

ASSESSMENT FORM - STANDARD GRANT APPLICATION

Project Summary

Organization: Building Owners and Managers Association (BOMA) of Greater Toronto Area

Project title: BOMA Toronto race2reduce

Amount requested: \$300,000

Address of grant applicant: 1 Dundas Street West, Suite 1800, Toronto. ON M5G 1Z3

Location of proposed activities: Ontario, with a focus on the GTHA and the Capital Region

Organization's major funding sources: Formerly Toronto Hydro, membership

Number of employees: 10 (according to the website)

Quantitative Assessment

Assessment Criterion	Score
Impact <ul style="list-style-type: none"> <i>Greenhouse Gas and/or Air Pollution Reduction Potential (ASSESSED BY QUANTIFICATION TEAM)</i> 	8/25
Project Plan and Budget <ul style="list-style-type: none"> <i>Clear and Achievable Deliverables and Timelines</i> <i>Clear and Reasonable Budget</i> 	11/20
Organizational Capacity <ul style="list-style-type: none"> <i>Organizational Track Record</i> <i>Relevant Skills and Experience</i> <i>Skills Gaps</i> 	11.5/15
Landscape Analysis	3.5/5
Strategic Approach and Insights <ul style="list-style-type: none"> <i>Mobilizing Social Capital</i> <i>Mobilizing Financial Capital</i> <i>Risk Management</i> 	10/15
Commitment to Knowledge Transfer	7/10
Evaluation Plan	5/10
Total	56/100

Evaluation Comments

Context:

- The organization recently faced funding cuts from Toronto Hydro for the race2reduce project. Following this cut, TAF staff had initial discussions with BOMA in April 2019 after they had provided a summary of the project concept. The GHG Quantification Team requested additional information to estimate the emission reduction potential of the project. However, TAF did not receive information ahead of the application deadline to determine whether the project would have a high enough emission reduction potential to warrant a full application.

Alignment with TAF's Strategic Directions

- 2. Positioning Proven Solutions for Scale
- 6. Think and Act Regionally and Region-wide

Strengths:

- The race2reduce is a fairly mature program that has supported building owners with energy conservation. BOMA has the networks and experience within the City of Toronto and is looking to expand to the Greater Toronto and Hamilton Area (GTHA).
- There still is a need to encourage added compliance with the EWRB reliance, particularly to support Class B & C buildings and building owners in the GTHA outside of the City of Toronto.
- As TAF does not primary fund events, it is good to see that the awards ceremony components will be funded separately (not through TAF).

Challenges:

- Since the project to date has been electricity-focused and emphasized changes that tenants can request/undertake (e.g. energy efficiency appliances, programmable thermostats), the project team seems to have limited experience with building retrofits to achieve high-impact emission reductions.
- This is a fairly large request compared to other TAF grants. However, even at this amount, they state that they have scoped down the project.
- Their limited marketing budgets due to loss of funding is a challenge. Would like to see them explore potential partnerships to assist (e.g. in-kind marketing support from Toronto Hydro or other regional utilities).
- It is unclear that they have strong links with regional municipalities (e.g. they refer to TransformTO as a regional initiative). While this is openly acknowledged as a gap, the proposal could be strengthened by developing a municipal outreach/collaboration plan in the initial stage of this work to ensure they are aligned with local municipal projects and targets.
- The evaluation plan section could be stronger by providing clear metrics for waste, energy, and water reductions and associated financial savings, as well as on total financial capital mobilized.

STANDARD GRANT APPLICATION FORM

1. General Information

Lead Organization: Building Owners and Managers Association (BOMA) of Greater Toronto Area

Primary Contact Name and Position: Bala Gnanam, VP - Energy, Environment & Strategic Partnerships

Mailing Address: 1 Dundas Street West, Suite 1800, Toronto, ON M5G 1Z3

Email and Phone Number of Primary Contact: bgnanam@bomatoronto.org; 416-356-2338

2. Project Overview

Project Title: BOMA Toronto race2reduce

Total Amount Requested (include amount per year if multi-year request): \$ 300,000

Project Duration: 2 years, with plans to continue the program beyond 2021 contingent on additional funding partners

Location(s) of Proposed Activities: Ontario, with a focus on the GTHA and the Capital Region

Is this project expected to involve the undertaking of communications with a public office holder from the Province of Ontario (e.g., elected officials and their staff and/or employees of any ministry, agency, board or commission) in an attempt to influence the development, introduction, amendment, or termination of any legislative proposal, bill, resolution, regulation, policy or program of the Province of Ontario? Note that this information will be used for TAF's record-keeping and will have no effect on the grant assessment process.

Yes No

What are the overall project objectives (i.e., what problems, needs or issues are you trying to address?) (100 words):

The BOMA Toronto race2reduce (R2R) is a well-established, unprecedented energy reduction initiative designed to encourage collaborative approaches to conservation and emission reduction between building landlords and tenants. Initially established as an electricity reduction initiative, with renewed funding from TAF the race2reduce would be well-positioned to recognize and promote more holistic environmental performance (including **gas, water and waste**) and enable transformation in the commercial real estate (CRE) sector. A renewed R2R program would continue to recognize building performance leadership and also facilitate sharing of best practices amongst industry members, especially unengaged property managers and tenants in the mid-tier building sector. By including the use of Energy Star Portfolio Manager as one of the eligibility requirements for the CREST Awards, the race will also help improve EWRB compliance. Based on the threshold for the different phases of the EWRB reporting, over 85% of our participants will be subject to EWRB regulation.

