

# Urban Delivery Solutions Initiative

## 2022: Year in Review

Emissions produced by MHDVs need to be a priority for Canada's climate ambitions as they account for approximately 35% of national transportation-related greenhouse gas emissions, the largest of any sub-sector. Goals and regulations are coming in to require more electric vehicles, and the Urban Delivery Solutions Initiative is working to support businesses and fleet operators who will be affected.

In 2022, the federal government announced the [2030 Emissions Reduction Plan](#). In it, the Government of Canada sets a goal for 35% of total medium- and heavy-duty vehicles (MHDVs) sales being zero-emissions vehicles (ZEVs) by 2030. In addition, the government

will develop a regulation to require 100% MHDV sales to be ZEVs by 2040 for a subset of vehicle types based on feasibility, with interim 2030 regulated sales requirements that would vary for different vehicle categories based on feasibility and explore interim targets for the mid-2020s.

The Urban Delivery Solutions Initiative partners have been actively involved in helping Canada achieve the targets by developing and informing recommendations to the federal government and by building resources and tools for businesses and fleet operators.

We want to thank our partners who work collaboratively to reduce freight emissions in Canadian cities.

## Focus: Medium and Heavy-Duty Vehicle Strategy

As we move closer to a net-zero future, the role of medium and heavy-duty vehicles is even more important. Emissions produced by MHDVs account for approximately 35% of national transportation-related greenhouse gas emissions, the largest of any sub-sector. By 2030, freight emissions are expected to surpass passenger-vehicle emissions in Canada.

Canada needs a clear, comprehensive strategy for how it plans to reach new targets for 35% of new MHDV sales to be zero-emission (ZE) by 2030 and near 100% by 2040, to ensure we are on track to meet our long-term climate goals.

In 2022, the UDSI coalition helped develop a Medium- and Heavy-Duty Vehicle Zero-Emissions Strategy to provide a clear roadmap for the sector. Together, we are ensuring our strategy is comprehensive and endorsed by a coalition of key stakeholders across Canada.

We held events to hear first-hand both the opportunities and challenges for the sector. We also partnered with Navius Research to assess the impact of a suite of policies and regulations that could cost-effectively decarbonize Canada's MHDV sector.



We published [draft recommendations](#) in October 2022 and then presented our findings at a Pembina Institute in-person and virtual event, as well as at the Electric Mobility Canada Conference and Transportation Association of Canada conference. We look forward to working with our partners to release the final set of recommendations this year.

We will continue to explore the key issues facing the sector:

- The number of charging and refueling stations required for the transition to ZEVs
- The total private and public investment needed for the sector
- Energy demands
- Alternative financing tools



## #ZEV-life

There is incredible innovation in the urban delivery space happening across Canada and the world. In 2022, we launched a new blog series to share success and spread awareness of the move to zero emissions in the sector #ZEV-life.

We highlighted leadership from Purolator who worked with Motiv Power Systems to design all-electric step vans that suit their business needs. The company is now testing multiple electric last-mile delivery vehicles as they strive to be Canada's greenest courier.

We also heard from Mario Laquerre of Regional County Municipality of Joliette, Quebec, who is delaying his retirement to see the city's first electric garbage truck on

its roads. In collaboration with Seven Generation Capital Corporation, they are working towards the technology, maintenance and financing to make his dream a reality.

Furniture giant IKEA shared with us their unique approach to zero-emission delivery trucks. Alongside Fluid Truck, a peer-to-peer truck sharing platform, they provide drivers with access to rented electric trucks. IKEA's phased rollout has begun in New York City and will expand across the U.S. as they move to zero emissions.

We also heard about the [plug-and-pay option](#) that Montgomery County in Maryland, just north of Washington, D.C. is using to reduce its carbon footprint. They have partnered with AlphaStruxure who designs, owns and operates renewable energy systems with no upfront costs to its customers.

## Moving Canada to clean fuel

Ahead of Environment and Climate Change Canada's forthcoming Clean Fuel Regulations that will regulate primary fuel suppliers, [we published a factsheet](#) to help businesses and fleet operators with the change. We explained how to reduce GHG emissions, sell credits and support new low-carbon fuel infrastructure projects to support strong economic outcomes.

[pembina.org/UDSI](http://pembina.org/UDSI)

January 2023



## About the Pembina Institute

The Pembina Institute is a charity and think tank. For 40 years, the Institute has been working to advance a prosperous clean future for Canada through credible policy solutions that support communities, the economy and a safe climate. We envision a world in which we produce and use energy in a way that creates a transportation system that transforms passenger and goods movement to support clean air and efficient land use, and helps achieve inclusive, affordable, and healthy communities.