

briefing note



Date: November 5, 2012

To: Toronto City Councillors

From: Franz Hartmann, Executive Director

Re: Ex. 24. 2 Environment and Energy Efficiency Functions

Recommendations:

- 1. Direct the City Manager to reinvest any savings that result from the administrative restructuring of environment and energy functions identified in the body of the report (estimated to be approximately 5%) to achieving other environment and energy goals already set by City Council that currently fall under the mandate of the Toronto Environment Office and/or Energy Efficiency Office.**
- 2. Direct the City Manager to ensure there is no reduction of quality or loss of environmental services as a result of the administrative restructuring of environment and energy functions outlined in this report.**

Background:

Across the planet, municipal governments are playing an increasingly important role in improving the natural environment. The rationale for this is simple: improving the environment improves human health, creates new, sustainable economic activity and saves municipalities money by eliminating future costs associated with major environmental challenges such as climate change and bad air quality.

For example, a staff report notes that one city environmental program (the Sustainable Energy Program, which provides zero interest loans for external organizations such as hospitals, academic institutions, the not-for-profit sector and the private sector to perform energy retrofits) has leveraged \$10 in private sector investment for every \$1 in city loans (see note 1 on back of this page). This has led to significant reductions in energy use and greenhouse gas emissions along with significant increase in local, green jobs (see note 2). However, another City of Toronto report notes Toronto has one of the lowest per-capita expenditures on the environment (see note 3) amongst comparable North American cities. While this may “save” taxpayers money in the short term, we lose future revenues and savings that come from programs such as the Sustainable Energy Program.

The administrative restructuring proposed in the staff report will reportedly reduce costs to key environmental programs by 5%. However, it is unclear what the consequences of these savings will be for maintaining the quality of existing environmental services nor where these savings will go. The above recommendations direct the City Manager to ensure any administrative restructuring is done in a way that does not compromise existing services and that any savings are reinvested in meeting other Council-mandated environmental and energy goals.

For further information, please contact: Franz Hartmann at 416-596-0660 or at franz@torontoenvironment.org

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Note 1:

"The City's revolving loan funds programs combined with the facilitation of 3rd party financing, including cases where no City funds are loaned, have leveraged private sector investments of over \$850 Million through the Better Buildings Partnership to date. The observed leveraging ratio is in the range of ten to one, meaning that for every dollar the City causes to be loaned, private and not-for-profit sectors energy conservation projects attract ten times this amount in 3rd party financing for the full implementation of the projects."

Supplementary Report - Repurposing of the Sustainable Energy Program and New Funding Model for City Energy Projects, Appendix 2 Merits of the Sustainable Energy Funds, October 22, 2012.

Note 2:

"The estimated impacts of the loan programs are as follows:

- The overall investments for the Sustainable Energy Funds amount to \$160 million (Sustainable Energy Funds and Private Sector) and 7,100 person years of employment were created.
- The overall investments for the Better Buildings Partnership Loan Repayment Reserve Fund (Better Buildings Partnership Loan Repayment Reserve Fund and Private Sector) amount to \$180 million and 8,000 person years of employment were created.
- The total estimated reduction of carbon dioxide emissions for the Sustainable Energy Funds is 2,584 tonnes.
- The total estimated reduction of carbon dioxide emissions for the Better Buildings Partnership Loan Repayment Reserve Fund is 337,627 tonnes."

City Budget 2012: Capital Budget Analyst Notes, Sustainable Energy Plan, pp. 16-17.

Note 3:

Jurisdiction	Net Budget per capita (\$)
New York City	2.29
San Francisco	21.81
Montreal	2.28
Seattle	2.15
Vancouver	1.38
Edmonton	4.01
Toronto	1.58

Toronto Environment Office report titled, "Multi-City Environmental Initiative Comparison" cited in KPMG City of Toronto Service Efficiency Study Program - Environmental & Energy Efficiency, Incentives and Public Engagement Programs, Final Report, November 7, 2011, p. 85

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