



10 July 2018

Parks and Environment Committee
City of Toronto
Toronto, Ontario

RE: Sustainable Energy Plan Financing Program Enhancement (PE29.3)

The Atmospheric Fund supports the proposed expansion of the Sustainable Energy Plan Financing (SEPF) Program. Given that buildings account for the majority of Toronto's GHG emissions, improving building energy performance is a critical priority in achieving Toronto's carbon reduction goals. Providing innovative financing to accelerate building retrofits is a key strategy in the TransformTO plan. Expanding SEPF eligibility to a broader range of building owners is a fast and effective way to begin delivering on this objective in a way that has no net financial impact on the City.

We understand that community demand drives the budget for this program, so we would like to emphasize that making this program as accessible as possible is an important facet of program management. This includes the need for effective promotional efforts to build community awareness, and an approach to program administration that balances due diligence with customer service and timeliness.

We would also like to emphasize the opportunities to use this important program to drive not only carbon reduction and energy savings, but to create social and energy system benefits, and to alleviate energy challenges facing building owners. This could be done by targeted promotions and outreach to, for example:

- low income housing and neighbourhood improvement areas;
- buildings with higher than average energy consumption and emissions, as determined through examination of the data now being collected through the Energy and Water Reporting and Benchmarking regulation, and;
- Buildings located in areas of the City that are electricity constrained.

Furthermore, there is an excellent opportunity for the program to create new understanding of the implications and outcomes of building retrofits of different types, as is done through the City's Better Building Partnership initiative, through creation and publication of case studies.

We would also like to observe that the current \$7.2M funding allocation for this program for 2018 is quite low considering the City's transformational goals around decarbonizing Toronto's buildings. For example, the cost of a *deep* retrofit of a single multi-residential building, based on TAF's experience, is typically in the range of \$2M to \$5M. With significant expansion of the program to more sectors, and an emphasis on deep retrofits, a much higher level of recoverable financing will be needed in future years. We urge the City to take steps to broaden uptake of this financing opportunity substantially in 2019 and subsequent years, in order to drive environmental, economic, and social impacts consistent with the City's goals and objectives under TransformTO.

Sincerely,

A handwritten signature in black ink that reads "M. E. Pickering". The signature is written in a cursive, slightly slanted style.

Mary Pickering
Vice-President, Programs and Partnerships
The Atmospheric Fund