A Circular Approach to Electric Vehicles

Submitted by: Windsor-Essex Regional Chamber of Commerce. Co-Sponsored by: Learnington Chamber of Commerce

Issue:

Ontario is increasingly moving towards the goal of a circular economy. More and more the focus is being put towards reducing waste and producers shoulder increasing responsibility for their products at the end of their lifespan, Ontario needs a plan to manage the end-of-life for electric vehicles (EVs).

Background:

In 2023, the Government of Ontario started moving the cost of recycling over to companies that produce the waste. This policy pushes the cost of recycling onto producers with the aim of reducing the amount of recyclable goods ending up in landfills. The idea behind this approach, the circular economy, can easily be applied to electric vehicles and their components. While these present unique challenges as compared to traditional internal combustion engine vehicles, a circular economy approach to electric vehicles and their components great opportunities to make the new technology even more environmentally sustainable.

The batteries that power EVs present unique challenges for recycling. Extracting reusable material that can be salvaged for future use and developing future uses are essential in responsibly dealing with the end-of-life waste created by EVs. There needs to be a holistic approach that encourages not only recycling but also reuse of the salvageable parts of EVs. Promoting one approach can lead to neglect of the other¹ so any circular approach to dealing with EVs needs to contain both elements.

Manufacturers should first look at reuse as their primary means of dealing with these batteries. If a new EV gets in an accident, unless it is damaged, that battery should not be written off. Recirculating that battery allows it to still be productive. For example, Nissan reuses old batteries from its Nissan Leaf models to power robots that move parts around its factories.² By exploring alternative uses for EV batteries, they offer manufacturers additional value beyond their initial purpose.

As these batteries approach their end-of-life point beyond when their reuse is possible, companies must then salvage what materials they can. According to the United States Department of Energy, current recycling methods for lithium-ion batteries can recapture 95 percent of the original raw materials.³ Recycling these materials can supply a significant amount of anticipated demand for cobalt, manganese, lithium, and nickel.⁴

¹ <u>A circular economy approach is needed for electric vehicles | Nature Electronics</u>

² Electric cars: What will happen to all the dead batteries? (bbc.com)

³ EV Battery Recycling and Sustainability | Arrow.com

⁴ <u>A circular economy approach is needed for electric vehicles | Nature Electronics</u>

As this industry is in the midst of its growth in Ontario, the time is now to address this issue and before an influx of EVs end up in our junkyards. By implementing best practices now, Ontario can avoid playing catch up when confronted with this challenge down the road.

Recommendations:

- 1. Work with industry to develop a comprehensive plan to ensure that the end-of-life treatment of electric vehicles follows a circular approach including:
 - a. Strategies for how batteries can be reused at the end of their vehicle use lifespan, and
 - b. Incentivize increased recycling of electric vehicle components including from their batteries.

Workforce Transitioning to Electric Vehicles

Submitted by: Windsor-Essex Regional Chamber of Commerce. Co-Sponsored by: Learnington Chamber of Commerce

Issue:

As electric vehicles become an increasingly large share of the automotive market, certifications for mechanics need to have the relevant training to make sure they can service electric vehicles. Especially as the Canadian Government pushes for 100% electric vehicle sales by 2035, plans need to be put in place to transition the workforce for upcoming needs.

Background:

Electric vehicles require entirely different knowledge sets than traditional internal combustion engine vehicles. For example, electric vehicles do not possess transmissions, one of the most key components for internal combustion engine vehicles. 310-S and 310-T certifications are required to work on vehicles but don't have any required training for electric vehicles.

Thus, the education required to work on this component is irrelevant for mechanics that are working solely on electric vehicles and their drivetrains. As an increasing share of the automotive market transitions towards electric vehicles, those who are only trained and knowledgeable on internal combustion engines will have decreasing number of vehicles to work on, especially as the federal government requires all vehicles sold in Canada to be electric by 2035.

Not only do we need more technicians certified to work on electric vehicles but also need to transition the existing technician labour force away from internal combustion engines. Currently there is almost 50,000 Ontarians employed as automotive technicians working on both passenger vehicles as well as transport trucks.¹ They will need retraining in how to manage electric vehicle components such as battery fuel cells and charging ports. The risk for many auto shops is that they do not have the skilled workforce necessary to service electric vehicles and are excluded from working on these new vehicles until they can hire or have their personnel trained to work on electric vehicles. Retraining their existing technicians to work on electric vehicles could be a costly and prohibitive challenge facing the sector.

