

August 2010

## Overview of Key Findings

# Bridging the Gulf

## Changing the way Ontarians commute will cut oil demand, protect the environment and save money

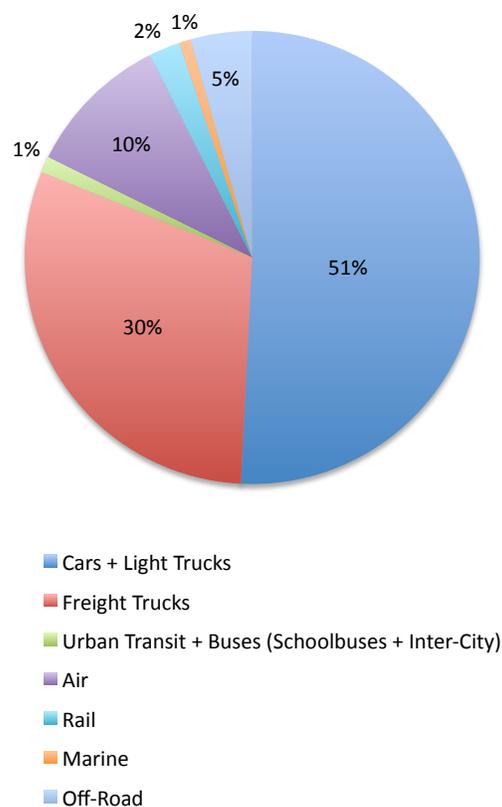
by Cherise Burda, Alison Bailie and Graham Haines

### Importing oil, exporting money and jobs

- Ontario consumes a third of all the refined petroleum in Canada. More than 80 per cent of that oil is used by the transportation sector.
- Ontario spends \$13.2 billion every year to import oil for the transportation sector.
- Personal transportation — how Ontarians get around every day — accounts for the majority of all transportation fuel consumed.
- Oil imports saved keeps money in the province that can be invested in transit, vehicle technology and transportation jobs — like the electric buses that are made in Quebec for the roads of Quebec.

In ten years, the five actions presented in this report can save close to \$1 billion per year in imports.

Figure 1: Oil use in Ontario by transport mode



## Reducing Oil Demand in Ontario

- Ontario's 7 million cars and light trucks (such as SUVs and pickups) consume 86 million barrels of oil every year.
- 2.5 million more cars and light trucks are expected to be added to Ontario's roads over the next 25 years, resulting in increased GHG emissions, fuel consumption and local pollution, and adding strain to already untenable traffic congestion in urban regions.

In twenty years, the five actions presented in this report can reduce oil demand from the personal transportation sector by 25 per cent.

Even more gains can be made by reducing oil from the freight and trucking sector, which is beyond the scope of this report.

## Five Actions to Reduce Oil Demand in Ontario

**TRANSIT: Metrolinx's The Big Move fully funded and implemented.** Can save over 5 million barrels of oil per year by 2031

**URBAN PLANNING: Stronger and enforced targets in the Growth Plan for the Greater Golden Horseshoe Region.** Combined with Metrolinx can save 1.2 million barrels of oil by 2031, over three times the amount of the Growth Plan with its current targets.

**COMMUTER CHOICE POLICIES: A package of commuter choice incentives and road-pricing policies.** Has the potential of reducing over 4 million barrels per year in just 10 years — the biggest impact in the short term of all policies

**ELECTRIC VEHICLES: Ontario's ambition for 5 per cent electric vehicles by 2020,** if achieved, can save between 3 and 4 million barrels of oil per year.

**MORE FUEL-EFFICIENT VEHICLES: Combining new federal standards with market-based incentives.** Recent modelling by the Pembina Institute shows that the proposed Canadian federal standard for vehicle fuel efficiency is not likely to have a measurable impact before 2016. But incentive-based programs, such as revenue-neutral feebates and expanding Ontario's green licencing program to include fuel-efficient vehicles, can encourage consumers to purchase, and manufacturers to produce, more fuel-efficient vehicles right away.

On its own, the federal regulations will only reduce oil demand in Ontario by 0.4 per cent by 2020. Combining regulations with incentives quadruples the savings — over a million barrels of oil saved by 2020.

## Preliminary Report

The five actions outlined in this report represent feasible and existing personal transportation policies that the Ontario government can act on now to begin reducing the province's consumption of oil today. They represent existing policies and programs that simply need to be expanded, strengthened, funded or complimented by other policies.

The Pembina Institute is conducting a more detailed study to identify a broader and more comprehensive suite of personal transportation policies that can be implemented in Ontario to further reduce oil demand.