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A Circular Approach to Electric Vehicles

Submitted by: Windsor-Essex Regional Chamber of Commerce. **Co-Sponsored by:** Leamington Chamber of Commerce

Issue:

Ontario is increasingly moving towards the goal of a circular economy. More and more the focus is being put towards reducing waste and producers shoulder increasing responsibility for their products at the end of their lifespan, Ontario needs a plan to manage the end-of-life for electric vehicles (EVs).

Background:

In 2023, the Government of Ontario started moving the cost of recycling over to companies that produce the waste. This policy pushes the cost of recycling onto producers with the aim of reducing the amount of recyclable goods ending up in landfills. The idea behind this approach, the circular economy, can easily be applied to electric vehicles and their components. While these present unique challenges as compared to traditional internal combustion engine vehicles, a circular economy approach to electric vehicles and their components presents great opportunities to make the new technology even more environmentally sustainable.

The batteries that power EVs present unique challenges for recycling. Extracting reusable material that can be salvaged for future use and developing future uses are essential in responsibly dealing with the end-of-life waste created by EVs. There needs to be a holistic approach that encourages not only recycling but also reuse of the salvageable parts of EVs. Promoting one approach can lead to neglect of the other[1] so any circular approach to dealing with EVs needs to contain both elements.

Manufacturers should first look at reuse as their primary means of dealing with these batteries. If a new EV gets in an accident, unless it is damaged, that battery should not be written off. Recirculating that battery allows it to still be productive. For example, Nissan reuses old batteries from its Nissan Leaf models to power robots that move parts around its factories.[2] By exploring alternative uses for EV batteries, they offer manufacturers additional value beyond their initial purpose.

As these batteries approach their end-of-life point beyond when their reuse is possible, companies must then salvage what materials they can. According to the United States Department of Energy, current recycling methods for lithium-ion batteries can recapture 95 percent of the original raw materials.[3] Recycling these materials can supply a significant amount of anticipated demand for cobalt, manganese, lithium, and nickel.[4]

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[1] A circular economy approach is needed for electric vehicles | Nature Electronics
[2] Electric cars: What will happen to all the dead batteries? (bbc.com)
[3] EV Battery Recycling and Sustainability | Arrow.com
[4] A circular economy approach is needed for electric vehicles | Nature Electronics

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As this industry is in the midst of its growth in Ontario, the time is now to address this issue and before an influx of EVs end up in our junkyards. By implementing best practices now, Ontario can avoid playing catch up when confronted with this challenge down the road.

Recommendations:

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Work with industry to develop a comprehensive plan to ensure that the end-of-life treatment of electric vehicles follows a circular approach including:

    a. Strategies for how batteries can be reused at the end of their vehicle use lifespan, and

    b. Incentivize increased recycling of electric vehicle components including from their batteries.