



TO: Mayor Tuesday, June 3, 2014  
COUNCILLOR  
FROM: CITY CLERK'S OFFICE

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FC Suzanne Bucraft  
Robert Gonzalez

Office of the Chair  
Tel. 604 432-6215 Fax. 604 451-6614

File: CP-02-02-GHGR-02  
Ref: RT-5239

MAY 23 2014

Mayor Malcolm Brodie and Council  
City of Richmond  
6911 No. 3 Road  
Richmond, BC V6Y 2C1

Dear Mayor Brodie and Council:

**Re: Letter of Request for Continuation of the Provincial Clean Energy Vehicle (CEV) Incentive Program**

At its May 2, 2014 regular meeting the Greater Vancouver Regional District Board of Directors adopted the following resolution:

*That the GVRD Board:*

- a) *send a letter to the B.C. Minister of Energy, Mines and Responsible for Core Review requesting continuation of the Clean Energy Vehicles (CEV) for British Columbia Program; and*
- b) *forward a copy of this report to the Mayor and Council of each member municipality, and Chief and Council of Tsawwassen First Nation, for their consideration in making a similar request.*

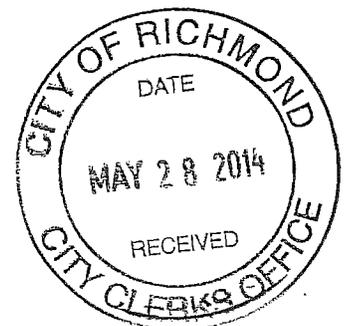
Zero-emission vehicles are important in supporting our local and regional climate change targets and air quality goals. Attached is the letter sent by Metro Vancouver to Minister Bill Bennett requesting the resumption of the Clean Energy Vehicles program, for your consideration in making a similar request to the Province.

PHOTOCOPIED

MAY 29 2014

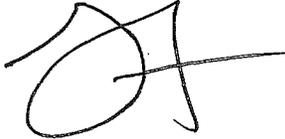
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& DISTRIBUTED



If you have questions, please have your staff contact Eve Hou, Air Quality Planner, Planning, Policy and Environment, at (604) 451-6625 or eve.hou@metrovancover.org.

Yours truly,

A handwritten signature in black ink, consisting of a large, stylized 'G' followed by a horizontal line extending to the right.

Greg Moore  
Chair, Metro Vancouver Board

GM/AN/rq

Attachments:

1. May 23, 2014, Letter from Chair Moore to Minister Bennett re: CEV Program
2. March 10, 2014, Staff report titled "Letter of Request for Continuation of the Provincial Clean Energy Vehicle (CEV) Incentive Program", to Environment and Parks Committee date April 3, 2014.



Office of the Chair  
Tel. 604 432-6215 Fax. 604 451-6614

File: CR-12-01  
Ref: RT-5239

MAY 23 2014

The Honourable Bill Bennett  
Minister of Energy and Mines and Responsible for Core Review  
PO Box 9069, Stn Prov Govt  
Victoria, BC V8W 9E2

Dear Minister Bennett:

**Re: Letter of Request for Continuation of the Provincial Clean Energy Vehicle (CEV) Incentive Program**

At its May 2, 2014 regular meeting the Greater Vancouver Regional District Board of Directors adopted the following resolution:

*That the GVRD Board:*

- a) *send a letter to the B.C. Minister of Energy, Mines and Responsible for Core Review requesting continuation of the Clean Energy Vehicles (CEV) for British Columbia Program; and*
- b) *forward a copy of this report to the Mayor and Council of each member municipality, and Chief and Council of Tsawwassen First Nation, for their consideration in making a similar request.*

In 2008, the Province adopted the Local Government (Green Communities) Statutes Amendment Act, which mandates that greenhouse gas (GHG) reduction targets, policies, and actions be included in regional growth strategies and official community plans. In response, Metro Vancouver adopted regional GHG reduction targets of 33% below 2007 levels by 2020 and 80% by 2050. Addressing personal automobiles is critical in making progress on these goals as light duty vehicles contribute one third of the region's GHGs.

Metro Vancouver's "Integrated Air Quality and Greenhouse Gas Management Plan" also contains goals to "protect human health and the environment" and "improve visual air quality". Light duty vehicles are responsible for one quarter of the smog-forming pollutants in our region. In addition to shifting vehicle travel to more sustainable modes, such as walking, biking and transit, the remaining vehicular trips can be made more sustainable through transition to zero-emission vehicles.

