

Working towards a goal of net zero by 2030 for vehicles-for-hire

Municipal Licensing and Standards
Virtual Public Information Session
April 2023



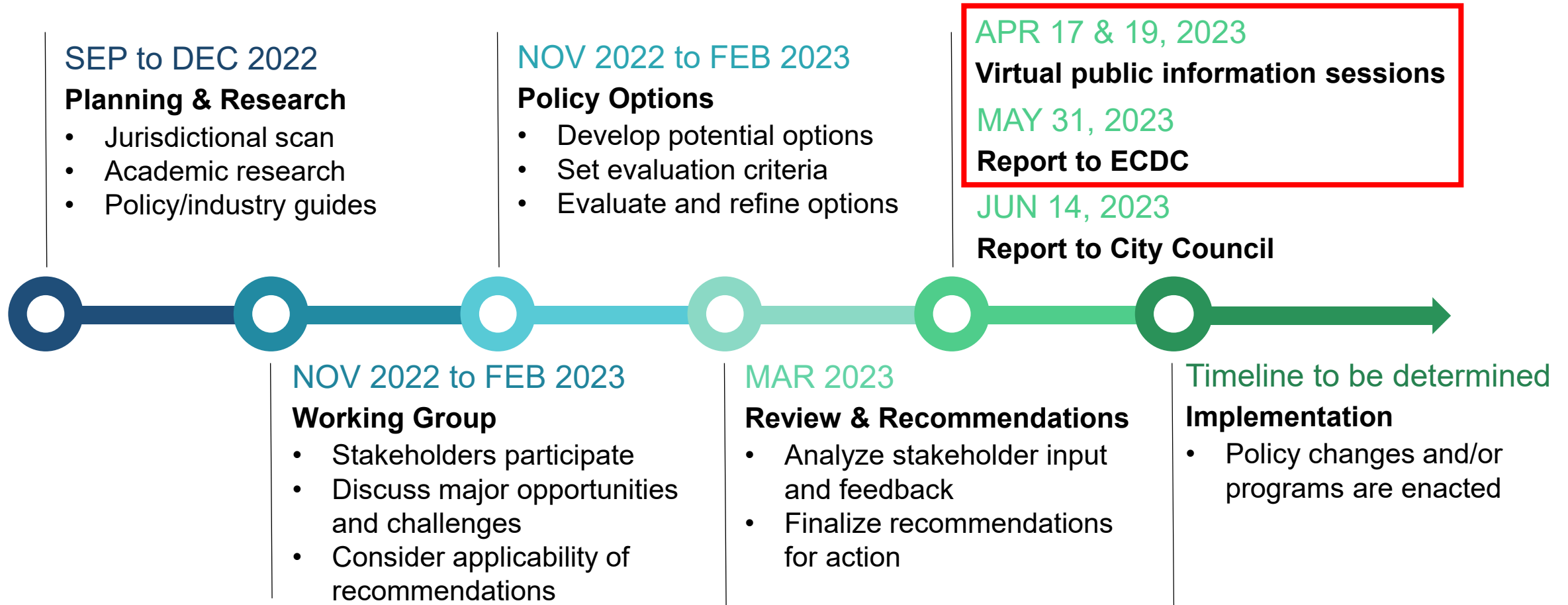
Agenda

- Background & Project Timeline
- Purpose of Information Session
- Current Context
- What We've Heard So Far
- Proposed Approach
- Next Steps

Background

- The Vehicle-for-Hire Bylaw regulates taxicabs, limousines, and private transportation companies (PTCs) like Lyft and Uber.
- In December 2021, City Council directed staff to:
 1. Set a goal of Net Zero by 2030 for vehicles-for-hire;
 2. Establish a Vehicle-for-Hire Net Zero Working Group; and
 3. Report back on recommended bylaw updates and complementary programs, with implementation beginning by the end of 2023.

Project Timeline



Why are we holding this session?

