



TA8.4

STAFF REPORT INFORMATION ONLY

Date:	April 15, 2016
To:	Toronto Atmospheric Fund Board of Directors
From:	Julia Langer, CEO
Re:	Chief Executive Officer's Report

GOVERNANCE & ORGANIZATIONAL MATTERS

New Endowment Funds from Ontario Government

As announced in the provincial Budget on February 25, 2016, the Government of Ontario has committed \$17 million in new endowment capital to expand TAF's mandate to the Greater Toronto & Hamilton Area (GTHA). This is a strong endorsement of TAF's model and approach, and recognition that we can help advance urban solutions to climate change that are key to achieving local and provincial targets. The Ministry of Municipal Affairs & Housing (MMAH) has been tasked with developing a Transfer Payment Agreement with TAF. Terms of Reference have been developed for the Ad Hoc Endowment Enhancement Working Group established by the Board at the February 11 meeting, focused on supporting staff in advancing and negotiating terms, consulting with key stakeholders, and making recommendations to the Board. TAF staff, along with City Manager's Office (CMO) staff, has started discussions with MMAH. A separate agenda item seeks the Board's guidance on key terms in order to advance discussions with the province, with the aim of having a proposed agreement for Board consideration by the end of May, and a request for Council implementation mid-July.

TAF's 25th Anniversary

A celebration of is planned for October 24, 2016 at The Design Exchange, celebrating TAF's work to date and launching new Provincial endowment. Please mark your calendars!

Toronto Long-term Electricity Plan Local Advisory Committee

TAF's CEO has been appointed to the Local Advisory Committee (LAC), which is mandated to provide advice to Toronto Hydro and the Independent Electricity System Operator (IESO). The 16-member LAC includes representatives of business, First Nations, labour, various non-profit organizations, and four City of Toronto staff. It offers an opportunity to align climate targets with the future development of Toronto's electricity system, recognizing that reliable, affordable, low-carbon electricity is key to reducing emissions in both the building and transportation sectors.

Welcome Jaime Klein, Executive Coordinator

Please join me in welcoming Jaime to the TAF team. Having worked at Evergreen for over five years and on special projects for Not Far From the Tree and Parks People, she brings significant experience in stakeholder relations, development and stewardship, and supporting teams, executives and a non-profit Board.

STRATEGIC PROGRAMS

Ontario Climate Change Legislation and Cap & Trade Regulation

With support from TAF and others, Environmental Defence continues to mobilize the multi-sectoral Clean Economy Alliance (which now boasts 90 members, including TAF) in advocating for a strong provincial climate strategy. The Alliance submitted an in-depth response to two government consultations: one on the draft *Climate Change Mitigation and Low-Carbon Economy Act, 2016* – which establishes Ontario’s cap and trade program – and another on the more detailed draft regulations under the *Act*. Priority recommendations include: prioritizing investment of cap and trade revenues in new, GHG-reducing initiatives; ensuring administration and oversight of the fund by an expert third party; publishing transparent decision-making criteria; ensuring that any allocation of free allowances is targeted, transparent, and temporary; and educating Ontario’s citizens and businesses regarding the purpose and benefits of the cap and trade system. TAF also submitted its own input on these two consultations, reiterating many of the key points made by the Alliance. Through these submissions, the Alliance continues to act as a strong counterpoint to opposing voices whose recommendations could undermine the environmental effectiveness of Ontario’s cap and trade system. The Alliance is also playing an important capacity-building role among its members, equipping them with the tools and knowledge needed to promote a strong climate strategy directly to government and within their own networks.

Energy and Water Reporting & Benchmarking Requirement

TAF presented to the Standing Committee on General Government examining Bill 135, and specifically focused on the importance of the enabling framework for energy and water reporting and benchmarking (EWRB). While the Legislation is not yet passed, the province issued a draft EWRB Regulation with the aim of having reporting start in 2017. TAF has prepared a detailed submission, which has been shared widely with colleagues, strongly supporting the overall approach but recommending three key improvements: mandatory data verification, enhanced public disclosure, and sharing of the full benchmarking data set with municipalities to support community energy planning. These recommendations were closely coordinated with a variety of other stakeholders including the City of Toronto, the Clean Air Council, the Canada Green Building Council, and many more. EWRB has been a popular TAF blog topic, attracting hundreds of (nerdy!) readers.