What is your desired outcome for this project, and how do you plan to achieve it? (300 words):

Ultimately, our desire is to have the R2R function as a province-wide conduit, connecting properties and tenants of various sizes with resources and best practices that enable emission reductions and help combat climate change in the GTHA and beyond. Building emissions account for 12% of greenhouse gas emissions in Canada (Environment and Climate Change Canada, 2019), and further engaging this market to reduce emissions will support regional initiatives like TransformTO.

BOMA Toronto's intent has always been to expand the program geographically with a more inclusive emissions scope in mind. The Ontario Government's changes to the CDM framework that triggered the loss of our initial program sponsor, Toronto Hydro, actually presents a more immediate opportunity to meet these expansion objectives. This decoupling from the utility is also enabling an easier transition to ENERGY STAR Portfolio Manager (ESPM) as the primary mechanism for tracking performance in the program. By utilizing this established benchmarking tool for energy, water and even waste, the R2R will also promote and support EWRB compliance.

Having TAF onboard as a funding partner will enable us to better align the program with TAF's climate change objectives. There is also an opportunity to promote TAF's service offerings as part of the resources distributed to our R2R participant base.

Please describe your theory of change (i.e., how will the desired outcomes support achievement of the overall project objectives?) (200 words):

Sustained engagement is critical for market transformation and long-term impact. Key industry leaders in the existing R2R program (i.e., AAA rated office and retail centres in Toronto) have already been achieving many successes in conservation. To achieve the City of Toronto's ambitious emission reduction and building retrofit targets, greater penetration into the mid-tier (Class B and C) sector will be necessary. We view the R2R as a vehicle for delivering resources and sharing best practices from industry leaders to small and mid-sized properties, which make up a vast majority of building stock in the city (and province).

The enrollment of over 650 participating buildings and tenants in less than 18 months is testament to the appeal of the program's no-cost structure, the strong brand, and industry recognition of the R2R program. Beyond the awards recognition, connecting this growing base of participants to available provincial incentive programs, municipal and private funding and loan opportunities, technology solutions, operational best practices, and building occupant engagement resources will all be key components of encouraging industry transformation for mid-tier assets, while enabling industry leaders to achieve untapped savings (e.g., deep retrofits). Another aspect change is the extent to which the mid-tier buildings sector (typically Class B/C) is engaged and activated. We define "mid-tier" buildings as those that are 100,000 s.f or less and typically 10 floors or less. By this definition, mid-tier constitute approximately 30% of total buildings enrolled. Our hope is to significantly increase participation among this group.

3. Project Impact (25 points)

To be considered for funding, the proposed project must demonstrate the potential to significantly reduce greenhouse gas emissions in the Greater Toronto and Hamilton Area (GTHA), and/or air pollution emissions in Toronto. Explain how your proposed project will lead to the significant emissions reductions being sought. (500 words)

Considering that buildings are responsible for 12% of GHG emissions in Canada, utilizing new funding to expand the race2reduce would support our renewed and broadened objectives to drive emission reductions from participating buildings. Office buildings alone (non-medical) in Canada – which are also the largest asset type current enrolled in the race2reduce – account for 20% of energy use across commercial and institutional building types and represent a significant target for further energy and emission reductions (Natural Resources Canada, 2014).

The enrollment of 650 buildings and tenants in a short span of time (in Toronto alone) is testament to the industry interest in the program. While motivations vary depending on the size and type of property (i.e., recognition vs. resource access) our regular consultation with existing participants has made it clear that great interest exists for current participating organizations to enroll their other buildings across the GTHA that were previously ineligible. With head offices for a majority of the CRE industry located in Toronto and the surrounding area, we are confident that with a broader geographic and performance scope, significantly more buildings will be enrolled to support the objectives of the race.

Sufficient funding along with the right tools and mechanisms can position the program to connect with the building sector beyond the existing reach of municipalities, the IESO, and ENGOS. Increasing our reach and level of market penetration could realize substantial emission reductions across the unengaged building sectors that have not implemented those emission reduction strategies and technologies more widely adopted by industry leaders.

As a complimentary initiative that could be promoted as a carbon neutrality enabler for R2R participants, BOMA Toronto is exploring the promotion and facilitation of a carbon offset purchase initiative to assist properties (and tenants) in obtaining carbon neutrality while pursuing emission reduction and deep retrofits.

In addition, mandating the use of ENERGY STAR Portfolio Manager for benchmarking race performance will further support EWRB and the pan-Canadian reporting initiative currently under development.

Even though our proposed program scope is provincial, given the distributed building densities in Ontario, our efforts would be **more efficiently focused on the GTHA** and the Capital Region. An expanded and diversified R2R funding structure – beyond what is being requested in this proposal – would allow for growth of the program that could facilitate penetration into smaller urban markets.

