



REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Grants and Program Allocation Recommendations

Date: October 20, 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 significantly prejudice the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

SUMMARY

At its meeting on October 13, 2022, TAF's Grants and Programs Committee recommended that the Board approve five grants with a combined value of \$826,000 and the program allocation with a total value of \$1,033,000 to support TAF's internal projects in 2023. This report includes recommendations and the minutes of the 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 Canada, Ontario, and Toronto endowments except where otherwise indicated:
 - a. \$50,000 over 24 months to the Regional Municipality of Durham to develop and implement an incentive program encouraging industry and consumers to adopt higher performance tiers of their municipal green development standards (*funded from the Canada and Ontario endowments only*).
 - b. \$300,000 over 24 months to Efficiency Canada to promote research and engagement outlining priority actions and policy changes required to enable adoption of energy efficient heat pumps.
 - c. \$80,000 over 12 months to Athena Sustainable Materials Institute to upgrade the web-based Embodied Carbon Pathfinder tool and enable embodied carbon assessments in new construction and renovation projects in the GTHA. The Committee's recommendation is subject to the following conditions:
 - TAF staff approval of the tool's success to date based on an assessment of its adoption rate and the level of satisfaction among the building design community in British Columbia.

- Written confirmation that the grantseeker has secured at least \$19,383 in additional project funding from other external sources.
- d. \$200,000 over 18 months to Elexicon Group Inc. to complete a detailed design of a district energy system that will enable large-scale carbon reductions through the decarbonization of heating in new buildings in Whitby (*funded from the Canada and Ontario endowments only*). The Committee's recommendation is subject to the following condition:
- Engagement of an external partner to gather the learnings from the project and promote them to relevant industry, government and community stakeholders to catalyze similar projects across the Greater Toronto and Hamilton Area.
- e. \$196,000 over 18 months to Pocket Community Association to build a non-profit retrofit coordination service and accelerate retrofits of single-family homes in Toronto. The Committee's recommendation is subject to the following condition:
- Written confirmation that the grantseeker has secured at least \$281,000 in additional project funding from other external sources.
 - Written confirmation that the grantseeker has completed recruitment of an Executive Director, a Marketing Lead, and any additional personnel possessing relevant business expertise for the Retrofit Coordination Service.
 - Submission of a proposed business plan and revenue model for TAF approval.
2. Decline four grant requests with a total value of \$714,989. These are summarized in Confidential Attachment 1.
3. Recommend the allocation of \$1,033,000 over 12 months to support TAF's functional and focus area teams in implementing their priority strategies and activities for 2023. (*funded from Canada, Ontario, and Toronto endowments except where otherwise indicated.*) The funds will be allocated to internal staff teams as follows:
- Climate Policy: \$35,000 to support TAF's policy activities by engaging external experts on key opportunities, and through travel and communications focused on relevant policy files (*funded from Canada and Toronto endowments only*).
 - Research and Innovation: \$30,000 to purchase data and software for enabling high-quality research and support external knowledge sharing through events.
 - Retrofit Accelerator: \$600,000 to engage public and private building operators on designing and delivering deep retrofits, grow the ecosystem of deep retrofit solution providers, raise public and private capital for Accelerator-supported deep retrofit projects, and showcase the technical and economic viability and other benefits of deep retrofits.

- Electrification of Transportation: \$90,000 to support the implementation of TAF’s EV Station Fund and enable research through external experts to accelerate the uptake of electric vehicles (EVs) and EV charging.
 - Decarbonizing Ontario’s Electricity System: \$96,000 to secure technical advisory support for advancing research on distributed energy resources and energy conservation, mobilize stakeholders on decarbonization initiatives, and attend relevant events (*funded from Canada and Toronto endowments only*).
 - Grants: \$82,000 to support capacity building of grantees and TAF staff on program design and evaluation and other relevant training opportunities, engage a technical expert to customize TAF’s grant administration software, and attend events to engage with other funders on leading grantmaking trends and opportunities.
 - Impact Investing: \$100,000 to support customizing software for tracking and reporting investments, undertake origination and due diligence for Direct Investments, and undertake communications/marketing related to TAF’s impact investing leadership and practice.
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 significantly prejudice the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

FINANCIAL IMPACT

None to the City. Given that several are multi-year, if the recommended grants are approved, \$513,047 would come out of TAF’s 2022 grants budget and \$312,953 out of the 2023 budget, leaving \$261,423 in the 2022 grants budget. This unallocated amount will be returned to TAF’s net asset value.

Grants Program Budget	2022
Total available funding	\$1,714,711
Grant allocations committed to date	\$940,241
Funding currently available	\$774,470
Recommended allocations from the October 2022 intake round	<u>\$513,047</u>
Remaining balance	\$261,423

If the internal program allocations are approved, \$1,033,000 would come out of TAF’s 2023 budget. No further internal allocations from the 2022 budget are anticipated and the unallocated 2022 balance, currently \$93,800, will return to TAF’s net asset value at the end of the year.