Beyond the questions of personnel concerns are the concerns that shops will have to upgrade their equipment to deal with electric vehicles and their unique needs. This will be a costly transition that will be hard to justify until the demand is present from their customer base. However there needs to a be proactive approach to help those businesses adjust to changing market conditions imposed by government initiatives.

Unless these challenges are addressed the mechanic shops of today could struggle to operate in the world of tomorrow.

¹ Automotive Service Technician in Ontario | Job prospects - Job Bank

Recommendations:

- 1. Provide financial assistance through loans and grants to help those already trained and 310-S, 310-T, and 421-A certified to get training to work on electric vehicles.
- 2. Provide financial assistance through loans and grants to help small auto mechanic shops adapt to electric vehicles and their unique needs including any specialized equipment purchases necessary.
- 3. Work with post-secondary institutions to develop and enhance certification programs for 310-S, 310-T, and 421-A to be inclusive of electric vehicles.

Enhancing Landlord and Tenant Relationships

Submitted by: Windsor-Essex Regional Chamber of Commerce. Co-Sponsored by: Learnington Chamber of Commerce

Issue:

Challenges have emerged in the rental market since the COVID-19 Pandemic. Tenants and their advocacy groups have raised concerns around landlords evicting people on fraudulent grounds while landlords are stuck with tenants refusing to pay rent and relying on the backlog at the Landlord Tenant Board to avoid their removal from the residence.

Background:

The vast majority of landlords and tenants in Ontario are responsible actors within the real estate market. Tenants are looking for a place to live and landlords are looking for someone to occupy their space and pay rent. However, some bad actors have given both landlords and tenants a bad reputation

Landlords who have owned and operated for years without complaint are grouped together with landlords who have tried to manipulate the system to defraud or exploit their tenants. This includes landlords who claim family or personal use of the space only to quickly return the unit to market ignoring the one-year occupancy requirement or fail to maintain a property or provide necessary repairs in a timely manner. Further landlords have been known to evict tenants to "renovate" spaces simply to relist the unit and increase the rent more in line with higher market prices (so-called "renovictions")

On the other side, tenants are holding landlords hostage by occupying spaces while waiting for the eviction process. In Ontario, this can take over a year in some cases¹, meanwhile landlords must continue to pay the mortgage on the property. Reports have emerged of landlords paying significant sums for the tenant to vacate the property. There are also cases where tenants cause extensive damage greater than the value of their security deposit, leaving the landlord on the hook for potentially thousands of dollars in costs to repair the property.

To respond to these challenges, some cities in Ontario have taken steps to try and prevent bad landlords. The City of Windsor is running a pilot project that requires landlords in certain areas of the city to possess a rental licence.² The City of Hamilton has recently passed a bylaw to prevent "renovictions" by requiring landlords to make arrangements with any tenant who wants to return after renovations are complete.³

¹ Landlord and Tenant Board Wait Times Continue to Grow | The Local

² Get a residential rental licence (citywindsor.ca)

³ Hamilton to become 1st Ontario city with bylaw to stop 'bad faith' renovictions (msn.com)

These differing approaches can make it difficult for landlords to operate across municipalities even in the same region. By establishing universal guidelines for what can and how municipalities regulate landlords it will provide a uniform approach and stability for the sector across the province.

By establishing increased awareness, enhanced protections, and universality across the system, the province can foster stronger relationships between landlords and their tenants and potentially avoid increasing the burden on the already overburdened Landlord Tenant Board. Increasing education, enacting provisions for vexacious landlords and tenants, and implementing universal guidelines for municipal regulations permitted under the Municipal Act for rental units can foster stronger, and more productive relationships among property owners and their lessees.

There are also concerns around the enforcement of the Landlord Tenant Board with many rulings ending up in small claims court in order for landlords or tenants to receive any funds they may have been awarded. The lack of enforcement power means even greater delays for those seeking justice from their landlord or their renter.

