

TA14.3
Attachment 1

2016

**BUSINESS PLAN:
SUMMARY OF RESULTS**



1/26/2017

Deepening Impact in a Post-Paris Era

The 2016 Business Plan was approved by the TAF Board of Directors at its meeting on February 11, 2016. This report summarizes progress against the 2016 objectives established in the Business Plan.

TAF 2016 Business Plan – Summary of Results

In the “post-Paris” era, many opportunities emerged for advancing TAF’s mandate, including major new climate policy development at Provincial and Federal levels. Responding to Ontario’s Climate Change Action Plan, and citing the key role cities had to play in delivering it, TAF requested and was granted a new endowment fund to expand its work across the Greater Toronto and Hamilton Region. Meanwhile, TAF advanced a full roster of actions in Toronto and responded to multiple requests for policy advice at all levels of government. A more detailed status report on the objectives set out in the 2016 Business Plan follows.

1. Working with Toronto Community Housing, the construction of the ***TowerWise Retrofit Project was 90% complete*** at the end of 2016, representing a major milestone in TAF’s energy retrofit technical and financial demonstration work.
2. To explain the TowerWise work, TAF created its first ***professionally-produced video***.
3. In recognition of the TowerWise work, TAF and Toronto Community Housing were provided with the ***Minister’s Award for Environmental Excellence*** from the Ontario Minister of Environment and Climate Change.
4. Working with the Environment and Energy Division of the City of Toronto on TransformTO, ***a comprehensive GHG model*** was built using data inputs from dozens of sources to calibrate the tool with Toronto information. The model was then used to create Toronto’s first-ever long-term GHG scenario model, showing that while we are poised to achieve the City’s 2020 reduction target, we are far off the trajectory necessary to reach our 2050 target.
5. Responding to the model insights, TransformTO created ***a 2020 Action Plan*** to ensure success in not only reaching the City’s 30% reduction target by 2020, but accelerating action to put us on a trajectory to meet our 80 percent reduction target by 2050. The Action Plan was approved by City Council and a preliminary budget is under consideration for 2017.
6. In co-operation with Co-op Carbonne and MaRS, TAF initiated and funded and promoted a ***seminal study on “microtransit”*** – the use of shared private/public sector transportation – and its implications for GHG reductions in Toronto.
7. TAF packed the house with a very broad audience of stakeholders and friends at the Design Exchange to celebrate ***our 25th Anniversary***.
8. TAF ***secured a new \$17M Provincial endowment fund*** commitment in February of 2016 and confirmed it with the finalization of a comprehensive transfer payment agreement, signed on October 30, 2016.

2016 Key Insights and Lessons Learned

- **We've got to increase the pace, and fast.** Our new scenario model provided a stark demonstration of just how far off we are from reaching Toronto's 2050 targets, even considering all currently planned GHG reduction activity.
- **Talk is cheap.** Despite renewed public and political interest in climate change, we are not yet seeing significant new resources dedicated to the file. A [2016 report undertaken by Move the GTHA](#) shows that a massive \$28.8B funding gap still exists for our regional transit plan, creating market uncertainty; Provincial funding programs are still unformed and this and other factors are creating challenges for attracting private capital to energy efficiency; and the City of Toronto is facing budget restrictions that make it seem doubtful it will allocate new resources to re-double climate action.
- **"We just don't want to talk about it."** In conversation with the Canadian Environmental Grantmakers Network, we identified a gap in the local capacity to effectively communicate climate issues and solutions. The gap was further reinforced and informed by new TAF-funded research from Toronto Environmental Alliance, showing that many groups in Toronto are overwhelmed by the climate topic, or find it irrelevant to their primary concerns.
- **Careful what you wish for.** With new interest and new opportunities, TAF's staff capacity is reaching its limits, and we must continue to give attention to carefully prioritizing our tasks.
- **Use the right tools for the job.** Our ESPA client management and overall relationship management tools and IT systems are lacking. We need to improve them and ensure the team is supported with appropriate and effective tools and premises.
- **Keep it relevant.** Efforts to diversify our relationships to a broader number of sectors has had limited success so far. We many need to re-think our approach to addressing our strategic goal of maintaining relevance for the climate issue.
- **Look for synergies, not duplication.** We must respond to the new public and political interest in resilience and adaptation work, which overlaps with our mandate area and draws from a similar set of community members. In Toronto, this area of work is supported by the new Rockefeller-funded 100 Resilient Cities initiative which launches in 2017.
- **Time for a change.** We believe that TAF's "theory of change" model, developed in 2010 as part of our 2011-2014 strategic planning, is in need of an update to better capture the core assumptions behind TAF's work and approach, and to support better internal learning and innovation.
- **The long and winding road.** The pathway to a successful social venture is rocky and steep. We are discovering key lessons for ourselves – and ones to share with the social venture community – through our comprehensive external review of TAF's TEEFCo venture.

