

Date:	January 28, 2016
To:	TAF Board of Directors
From:	Julia Langer, CEO
Re:	2015 Business Plan – Summary of Results

**SUMMARY**

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The attached report documents the results achieved by TAF in 2015. With few exceptions, TAF has achieved or exceeded objectives set out in the approved 2015 Business Plan. The report also reflects on challenges and identifies lessons learned and insights from the year's work.

**FINANCIAL IMPACT**

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None.

**DECISION HISTORY**

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The 2015 Business Plan sets out the activities to be undertaken during the year that will advance the objectives set out in TAF's 2015–2020 Strategic Plan. The 2015 Business Plan was approved by the TAF Board at its meeting of February 27, 2015.

**CONTACT**

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# TAF 2015 BUSINESS PLAN: SUMMARY OF RESULTS



1/5/2016

Keeping an Eye on the Horizon



The 2015 Business Plan was approved by the TAF Board of Directors at its meeting of 27 February 2015. This report outlines progress against the 2015 objectives established in the business plan while keeping with key elements of TAF's 2015-2020 Strategic Plan, [Charting the Voyage to a Low Carbon City.](#)

## TAF 2015 Business Plan – Summary of Results

This was the first year of implementing the new Strategic Directions established for 2015-2020. These ‘top 10’ accomplishments and insights flow from a busy year, when climate change returned firmly to local, provincial, national and international agendas. A more detailed status report on the objectives set out in the 2015 Business Plan follows.

1. Launch of **Efficiency Capital Corp (ECC)**, a third-party, for-profit, energy efficiency-focused investment company incubated by TAF.
2. City Council’s commitment to explore an **Energy Reporting & Benchmarking (ERB)** requirement for Toronto buildings, a policy strongly promoted by TAF, was reinforced by a Provincial announcement of the intent to adopt the policy across Ontario.
3. The **TowerWise Retrofit project** initiated retrofits of seven Toronto Community Housing Corporation (TCHC) buildings, with financing from TAF and Federation of Canadian Municipalities Green Municipal Fund. Air quality monitoring in 74 suites is helping to optimize the retrofit to provide multiple benefits for residents.
4. TAF convened an **Urban Climate Action Group** of local leaders in the Toronto region to formulate and advance a provincial action agenda for mitigating urban/suburban carbon emissions through the Ontario Climate Plan; the group has been influential in focusing provincial attention on the 60% of Ontario GHG emissions that originate in cities.
5. A grant to Environmental Defence helped create the diverse/multi-stakeholder, 90+ member **Clean Economy Alliance** that has become an influential voice for a strong provincial climate plan, including a price on carbon.
6. TAF’s **media profile** was raised significantly this year with six interviews and 15 stories published about TAF and our work in Toronto.
7. **TransformTO**, a new initiative sparked by TAF and the City’s Environment and Energy Division, was approved by City Council with the objective of engaging Torontonians in co-creating the path towards a low carbon city by 2050.
8. TAF was a finalist for the **2015 C40 Cities Award** presented in Paris, which recognizes world-leading cities that reduce GHG emissions and improve sustainability.
9. TAF completed a **market characterization study** on electrically-heated multi-unit residential buildings in Ontario which has helped to raise the level of understanding of geo-thermal technology and its uses.
10. Three **energy & water retrofits, financed using TAF’s Energy Savings Performance Agreement(ESPA)** totaling \$2,746,000 (Perth, Rouge and Four Winds) were advanced in 2015; almost \$6 million is now invested in retrofits of 20 buildings.

## Key Insights: 2015 Success and Lessons Learned

- **Partnerships** continue to be a key tool to expand TAF's impact.
- **Capturing and sharing lessons** from our grantees' initiatives – and from TAF's own success and failures – is a critical part of TAF's work
- **TAF should deepen its evaluation capacity** by adopting developmental evaluation methods where appropriate.
- **We need to be selective** about adopting new projects
- **Thorough reflection and analysis** during project development helps to position TAF for success.
- **Excellence in GHG quantification** continues to be integral to TAF's success and to evidenced-based decision-making for the City as a whole. We could consider ways to increase our support work in this area.
- **Taking a "systems approach"** to analyzing urban climate solutions helps to clarify challenges and identify synergies between climate solutions and solutions to other urban challenges.
- **We need to support broad public engagement** outlets such as those being developed as part of TransformTO to respond to strong and growing public interest in the climate issue
- **TAF's local leadership can be enhanced by "fast following"** – scanning and replicating the best global urban climate solutions
- **Cultivating long-term grants can require a long lead-up** – and we still need mechanisms to support emerging community leaders as well as established ones
- **We need to think bigger regarding fundraising**, focusing the majority of TAF's fundraising capacity on project contributions larger (>\$200K) contributions.