In short, R2R can act as a megaphone for existing emission reduction initiatives and resources in the City of Toronto and beyond, and provide a call-to-action for unengaged properties to encourage market transformation.

Race2reduce will

- Promote greater collaboration between landlord & tenants
- Promote better building performance (energy, water, and waster)
- Help reduce emissions from buildings
- Enable sharing of management best practices
- Amplify regional emission reduction and conservation initiatives and programs

NOTE: Current participants include commercial office, public buildings, arenas, and MURBs. We will continue to expand the asset types to include hotels, industrial (non-process) buildings, etc, and there will be no restriction on the size of buildings. However, for the purpose of supporting the EWRB compliance, the focus will be on buildings greater than or equal to 50,000 s.f.

4. Project Plan (10 points)

In the table below, list the task areas and the project activities required to complete each task area. For example, these can relate to research, policy development, event management, communications, project evaluation, knowledge mobilization, evaluation, etc.

Note that the proposed activities and outputs will form the basis of the grant contract, pending approval from TAF’s Grants Committee and Board.

While we’ve provided ample room to list project task areas and activities, it is not necessary to complete each row of the table.

Activities What activities are you planning?	Outputs What are the tangible products of the activities?	Team Lead Who is responsible for delivering the activity?	Estimated Completion Date
IMPORTANT NOTE: First two tasks are necessary to support the expanded scope, and are not necessarily sequential. However they will have to be completed before the announcement (Task 3)			
Task Area 1: Program Expansion (Energy + Water)			
Activity 1: System enhancements to accommodate scope expansion	Backend portal, web assets, and registration process will be updated to accommodate participation through ESPM.	B. Gnanam / I. Hasham	2019-07-01
Activity 2: Existing participant engagement - communicating expanded program scope	Existing participating buildings and properties will have shared read-only ESPM data access to BOMA Toronto, for future performance tracking and recognition	B. Gnanam / I. Hasham	2019-08-01

Revenues	Year 1		Year 2		Total		Notes
Donations and Contributions							
TAF (requested)							
Other funders (list by funder type and provide status*)	Unconfirmed	150,000	Unconfirmed	150,000	300,000	TBD	
Foundations							
Government							
Corporations		-					
Individual Donors		-					
IESO	Under review	-				TBD	
Enbridge	Under review					TBD	
Other Revenue							
In-kind contributions (list)							Considering that as end of March 31, there are 650 buildings enrolled in the race, weeks after the original submission of this grant application, BOMA Toronto Board of Directors decided that BOMA Toronto should the minimum amount needed to keep the current participant engaged while we explore alternate funding sources. This decision was made as part of our effort to preserve the tremendous success we have achieved to date. After adequate funding is secured, BOMA Toronto will continue to provide \$25k as an in-kind contribution for the race.
Private sponsorships for Awards & Promotion		25,000		25,000	50,000		We will be able to raise \$35k for Awards & Promotion through private sponsorships.
		35,000		35,000	70,000		With respect to other sources of funding, while no other funding partners or revenue sources are secured at this time, the 'Total Cost' values below represented below are reflective of what would be needed to operationally execute the race. Reduce at provincial level with and annual awards program and limited marketing
Total		\$ 210,000		\$ 210,000	\$ 420,000		

Expenses	Year 1		Year 2		Total		Notes
	TAF Request	Total Cost	TAF Request	Total Cost	TAF Request	Total Cost	
Salaries (list per task area as identified in the project plan table)							
Task area #1		90,670					Split evenly, as the nature/overlap of the work involved does not allow for a simple or accurate division of salary cost based on the task areas.
Task area #2		90,670		90,670			
Task area #3		90,670		90,670		181,340	
Task area #4	n/a		n/a	90,670	n/a	181,340	Noted as part of program expansion activities but not accounted for in funding request to TAF
Consultants (list per task area, specify activity)	37,411		37,411		74,822		
Evaluation	37,411	10,000	37,411	75,000	74,822		
Program costs (e.g. equipment, materials, etc.)	37,411	20,000	37,411	10,000	74,822		
Travel		5,000		20,000		20,000	
Administration (rent, office set-up, etc.)		75,000		107,326		150,000	
Training and Staff Development		n/a		107,326		40,000	
Other expenses (list)	10,000		10,000	5,000	n/a	214,651	
Total	\$ 20,000	\$ 210,000	\$ 20,000	\$ 175,000	\$ 40,000	\$ 350,000	\$ 978,671

* proposal status should be one of: active (proposal is under development), pending (proposal has been submitted to funder), or confirmed. Please indicate status and anticipated decision date in the 'notes' column.

IMPORTANT NOTE: The requested amount from TAF represents a very lean budget that would still require additional funding sources to reach an annual amount that could effectively deliver the R2R program at the provincial level with limited marketing funds (i.e., \$489,335 annually). To properly execute the R2R Program at a provincial scale with a more suitable marketing budget, BOMA Toronto anticipates a total required budget of \$894,000 across various funding partners. **Detailed budgets providing context to these various funding scenarios have been prepared and are available upon request.**