



**Written Submission for the Pre-Budget Consultations in Advance of
the Upcoming Federal Budget**

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By: FLO | AddÉnergie

List of recommendations:

- **Recommendation 1:** That the government provide additional funding of at least \$1.5 billion towards EV charging station deployment to help meet the new zero emission vehicle sales requirement for 2035.
- **Recommendation 2:** That the government accelerate plans to increase electrification of government and crown corporation fleets with clear binding targets and associated charging infrastructure by setting the standard for electrification of parking lots.
- **Recommendation 3:** Support Canadian clean tech exports by minimizing barriers to trade between Canada and the United States.

About FLO | AddÉnergie

FLO | AddÉnergie, hereafter FLO, are pleased to submit recommendations to the House of Commons Standing Committee on Finance in advance of the next federal budget.

Founded in 2009 in Québec, FLO is a leading North American electric vehicle charging network operator and a major provider of smart charging software and equipment. Every month, FLO enables hundreds of thousands charging events thanks to over 40,000 high-quality stations deployed on public networks, commercial and residential installations both in Canada and in the United States. Our headquarters and network operations centre are based in Quebec City, and our assembly plant is located in Shawinigan (Quebec). The company also has an office in Montreal and regional teams located in Ontario, British Columbia, California, New York and Texas. Since 2009, our corporate family has grown to over 240 direct jobs. Our charging stations and network solutions are manufactured and designed in Canada and approximately 85 per cent of our expenses are paid to Canadian suppliers. Once installation costs are included, approximately 90 per cent of the complete investment in our Canadian-deployed charging stations goes to Canadian employees and suppliers.

While the COVID-19 pandemic brought significant challenges to all industries, we are beginning to see economies being rebuilt and government's beginning to focus heavily on economic recovery and what can be done to stimulate economic growth. The electric vehicle (EV) industry is ready to help lead in this aspect and work to ensure that the economy and the environment go hand-in-hand. FLO is focused on helping advance Canadian transportation electrification, while at the same time creating good jobs and economic growth in what will be a key industry in the coming decades. In fact, FLO doubled the size of its production facilities through the opening of a second production plant in Shawinigan, Quebec, announced in the spring of 2021. This economic growth was possible due to the anticipated growth in electric vehicle chargers in both Canada and the United States, FLO's two largest markets.

Our company is hopeful that it will continue to create more quality, green jobs in areas of innovation and manufacturing while continuing the important work to decarbonize transportation and fight against the negative effects of climate change. Our recommendations to the committee are listed in detail, below.

Recommendation 1: That the government provide additional funding of at least \$1 billion towards EV charging station deployment to help meet legislated vehicle sales targets.

In June 2021, the government set a mandatory target of 100 per cent of sales of all light-duty cars and passenger trucks to be zero-emission, by the year 2035. FLO supports this target and believes that it will help more rapidly decarbonize personal transportation in Canada. However, by setting this target, the government also needs to ensure that public charging infrastructure is adequate to help address some of the most common concerns the public has when it comes to purchasing an EV. It would be problematic if the government were to push ahead with this target without providing support for establishing a stronger cross country EV charging network, similar in scale to the one we see the Senate in the United States proposing.

FLO recommends an expansion of current funding by dedicating an additional \$1 billion to the Zero Emission Vehicle Infrastructure Program (ZEVIP) and Electric Vehicle and Alternative Fuel Infrastructure Deployment Initiative (EVAFIDI) to allow the government to set higher targets for charging station installation for public fast charging, light-duty consumer vehicle charging, fleet vehicle charging and transit bus charging before 2035. Both programs allow for a country wide rollout which is necessary to ensure ZEV adoption and to help consumers overcome fears of range anxiety and lack of charging infrastructure. The widespread adoption of ZEVs needs to be supported by charging stations and these stations must be deployed before the 2035 target the government has set. Knowing that there is reliable charging infrastructure across the country will help the government reach its target of 100 per cent ZEV sales by 2035.

Recommendation 2: That the government accelerate plans to increase electrification of government and crown corporation fleets with clear binding targets and associated charging infrastructure by setting the standard for electrification of parking lots.

