

Proposal:**Rebates and incentives on Electric Vehicles****Submission Relevant To:**

Rachel Anne Notley, Premier of Alberta
Sara Marjorie Hoffman, Deputy Premier, Minister of Health
Brian Mason, Minister of Transportation / Minister of Infrastructure
David Manson Eggen, Minister of Education
Deron Bilous, Minister of Economic Development and Trade
Joseph Anthony Ceci, President of Treasury Board and Minister of Finance
Danielle Marie Larivee, Minister of Municipal Affairs
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:

Electric vehicles have a cost that is 15% - 35% higher than that of combustion vehicles simply because of being a new technology. This cost is a limiting factor and obstacle for the average consumer to transition to an Electric Vehicle even when they want to participate in lowering greenhouse gas emissions.

Problem:

Initial price of a product is usually the perceived cost even over long-term savings of a higher priced item. High cost of electric vehicles over internal combustion engine vehicles make transition by individuals and businesses a difficult financial decision to justify.

Key Analysis:

Other provinces such as Ontario, Quebec and British Columbia offer incentives and rebates, which have increased the adoption rate of electric vehicles. For example, British Columbia set aside \$10.6 million over 3 years and Ontario set aside \$20 million over 6 years. Incentives/rebates range from \$5,000 to \$18,000 for the purchase or lease of new electric vehicles (depending on province and conditions).

Products offered at a discount almost always result in an increase in purchases by the consumer.

With the 15% – 35% higher cost of the electric vehicle over internal combustion engine vehicles, a rebate would even the playing field and make the initial purchase of an electric vehicle more palatable.

Recommendation:

It is requested that the Alberta Government institute a 5-year (or until a minimum number of electric vehicles have been adopted in Alberta) incentive and rebate program for clean energy vehicles. The

incentives need to be established for personal, business, and non-profit groups as well as fleet vehicles and should be available for both sales and leases.

Justification:

The implementation of these suggested changes will offer an increase in 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 within the province.

Potential Funding:

The Alberta Energy Efficiency Panel is currently taking suggestions on how best to use the \$645 Million in funding earmarked for the agency. Using some of the funds available for these initiatives is perceived to be a perfect fit for the agency and the resources available.

There also seems to be an opportunity for funding from the Federal Government and Infrastructure Canada's \$120 Billion investment over the next 10 years through Infraconsults, located at <http://www.infraconsults.ca/>.

Reference:

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