

July 7, 2022

Dear Mayor and Executive Committee Members,

Re: EX34.9 Update on Toronto Hydro Climate Action Plan and Next Steps

The climate crisis remains one of the single most important issues that City Council will face in our, and our children's, lifetime. Climate change threatens our health, the food we eat, how we get around, our green spaces, our economy, and the planet that sustains our many species.

Toronto, and the rest of the world, is facing a global climate emergency and we need to act now. A key piece of climate-related action will come from Toronto Hydro and is detailed in the report before Executive Committee today.

An aggressive climate crisis response not only protects people, the planet and economy from the most calamitous outcomes of climate breakdown, but also includes a wide range of benefits including better health outcomes, building resilience into our infrastructure, and prosperity for residents.

Building resilience in our homes and buildings ensures we are better prepared for extreme weather and reduces the financial and social impacts of potential disruptions to utilities and services from natural disasters.

Climate action creates economic prosperity through the creation of jobs, and protects individuals and businesses from energy price volatility. By 2030, green industries are projected to employ 639,200 Canadians with the highest concentration in Ontario with aggressive climate actions adding a net 1.2 million person years of employment over the Do Nothing scenario, as outlined in the TransformTO Net Zero Strategy.

To achieve these benefits as quickly as possible, the responsible path is to act boldly and bravely without delay.

It's time for our governments, and all of its agencies and corporations, to coordinate their responses, just like we have in other times of crisis like the pandemic and war. Toronto Hydro is uniquely positioned to lead on these integral discussions and actions as we continue to move away from our reliance on fossil fuels and into clean electricity.

RECOMMENDATIONS

Executive Committee amend recommendation 2 to read:

2. City Council, on behalf of the City of Toronto as shareholder, request Toronto Hydro to expand its business activities beyond electricity distribution services by:
 - a. establishing a new stream of non-rate regulated operations within its regulated business, specifically Climate Advisory Services (the climate action opportunity that excludes Toronto Hydro owning and operating assets), in keeping with the proposal set out in Toronto Hydro's

Climate Action Plan received by City Council at its meeting on December 2021 and the Toronto Hydro Climate Action Plan Status Report.

- b. establishing and maintaining a working group of all relevant City of Toronto divisions to ensure coordination and enhanced investment while avoiding duplication with City programs and services, such as the Home Energy Loan Program and the Mayors Green Will, when implementing Climate Advisory Services

Executive Committee amend recommendation 7 to read:

7. City Council direct the Executive Director, Environment and Energy to continue to investigate with Toronto Hydro on other possible Climate Capital Investment opportunities (whereby Toronto Hydro owns and operates climate action assets including EV chargers, solar panels, heat pumps, and energy storage) to implement Transform TO: Net Zero goals; and
 - a. Report back by the end of 2023 with recommendations to expand Toronto Hydro's role in Climate Capital Investment, and identifying any regulatory policy changes required from other levels of government to enable Toronto Hydro to own and operate these climate action assets.

And add the following recommendations:

1. City Council, on behalf of the City of Toronto as shareholder, request Toronto Hydro to embed Net Zero 2040 GHG reduction targets and related TransformTO targets into local capacity planning processes with IESO, and Toronto Hydro's 2025-2029 rate application to the OEB, in order to ensure technical capacity for necessary grid expansion, and report back in their annual progress report on the status of local capacity planning to integrate Net Zero 2040 goals.
2. City Council, on behalf of the City of Toronto as shareholder, request Toronto Hydro, with the support of the City Manager and relevant City staff, to intervene in regulatory proceedings as necessary to ensure that TransformTO Net Zero goals are recognized and realized.

Thank you,



Councillor Mike Layton
Ward 11, University-Rosedale