented under the previous electric vehicle availability standard and the new model?

Mark Cauchi: That's maybe a question more for Health Canada, but we'll definitely communicate that to Health Canada.

Branden Leslie: Could you contact them and have them provide whatever is possible?

You mentioned the RIAS. How much does the department expect the new tailpipe regulations under this new plan to raise the price of new vehicles in Canada?

Mark Cauchi: One of the criticisms that we saw of the previous approach was the impact on vehicle prices, and certainly that was a major issue raised during the EVAS review. We did, as you know, a national review. We will see, and Canadians are experiencing this now, vehicle prices increasing because of tariffs, etc. It's not just EVs.

Branden Leslie: I understand. What do you expect prices to go up by based on this policy alone?

Mark Cauchi: That will be published in the Canada Gazette as well.

Branden Leslie: Do you know that right now?

Mark Cauchi: We are dependent on parameters. I'm not in a position to give you, for example, interim stringency values, numeric values, so that would determine what the—

Branden Leslie: When the announcement was made, there was no understanding of what the impact would be on prices?

Mark Cauchi: No, that's not true. We know that there would be a reduction in costs associated with this policy, and certainly the auto sector has provided information to that effect.

Branden Leslie: You knew there would be an increase in prices? That was known, just not by how much?

Mark Cauchi: The auto sector has been fairly clear, I think, even in the media about the costs associated with the previous regulation. It sought the approach the government has announced to reduce costs. I believe they did table some anticipated costs associated with the EVAS, and we've definitely taken that under advisement.

Branden Leslie: Okay.

Right now, how many Canadian EVs are on the market that can take advantage of the full rebate as of today?

• (1215)

Mark Cauchi: That's probably a question for our colleagues at Transport Canada who manage the rebate program.

Branden Leslie: Sure. Can you get back to us on that?

Mark Cauchi: Yes.

Branden Leslie: I noticed that the rebates are declining. They start at \$5,000, and by 2030, they're down to \$2,000. Why is the sliding scale of cuts happening on the rebate side?

Mark Cauchi: Again, I think that's probably a question for our colleagues at Transport Canada who manage that program. However, I think we can say that price parity is an important factor here as well, and as we see EV prices gradually come down over time, and there's some evidence to show they are coming down already—

Branden Leslie: Is it rock solid evidence? We don't know that.

Mark Cauchi: Whether the rebates are needed at certain levels is something that they can probably address for you.

Branden Leslie: Has the department done any estimates on the average household income of people who are expected to receive this rebate over the next four years?

Mark Cauchi: That kind of distribution analysis on their rebate would be something you need to talk to Transport Canada about. Unfortunately they're not here.

Branden Leslie: Okay. I think we should have another meeting, because I have many other questions in this space regarding what the impact is going to be in terms of who's going to get these rebates. At the end of the day, unless price points go down, unless we bring in a whole bunch of cheap Chinese EVs, most people who are going to buy these vehicles are going to already be able to buy them.

The Chair: Thank you, Mr. Leslie.

I will now turn to Mr. Greaves for six minutes, please.

Will Greaves: Thank you, Madam Chair, and thank you to our witnesses for sticking around.

I'm going to pick up exactly where my colleague left off.

As we're aware, the Prime Minister and the government have recently negotiated tariff relief with China, which allows for a certain number of Chinese-made EVs to enter the Canadian market. I'd just like to give you the opportunity to elaborate on the details of that, specifically with the focus on making lower-cost EVs available to Canadians.

Monsieur Tessier, can you speak to how many there will be and what the anticipated price point of those new EVs in the Canadian market will be?

Benoit Tessier: Obviously, the partnership agreement with China is the responsibility of Global Affairs. I can summarize essentially what was published in terms of this negotiation, but as you point out, the 49,000 quota that was accorded to China was accompanied by a low-price EV reserve. It's expected that within the next five years, 50% of those EVs coming from that country will be below \$35,000.

Will Greaves: As 50% of the EVs have been permitted under the recent agreement, do you have any reason to think there might be more EVs made available in the future, which would increase the availability of lower-cost EVs for Canadians?

Benoit Tessier: Absolutely, I think that, naturally, EVs have been going down.... With the price of the batteries and technological improvements, all of this made EVs cheaper across the globe, including in Canada, and they continue to go down. Absolutely, that will also continue for the next five years, for sure.

Will Greaves: Okay. Thank you.

We heard today and in previous meetings concerns from our colleagues about affordability, about whether or not EVs are essentially a luxury good that won't be available to everyday Canadians, to middle-class families. We know this isn't true. We know that much of the rest of the world is already transitioning towards EVs. We know that more than half of the vehicles sold in the world last year were electric vehicles, so we know that incorrect information has been circulating around this issue.

