

Electric Vehicles Availability Standard

Maintaining the standard in the era of U.S. tariffs

Media Backgrounder

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U.S. tariffs and the pause of federal and provincial rebates have hurt Canada's auto sector, but the federal government must not lose sight of the net-zero future of the industry.

Why a Strong EVAS Matters

Affordability and Consumer Choice

- The EVAS will [save Canadians \\$45 billion in fuel costs by 2035](#), or \$1,750 per EV driver annually.
- By 2028–2029, under the existing EVAS, EVs will reach price parity with gas vehicles, and [by 2035 they will be \\$5,000 cheaper on average](#).
- Without the EVAS, automakers will continue restricting EV supply, driving up prices and limiting model availability especially outside B.C. and Quebec.

Climate and Health Benefits

- The EVAS [will prevent 69 Mt of GHG emissions by 2035](#), equivalent to removing 15 million gas cars from Canadian roads.
- It will deliver [\\$90 billion in cumulative health benefits and prevent 11,000 premature deaths](#) by 2050 through cleaner air and reduced pollution exposure.

Jobs and Competitiveness

- Canada could create [up to 600,000 jobs in EV manufacturing](#), charging infrastructure, and related sectors by 2035.
- A strong EVAS provides investment certainty for domestic battery production and critical minerals processing.
- Weakening the EVAS would cede ground to the U.S.

Policy recommendations to address the economic and political reality

1. *Recalibrations that do not undermine the EVAS purpose including reversing the 2026 pause, keeping the 2035 target no lower than 95% and adjusting interim targets, if needed, by only 4-5 percentage points*
2. *Exclude conventional hybrids*
3. *Maintain, but Do Not Expand, Plug-in Hybrid (PHEV) Flexibility, limit PHEV compliance to no more than 20% of sales by 2028 subject to review by 2030*
4. *Reinstate and Modernize Incentives like the iZEV program, include used EVs and e-bikes and implement a feebate mechanism*
5. *Promote Affordable EVs by granting partial credits for cheaper EVs and reassessing 100% Chinese tariffs*

Background

Prior to the implementation of the EVAS in December 2023, EV supply outside of Quebec and British Columbia was scarce and inadequate to meet the high demand. A 2022 Dunsby Energy + Climate Advisors study found that 82 per cent of dealerships had no ZEVs in stock, and those that did often had only one vehicle available. The standard has addressed the undersupply issue by requiring provinces to sell set amounts of ZEVs with flexibilities. Paired with the rebate program, ZEV uptake significantly increased especially in provinces with additional rebates. ZEV demand is still expected to increase in Canada and globally, surpassing sales of gas cars in Europe for the first time in history.

Unjust U.S. tariffs, not EVAS, are what's hurting Canada's auto sector

Canada's auto sector has been deeply impacted by the unjust US tariffs. Despite lobbying efforts from the auto manufacturers, the EVAS is not what is causing layoffs of autoworkers, it is the impact of the US tariffs.

The federal review of the EVAS

In September 2025, Environment and Climate Change Canada launched consultations proposing "regulatory flexibility" for the EVAS, including a pause of the 2026 compliance requirement and potential recalibration of 2030–2035 targets.

At the same time, EV sales have temporarily dipped, from 18.3% in Q4 2024 to 9.2% in Q2 2025 due to:

- Suspension of federal and provincial rebates (iZEV, Roulez Vert, and B.C. incentives);
- U.S. policy reversals under the Trump administration;
- Economic uncertainty and misinformation campaigns led by automakers and trade associations.

Despite this downturn, global EV sales continue to surge, and EV adoption in Canada will rebound quickly if federal leadership remains firm. Weakening the EVAS now would reward bad-faith industry lobbying and undermine public confidence in Canada's clean transition.

Contact Information

For more information or to request an interview, please contact:

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