



FUTURE NEW VEHICLE PLUG IN SALES PROJECTIONS FOR CANADA AND BRITISH COLUMBIA

For BC Hydro

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Introduction

Electric Vehicle and Plug In Hybrid sales are growing rapidly around the world as buyer interest quickly gains and governments incentivize infrastructure and vehicle sales to grow demand. Canada and British Columbia are no exception, with British Columbia leading North America's plug in sales mix by state / province in 2021.

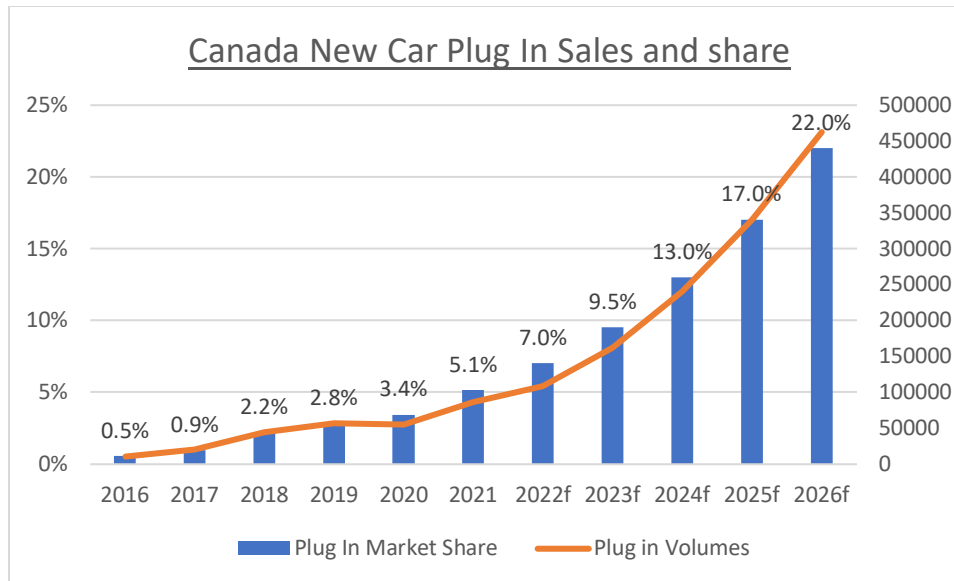
Driven by a growing environmental awareness, higher oil prices, geopolitical instability, company and investor ESG focus, growing model availability and increasing consumer consideration of EVs, plug in growth will continue to be strong.

This study seeks to quantify and forecast both Canada and British Columbia volumes and market share through to 2026.

Methodology and Assumptions

1. Sales and market share data sourced for new car volumes for Canada and British Columbia (source: StatsCan)
2. Total British Columbia total new car sales mix of Canada was assumed to remain stable at 11.2% from now through to 2026, which is the average mix from 2015 to 2021. This mix has remained stable other this time.
3. The Canadian FY total market new vehicle sales was established out to 2025. Major assumption is that volumes will return towards natural 2 million units per year which is 2014 to 2019 average as parts supply constraints on the industry begin to lift. Implicit in this assumption is that supply will remain relatively tight vs demand. This means that most vehicles will continue to sell at or near MSRP, with relatively few vehicles sold being purchased from dealer stock.
4. Plug In Market share volume sourced (Sources: Stats Can and BC EMLI)
5. Battery Electric Vehicles represented 67.1% of plug in sales in 2021 in Canada, and it is assumed that a 2 to 1 BEV to PHEV mix will continue moving forward (Source: Stats Can)
6. Market Share CAGR to date was studied for both Canada and British Columbia were established and compared to leading EV markets such as Norway and UK. This included CAGR rate reduction at 30%, 50% and 70% of total mix, in line with traditional "S curve" market adoption for new technologies and Norway experience.
7. A major volume assumption is that the battery supply chain globally will continue to develop and grow, though demand is still likely to exceed supply in 2026 as new mines and mineral processing sites develop.