## PROJECT #1: TOWERWISE ACCELERATING ENERGY EFFICIENCY

**Objective:** Accelerate improved energy efficiency in the built environment.

**TAF lead:** Bryan Purcell, Director of Policy & Programs

**Key Partners:** Toronto Community Housing, Federation of Canadian Municipalities, Natural Resources Canada, Independent Electricity System Operator

### 1A. TOWERWISE ENERGY EFFICIENCY DEMONSTRATION (TWEED)

- **Complete a draft Case Study for the first TWEED project (Robert Cooke).**  
**IN PROGRESS.** A savings analysis has been completed and the case studies will be completed in the first quarter of 2016.
- **Complete and commission retrofits at two additional TWEED sites.**  
**IN PROGRESS.** Resource measures are 90% complete for the one additional TWEED site (Perth). Commissioning of the monitoring systems is planned to be completed by Feb 2016. Financing for the second TWEED site (Rouge Valley) fell through in August 2015. A replacement site (Pioneer) was found featuring an air source heat pump retrofit. As of December 2015, the Co-op board is finalizing the contract. The work is scheduled to begin for January 2016 at which point TAF, in partnership with TRCA, will instrument a portion of the installed air source heat pumps.
- **Demonstrate Gas Absorption Heat Pump technology at 1 TWEED site.**  
**IN PROGRESS.** The GAHP equipment will be installed in early 2016.
- **Complete engineering designs at seven TWEED sites using an Integrated Design Process (IDP).**  
**IN PROGRESS.** Three out of four project phase meetings are complete. Approximately 50% of the design process is finished and will likely continue until the spring of 2016.
- **Document the Integrated Design Process in preparation for development of an IDP for Retrofit guideline or resource in 2016.**  
**IN PROGRESS.** The documentation work is ongoing and is approximately 50% complete.

### 1B. TARGETED TECHNICAL RESEARCH

#### Indoor Environmental Quality (IEQ)

- **Complete pre-retrofit IEQ surveys of 180 residents at seven TWEED sites.**  
**COMPLETED.** In February 2015, Environics (a social research firm) conducted 180 occupant surveys designed by TAF across the seven buildings.

- **Construct, install and monitor 74 long-term IEQ monitoring packages at seven TWEED sites.**  
**COMPLETED.** By mid-March 2015, TAF installed IEQ monitoring equipment in 74 suites from the 180 suites that were surveyed. Long-term equipment will be deployed for approximately one year after the retrofits are complete.
- **Construct, install, and monitor 20 short-term IEQ monitoring packages at seven TWEED sites, rotating through 74 suites.**  
**COMPLETED.** In partnership with the University of Toronto, short term IEQ equipment was deployed for one week between May 12<sup>th</sup> – June 29<sup>th</sup> to capture summer conditions, and between November 9<sup>th</sup> - Dec 15<sup>th</sup> to capture winter conditions. Short term equipment will be deployed again during the summer and winter, post-retrofit.
- **Analyze data and document pre-retrofit IEQ conditions at seven TWEED sites and incorporate findings into Integrated Design Process for retrofits.**  
**COMPLETED.** Up-to-date findings have been incorporated into the IDP for the seven TWEED sites. TAF has processed and analyzed the first six months of pre-retrofit IEQ data from the long-term packages. Three- and six-month reports have been issued to TCH and the other project partners. Nine-month data gathering and processing is currently on-going.

## Design Guidelines for Boiler Retrofits

- **Scope and initiate development of Design Guidelines for boiler retrofits, building on findings from TWEED.**  
**IN PROGRESS.** Design guidelines will be written in early 2016. Boiler performance and analysis at the seven TWEED sites has been ongoing over the past nine months to capture pre-retrofit conditions. Post-retrofit monitoring will happen in 2016. Boiler performance and analysis has been completed at Robert Cooke for 2014 and 2015. Analysis at Perth will likely begin in January 2016 after the monitoring equipment is commissioned and the retrofit measures are fully implemented.

## Pumping Energy Savings (Heat Pumps)

- **Complete a Market Characterization of electrically-heated multi-unit residential building stock in Ontario (as priority market for deployment of heat pump technology).**  
**COMPLETED.** A rigorous data mining and analysis exercise was conducted that utilized publicly available data, survey/interview responses, and third-party data to estimate Ontario's electrically-heated multi-unit residential buildings' market characteristics including: size, age, heating system equipment type, utility metering type, ownership type, total electricity consumption and energy use intensity for electric space heating.
- **Complete a Heat Pump Technology Scan documenting and evaluating the range of market-ready heat pump technologies and assessing their suitability for implementation in the Ontario context.**  
**COMPLETED.** A [report](#) on heat pump technology was completed by a group of Western University students.

