



**STAFF REPORT
Action Required**

TA8.10

Date:	April 11, 2016
To:	Toronto Atmospheric Fund Board of Directors
From:	Ian Klesmer, Grants Program Manager
Re:	Grants and Programs Allocation Recommendations

SUMMARY

The TAF Grants and Programs Committee met on April 6, 2016, and recommended that the Board approve four grants with a combined value of up to \$438,040 and two internal project allocations with a combined value of \$180,000.

RECOMMENDATIONS

It is recommended that the TAF Board of Directors:

1. Approve the following grant requests:
 - a) Up to \$140,000 over two years to the University of Toronto to develop an accurate and up-to-date estimate of GHG and air pollution emissions related to road transportation, with a view towards assessing the possible policy and program options for reducing these emissions.
 - b) Up to \$30,000 over two years to the Toronto Region Board of Trade to support the consideration of GHG emissions and targets in the context of its Energy Working Group. The Committee’s recommendation is subject to the following conditions:
 - TRBOT’s Energy Working Group include TAF as a member
 - Funding allocations be stage-gated to allow for TAF staff approval of a clear second-year workplan before funding for the second year is advanced.
 - c) Up to \$244,715 over three years to the Toronto and Region Conservation Authority to evaluate up to four technologies which demonstrate a strong potential to reduce GHG emissions in Toronto. The Committee’s recommendation is subject to the following condition:
 - TAF staff approve each technology before TRCA proceeds with its evaluation
 - d) Up to \$23,325 over four months to the Pembina Institute to develop its strategy for reducing GHG emissions from the transportation sector.
2. Decline the following grant request:

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- a) Up to \$49,870 over eight months to the Registered Nurses' Association of Ontario
3. Approve the following internal allocation requests:
 - a) Up to \$150,000 over one year to continue accelerating energy efficiency improvements in the built environment through demonstration projects, targeted technical research, and policy research, advocacy and implementation.
 - b) Up to \$30,000 over seven months to further increase TAF's endowment through a targeted fundraising campaign focused on potential donors including, but not limited to, corporations, individuals and foundations.
4. Release up to \$15,000 to cover the legal fees associated with the preparation of documents required to secure senior debt co-financing for energy retrofit projects. This is the final instalment of a previously approved request, Incubating an Energy Efficiency Financing Social Venture (TEEFCo Phase II).
5. Support the CEO-approved internal project allocation of up to \$10,000 over three months to undertake a scoping study on the GHG impacts of microtransit.

FINANCIAL IMPACT

If the grants requests are approved, \$223,333 would come out of TAF's 2016 grants budget, \$140,934 out of the 2017 budget, and \$73,773 out of the 2018 budget.

Grants Program Budget	2016
Total available funding	\$685,977
Grant allocations committed to date	\$86,188
Recommended allocations from April 6, 2016 Committee meeting	<u>\$223,333</u>
Remaining balance	\$376,456

If the internal project allocation requests are approved, the full \$180,000 would come out of TAF's 2016 internal program budget.

Internal Program Budget	2015
Total available funding	\$309,600
Internal program allocations committed to date	\$30,000
Recommended allocations from April 6, 2016 Committee meeting	<u>\$180,000</u>
Remaining internal program allocations	\$ 99,600

BACKGROUND

Grants

University of Toronto – Quantifying Toronto's Transportation GHG Emissions

The goal of this project is to enable the development of policy, program, and planning/infrastructure options for achieving the City of Toronto's GHG reduction and air quality improvement goals in the transportation sector. This will be achieved through the fulfillment of three objectives:

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- developing an accurate and up-to-date estimate of GHG emissions and criteria air contaminants generated by road transportation in Toronto;
- creating a replicable methodology that can be implemented by the City in the estimation of future emission inventories; and
- conducting scenario analysis and assessing the potential of policy/program options to reduce emissions.