I'm wondering whether any of you could speak to what the government might be able to do to communicate this information more clearly to Canadians about the savings associated with transitioning towards EVs. Is there a strategy in place to communicate how much the annual household savings might be, as we previously discussed, Ms. van der Kamp, or the increasing affordability of the EVs entering the Canadian market? Can we get this information to Canadians to help dispel some of the half-truths that are out there?

Anna van der Kamp: Maybe I could take that question, as I am responsible for education and awareness for EVs.

The federal government certainly has a ZEV hub in which we are publishing this information, but I would also say, very importantly, that we are supporting organizations across the country that are the trusted sources for Canadians on this matter and are, actually, on the ground. We have funded many projects, over 100, across the country on education and awareness with respect to EVs, for a variety of different topics and decision-makers. We're definitely doing that already.

As part of the national charging infrastructure strategy, one of the main pillars of that is going to be education of Canadians, businesses and workers.

• (1220)

Will Greaves: Thank you for that. It's great to hear that this is something that falls under your responsibilities at NRCan.

Would that information and communication campaign also include some of the information you shared earlier, in terms of the availability of charging stations, making people aware that, in most instances, they actually live in communities that are served by this kind of infrastructure? Similarly, that would be information useful for Canadians to have access to.

Anna van der Kamp: We certainly do want to make that more apparent to Canadians. We have a national charging locator map already, which is public for Canadians. It has every public charger available in Canada there for folks to see. Also, there are several other companies that provide that information.

Will Greaves: Okay. Thank you.

I'll go back to Monsieur Tessier.

The question around what failing to transition towards a cleaner economy and a cleaner industrial sector means for Canada's international competitiveness is a large one that touches on many different issues. However, it's certainly relevant here as well.

We've heard suggestions that Canada shouldn't or cannot get out of alignment with the United States. However, given the current circumstances in the United States, I would hope that it's an aberration that the U.S. government is not currently supportive of this transition and that it's going to be a very difficult position for the United States to maintain going into the future.

Can you speak briefly about what the risks to Canada are of not transitioning our own economy towards cleaner energy and lower emissions at a time when that is what the overwhelming majority of the rest of the world is attempting to do?

Benoit Tessier: Yes, absolutely.

I think I'll focus my answer on the economic perspective because that's the mandate of the department I work in.

Essentially, you're quite right to point to the fact that, despite the fact that the Americans or the American administration have passed some policies that are limiting the transition to electric and the EV sector, the rest of the world is clearly going in the opposite direction. It's certainly true in Europe. They're growing the number of

EVs that they're selling in Europe, and it's true in other markets as well.

The Chair: Thank you very much.

[Translation]

Mr. Simard, you now have the floor for six minutes.

Mario Simard: Thank you very much, Madam Chair.

Mr. Cauchi, I'd like to follow up on the request I made earlier and perhaps clarify the context a bit.

Under the old standard, under Minister Guilbeault, the target was 100% electric vehicles by 2035. Under the new standard, it's 75% electric vehicles by 2035. I'd like your department to tell us: What was the projected reduction in greenhouse gas emissions under the old standard? You could even include the health impacts in your response. Then, what is the reduction in GHG emissions under the new standard targeting 75% electric vehicles by 2035, and what are the health impacts?

Are you able to provide that to the committee?

Mark Cauchi: Thank you for the question.

I don't think it's available right now. It's being finalized, developed or modelled, if you will, to be published in the Canada Gazette in the next—

Mario Simard: Okay.

In your opening remarks here in November, you highlighted the successes in Norway of the standard that promotes the use of more electric vehicles. I'm wondering what prompted the shift from 100%, which was Mr. Guilbeault's previous standard, to 75%. What's the reason behind that?

Mark Cauchi: Several factors were considered after the national assessment of the electric vehicle availability standard.

First, pricing was an issue. That was a very important factor. In addition, at that time, vehicle price parity was another consideration. There was a reassessment of standards and mandates not only at the federal level, but also at the provincial level—such as in Quebec or British Columbia—which resulted in reductions in emissions.

• (1225)

Mario Simard: So that's essentially what we were saying at the beginning: In the end, the standards were changed because it was necessary to support the automotive sector in a difficult context. It's merely a rhetorical question.

Mark Cauchi: It was a very important factor. At the time, following the imposition of the tariffs, there was an overall increase in vehicle prices for consumers, not just for electric vehicles. The price of all vehicles was affected, not only electric vehicles. This posed a significant challenge, not only for automakers, but also for consumers.

Mario Simard: Thank you.

Ms. van der Kamp, I'd like to come back to the zero emission vehicle infrastructure program, or ZEVIP.

However, I have something I'd like to share with my Conservative colleagues first. Earlier, a Conservative colleague told you that changing an electrical panel is very expensive when you want to install a charging station. Technology is evolving very quickly. I paid \$45 for a little gadget, and a friend who's an electrician came over to hook it up at our house. When my dryer is running, my car doesn't charge, and when the dryer isn't running, my car charges. I don't even have to manage it. It cost \$45 and dinner for my friend. So it's quite affordable, and I could refer you to my friend if you'd like.