As owners and operators of a large fleet, the government and crown corporations should accelerate plans to increase electrification. The current Greening Government Strategy target is to have converted 80 per cent of light duty fleets to ZEVs by 2030. FLO believes that this target should be accelerated, particularly in light of the government's announcement to reach 100 per cent of new light-duty and passenger vehicle sales to be zero-emission by 2035. The government has an opportunity to lead by example and convert its existing fleet of approximately 30,000 vehicles to ZEVs sooner. FLO recommends that the government should set a 100 per cent ZEV target for any new light-duty vehicle that is purchased by the government, starting in 2022. The government should also encourage crown corporations to take the same approach and set similarly ambitious targets for fleet electrification, and to assist, to ensure that crown corporations

are admissible in the same programs that support ZEV adoption and charging station deployment for the private sector.

An electrified government fleet also means that the government needs charging infrastructure to support the fleet. FLO proposes that at least 75 per cent of fleet vehicles should have a dedicated Level 2 charger, coupled with one direct current (DC) charger for every 50 vehicles to address rapid charging needs. Level 2 chargers are ideal for workplaces and a full charge will usually take between three to four hours, depending on the vehicle. The DC chargers use a high-power charge to rapidly re-charge vehicles and are usually only accessible through public charging networks. Sites where a significant amount of fleet vehicles will congregate would be an ideal location to install DC chargers.

FLO also recommends that all parking lots owned by the federal government and parking lots in buildings where space is leased by the government, to have 15 per cent of parking spots with charging stations installed by 2025, increasing to 40 per cent of parking spots by 2035. Along with charging station installation, the government should also work to ensure that pre-cabing requirements for parking lots in new builds and major retrofits take place before the installation of charging stations to minimize associated costs and ensure that charging stations can be operational in as little time as possible. With EV sales projected to increase and a growing number of provinces adapting mandates to phase out the purchase of new internal combustion engine (ICE) vehicles, the federal government will need to address the issue of employees requiring charging infrastructure at the workplace. We expect charging infrastructure at public lots to increase due to consumer demand; the government can be a leader by setting an aggressive standard for industry to follow.

Recommendation 3: Support Canadian clean tech exports by minimizing barriers to trade between Canada and the United States.

FLO is a proud Canadian clean tech exporter. As a manufacturer of charging stations and network operator, FLO intends to participate in what is likely to be the largest deployment of EV charging stations in North American history, with the Biden Administration's plan to procure and deploy 250,000 EV charging stations. For our American allies to reduce their greenhouse gas emissions by half by 2030, as proposed by President Biden, it is crucial that the U.S. has access to a highly competitive and reliable supply of clean technology from trusted partners on both sides of the border. FLO is a competitive and reliable partner, having developed and delivered consistent, high-quality charging solutions and services from the Yukon to Los Angeles, and most recently to all five boroughs in New York City. Our key suppliers are based in North America, and this gives us a shorter supply chain which will better protect us and our customers from global shocks.

Proposed Buy America rules will have a significant impact on the cost of production for our company. These rules will limit our ability to produce stations in an efficient and integrated way and by requiring that all stations be manufactured in the U.S., using U.S. components and sub-

components, and will duplicate production lines and hike costs across the industry. These are resources that could have been invested in Canada.

FLO is also concerned about the timing and clarity of any changes proposed to current Buy America rules. Since we are unable to predict how Buy America requirements will be applied by different department and agencies as funding gets earmarked for transportation electrification, this leads to great uncertainty for our business and these issues can take months, if not years, to resolve, particularly when it comes to supply chain adjustment.

FLO genuinely believes in free trade and the role competition plays in a fast-growing sector. We believe that the same access to the U.S. market that Canada provides to our U.S. competitors is fair and will allow for free trade to continue in a sector that is vital to our fight against climate change. We hope the Committee will recommend that the government work closely with the U.S. to address Buy America and Buy American measures with respect to clean tech exports, including EV charging infrastructure, and push for an exemption for Canadian clean tech companies. The government should promote Canada and its clean tech exporters as a trusted and reliable partner in support of U.S. infrastructure programs and our shared, ambitious climate objectives.

Conclusion

FLO appreciates the opportunity to provide a submission for this consultation. Our company showcases some of the very best in Canadian clean tech manufacturing and research and development and are excited by the potential for enormous growth in the electric vehicle industry. We are excited to work closely with our government partners to ensure the growth of this sector to help create quality green jobs, while manufacturing products that contribute to reducing GHG emissions and helping Canada reach its targets and goals for decarbonization.

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