

Delegation of Final Approval of Energy Savings Performance Agreement transactions to the Direct Investment Committee

Date: October 20, 2022
To: Board of Directors of the Toronto Atmospheric Fund
From: Chief Executive Officer

SUMMARY

The report recommends delegation of approval of terms and conditions for Energy Savings Performance Agreements (ESPA) under the previously-approved financing for Efficiency Capital to TAF's Direct Investment Committee. This 'housekeeping' change mirrors the original delegation to the Investment Committee as the newly-established Direct Investment Committee did not exist at the time.

RECOMMENDATIONS

The Chief Executive Officer recommends that the Board of Directors of the Toronto Atmospheric Fund delegate approval of terms and conditions for Energy Savings Performance Agreements to TAF's Direct Investment Committee.

FINANCIAL IMPACT

None.

DECISION HISTORY

At its meeting on July 16, 2014, the TAF Board of Directors approved an investment in TEEFCo (now Efficiency Capital) of up to \$7 million "warehouse line" in ESPA transactions, none of which may exceed \$2 million, contingent on a firm takeout and subject to approval of terms and conditions by the Investment Committee ESPA Subcommittee
(<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.TA19.6>)

On February 14, 2022, the TAF Board of Directors approved Terms of Reference and established composition of a Direct Investment Committee.

(<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.TA15.7>)

COMMENTS

Final approval for use of the two financing lines approved by the Board for Efficiency Capital's use, under the terms of a licensing agreement for their use of TAF's Energy Savings Performance Agreement, was delegated to the Investment Committee which had the expertise to evaluate each on its merits, within the established financing envelopes and terms and conditions. The Direct Investment Committee's (DC) mandate pertains to Direct Investments, including retrofit financing, whereas the Investment Committee's (IC) pertains to overall policy, portfolio construction and marketable securities. Based on the mandates, this responsibility is better placed with the DC.

CONTACT

Julia Langer, CEO, jlanger@taf.ca

SIGNATURE

Julia Langer
Chief Executive Officer