



# CLEAN TRANSPORTATION

Transportation is a significant component of the Canadian economy and society – moving goods and people, as well as connecting communities. In 2019, the transportation and warehouse industry accounted for 4.5% of GDP (\$89 billion) and had 972,600 employees. Transportation also accounts for about 25% of Canada’s total greenhouse gas (GHG) emissions, and accelerated efforts are needed to reduce those emissions while continuing to enable the many essential services that an effective transportation system provides. Moving forward, key opportunities include supporting the development and deployment of low and zero-emissions technologies; and ensuring that Canadian companies can capitalize on opportunities to manufacture zero-emissions parts and vehicles in Canada, while also expanding the market for clean fuels.

## KEY MEASURES TO DATE

- Set zero-emission vehicle (ZEV) Sales Targets for new passenger (light-duty) vehicles: 10% by 2025, 30% by 2030, and 100% by 2040.
- Invested \$300 million in the iZEV program to make zero-emission vehicles more affordable for Canadians.
- Invested over \$300 million to support the establishment of a coast-to-coast network of fast-chargers, electric vehicle (EV) charging in more localized areas, natural gas hydrogen refuelling stations as well as support for the demonstration of next-generation charging technologies and the development of enabling codes and standards.
- Investing \$30.2 billion through the Investing in Canada Infrastructure Plan to build new urban transit networks and service extensions to transform the way Canadians live, move and work.
- Regulated progressively more stringent performance-based GHG emissions standards for light-duty vehicles (2011 to 2025 model years) and heavy-duty vehicles and engines (2014 to 2027 model years).
- Encouraged fuel efficient best practices for the commercial freight sector through provincial, territorial and industry collaboration on benchmarking, driver training, fleet assessments, energy efficiency retrofits, and support for fuel-switching.
- Collaborated with the United States under the Canada-United States Air Quality Agreement and with California via the recent memorandum of understanding with the California Air Resources Board on measures to advance clean transportation and GHG emission reductions, including standards for on road vehicles and opportunities for other modes, such as lawn and garden equipment.

- Completing the Mid-Term Evaluation of Passenger Automobile and Light Truck GHG Regulations to assess the feasibility of more stringent standards for model years 2021-25 and inform future standards to further drive low and zero-emissions technologies.
- Supported industry, non-governmental organizations and municipal and provincial governments in the implementation of ZEV awareness, training and educational activities.
- Delivered historic investments in public transit in the Investing in Canada Infrastructure Program to develop next steps on public transit, including the plan to help electrify public transit systems across Canada, and provide permanent public transit funding, in partnership with the provinces and territories.

## KEY FACTS

- Under federal light-duty vehicle regulations, the 2018 model year vehicles emit 19% less compared to the 2011 model year.
- Through federal regulations for heavy-duty vehicles, annual emissions of new vehicles will be six million tonnes lower in 2030 than they would have been otherwise.
- Deployment projects to date will result in 4,393 EV chargers, 15 hydrogen stations and 22 natural gas stations, with additional requests for proposals expected for more than three years.

## A HEALTHY ENVIRONMENT AND A HEALTHY ECONOMY CONTAINS NEW MEASURES FOR THE TRANSPORTATION SECTOR

- Investing an additional \$287 million over two years, starting in 2020-21, to continue the [\*Incentives for Zero-Emission Vehicles\*](#) (iZEV) program until March 2022. The program provides a rebate of up to \$5,000 on a light-duty zero-emission vehicle.
- Investing an additional \$150 million over three years in charging and refueling stations across Canada, as announced in the 2020 Fall Economic Statement.
- Proposing to work to align Canada's Light-Duty Vehicle regulations with the most stringent performance standards in North America post-2025, whether at the United States federal or state level.
- Working with partners in the year ahead on supply-side policy options to achieve additional reductions from Canada's light-duty vehicle fleet, including regulations and investments to accelerate and expand the consumer availability of ZEVs in Canada as demand grows.
- Developing a national active transportation strategy and working to deliver more active transportation options, such as walking trails, cycling paths and other forms of active mobility.
- Advancing the government's commitment to help procure 5,000 zero-emission public transit buses and school buses, including by leveraging the Canada Infrastructure Bank. To support this goal, the Canada Infrastructure Bank's Growth Plan has earmarked \$1.5 billion to expand and accelerate the adoption of zero emission buses.

- Including the current [100% tax write off](#) for commercial light-duty, medium- and heavy-duty ZEVs.
- Implementing Canada's off-road Compression-Ignition (Mobile and Stationary) and Large Spark-Ignition Engine Emission Regulations to make new equipment and machines used by many Canadians less polluting and more fuel-efficient e.g., forklifts, ice resurfacers, and stationary diesel generators that are often used to power remote communities.
- Improving the efficiency of heavy-duty vehicles standards for post-2025 by aligning with the most stringent standards in North America – whether at the United States federal or state level.
- Conducting stakeholder consultations on measures to increase the supply of, and demand for, medium- and heavy-duty ZEVs in Canada, to ensure businesses have access to the types of ZEVs that meet their needs.
- Working with rail, marine and aviation stakeholders to accelerate technology development and pilot deployments, as well as the implementation of commercially-ready solutions; and, examining options to help deploy low-carbon fuel equipment at marine, rail, and aviation hubs, which could include electrifying loading equipment at airports or powering boats with clean onshore electricity when they are at marine ports.