PROJECT #1: ACCELERATING ENERGY EFFICIENCY

Objective: Accelerate improved energy efficiency in the built environment, while maximizing and demonstrating the multiple benefits.

TAF lead: Bryan Purcell, Director of Policy & Programs

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

A. TOWERWISE

- **Complete engineering designs for seven Toronto Community Housing TWEED buildings using an Integrated Design Process (IDP).**
COMPLETE. This project highlighted how detailed analysis of baseline conditions (energy and IEQ) and an Integrated Design Process (IDP) can assist in optimizing retrofit design. TAF's IEQ research led to incorporation of smart thermostats, ventilation duct cleaning and ventilation system repairs which enhanced both energy savings and indoor air quality improvements. IDP led to TCHC co-investing \$1.3M in the project, leveraging TAF's investment, to improve energy savings and state of good repair. TAF has attracted a donation of smart thermostats from Ecobee, and installation will proceed in 2017, along with their participation in data analysis.
- **Complete and commission seven Toronto Community Housing and one co-op housing retrofit, completing the ten TWEED retrofits.**
MOSTLY COMPLETE. Three sites completed and commissioned. Seven sites substantially completed construction, and will be commissioned in Q1 2017. One final retrofit measure (smart thermostats) will be completed in Q2 2017 as it cannot be done in winter.
- **Complete draft case studies for all ten TWEED buildings, and final case study for one.**
PARTIALLY COMPLETE. Case study of Robert Cooke retrofit complete; Perth to be completed by Q1 2017. TCHC case study drafts to be completed in 2017, and finalized in Q1 2018 after 1 year of performance data is collected.
- **Indoor Environmental Quality (IEQ). Continue our research with U of T on the links between energy performance and IEQ in multifamily buildings, using the TCHC TWEED sites as a 'living lab'. Leverage the results to inform scale-up across the TCHC portfolio.**
ON-TRACK AND ONGOING. This project is scheduled for completion in early 2018. Nine reports produced over the last 18 months; these are shared with TCHC and Ecosystem and feed into the Integrated Design Process (IDP) for the building retrofits. Results have also been published and presented in various journals and conferences. Collection and analysis of data will continue for one year after the retrofits are complete.
- **Develop a tool or guideline to support the use of Integrated Design Process for future retrofits.**
DEFERRED. Pending completion of IDP process at TCHC, scheduled for Q1 2017.

- **Demonstrate Gas Absorption Heat Pump technology at one TWEED site, and evaluate its scalability potential.**
MOSTLY COMPLETE. GAHP has been installed at one of the TCHC sites. Supporting monitoring equipment is installed and commissioned. Assessing performance and scalability will occur in 2017 as more performance data becomes available.
- **Develop a design resource for retrofitting heating systems of existing multi-family buildings. This work will draw on the findings from the TWEED project.**
DEFERRED. Scheduled for 2017 when sufficient performance data from all sites is available. This deliverable is intended to draw on results from all ten TWEED buildings and has been deferred due to delays in completing construction across the sites.
- **Getting to Scale: Advise and support Toronto Community Housing in scaling up the implementation of deep energy and indoor environmental quality retrofits across their portfolio, beginning with three new sites in 2016. Scope and deliverables for this new project element are still being finalized with TCHC.**
DEFERRED. TAF was engaged as the energy and IEQ advisor for TCHC's energy retrofit program, and worked with TCHC and several consulting teams in 2016. However, the broader retrofit program has been delayed due to funding issues; work on this initiative is expected to resume in Q2 2017.
- **Explore advancing a large-scale retrofit project for non-profit buildings in the context of Ontario's climate plan, bringing together financing strategies and building capacity.**
ONGOING. TAF has been asked for and provided advice and recommendations for the development of Ontario and federal programs focused on non-profit buildings. A proposal to access \$100M from the Canada Infrastructure Development Bank for demonstrating how to finance deep retrofits (>50%) has been submitted.

B. BUILDING VALUE

- **Mobilize and support champions. Convene a range of stakeholders in cities across Canada and engage them in the co-development of a national strategy for advancing energy efficiency in large buildings. Identify and assist local champions in advancing key policy and financial tools by sharing best practices.**
ONGOING, ON TRACK FOR COMPLETION JUNE 2017. In collaboration with BV partners (Pembina, AQME, CEEA), initiated a national dialogue and co-developed recommendations for the pan-Canadian climate framework focused on accelerating large building retrofits. These were signed by 11 organizations/associations representing a broad range of stakeholders and gained significant media coverage and follow-up including meetings with high-level federal policymakers. Key recommendations from the group were incorporated into the Pan-Canadian Framework.
- **Demonstrate the business case and multiple benefits: Support and disseminate high-quality research and analysis regarding the broader societal benefits – health, economic development, etc. -- of accelerating energy efficiency.**

MOSTLY COMPLETE. TAF developed an Energy Efficiency Policy Calculator estimating the multiple benefits of energy efficiency policies for Canadian cities. The beta version has been completed and disseminated for external testing and feedback. Estimated completion for Q1 2017.