Since its inception, the CEV Program has facilitated the purchase or lease of almost 600 electric vehicles (EVs) and hundreds of public EV charging stations within our region. While EVs are still a small segment of the marketplace, BC is leading Canada in EV sales per capita, due in no small part to the CEV Program. This growth is expected to continue; however, the loss of incentive funding represents a significant setback. Purchase incentives help reduce the upfront capital cost of these vehicles and mitigate the perceived risk of buying a newer technology. The EV industry is still in its infancy, and financial incentives have been shown to be critical in jurisdictions that have any significant market penetration. For this reason, the Quebec and Ontario governments continue to provide up to \$8,000 and \$8,500 per vehicle in purchase incentives, respectively, in programs that will continue beyond March 2014.

In partnership with staff in your Ministry and in other organizations, Metro Vancouver has been developing an EV public outreach campaign, which is set to launch in June 2014 and continue at least until the end of the year. The objective of this campaign is to raise awareness in the general public of the availability and benefits of electric vehicles, with the ultimate goal to increase uptake of this cleaner technology. A reinstatement of purchase incentives for EVs in our province would support and be supported by this outreach campaign.

Due to the importance of this program in supporting the goals of Metro Vancouver's *"Integrated Air Quality and Greenhouse Gas Management Plan"* and the BC Climate Action Plan, we request that the Minister reinstate the CEV program as soon as practicable and maintain the incentives for several years. It is expected that as uptake increases in the future, clean energy vehicle prices will begin to drop and the need for incentives will decrease.

In the meantime, Metro Vancouver staff will continue to work with the Province and member municipalities to explore other means of providing incentives for the uptake of electric vehicles. If you have questions, please have your staff contact Eve Hou, Air Quality Planner, Planning Policy and Environment, at (604) 451-6625 or [eve.hou@metrovancover.org](mailto:eve.hou@metrovancover.org).

Yours truly,



Greg Moore  
Chair, Metro Vancouver Board

GM/AN/rq

cc: The Honourable Minister Mary Polak, Minister of the Environment  
Metro Vancouver Mayors and Councils

To: Environment and Parks Committee

From: Eve Hou, Air Quality Planner, Planning, Policy and Environment Department

Date: March 10, 2014 Meeting Date: April 3, 2014

Subject: **Letter of Request for Continuation of the Provincial Clean Energy Vehicle (CEV) Incentive Program**

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#### RECOMMENDATION

That the GVRD Board:

- a) send a letter to the B.C. Minister of Energy, Mines and Responsible for Core Review requesting continuation of the Clean Energy Vehicles (CEV) for British Columbia Program; and
  - b) forward a copy of this report to the Mayor and Council of each member municipality, and Chief and Council of Tsawwassen First Nation, for their consideration in making a similar request.
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#### PURPOSE

The purpose of this report is to request that the Board send a letter to the Minister of Energy and Mines and Responsible for Core Review in support of continued funding for the *Clean Energy Vehicles (CEV) for British Columbia Program*, which has played an important role in helping vehicle owners in Metro Vancouver reduce their fossil fuel consumption and greenhouse gas emissions.

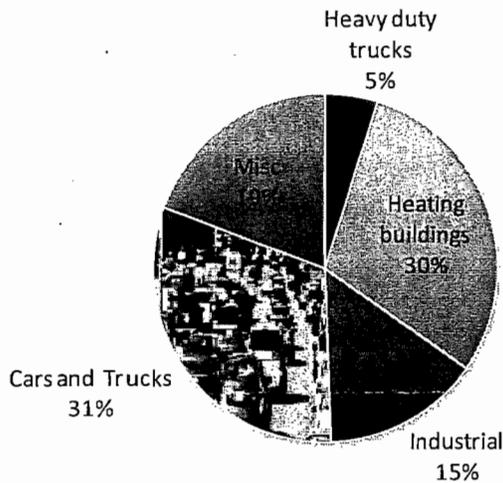
#### BACKGROUND

Since 2011, the Clean Energy Vehicles (CEV) for British Columbia Program has facilitated the purchase or lease of over 900 electric vehicles across the province, at a cost of \$2.26 million to the Province. This program provides point-of-sale incentives for the purchase or lease of new electric vehicles, hydrogen fuel cell vehicles and natural gas vehicles. The intent of this program is to encourage and accelerate clean energy vehicle deployment and technology innovation within the province. Incentive funds are depleted and the program ended on March 31, 2014.

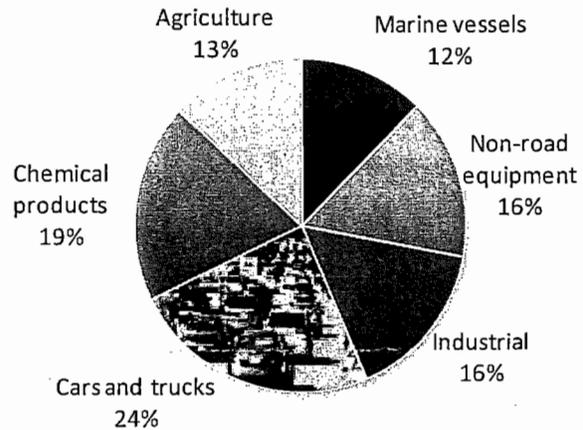
Due to the importance of this program in supporting Metro Vancouver's *Integrated Air Quality and Greenhouse Gas Management Plan* and member municipality Community Energy and Emissions Plans (CEEPs), staff recommend that the Board urge the Minister to continue this program in future years.

