

Supplementary Report - TransformTO - Critical Steps for Net Zero by 2040

Date: December 14, 2021

To: City Council

From: Interim Director, Environment & Energy Division

Wards: All

SUMMARY

As directed by the Infrastructure and Environment Committee at its December 2, 2021 meeting, this supplementary report for item IE26.16 TransformTO - Critical Steps for Net Zero by 2040 responds to motions put forward at Committee and integrates comments gathered through a review with relevant divisions and interested City Councillors.

RECOMMENDATIONS

The Director, Environment & Energy recommends that the following be added to item IE26.16 TransformTO - Critical Steps for Net Zero by 2040:

1. City Council endorse the targets and actions outlined in Attachment B, titled "TransformTO Net Zero Strategy" to the report (December 2, 2021) from the Director, Environment and Energy with the following additional instructions:
 - a. Direct the Chief Planner and Executive Director, City Planning, to accelerate implementation of the greenhouse gas emission limits performance measure in the Toronto Green Standard (TGS) to ensure that buildings constructed in or after 2030 are near zero emissions, by revising the TGS Tier 1 mandatory performance measure as follows, to: the "High Performance" level (TGS V4 Tier 2) to apply in 2025; and the "Near Zero Emissions" level (TGS V4 Tier 3) to apply in 2028.
 - b. Request the Director, Environment and Energy, in consultation with the Chief Planner and Executive Director, City Planning, to set goals to limit new natural gas expansion, and sunset the sale of new natural gas fired equipment and report back in 2023 with actions to be implemented to support this endeavour.

c. Request the Government of Ontario and provincial agencies and corporations to set a sunset date before 2030 for the sale and installation of new natural gas fired equipment to consumers.

d. Continue to support Transportation Services Division's plan to accelerate the capital budget schedule for redesign of roadways as part of the Cycling Network Plan.

e. Continue to ensure that, when considering any changes to the Investment Policy, the Chief Financial Officer and Treasurer and the Toronto Investment Board consider and incorporate internationally-recognized best practices for Environmental, Social and Governance.

f. Continue to ensure that as of 2023, any new equipment being installed in a City facility must contribute to net zero and all new buildings be designed and built to net zero.

g. Support resident-led climate action and engagement by dedicating resources to supporting community hubs, community centres, neighbourhood pods and other local support networks, as key social and physical infrastructure for strengthening community climate engagement and resilience.

h. Direct the Director, Environment & Energy to centre the voices of equity-deserving groups, including youth, civil society organizations, labour and workers' rights organizations, academia, Indigenous rights holders and urban Indigenous communities by:

i. establishing a Climate Advisory Group that centres the voices of equity-deserving groups, and includes youth, civil society organizations, labour and workers' rights organizations, and academia and work with Indigenous rights holders and urban Indigenous communities to share knowledge and learnings to inform climate action and reporting back to City Council on a terms of reference developed by city staff and the Climate Advisory Group; and

ii. reporting back on the feasibility of creating a Climate Change Corps to support the goals and objectives of the Transform TO Net Zero Strategy.

j. Direct the Executive Director, Corporate Real Estate Management to share Corporate Real Estate Management's Net Zero Carbon Plan with the Board of the Toronto Community Housing Corporation and work in partnership with Toronto Community Housing Corporation to achieve targets and goals laid out in the plan.

j. Request the Board of the Toronto Transit Commission to identify opportunities to accelerate the Green Bus Program and to request the CEO, Toronto Transit Commission to report to the Board in the second quarter of 2022 on these opportunities.

FINANCIAL IMPACT

Additional financial analysis is required to understand any incremental financial implications associated with the recommendations in this Supplementary Report. Any potential future impacts will be identified during planned report backs and/or will be submitted during future year budget processes for consideration. Additional details on planned report back and budget cycle timing are included in Item IE26.16: TransformTO - Critical Steps for Net Zero by 2040.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

On December 2, 2021, the Infrastructure and Environment Committee considered the report IE26.16 TransformTO - Critical Steps for Net Zero by 2040, with amendments. The Committee directed a series of motions be referred to the Director, Environment and Energy for review in collaboration with relevant divisions and interested City Councillors, and report directly to City Council at its meeting on December 15, 2021. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.IE26.16>

COMMENTS

On December 2, 2021, the Infrastructure and Environment Committee considered the report IE26.16 TransformTO - Critical Steps for Net Zero by 2040, with amendments. Given the deputations made by members of the public and comments by Committee members, it is recommended the following changes be made to the report:

Toronto Green Standard

On July 14, 2021, City Council adopted the Toronto Green Standard (TGS) Version 4 performance measures, a three-tier framework for new development with a focus on carbon reductions and green infrastructure enhancements. TGS v4 will come into effect in May 2022 for all new planning applications. As requested by the Infrastructure and Environment Committee, targeted greenhouse gas reductions can be advanced through the current TGS standard by revising the TGS Tier 1 mandatory performance measure as follows, to: the "High Performance" level (TGS V4 Tier 2) to apply in 2025; and the "Near Zero Emissions" level (TGS V4 Tier 3) to apply in 2028.