- Provide information to the public and industry on work completed to date, including a proposed approach to achieving net-zero by 2030 for vehicles-for-hire (VFH)
- Obtain public feedback and answer questions regarding the proposed approach before reporting back to the Economic and Community Development Committee on May 31 and City Council on June 14



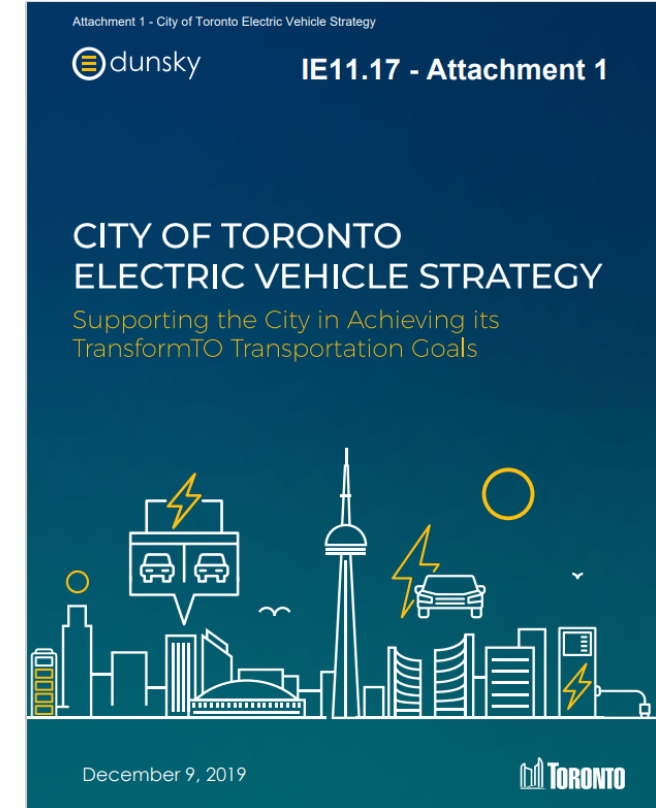
Net Zero – Current Context

Relevant City Partners

City of Toronto's Environment and Climate Division – leading the City's Public Electric Vehicle Charging Infrastructure Plan and Electric Vehicle Strategy.

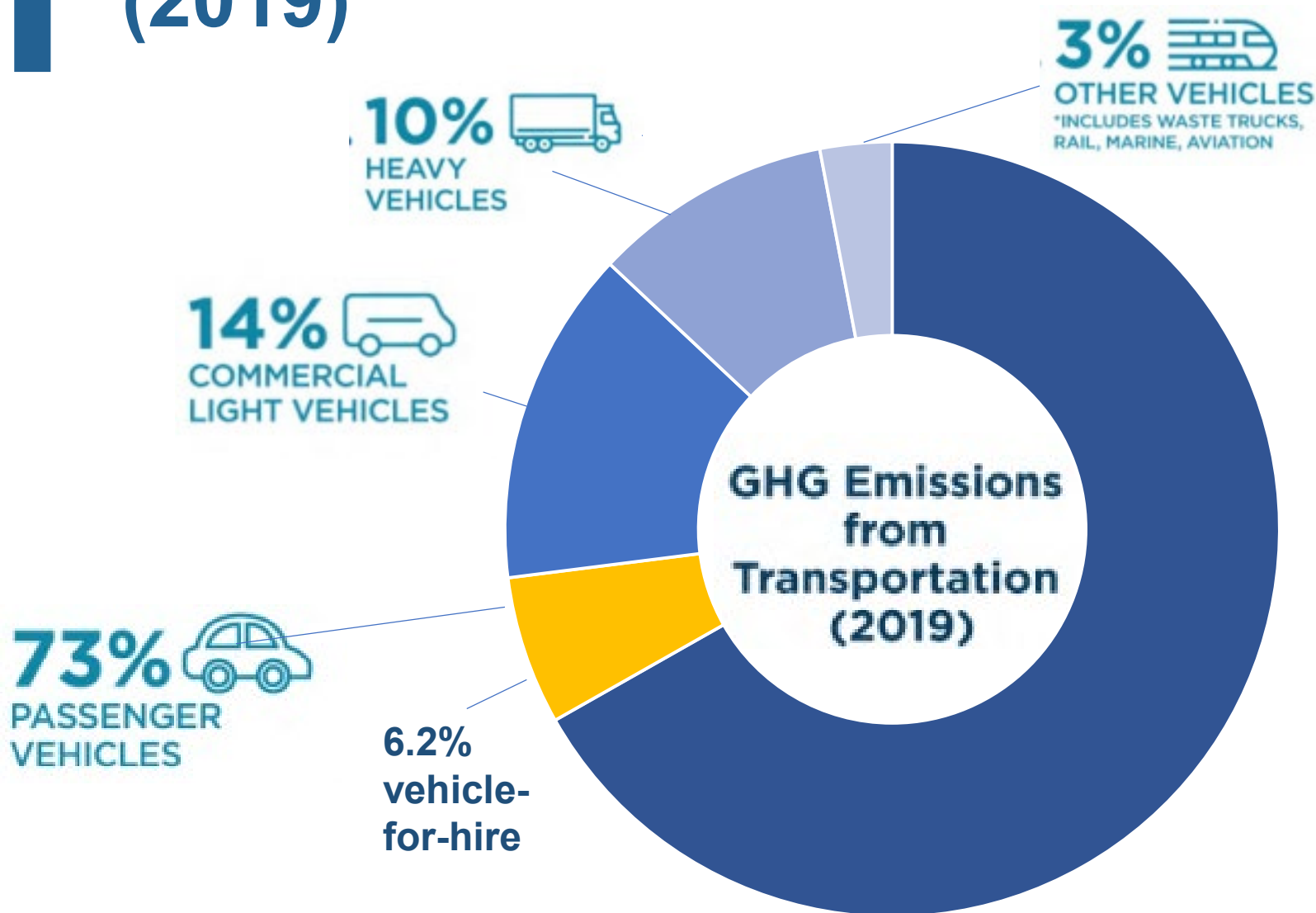
Toronto Parking Authority – leading the installation and operation of public electric vehicle charging infrastructure.