Now let's go back to ZEVIP.

Is there currently still funding in this program? I ask because I would like to see the alignment between the ZEVIP program that existed at the Department of Natural Resources and the announcement that the Prime Minister made about the \$1.5 billion and additional \$1 billion that would be managed by the Canada Infrastructure Bank.

From what I've read, it seems that the Canada Infrastructure Bank would be willing to provide funding for projects costing at least \$20 million. Does that mean that projects under \$20 million won't be eligible for funding through the Canada Infrastructure Bank? Will those projects still go through ZEVIP? Will ZEVIP be bailed out by the government?

I'd appreciate it if you could shed some light on this.

Anna van der Kamp: Thank you for the question.

[English]

Yes, the CIB, so far, is funding very large projects.

We have a memorandum of understanding between our program and their program to talk about projects that are of interest to both organizations. So far, we have funded those that are less than \$20 million. We are talking.

I can say that the zero emission vehicle infrastructure program has funding that we are still giving out until the end of this fiscal year.

[Translation]

Mario Simard: So it's until the end of this year.

Anna van der Kamp: Yes.

Mario Simard: However, going forward, do you know if the projects will be referred to the Canada Infrastructure Bank or if ZEVIP will still exist?

[English]

Anna van der Kamp: It is a question right now as to the funding for that program going forward. There is no commitment right now.

The Infrastructure Bank's funding really is focused on those that are appropriate for concessional financing. That is of a certain type. Our program has a different focus. I can say right now that the na-

tional charging infrastructure strategy is looking at the tools that are available.

I would also note that there are a few other tools that we have, like the clean fuel regulations. As a compliance to the clean fuel regulations, companies could generate funds for investments in charging.

[Translation]

Mario Simard: Thank you.

The Chair: Thank you very much.

[English]

I will now pass it over to Mr. Ross for five minutes, please.

Ellis Ross: It always jumps out at me that it's always urbanites telling everybody in rural Canada that it's okay and suitable for rural Canada to use EVs, but that's not what my constituents tell me. It's not really practical, or affordable for that matter. It's not even safe in some cases. We have to drive long distances just to get services. On the 40-kilometre rule in terms of range anxiety, I agree, but not when you have to drive 1,000 kilometres where there are no charging stations. It's not practical.

Mr. Cauchi, you've answered this already with some of my colleagues' questions. What about Canadians in rural, remote and northern communities, like those in my riding of Skeena—Bulkley Valley, who don't have the option of switching to an EV? How does this new auto strategy ensure the affordability and availability of internal combustion engines for people in regions such as mine, who don't have practical access to EVs?

• (1230)

Mark Cauchi: I am happy to give a reply to your question.

The current approach will allow internal combustion engine vehicles and conventional hybrids to still be sold, albeit it's expected they'll be sold in lesser amounts, but they will be available for purchase.

Oftentimes, we see a fixation in some communities about the assumption that only battery electric vehicles will be the future. That is not the case. The regulation will allow for plug-in hybrid electric vehicles, for example, to be used. These are dual-engine vehicles that would allow rural Canadians to use their gas engine when they need to, for long distances.

Ellis Ross: In the case of my constituents in rural Canada, we're concerned about the price of combustion vehicles, where the price of the combustion vehicles is pushed so high that my constituents have no choice but to buy a second-hand combustion vehicle. We still have that market.

The range anxiety is real. To visit one of my communities, I have to drive 1,000 kilometres into the Yukon and then drive back down into the community. I've heard of people who, for some reason, have had their battery give out. In the wintertime, in the north, with -30° and -40° weather on an isolated highway, this becomes a safety risk. It is not just the affordability.

How can I go back and tell my constituents that they'll be okay in terms of affordability, availability and safety, when we're talking about this new vehicle policy coming out of the federal government?

Mark Cauchi: I think it's pretty clear right now that ICE vehicles are roughly 70% of sales in Canada today. We see increasing numbers of conventional hybrid vehicles. I think 17% is the latest number. There is a very high uptake of conventional hybrids. We also see plug-in hybrids. Those vehicles will be in place.

To speculate what the vehicle market will look like in 2045 when we know the rest of the world is moving to EVs, we'll probably see a lot more EVs that will be long-range—

Ellis Ross: Well, 2045 is way beyond.... My issue is affordability, safety and availability. That was my question.

Madam Chair, I'd like to turn my remaining time over to my colleague.

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

I'd like to pick up where he left off, because the dynamics of my riding in Newfoundland and Labrador are extremely similar to what he's describing, but more with respect to the charging infrastructure.

You talked about 50 to 60 kilometres as being the average that a rural resident would drive, but that's way below what we see my constituents driving in the northern parts of my riding.

How does this policy address the people who travel outside of those average distances, in terms of charging infrastructure?