Natural Gas Expansion

Accelerating a rapid and significant reduction in natural gas use is one of the five critical steps identified in the TransformTO - Critical Steps for Net Zero by 2040 report. Natural gas use for water and space heating represents over half of Toronto's total greenhouse gas emissions.

The Infrastructure and Environment Committee requested the Director, Environment and Energy to set goals of no new expansion of energy systems which produce carbon and report back in 2023 with actions to be implemented to support this endeavour.

While this motion is aligned with the staff report, this motion is broad in its interpretation and staff also are aware of potential implications this action could have on land use planning and recommend including consultation with the Chief Planner. Staff will set goals to limit new natural gas expansion and sunset for the sale of new natural gas fired equipment, and report back in 2023 with actions to be implemented to support this endeavour

To complement this motion, an additional motion regarding advocating to the Ontario government to sunset the sale and installation of new natural gas fired equipment by 2030 to consumers will support this effort.

Continued Support for Ongoing Sustainable Transportation and Environment and Social Governance Reporting

Reaffirming Infrastructure and Environment Committee's recommendations for [2021.IE26.9](#), the 2021 Cycling Network Plan Update report and Council's decisions for the City's Investment Policy, [2020.EX14.2](#) were highlighted as key actions in achieving both greenhouse gas reduction targets and ensuring investments made by the City are aligned with international goals for sustainability. As such, this report recommends continued support for the City's plan to accelerate the capital budget schedule for redesign of roadways as part of the Cycling Network Plan. It also recommends that the City continue to ensure the risk of reserves and other investments follow the strictest protocols for Environmental, Social and Governance investing and climate risk.

Community Climate Action and Climate Advisory Groups

Ensuring equitable implementation and ongoing improvement of engagement and reporting is a major theme of the TransformTO - Critical Steps for Net Zero by 2040 report. The [TransformTO Net Zero Strategy](#) outlines in detail the actions proposed for the short term to ensure the community is engaged and included in implementation of the strategy.

On December 2, 2021, the Infrastructure and Environment Committee also heard from a number of speakers who emphasized the need for further community engagement, transparency and accountability.

Staff recommend that the motion to resource a Climate Advisory Group to publish an annual independent accountability report be removed. A Climate Advisory Group should have the opportunity to provide advice regarding reporting and accountability mechanisms that can be resourced to provide additional and beneficial insights on the City's progress. The Environment and Energy Division releases annual greenhouse gas inventories and reports on progress. Additional or complementary reporting should be aligned and based on the advice from a Climate Advisory Group. Finally, the time and resources needed for a Climate Advisory Group to advance reports that complement

and enhance staff reports should be determined in discussions with a Climate Advisory Group.

Leading by Example - Corporate Real Estate and Toronto Transit Commission Green Bus Program

The City has already approved a number of ambitious plans and targets to reduce emissions from its own operations, including the Corporate Real Estate Management's Net Zero Carbon Plan for City-owned buildings earlier this year and the TTC Green Bus Program. Implementation of these plans is underway and will go a long way to reduce emissions from City operations.

The Net Zero Carbon Plan was approved in July 2021 and focuses on City-owned buildings. Beginning with the 2023 Budget, staff will be integrating the Net Zero Carbon Plan for City-owned buildings into the capital planning process synchronously with the application of a Climate Lens and Financial Planning's Asset Management Strategy. To support Toronto Community Housing Corporation (TCHC) to advance climate action in their buildings, the City's Corporate Real Estate Management Division will be sharing its Net Zero Carbon Plan for City-owned buildings with the TCHC Board and will work in partnership to help TCHC achieve its targets and goals.

The TTC Green Bus Program has a target to achieve target of 20 per cent of TTC buses zero emission by 2025-2026 and 50 per cent of the TTC bus fleet zero-emissions by 2030. To expedite the GHG emissions associated with this work, the Board of the TTC can be requested to identify opportunities to accelerate the Green Bus Program.

CONTACT

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SIGNATURE

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