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November 29, 2021

To: City Manager and Members of City Council  
From: Anthony Haines, President & CEO  
Re: Toronto Hydro Corporation Climate Action Plan

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Dear Mr. Murray,

Toronto Hydro Corporation filed its Climate Action Plan (the "Plan") with the City Manager on September 30, 2021, in accordance with Council resolution EX22.5 of April 7, 2021. Since then, we have met regularly with your team, explained our Plan, and answered all questions the City has asked.

Our Climate Action Plan builds on Toronto Hydro's position as a best-in-class utility, and lays out a path for us to immediately and directly serve as a critical enabler of the City's TransformTO and Net Zero Strategy. Through the Plan, we propose a nationally-significant, comprehensive, large-scale, innovative, business model for: (a) combating climate change; (b) spurring growth in Toronto's emerging green and cleantech companies; and (c) contributing to greater social equity within the new economy.

In response to City Council's request, through the Climate Action Plan, Toronto Hydro has proposed three business opportunities:

- a) *Expanded Electricity Distribution*, an OEB-regulated approach to growing the company through infrastructure investments that enable safe, reliable access to electricity for households and businesses as they fuel-switch away from natural gas, gasoline, and other carbon-based fuels, as well as system capacity and functionality to receive and deliver locally-generated renewable power;
- b) *Climate Advisory Services*, a Toronto Hydro self-funded and Federal/Provincial Government project-funded framework to remove barriers and enable delivery of electrification and energy efficiency projects by cleantech companies; and
- c) *Climate Capital Investments*, a City-funded framework to pursue targeted climate projects, including a city-wide LED conversion of streetlights.

We sincerely appreciated your consultation and engagement, and that of your team, as we prepared this Plan. As you know, as part of our Plan we identified an incremental regulated capital investment of (up to) \$10 billion in the grid based on the City's net zero strategy modelling your team shared with us in August. This figure was an extrapolation based on the best information available at the time. It will continue to be refined through our planning activities, as the City refines its own modelling, and based on the reality which ultimately materializes on the path to net zero. We look forward to continued dialogue with you as both of our plans evolve.

We look forward to continuing the discussion with you and your team to help the City further understand our Plan and receive your feedback. These discussions may also include other City infrastructure divisions and agencies, such as Transportation Services, Toronto Parking Authority, and TTC - all of which are key partners of Toronto Hydro.

As we have discussed, Toronto Hydro agrees that these discussions must be conducted expediently, and conclude with an action-oriented report back, as time is of the essence in pursuing all available, cost-effective opportunities to address the climate emergency.

Sincerely,

A handwritten signature in black ink, appearing to read "Anthony Haines". The signature is stylized with a vertical line at the beginning and a horizontal line at the end.

Anthony Haines  
President & Chief Executive Officer  
Toronto Hydro Corporation