- **Chart the course. Initiate development of a national energy efficiency strategy by identifying the high-impact policies and financial tools for advancing energy efficiency.**
ONGOING. The co-developed set of recommendations identified a common set of policies that a range of organizations/associations could agree on. In addition to those recommendations, TAF worked with CaGBC to develop and disseminate principles for a national framework for Energy Reporting & Benchmarking. A capstone policy paper will be written to summarize and conclude the policy findings from BV.

C. PUMPING ENERGY SAVINGS (Heat Pumps)

- **Understand the opportunity: Complete a Market Characterization Study to understand and document the size and key characteristics of the Electrically-heated Multi-Unit Residential Buildings (EMURBs) sector, including number, location, size and age of buildings, ownership type, and stakeholder perspectives.**
COMPLETE. A significant conservation opportunity has been identified in the Ontario Electrically-heated Multi-Unit Residential Building sector for reducing electricity use for space heating. TAF developed an algorithm that LDCs can use to target EMURBs customers that can be used to target conservation programs to this sector.
- **Assess the Feasibility: Working with eight archetypal EMURBs, complete feasibility studies documenting the costs, savings, and technical feasibility of converting to heat pump technologies.**
ONGOING, ON TRACK FOR COMPLETION APRIL 2017. Issued a request for proposals and selected WSP to undertake feasibility studies and GHG and energy savings potential assessments for eight buildings. Draft reports completed for all sites.
- **Evaluate the Business Case: Working with the four promising archetypal EMURBs, assess the business case for converting to heat pumps and developing a financing plan.**
ONGOING AND ON SCHEDULE. Impact Investing and Towerwise teams are collaborating to develop financing plans. A Beta version has been developed and will be applied to four buildings in May 2017 in conjunction with the final feasibility studies.
- **Getting to scale: Initiate evaluation of province wide scale up potential based on project findings, and development of scale-up recommendations and tools (to be completed in 2017).**
ONGOING AND ON SCHEDULE. Draft versions of the scale-up tools have been developed for stakeholder feedback, and an outline of the scale-up recommendations report has been prepared. To be completed in Q2 2017.

PROJECT #2: LOW-CARBON FINANCE INNOVATION

Objectives: Develop investment opportunities that demonstrate and de-risk financial strategies and structures that will mobilize capital for energy efficiency and other low-carbon solutions, and generate a risk-adjusted return on investment.

TAF Lead: Tim Stoate, VP Impact Investment

Key Partners: Investment Committee members, colleagues in the financial sector and responsible investing organizations, owners of Efficiency Capital Corp., accounting and legal professionals.

A. IMPACT INVESTING TAF'S ENDOWMENT

- **Warehouse energy efficiency retrofit transactions structured as Energy Savings Performance Agreements (ESPA) for purchase by Efficiency Capital Corp (ECC) with a total value of approximately \$9 million including six ESPAs fully or partially advanced totaling approximately \$ 3 million, four ESPAs signed with a minimum value of \$2 million, four Letters of Intent totaling approximately \$2 million; as well as six to eight “starter” ESPAs fully or partially advanced, or at LOI stage totaling \$3 million.**

NOT COMPLETED AND ONGOING. Behind schedule and not anticipating meeting these objectives in 2017. The market is not familiar with ESPAs, which are relatively complex, and therefore the sales cycle is very long. Also, expectations of government funding has ‘chilled’ uptake; TAF and ECC have provided advice on how public funds can leverage private investment in retrofits. Further effort will be given to leveraging TAF’s current retrofit transactions to convey the value proposition and ECC has created a ‘starter’ ESPA focused on one to two initial retrofit measures to build market traction. ECC has started originating projects, and they recognize they need to invest in sales capacity to grow the business.

- **Secure senior debt co-financing for ESPA transactions. Leveraging TAF’s SVX listing and first commitment of \$1M from Ivey Foundation, attract \$3 M as non-recourse ‘take-out’ financing for commissioned retrofits, with TAF maintaining at least 20% of each transaction.**

PARTIALLY COMPLETE. Ivey Foundation has co-invested \$1M of Senior Debt in three ESPA-financed retrofits. Conversations are underway with Catherine Donnelly Foundation, Dragonfly Group, and Addenda. The scale needed for the latter suggest direct relationship with Efficiency Capital Corp. would be more appropriate.

