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Dear Committee Members:

Toronto has achieved tremendous success in reducing greenhouse gas emissions. The combined efforts of the City, the Province, citizens, businesses, utilities, and civil society have allowed Toronto to dramatically exceed the 2012 GHG reduction targets, and put our city on a path to meet the 2020 target. All Torontonians should be proud of these accomplishments.

However, a note of caution is in order, for several reasons. First, we believe this report may substantially underestimate 2012 emissions. Second, we believe that 2012 emissions were abnormally low due to an unusually warm winter. Third, much of the GHG reduction compared to 1990 is the result of the province wide coal phase out policy which is now largely completed; future reductions of this magnitude will be much more difficult to achieve. Finally, limited progress has been made in reducing air pollution; given the substantial burden of illness from air pollution, this is a critical concern. The bottom line is that achieving our 2020 GHG and air quality improvement targets remains a major challenge.

Energy-use in homes and buildings accounts for about half of the City's GHG emissions; improving efficiency in buildings is therefore a key priority. The City has made some important progress in this area: the recently updated Toronto Green Standard for new development put in place some of the strongest energy standards in North America; Toronto is now the first municipality in Ontario to offer Local Improvement Charge financing for energy efficiency upgrades; and at the request of this Committee, the City is drafting an energy benchmarking and disclosure by-law which will be considered by Council early next year. These policies, strengthened over time, will be critical to achieving our 2020 targets.

Equally critical with be further action by other levels of government. Two additional opportunities for the City to advocate for such action present themselves. First, the Ontario Energy Board is developing a new conservation framework for the natural gas utilities. The City should take advantage of this time-limited opportunity to advocate for increased funding and support for natural gas conservation. Second, Natural Resources Canada has developed minimum energy performance standards for a wide variety of equipment and appliances under amendments 13 and 14 of the Energy Efficiency Act; the Federal Government has delayed implementation of these standards for several years. The City should advocate for the immediate implementation of these amendments, which will substantially reduce energy-use and emissions in Toronto and across the country.

Reducing transportation emissions is another key priority, especially for improving air quality. This reinforces the importance of Council decisions regarding investments in transportation infrastructure. Its worth noting that freight vehicles account for a disproportionate share of air pollution and the recent Council decision to develop an urban freight strategy is an important first step on this issue.

A few points about the inventory process and methodology

Natural Gas



Between 2011 and 2012 GHG emissions fell by 875 kilotonnes. However, 2012 was the warmest winter since 1998¹. Our analysis suggests that the majority of the GHG reduction from 2011-12 is due to weather, and a major rebound can be expected for 2013. In future, weather normalization analysis should be conducted annually and natural gas consumption and emissions reported in both actual and weather normalized values.

Transportation

Transportation emissions have not been updated since 2008. More up to date information is needed to track progress, as well as for planning policies and programs. Between 2004 and 2008 estimated transportation emissions increased at an annualized rate of 0.85%. Assuming this trend continued from 2008-12, actual transportation emissions in 2012 may have been 285 kilotonnes greater than reported. The City should develop a strategy to increase the frequency with which Transportation emissions estimates are updated.

Waste

The City has made tremendous progress in reducing emissions from waste. However, emissions from waste are only tracked for waste managed by the City. The majority of waste collected is not under City management. A static 1:2 ratio is assumed for emissions from privately collected waste. This methodology assumes that every improvement in waste diversion among city customers is matched by a proportionate improvement among non-city customers. This unfounded assumption may result in significantly undercounting Toronto's waste emissions. The City should develop a strategy to more accurately assess emissions from privately collected waste.

Inventory Process

While the 2012 GHG and Air Quality staff report provides a useful resource, it falls short of a full inventory report. It does not contain the level of detail required for independent experts to validate the findings; it also lacks the level of analysis required to inform policy and programmatic decisions, or understand the factors driving changes in emissions. It is not illustrated and laid out in a manner that would make it accessible to stakeholders or the public.