#### DISCUSSION

Personal automobile use accounts for 3 out of every 4 trips in our region and contributes a third of the region's greenhouse gases (GHGs), a quarter of the smog-forming pollutants and about half of all carbon monoxides. Through efforts in the *Regional Growth Strategy*, Metro Vancouver aims to shift a substantial portion of this travel to more sustainable modes, such as walking and biking. The remaining vehicular trips can be made much more sustainable through transition to non-emitting vehicles, such as electric vehicles.



**Figure 1: Greenhouse Gas Emissions by Source in Metro Vancouver, 2010**



**Figure 2: Smog-Forming Pollutants by Source in Metro Vancouver, 2010**

A switch to electric vehicles will reduce greenhouse gas emissions and eliminate tailpipe emissions of harmful air pollutants. Over a 12-year lifespan, an EV that travels 20,000 km annually will save:

- 46.8 tonnes of GHGs;
- 1.32 kg of common air contaminants; and
- \$20,000 in fuel costs.

Based on these assumed averages, the 900 electric vehicles purchased through the CEV for BC program will prevent 42,120 tonnes of GHGs from being released into the atmosphere over their lifetimes. The cost-effectiveness of this program works out to under \$54/per tonne, which compares favorably to other projects.

Metro Vancouver and partner municipalities have been facilitating the uptake of electric vehicles through direct provision of public electric vehicle charging stations and efforts to increase the number of public stations hosted by private businesses. With provincial support, BC's charging network has grown to nearly 1,000 public charging stations and 12 fast chargers. Additionally, several member municipalities have been supporting EV uptake by requiring developers of new multi-family buildings to provide infrastructure in parkades. City of Vancouver has requirements on single detached residential buildings as well. In 2014, an outreach campaign led by Metro Vancouver and participating member municipalities is set to launch in our region to increase public awareness and acceptance of electric vehicles.

As a result of these combined efforts sales have grown significantly in BC. Between 2012 and 2013, sales in BC grew by 78%. While EVs are still a small segment of the marketplace, BC is leading Canada in EV sales per capita. This growth is expected to continue, however, the loss of incentive funding represents a significant setback. As a new technology with limited distribution, electric vehicles are more expensive than comparable conventional vehicles (to illustrate, the MSRP for the all-electric Nissan Leaf is \$31,700 compared with a \$17,000 mid-level gasoline Nissan Versa). Purchase incentives help reduce the upfront capital cost of these vehicles and mitigate the

perceived risk of buying a newer technology. As uptake increases, vehicle prices will begin to drop and incentives will no longer be required; however, the electric vehicle industry is still in its infancy, and financial incentives have been shown to be critical in jurisdictions that have any significant market penetration.

Many other provinces and states continue to provide incentives for electric vehicles. The Quebec and Ontario governments provide up to \$8,000 and \$8,500 per vehicle in purchase incentives, respectively, and both programs are continuing beyond March 2014. In the U.S., the government provides a federal tax credit of up to \$7,500 for the purchase of an electric vehicle.

#### **ALTERNATIVES**

1. That the GVRD Board:
  - a) send a letter to the B.C. Minister of Energy, Mines and Responsible for Core Review requesting continuation of the Clean Energy Vehicles (CEV) for British Columbia Program; and
  - b) forward a copy of this report to the Mayor and Council of each member municipality, and Chief and Council of Tsawwassen First Nation, for their consideration in making a similar request.
2. That the Environment and Parks Committee provide alternate direction to staff.

#### **FINANCIAL IMPLICATIONS**

Metro Vancouver currently leases six electric vehicles, which have benefitted from the CEV incentive program. Should Metro Vancouver continue to purchase electric vehicles for our corporate fleet, availability of incentives funds will have a positive financial impact.

#### **SUMMARY / CONCLUSION**

In the short and medium term, personal automobiles will continue to be the dominant mode of transportation and the largest single source of greenhouse gas emissions in our region. Although costs for electric vehicles are falling, the price gap between electric and fossil-fueled vehicles remains substantial. The Clean Energy Vehicles (CEV) for BC Program helps to close this gap. This program ended March 31, 2014, and there are no announced plans to renew. Through collective efforts on the part of local government and the Province, electric vehicle sales are rising in our region. This momentum could be hindered by the loss of purchase incentives. Alternative 1 is recommended, calling for the continuation of the CEV for BC Program beyond March 2014.

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