



April 25, 2008

Charles O'Hara  
Team Lead – Sustainable Transportation Policy Office  
MTO Transportation Policy Branch  
439 University Ave., Suite 200  
Toronto, ON M5G 1Y8

Dear Mr. O'Hara:

Re: Green Passenger Vehicle Project (GPVP)

This letter summarizes Pollution Probe's comments on the development of the Government of Ontario's Green Passenger Vehicle Project.

Promoting More Fuel Efficient, Lower-Emitting Vehicle Use Is Important

The Government of Canada is developing new vehicle fuel efficiency standards to reduce greenhouse gas (GHG) emissions from the transportation sector. Pollution Probe has identified the need to complement such regulations with measures to promote consumer interest and demand in fuel efficiency. The King Review from the UK demonstrated that strong regulations on fuel efficiency need to be coupled with strong marketing or incentive campaigns or else consumers' may not respond to the product offerings that manufacturers are obliged to make via regulations<sup>1</sup>.

At Pollution Probe's workshop on ranking and labelling, a shared view emerged that an effective ranking system was needed, both to inform consumers about the environmental performance of different vehicles models, and to provide government, non-government and private sector organizations with a tool upon which to build their own incentive programs.

***Pollution Probe applauds the Government of Ontario for recognizing the need to engage consumers in the push towards more fuel efficient vehicle use, and for taking up the challenge of developing the incentives and information tools that will comprise the GPVP.***

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<sup>1</sup> King, J. The King Review of low-carbon cars. March 2008.

## Green Vehicle Performance Metrics and Rating Systems

The two options considered for rating vehicles, either by their tailpipe GHG emissions or their total fuel-related GHG emissions (including lifecycle emissions), are each supported by valid arguments. However, given that the fuels market is currently dominated by gasoline and diesel, Pollution Probe prefers rating vehicles by tailpipe GHG emissions. This is a simple approach that uses reliable, available data and should intuitively make sense to consumers. Whereas, incorporating lifecycle emissions into the rating system could increase the complexity of the program, confuse consumers and undermine the credibility of the program – especially given the state of the debate over lifecycle emissions associated with biofuels. A tailpipe approach also places the focus on the fuel efficiency performance of the vehicle, which is tangible to consumers and a direct function of vehicle design, rather than fuel-switching options that are dependent on a range of factors beyond the control of automakers and often not economically appealing to consumers.

And yet, Pollution Probe also recognizes that the possible emergence of alternatively powered vehicles (e.g., electric vehicles, plug-in hybrids, bi-fuel vehicles, etc.) will make the rating process more complex and will probably require some recognition of lifecycle emissions or possibly a new metric altogether. The door should remain open to future changes in the metrics and rating systems as new technologies and fuels enter the market.

***Pollution Probe recommends that the Government of Ontario focus the GPVP performance metrics on tailpipe GHG emissions. If lifecycle emissions are to be used, we advise an appropriately light weighting be applied to the “upstream” portion of the fuel lifecycle, and that the rating remain heavily weighted towards tailpipe emissions.***

## Recognizing Green Vehicles

There are valid arguments for recognizing vehicles based on a best-in-class system and for best overall. It is difficult to recommend either option without knowing the nature of the incentives attached to the recognition system. The best overall approach might be the most credible and understandable among consumers; it avoids the trap of providing incentives for larger vehicles that, while very fuel efficient for their size, are perhaps less fuel efficient than smaller vehicle that do not qualify for incentives. This system would have the added bonus of design simplicity, recognizing the true top performers and not requiring subjective class designations.

However, Pollution Probe also recognizes the relevance of a best-in-class ranking system, given the view that it is difficult to shift consumers into smaller vehicle classes. Switching to a more fuel efficient vehicle within a given vehicle size class can be just as effective in reducing GHG emissions as switching to a smaller vehicle class. Pollution Probe also notes that the ten most fuel efficient vehicles in the 2008 model year fleet includes a variety of smaller and larger vehicle classes.

***Pollution Probe would support either a best-overall or a best-in-class ranking system, provided the GPVP is communicated in such a way to promote consumer interest in fuel efficiency as an important and prized vehicle attribute. While the best-overall approach is simple and credible, best-in-class would permit the GPVP to target a wider range of consumers, including those for whom smaller vehicles are not an option.***

Eligibility Component

Pollution Probe finds it difficult to comment on the number of vehicles to be recognized without knowing the nature of the incentives. However, it is our opinion that eligibility for the GPVP should be limited to an “elite” class of top-performing vehicles as a starting point. Eligibility could be increased over time, as consumer response to the program is measured and better understood. Limited eligibility could facilitate more significant incentives, thus enhancing the profile of the program. Recognizing too many vehicles could risk diluting the incentive, making it less relevant to consumers.

***Pollution Probe recommends that the GPVP begin as an “elite” recognition program.***

Pollution Probe is pleased to participate in the Government of Ontario’s consultation process for developing the Green Passenger Vehicle Program. We are very supportive of this work and are ready to contribute to its ongoing development. Of great significance to us is the information and education component of the GPVP – regardless of the incentives implemented under the program, the additional information provided to consumers will be an important element of the program’s overall value and success. Pollution Probe looks forward to the completion and announcement of the GPVP later this year. Please feel free to consult with us further on this important topic.

Sincerely,



Bob Oliver  
Acting Executive Director  
Transportation Programme Director