

Election Proposal Costing

Resuming the Incentives for Zero-Emission Vehicles program

April 19, 2025

Resuming the Incentives for Zero-Emission Vehicles (iZEV) policy with modifications, effective April 1, 2025.

Cost of Proposed Measure

Fiscal year	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	Total
Total cost \$ millions	1,271	1,487	1,907	2,739	3,673	11,077

Notes

- Estimates are presented on an accrual basis as would appear in the budget and public accounts.
- A positive number implies a deterioration in the budgetary balance (lower revenues or higher spending). A negative number implies an improvement in the budgetary balance (higher revenues or lower spending).
- Totals may not add due to rounding.

Estimation and Projection Method

Under the proposal the iZEV program will be modified to exclude Tesla brand vehicles. Further, ZEVs made or assembled in Canada will receive double the incentive, with the same incentive structure for the type of eligible vehicle purchased.

Total vehicle sales were taken from Statistics Canada and then extrapolated using the growth rate of projected annual sales from previous PBO analysis.¹ The proportion of new sales that are ZEVs were calculated by applying the Government's binding EV Availability Standard, and further adjusted to only include ZEVs eligible for the program. Additional adjustments were made to exclude Tesla brand ZEVs and double the incentive for Canadian made or assembled ZEVs.

Sources of Uncertainty

The main source of uncertainty relates to the projection of eligible ZEVs under the resumed program with modifications.

Data Sources

New Vehicle Sales and Registrations by year

Statistics Canada Tables 20-10-0002-01 New Vehicle Sales and 20-10-0024-01 New Vehicle Registrations

Growth rate of annual ZEV sales

August 2024 PBO report, Electric Vehicle Availability Standard: Potential Impacts on Ownership Costs and

Charger Supply

Annual ZEV regulated sales targets

Environment and Climate Change Canada: Canada's Electric Vehicle Availability Standard

Total iZEV incentives issued, May 2019 to January 2025

Transport Canada iZEV program statistics

1. [Electric Vehicle Availability Standard: Potential Impacts on Ownership Costs and Charger Supply.](#)

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