

*On June 1st, the Economic Club of Canada, in partnership with OVIN, the Province of Ontario and the Global Automakers of Canada presented an exclusive event to answer the following question:*

## Is Canada Ready to Fully Embrace Electric Vehicles?

### SPEAKERS

- Irfaan Hasham, P.Eng, CEM, CMVP, Director, Energy & Environment at Global Automakers of Canada
- Andreas Tetzloff, President and CEO of Mercedes-Benz Canada
- Flavio Volpe, President of Automotive Parts Manufacturers' Association
- Francis Bradley, President and Chief Executive Officer of Electricity Canada
- Pierre Boutin, President and Chief Executive Officer of Volkswagen Group Canada Inc.
- Raed Kadri, Head of the Ontario Vehicle Innovation Network (OVIN)
- Natasha Hope Morano, Event Chair, Economic Club of Canada

### KEY TAKEAWAYS

**The great electrification will require transgovernmental alignment, market development, demand and investment, strong policy and clear mandates.**

- Over 700 suppliers, and 500 tool and die mold makers, have been supplying technology in some way, shape, or form to the auto sector for over a hundred years
- Province of Ontario in 2017 set a goal to leverage innovation, entrepreneurship, post-secondary institutions, municipalities and manufacturers to open up the supply chain to get made-in-Ontario technologies into the future of the automotive sector
- Canada possesses critical minerals and is “becoming one of the world’s leading suppliers of those highly in-demand rechargeable power sources” [as reported by The Globe & Mail in January of 2023](#)
- In August 2022, [Mercedes and Volkswagen signed a memorandum of agreement \(MOA\)](#) with the Canadian Federal government related to EV critical minerals and other research and development initiatives
- Mercedes-Benz will be “all-electric” from 2030 onward; the company is also building over 400 hubs in North America with more than 2,500 charging points
- Volkswagen has made a capital investment of \$7B in a St. Thomas, Ont. facility—a mega-project that will require three years to build, a massive operational investment and employment.

# Economic Club of Canada

- opportunity. It will be the largest industrial factory in Canada, of any industry, and probably at the top in North America
- Canada's doors are wide open to electric automaking technology, research and development.
- To continue this pace of progress, we need more investments in the development of sustainable mobility and more clean mining... that's a competitive advantage that Canada has.
- We also need more recycling and sustainable mining practices and recycling opportunities are critical. We must build a circular economy, in everything we touch, everything we do, and certainly as it relates to battery-electric vehicles
- There is a significant electricity load required to supply those factories. Progress is the building of a sustainable green power grid & cleaner energy and we're in the investment and buy-in stage of this progress where it's vital that we sustain momentum
- Regarding a net zero future, we're already at 84% automating in terms of our electricity system. But, it depends on where you are in the country. The challenges are very significant in some jurisdictions
- The Government of Canada has set a target for a net zero electricity grid by 2035 and net zero economy-wide by 2050. This translates into a doubling, or in some cases tripling, of the amount of clean electricity that we'll require by 2050
- This isn't simply about making sure we have enough electricity generation. It's about transmission, distribution, and the infrastructure that individual customers have
- Global example: 80+% of the vehicles that are being sold in Sweden are electric
- The shift to fully electric is happening incrementally, not all at once
- Affordability: Canadians are concerned about what we pay for electricity, it's significantly less than everywhere else in the world—an advantage that we want to maintain for companies and individuals throughout the electrification period
- Are we ready? Yes, we're ready. But it also depends on how Canadians want to spend their dollars. Electrification means making changes to how people live and move.
- Changing infrastructure within cities can be difficult and bureaucratic. There's a lot of infrastructure to build out and install. The auto industry must work closely with municipalities to facilitate the development of the infrastructure needed to support EVs and this requires demand from consumers.
- Politics and policy: If we're trying to make everybody buy electric vehicles, we should make everybody buy electric vehicles. If we're trying to make every car maker build electric vehicles, but we're not mandating and regulating the market, we're not going to get there.
- The big picture: Number one, we have to determine the appropriate balance in this space. Secondly, how do we minimize the impact on the overall electricity system and have the to manage charging to avoid peaks etc? We need to be thinking about this in terms of what is the overall carbon footprint, how are we actually going to electrify out to 2050? Part of it is electric vehicle charging for customers, but part of it is heating, ventilation, air conditioning, energy use other transportation uses.

**The Economic Club of Canada**

45 St. Clair Avenue W, Suite 1001 Toronto, ON M4V 1K9

# Economic Club *of* Canada

- We should be taking a more integrated approach to thinking about this with alignment between different levels of government. We are further away from alignment on these issues than we were a decade ago. A decade ago we had the Pan-Canadian framework on climate change where there seemed to be far better alignment amongst different levels of government that we needed to address climate change than we do today.