- **Initiate pre-feasibility studies for heat pump projects in eight electrically-heated multi-unit residential buildings (EMURBs).**  
**IN PROGRESS.** Eight buildings have been tentatively selected to participate in the feasibility studies, starting in March.

## 1C. KNOWLEDGE TRANSFER AND STAKEHOLDER ENGAGEMENT

- **Disseminate knowledge outcomes concerning best practices in energy efficiency adoption strategies via the TowerWise website, TAF e-newsletter, TAF blog, trade publications, and presentations.**  
**COMPLETED.** The [TowerWise.ca](http://TowerWise.ca) website has been updated and serves as a repository for detailed information about retrofit technologies, policies and financing. A FleetWise report which wraps up the project results has been circulated to project stakeholders. See Project #8 for more about the well-received blogs addressing key energy efficiency news and ideas. Under the banner of TAF's new Building Value initiative, a brief on key federal policies for accelerating energy efficiency has been developed based on stakeholder input and circulated to stakeholders and key decision-makers.
- **Deepen and broaden engagement with key stakeholders in the buildings sector in order to magnify project impacts and incubate future project opportunities.**  
**COMPLETED.** In December 2015, TAF presented the TWEED projects at a Construct Canada seminar; the audience consisted of property managers, building professionals and building management. The TCH project was launched at a TAF media event in September 2015.

## PROJECT #2: LOW-CARBON FINANCE INNOVATION

**Objectives:** Develop, and where appropriate invest TAF assets to demonstrate and de-risk financial strategies that will mobilize capital for energy efficiency and other low-carbon solutions, and generate a risk-adjusted return on investment.

**TAF Lead:** Tim Stoaite, VP Impact Investment

**Key Partners:** Investment Committee members, colleagues in responsible investing organizations, owners of Efficiency Capital Corp., colleagues in the investment/lending community.

## 2A. EFFICIENCY CAPITAL CORPORATION (ECC) HAND-OFF

- **Support the launch and build-out of ECC. As per the terms of a services agreement, two TAF staff will work 70% with ECC for three quarters, providing expertise related to transaction development, establishing business channels and securing additional capital needed to increase traction in the market and reach ambitious milestones.**  
**COMPLETED.** Tim Stoaite spent 80% of his time in Q1-Q3 to assisting with the launch and implementation of ECC this year.

- **Undertake an in-depth, 360 evaluation of this social venture development. A third-party expert will document and analyze the process of incubating ECC, and present insights and lessons learned in a manner that will be of value to TAF and the wider community interested in social ventures.**

**IN PROGRESS.** An RFQ from third-party evaluators has been circulated and a service provider will be selected in January. An Advisory Group has been convened to guide and support the evaluation. The evaluation, including insights and recommendations, should be completed by May 2016.

## 2B. IMPACT INVESTING TAF'S ENDOWMENT

- **Execute TAF's investment in ECC. Establish a subordinated debt agreement and flow financing as ECC closes efficiency retrofit investments.**

**COMPLETED.** The Shareholder and Operating Agreements are completed, and Subordinated Debt and Warehousing Agreements will be completed in Q12016 as TAF's financing is required.

- **Sell mature transactions. To make room for additional investment in energy efficiency retrofits and continue TAF's innovation cycle, package five or six current investments worth approximately \$1.5 million, securitize at fair market value, and convey/communicate the value proposition and TAF's leadership as an impact investor.**

**ON HOLD.** TAF sold the Harbourfront retrofit investment to CoPower, a green investing platform. No additional transactions (eg: Green Condo Loans) will be sold as they are performing well. Additional retrofit investment will be achieved through raising Senior Debt co-financing (see below).

- **Close at least eight approved and new ESPA transactions. The majority will be "warehoused" and sold to ECC and help re-balance TAF's portfolio towards the Direct Investment target of 60% of the asset.**

**IN PROGRESS.** TAF has closed four transactions – three are in construction and the fourth will begin construction within 30 days of year end. Four audits are in progress and eight audit proposals were committed to by potential clients.

- **Secure senior debt.**

**SIGNIFICANT PROGRESS.** TAF was listed on the Social Venture Connection (SVX), offering accredited investors the opportunity to co-invest in ESPA-financed retrofits. The Ivey Foundation has committed an initial \$1 million investment in ESPA-financed retrofits, and several other investors are in the due diligence process. This 'take-out' financing will free up TAF resources to invest in additional retrofits.