Recommendations:

- 1. Create and implement guidelines similar to vexacious litigation standards to apply to landlords and tenants to prevent inordinate delays
- 2. Develop and enhance educational materials for landlords and tenants to better understand their roles, responsibilities, and rights within the relationship to help avoid conflict and establish better partnerships between the two parties.
- 3. Create universal guidelines for municipalities under the Municipal Act that regulate how municipalities can regulate landlords and tenants in order to prevent a patchwork approach developing across Ontario municipalities that makes it harder for landlords to operate across municipalities.
- 4. Give the Landlord and Tenant Board enforcement powers to bypass the need for small claims court.

Strengthening Ontario's Workforce and Innovation Ecosystem by Supporting a Financially Sustainable Post-Secondary Sector

Submitted by: Greater Niagara Chamber of Commerce, South Niagara Chamber of Commerce, & Windsor Essex Chamber of Commerce

Issue:

Ontario's post-secondary institutions are critical partners, as the province works to build a strong economic future by filling labour market demands in key sectors, building the capacity of local industries and developing its innovation ecosystem to hone its competitive advantage in emerging markets. As such, a financially sustainable post-secondary education sector is vital to achieving these goals and creating a better future for Ontario.

Background:

Ontario has made strides in recent years to build its competitive advantage as a strong player in the global marketplace. Our ability to capitalize on recent successes and improve the province's economic outlook in the years to come will depend on the actions taken today to cultivate the highly skilled workforce and innovation ecosystem that will propel Ontario forward. As key drivers of growth, performance, prosperity, and competitiveness, Ontario's colleges and universities will play a vital role in fortifying our province.

However, growing financial pressures on the post-secondary sector, including rising costs to support students, the cut and freeze to tuition, declining real per student operating grants and the impact of the repeal of Bill 124, are jeopardizing Ontario's competitive advantage and are impacting the student experience, research output, and economic development. In fact, as of 2023-24, at least 10 of Ontario's universities are projecting operating budget deficits with a cumulative total of more than \$175 million, increasing to \$274 million in 2024-25⁶⁷.

In the college sector, average domestic tuition is just \$2,700 annually – higher only than Newfoundland and Labrador in tuition-fee charging provinces.

In 2021-2022, Ontario's funding per college student was \$6,891, 44% of the figure for the rest of Canada (\$15,615), and universities received \$11,471 per student, which represented 57% of the figure for the rest of Canada (\$20,772), according to the government's Blue-Ribbon Panel on postsecondary education. When combined, average tuition and per-student funding levels place Ontario as the only province in the country that requires its public college system to operate with less than \$10,000 per student.

⁶⁷ Council of Ontario Universities, "The Council of Ontario Universities' Opening Remarks to the Standing Committee on Finance and Economic Affairs", January 2024. https://ontariosuniversities.ca/wp content/uploads/2024/01/SCFEA-Remarks-Final.pdf

The Ontario government had the foresight to commission the work of the Blue-Ribbon Panel, which lays out an action plan for the financial health of the sector -a plan that will benefit both Ontario's students and local economies.

The recommendations put forward by this Panel respond directly to key factors in the ongoing financial pressure experienced by the post-secondary sector. For example, implementing the Panel's recommendations in their entirety would inject a much-needed

\$1.9 billion into the university sector, alone, over the next three years.

Taking immediate action on the recommendations of the Panel to provide stability to the sector will produce tangible economic benefits that will be enjoyed across sectors and in regions throughout the province, resulting in better student experiences and outcomes, and allowing post-secondary institutions to continue to deliver their highest potential for the good of Ontario.

Recommendations:

- 1. Invest in the postsecondary system by increasing multi-year base operating grants, immediately boosting operating grants by 10% and indexing them over time; and
- 2. Lift the tuition freeze for general programs at post-secondary institutions, beginning in Fall 2024.
- 3. Implement common sense changes to create the opportunity for students to study highdemand programs or to enroll part time.
- 4. Implement the Blue-Ribbon Panel recommendations on tuition, while protecting low-income students.
- 5. Engage with the federal government and postsecondary institutions to establish clear and reasonable guidelines and timelines for the implementation of the federal cap on international study permits and determine how the cap aligns with previous commitments to develop a Recognized Institutions Framework.