

Grant and Program Allocation Recommendations

Date: June 28, 2022
To: Board of Directors of the Toronto Atmospheric Fund
From: Senior Grants Manager

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report contains financial information supplied in confidence to the Toronto Atmospheric Fund, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

SUMMARY

At its June 17, 2022 meeting, the TAF Grants and Programs Committee recommended that the Board approve four grants with a combined value of \$478,000 and one internal program allocation with a total value of \$90,000. This report provides recommendations and minutes from the Committee meeting.

RECOMMENDATIONS

The Senior Grants Manager recommends that the Toronto Atmospheric Fund Board of Directors:

1. Approve the following grants to be funded jointly from the relevant endowment(s) indicated:
 - a. \$150,000 over 12 months to Hamilton Community Enterprises to complete a comprehensive report on the feasibility of a low-carbon thermal corridor that will enable large-scale carbon reductions through the decarbonization of heating in new and existing buildings in Hamilton, subject to the condition set out by the Committee that HCE provide written confirmation at least \$150,000 in additional funding from external sources has been secured (*funded from the Canada and Ontario endowments*).
 - b. \$100,000 over 12 months to Pembina Institute to coordinate dialogue and knowledge sharing between organizations working on promoting deep retrofits and the government (*funded from the Canada, Ontario, and Toronto endowments*).

- c. \$50,000 over 10 months to the City of Toronto to identify and recommend suitable incentives to enable the accelerated uptake of electric vehicles in Toronto (*funded from the Canada, Ontario, and Toronto endowments*).
 - d. \$178,000 over 24 months to the Toronto Region Board of Trade to collaborate with municipal decision-makers in supporting the implementation of high-impact policies and programs that facilitate the uptake of electric vehicles (*funded from the Canada, Ontario, and Toronto endowments*).
2. Decline a grant request with a total value of \$75,000, summarized in Confidential Attachment 1.
 3. Approve the program allocation of \$90,000 over 12 months to advance TAF's focus on decarbonizing Ontario's electricity grid, and support programs and strategies to identify pathways for reducing its carbon intensity (*funded from the Canada and Toronto endowments*).
 4. Direct that the confidential information contained in Confidential Attachment 1 remain confidential in its entirety, as it contains financial information supplied in confidence to the Toronto Atmospheric Fund, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

FINANCIAL IMPACT

If the recommended grants are approved, \$389,000 would come out of TAF's 2022 grants budget and \$89,000 would come out of the 2023 budget. This would leave \$724,470 remaining in the 2022 grants budget.

Grants Program Budget	2022
Total available funding	\$1,714,711
Grant allocations committed to date	\$601,241
Funding currently available	\$1,113,470
Recommended allocations from the June 2022 intake round	<u>\$389,000</u>
Remaining balance	\$724,470

If the recommended internal program allocations are approved, \$90,000 would come out of TAF's 2022 program expense budget.

Internal Program Budget	2022
Total available funding	\$1,258,900
Internal program allocations committed to date	\$1,075,100
Funding currently available	\$183,800
Recommended allocations from the June 2022 intake	<u>\$90,000</u>
Remaining balance	\$93,800

BACKGROUND

A summary of the grants recommended for Board approval is presented below.

Hamilton Community Enterprises – Hamilton Energy Harvesting Project (Feasibility Study)

\$150,000 over 12 months

Applicant's address: 21 King St. W, Suite 1400, Hamilton L8P 4W7

Location of proposed activities: Hamilton, Ontario

The objective of this project is to develop a comprehensive report on the feasibility of a low-carbon thermal corridor in Hamilton. The study will identify community-facing district energy opportunities for industrial residual heat, with a focus on determining thermal demand in the buildings sector, calculating GHG reductions, and documenting technical, commercial and policy requirements for a thermal corridor. Hamilton Community Enterprises will achieve this by:

- Building a high-level Commercial Model based on a market analysis and cost projections, to demonstrate the economic viability of the proposed thermal corridor;
- Studying the technical and business aspects of the thermal corridor to identify elements such as the GHG reduction potential, market size, and financing requirements;
- Engaging local stakeholders to share the initial findings and explore the development of a front-end engineering design; and
- Disseminating the findings of the feasibility study including approaches to implementation, funding, ownership, and governance.