Impact Investing

TAF’s investment in Pure Energies, a Toronto company with an innovative idea for how to accelerate uptake of residential solar photovoltaic energy, is yielding greater than expected returns. The company was bought by a US energy company, and in addition to full repayment of the loan, TAF is earning on our warrants. With US\$67.5K received this quarter, and US\$75K expected in 2017, our total will be over US\$400K -- ROI of over 75% from the warrants alone. We are very proud of Pure Energies!

Efficiency Capital Corp. has appointed Matt Zipchen as full-time CEO to take the company to its next phase; Matt recently left SolarShare where, as General Manager, he led the successful raising and deployment of over \$10 million in solar bonds for community projects under the FIT program. TAF is warehousing several ESPA transactions for ECC – one currently advancing – and hope to execute our Subordinated Debt investment for ECC-originated transactions by the end of May.

TAF's expertise regarding financing retrofits in the social housing sector is in demand as provincial and federal government are dedicating funds for upgrades in this sector. A brief has been prepared which outlines an approach to structuring government programs that would address key barriers faced by non-profit building owners, mobilize private sector investment, ensure energy savings performance over the long-term, and leverage results to drive even wider implementation of multi-measure retrofits.

Pumping Energy Savings

The first phase of Pumping Energy Savings, a Market Characterization Study of the electrically-heated multi-unit residential building (EMURB) sector in Ontario, is complete. The study reveals a significant opportunity for energy conservation by retrofitting electric base-board heating with heat pumps. For the next phase, eight (8) buildings have been selected to assess the technical and financial viability of retrofitting their electric heating system with air-source or ground-source heat pumps. The study will generate valuable data needed to reduce perceptions of risk associated with heat pump retrofits. Work to develop and propose tools and resources to assist stakeholders with implementing a heat pump retrofit has already begun. The project's expert Advisory Group, which is providing invaluable support and guidance.

TransformTO

Sustainability Solutions Group (SSG) has been hired to undertake technical modelling work for TransformTO. Their open source modelling platform and international experience will be of great value to the project, and to other cities interested in advancing 2050 plans. To guide and support the modelling, a 25-member TransformTO Modelling Advisory Group has convened that will bring expertise in the areas of GHG reduction, social equity, public health, and local economic development; a list of members and their bios will be available shortly.

TransformTO is running a number of community engagement events to bring diverse perspectives and input to the modelling group, and to kick-start the wider engagement process. The first event brought together the social innovation and environmental communities. Four additional Community Conversations will run from April 25-May 9 downtown, in Etobicoke, Scarborough, and North York. Please invite your communities to participate; [click here for details](#).

To expand engagement about climate solutions throughout the city, "conversation kits" with facilitation guides are available for hosts. Councillors, organizations or citizens are encouraged to host a Community Conversation for TransformTO; contact Mary Pickering for more information.

TowerWise

TAF has collected and analyzed one year of indoor environmental quality data across the seven TCHC buildings. Research findings are being used to prioritize the retrofit measures and will be presented at three national and international conferences in 2016. Detailed design is progressing and toilet/lighting retrofits are underway at two of the three TCHC sites. One of the TCHC sites was also selected as a demonstration site for a gas absorption heat pump technology, which will be installed during the summer of 2016. TAF will be working with TCHC staff on resident messaging and engagement during the construction process.

A case study of the ESPA-financed Robert Cooke Cooperative retrofit has been prepared with detailed analysis of boiler performance. The ESPA-financed retrofit of the Perth Avenue Housing Cooperative is complete and the TAF financed monitoring system is in the commissioning phase.

Based on TAF's expertise with energy and indoor environmental quality improvements in social housing, TCHC has asked TAF to serve as an advisor to the ReSet Capital Renewal program. This includes advising the teams for three pilot sites on maximizing energy and GHG emission reductions while enhancing air quality and occupant comfort.

With funding from Toronto Community Foundation, a short film is being produced to showcase the TowerWise retrofits of seven Toronto Community Housing buildings. It shows the often invisible elements of a retrofit, features interviews with residents and project partners, and will make a case for much more investment in social housing retrofits. Get out your designer hard hats -- we'll have a red-carpet screening at the next board meeting!

CONTACT

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