Toronto Hydro – preparing the City's electricity grid for growth as more people turn to electric vehicles through its 2025-2029 Investment Plan.



Our partners are critical leading up to requiring zero-emission vehicles-for-hire.

Emissions from Toronto's Transportation Sector (2019)

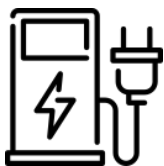


Electrifying 1 vehicle-for-hire has the emission impact of electrifying 3 private vehicles.



What Have We Heard So Far?

Concerns Raised by the Working Group for the Proposed Transition to Zero-Emission Vehicles



Charging Infrastructure

- Requires significant expansion of both public and private electric vehicle (EV) charging networks.
- VFH drivers need access to both Level 2 and Level 3 chargers.
- Until EV charging network is sufficient, regulations to require EV adoption will be difficult.



Cost

- Currently, EV financing is more expensive than financing for gas vehicles, and upfront EV purchasing costs are more expensive than gas vehicles.
- Equity-related barriers should be considered especially in the areas of affordability and access to charging infrastructure.



Vehicle Availability

- Supply chain issues and limited production means that EVs and hybrids are difficult to buy.
- Few models of EVs can be converted to be wheelchair accessible.



Proposed Approach

Proposed Approaches

1. Re-confirm Council's direction that vehicles-for-hire must be zero emission by 2030 (with some exceptions for accessibility);
2. Prepare to expand the City's EV charging infrastructure for vehicles-for-hire;
3. Offer licensing fee grants for zero emission vehicle-for-hire owners;
4. Waive vehicle age limits for zero emission vehicle-for-hire owners;
5. Extend the timeline for legacy hybrids;
6. Provide education on zero emission vehicles; and
7. Require the option for pooled rides on PTC platforms.

1. Vehicles must be zero emission by 2030

Proposal: All vehicles used as VFH are required to be zero emission vehicles by 2030 (with certain exceptions, such as accessible vehicles). The City will monitor the development of charging infrastructure and vehicle availability for the VFH sector leading up to 2030.

Why are we recommending this?