- **Advance one transportation-related investment. Undertake research and outreach to identify products and/or services that have potential to yield both GHG reduction and financial return on investment, where TAF's investment can strategically mobilize capital and market uptake.**

**NOT COMPLETED.** Internal capacity was focused on ECC this year. A strategy workshop held in January will help advance this objective in 2016.



## 2C. CRAFTING FINANCING TOOLS/STRUCTURES

- **Explore standardized energy efficiency protocols. Leverage the robust program and expertise of the US-based Investor Confidence Project (ICP) and the interest of Canadian stakeholders to evaluate/determine the value of protocols for building investor confidence and accelerating investment in efficiency retrofits, and the pathway to achieve the traction building in the US market.**  
**COMPLETED, ADDITIONAL ACTIVITY PLANNED.** With a TAF grant, MaRS Advanced Energy Centre identified a potential pathway to ‘Canadianizing’ the ICP protocols, and the need for more engagement of the finance/investment sector. Involvement of the federal government is key and can now be explored given new federal priorities.
- **Structure and advance an efficiency financing guarantee. The aim is to provide an appropriate level of security for senior lenders who are unwilling to co-finance ESPAs which do not have ‘bricks & mortar’ security.**  
**IN PROGRESS.** TAF has convened finance sector experts and advanced credit enhancement options, particularly for the non-profit building sector, with the Government of Ontario.
- **Incubate a “citizen to investor” initiative. Participate in founding a new organization that will lead efforts to engage and mobilize Canadians – savers and pension beneficiaries – in asking their investment managers to take carbon risk into account.**  
**COMPLETED.** TAF helped shape the C2I initiative which aims to mobilize and support beneficiaries in pressing their pension funds to be better climate risk managers; raised approximately \$30,000 to develop the initiative; issued an RFQ and hired a consultant to flesh out the effective program to achieve the C2I objective; and secured Tides Canada project status which will provide the organizational framework and serve as trustee for charitable donations to C2I.

### PROJECT #3: TransformTO

**Objective:** Create excellent decision-support information to guide development of a carbon reduction strategy to achieve the City of Toronto’s 2050 greenhouse gas reduction target (i.e.: 80% reduction compared to the 1990 baseline).

**TAF lead:** Mary Pickering, VP Programs & Partnerships

**Key Partners:** City of Toronto Environment and Energy Division and others TBD

- **Initiate the project. Develop this concept as a method for establishing new information about ways to achieve Toronto’s 2020 and 2050 greenhouse gas reduction targets. Test project relevance with stakeholder groups; using this input, create a project rationale and terms of reference.**

**COMPLETED.** A series of meetings with city staff from different divisions generated strong internal support and fostered knowledge-sharing concerning best practices in community outreach. A Project Steering Committee has been developed and a branding effort is underway for this project. Project briefings have been presented to the Chief Corporate Officer, the new City Manager and the Mayor as well as members of the Parks and Environment Climate Subcommittee. TransformTO has also engaged in preliminary briefings with community representatives and has presented three in a series of six planned TalkTransformation! events to provide public education and preliminary engagement opportunities.

- **Seek City Council approval. Support the Environment and Energy Division in securing City Council approval for continued advancement of the project.**  
**COMPLETED.** Toronto City Council adopted the [project terms of reference](#) on May 5, 2015.
- **Secure key partners. Develop formal relationships with key stakeholders and funders, establishing clear roles and responsibilities.**  
**IN PROGRESS.** A formal partnership has been established with Toronto Public Health, for the purposes of co-ordinating research and action concerning the relationship between carbon reduction actions and public health goals. Stakeholder outreach has been initiated with community groups, funders, and stakeholders.
- **Begin collaborative project design. With the support of a multi-stakeholder advisory group, advance the design of the project, selecting modelling and data visualization approaches that suit users' needs.**  
**IN PROGRESS.** A half day event held in March 2015 (the Dan Leckie Forum), convened stakeholders to provide project [design advice](#). An external technical advisor was engaged to help shape project scope and vet proposed modelling design. An RFP was created for professional modelling services.

