

February 19, 2019

Christina Ianniciello
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Via email: christina.ianniciello@gov.bc.ca

Re: RECOMMENDATIONS REGARDING B.C. ZERO EMISSION VEHICLE STANDARD LEGISLATION AND REGULATION

Dear Ms. Ianniciello,

Please consider this joint submission—on behalf of the David Suzuki Foundation, Clean Energy Canada and the Pembina Institute—as preliminary advice regarding the development of legislation and subsequent regulations to implement a Zero Emission Vehicle (ZEV) Standard in British Columbia.

David Suzuki Foundation is a leading Canadian environmental non-profit organization. Clean Energy Canada is a climate and clean energy think tank within the Morris J. Wosk Centre for Dialogue at Simon Fraser University. The Pembina Institute is a clean energy think tank with offices in British Columbia, Alberta, and Ontario.

The following advice is informed by our organizations' respective research and analysis, as well as the appended briefing paper prepared by the David Suzuki Foundation and the Sustainable Transportation Action Research Team. It draws from effective attributes found in California and Quebec's respective approaches, as well as offering approaches that would be unique to B.C. that are informed by observations and experience in these jurisdictions. Ultimately, we believe B.C. is best served by an approach that draws from and is informed by both the successes and challenges of these other jurisdictions' approaches. While some of the details of our advice pertain more specifically to the regulations, we believe that this informs answers to questions regarding the type and extent of authority that must be enabled by the legislation.

One Car, One Credit (or Less)

Rather than four vehicle categories and a range-based formula, as used in California and Quebec, a One-to-One approach offers a greatly simplified sales credit system. In effect, we recommend that a light-duty battery electric vehicle (BEV) or hydrogen fuel cell (HFC) vehicle of a minimum driving range (e.g., 100km) generate one credit when sold. While we support the inclusion of plug-in hybrid EVs (PHEVs), whether they would earn a full credit (1.0) or a partial credit (<1.0 credit) based on the likely relative emission reduction effectiveness compared to a BEV requires further consideration. The legislation should remain agnostic on this matter and allow this determination to be made by regulation.

This approach can ensure that the ZEV Standard, which is driven by the primary goal of long-term GHG emissions reductions as well as the more specific goal of increasing ZEV sales as a percentage of light-duty vehicle sales, can be transparently achieved or even exceeded (i.e. unlike in California and Quebec, there will not be a disparity between the credit requirements and the sales requirement in which ZEV market share is less than the overall ZEV sales target).

A Fair Approach to Credits and Compliance

Annual compliance, as done in California, requires automakers to achieve near-term progress and rewards those that are more rapidly evolving their vehicle offerings. Further, it allows for enhanced public reporting on program results and outcomes. However, should B.C. consider banking credits to allow for some compliance flexibility, it should only be for a relatively short period (2-3 years), and fall within 5-year “target periods” commencing in 2020 (i.e. 2020-2025, 2025-2030 etc.). We do not support any early action credits for ZEV sales prior to the regulations coming into effect.

Approach to Alternate-Compliance

We recommend that B.C. consider a minimum \$5,000/credit penalty for non-compliance (with the penalty inflation-adjusted over time). However, we note that with a “one for one” approach to maintain the overall stringency of the Standard B.C. would require comparable penalties, relative to Quebec, and as such would need to increase the per-credit penalty for non-compliance (i.e. a higher penalty may be necessary). The legislation should specify that these proceeds are reinvested back into programs that encourage and enable ZEV uptake (e.g. charging infrastructure, purchase incentives, education etc.).

Automaker Classification

Unlike Quebec, which did not establish automaker size classifications in proportion to its own market size, we recommend that that B.C. adopt California’s sales volume classifications on a proportional basis to the size of B.C.’s automotive market. This will prevent a situation in which automakers are inaccurately defined as “small” or “intermediate,” relative to B.C.’s market size, and thus have more relaxed compliance requirements.

Flexibility for Broader Application

While the current focus of the ZEV Standard is passenger vehicles, it is possible that a similar regulatory approach may be required in the future to ensure adequate supply of medium and heavy-duty vehicles, and as such we recommend that the legislation enable the development of distinct regulations for different types of vehicles. In suggesting this, we should also note that we do not support a blended approach, wherein, for example, sales of heavy duty ZEVs could count towards compliance with light duty ZEV targets.

Thank you for the opportunity to provide these preliminary comments on the forthcoming legislation and regulation enacting the ZEV Standard. We are pleased to support the Government of British Columbia’s efforts to establish the standard and fulfill the promise and potential of CleanBC.

Sincerely,

Ian Bruce, Director, Science & Policy, David Suzuki Foundation

Dan Woynillowicz, Policy Director, Clean Energy Canada

Karen Tam Wu, B.C. Regional Director, Pembina Institute