- **Diversify TAF’s Direct Investment portfolio. Undertake research and consultation to establish an investment strategy for products and/or services related to buildings, transportation and food that have potential to yield both GHG reduction and financial return on investment, and where TAF’s investment can demonstrate, de-risk opportunities and mobilize capital and market uptake, and explore drawing from TAF’s performance contract model to other sectors and technologies.**

COMPLETED SCOPING PHASE. Building on the January Workshop, a strategy has been developed for investment of approximately \$5M, namely co-investment with partners in the demonstration of goods and services related to energy efficiency that have significant GHG reduction potential. These origination, due diligence, financial and administrative collaborations will be assessed and potentially leveraged into a more formal General Partnership. In addition to direct investments, TAF may also support investees through policy reform or other action which drives adoption of the GHG-reducing products and/or services.

B. CREATING FINANCING TOOLS, STRUCTURES AND CAPACITIES

- **Structure and advance an efficiency financing guarantee. The aim is to provide an appropriate level of security for senior lenders who are un-willing to co-finance ESPAs which do not have ‘bricks & mortar’ security.**

DEFERRED.

- **Support the launch of the “citizen to investor” initiative. Participate on the Steering Group, guiding the development and funding of activity to engage and mobilize pension beneficiaries to press their funds to be better carbon risk managers, and supporting Tides Canada project management.**

COMPLETE. The program has now been named – Shift: action for pension wealth & planet health) – and a robust program developed. Shift is now a project on the Tides Canada shared platform, which provides administrative, fundraising and fiduciary support; TAF is on the Steering Committee. Ivey Foundation has offered a \$200,000 challenge grant, contingent on raising an additional \$150,000.

- **Craft a specialized retrofit financing approach/structure for suite-metered buildings and for privately-owned rental apartments, addressing the specific barriers faced by these owners.**

DEFERRED. Consultant’s report expected late-January and actions to be developed from based on the findings.

- **Development and implementation of standardized energy efficiency protocols. Support MaRS Advanced Energy Centre in leveraging the US-based Investor Confidence Project (ICP), and the feasibility analysis demonstrating interest of Canadian stakeholders to secure financial support to ‘Canadianize’ the ICP protocols and program.**

COMPLETE. Grant provided, executed and helped leverage \$700,000 contribution from Ministry of Energy to develop ICP protocols and pilot ICP in Ontario. Promoted to NRCAN, who remains interested.

PROJECT #3: TRANSFORMTO

Objective: Create excellent decision-support information to guide development of a carbon reduction strategy to achieve the City of Toronto's 2020 and 2050 greenhouse gas reduction targets (i.e: 30% by 2020 and 80% by 2050 compared to the 1990 baseline).

TAF lead: Mary Pickering, VP Programs & Partnerships

Key Partners: City of Toronto Environment and Energy Division (EED) and others TBD

- **Secure key partners. Develop formal relationships with key stakeholders and funders, establishing clear roles and responsibilities. Gain a commitment of at least \$100,000 in additional funding**
COMPLETE. Co-management partnership secured with EED outlining roles and responsibilities. Management group established (TAF, EED, TPH); Inter-divisional steering group established; Technical Review Group established. EED added additional \$100,000 to fund the modelling component; secured \$175,000 from Federation of Canadian Municipalities; and still seeking partner applicants for Partners for Places granting. TAF participating as a collaborator in U of T "FutureTalks" research program and application to SSHRC.
- **Implement the project. In co-operation with community stakeholders and technical advisors, undertake the modelling exercise and share and analysis results with stakeholders. Convene stakeholder modelling advisory groups to consider public health, local economic development, and social justice aspects of the proposed carbon reduction measures.**
PARTIALLY COMPLETE. Modelling consultant secured and completed five deliverables: Data Methods and Assumptions Manual; Catalogue of Measures; Business as Planned Results to 2050; Proposed Actions to meet 2020 targets; and first draft of Co-benefits and Co-harms paper. An interim report including the 2020 Action Plan submitted to City Council in December was approved. Modelling Advisory Group established comprised of 36 members selected to represent four lenses. Facilitator hired to manage MAG process – meeting one delivered in July; meeting two in November, meeting three scheduled for February.
- **Develop and implement a communications and engagement plan. In collaboration with the Environment and Energy Division, design and implement a robust communications plan including strategies to engage key stakeholders and the general public in the development of the TransformTO recommendations. Leveraging new information generated by project modelling, build profile for the project and support the key message that carbon reduction will bring multiple community benefits.**
COMPLETE. Communication and engagement plans developed. Branding and positioning completed. Key collateral developed and distributed to key stakeholders. Engagement activities designed and delivered, and findings captured in overview report and provided to key project and community-wide stakeholders. Toronto Public Health developed new report on relation of GHG reduction and public health; TAF sat on advisory committee, report accepted by BOH and presented to PEC. Ongoing communications, including interviews with MAG members translated into a series of blogs, will support the idea of multi-benefits of carbon reduction.