Anna van der Kamp: I thought I said 60 to 70 kilometres, but in your riding that may be low.

It's a combination of the ranges getting better all the time and the fact that public charging is getting better on these long distances. In your area of the woods, right now you can go from Corner Brook to St. John's with fairly good service across. You can even get up to Gros Morne, but after that, it's getting tricky.

Carol Anstey: That's exactly the area of my riding that I consistently go back to. That's where I get a lot of feedback.

To pick up on something else, there's a lot of talk around plug-in hybrids as the great option for people who are living in rural and remote areas. Why then did you only offer a \$2,500 rebate for plug-in hybrids, as opposed to the \$5,000 that is offered for EVs?

The Chair: Make it a quick answer, please.

Mark Cauchi: I think that's for Transport Canada. It's not concerning the EVAS program, I think, is fair to say.

The Chair: Okay, excellent. Thank you very much.

I'll now turn to Mr. St-Pierre for five minutes.

Eric St-Pierre: Thank you. I'll pick up on that.

Ms. Anstey, your constituents must be really excited, or as my colleague François would say, there's really good news for your constituents because the \$1.5-billion Canada Infrastructure Bank loan program will actually help a lot of folks living in remote regions. For example, my mom was in town recently. She lives in

northern Ontario. It's about a seven-hour drive from Ottawa. I go there two or three times a year with my electric vehicle, which I'm able to charge along the way. I do it when it's -30°.

[Translation]

As my colleague knows, there are a lot of electric cars in Estrie, Lanaudière, the Laurentians and just about everywhere in Quebec.

Then I would say to Ms. van der Kamp that it's really about affordability.

● (1235)

[English]

We're saving money. As an EV owner, every year I'm paying money to Hydro-Québec, and this saves me a lot of money on that. It's an affordability measure.

Mr. Cauchi, I'll ask you a question about the emissions standard, which has replaced EVAS.

Can you explain to this committee why this new emissions standard will reduce emissions in the transportation sector? Maybe you could give us a quick overview of the greenhouse gas emissions from the transportation sector and how this new standard will help address that important part of our climate agenda.

Also, I'd like you to elaborate on the figures of expanding EV sales by 75% by 2035 and 90% by 2040.

Mark Cauchi: Sure, I'd be happy to expand on some of our thinking.

The existing greenhouse gas performance standards for light-duty vehicles, as mentioned, have been in place for some time. These are performance-based standards and technology neutral, so they're based on OEMs bringing to market increasingly more efficient vehicles, including electric vehicles, conventional hybrids, plug-in hybrids, more efficient ICE vehicles, etc.

The basis of that regulation is essentially a sales-weighted fleet average. Each company will have the ability to manage its own average.

There are a number of flexibilities in that regulation, including the ability to buy, sell and to bank compliance credits moving forward. Historically, there have been some other compliance credits, including for off-cycle issues, to allow greater flexibility for innovative technologies. We're in the process of exploring what the Canadian sovereign regulation will contain. We're not ready to divulge that, but certainly it will be published in the Canada Gazette in the coming months and will show Canadians exactly what the government is thinking in terms of the structure of the regulation.

Suffice it to say, we've seen improvements in vehicle efficiency and emissions from individual vehicles in a substantial way since the government first published these regulations in 2011. We see about a 53% improvement in cars and about a 38% improvement in light truck performance as a result of these regulations, and as we double the stringency moving forward, we'll see even greater improvements and lower greenhouse gas emissions.

Eric St-Pierre: Great. Thank you very much.

Ms. van der Kamp, you mentioned earlier the \$2.3-billion EV subsidy program. Can you quickly elaborate on how many Canadians will benefit from this program? How many Canadians do you anticipate will be able to purchase a new EV? Also, can you share some details on whether Canadians have already started to benefit from this program?

Anna van der Kamp: I can definitely speak to the programs that support chargers. The \$1.5 billion from the Canada Infrastructure Bank is going to get, I understand from their officials, probably about 10,000 public chargers. Just to be clear, those are public, mostly fast, chargers. The zero emission vehicle infrastructure program has supported about 54,000 chargers, and those are for the most part for level 2. Almost half of those are for multi-unit residential buildings, enabling 30,000 Canadians with more direct charging. We also support public charging, level 2 and level 3, and many Canadians are going to benefit from those chargers being in convenient places.

Is that helpful?

Eric St-Pierre: Yes. Thank you.

Am I out of time?

The Chair: Yes. Thank you, Mr. St-Pierre.

[Translation]

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

Mario Simard: Thank you very much.

