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The Honourable Diane Lebouthillier Minister's Office 200 Kent St Station 15N100 Ottawa, ON K1A 0E6

Email: DFO.Minister-Ministre.MPO@dfo-mpo.gc.ca

Mike Kelloway

Parliamentary Secretary to the Minister of Fisheries, Oceans and the Canadian Coast Guard

Email: Mike.Kelloway@parl.gc.ca

Subject: Enhanced Small Craft Harbour Program to Advance Marine Electrification

Dear Minister Lebouthillier and Parliamentary Secretary Kelloway,

On behalf of Oceans North, I am writing to extend our congratulations and share our enthusiasm for the recent announcement of \$463.3 million over three years to repair and maintain small craft harbours, with a specific focus on the five ports in Atlantic Canada most impacted by Hurricane Fiona. This investment is a step forward in supporting coastal communities and fishers to prepare for a future where extreme weather events become more frequent and intense because of a changing climate.

While the investment in coastal resilience is critical, coastal fishing communities need additional support to begin the difficult, expensive, and necessary transition away from fossil fuels as a power source. A recent study co-authored by Oceans North—and published in Nature—shows that climate change is already affecting Northwest Atlantic commercial fish stocks, and unless emissions are dramatically reduced, these economically valuable fish stocks will be further at risk.

As Canada invests in building climate resiliency in its small craft harbours, it must seize the opportunity to facilitate the adoption of electric fishing boats and marine charging infrastructure. Electric and hybrid-electric propulsion technologies will play a significant role in decarbonizing much of Canada's domestic fishing and workboat fleet over the coming decades. It would be a mistake if these wharf upgrades are built to accommodate the status quo when it is well known that marine industries will have to fully decarbonize by 2050.

The time is right for Canada to demonstrate leadership. Recently, the Government of Nova Scotia launched a program to support the fishing industry in adopting electric and hybrid-electric boats. The program includes \$6.5 million in a new Fisheries and Aquaculture Energy Efficiency Innovation Fund through Efficiency Nova Scotia and \$10 million in low-interest loans. The program is unique in that it provides direct financial support to fishers wishing to capitalize on battery-electric boats and marine charging infrastructure. The program allows stacking incentives up to 80 percent, effectively inviting Fisheries and Oceans Canada (DFO) to become a partner in supporting fishers to prepare for the future. The higher capital cost for early adopters of zero-emission vessels and charging infrastructure should not be shouldered by fishers alone, many of whom are already facing a barrage of mounting pressures.

In addition, we understand that there is recent progress on the Blue Economy Strategy. Oceans North has long advocated that the Blue Economy Strategy is aligned with Canada's Emissions Reduction Plan and the National Climate Adaptation Strategy. Ensuring that coastal communities and fishing harbours are supported as part of this strategy will provide a foundation for other levels of government to continue to support the transition. We believe that DFO should expand its Small Craft Harbour program to more effectively support the commercial fishing industry in proactively addressing climate change. We are recommending the following enhancements:

- 1. **Electric-Ready Wharfs:** Access to electricity and charging infrastructure is an impediment to the adoption of electric and hybrid-electric fishing vessels. A simple and low-cost way to ensure that wharfs are built to facilitate the adoption of electric and hybrid-electric vessels is to require projects to be designed to accommodate marine charging infrastructure and electrical upgrades.
- 2. **Funding for Marine Charging Infrastructure and Grid Upgrades:** Charging infrastructure is a common good that should not be funded by individual fishers who are willing to be early adopters of electric and hybrid-electric fishing boats.

- We are asking that \$15 million be added to the Small Craft Harbour Program to fund marine charging infrastructure and grid connections and upgrades.
- 3. Funding for Zero-Emission Commercial Fishing Pilot Projects: Proving the commercial viability of electric and hybrid-electric boats is not only a question of technology integration on the vessel itself, but also how the technology is connected to the wharf in which it fishes. Despite the advanced technological readiness of electric and hybrid-electric marine propulsion systems, their deployment in fishing vessels is essentially non-existent in Canada. In the same way that Canada is supporting the electrification of light-duty and heavy-duty vehicles, we are asking that DFO provide the same incentives for fishers by adding \$15 million to fund commercial fishing vessel demonstrations.

The climate crisis Canadians are facing means that governments of all levels must work together at every opportunity to invest in both building resiliency and mitigating rising emissions across the economy. With fishing vessels representing the largest vessel type in the Canadian Vessel Registry—approximately 25,000 vessels—it is time for to DFO to play a greater role in supporting the industry to transition to zero-emission solutions, both on shore and on the water.

There are dozens of projects across the country ready to launch, and provincial agencies are responding, but they need greater federal government support. An enhanced Small Craft Harbour Program that facilitates the adoption of electric and hybrid-electric fishing boats is urgently needed to build trust in new emission-free technologies and provide valuable information so the fishing industry and government can better work together to scale climate solutions.

We look forward to hearing from you and exploring how we can collaborate to advance marine electrification and support our coastal communities.

Sincerely,

Brent Dancey

Director of Marine Climate Action

Grent Dances

Oceans North

bdancey@oceansnorth.ca