



## STAFF REPORT ACTION REQUIRED

### Environment and Energy Division – Five Year Business Plan

<b>Date:</b>	October 8, 2013
<b>To:</b>	Parks and Environment Committee
<b>From:</b>	Chief Corporate Officer
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2011\Internal Services\E&E\Pe13005e&e (AFS 17560)

#### SUMMARY

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This report presents the five-year business plan for the recently-formed Environment and Energy Division. The Plan will guide the development and delivery of environmental and sustainable energy initiatives between 2014 and 2018, both for the City's own corporate operations, and across the entire Toronto community. The Plan presents a Vision and Mission for the new Division, and outlines four key objectives:

- Reducing Emissions to the Environment;
- Conserving Energy;
- Ensuring a Clean and Affordable Energy Supply; and,
- Increasing Resilience to Extreme Weather Events.

Seven key Implementation Initiatives, designed to meet these objectives, are described. The results of the Division's existing initiatives are outlined, as are forecast outcomes for 2013, and the outlook for 2014. The development of the Plan was guided by recommendations arising from the Core Service Review and the City Manager's review of environment and energy processes within the City. In addition, the Plan supports several of the themes and goals in Council's Strategic Plan 2013-2018.

#### RECOMMENDATIONS

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**The Chief Corporate Officer recommends that:**

1. This report be received for information.

## **Financial Impact**

There is no financial impact from this report in 2013. The Environment and Energy Division has submitted its budget requests as part of the 2014 budget process.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

The work of the Environment and Energy Division is guided primarily by Council direction from three reports, which were adopted as follows:

The Climate Change, Clean Air and Sustainable Energy Plan (The Climate Change Action Plan) - July 16, 17, 18 and 19, 2007

<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-07-16-cc11-dd.pdf>;

The Power to Live Green: Toronto's Sustainable Energy Strategy - November 30, December 1, 2, 4 and 7, 2009

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.EX36.9>; and,

The Climate Change Adaptation Strategy: Ahead of the Storm - July 15, 16 and 17, 2008

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2008.EX22.4>

## **ISSUE BACKGROUND**

On November 27, 28 and 29, 2012, Council adopted the recommendations in the report from the City Manager, "Environment and Energy Efficiency Functions".

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EX25.1>

In his report, the City Manager informed Council that the functions of the Energy and Strategic Initiatives group in Facilities Management were to be merged with those of the Toronto Environment Office, under the purview of the Chief Corporate Officer. The City Manager has designated the Chief Corporate Officer as the lead on the City's environment and energy objectives, initiatives and policies. Through the creation of the new Environment and Energy Division, there will be an enhanced focus on monitoring and measurement of program results, and on reporting those results.

Environmental and energy functions that are highly integrated within existing divisional functions, such as the blue bin program within Solid Waste Management, and environmental policies developed by City Planning for the Official Plan, will remain part of those division's operating programs.

## COMMENTS

The Business Plan identifies the vision of the Environment and Energy Division as leading the City in developing and implementing innovative environmental and energy policies and programs, and inspiring citizens, businesses and City staff to participate in making Toronto North America's most environmentally sustainable city.

The Division's mission is to provide corporate leadership, coordination and accountability for environment and energy sustainability outcomes. To assist in carrying out this mission, a number of guiding principles are spelled out in the Business Plan. Each of the Division's initiatives will be examined through three perspectives, known as the 3 Pillars, of environmental sustainability, fiscal responsibility, and resiliency of the city's energy supply.

Organized under the core objectives of Reducing Emissions to the Environment, Energy Conservation, Energy Security and Supply, and A Resilient City, the Plan contains seven key Implementation Initiatives:

- Engaging Businesses and Residents;
- Energy and Environment Leadership by Example;
- Outreach and Education;
- Policy Development and Implementation;
- Coordination and Strategic Planning;
- Reporting and Evaluation, and;
- Effective Service Delivery and People Management

The Plan also emphasizes defining and measuring the outcomes of the Division's initiatives, which will help to meet Council's greenhouse gas emission reduction targets. Appendices to the Business Plan contain the new divisional organization chart, and a detailed description of programs offered by the Division, including the actual and projected results of those programs for 2011-14.

The plan supports the theme of Environmental Sustainability, as well as other key Themes of City Building, Economic Vitality and Fiscal Sustainability, in Council's Strategic Plan 2013-2018. It also supports the Strategic Plan's goals of Environmental Awareness, Environmental Stability and Environmental Health, in addition to the division's key strategic action, Strategic Action #6 – Support Environmental Sustainability.

Appendix B of the report spells out the accomplishments of the former Toronto Environment Office, and Energy and Strategic Initiatives (Facilities Management), the two predecessor units to the Environment and Energy Division, as well as the new Division's projected impacts for 2013 and 2014. Highlights include:

- 97 Megawatts of energy and conservation demand management through the Conservation and Demand Management Program (2013-14 target is 120 MW);
- 3700 hours of volunteer service annually through the Live Green Toronto Volunteers, allowing the Division to hold 150 outreach events per year;
- Connection of 5 major City facilities to the Deep Lake Water Cooling System resulting in significant capital and operating savings, and freeing up electrical capacity to accommodate economic growth in the downtown;
- Preparation of a Carbon Credit Policy, adopted by City Council in 2013. In 2014, a competitive process will be initiated to sell credits;
- Installation of 10 solar PV systems on City buildings in 2012-13, in partnership with Toronto Hydro. 15 systems are scheduled to be built in 2014-15; total estimated revenues to the City are \$1 Million annually;
- Completion of Air Quality Studies in four City Wards to date, with a target of six studies covering 12-15 Wards in 2014;
- Development of a Risk Assessment Tool to identify City corporate risks associated with increased extreme weather events due to climate change;
- Launching Phase One of the new Residential Energy Efficiency Program, to reduce energy consumption in 2,000 single-family and high-rise residential units through the use of Local Improvement Charges;
- Continuing to purchase electricity, natural gas and vehicle fuel through a variety of spot price, fixed price and hedging strategies; and,
- In Q2 2014, the Division will produce its first annual report on the outcomes of its initiatives, including financial savings and revenues generated.

## **CONTACT**

Jim Baxter, Director,  
 Environment and Energy Division  
 (416) 338-1295  
[Jbaxter2@toronto.ca](mailto:Jbaxter2@toronto.ca)

## **SIGNATURE**

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Josie Scioli, Chief Corporate Officer

## **ATTACHMENTS**

The Environment and Energy Division 5-Year Business Plan (2014-18)  
 Appendix A – Organizational Structure and Summary  
 Appendix B – Detailed Description of the Environment and Energy Division's Initiatives