I can't help but debunk some myths, Madam Chair. I live 650 kilometres from here, in Saguenay—Lac-Saint-Jean. I'm able to cover that distance in an electric vehicle. When I'm lucky, it takes 10 minutes to recharge. I have an assistant with a small bladder who slows me down more than the electric vehicle, because she has to stop every 300 kilometres to use the restroom. I think that if we could solve the problem of people with small bladders who have to stop frequently to use the restroom, we'd be more efficient for those who have to make long road trips, but well, that's another story. However, let's say that technology is advancing very quickly and that there's no obstacle for someone who lives 650 kilometres

away: You can reach your destination in an electric vehicle. It works very well. Fast charging doesn't waste our time.

The problem that persists for many Quebecers and Canadians is access to reasonably priced vehicles. Canada is lagging behind in this regard. I don't understand why it's possible to find vehicles priced under \$40,000 in Europe, but not in Canada.

If manufacturers aren't required to go 100% electric by 2035, I think they'll have less incentive to offer low-cost vehicles. Is access to low-cost vehicles something that's been considered in your strategy?

● (1240)

Mark Cauchi: Yes, of course, we took all these factors into account. It was really important to recognize the importance of the import sector, such as European vehicles or Asian vehicles from South Korea. Of course, there was the Prime Minister's announcement about EVs from China. That's part of our analysis. We hope to see a market in the future based on vehicles that are cheaper and more profitable for automakers.

Mario Simard: Mr. Cauchi, when you appeared here before the committee—at the time when the Prime Minister set aside the 100% target by 2035—you said that consultations would be held. Have those consultations been completed? Can you make the findings of those consultations public?

Mark Cauchi: Yes, the consultations announced by the Prime Minister last September were conducted over a 60-day period. They focused on the EV availability standard. We received 35,000 submissions from Canadian stakeholders and interested parties.

The Chair: Thank you very much for that answer.

We have to move on now.

[English]

Now we have Mr. Bexte for five minutes.

David Bexte: I have five minutes. Thank you very much, Madam Chair. I appreciate that. I was thinking I would have two and a half minutes, so I have all kinds of time to run down different rabbit holes.

Where do I begin? I think we're all susceptible to pursuing fallacies. The Scandinavia fallacy is that it's a northern climate. It's in the northern latitudes, but it's affected by the Gulf Stream. It's a very different climate.

What I want to look into a little bit more is the ring-fenced piece part cost that has been discussed. The car is cheap. It is under \$30,000. It is going to be great, but that's an analysis in isolation. As you scale that out to society-wide application and the interference with all of the other parts, such as the distribution, the generation, the road maintenance and all the other stuff, where's the analysis that's been done on that?

Ms. van der Kamp, could you comment on that, on charging infrastructure cost at scale? We're redoing whole cities to provide enough electricity to all the residential units, and we're generating and transmitting. Has that cost analysis been done?

Anna van der Kamp: I would say that some cost analysis has been done in the years past.

We're going to do a study on the national charge, an assessment over this next year of the new situation that we have from a regulatory perspective, on demand generated by programs, and take a look at the potential requirements for the grid. That assessment is being done, again, given the new understanding.

David Bexte: Is it currently under way now, or is it anticipated?

Anna van der Kamp: We're just starting the process right now.

David Bexte: When do you expect the report will be completed?

Anna van der Kamp: It's by the end of the year.

David Bexte: Will it be public?

Anna van der Kamp: Yes.

Mark Cauchi: Can I jump in?

Anna van der Kamp: Yes.

Mark Cauchi: When the government announced the electric vehicle availability standard in 2023, it did publish a forecast of the impact on the grid. I think the results were roughly a 9.5% increase in expected electricity demand by 2050. That assessment will obviously need to be updated.

As Anna mentioned earlier, most charging is happening overnight in households in Canada, when we have more surplus of power—

• (1245)

David Bexte: This illustrates my point exactly. I'd like to interrupt you right now—

Mark Cauchi: —in the evenings, so the—

David Bexte: This is my time, please.

Even though charging is happening at night, the capacity in the panel in the house, the transformer in the neighbourhood and the substation at the edge of the city all have to be there to run it all at once.

Has that incremental cost been anticipated in all of this?

Anna van der Kamp: I will take that question, if that's okay.

The considerations about the peak demand and what that might mean for generation capacity, etc., in each province by each utility are being undertaken for sure.

David Bexte: Does that include generation, distribution, transmission and residential upgrades?

Anna van der Kamp: Yes, absolutely.

David Bexte: I appreciate my colleague from the Bloc discussing.... If he could give me the contact information of the \$45 electrician to come and do a panel upgrade, I have all kinds of work for him to do if he's talking about work that costs me thousands of dollars right now at the farm, including parts, labour and transportation.

Anna van der Kamp: I will just say, though, that this idea of demand management is going to be critical for utilities for a bunch of different reasons, including rectification—

David Bexte: I agree.

Anna van der Kamp: In fact, vehicle-to-grid will eventually be a solution that might generate revenue for Canadians.