CANADA



CANADA Plug In volumes – Actual and Forecast

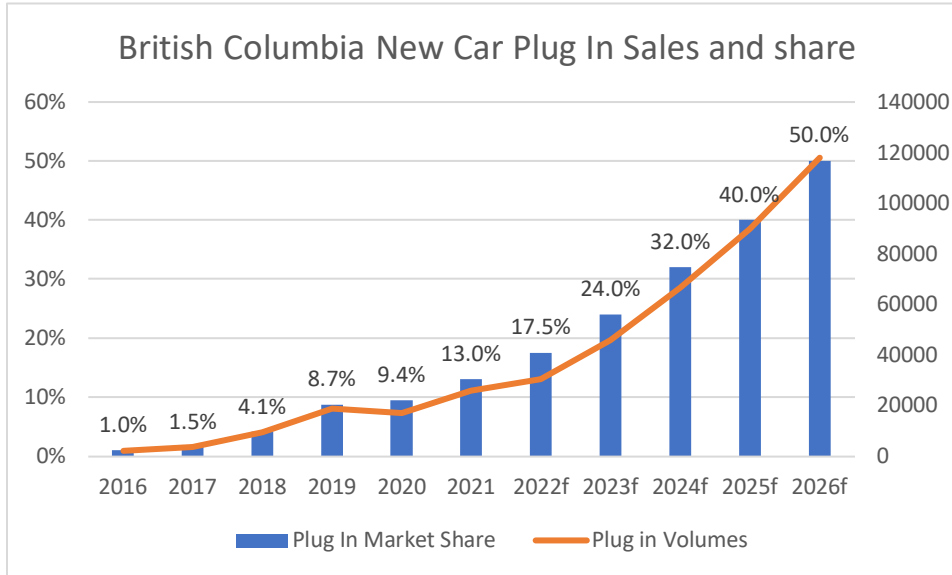
	2016	2017	2018	2019	2020	2021	2022f	2023f	2024f	2025f	2026f
Plug In Market Share	0.5%	0.9%	2.2%	2.8%	3.4%	5.1%	7.0%	9.5%	13.0%	17.0%	22.0%
Plug in Volumes	10838	19645	44175	56165	54353	86032	108500	161500	240500	340000	462000

By 2026, Vision Mobility is forecasting that Canada will achieve 22% EV market share, up from 5.1% in 2021. This represents a volume increase from approximately 86,000 units in 2021 to over 460,000 by 2026.

This will be driven by the introduction of new models, particularly pickup truck EV variants of the top 3 selling models in Canada the Ford F-150, Dodge RAM and Chevrolet Silverado / GMC Sierra. New family friendly SUVs from major OEMs will continue to be launched as well.

It is likely that plug in growth in Canada will be marginally ahead of the US, but continue to lag behind Europe.

British Columbia



British Columbia Plug In volumes – Actual and Forecast

	2016	2017	2018	2019	2020	2021	2022f	2023f	2024f	2025f	2026f
Plug In Market Share	1.0%	1.5%	4.1%	8.7%	9.4%	13.0%	17.5%	24.0%	32.0%	40.0%	50.0%
Plug in Volumes	2218	3556	9359	18795	16863	25816	30486	45856	66536	89913	118011

Compared to overall EV adoption in Canada, supportive government incentives, mandates and infrastructure development, together with strong demand for EVs by British Columbians, will continue to strongly drive volumes well ahead of the national average. Our forecast is that British Columbia will continue to remain around 25% of new plug in volumes in Canada in 2026, and remain the leader in plug in sales mix across the nation.

Supply Side Comments

Currently global automotive is experiencing significant supply chain interruptions that has been holding vehicle supply well below natural demand, creating long waiting lists for buyers. This has been occurring for both normal IC vehicles and EVs, with EV waiting lists exceeding 1 year for some models.

What's more, EV supply has been constrained to some degree by limited production of key battery minerals and the batteries themselves, an issue not impacting IC vehicles.

In the last 2 years very significant investment across North America into battery production and minerals supply has been announced, with more than 15 new battery 'gigafactories' to be built by 2026.

In any event OEMs balance production volumes with demand across the globe, balancing supply according to need, with some influence from government requirements, such as BEV mandates and CO2 targets. This means that any loosening of supply will happen relatively evenly across the globe, varied only by the strength of penalties to not meet government mandates.

OEMs will also consider vehicle profitability and focus on vehicles with higher gross margins. For most OEMs, BEVs gross margin is typically not as high as for IC vehicles, and government ZEV and CO2 mandates will continue to be critical in ensuring that as much EV production as possible is secured.