- **Advance a strategy to achieve Toronto's 2020 GHG reduction target. In collaboration with Environment and Energy Division and based on modelling results, prepare a recommendations report concerning steps necessary to achieve Toronto's 2020 target and present to City Council.**
COMPLETE. Recommendations report was presented to Parks & Environment Committee in November and adopted by City Council in December.
- **Advance recommendations to support a long-term strategy to achieve Toronto's 2050 GHG reduction target. In collaboration with Environment and Energy Division and based on modelling results and community input, prepare a recommendations report concerning steps necessary to create a pathway for significant GHG emission reductions, highlighting ways to create multiple synergies concerning Toronto's public health, economic and social justice goals.**
DEFERRED. Development of this strategy deferred to Spring of 2017 to accommodate modelling delays and to allow more time for meaningful stakeholder input.

PROJECT #4: ADVANCING POLICY GAME-CHANGERS

Objective: Lead and/or support policy development and reform that can achieve or be a stepping-stone to significant urban GHG reduction.

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

Key Partners: Environmental Defence, Pembina Institute, Association Québécoise pour la Maîtrise de l'Énergie (AQME), Canada Green Building Council, City of Toronto Environment and Energy Division.

- **Participate in development of Ontario's Climate Change Action Plan. In collaboration with Environmental Defence, Clean Economy Alliance, and others, continue to participate actively in shaping Ontario's climate policy. Provide a focus on provincial policy opportunities that provide municipalities with tools and resources to advance local climate solutions.**
COMPLETED AND ONGOING.
- **Explore and advance federal energy efficiency policy drivers. Through the Building Value initiative, explore and advance federal policy options that support emissions reductions in the large buildings sector.**
ONGOING. See Building Value above; these activities will continue into 2017.
- **Support excellence in implementation of the Benchmarking and Reporting policy. In cooperation with Environment and Energy Division and others, participate actively in designing and implementing this new policy with the goal of ensuring that it is set to have maximum impact with respect to accelerating energy efficiency in buildings.**
COMPLETE IN ONTARIO. The draft regulation includes most of TAF's recommendations, although unfortunately implementation will likely be deferred by one year. Supporting CaGBC and the Council for Clean Capitalism to encourage national adoption of ERB.

- **Assist in strengthening the Toronto Green Standard (TGS). Work with City Planning to support the development of version 3 of the TGS, as well as establish a medium-term policy target of achieving net-zero in new construction.**
ONGOING. TAF worked with City Planning, a jointly selected consulting team, and a broad stakeholder advisory group to develop recommendations for version three of the TGS as well as a series of targets and timelines to transition to near-net-zero new construction by 2030. A draft report was completed in Q4 2016 and is currently being circulated for broader industry feedback. Final recommendations are expected to go to City Council in Q2 2017.
- **Monitor policy developments at all levels of government and engage where necessary to support climate mitigation policy priorities.** TAF has responded to more than ten government consultations by submitting recommendation reports and participating in stakeholder working groups and consultations.
ONGOING.

PROJECT #5: STRATEGIC GRANTMAKING

Objective: Cultivate high-impact grants advancing TAF's 2015-2020 strategic directions.

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

Key Partners: Community climate advocates, climate and energy funders

- **Advance transportation solutions. Based on 2015 research, select and advance one or two key low-carbon transportation solutions through strategic grant cultivation and present proposals to the Grants and Programs Committee for review.**
COMPLETE. Provided a strategic planning grant to the Pembina Institute to develop a transportation strategy, and worked closely with Pembina on a successful three-year proposal to pilot a neighbourhood freight forum to address rising emissions from this sector. Initiated an internal project to assess the GHG impacts of "microtransit." This project included a scoping study and a well-attended workshop to present key findings and discuss next steps with 35 industry stakeholders. TAF, MaRS and Metrolinx are exploring opportunities to accelerate action in the three priority areas identified.
- **Collaborate with other funders to magnify impact. Participate in collaborative activities advanced by our fund recipients and by other energy funders. Seek out at least one co-funding opportunity. Continue as a participant in the Move the GTHA collaboration. Co-develop, with Evergreen, a narrative case study of the first two years of the project and share with key stakeholders.**
COMPLETED AND ONGOING. Attended CEGN conference in June and continue to keep abreast of collaboration efforts by reviewing CEGN energy and sustainable cities groups' ongoing activities. Co-funding opportunities were pursued and identified but did not meet TAF's granting priorities. Continued participation in Move the GTHA. Narrative case study completed and dissemination plan drafted.
- **GHG Analysis. Refine understanding of relative GHG reduction contributions of various transportation measures. Support development of methods to improve access to and use of data related to transportation emissions. Support excellence in**

the use of GHG emissions analytical best practices within the TransformTO initiative. PARTIALLY COMPLETED AND ONGOING. Cultivated and initiated a grant to the University of Toronto to develop an accurate and up-to-date estimate of transportation-related GHG and air pollution emissions, to create a replicable methodology that the City can implement in estimating future emissions inventories, and to assess the potential of policy/program options to reduce transportation-related emissions. Also initiated a request to the Province to provide anonymized data to create a better understanding of the sources of transportation-related GHG and air pollution emissions, and identify effective opportunities to mitigate them. Request is ongoing.