David Bexte: I'm familiar with the notion of smart metering and back-and-forth at-home batteries in the car. I get it, but we have not done the analysis of at-scale applications, and I fear that we're facing a fallacy that we're pursuing because we are looking at a ring-fenced, isolated cost case and just adding it all up and thinking it's going to be fantastic. We have no analysis of the interference with all of the other parts in the system in a true systems engineering approach.

Can anyone make some comments related to how provinces are going to adapt? Much of their current road maintenance funding comes from their excise taxes on gasoline and diesel fuel. Where's that going to come from in an electrical vehicle market? Do you anticipate that provinces are going to have to apply some taxation on electrical vehicles to pay for road maintenance?

Mark Cauchi: I think some are doing that now.

In Alberta, for example, we see that the Alberta government has brought in a tax on EVs—

David Bexte: Has that been included in any of the analysis so far?

Mark Cauchi: All of that is being looked at.

David Bexte: Can you provide those reports and make sure that anything current and anything that emerges is provided to the committee?

Mark Cauchi: I think it's fair to say....

I'm being told to stop, so I will defer to the chair.

David Bexte: Please provide it to the committee.

Thank you, Chair.

The Chair: Yes, that's perfect. Thank you, Mr. Bexte.

Go ahead, Mr. Fanjoy, for five minutes.

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

If you'd like to finish your thought, please do so.

Mark Cauchi: Thank you for that.

I'll just say that we're obviously going to be publishing in the Canada Gazette a full assessment of the regulation's cost-benefit analysis. At that time, some of the issues that are being discussed here will definitely be displayed for public consultation and discussion.

That analysis is ongoing, so I think it would be premature for us to table things before they're fully completed.

Bruce Fanjoy: Thank you.

Ms. van der Kamp, I wanted to ask you to elaborate on the point you brought up earlier about multiresidential buildings and the difficulties around having access to personal chargers there.

What are some of the options for solutions to that particular challenge?

Anna van der Kamp: Maybe I'll just start with respect to new buildings going in. There are several provinces that have looked at requiring EV charging. When we get to new buildings, we hope those will be built so that they're ready. Really, we have a big set of existing buildings in Canada, and there are a few things there. When you can do a retrofit to scale, then you actually have a lot of cost savings for the owner of a condo, for example.

I would also say that there are several programs in the provinces with the highest EV adoption—Quebec and B.C.—to support condos and apartment buildings with the costs of renovating, including also our program and the zero emission vehicle infrastructure program for that.

Finally, there's a really interesting new business model because, as I mentioned, the clean fuel regulations allow for some revenue generation. There is a Canadian company manufacturing here in Canada that is paying their customers three cents per kilowatt for their charging use because they are actually generating credits and passing that on to the consumer as savings, and they offer those chargers for free. There are new models and opportunities that are available to make this problem a little less daunting, but it certainly will be a big lift.

• (1250)

Bruce Fanjoy: I think that, as we've seen here today amongst my Conservative colleagues, there's great focus on the upfront cost of an electric vehicle. I agree with them that it would be nice to see more lower-cost options, but not enough attention is put on the total cost of ownership.

Mr. Greaves talked about \$2.15 per litre. Your assumptions were \$1.50 per litre. With electricity, in many jurisdictions across Canada overnight charging can be done at ultra-low rates that are roughly one-tenth of peak electricity rates. How do we get that message across to more Canadians?

Mark Cauchi: That's a really good question and a good point.

Certainly, we're living through high gas prices right now in the country. The situation in Ukraine previously had created some volatility in oil and gas prices globally. Those oil and gas prices are set globally, so despite our abundance of oil and gas in Canada, we are oftentimes a price taker.

What we see happening, though, in the clean energy space, whether because of EVs or clean electricity, is that many leading countries, industrialized countries, are trying to promote energy security through clean electrification. That is, obviously, not just good for climate change but it is an economic imperative, and it's certainly helpful in reducing prices for households.

I think the Climate Change Institute recently published an energy wallet study, which shows that purchasing an EV and electrifying a household can save families considerable amounts of money, not just during times that we're living through now, when we see volatility in the markets for oil and gas, but on a consistent basis over the long term. Clean energy solutions like EVs can certainly play a key role in energy security in Canada.

Bruce Fanjoy: I'll open this up to all of you. I'm not sure who might be the best person to answer it.

On the horizon, there is the potential to tap into electric vehicle batteries to add capacity to the grid and to provide backup power to homes, and this really transforms an electric vehicle. We often make the mistake of thinking that an electric vehicle is just powered differently from an ICE vehicle, when that is not the case at all. I want to know what the government is doing to advance vehicle-to-grid technology and options in Canada.

The Chair: Mr. Fanjoy, I'm sorry. You're out of time.

Perhaps you can give a 10-second reply.

Anna van der Kamp: Natural Resources Canada has programs supporting those types of projects across the country that are starting to look at those processes and abilities.

The Chair: Thank you.

