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February 4, 2022

Dear Budget Committee Members,

The Atmospheric Fund (TAF) is providing feedback on the City's budget to help the City of Toronto achieve its climate reduction targets. We commend the City's leadership on setting its new net-zero by 2040 target and passing its new Net Zero Strategy in 2021. Toronto has taken strong leadership on climate action, setting an example for municipalities across Ontario and Canada. However, to continue this progress, the City needs to shift towards implementation and budgetary action. We encourage the City to consider the following recommendations as it implements the 2022 budget. Toronto's emissions inventory shows that "Toronto must nearly halve its emissions within 10 years to meet the 2030 target". Without stronger investments in climate action, the City will not reach its climate goals.

Key Focus Areas:

- 1. Climate Lens
- 2. Funding for Electric Bus Fleet
- 3. Funding for Toronto Green Standard

1. Ensure Climate Lens is Applied City-Wide

The City is undertaking development of a climate lens policy, which will direct Divisions to conduct GHG and resilience assessments to ensure decisions are made with the necessary climate considerations. We encourage the City to ensure the climate lens is based on a robust and transparent methodology and to allocate the appropriate funds to ensure this policy is implemented. City-wide implementation will require City-wide staff training, as well as the development of tools, procedures, and policies. The climate lens is intended to enable better decision making so that City staff have the necessary tools to consider the carbon emissions impact of each project and policy the City undertakes. Whether this is reviewing the upgrading or replacement of natural gas pipelines, or reviewing the full life cycle assessment of projects like the rehabilitation of the Gardiner Expressway, it is critically important that the climate lens provide a full and accurate account of how emissions will increase or decrease as a result of these types of projects. It is vitally important that a climate lens be applied to all City decisions in the coming decades including all budgets and bylaws.

2. Allocate Appropriate Funding to Transition to Fully Electric Bus Fleet

We recognize that Toronto is leading North America in deployment of electric buses. To continue this leadership, the City needs to allocate adequate funding to replace the City's aging bus fleets with climate-friendly electric buses. Fully funding this action could have a significant impact in helping

Toronto achieve its 2030 climate targets. Transitioning Toronto's fleet from diesel to electric buses will have a significant impact on the City's air quality, resulting in healthier air for residents and reduced greenhouse gas emissions. Diesel buses are a major contributor to traffic related air pollution, which "accounts for about <u>280 deaths and 1,090 hospitalizations</u> in the City each year". Additionally, the transportation sector is <u>responsible for 30%</u> of greenhouse gas emissions in Toronto. Thus, replacing the City's aging bus fleets will help reduce emissions and improve the health of Toronto residents.

Notably, while the City's 10-year capital plan includes a significant investment in additional electric buses (\$293 million), more funding is allocated to the purchase of diesel buses (\$314 million). **We encourage the City to adjust these funding amounts** to reflect the need to phase out diesel buses, especially given the recent Council direction to "accelerate the Green Bus Program" as part of the City's Net-Zero Strategy. We urge the City to ensure the necessary funding is available to avoid any delays in the replacement of the City's bus fleets with electric buses.

3. Funding for Toronto Green Standard

In July 2021, Council approved version 4 of the Toronto Green Standard (TGS v4). Between July and December, Council directed City staff to undertake the following initiatives related to TGS v4: report on options for rebranding the TGS, report on options for incentives for higher tiers, report on including embodied carbon metrics, report on options for strengthening waste diversion requirements, upgrade to include 100% electric vehicle (EV) ready requirements, and accelerate the timeline for versions 5 and 6. These are important priorities, however, to undertake them while managing compliance with TGS v4, City Planning requires more staff and resources. Toronto is a leader in paving the way for other municipalities in Ontario to develop their own green standards. To continue this leadership, **the City must ensure appropriate funds are allocated to the Planning Department to enable this critical climate work**.

We are happy to discuss any of these items further and look forward to seeing the completed 2022 Budget.

Sincerely,

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Bryan Purcell

VP of Policy & Programs The Atmospheric Fund

About The Atmospheric Fund

The Atmospheric Fund (TAF) is a regional climate agency that invests in low-carbon solutions for the Greater Toronto and Hamilton Area and helps scale them up for broad implementation. We are experienced leaders and collaborate with stakeholders in the private, public and non-profit sectors who have ideas and opportunities for reducing carbon emissions. Supported by endowment funds, we advance the most promising concepts by investing, providing grants, influencing policies and running programs. We're particularly interested in ideas that offer benefits in addition to carbon reduction such as improving people's health, creating local jobs, boosting urban resiliency, and contributing to a fair society.