## PROJECT #4: ADVANCING POLICY GAME-CHANGERS

**Objective:** Increase TAF's capacity for GHG impact from policy development and reform.

**TAF leads:** Julia Langer, CEO and Bryan Purcell, Director of Programs & Policy

**Key Partners:** Environmental Defence, Pembina Institute, City of Toronto Environment and Energy Division.

- **Promote high-impact, low-carbon policies. Transfer knowledge from TAF's 2014 review and analysis of policy options to engage key audiences and build understanding and support for the priority policy reform opportunities.**  
**COMPLETED.** In 2015, TAF launched the Building Value project, which aims to identify and mobilize support for key policies to reduce emissions from large buildings across Canada. Outcomes for 2015 include a discussion paper on key federal policy priorities for energy efficiency in the buildings sector.  
In 2015, TAF also responded to:
  - Ontario's climate change discussion paper (EBR 012-3452), and advised the City of Toronto on its response

- Ontario's request for input on changes to the *City of Toronto Act* and *Ontario Municipal Acts* to empower cities to address climate change, and advising the City of Toronto on its response
  - Ontario's request for input on the proposed single-family Home Energy Rating and Disclosure policy
  - Ontario's pre-consultation and formal consultation on proposed product efficiency standards (EBR 012-4146) – TAF was subsequently invited to discuss our submission details with senior staff at the Ministry of Energy.
- **Assist in strengthening the Toronto Green Standard (TGS). Continue supporting successful implementation of TGS V2 and research towards the next iteration of the Toronto Green Standard.**  
**IN PROGRESS.** TAF completed a research report on the future of the TGS and related policy tools, including assistance in scoping the research, selecting a consulting team, and serving on a project steering committee. This resulted in clear and actionable recommendations for version 3 of the TGS. A subsequent phase of work is planned for 2016 to consult stakeholders and develop TGS V3 for City Council consideration.
- **Advance the Energy Reporting and Benchmarking bylaw for Toronto. Through research and convening role as well as participation on the City's Energy Reporting and Benchmarking advisory group, support consultation regarding this proposed policy, provide strategic analysis and guidance to address challenges, and continue to access and leverage the experience of leading jurisdictions.**  
**COMPLETED.** TAF has assisted the City's Energy and Environment Division with stakeholder consultation on the proposed Energy Reporting and Benchmarking Bylaw. Subsequently when the Province indicated it was also considering a province-wide policy, TAF convened a meeting between City Staff and Ministry staff to coordinate efforts. TAF provided written and verbal deputations to the City's Parks and Environment Committee on this item (2015.PE4.2); the policy was endorsed by PEC in June and by City Council in July, formally stating the city's intention to move forward with this policy with or without the province. The province introduced enabling legislation for a province-wide energy reporting requirement in late 2015 (Bill 135). In 2015 TAF was also invited and agreed to participate on a multi-stakeholder national working group on this topic, convened by the Canada Green Building Council, which is producing a national white paper to promote this type of policy Canada-wide.
- **Advocate for carbon pricing for Ontario. Working with key partners and stakeholders, support public understanding of the role of carbon pricing as part of a provincial policy to reduce greenhouse gases, especially with respect to opportunities for the City of Toronto, and key principles and best practices for selection and implementation.**  
**COMPLETED.** TAF has supported carbon pricing for Ontario through our grant to Environmental Defence, and by participating in the related Clean Economy Alliance. TAF also provided a formal submission to the province's Cap and Trade Program Design Options consultation (EBR # 012-5666).
- **Review approaches to location efficient development. Working with key partners and stakeholders, assess opportunities to reduce the growth in transportation emissions through integrated transportation and land use planning.**  
**IN PROGRESS.** TAF has supported this area of work through a concept development grant with the Pembina Institute to develop a strategy to promote location-efficient

development in the Greater Toronto Area. This grant was completed successfully, and consideration of a longer-term implementation initiative has been deferred pending the proponent's strategic planning exercise. TAF also assisted stakeholder groups, including Canadian Green Building Council-Greater Toronto Chapter and QUEST Ontario in responding to the province's coordinated land use planning review.

## PROJECT #5: TRANSPORTATION FUTURES

**Objective:** Support community stakeholders in gaining a better understanding of key low-carbon transportation solutions and how they could be advanced.

