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Honourable Bill Bennett Minister of Energy and Mines PO Box 9060 STN PROV GOVT Victoria, British Columbia – V8W 9E2

October 16th, 2014

WWW.CLEANENERGYCANADA.ORG

Re: Electric Vehicle Policy in British Columbia

Dear Minister Bennett,

I'm writing you on behalf of Clean Energy Canada, an organization working to accelerate Canada's transition to a clean and renewable energy system, regarding policy to support the continued uptake of electric vehicles in British Columbia.

British Columbia Leadership

As a result of the Government of British Columbia's past policy leadership, electric vehicle sales in British Columbia more than doubled every year between 2010 and 2013. There are now almost 1,500 electric vehicles on the road, and these sales have established British Columbia as an electric vehicle leader in Canada with the highest number of electric vehicles per capita of any province¹. Similarly, use of the province's electric vehicle charging stations has doubled in the past year².

British Columbia's participation in the Pacific Coast Action Plan on Climate and Energy (PCAPC) continues this leadership and includes a number of commitments that support electric vehicles, like maintaining a low-carbon fuel standard, expanding the use of zeroemission vehicles and supporting innovation for emerging transportation fuels. This leadership has poised British Columbia to take advantage of economic and environmental benefits of electric vehicles.

Economic and Environmental Benefits

The economic opportunity stems from both clean electricity development in BC while plugging into the estimated \$500 billion EV market that may exist in 2025³. This growth

¹ Data from Polk Automotive and soon to be released WWF EV Update

² Plug-in-BC (2014) Charging Station use Doubles Over Last Year <u>http://pluginbc.ca/charging-station-use-doubles-last-year/</u>

³ IDTechEX (2014) Electric Motors for Hybrid and Pure Electric Vehicles 2015 – 2025: Land, Air and Water <u>http://www.idtechex.com/research/reports/electric-motors-for-hybrid-and-pure-electric-vehicles-2015-2025-land-water-air-000399.asp</u>

potential would help reduce greenhouse gas emissions and air emissions in British Columbia while also reducing oil imports into the province. Further, a recent poll conducted by Environics shows that increasing numbers of British Columbians consider electric vehicles a viable alternative to fossil fuel vehicles, and are strongly supportive of government policies to support electric vehicle purchases and charging stations⁴.

The Challenge

While British Columbia has held a leadership position, its incentive program has lapsed while other jurisdictions are catching up. Ontario and Quebec have provided incentives for charging infrastructure and electric vehicle purchases which are boosting sales in those provinces. Meanwhile Oregon, Washington and California all benefit from the US federal electric vehicle incentive program and their own state level policies. Oregon now has more than 4,000 electric vehicles on the road and California more than 100,000⁵. Continued leadership in British Columbia will clearly require a renewed commitment to government policy in some form.

Recommendations

Supporting electric vehicles will likely require a mix of financial support, continuing progress on charging infrastructure and maintaining existing policies like the low-carbon fuel requirement regulation.

- **Financial incentives** Financial incentives help reduce the capital cost of an electric vehicle relative to gasoline vehicles. Eleven states in the USA, the United States federal government, and Ontario and Quebec provide some sort of financial incentive for the consumer purchase of electric vehicles. Typically these include tax rebates or direct purchase reductions. Ontario and Quebec offer rebates up to \$8,500 and \$8,000 respectively. Incentives are a short term policy to encourage EV sales with the aim to reduce technology costs and reduce the risk for early adaptors. As technology prices continue to fall, and people realize the advantages of electric vehicles, then incentives can come down.
- **Charging infrastructure** British Columbia's timely investment in over 550 public charging stations has laid the groundwork for electric vehicle adoption in BC. These charging stations are being used more than ever, between 2012 and 2013 vehicle charging station use doubled for the 350 stations BC Hydro monitors⁶. However, those living in condominiums and apartment buildings have difficulty building or accessing charging stations. Support for multi-unit building charging stations would help alleviate this barrier.

⁴ Polling data available upon request

⁵ Plug-in-BC (2014) B.C.'s Electric Vehicle Charging Stations "Off to a Good Start" & Plug-in Electric Vehicle Collaborative (2014) California EV Sales

http://www.pevcollaborative.org/sites/all/themes/pev/files/9 Sept 2014 Dashboard PEV Sales 140904 0.pdf ⁶ Ibid

- **Maintain existing policies and programs** There are two other significant barriers to electric vehicles: public awareness and the low-cost of carbon pollution. Fortunately BC's investment in Plug-in-BC and enforcing the renewable and low carbon fuel requirement regulation address both of these. BC should maintain these policies.
- Zero-emission vehicle standard As electric vehicle costs come down and consumer acceptance increases thanks in part to rebates, a zero-emission vehicle standard can drive broader adoption of electric vehicles, while also being less costly to the government. Zero-emission vehicle standards generally require zero-emission vehicles make up a certain percentage of vehicle manufacture sales in a given jurisdiction. For example, in California between 2015 and 2017 14% of passenger cars sold in the state must be zero emission⁷. British Columbia may want to consider how such a policy could be implemented here and its role in other jurisdictions.

British Columbia has established itself as a national leader in EV adoption, and has committed to maintain this leadership as a signatory of the Pacific Coast Action Plan on Climate and Energy. Increased use of electric vehicles offers climate and air pollution benefits, with corresponding health benefits, while also offering a significant economic opportunity to continue to build an industry that can serve both domestic and international markets. We would welcome the opportunity to work with you and your staff to determine the best policy instruments and path to ensure British Columbia can maintain and enhance its leadership role.

Sincerely,

Merran Smith - Director Phone: 604 816-5636 merran@cleanenergycanada.org

⁷California Air Resources Board Zero Emission Vehicle Standards http://www.arb.ca.gov/msprog/zevprog/zevregs/1962.1_Clean.pdf