Pembina Institute – Creating a National Governance Structure for Market Development Teams to Accelerate Deep Energy Retrofits

\$100,000 over 12 months

Applicant's address: 2 Bloor Street West, Suite 739, Toronto, ON, M4W 3E2

Location of proposed activities: GTHA

The objective of this project is to coordinate dialogue and knowledge sharing between organizations working on promoting deep retrofits and the government. Key deliverables that will be completed during this grant include:

- Organizing dialogues between multiple stakeholders such as TAF, ReCover Initiative, and government departments including CMHC and NRCan to discuss gaps and obstacles faced by practitioners in delivering local deep retrofit projects;
- Developing a research report on industry readiness and market development strategies that have been transformative both in Canada and globally;
- Identifying key functions of market development teams in addressing the identified barriers; and
- Developing the governance structure for a national market development program to effectively channel capital funds.

City of Toronto – Identifying, Evaluating and Recommending Incentives to Support Uptake of Electric Vehicles

\$50,000 over 12 months

Applicant's address: Metro Hall, 2nd Floor 55 John St. Toronto, ON M5V 3C6

Location of proposed activities: Toronto

The objective of this project is to identify and recommend suitable incentives to enable the accelerated uptake of electric vehicles in Toronto. The applicant will achieve this by:

- Engaging an expert consultant to identify possible incentives based on a thorough literature review and rigorous analysis of global best practices;
- Conducting a survey to help identify which kinds of incentives will be most effective to support uptake of EVs by Toronto residents;
- Leveraging the consultant's expertise to build an evaluation framework to assess the identified incentives in terms of their efficacy in creating behavioural change, their impacts on equity, their co-benefits, and the overall feasibility of their implementation; and
- Seeking feedback from internal and external stakeholders to ensure that the identified options have community support and reflect "real world" conditions.

Toronto Region Board of Trade – SuperCharge: Municipal Electric Vehicle Deployment Advocacy

\$178,000 over 24 months

Applicant's address: First Canadian Place, 77 Adelaide St. West, Toronto, ON M5X1C1

Location of proposed activities: GTHA

The objective of this project is to collaborate with municipal decision-makers in supporting the implementation of high-impact policies and programs such as municipal fleet conversion, improving public charger access, and enabling EV-ready buildings that facilitate the uptake of electric vehicles. The applicant will achieve this by:

- Engaging local chambers of commerce, environmental NGOs, and other relevant stakeholders to establish supportive coalitions for advocating to municipal councils in the GTHA; and

- Collaborating with the stakeholder coalition to advocate to mayors and councillors to implement the most impactful EV-enabling policies and programs.

Program Allocations

Electricity Systems Focus Area – 2022

\$90,000 over 12 months

Ontario's electricity system is 94% fossil fuel-free, but the planned increase of natural gas-based electricity generation to meet future electrification needs will increase the carbon-intensity of the grid by over 400%. For provincial and municipal emissions to reach net-zero, it is imperative that Ontario's grid is decarbonised and expanded to meet the electricity demand of the transport, and space and water heating sectors. TAF's stakeholder engagement work identified that a modernized electricity system would need to be low-carbon, affordable, smart, and resilient. Ultimate success in this area would see major shifts in the design and management of the Ontario electricity system to achieve these objectives. The requested funding would enable TAF to identify major policy trends and deepen the sectoral understanding of the opportunities and challenges associated with transitioning the grid to a clean, modern, affordable, and resilient electricity system. During the year TAF will also engage various stakeholders to identify and implement innovative approaches required to transform Ontario's electricity system.

CONTACT

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SIGNATURE

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ATTACHMENTS

Confidential Attachment 1 – Summary of declined grant requests