Internal Program Budget	2022
Total available funding	\$1,258,900
Internal program allocations committed to date	\$1,165,100
Funding currently available	\$93,800
Recommended allocations from the October 2022 intake	-
Remaining balance	\$93,800

BACKGROUND

Grant recommendations

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

Regional Municipality of Durham– Durham Region Green Development Incentive Program

\$50,000 over 24 months

Applicant’s address: 605 Rossland Road East, Whitby, Ontario, L1N 6A3

Location of proposed activities: Durham Region/Town of Whitby

The aim of this project is to develop and implement a municipal program that will incentivize industry and consumers to adopt higher performance tiers of their municipal green development standards (GDS) for new construction. The program will also educate consumers, construction firms, and developers on the economic benefits of higher GDS adoption and how to access/offer the proposed incentives. The Regional Municipality of Durham will achieve this by:

- Partnering with an expert consultant to develop the incentive program and presenting to regional municipal Councils for adoption;
- Piloting the incentive program in the Town of Whitby;
- Organizing a series of workshops for the local building industry to raise awareness about the incentive program and support its implementation;
- Monitoring and evaluating the results of the pilot program to draw key lessons and expanding the program across the region.

Efficiency Canada – Advancing Heat Pump Policy in Canada

\$300,000 over 24 months

Applicant’s address: Efficiency Canada, c/o Carleton University, 1125 Colonel By Drive, 3500E, ARISE Building (Ottawa), ON K1S 5B6

Location of proposed activities: GTHA, Ottawa

The objectives of this project are to promote research and engagement to address policy and regulatory barriers, and to scale up the adoption of energy efficient heat pumps across Canada. Key activities that will be completed during this grant include:

- Developing a comprehensive research report on heat pumps to guide government officials and other stakeholders on market transformation and regulatory approaches required for building decarbonization;
- Organizing and participating in dialogues with federal government and other stakeholders to discuss appliance and equipment regulations;
- Leveraging international partnerships to improve Canadian appliance and equipment standards in line with leading global regulations.

Athena Sustainable Materials Building Institute – Embodied Carbon Pathfinder Tool

\$80,000 over 12 months

Applicant's address: 280 Albert Street, Suite 404 Ottawa, ON K1P 5G8

Location of proposed activities: GTHA

The project aims to update the Embodied Carbon Pathfinder tool with data on construction materials and building archetypes relevant to the GTHA, and to enable designers and policymakers to increase the use of lifecycle analysis as a tool to measure and reduce embodied carbon in new construction and renovation projects in the GTHA. The applicant will achieve this by:

- Adding GTHA specific content to the web-based Embodied Carbon Pathfinder tool to help guide decision making on building materials and structural systems; and
- Marketing the tool to local building industry stakeholders by sharing its advantages and enabling its increased adoption.

Ellexicon Group Inc. – Whitby Geoxchange District Energy Design

\$200,000 over 18 months

Applicant's address: 100 Taunton Road East, Whitby, ON, L1N5R8

Location of proposed activities: Whitby (Ontario) and Durham Region

The proponent aims to complete a detailed design of a zero-carbon geoxchange district energy (DE) system in the Town of Whitby that would enable the decarbonization of heating in new buildings. The applicant will achieve this by:

- Collaborating with an engineering design consultant, the Town of Whitby's Planning and Development Department, and other stakeholders to develop the DE system's design;
- Sharing the project's findings with municipalities in the GTHA and across Canada through publications and conference presentations; and
- Working with TAF and other key stakeholders to develop recommendations and documentation on policy and regulation related to implementation of District Energy systems.

Pocket Community Association - Toronto Home Retrofit Coordination Program

\$196,000 over 18 months

Applicant's address: 4 Queen Victoria Street, Toronto, ON, M6J 1E9

Location of proposed activities: Toronto

The applicant seeks to build a non-profit retrofit coordination service for facilitating retrofits in single family homes across Toronto. The service will engage local communities and empower homeowners by offering retrofits focused advisory support. The applicant will achieve this by:

- Establishing the Pocket Change project as a staffed and resourced non-profit offering retrofit advisory support for homeowners;
- Building partnerships with Toronto communities for recruiting and engaging homeowners to pursue retrofits;
- Develop outreach and marketing materials outlining the benefits of retrofits; and
- Sharing knowledge and expertise to build industry capacity and improve retrofit methods.

Program Allocation Recommendation

TAF 2023 Internal Programs

\$1,033,000 over 12 months

This request is to support the execution of TAF's internal programming across its four focus areas and several functional teams in 2023. This 'omnibus' approach is intended to meet two key objectives: alignment of TAF's internal program planning more closely with TAF's annual budgeting cycle; and planning certainty for project leads. It includes only non-labour expenses for activities that can be planned at this time; detailed plans for each team will be finalized and presented for approval as part of TAF's 2023 annual plan at the first meeting of the TAF Board in 2023. Note that the amount requested and recommended by the Grants & Programs Committee (\$948,000) did not include the correct amount for Impact Investing and this has been adjusted for the Board's approval. The amount requested fits within the scope of TAF's proposed 2023 Program Expense budget for 2023, leaving a small amount for potential projects that may emerge during the year.

CONTACT

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SIGNATURE

Siddharth Chatpalliwar
Senior Grants Manager

ATTACHMENTS

Confidential Attachment 1 – Summary of declined grant requests