- **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. 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. COMPLETED.** Collaborated with Montréal-based Coop Carbone to co-contract a scoping study on the GHG impacts of microtransit; see details above. Explored opportunities to magnify the impact of climate communications including potential partnerships between communications firms, NGOs, media outlets, and others; this will continue in 2017.

Undertake preliminary research. Assess the sources and magnitude of Toronto's scope 3 emissions, and identify a suite of potential approaches aimed at reducing the largest sources of these emissions. DEFERRED. Another organization is expected to be undertaking this research for Toronto with results available by mid-2017 and at that point we will be in a position to evaluate how best to identify the largest sources of Toronto's Scope Three emissions and explore mitigation approaches.

PROJECT 6: KNOWLEDGE TRANSFER

Objective: Ensure the outcomes of TAF's investments are fully optimized by packaging and sharing key findings.

TAF leads: Julie Leach, Communications Manager in collaboration with TAF Program leads

Key Partners: Funders, Program Partners (Toronto Community Housing, City of Toronto, Environmental Defence, Energy Efficiency Corp., Pembina Institute and others TBD)

➤ **TWEED**

- **Disseminate TWEED knowledge outcomes to practitioners and stakeholders through articles in four trade and academic publications as well as four conferences and events. COMPLETE AND ONGOING.** One case study developed on Robert Cooke Co-op and distributed through TAF channels and to industry colleagues. Eight presentations at conferences completed (April 2016-Dec 2016.) Five papers published, one journal publication in progress. Knowledge transfer activities will continue in 2017 as more case studies completed.
- **Pursue earned media and awards that promote the TWEED project to a broad**

public audience.

ONGOING. TAF and TCHC jointly received the Minister's Award for Environmental Excellence for the TWEED project. TowerWise project received a feature on 6PM CTV news.

- **Engage and inform TAF's network through regular project updates to TAF's blog and e-newsletter.**

COMPLETE.

- **Produce a short video highlighting the TWEED project that will be distributed and promoted through project stakeholders and community partners.**

COMPLETE. The four minute highlights the value of energy efficiency retrofits from the perspective of TAF, TCHC, residents and experts. It has been distributed to partners and stakeholders and has 500 views on YouTube.

➤ **Building Value**

- **Develop a communications plan in collaboration with program partners.**

COMPLETE.

- **Build awareness of the multiple benefits of energy efficiency, the key policy and financial tools needed to accelerate it, and TAF's leadership in this area.**

COMPLETED AND ONGOING. Over ten publications commented on TAF-Pembina joint submission to the federal government on a national energy efficiency strategy

- **Create useful and engaging Building Value communications materials. Consult stakeholders to understand what the most effective format is for knowledge transfer of Building Value findings.**

COMPLETE. In partnership with Pembina, created a blog and social media graphics to communicate the benefits of energy efficiency.

➤ **Impact Investing.**

- **Demonstrate and profile TAF's retrofit financing experience and results with the finance sector, including at key conferences, via targeted media, and guest writing for external blogs and publications to stimulate interest and mobilize capital.**

COMPLETED AND ONGOING. Announcement of investment transactions made in newsletter. Three conference presentations completed.

- **Support impact investing efforts of colleagues in the foundation community, such as the Canadian Environmental Grantmakers' Network.**

DEFERRED. TAF is a member of the newly-formed CEGN impact investing working group, whose first focus will be core information/education for Boards and Committees.

- **Determine how to build sophisticated retrofit engineering capacity needed to scale-up project delivery.**

DEFERRED. Due to lack of capacity to determine appropriate market needs, partners, and approaches.

- **Provide resources for investors and investment managers on TAF.ca about impact investing, and serve as an entry point for potential co-investors (see Project #2 – attracting Senior Debt).**

PARTIALLY COMPLETE. Impact investing section of website is partially updated but more work needs to be done to drive traffic from the right audiences to the site, and to improve the marketing of retrofit financing.

- **Undertake an in-depth evaluation of the development of Efficiency Capital Corp (ECC). 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.**
PARTIALLY COMPLETE. Underway, with completion set for early 2017. The consultants have analyzed key documents, undertaken a cost analysis, and conducted Key Informant interviews.