We understand that much of the above may be included in the consultant's report. However we are unsure as to when this report will be released, or whether it will be more or less recent and accurate than the staff report. It is worth noting that a large number of external stakeholders, including TAF, were engaged in a review panel with respect to the consultants' report. In contrast, there was no formal stakeholder review process in the preparation of the Staff Report.

This situation may result in confusion over which document is the official Greenhouse Gas and Air Pollution Inventory for the City of Toronto. A clearer process is needed in future years to streamline the preparation of updated inventories and ensure they are prepared, reviewed and released on a regular schedule. There is also some tension between the desire for annual updates and the need for more robust analysis of data and development of policy recommendations based on findings.

¹ Based on the number of heating degree days recorded by environment Canada.



We recommend that the basic annual inventory update recommended by Staff be supplemented at least once every four years by a full GHG and Air Quality Emissions Inventory which is developed in collaboration with external stakeholders and includes more detailed analysis and recommendations to ensure Toronto achieves its GHG and Air Quality targets. Ideally, the full inventory report should be published early in each new Councilterm to ensure that the new Council has access to the best possible information to inform policy making.

TAF supports all of the recommendations put forward in the Staff Report, but we have made a number of additional recommendations which are summarized in my written remarks.

In summary, tremendous progress has been made in reducing greenhouse gas emissions, which should be celebrated. However, achieving our 2020 and 2050 targets will be much more difficult challenges and clear information and analysis provided by regular emissions inventory reporting will be critical to our success .

Sincerely,

Bryan Purcell Program Director

Toronto Atmospheric Fund



Appendix: Detailed Recommendations

Toronto Atmospheric Fund supports all of the Staff recommendations on this item. Furthermore, Toronto Atmospheric Fund recommends that:

- 1. City Council direct the Director of the Environment and Energy Division to supplement the annual greenhouse gas and air quality inventory staff updates with more detailed Greenhouse Gas and Air Quality Inventory Reports, prepared in collaboration with relevant City Divisions, utilities, Toronto Atmospheric Fund, and external experts, not less than once every four years, and including at a minimum:
 - a. All of the data and analysis typically included in the annual greenhouse gas and air quality inventory staff updates;
 - Scenario modelling projecting 'business as usual' energy and emissions trends out to 2050, plus modelling of scenarios to test the potential impacts of new emissions reduction policies and programs;
 - Identification of gaps between business as usual trends and Council approved GHG reduction targets, air quality targets, and energy conservation targets, and assessment of options for closing those gaps;
 - d. Policy and programmatic recommendations for ensuring Toronto meets its GHG, air quality, and energy conservation targets.
- City Council direct the Director of the Environment and Energy Division to include both weather
 normalized and actual natural gas consumption and emissions in future annual greenhouse gas and air
 quality inventory staff updates.
- 3. City Council direct the Director of the Environment and Energy Division to collaborate with Transportation Services to develop a strategy for updating estimated community transportation emissions at least once every two years using high quality, Toronto specific data, and report back to the Parks and Environment Committee with the proposed strategy along with any implementation costs no later than July 31st, 2015.
- 4. City Council direct the Director of the Environment and Energy Division to collaborate with relevant City Divisions to develop a strategy for more accurately assessing waste related greenhouse gas emissions



from privately collected waste generated in the City of Toronto and report back to the Parks and Environment Committee with the proposed strategy along with any implementation costs no later than July 31st, 2015.

- 5. City Council request the Federal Minister of Natural Resources implement amendments 13 and 14 to Canada's Energy Efficiency Regulations, which will result in reduced energy use and greenhouse gas emission in Toronto and all Canadian cities.
- 6. City Council direct the Director of the Environment and Energy Division to explore opportunities to advocate, in the context of the Ontario Energy Board's current consultative process, for the adoption of new Demand-Side Management guidelines that will ensure targets and budgets to secure all costeffective natural gas conservation in the City of Toronto.