Toronto Region Board of Trade – TRBOT Energy Working Group Formation

TRBOT and its members are establishing an Energy Working Group (EWG) out of a recognition that Toronto businesses require a sustainable, secure, and affordable supply of energy. This project proposes to support the consideration of GHG emissions and targets in the context of TRBOT's EWG.

Toronto and Region Conservation Authority – Evaluating low carbon technologies and best practices in the built environment

This three-year project aims to test and evaluate up to four low carbon technologies with a strong potential to reduce GHG emissions in Toronto. The evaluations will:

- identify key barriers associated with selected technologies;
- quantify GHG reductions;
- address knowledge and policy gaps currently preventing broad technology implementation; and
- provide guidance on how systems or infrastructure can be optimized to maximize performance and uptake from a technical, financial and operational perspective.

Strong emphasis will be placed on the communication of outcomes to key stakeholders in the building target sectors as well as policy practitioners in municipal and provincial government.

Pembina Institute – Strategic Planning for Tracks and Grids

The Pembina Institute is proposing to develop, with input from external stakeholders, its strategy for reducing GHG emissions from the transportation sector. The proposed strategy will build on Pembina's past work and capitalize on the new priorities and commitments made by various levels of government. A key output of the strategy will be to identify areas of focus (policies and pilot projects) and a timeline for deliverables.

Internal program allocations

TowerWise: Accelerating Energy Efficiency

Funding is requested to continue this multi-year program which aims to accelerate improvement in energy efficiency in multi-unit, residential, commercial and institutional buildings by addressing key barriers including:

- lack of confidence in energy savings and energy efficient technologies;
- technical and implementation challenges to undertaking major energy retrofits;
- high up-front capital costs; and
- the need for policy drivers at the local level.

This program is composed of three core elements: demonstration projects, targeted technical research, and policy research, advocacy and implementation.

Enhancing the TAF Endowment – Phase II

On the occasion of its 25th Anniversary in 2016, TAF is seeking to increase the capital in its endowment fund. In the first quarter of 2016, TAF was successful in securing a Provincial commitment to increasing the TAF endowment by \$17M. This significant enhancement, while still subject to negotiation and approval by TAF Board and Toronto City Council, has provided profile and momentum for TAF and its work. TAF aims to leverage this success to further increase the endowment through a targeted fundraising campaign focused on potential donors including, but not limited to, corporations, individuals and foundations. As a corollary, TAF will prepare opportunities for major gifts focused on TAF's core projects, for key prospects who are unable to support an endowment contribution.

The Energy Efficiency Financing Company (TEEFCo) Phase II – Final milestone

TAF has incubated Efficiency Capital as a new social-purpose business to scale up energy efficiency retrofits and deliver significant GHG reductions using TAF's innovative, non-debt Energy Savings Performance Agreement (ESPA). The initial allocation for this project was approved by the TAF Board in December of 2013. At the April 6, 2016 meeting, the Committee considered staff's latest milestone report and recommended releasing the final funding tranche of \$15,000 to cover legal fees associated with the preparation of documents required to secure senior debt co-financing for energy retrofit projects.

Accelerating urban climate action: Leveraging TAF's 25th Anniversary to double the Fund and our impact

On the occasion of its 25th anniversary, TAF aims to double the endowment to \$50 million, to increase capacity to deliver its mandate and leverage its track-record and expertise. Enhancing the Fund is a great investment for Toronto, the region and the province.

Accordingly, over the coming months TAF will be using this allocation to undertake communications and outreach activities in support of its capital fundraising campaign.

Exploring the GHG impact of microtransit

TAF and Montreal-based Coop Carbone are co-commissioning a scoping study to explore opportunities to reduce GHG emissions through microtransit – a range of mobility solutions at a scale between individual car ownership and high-order public transit. This work will assist TAF in understanding the range of microtransit opportunities, their ease of implementation, and their general scale of GHG reduction impact and other benefits. The results of the scoping study will be used to engage interested stakeholders – public and private – in a broader discussion about how high-impact microtransit solutions can be advanced to achieve shared climate goals and other objectives.

CONTACT

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