- To re-affirm the City's commitment to the net zero 2030 goal.
 - Zero emission vehicles include all zero emission technologies, including battery electric EVs, hydrogen fuel cell EVs.
- Assures the sector that the City recognizes the importance of charging infrastructure and the EV market for the 2030 net-zero goal.
- Exempts accessibility vehicles (until suitable EV models are available) to help ensure VFH services remain accessible after 2030.

2. Prepare to expand the City's EV charging infrastructure for Vehicles-for-Hire

Proposal: Request the City's Environment and Climate Division, in consultation with relevant City divisions, agencies, and corporations, to consider the unique needs of the VFH industry in planning for public EV charging deployment.

Why are we recommending this?

- To provide assurance and signal to the industry that the City recognizes the importance of:
 1. An adequate public EV charging network for the VFH sector; and
 2. Collaborating across City divisions to prepare for the needs of a net-zero VFH fleet in 2030.
- The City is developing a Public EV Charging Plan which will be finalized by the end of 2023.

3. Offer licensing fee grants for Zero Emission Vehicle-for-Hire Owners

Proposal: Provide a phased grant for Zero Emission Vehicle-for-Hire Owners during the transition period (2024-2029).

Why are we recommending this?

- Provides cost relief and incentivizes individuals to purchase a zero-emission vehicle earlier, for example:
 - The City would offer the highest licensing fee grants in the earliest years and gradually reduce the grant amount as 2030 approaches.
 - Offer smaller grants in later years as the EV market becomes more affordable.

3. Offer licensing fee grants for Zero Emission Vehicle-for-Hire Owners (continued)

How would this work?

- As part of implementation, the currently discounted taxicab and limousine renewal fees (50 percent reduction) would need to return to their full, 100 percent rates to get back to normal cost-recovery levels. The phased grant would then apply on the revised fee amounts.
- From 2024 to 2029, purchasers of zero-emission taxicabs or limousines would pay a reduced licensing renewal fee for every year they operate with a zero-emission vehicle.
- From 2024 to 2029, PTCs would pay a reduced per-trip fee to the City based on the amount of drivers who purchase and operate with a zero-emission vehicle.

4. Waive vehicle age limits for zero emission vehicle-for-hire owners

Proposal: Waive the seven-model year limit requirement for zero-emission vehicles-for-hire.

Why are we recommending this?

- Provides cost relief to the VFH sector as zero emission vehicle owners do not need to purchase a new vehicle after seven model years.
- EVs require less maintenance because of fewer moving parts compared to traditional gas vehicles.
- Annual safety certificates are still required.

5. Extend the timeline for legacy hybrids

Proposal: Permit Plug-In Hybrid Electric (PHEV) vehicles-for-hire to operate until 2032. The seven-year model year limit requirement will apply (for example: 2025 is the last model year for which a VFH driver can fully take advantage of the model year limit requirement).

Why are we recommending this?

- Offers some cost relief by providing a grace period for VFH owners due for a vehicle renewal in the short-term to operate with hybrid vehicles, which are relatively cheaper.

Other Recommendations

6. Provide education on zero emission vehicles

Proposal: Provide fact-based, VFH industry-specific education on zero-emission vehicles

- Why are we recommending this?
 - To increase the awareness of emission-related benefits of EVs and encourage drivers to consider purchasing a zero-emission vehicle.
 - For example, the City held two educational webinars with Plug 'n Drive in March.

7. Require Pooled Rides as an Option in PTCs

Proposal: Require PTCs with over 500 vehicles (for example: Lyft and Uber) to offer a pooled-ride option on their platform. Include an exception for public health emergencies

- Why are we recommending this?
 - To further encourage carpooling which helps reduce the amount of trips and emissions overall.



Next Steps

More ways to have your say!

We are excited to hear from you on the proposed approach for achieving net-zero by 2030 goal for vehicles-for-hire. Your input is valuable as staff prepare to report back to City Council—we look forward to hearing from you.

In addition to engaging with us at our session today, there are other ways to provide comments:

Online Survey

- We encourage you to complete our online survey and submit additional feedback by **Friday, April 21**. The survey can be found [here](#) or on the City's Vehicle-For-Hire Bylaw Updates webpage.

