

Approval for External Funding to Toronto Atmospheric Fund for Electric Vehicle Charging Project

Date: May 17, 2021
To: Executive Committee
From: City Manager
Wards: All

SUMMARY

The Board of Directors of the Toronto Atmospheric Fund (TAF) requests City Council authorization to receive \$2 million in funding from Natural Resources Canada's Zero Emission Vehicle Infrastructure Program.

TAF will use the funding to provide grants to eligible stakeholders throughout the Greater Toronto and Hamilton Area to install electric vehicle charging infrastructure. The funding will support deployment of approximately 300 electric vehicle chargers, including 15 fast chargers, in public places, on streets and in multi-unit residential buildings.

The TAF project aligns with the City's strategic priorities, including those of the TransformTO Climate Action Strategy and the Electric Vehicle Strategy. Additional details are provided as Attachment 1 of this report. A letter from Natural Resources Canada confirming conditional funding approval is provided as Attachment 2.

Council approval is sought in accordance with the TAF's Relationship Framework with the City, which requires Council approval for any grant exceeding \$500,000.

RECOMMENDATIONS

The City Manager recommends that:

1. City Council authorize the Toronto Atmospheric Fund to receive \$2 million from Natural Resources Canada's Zero Emission Vehicle Infrastructure Program, subject to the negotiation and execution of a Contribution Agreement between the Toronto Atmospheric Fund and Natural Resources Canada, the terms and conditions of which shall not result in unreasonable risk to the City nor to the City's endowment to the Toronto Atmospheric Fund; and

2. City Council request the Toronto Atmospheric Fund to share updates on the implementation of this project with the Environment and Energy Division and Toronto Hydro as appropriate to inform and help advance the City's TransformTO Climate Action Strategy and Electric Vehicle Strategy.

FINANCIAL IMPACT

Subject to the successful negotiation of a Contribution Agreement between the Toronto Atmospheric Fund (TAF) and Natural Resources Canada (NRCan), the funding that TAF would receive from NRCan is anticipated to be used as follows:

- \$1,700,000 (85%) as grants to eligible, selected recipients to subsidize up to 50% of the capital costs of electric vehicle charging infrastructure equipment and installation
- \$300,000 (15%) for TAF's project management costs, including additional staff capacity and professional services such as technical advisory and marketing support.

The NRCan funds will be directed to a dedicated cost centre in TAF's Operating Budget. Funds will be maintained in TAF's bank account or a money market product.

TAF anticipates the \$2 million will come in up to 10 installments over the course of up to 30 months, depending on the speed of program implementation. TAF will report quarterly to NRCan on all eligible expenditures including grants to eligible recipients and project expenses as required by NRCan, and the funds will be included in quarterly unaudited financial reports to the TAF Board.

There are no immediate financial implications to the City resulting from the implementation of the recommendations in this report. Should any financial impact to the City or to the City's endowment to TAF arise as a result of the terms of the Contribution Agreement between TAF and NRCan, staff will report back for further approvals through the annual Budget process.

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

DECISION HISTORY

At its April 23, 2021 meeting, the Board of Directors of the Toronto Atmospheric Fund (TAF) received a report describing TAF's application to Natural Resources Canada (NRCan)'s Zero Emissions Vehicle Infrastructure Program for up to \$2 million in funding. At the time of the TAF Board meeting, NRCan had not communicated a decision on the funding application, and the TAF Board proactively requested that Council approval be sought if the funding request was ultimately successful.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.TA11.15>

COMMENTS

The April 23, 2021 report from the Chief Executive Officer of the Toronto Atmospheric Fund (TAF), provided as Attachment 1, outlines TAF's funding application to Natural Resources Canada (NRCan)'s Zero Emission Vehicle Infrastructure Program.

On April 27, 2021, NRCan confirmed conditional approval of TAF's funding request in a letter dated April 19, 2021, which is provided as Attachment 2. The commitment of funding is subject to a Contribution Agreement to be negotiated between TAF and NRCan.

The deployment of 300 electric vehicle chargers with this funding aligns with TAF's strategic direction to accelerate the electrification of transportation, and advances the following City of Toronto goals:

- The TransformTO Climate Action Strategy - increasing the adoption of electric vehicles would generate the single largest carbon reduction impact by 2050 among all 36 low-carbon actions assessed by City modelling studies; and
- The Electric Vehicle Strategy - approved by Council in January 2020, the strategy identifies leveraging and exploring funding opportunities to expand charging infrastructure as a key action.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.IE11.17>

Given the alignment with City goals, this report recommends that TAF share updates on the implementation of this project with Environment and Energy Division and Toronto Hydro as appropriate.

Section 6.3.2 of the City-TAF Relationship Framework requires Council approval for any grants exceeding \$500,000. As the Relationship Framework does not distinguish between outgoing grants provided by TAF and incoming grants to TAF, the TAF Board requested Council approval to receive this NRCan funding.

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SIGNATURE

Chris Murray
City Manager

ATTACHMENTS

Attachment 1: April 23, 2021 report "External Funding for Electric Vehicle Charging Infrastructure Project" from the Chief Executive Officer, Toronto Atmospheric Fund

Attachment 2: April 19, 2021 letter from Natural Resources Canada re: "GTHA EV Charging Fund - Application to the Zero Emission Vehicle Infrastructure Program"