**TAF leads:** Mary Pickering, VP Programs & Partnerships and Ian Klesmer, Grants Program Manager

**Key Partners:** Evergreen CityWorks, Move the GTHA, Pembina Institute, others TBD

- **Support Move the GTHA 2.0 as a participant and a funder. Gain better understanding of the lessons learned by Move the GTHA through an external evaluation. Work with core group members to advance existing commitments to transportation investment.**  
**COMPLETED.** Supported an [external evaluation](#) of the project by providing funding and serving as a member of the Evaluation Subcommittee. Supported a communications strategy session in October 2015 with an external communications advisor (ECO Strategy); advice was used by MTGTHA to anchor a joint communications project to review the status of provincial commitments to regional transit and present these in a public report to be published in Q1 2016. Initiated a “narrative” report about the first two years of activity undertaken by MTGTHA, securing an external writer to document the activities and outputs of the group for the purposes of communicating the nature of a collective impact project and sharing best practices and lessons learned. The report will be completed and promoted to the collective impact community in Q2 2016.
- **Support improved understanding of Toronto's transportation emission sources and trends. Assess opportunities to access new data sources to enhance information about Toronto's emissions from passenger vehicles.**  
**NOT COMPLETED.** TAF has worked with other municipal parties to promote the need to access provincially-collected transportation information and to have analysis undertaken on data collected by Transportation Services in order to improve understanding of local transportation emissions patterns and trends.
- **Explore opportunities to reduce transportation emissions. Working with the broad community, analyze current opportunities such as transportation demand management, freight management, and electric vehicle use and consider ways TAF could provide strategic support.**  
**COMPLETED.** TAF provided strategic support to Plug'n Drive to help drive the uptake of electric vehicles in the GTHA. TAF met with dozens of community groups to identify and analyze emissions-reduction opportunities within three broad transportation themes. Findings and recommendations will be presented to TAF's staff and Grants Committee to help identify strategic grant cultivation priorities in January 2016.

## PROJECT #6: KNOWLEDGE TRANSFER

**Objective:** Ensure all TAF's investments are fully optimized and leveraged by packaging and sharing key findings.

**TAF leads:** Ian Klesmer, Grants Manager and Julie Leach, Communications Manager

**Key Partners:** Grant and loan recipients

- **Develop case studies that inspire. Mine TAF's past and current work to create a set of 8-10 case studies reflecting a selection of TAF's initiatives, and analyze these to develop best practices or key insights. Showcase these findings on the TAF website and support them with dedicated "knowledge transfer" plans to ensure that findings are brought to the attention of key stakeholder audiences. Case studies could include:**
  - **Key findings from current and past TAF-funded projects;**  
**COMPLETED.** In March TAF's *Low Carbon Policy Priorities* report examined a selection of six policy advocacy projects sponsored by TAF over the past 15 years and extracted lessons about the factors that contributed to project successes and failures. The report was promoted through social media and via policy and policy-funder networks. In June 2015, TAF published a [findings report on its FleetWise EV300 pilot project](#) and promoted it to project participants, funders and related stakeholders as well as through social media. TAF also updated and expanded the [project section of the website](#) to showcase multiple TAF projects and findings reports in an accessible manner.
  - **TAF's leadership in impact investing;**  
**COMPLETED, ONGOING.** TAF's Annual Meeting featured the launch of Efficiency Capital Corp, providing a platform for demonstrating TAF's finance innovation expertise. TAF was invited to present at the prestigious American Council for an Energy Efficient Economy Finance conference, to 'pitch' our senior debt co-financing opportunity at the Social Finance Forum, and to present our investment strategy to C40 members. TAF led a seminar on impact investing at the CEGN conference, and several foundations and other investors are crafting a strategy to help CEGN colleagues move into impact/responsible investing.
  - **TAF's development of a social venture (TEEFCo/ECC);**  
**IN PROGRESS.** TAF will be undertaking an evaluation of its experience in developing the Energy Savings Performance Agreement (ESPA) and incubating Efficiency Capital Corp. (ECC) as a social enterprise.
  - **Evaluation of Move the GTHA.**  
**COMPLETED.** TAF funded an extensive [third-party evaluation report](#) of the Move the GTHA collaborative, which identifies the challenges and benefits of the group's collective impact approach. A separate narrative report, intended to explain the development and operations of a collective impact group, is being created for publication in 2016.

- **Strengthen TAF’s internship practices and capacity. Secure two external sponsors to support the costs of internships. Recruit and deploy 3-4 interns within TAF and possibly among TAF’s partners to increase capacity in critical areas. Ensure that interns receive high-quality mentoring and meaningful work experiences.**  
**COMPLETED.** Following an internal analysis of staff supervisory capacity and resource needs, it was decided that TAF would continue to seek internship funding support on a project-by-project basis. Accordingly, TAF initiated the following internships in 2015:
  - i. Heat Pump Researcher (May 2015-2016), as part of IESO-funded TowerWise project *Pumping Energy Savings*
  - ii. Policy Research and Engagement Coordinator (October 2015- 2017), as part of TAF’s *Building Value* project funded by the McConnell Foundation, and to support TAF’s overall work on low carbon policy priorities.
  - iii. Energy Analyst and Modeller (November 2015 for six weeks) to provide analysis and assistance for the Toronto Community Housing project.

