



# TA16.9

## REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

### Efficiency Capital Corporation

**Date:** June 19, 2017  
**To:** Toronto Atmospheric Fund Board of Directors  
**From:** VP, Impact Investing

#### **REASON FOR CONFIDENTIAL INFORMATION**

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This report involves the security of property belonging to the City or one of its agencies or corporations.

This report deals with personal matters about an identifiable person.

#### **SUMMARY**

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TAF incubated a new social venture as a mechanism to scale up the use of the innovative non-debt financing model developed by TAF -- the Energy Savings Performance Agreement ("ESPA"). Efficiency Capital Corporation ("ECC") was established in January 2015. TAF licensed ECC the use of the ESPA under specific terms, provided a warehouse line of up to \$ 7 million for ESPA transactions approved by TAF, and also provided a \$2 million subordinated debt line for ESPA transactions originated by ECC. The company is a going concern and, by mutual agreement, a new arrangement is proposed that will see continuation of the business with additional third-party investment, less TAF involvement, and no change to TAF's investment. A Subcommittee of the Investment Committee was established to provide advice and guidance as staff negotiated the updated arrangement.

#### **RECOMMENDATIONS**

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TAF's Vice-President, Impact Investing recommends that the Board of Directors of the Toronto Atmospheric Fund:

1. Adopt the updated arrangement with Efficiency Capital Corporation as recommended by the Investment Committee and outlined in Confidential Attachment 1.
2. Direct the Chief Executive Officer and the Vice President, Impact Investing to implement the updated arrangement with Efficiency Capital Corporation as set out in Confidential Attachment 1, to the satisfaction of Toronto Atmospheric Fund's Solicitor.

3. Direct that the confidential information contained in Confidential Attachments 1, 2 and 3 remain confidential in their entirety, as they involve the security of property belonging to the City or one of its agencies or corporations, and deal with personal matters about an identifiable person.

## **CONTACT**

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## **SIGNATURE**

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Tim Stoate  
VP, Impact Investing

## **ATTACHMENTS**

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Confidential Attachment 1 – Efficiency Capital Corporation Proposal

Confidential Attachment 2 – Energy Savings Performance Agreement (ESPA) & Efficiency Capital Corp. (ECC) Background & History

Confidential Attachment 3 – CVs