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The Federal Government just announced a 60-day review of its own Electric Vehicle Mandate. Help me better represent you by providing feedback on this measure. Here's what the Liberal government initially proposed.

Starting in 2026, 20% of vehicles sold by each manufacturer must be electric. This acts like a quota. Each year the quota increases until it hits 100% EVs by 2035. For the first number of years plug-in hybrids count as an EV credit towards a manufacturer's quota. Eventually, the government will not give full credit to a manufacturer for selling a plug-in hybrid.

If a manufacturer/seller doesn't meet their EV quota in any year, they have two options:

1. Pay a fine to government of $20,000 per vehicle or purchase a credit from other manufacturers that produce/sell electric vehicles over their quota in that year
   a. For example, if a manufacturer sells 100,000 EVs in 2026, it can sell 80,000 credits to a competitor that did not sell enough EVs. The cost of a credit was established by the government at $20,000 (prices will vary depending on supply/demand). For example, in 2026 if a manufacturer sells 100,000 vehicles, but only 10,000 are counted as EVs, manufacturer would need to buy $200M in credits from another manufacturer ($20,000 penalty X 10,000 cars sold under the EV quota of 20%)
2. Restrict gas-powered vehicle sales to meet their quota. To meet the 20% ratio established by the government, an automaker that does not sell enough EVs could restrict the number of gas-powered vehicles it sells. Industry experts suggest that at current EV sales rates, automakers could pull 700,000 to 900,000 gas-powered and hybrid vehicle sales from the Canadian market starting this year.

Currently, only one car automaker is in a position to sell excess credits because they will produce more than their quota: Yes, that's right, Tesla.

HAVE YOUR SAY!

Take a moment to respond to my community survey below. Your feedback helps me better represent our community. I read each response personally and value your feedback.

Do you support the Liberal's zero emissions vehicle mandate?

○ YES ○ YES, BUT DELAY FOR ONE YEAR ○ NO

Rate my performance as your Member of Parliament:

○ RIGHT TRACK ○ WRONG TRACK ○ UNSURE

Comments: ______________________________

____

Name: ______________________________

Address: ______________________________

City: ______________ Postal Code: ______________

Phone: ______________ Email: ______________

To date, Canadian automakers have estimated to have already paid Tesla between $400-$600M. One manufacturer was reported to have paid over $150M, alone. Of course, Tesla loves this government policy. I hold no grudges against Tesla or their shareholders, but this policy enriches a private enterprise that does not have any manufacturing capabilities in Canada.

Canadian automakers, who have invested billions in factories and provide hundreds of thousands of Canadians with well-paying jobs, are now having to pay a foreign automaker that has made no substantial manufacturing commitment to Canada.

In the 1980s, Canada invited foreign car manufacturers to set up manufacturing facilities here. They came at great expense, investing billions. They produce excellent cars using high quality labour, serve the Canadian market, and export to the United States. For example, the world-class Honda plant in Alliston employs over 4200 employees and counts for about 31,000 jobs once you factor parts and other suppliers.

If this was about emissions reductions, the government would allow manufacturers to continue improving fuel efficiency using whatever technologies they can. The government would consider plug-in hybrids as full electric vehicles. Many plug-in hybrids can travel 40-60km on a single charge. For many people, this would cover a significant portion of their daily driving habits on battery alone. But when longer trips were taken, the regular engine would 'kick-in'. This could achieve 80% of the government's emissions reductions with far less impact on consumer choice and lower costs on industry.

There is also going to be a shortage of materials to put in EVs. So, if plug-in hybrids can accomplish significant emissions reductions, but use far fewer materials, why does the government want to go 100% electric?

As if the tariff debacle wasn't enough for our automakers to handle, our government is proposing to financially strain the automakers even more by forcing them to pay fines for not selling enough EVs or buying credits from a foreign owned company that doesn't manufacture in Canada.

According to the government's own analysis, this mandate could artificially drive up the price of used cars and new gas-powered cars as automakers make fewer cars available for sale in the Canadian market as they try to hit their quota. We already saw the strain on families when prices for used cars increased substantially during covid. This will affect low- and middle-income Canadian families, and those living in more rural areas, who have less access to charging infrastructure.

First the government creates an arbitrary target driven by ideology. Then we are told we need to spend taxpayer dollars subsidizing people to purchase EVs. Then the government spends more taxpayer money encouraging automakers to build EVs in the first place. This is too common in Ottawa. The government creates a problem and then taxpayers are left with the bill.

For those of you who still agree with the government's mandate, I applaud your commitment. However, I would ask whether we need to go as fast and as aggressive without considering the negative impacts on low- and middle-income families, and an already struggling automotive sector that employs hundreds of thousands of Canadians.

Sources

Canada Gazette, Part 2, Volume 157, Number 26: Regulations Amending the Passenger Automobile and Light Truck Greenhouse Gas Emission Regulations

Canada Gazette, Part 1, Volume 156, Number 53: Regulations Amending the Passenger Automobile and Light Truck Greenhouse Gas Emission Regulations

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