We have a few minutes remaining. Resources can go until 1:10. If the committee would like to continue with a few more questions, we could do three minutes per party, or we could adjourn early. Is everyone amenable to doing three minutes per party, and then we'll finish?

Okay. That's wonderful.

We will go to Ms. Anstey for three minutes, please.

Oh, it's Mr. Leslie.

Branden Leslie: Ms. Anstey is not feeling as well as some of the days she's here.

I'd like to ask a rather specific question. Class 8 trucks are built mostly in the United States. If Canada goes out of alignment with American emissions rules, we risk fewer trucks in Canada, higher freight costs and higher prices for Canadians. Why is the government flirting with a policy disaster that will make it even harder and more expensive to move goods?

• (1255)

Mark Cauchi: In this particular case, the light-duty vehicle regulations will not address heavy-duty vehicles. Those are separate regulations. These regulations will only look at the light-duty fleet, light trucks. In some cases, they are obviously for cars and medium-duty vehicles but not heavy-duty trucks. The class 8s that you're referring to are under a separate policy.

Branden Leslie: Is the plan to never include them?

Mark Cauchi: We do have heavy-duty GHG regulations. They're separate from these regulations. Those have been in place since 2014. An announcement has not been made around their status, so they remain in place in Canada. We see compliance with those regulations from OEMs, and there was no additional attempt—

Branden Leslie: I have a different question.

Was there ever modelling done on how many EVs were anticipated to be sold in that experience that we had when there were no rebates in place at the federal level versus with rebates? What is the difference in sales expected to be?

Mark Cauchi: I think we would have to refer that to our colleagues at Transport Canada, as they are responsible for that.

Branden Leslie: That's a Transport Canada question. Okay.

I would like to go back to the question I asked earlier regarding the quote from the background document which says that a "larger percentage of EVs will be required by all companies to meet the standard over time."

My question is not what the aspirational target of 75% or 90% by 2040 is. What is that requirement? That indicates to me there is something in the agreement or something at least has been projected to the industry that there is a requirement of a certain percentage of EVs that have to be manufactured.

Mark Cauchi: This is not a sales mandate. It will be at grams per mile.

Branden Leslie: I didn't say sales mandate. I said manufacturing mandate.

Mark Cauchi: Manufacturing mandate....

Branden Leslie: The word "required" is clearly deliberate.

Mark Cauchi: Right now we're dealing with a pollution regulation, so it's a sales-weighted emissions regulation.

Branden Leslie: In the background, which is supposed to be, I assume, accurate for starters but detailed, why is the specific word "required" used? It is not hoped and dreamed that they might get built but it's "required" by all companies to meet the standard over time. There must be a clear plan of what that is. I'm curious, what is that percentage?

Mark Cauchi: The government has laid out the percentage of 75%. Its target is 75% EV sales.

Branden Leslie: That's a target, but this states very clearly "required". I asked about the mandated regulations and whether they've been repealed or not. They have not been, but I certainly hope they are. To me, this seems like a mandate by a different approach. The word "required" in the government document indicates that it's clear there is a plan to mandate from the manufacturer side, not the sale side necessarily, like the old plan, and that a certain percentage of vehicles be manufactured as EVs in Canada.

The Chair: Thank you, Mr. Leslie.

We will now move to Mr. Greaves for three minutes.

Will Greaves: Thank you, Madam Chair.

Before asking my question, I would like to set the record straight because the model of Norway has come up several times in our meeting today, and the reason for that, of course, is that Norway leads the world in EV adoption. Ninety-seven per cent of vehicles sold in that country last year are electric vehicles. One of our colleagues suggested that it was a fallacy to compare Norway to Canada for a variety of reasons. I'd like the record to show that that is not correct.

The average December temperature in the community of Tromsø, very, very far north in Norway, I assure you, is 0°C. The average December temperature in Prince Rupert, British Columbia, is 5°C. The average winter temperature in Karasjok, in north Norway, is -16°C. The average temperature in Smithers, British Columbia, is -11°C. Both those communities are in Mr. Ross's riding.

The point is that there is, in fact, no geographic nor climatological reasons that something that works in Norway would not work in northern Canada, and the fallacy is that our colleagues continue to insist otherwise.

I understand that the comparison to Norway is not favourable to our Albertan friends because it throws into contrast the way that resource wealth has been managed differently in those two polities. Let's try to stick to the facts, please.

May I ask our witnesses if there's any reason to believe that cold temperatures or remote northern distances are an insurmountable obstacle towards EV adoption in northern and remote communities in Canada?

Mark Cauchi: Certainly there are some impacts on battery performance associated with extreme cold weather. I think that's very well known and most automakers will admit that. However, are they insurmountable? I don't think so.

When we look at the average experience in a country like Norway, Norway has spent a lot of time on public education in northern communities around warming batteries before charging in the morning in cold and extreme weather. They have done a number of pilots in northern Norway to bring communities on board with that work and with an EV transition.

