

Proposal:**Enforcement of CAFE Regulations with Minimum Requirement for Zero Emission Vehicles****Submission Relevant To:**

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Brian Mason, Minister of Transportation / Minister of Infrastructure
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Margaret Ellen McCuaig-Boyd, Minister of Energy
Christina Gray, Minister of Labour
Marlin Robert Schmidt, Minister of Advanced Education
Brandy Lynn Payne, Associate Minister of Health
David Wheeler, Chair of Alberta Energy Efficiency Panel

Situation:

Dealerships in Alberta are not willing to sell electric vehicles due to extra expenses involved, extra learning curve and lack of maintenance generating revenues on electric vehicles.

Many dealerships in Alberta are unable to sell EVs due to requirements imposed by manufacturers of having to have a minimum number of trained EV repair technicians on staff as a prerequisite to obtaining vehicles for sale. This training is expensive and is carried out usually out of country.

Electric vehicles as a general rule do not require the levels of maintenance of internal combustion engines as they have few moving parts and do not require the oil and fluid changes. This equates to less money being made on the vehicle service while having an increased cost to be able to sell the vehicles.

As a result, dealerships forego selling electric vehicles and stick to internal combustion engines where a working business model is well established.

Problem:

Unless the dealerships in Alberta are forced to migrate from selling electric vehicles, internal combustion engine vehicles will dominate the market place, increasing greenhouse gas emissions.

Key Analysis:

CAFE regulations are the standards for vehicle emissions for the automotive industry. For the most part, they are a weak level of implementation in Canada and the USA, with California being the notable exception, having the hardest minimum base to meet.

In California, dealerships are mandated to sell a minimum number of EVs and other clean emission

vehicles. The dealerships are fined \$5,000.00 per vehicle shortage of the minimum per annum. The objective is that by implementing the CAFE regulations, it forces dealers to attempt to sell the EVs and potentially rewards those who make excess sales with being allowed to sell the extra vouchers as secondary market to dealerships who are unable to make the quota. This has led to some EV-only car manufacturers being able to sell a bulk number of EV car vouchers (think of carbon offsets for the oil and gas companies) to other dealers for around \$1,000.00 each.

Alberta has the right to impose any of the CAFE regulations on the market locally as California has.

Recommendation:

Alberta should impose the CAFE regulations similar to California on EV sales minimums for all vehicle dealerships.

Justification:

By enforcing the CAFE Regulations of the minimum sales on zero emission vehicles, it will force the market to transition with more electric vehicles being available to the consumer through dealerships. This will have a dramatic impact on the adoption rates and create a substantial greenhouse gas emissions drop as the migration from internal combustion engine vehicles take place.

The implementation of these suggested changes will increase the adoption of electric vehicle ownership.

EV ownership and use will lower greenhouse gas emissions (by potentially 23% using 2015 statistics) and cut noise pollution which will reduce healthcare costs.

Infrastructure development will create jobs for skilled Alberta workers stimulating the economy.

The demand for skilled labour will stimulate post-secondary education with in the province.

Potential Funding:

As this would be a legislation change, the cost of implantation would be low for the dramatic impact it would produce.

Reference:

Electric Vehicle Adoption Proposal In Alberta – Terms of Reference – Version C1.0