

External Funding for Electric Vehicle Charging Infrastructure Project

Date: April 23, 2021
To: Toronto Atmospheric Board of Directors
From: Chief Executive Officer

SUMMARY

In December 2020 TAF submitted a \$2M funding application to Natural Resources Canada's (NRCan's) [Zero Emission Vehicle Infrastructure Program](#) (ZEVIP). Should funding be awarded, TAF would serve as a Delivery Organization (i.e., grantmaker) and distribute funding – up to 50% of project costs – to eligible stakeholders throughout the Greater Toronto and Hamilton Area (GTHA) as an incentive to install electric vehicle (EV) charging infrastructure. The ZEVIP funding would support deployment of approximately 300 connected EV chargers, including 15 fast chargers. Our proposed focus is on installation in public places, on-street and in multi-unit residential buildings (MURBs) with a priority on smaller projects and clients who would otherwise face difficulties securing government funding and/or navigating the process of selecting and installing EV chargers.

Section 6.3.2(iv) of the [Toronto Atmospheric Fund Relationship Framework with the City of Toronto](#) requires Council approval of any grants exceeding \$500,000. As a decision regarding TAF's ZEVIP application is expected before the end of April and the project must be completed within 30 months of the agreement date, this is a prospective recommendation and would not be acted on until and unless funding is awarded.

RECOMMENDATIONS

The Chief Executive Officer recommends that TAF's Board of Directors request, via the City Manager's Office, City Council approval to receive funding of up to \$2 million from the Natural Resources Canada Zero Emissions Vehicle Infrastructure Program to accelerate the rollout of EV charging infrastructure in the Greater Toronto and Hamilton Area.

FINANCIAL IMPACT

None to the City.

DECISION HISTORY

N/A

COMMENTS

In order to achieve the Government of Canada's EV target of 10% of light-duty vehicle sales by 2025 and 30% by 2030, major urban areas like the GTHA will need to exceed national sales targets. In the GTHA, TAF has targeted 40% of sales by 2030. Easy, reliable access to charging is vital to accelerating EV adoption. Achieving our target for the GTHA will require over 8,000 public charging locations by 2025 (based on modelling undertaken for [Toronto's EV Strategy](#) and extrapolated to the GTHA).

Surveys of EV owners across the GTHA have shown that a lack of available charging stations is a significant barrier to purchasing EVs. Furthermore, the most common place for current EV drivers to charge their cars is in their single-family homes; those who live in MURBs or otherwise lack access to a driveway or garage – also known as “garage orphans” – are less likely to have easy access to EV charging. The challenges associated with these use cases apply most commonly in the urban context. By accelerating the installation of charging equipment in underserved locations across the GTHA, this proposal directly supports the achievement of municipal and federal EV adoption targets.

TAF's ZEVIP proposal set a goal of facilitating the deployment of 300 EV chargers which would be accomplished by:

Hitting the ground running: We plan to invest TAF program funding early to finalize program development and prepare for launch by the time the contribution agreement with NRCan is signed (anticipated in June-July 2021). Preparatory activities include hiring a program manager and finalizing key program document templates (e.g., applications, contribution agreements with grantees). TAF also plans to procure a consultant to help refine key program design and delivery elements including target markets, barriers and mitigation actions, business case and opportunities for cost-compression, technical details, etc.

Leveraging existing program delivery and financial management

infrastructure: We will leverage our existing grants program infrastructure and repurpose existing resources to support this EV charging program. For example, we can use and adapt elements of TAF's existing grants program including our custom database to track grant applicants and recipients; standard grant contribution agreement template; robust internal controls for reviewing project reports and authorizing payments; and due diligence processes. TAF's endowment model enables us to make upfront investments in the program's design and launch, and to manage

cash flow challenges associated with NRCan's reimbursement-based funding model. TAF has a robust system of internal financial controls which will be used to keep the project on-budget and provide accountability. Our back office experience and capacity will enable us to process the additional transactions associated with administering this program.

Leveraging existing relationships with key stakeholders: TAF will tap into its vast network of key stakeholders across the GTHA who can help quickly spread awareness of the funding program. This includes all of the municipalities across the region, boards of trade, industry associations, building owner and portfolio managers, and utilities.

Providing technical and procurement support: Procuring and installing connected EV chargers can be complicated, especially for clients without previous EV charging experience. The project management funding provided by NRCan will not by itself be sufficient to achieve the necessary pace of deployment for target markets with little-to-no experience or knowledge of EV infrastructure. We will support and accelerate the process for our target clients by: (1) retaining a technical advisory service that can assist them directly with their plans and application, and (2) offering a turnkey option with preselected vendors (turnkey option is subject to confirmation of feasibility during detailed design phase).

The funds requested will be used as follows:

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

This initiative aligns with, and supports the achievement of, the following goals:

- TransformTO: According to greenhouse gas emissions modeling undertaken as part of TransformTO, increasing the adoption of EVs would generate the single-largest carbon reduction impact by 2050 among all 36 low-carbon actions assessed.
- The City of Toronto Electric Vehicle Strategy: Approved by Council in January 2020, the strategy identifies as a key action the need to "[l]everage and explore funding opportunities to expand charging infrastructure."
- TAF's Strategic Directions: TAF has identified the acceleration of electrified transportation as a strategic priority.

Section 6.3.2(iv) of the [Toronto Atmospheric Fund Relationship Framework with the City of Toronto](#) requires Council approval of any grants exceeding \$500,000. In the context of updating the Relationship Framework, TAF aims to clarify that this requirement applies to outgoing grants rather than incoming contributions.

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SIGNATURE

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