Urban Delivery Solutions Initiative

Driving impact in 2024

Your commitment and shared expertise this past year helped us to (1) explore the role of clean fuels in decarbonizing freight, (2) identify barriers to charging and propose solutions, (3) support small fleets in shifting to electric vehicles (EVs), and (4) highlight the significant public health benefits of electrification.

As we reflect on 2024, it's clear that Canada's EV industry is accelerating at a remarkable pace. From advancements in infrastructure to increases in investment and innovation, major strides have been made in creating a cleaner, more sustainable future. The continued growth of the EV sector not only presents new opportunities for Canadian businesses, but also promises long-term benefits for the nation's economy and the health of its communities.

Looking ahead, we remain focused on supporting the ongoing electrification of fleets, promoting policy solutions that benefit both businesses and consumers, and ensuring that Canada remains at the forefront of this transformative shift in transportation. Thank you for your continued participation and commitment to a sustainable future.

Fuelling the Transition: Low-carbon road freight

In April 2024, we published Fuelling the Transition, a report that analyzed the role of clean fuels in decarbonizing medium- and heavy-duty vehicles (MHDVs), a sub-sector responsible for the highest levels of carbon pollution in Canada after oil and gas production. With operational costs, health-care concerns and environmental protection driving fleet owners to invest in low- and zero-emission vehicles, we assessed four low-carbon fuels: biodiesel, renewable diesel, renewable natural gas and hydrogen.

Key findings:

- Electrification is the fastest and most cost-effective way to reduce emissions in the MHDV sector and is viable for most vehicle classes today.
- Clean fuels will play an important role in transitioning to zero-emission trucks and buses, especially for long-haul and delivery vehicles that will continue using internal combustion engines in the near term.
- Long-term decarbonization will require a strategic approach to clean fuels, particularly for vehicle classes where electrification is not yet commercially viable (such as long-haul Class 8 rigs).
- Clean fuels should be considered as an interim solution, with the ultimate goal of shifting to zero-emission vehicles where feasible.

Industry, government, utilities and stakeholders come together at our May 2024 workshop to tackle charging challenges.

Advancing solutions at the Getting Connected workshop

In May 2024, we hosted the Getting Connected, Fleet Electrification and Charging Requirements Workshop at the Electric Autonomy EV and Charging Expo. The full-day session brought together industry leaders, government officials, utilities and community stakeholders to address the challenges around charging infrastructure for MHDVs. The discussion focused on identifying the barriers fleets face as they move to electric transportation.

Read more about what we heard in our blog Charging solutions for electric fleets.

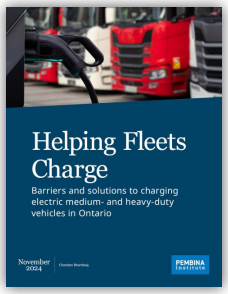
High charging costs, limited public infrastructure and lack of familiarity with electric trucks are some of the key barriers to fleet electrification. Insights from the workshop have shaped our ongoing work, including our report on overcoming barriers to charging MHDVs and our grid readiness efforts — highlighted below.

Overcoming barriers to MHDV electrification

Our Helping Fleets Charge report explored the challenges to deploying charging infrastructure for electric MHDVs and outlined regulatory solutions. Electrifying this sector presents a major opportunity for Ontario and Canada by:

- lowering fuel and maintenance costs for operators
- improving public health by reducing pollution-related illnesses and deaths
- creating demand for Canada's mining sector
- revitalizing jobs in the shrinking MHDV manufacturing sector

We are continuing this work in 2025 with our Grid Readiness project, launched with support from FedEx. This initiative will help municipalities and utilities



in the Greater Toronto and Hamilton Area map optimal locations for commercial freight charging stations and forecast future energy demand. The project will culminate in a comprehensive charging infrastructure action plan to help decision-makers plan charging and refuelling stations where they are needed most.

With these initiatives, we are promoting practical solutions that strengthen the economy, improve public health and support a more efficient and sustainable transportation system.

Supporting small fleets in the electric vehicle transition

Small fleet operators face distinct challenges in adopting electric trucks, vans and buses. Limited access to information, uncertainty about vehicle performance and financial constraints create significant hurdles — particularly for small, minority- and women-owned businesses, which often have less access to capital.

To better understand these challenges, we launched the Women Delivering Electric: An Edmonton transportation roadmap report, highlighting how targeted incentives, expanded charging infrastructure and awareness campaigns can create a more inclusive EV transition. As a next step, we engaged with small fleet operators to better understand their unique challenges and identify practical solutions to support their shift to EVs.

We also hosted a webinar on the topic of an equitable transition to zero-emission vehicles, where experts discussed the barriers faced by diverse groups and shared learnings from engagement efforts and programs designed to foster inclusive EV adoption.

Helping small businesses go electric creates new economic opportunities, supports innovation and improves air quality — delivering benefits for businesses, communities and the broader economy.

Our factsheet series, Businesses Driving Electric, helps small businesses in their EV journey.

Engaging in public dialogue

In 2024, we had the opportunity to contribute to key conversations shaping the future of electrification in Canada. From highlighting the health benefits of electrifying MHDVs to addressing the true costs of diesel-powered transportation, we amplified the message that cleaner, more sustainable solutions are needed.

- One crucial discussion we held centred around the disproportionate contribution of diesel-powered MHDVs to traffic-related air pollution, as explored in our op-ed The true cost of diesel-powered medium- and heavy-duty vehicles. We also spoke on how the economic and health benefits of acting now outweigh the higher costs of inaction, as outlined in Reducing emissions costs less than inaction.
- In response to debates on unfair Chinese trade practices in EVs, we called for a policy response that balances the interests of Canadian consumers, workers and the broader EV supply chain.
- We worked closely with partners to raise awareness about the benefits of transitioning to electric school buses, highlighting that provincial funding for electric school buses can significantly improve health outcomes.
- We attended Electric Mobility Canada's annual conference in Halifax and participated in a Run on Less workshop, spotlighting how efficiency technologies can improve fleet operations and reduce emissions.

- As part of the Green Budget Coalition, we collaborated with other leading non-profit organizations to propose recommendations for federal budget allocations, including a $325 million investment over three years to enhance the Zero Emission Vehicle Infrastructure Program and support private depot charging infrastructure.
- We also continued to share ZEV-life stories, profiling Purolator's sustainable mini-hub, and released a positive outlook for Canada's EV future.

Photo: City of Toronto

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