

Millions of dollars in Tesla EV rebate claims were legitimate: Ottawa

NICK MURRAY
The Canadian Press

Tesla legitimately claimed thousands of electric vehicle rebates in the final weekend before the department suspended its rebate program in January, Transport Canada said on Friday.

In an email to *The Canadian Press*, a spokesperson for Transport Minister Chrystia Freeland said that while the department is still assessing a few claims, Transport Canada's investigation found the claims made by Tesla "were determined to legitimately represent cars sold before January 12."

It said all dealerships' claims were evaluated using the same criteria.

January 12 was the last day rebate claims were accepted under the popular Incentives for Zero-Emission Vehicles program, known as iZEV. Ottawa spent nearly \$3 billion on iZEV during its five-year lifespan. The program provided up to \$5,000 toward the purchase of a new zero-emissions vehicle.

On Friday, Jan. 10, Transport Canada announced it would be suspending the program as soon as the remaining funds ran out. Three days later it announced that had happened and that no more rebates would be paid out for claims made after Jan. 12.

As first reported by The Toronto Star, Tesla made 8,600 rebate claims over that weekend, worth \$43 million. Following The Star's report in March, Freeland said the government was freezing all

rebate payments to Tesla until its claims were validated.

It's still not clear whether Tesla claimed it had sold all those cars on that weekend, or whether the claims were for sales that hadn't yet been filed with the government to receive the iZEV rebate.

Transport Canada maintains a public database for iZEV rebate claims. But the database doesn't state when a vehicle was sold — only the date when the incentive request was made, which could come well after a sale and delivery to the customer.

Tesla has not responded to multiple requests for comment from The Canadian Press.

When the iZEV program was abruptly suspended, hundreds of dealerships were forced to swallow the cost of any rebate claims they hadn't yet submitted. On Friday, Transport Canada laid out how those dealerships will be reimbursed and announced a one-month window for those dealerships to make a claim to get their money back.

In a call with dealerships, Transport Canada officials said any vehicle which was delivered to customers before the program paused on Jan. 12 will be eligible for reimbursement.

The Canadian Automobile Dealers Association welcomed the news. It estimates its 3,500 members are owed about \$11 million for rebates on vehicles they had already sold to customers.

"I had dealers calling immediately after (Transport Canada's briefing) who were



CP FILE PHOTO
An electric vehicle is charged at a Tesla charging station in Ottawa in this July 2022 file photo.

very emotional on the phone, who have been worried about this, because this has had a huge impact on their cash flow," said Huw Williams, the organization's public affairs director.

"It was quite emotional on the other side to hear dealers are going to get paid because not every manufacturer covered their dealer or supported their dealers."

Dealerships will only be allowed to file a maximum of 25 claims per day. Williams said that will more than cover the shortfall. He said the largest sum owed to a single dealership is about \$600,000.

Transport Canada also said any vehicle purchased before the Jan. 12 cutoff date but delivered to the customer after that point won't be eligible for reimbursement.

"The cutoff date is something we'll be discussing with Transport Canada," Williams

said. "We'll have to see how big that problem is and whether that can be resolved. But for the moment, this is a win for dealers."

Dealerships can now make claims for vehicles delivered to customers as far back as April 1, 2024.

"It was a shocking series of events in January when they shut down the program after giving notice that the program would go through an orderly wind-down," Williams said.

While Williams accepted Transport Canada's conclusion that Tesla's claims in the final weekend of the iZEV program were legitimate, he questioned the timing and the volume of the claims — coming just as the program was about to be suspended.

"I think there's a larger question as to how Tesla knew to run those through on that weekend," Williams said.

"It doesn't appear to me that

we have an investigation into any communication between Transport Canada and Tesla, between officials who may have shared information inappropriately."

EV sales have sagged since the iZEV program was suspended. EV sales under the program peaked in December 2024 at 18.29 per cent of all new vehicles sold — the last full month before the program was suspended.

Sales fell in January to 11.95 per cent and slid further to 7.53 per cent in April, according to the most recent data from Statistics Canada.

Federal ministers have said the government is working toward bringing back consumer incentives for EVs — a promise also made in the Liberal party's election platform.

Automakers say such promises are making sales slump even further as buyers wait for the rebates to come back.

BUSINESS

Market Watch

S&P/TSX 27,023.25 -59.05	S&P 500 6,259.75 -20.71	DOW 44,371.51 -279.13	NASDAQ 20,585.53 -45.14	DOLLAR 73.08¢US unchanged	OIL per barrel US\$68.45 +\$1.88	Nat. Gas/mmBTU US???? +\$???	GOLD US\$3,364 +\$38.30
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PUBLIC NOTICES

**Medicine Hat**

8AM - 4PM SPECIAL SERVICES

Electric Outages.....403.529.8260
Gas Emergency.....403.529.8191
Water & Sewer Emergency403.502.8042
After Hours Special Services.....403.526.2828

**DEVELOPMENT PERMITS APPROVED
JULY 3TO JULY 9, 2025**

RESIDENTIAL

181 SEVEN PERSONS DRIVE SW - Single Detached House (Additions)
18 SOUTHDALE COURT SE - Detached Garage
58 TERRACE DRIVE - Garage
963 BRAEMAR STREET SE – Single Detached House- (Refused)
429 1 STREET NW – Enclosed Deck

COMMERCIAL/INDUSTRIAL/ INSTITUTIONAL

97 8 STREET NW - Installation of One Fascia Sign
3186 18 AVENUE SW - Change of Use (Self Storage Facility)
532 SOUTH RAILWAY STREET SE - Change of use (Place of Worship)
103 1751 STRACHAN ROAD SE – Change of Use (Restaurant)

HOME BUSINESS
111 POLICE POINT DRIVE NE - Home Business Minor - Janitorial Service

A person claiming to be affected by a decision of the Development Authority may appeal to the Medicine Hat Subdivision and Development Appeal Board by completing and submitting to the City Clerk Department, the required Notice of Appeal form within twenty one (21) days of this publication. Forms available from: City Clerk Dept., 3rd Floor, City Hall or City website: www.medicinehat.ca.