## PROJECT #7: GRANTMAKING

**Objective:** Engage and support community stakeholders working on key climate solutions.

**TAF lead:** Mary Pickering, VP Programs & Partnerships, Ian Klesmer, Grants Manager

**Key Partners:** Community climate advocates, climate and energy funders

- **Cultivate grants aligned with TAF’s new strategic priorities. Cultivate high-impact grants, particularly in the area of policy reform, and projects that advance our “map and compass” direction and support the emerging Transformation Toronto 2050 initiative.**  
**COMPLETED.**
  - Grants that support TAF’s “Map and Compass” direction and the emerging Transform TO initiative:
    - Transform TO – Modelling a Low-Carbon Future (City of Toronto): Undertaking of integrated, long-range greenhouse gas scenario modelling to better understand how to achieve Toronto’s deep carbon reduction goals, and how these required actions interact with other city goals related to public health, prosperity, and social equity.
  - Grants that support policy reform:
    - Energy Reporting and Benchmarking for Large Buildings (City of Toronto): support of activities related to the start-up and initial implementation of an Energy Reporting and Benchmarking requirement for large buildings in Toronto.
    - Factors Shaping Electric Vehicle Ownership, Drive Patterns, and Behaviours in the GTHA (Plug’n Drive): research of factors that drive uptake of electric vehicles in the GTHA, and development and promotion of policy recommendations based on these factors.

- **Mobilize greater impact through collaboration. Seek out appropriate opportunities to support and engage in multi-sectoral collaboration and explore affiliate collaborations, especially with other funder groups.**  
**COMPLETED.** TAF continues to fund and be a leading partner in the Move the GTHA multi-sectoral collaborative. TAF funds and provides strategic advice to Environmental Defence regarding its Clean Economy Alliance, a 90-member, multi-stakeholder group advocating for a strong provincial climate strategy. TAF is also one of the founding Committee members of the Canadian Environmental Grantmakers' Network's (CEGN's) Low Carbon Funder Group, serving as chair for the green buildings sub-group.
- **Enhance TAF's grant program outreach. Pilot and assess new strategic grant cultivation methods for example, calls for proposals around key focus areas, or by supporting "searchlight" grants to proactively seek out new community partners.**  
**IN PROGRESS.** TAF is investigating opportunities to co-fund transportation initiatives with other groups in the region and in other Canadian cities. TAF will continue to assess funder collaboration opportunities through CEGN's Low Carbon Funder Group.

## PROJECT #8: COMMUNICATIONS

**Objective:** Build TAF's public profile, credibility and relevance to support TAF's success in achieving its overall organizational goals.

**TAF leads:** Mary Pickering, VP Programs & Partnerships, Julie Leach, Communications Manager

**Key Partners:** TBD

- **Clearly establish TAF's value proposition. Promote key TAF programs (i.e. TWEED and ECC) to demonstrate TAF's role in incubating key carbon reduction actions in Toronto and to build TAF's profile and reputation to support continued fundraising success and partnership development.**  
**COMPLETED.** TAF was shortlisted for a C40 Cities award in the category of financial innovation and economic development and was a finalist for a Canada Green Building Council Sustainability Award. Press releases were distributed to target media personnel to promote the launch of the TowerWise Retrofit Project, the launch of ECC, and the C40 award nomination. Informational materials about the TowerWise Retrofit Project were developed for relations with media and the Mayor's office. TAF staff gave presentations at strategic conferences such as Construct Canada and the Canadian Environmental Grantmakers' Network to increase our exposure on relevant topics.
- **Promote and refine new TAF website. Launch the site and ensure that it is animated to allow it to be a central communications hub for TAF, monitoring and improving its utility.**  
**COMPLETED.** The new and improved TAF website launched in early 2015. Refinements include an emphasis on the blog, TAF's current projects and programs, and compelling visual images. Security vulnerabilities and complex architecture have been removed.

- **Achieve media exposure. Generate 3-5 media stories on TAF in print or online**  
**COMPLETED.** TAF staff gave approximately six media interviews. Five press releases were distributed and 15 promotional stories were published about TAF in print and online in 2015. TAF staff were a source for urban climate information during the Paris climate summit, which resulted in several excellent articles in the Toronto Star on Toronto's climate work and new relationships with key reporters.
- **Build TAF's social media profile. Create and implement a social media strategy and improve upon TAF's existing social media performance indicators by at least 50%.**  
**COMPLETED.** In 2015, TAF's Twitter followers have increased by 65%, newsletter subscribers have increased by 30% and blog subscribers have increased by 55%.
- **Identify new communications partners. Attract 3-5 high-value communications service providers, advisors and/or collaborators to enhance TAF's communications capacity, especially with regard to showcasing the relevance of urban climate solutions in multiple sectors (i.e. health, mobility and local economic development).**  
**COMPLETED.** External service providers including Studio Jay Wall (communications and graphic design), writer Alan Britnell, Ramp Communications (Communications firm) and the City of Toronto's Strategic Communications team have significantly enhanced TAF's communications capacity.