Email Feedback

- Please feel free to also email feedback to us directly at vehicleforhirereview@toronto.ca.



Thank you for your time!



Appendix

Defining Net Zero for Toronto

“Net zero emissions is achieved when we stop emitting GHGs from how we live, work, and travel. The **goal is to get emissions as close to zero as possible**, with any remaining human-driven emissions balanced by an equivalent amount of carbon removals. Carbon removals from the atmosphere can be achieved by restoring natural lands and soils, or through direct air capture and storage technologies.”

- TransformTO Net Zero Strategy

What Other Net Zero Goals Exist?

- **TransformTO Target** – Net zero emissions community-wide by 2040.
 - **Toronto's EV Strategy Target** – 80% of all vehicles will be electric by 2040.
 - **Toronto Fleet Services Target** – 100% of light-duty fleet vehicles to be electric by 2030, and 100% of all fleet vehicles to be zero emission by 2040.
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- **Federal Government Target** – By 2030, 60% of new light-duty vehicle sales will be zero-emissions, and 100% by 2035.
 - **Province of Ontario Target** – By 2030, 33% of new light-duty vehicle sales will be EVs. Over 1 million EVs will be on the road.

Vehicle-for-Hire Working Group (WG)

- Members of the working group included a diverse mix of people from the taxicab, limousine and PTC industries, electric vehicle stakeholders/industry experts and suppliers (26 members in total).
- The group held their last meeting on February 21, 2023. Overall, the group was generally supportive of the City's emissions reduction goals and their feedback has been considered in the development of the regulatory approach and policy proposals.

Meeting 1

November 1, 2022

Project Introduction

Meeting 2

November 29, 2022

Jurisdictional Scan

Meeting 3

December 13, 2022

Financing and Funding
Opportunities

Meeting 4

January 17, 2023

Charging Infrastructure

Meeting 5

February 21, 2023

Potential Policy Directions

Cities and Companies with Similar Goals:

Amsterdam

Emissions-free taxis by 2025

Calgary

All new vehicles-for-hire to be zero-emissions by 2030

Montreal

Zero-emission zone in the Downtown core by 2030

New York City

Converting majority of VFH fleet to EVs by 2030

Seattle

All ride-hailing trips to be emissions free by 2030

Uber

Operate as a zero-emission mobility platform by 2030

Lyft

100% EVs on the platform by 2030

Setting a goal of net-zero emissions for the vehicle-for-hire industry is largely aligned with similar goals in other cities and vehicle-for-hire companies.

Past Emissions-Reduction Efforts for Vehicles-for-Hire (VFH)

2014 – Requirements for all new VFH to be alternative fuel, hybrid, or low-emission vehicles.

2016 – Private Transportation Companies (PTCs) introduced (for example: Uber and Lyft). Council asks City staff to report back on an incentive program to reduce emissions from VFH.

2019 – Net Zero goal set: by 2050, all VFHs will use low-carbon energy. Removed requirement for VFH to be alternative fuel, hybrid or low-emissions.

2021 – Council directed MLS to set a goal of net zero emissions by 2030 for VFH, and to establish a working group to develop a plan.

How does the City determine municipal licensing fees?

The Province of Ontario's *City of Toronto Act, 2006* requires the City to establish licensing fees based on a cost-recovery model

What does this mean?

- Municipal Licensing and Standards (MLS) is required to set its licensing fee rates based on the amount of costs from issuing and administering licences (for example: enforcement, data management, staff, etc.)
 - This allows the City to recover its costs from the various business licence areas it oversees.
 - Charging fees at a level below cost-recovery means that the difference will need to be recovered by other areas of the City's budget.
 - By law, MLS is not permitted to charge licensing fees above cost-recovery.
- As part of the City's COVID-19 financial relief efforts, taxicab and limousine renewal fees have been reduced by 50 percent since 2021. This means that returning fees to their full, 100 percent rates allows MLS to recover its costs and not be dependent on other areas of the City's budget.
 - MLS would be applying a phased grant on some licensing fees at their 100 percent rate for zero-emission vehicles-for hire.