All Development Permits listed are subject to conditions. For more information, contact Planning and Development Services, 2nd Floor, City Hall. Ph. (403) 529-8374.

FIRE HYDRANT INSPECTION & WATER MAIN FLUSHING

Environmental Utilities Maintenance crews perform regular, routine maintenance to uphold the waterworks system infrastructure and water quality by annually inspecting fire hydrants and flushing water mains.

During these operations, there may be some discolouration in the water which is **not** harmful to consume and will dissipate when flushing is complete. Please note that discoloured water should not be used for laundry and that fluctuating water pressure may also be noticed.

Should discolouration persist beyond three hours, turn on a cold-water faucet or an outside sprinkler and let the water run for several minutes until the water runs clear.

For additional information or to confirm whether crews are working in your zone, refer to the Water Flushing information on the City's website at www.medicinehat.ca/water or contact Environmental Utilities at 403-529-8176.

www.medicinehat.ca

Surprisingly strong June jobs numbers quash Bank of Canada rate cut odds

CRAIG LORD
The Canadian Press

The Bank of Canada is increasingly expected to keep its benchmark interest rate on hold later this month after the labour market delivered a surprise hiring surge in June.

Statistics Canada said Friday that the unemployment rate dropped a tenth of a percentage point to 6.9 per cent in June as the economy added some 83,000 jobs.

The vast majority of those jobs were part-time, the agency said.

A Reuters poll of economists heading into Friday's release had expected the jobless rate would rise to 7.1 per cent in June as employment levels held flat.

Katherine Judge, senior economist at CIBC, said in an interview that while StatCan's labour force survey is known to be volatile, the details of the report suggest there's some resilience in the Canadian jobs market despite tariff pressure from the United States.

"You just can't really ignore all of these signals that are very strong," she said.

The June figures buck the recent slowdown in the labour market. Last month was the first significant job gain since January and snapped a streak of three consecutive months where the unemployment rate rose.

TD Bank senior economist Leslie Preston said in a note to clients Friday that one month of job gains doesn't change the fact that the labour market is much cooler than it was a year ago.

U.S. President Donald Trump's threat on Thursday to impose 35 per cent tariffs on Canadian goods starting Aug. 1 also reflects the fraught landscape for businesses, Preston said.

The Bank of Canada will be parsing the labour figures closely as it prepares for its next interest rate decision on July 30.

The central bank has kept its benchmark rate on hold at 2.75 per cent in two consecutive decisions as it awaits more clarity on how the trade disruption will affect the economy.

CP FILE PHOTO
A worker uses an angle grinder on a vessel under construction at Seaspan Shipyards, in North Vancouver in this October 2024 file photo.

CIBC had a return to interest rate cuts pencilled in later this month, but Judge said the June jobs data led to a change in its call.

"Given how strong this labour market data is, we're no longer expecting a July cut from the Bank of Canada," she said.

As of noon on Friday, financial markets were pricing odds of just 13 per cent for a quarter-point rate cut at the central bank's July decision, according to LSEG Data & Analytics.

Judge said CIBC is still expecting a pair of additional interest rate cuts to come this year with the jobless rate still elevated. She also expects the full impact of tariffs hasn't hit the economy yet.

"I think there still is an argument for Bank of Canada cuts, obviously, but we've just pushed back the timing," Judge said.

Preston said TD Bank also still sees room for rate cuts but argued that next week's June inflation report from StatCan will have a bigger say in whether the central bank returns to cuts or not.

Benjamin Reitzes, BMO's managing director of Canadian rates and macro strategist, said in a note that while he is "skeptical" of the strong report given the uncertainty hanging over the economy, the June jobs figures were "pretty decent overall."

He said he expects the Bank of Canada will remain on the sidelines at its next decision, barring a sharp decline in underly-

ing inflation next week.

Judge said that normally she would put more weight on the inflation data ahead of the jobs figures, but the strength of the June labour report has changed that equation.

She said a surprise slowdown in the consumer price index is unlikely, given economists are still waiting to see the impact of tariffs materialize in the price data.

"I think there's very little chance that next week's CPI report could actually now convince them to cut based on what we've just seen in the jobs data," she said.

The wholesale and retail trade industry led employment growth in June with 34,000 new positions, followed by health care and social assistance with 17,000 jobs added. Only the agriculture sector faced notable job losses with 6,000 positions shed, StatCan said, while other industries saw little change.

Even the manufacturing sector, which has faced job losses in recent months amid Canada's tariff dispute with the United States, saw a gain of 10,000 positions in June.

Tariff pressures are continuing to bite in trade-heavy markets like Windsor, Ont., which StatCan noted has the highest unemployment rate of all census metropolitan areas at 11.2 per cent. Alberta, Manitoba, Ontario and Quebec all posted job growth in June.