➤ **TransformTO**

- **Create a visual brand. Create a brand look and feel that invites collaboration and innovation.**
COMPLETE. See TTO above.
- **Create key collateral pieces. Create a case for support, dedicated website, and conversation kit to provide public education and stimulate engagement.**
COMPLETE. See TTO above.
- **Develop creative and compelling graphics. Based on the modelling outcomes, create a set of clear and compelling graphics to share knowledge and opportunities for long-term emission reduction and the benefits and challenges associated with them.**
COMPLETE. GHG and air pollution infographics created. New graphics based on the 2050 pathway are in the planning phase.

PROJECT #7 CORPORATE 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

- **Expand TAF's public profile. Establish TAF as 'to-go' authority on urban climate action, drawing from new interest generated by the Paris conference and the timeliness of TAF's 25th Anniversary. Reach new audiences by focusing on increasing number of blog and newsletter subscribers, pursuing new awards, especially in "unpredictable" categories like health and finance, and focusing on strategic key messages.**
COMPLETED AND ONGOING. TAF blog subscribers have increased by 86%, and newsletter subscribers by 27%. Issues have focused on relevant issues like health and economy. Ten expert guest bloggers have been featured on the TAF website this year.
- **Promote TAF's key strategic messages. Emphasize the key role cities play in achieving city, provincial, and national carbon reduction targets and the urgency of the 2020 goals. Drawing from outcomes of TransformTO modelling and other opportunities, communicate the relevance and co-benefits of climate action, such as public health, local economic development, and social equity. Emphasize the important role good data and information plays in informing smart climate work.**

COMPLETE. Developed brand and foundational communications materials for TransformTO, including a case for support, GHG inventory and target graphics, a slide deck, three engagement report summaries, and newsletters and blogs presenting updates and results. A series of interviews with the Modelling Advisory Group members have been published on the blog, with more underway, focusing on relevance issues health, equity, and economy. We have also completed a blog series on GHG quantification. Through our advocacy work on the provincial and federal level, we have emphasized the critical role cities play in reaching GHG targets.

- **Expand TAF's media presence. Develop a media kit with informative resources for media personnel, including b-roll footage of TWEED retrofit buildings in response to previous media requests. Promote press releases based on program milestones and interviews with TAF staff to generate 3-5 major media stories about TAF and the local work it is supporting. Provoke two-way dialogue on social media and recognize relevant high-profile social media users in order to increase our own followers. Increase TAF's social media followers on Twitter and LinkedIn by 50%.**

COMPLETE. TAF was featured in ten news stories, one television feature, one radio interview in English, and two radio interviews in French. Compared to the previous year, publications that featured TAF were more main-stream in nature, with wider circulation, such as Toronto Star, CBC radio, and CTV. We issued four press releases and four joint press releases with other organizations. We've increased our Twitter followers by 66% and LinkedIn followers 22% this year.

- **Maximize value of events. Attend and plan events that align with other communications and strategic goals such as establishing TAF as a thought-leader, supporting the relevance of climate solutions to diverse audiences, promoting TAF projects and their findings to key audiences, convening diverse stakeholders and disseminating knowledge transfer in new ways, and increasing public support for key climate actions. Develop a sponsorship package to encourage support of TAF's events, including Dan Leckie Forum, AGM Reception, project-related and 25th anniversary events.**

COMPLETED AND ONGOING. TAF staff has attended over 25 events to present findings, network, and disseminate knowledge. A 25th anniversary/ regional expansion launch October 24th saw over 400 guests. A sponsorship package was developed and distributed to corporate supporters. \$35,000 was raised for the event.

PROJECT #8 – FUNDRAISING

Objective: Attract resources to enhance TAF's organizational and project-specific capacity to advance urban climate solutions.

TAF lead: Julia Langer, CEO and Mary Pickering, VP-Programs and Partnerships

- **Implement the Cities ON Target campaign. Working with the Government of Ontario and regional stakeholders and funders, explore the idea of expanding TAF's endowment and operating resources to allow greater capacity to incubate climate solutions for the City of Toronto and the Greater Toronto and Hamilton Area, targeting a doubling of TAF's current endowment resources (from \$25M to \$50M).**

COMPLETED. TAF's funding request – branded as CitiesONTARGET – was developed and

advanced with support of government relations specialists, and was successful in securing \$17M endowment announced by the Province in February 2016. Worked with an Ad Hoc Committee of the Board, the Board, City Manager's Office (CMO) and Ministry of Municipal Affairs (MAH) to develop a Transfer Payment Agreement (TPA) which was signed October 30. Supported CMO in seeking Executive Committee and City Council approvals. Funds received in November and initiated deployment based on Investment Committee guidance.

- **Assess the feasibility of a crowd-funding campaign. Explore the potential to develop a crowd-funding campaign to build new program resources for TAF, using the tactic to generate public engagement in the climate issue, to enhance TAF's profile, and to raise new financial and pro bono resources.**

DEFERRED in favour of time-sensitive opportunities to develop government endowment funding.