We see that Iceland has high EV sales as well. They similarly have made that happen. Sweden, Denmark, you can keep going on the list.

Is it insurmountable? I don't think it is. I think we're definitely seeing technologies improving. We're seeing more familiarity with how to manage extreme cold weather—

• (1300)

Will Greaves: Excuse me.

Madam Chair, I think it's difficult to hear the witness. Our colleagues are not showing suitable respect to the witnesses in front of our committee today.

I'd ask if we could have a few more seconds for the witness to complete his answer.

The Chair: Yes, we will quiet down a little bit and have another 20 seconds.

Mark Cauchi: Cold jurisdictions and jurisdictions with extreme winter weather are adopting EVs. That's not to say their experience is identical to ours in Canada.

Certainly, we do expect that there will be improvements in battery technology, in charging and in the availability of charging, etc. There is no reason why an electric vehicle cannot be used at this time in a northern community if it's available and if there is charging there for it. We would just cite the international examples where that is the case.

Will Greaves: I appreciate the response. Thank you.

[Translation]

The Chair: Thank you very much.

We'll finish with Mr. Simard for three minutes.

Mario Simard: Thank you very much, Madam Chair.

Since you're here, Ms. van der Kamp, I'd like to take this opportunity to discuss with you the suspension of the excise tax on gasoline. I recall that during the COVID-19 pandemic, oil companies were able to play somewhat with refining margins and increase them in a way that didn't necessarily correspond to the rise in the price per barrel.

Have you put measures in place to ensure that the 10¢ amount, which is roughly what the excise tax savings represent, is not clawed back and absorbed by oil companies through refining margins? Are there any measures to that effect? Has Natural Resources Canada conducted any studies on the implementation of such a policy?

Anna van der Kamp: Thank you for the question.

[English]

I would have to refer that to my colleagues at Natural Resources Canada. My expertise is in EV charging, not in the price of gas. I apologize.

If you would like, you could ask for specifics, and I can come back to you with studies on that.

[Translation]

Mario Simard: So you have no indication of that. Not a problem.

I'd like to come back to one point. There was a funding program for electric city buses and electric school buses. We're hearing that the government is currently working on refinancing city buses, but that it may have dropped the requirement for them to be zero emission. Is that in fact the case?

Mark Cauchi: Are you talking about heavy-duty vehicles?

Mario Simard: I'm talking about buses.

Mark Cauchi: It's not included in our regulations for light-duty vehicles. As I mentioned, there are greenhouse gas reduction regulations for heavy-duty trucks, including buses, but that's not our sales mandate. It's a performance regulation related to greenhouse gas emissions.

As you mentioned, the Department of Housing, Infrastructure and Communities manages a program to subsidize zero-emission buses. This is an important part of our federal approach.

Mario Simard: Is the funding for zero-emission buses still being maintained?

Mark Cauchi: I think you should ask my counterparts at the Department of Housing, Infrastructure and Communities Canada about the funding for this program.

Mario Simard: Okay, thank you.

On March 31, the incentives for medium- and heavy-duty zero-emission vehicles program came to an end, I believe, before it really began to have its intended impact in Quebec. It takes a long time to roll out a structure like that. There are still manufacturers of medium and heavy-duty zero-emission vehicles in Quebec that no longer benefit from this type of support. Am I understanding correctly?

• (1305)

[English]

Anna van der Kamp: I'd also have to say that this is the Transport Canada program, and so I can't speak to that.

[Translation]

I'm sorry.

Mario Simard: Okay. Thank you.

The Chair: Thank you very much to all the witnesses for being here.

Mr. Leslie, you have the floor.

[English]

Branden Leslie: I have a question, Madam Chair.

There were lots of questions referring to the transport infrastructure. Transport Canada, as it turns out, probably should have been here today. Rather than ask for another hour with just them, can we send written questions to the clerk to be sent to Transport Canada to answer and not waste more time? We could then have their answers available for the study. There was at least a handful or more, as well as I stopped asking the ones that were clearly on the track of Transport Canada.

The Chair: Yes, I think that would be a question for the clerk or the analysts to respond to.

Is that appropriate?

The Clerk of the Committee (Leif-Erik Aune): If members send me questions that they would like asked of government for written responses, then I would be pleased to reach out to the parliamentary affairs offices of those respective departments and convey the questions on behalf of the committee.

Branden Leslie: Okay, so we'll happily take that opportunity and send those to you in relatively short order.

My hope is that they'll choose to answer them and that we can include them in the final report that the analysts will be putting together, if they're of relevance, which I assume they will be.

The Chair: Yes, I don't see that as being an issue. The intention of the questions is to get answers to inform the final report, so the analysts will take that under advisement.

Thank you very much to our witnesses for their time today. We really appreciate it.

Our next meeting will be on Tuesday, April 21, at 3.30.

I thank all of our wonderful committee members for a great meeting.

We are adjourned.

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