

Backgrounder: Incentives for EVs

Making low-emissions vehicles cheaper to purchase and easier to choose

We need to make electric vehicles affordable for everyone in Ontario, whether you're a PSW, tradesperson, teacher or professional.

Our plan will give the most incentive to the lowest emission cars, and will make the cost of low-emission vehicles equivalent to the price of fossil fuel vehicles. This will provide overall savings as charging is much cheaper than filling up gas.

This program doesn't require money from taxpayers, instead is funded by fees on new purchases of polluting vehicles.

No incentives are provided for luxury cars.

FAQ

1. How will the feebates work for new EV vehicle purchases?

Feebates have two parts: the fee and the rebate.

The goal of the feebate is to level the playing field between internal combustion engines and low emission vehicles, to ensure that the upfront cost of purchasing a zero or low emission vehicle is no higher than the upfront cost of purchasing an internal combustion vehicle.

The fees will be paid by everyone who chooses to buy a new vehicle that burns gasoline or diesel fuel. The larger and heavier the vehicle, and the worse its fuel mileage, the larger the fee will be, and the fees will increase each year. In 2022, the average fee will be \$500 for cars and \$1000 for SUVs, vans and trucks. The fees will be collected in a special fund.

The fund will be used to provide rebates that level the playing field for the purchase or lease of low- or zero-emission vehicles. In 2022, the provincial rebates will be available to everyone who buys or leases a new vehicle that is eligible for the \$5,000 [Transport Canada zero-emission vehicle incentive](#). These vehicles:

- have a Manufacturer's Suggested Retail Price (MSRP) of less than \$55,000, for vehicles with six seats or less, provided the base vehicle MSRP is less than \$45,000; or
- have a MSRP of less than \$60,000, for vehicles with seven or more seats, provided the base vehicle MSRP is less than \$55,000.

Zero-emission vehicles are getting cheaper every year, and the cost of operating polluting vehicles will rise steadily with the carbon price, so the rebates needed to level the playing field will drop each year. In 2022, the provincial rebate will be:

- \$10,000 for vehicles that are fully electric or fully powered by hydrogen, on top of the federal \$5,000 incentive, for a total of \$15,000; and
- \$5,000 for hybrid plug-in vehicles that have a battery capacity of at least 15 kWh (kilowatt-hours) on top of the federal \$5,000 incentive, for a total of \$10,000.

For hybrid plug-in vehicles that have a battery capacity of between 7 and 15 kWh, the federal government currently offers a \$2,500 incentive.

2. How will the rebates work for used electric cars and for e-bikes?

Plug n Drive currently offers a privately funded \$1000 rebate for the purchase of used motor vehicles that are fully electric or fully powered by hydrogen. Our plan calls for the province to take over funding this rebate, and to add a \$1000 rebate to be available for the purchase of any electric-assist bicycle.

3. What about charging for Electric Vehicles?

Our plan calls for greatly increasing access to Electric Vehicle charging, and includes:

- \$800M over 4 years to increase the number of public charging stations and financial assistance for installing private EV charging stations.
- Implementing regulations to install more public charging at 400 series highway rest stops and parking lots.
- Amending the building code to require new homes to have EV charging equipment installed.