

Tuesday, December 14, 2021

BOMA Toronto would like to recognize the City of Toronto for taking a leadership role in pursuing accelerated emissions reduction targets consistent with global commitments limiting global temperature increases to 1.5 degrees C.

**This would position Toronto as one of the most ambitious jurisdictions for greenhouse gas reductions in North America.** The faster we can reduce greenhouse gas emissions, the better our chances to avoid the worst impacts of climate change.

BOMA Toronto's membership of building owners and managers and support industries have been leaders in energy conservation and greenhouse gas reduction, and rightly so, as building represent nearly half of the city's emissions. Our members have shown their commitment through the declaration of net zero emission goals and targets, the adoption of voluntary standards, including BOMA BEST, and deepening adoption of ESG policy and transparency.

The targets set by the city of Toronto align with the goals set by our most ambitious members, but we recognize that most owners and managers have not yet committed to reductions targets of this magnitude by 2040, and many do not currently have plans or the capacity to do so. And even those with aligned targets recognize that their success is predicated on supportive policy and programs, a skilled workforce, a robust supply chain, and climate friendly energy and transportation infrastructure. Some of this must come from the city, other levels of government, and significant industry collaboration.

**The revised targets represent a significant (5x-6x) increase in the volume of retrofit activity, with much higher performance improvements than is currently undertaken in the market.**

This has implications for workforce, supply chain and regulatory capacity and in turn, costs. It will also require significant increases in the availability of affordable and dependable low-carbon energy supply. And importantly we need simple, evidenced-based policies that are achievable and effective at reducing net emissions.

The ambition laid out by the city's 2040 goal will require an unprecedented pace of market transformation, policy adoption and infrastructure building. It will be more important than ever to engage with and mobilize industry in this collaborative effort. BOMA Toronto and our members look forward to providing the city of Toronto with our experience and expertise and critically important perspectives on how the work of decarbonization can be implemented in the building sector and what systemic change is needed to scale this effort.

**In addition to immediately convening industry stakeholders to advise on implementation, BOMA Toronto would like the city to prioritize the following:**

1. Much greater detail on emissions reduction strategies to be applied, including **clear, achievable forward-looking performance expectations** by building type.
  - Property owners' responsibilities and what performance levels will be expected of them.
  - Assurance of energy supply-side emissions reductions to allow building owners to safely plan long-term capital investments.
  - Achievable pathways that align with capital planning best practices and consideration of larger development contexts such as how performance requirements are applied to planned intensification sites.
  - Immediate guidance on embodied carbon impacts to ensure that we are not actually increasing net-emissions in pursuit of operational emissions reductions.

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2. **Immediate program and policy actions** open to the broader real-estate community. There are easy immediate actions that can be taken, and frankly, we don't have time for further studies, pilots and test groups before programs launch.
- Capture low-hanging fruit electricity conservation. While the plan prioritizes elimination of fossil fuel energy use, including through electrification of heating, many buildings have not fully recognized electricity savings which have a high ROI, and free up capacity to allow for broader electrification.
  - Review broader municipal policy and program alignment with the emissions reductions goals, particularly those that can expedite emissions reduction projects and low-carbon land-use planning and eliminate financial barriers to emissions reductions.
  - Build municipal programs off existing policy, specifically Ontario's Energy Water Reporting and Benchmarking regulation and work with the province to ensure EWRB is effective and valuable in supporting energy conservation.
3. **Roll out appropriate financial tools and incentives** to maximize the feasibility of emission reduction projects.
- Make long-term, competitive efficiency financing using local improvement charges broadly available city-wide.
  - Insulate energy efficient building from increased property tax valuations by exploring innovative solutions like tax increment financing and a special tax class for low-carbon buildings.
  - Invest in project identification, planning and capacity building, not just completed emissions reductions to generate more feasible projects and support smaller building owners.
  - Leverage planning tools to incentivize low-carbon redevelopment of poor-performing, low-density buildings.

Regards,

BOMA Toronto