

Background

The famous yellow school bus has been transporting children to school since the 1930s. Yet, nearly a century later, over 96% of Canada’s school bus fleet still runs on fossil fuels¹. Along with other MHDVs, school transportation contributes to 30% of GHG emissions within Canada’s transportation sector,² which, in turn, accounts for 22% of total national emissions.³

Despite federal support through the Zero Emission Transit Fund (ZETF) and the Zero Emission Vehicle Infrastructure Program (ZEVIP), current funding levels fall short of enabling a full transition to electric school buses (ESBs) by 2040—Canada’s stated target for zero-emission medium- and heavy-duty vehicle (MHDV) sales.⁴

Key Benefits of Electrifying School Buses

Electrifying school buses is a high-impact, fiscally responsible investment that delivers across climate, health, and economic priorities:

- **Economy:** Electrifying 65% of Ontario’s school bus fleet by 2030 could generate \$2 billion in GDP gains; nationally, similar investments could yield **up to 4.5 billion**.⁵ This is a fiscally sound, one-time capital investment that aligns with the federal government’s “spend less, invest more” approach.
- **Resilience:** Accelerating ESB adoption is a strategic response to growing trade uncertainty and supply chain vulnerabilities. With rising risks from U.S. tariffs and shifting global markets, investing in a domestic ESB manufacturing ecosystem will **secure Canadian jobs**, reduce reliance on exports, and protect Canada’s transportation electrification from geopolitical disruptions.
- **Civilian Readiness:** ESBs equipped with Vehicle-to-Grid (V2G) technology—allowing buses to supply power back to the grid—can strengthen emergency preparedness, grid resilience, and energy independence. These dual-use investments support nation-building goals and count toward civilian readiness infrastructure.⁶
- **Climate:** An entirely ESB fleet would remove **1.17 million tonnes of GHG emissions annually, and eliminate around 243,000 litres of fossil fuels** that the school bus transportation sector consumes every year.⁷

¹ Canadian Electric School Bus Alliance. (2025). [Powering Up: The Path to Electric School Bus Adoption in Canada](#).

² Environment and Climate Change Canada (ECCC). (2021). [National Inventory Report 1990–2021: Greenhouse Gas Sources and Sinks in Canada – Part 3](#).

³ Government of Canada. (2023). [Greenhouse gas emissions](#).

⁴ Pembina Institute. (n.d.). [ZeroX2040: Strategy for zero-emission medium- and heavy-duty vehicles](#).

⁵ Pembina Institute. (2023). [Power Boost: Electric school buses and the revitalization of small and medium-size businesses in Ontario’s auto industry](#).

⁶ Dunskey Energy + Climate. (2023). [Vehicle-to-Grid \(V2G\) and Electric School Buses](#).

⁷ Statistics Canada. (2022). [Canadian passenger bus and urban transit industries, fuel consumption, by industry \(x 1,000\)](#).

- **Public Support:** 78% of Canadians are concerned about school bus emissions, **83% favoring accelerated electrification**, and over 80% back phased targets and sales mandates.⁸
- **Health:** The shift to ESBs could yield annual healthcare savings of approximately **1 million dollars in Quebec**⁹ and **7.2 million dollars in Ontario**.¹⁰ Scaling this impact to encompass the entire Canadian school bus fleet, potential healthcare savings would exceed **601 million dollars** over 12 years.¹¹

Barriers and Recommendations

Extend Existing Funding Programs

ESBs cost 1.5 to 2.5 times more than diesel buses, and are unlikely to reach price parity before 2040. The ZETF is oversubscribed, recently reduced by 350 million dollars¹², and often avoided due to administrative delays, slowing procurement and planning. With an estimated 18 billion dollars needed to electrify the school bus fleet by 2040¹³, sustained and streamlined funding through ZETF, ZEVIP, and the upcoming Canada Public Transit Fund (CPTF) is essential to accelerate the transition.

Recommendations

1. Allocate 375 million dollars in bridge funding through ZETF for ESBs until the CPTF launches in 2026¹⁴;
2. Commit through CPTF 1.25 billion dollars for ESBs from 2027 to 2032 (250 million dollars per year);
3. Ensure additional funds for the ZEVIP after 2027;
4. Expand ZEVIP's fully subscribed Indigenous Organizations Stream and collaborate with Indigenous advocacy groups to raise awareness and build capacity to access available funding
5. Dedicate earmarked funding for ESBs within the Targeted Funding stream of the CPTF and separate ZEVIP into distinct funding streams for ESBs versus electric transit buses;
6. Implement a point-of-sale rebate to simplify the application process and provide more certainty to fleet operators.

Build Workforce Readiness and Capacity Building

School transportation authorities and personnel need the skills, knowledge, and support to manage and operate ESBs effectively. Without targeted investment, operational challenges may slow down adoption and limit the impact of federal funding.

Recommendations

1. Fund specialized training and certification for maintenance staff transitioning from diesel to electric buses;

⁸ Canadian Lung Association. (2023). [Survey by Abacus Data.](#)

⁹ Équiterre. (2019). [Autobus scolaires électriques: Impulser leur déploiement au Québec.](#)

¹⁰ Delphi Group, Pollution Probe, & CPCHE. (2023). [An Electric School Bus Strategy for Ontario.](#)

¹¹ Canadian Electric School Bus Alliance. (2025). [Powering Up: The Path to Electric School Bus Adoption in Canada.](#)

¹² McGregor, J. (2024). [Why doesn't Canada have more electric school buses.](#) CBC Canada.

¹³ Dunsky Energy + Climate (2023). [Pathways for Canadian Electric School Bus Adoption.](#)

¹⁴ To reach 100% ESBs by 2040, in line with the federal target for MHDV sales, almost 3,000 diesel models will have to be replaced this year, requiring 375 million dollars in federal funding (assuming provincial matching). See [Dunsky Energy + Climate \(2023\).](#)

2. Increase annual student transportation funding for First Nations schools to include dedicated operational support for ESBs;
3. Fund application workshops and awareness campaign for school transportation authorities through the Zero-Emission Vehicle Awareness Initiative (ZEVAI).

Contact

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About CESBA

Led by Green Communities Canada in partnership with Équiterre, the **Canadian Electric School Bus Alliance** (CESBA) is an initiative that brings together provincial and federal school transportation stakeholders to advocate for measurable policies that will accelerate the transition to a 100% zero-emission school bus fleet by 2040, in alignment with Canada's climate targets. [Visit our website](#)