- **Attract project-specific co-funders – target \$300K. Pursue contributions over \$100K to accelerate TAF's energy efficiency and 'map & compass' objectives. Prioritize funding partners who are motivated to help scale TAF's incubation work including governments, utilities, companies and foundations.**

NOT YET COMPLETED/ACHIEVED. TAF collaborated with EED to raise \$175K for TransformTO; this will be received and managed by EED. Sponsorships totaling \$35K were received from 12 partners for the TAF@25 event. Received \$40,000 from Enbridge Gas Distribution and Union Gas for demonstration of Gas Absorption Heat Pump. Negotiated an agreement with Ecobee providing an equipment donation for TWEED retrofit sites valued at \$154,000.

- **Stewardship of funder/co-investor relationships. In collaboration with the Communications Manager, create and implement a stewardship strategy to maximize knowledge transfer, expand our network of funders, and to facilitate repeat contributions.**

DEFERRED. New Executive Coordinator will lead.

PROJECT #9 – GOVERNANCE & MANAGEMENT

Objective: Maintain a high standard of operational excellence

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

A. 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

- **Provide regular opportunities to assess progress. Use TAF's annual business planning process to track, evaluate and report on activities and performance according to TAF's Key Performance Indicators, and capturing lessons and recommending course corrections for improved outcomes, where necessary.**

Revisit and update Key Performance Indicators as required. Continue to practice Developmental Evaluation approach to ensure innovation work is focused on the right track amidst a changing environment.

COMPLETED AND ONGOING. January staff retreat, developmental evaluation for three projects, new methodology for assessing carbon benefits of electricity reduction.

B. FINANCE & OPERATIONS

- **Provide excellent financial stewardship and compliance. Best practices, 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, formal approval for and administration and management of TAF's subsidiary (CAIT Ventures Inc.) and preparation of annual budget, and Audited Financial Statements.**

COMPLETED AND ONGOING. Budget 2017 presented to City's Budget Committee, with Council approval expected in February. Developed new, separate fund accounting structure to ensure accountability to both Toronto and Ontario endowments. Larger line of credit (\$4M in total) for both funds was approved by the bank, Board, Council and Province.

- **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 any asset recoveries), 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 AND ONGOING. New endowment of \$17M received with initial deployment in Fixed Income. Search completed and two new Equity Managers approved. The new Direct Investment reporting method is being piloted.

KEY PERFORMANCE INDICATORS

➤ Mobilizing Financial Capital (\$)

Direct Investments + Grants + Leverage = Mobilized Financial Capital	
Summary Years 2007-2016	\$185,818,991
Percentage of Target (Actual vs Forecast)	82%
Target	\$230,000,000

- **Comments:** Increase in 2016 includes new endowment of \$17M from the Province

➤ GHG Reductions

Cumulative Emissions Savings Potential from TAF supported projects (Mt CO ₂ eq)	
1991-2006	70.3
2007-2010	34.8
2011-2014	42.2
2015-2016	25.9
Cumulative	173.3
1990 Toronto baseline (annual)	27.3

➤ Mobilizing Social Capital – 2016 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 support for expansion of the new company.
- **City of Toronto Environment and Energy Division (EED) and Toronto Public Health** - TAF and EED created a formal memorandum of understanding to confirm joint management and decision-making responsibilities for [TransformTO](#). Under the direction of TAF's VP-Programs and Partnerships, TAF worked with EED to initiate and advance TransformTO, including assigning \$200,000 of dedicated City and TAF funding resources, raising an additional \$175,000 from the Federation of Canadian Municipalities, hiring a full-time project manager within EED, and co-directing the projects research, communications and and public engagement activities. The initiative will create a long-term climate strategy for

consideration by Toronto City Council in May 2017.

- **Clean Economy Alliance** - TAF initiated two years of funding totalling \$300,000 to Environmental Defence to support multi-sectoral involvement in the development of Ontario's Climate Strategy. The outcome was development of the [Clean Economy Alliance](#), now with over 90 members spanning business, industry, the clean tech sector, labour, farmers, health and environmental organizations. 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.
- **Toronto Community Housing** – TAF continues to work jointly with TCH on the TowerWise retrofit program to design, co-finance, implement and monitor retrofits in seven TCH high-rise residential buildings. The work also includes a joint initiative with University of Toronto to study the impact of retrofits on indoor environmental quality. TAF and TCH were jointly awarded the **Minister's Award for Environmental Excellence** from the Ontario Minister of Environment and Climate Change for this initiative. The construction of this project is now 90 percent complete, and TAF and TCH have signed a second MOU to explore scale up of retrofit work across the TCH portfolio.