## PROJECT #9: GOVERNANCE & MANAGEMENT

**Objective:** Maintain a high standard of operational excellence

**TAF lead:** Julia Langer, CEO and Richard Rysak, Finance Director

### 9A. GOOD GOVERNANCE & ACCOUNTABILITY

- **Support decision-making with excellence. Provide TAF Board of Directors and Committees with proactive, professional and engaging information and proposals related to TAF's approved strategic goals and objectives. Ensure TAF Board of Directors has access to best information and advice to ensure compliance and alignment with City and Provincial requirements.**  
**COMPLETED AND ONGOING.** Provided introductory briefings for new and returning Board members following Council appointments. Regularly having presentations from and discussions with grantees, investees and program partners at Board meetings. On-track with governance and compliance requirements, and acting to implement Board recommendations.
- **Provide regular opportunities to assess progress. Track, evaluate and report on activities and performance according to TAF's Key Performance Indicators and recommend course corrections for improved outcomes, where necessary.**  
**COMPLETED.** TAF held a mid-year review session that focused exclusively on generating and applying insights to improve our work. TAF also initiated internal capacity-building to support developmental evaluation approaches to improve ongoing reporting and review of key projects.



## 9B. FINANCE & OPERATIONS

- **Provide excellent financial stewardship. Best practice, compliance with City requirements and continuous improvement of TAF's financial operations including cash management, processing of payables/receivables and payroll, project accounting, corporate and government filings, and preparation of annual budget, Audit and Financial Statements.**

**COMPLETED AND ONGOING.**

- **Revive CAIT Ventures Inc (CVI). Secure formal Council approval and initiate functional use of TAF's subsidiary for energy efficiency financing transactions, subject to appropriate efficient financial management, tax treatment, governance, and investment agreement(s) between TAF and CVI.**

**IN PROCESS.** Secured KPMG opinion on non-taxable status of CVI and working with City Manager's Office and City Legal on a Report to Council requesting formal approval.

- **Oversight of full investment portfolio. Support compliance with TAF's investment policy (SIOP) including tracking, implementing adjustments to, and reporting on marketable securities, direct investments (including asset recovery), currency impacts, and other relevant factors. Finalize a more sophisticated methodology for tracking, analyzing, and reporting on TAF's Direct Investment portfolio including risk, diversification, and outlook.**

**COMPLETED.** TAF is in full compliance with its investment policy (SIOP) and TAF's Investment Committee has approved a methodology, analogous to that used for Marketable Securities and including GHG reduction impact, for regular analysis of TAF's Direct Investments.

## KEY PERFORMANCE INDICATORS

- **Mobilizing Financial Capital (\$)**

<b>Direct Investments + Grants + Leverage = Mobilized Financial Capital</b>	
Summary Years 2007-2015	\$159,667,504
Percentage of Target (Actual vs Forecast)	69%
Target	\$230,000,000

- **Comments:** 2011-2014 was Adjusted downwards (actuarial reassessment). Several 2015 loans are delayed and will have impact in 2016

➤ **GHG Reductions**

<b>Cumulative Emissions Savings Potential from TAF supported projects (Mt CO<sub>2</sub>eq)</b>	
1991-2006	70.3
2007-2010	34.8
2011-2014	42.2
2015	5.3
Cumulative	152.6
1990 Toronto baseline (annual)*	27.3

- **Comments:** Some work in 2015 was from previously accounted for GHG reductions in previous years. Other work in 2015 includes longer-term projects whose GHG reduction will be accounted for in future years.

➤ **Mobilizing Social Capital – 2015 Partnerships**

- **Efficiency Capital Corporation** - Based on our formal business agreement, TAF continued an active partnership with ECC including a secondment arrangement for our VP-Impact Investing to provide critical intellectual support for expansion of the new company.
- **City of Toronto Environment and Energy Division and Toronto Public Health** - TAF and Environment and Energy Division created a formal MOU to confirm joint management and decision-making responsibilities for the TransformTO project. We worked jointly, along with Toronto Public Health which has assigned a senior manager to the project, to initiate and advance TransformTO, including assigning \$200,000 of dedicated City and TAF funding resources, hiring a full-time project manager, and initiating a comprehensive Public Health research project to review the relationship between low-carbon urban strategies and public health.
- **Environmental Defence** - TAF initiated two years of funding totalling \$300,000 to Environmental Defence to support multi-party involvement in the development of Ontario's Climate Strategy. TAF's Grant Manager and CEO provided active oversight of the project, participated actively in forming and advancing the Clean Economy Alliance and took the lead on complementary activities, including forming the Urban Climate Action Group to unite municipal representatives in commenting on the critical need to create policy that support cities' climate actions.