

Good Afternoon Madam Chair and Members of the Committee.

My name is Joanna Kyriazis and I am a Senior Policy Advisor for Clean Energy Canada, a climate and clean energy think tank at Simon Fraser University.

Today I'm here to talk to you about Canada's car conundrum.

According to the International Energy Agency, Canadians drive the largest, most polluting cars in the world. Literally, when it comes to tailpipe emissions, we take the global top spot. And, over the past 20 years, carbon pollution from transportation has continued to grow— by almost a third.

At the same time, Canada's vehicle manufacturing—cars, trucks and buses—fell significantly, with annual production dropping by more than 1 million vehicles per year. Once a top five vehicle manufacturer, now Canada doesn't even crack the top ten.

Vehicle pollution went up and vehicle manufacturing went down. It's a bad news story for both our environment and our economy.

While there are various causes of both these challenges, there's a single solution to overcome them: zero emission vehicles. We need to get more Canadians in clean cars and we need to build more of those cars here.

As more EVs hit the market, Canadian consumers and businesses are increasingly plugging into the opportunity to save thousands of dollars per year on fuel and maintenance, while also cutting their carbon pollution. A March 2019 poll by Abacus Data and Clean Energy Canada, found that two-thirds of Canadians want EVs to become the majority of vehicles sold in Canada, and about half of them would like to see this shift happen in five years or less. But with electric vehicles only making up 3% of new car sales today, more needs to be done to achieve the federal government's EV sales ambitions of 10% sales by 2025, 30% by 2030 and 100% by 2040.

That includes ensuring that those Canadians who want to choose electric can find a car to buy. According to a study conducted for Transport Canada earlier this year, the majority of car dealerships in the country don't have a single electric car available to test drive or purchase. For those Canadians who still opted to buy electric, many faced a three to six month waitlist before they could drive their new car home.

To make matters worse, the picture is starkly different depending on where in Canada you live, as EV supply is unevenly distributed across the country. Potential buyers in B.C. or Quebec— the two provinces with EV policies in place— have access to more electric cars and

a greater range of models. They are home to the vast majority of Canada's new EV inventory, leaving the rest of Canada to fight over what remains.

Electric versions of some of Canada's top-selling vehicles are coming to market in the next two years— the Toyota RAV4, the Ford F-150, the Jeep Wrangler. But because automakers prioritize EV sales in markets like the EU and China, which have stronger EV policies in place, it's unclear whether those vehicles will be available for Canadians to buy here.

What does all of this tell us? Canadians are open to going electric, but they need more choice.

Yes, the coronavirus pandemic has created economic uncertainty and caused many experts to predict that the transition to EVs would slow. But instead, we've seen the opposite: countries around the world have used this opportunity to forge ahead.

Take the E.U., for instance. European leaders maintained strict vehicle emission standards, despite the pandemic. Countries like Germany, France, Spain, and the U.K. have also introduced new purchase subsidies, tax breaks, and charging infrastructure investments as part of their recovery package to accelerate the transition to EVs. As a result, EV sales soared and European-based auto manufacturers have rolled out an unprecedented number of EV models this year— 42 models in the first quarter of 2020 alone. McKinsey forecasts that EV market share in the EU will be greater than pre-pandemic projections.

In Canada we have lacked sufficient national effort to harness the opportunity that EVs offer, both in the fight against climate change and the fight to save— let alone grow— our auto sector. While Canada now has a national EV rebate program, a slowly growing network of charging stations, and a couple of promising EV production deals, we have vehicle pollution standards that are getting weaker instead of stronger and zero emission vehicle sales targets that are aspirational when they could be law. If Canada is serious about reducing transportation emissions and building the cars of tomorrow, we need a package of policies that drive long-term investment in and adoption of clean cars.

This clean cars policy package must address both supply and demand-side barriers to EV uptake, while also ensuring Canada's auto sector captures the economic benefits of the domestic and global shift to EVs. Consumer incentives that reach more Canadians and the faster build-out of EV charging stations will continue to stimulate demand. A zero emission vehicle standard and stricter vehicle pollution regulations will secure EV supply. These policies can be paired with an innovative Auto Sector industrial strategy that leverages our automotive heritage, our high-skilled workforce, and our metal and mineral resources.

Done right, Canada can overcome its car conundrum and achieve multiple goals: cutting transportation pollution, giving Canadians better access to the cars they want, and retooling our auto sector to compete in the 21st century.

Thank you for the invitation to speak today. I look forward to your questions.