

City Council
City of Toronto
100 Queen St W
Toronto, ON

October 8, 2023

EC6.6 Transitioning the Vehicle-for-Hire Industry to Net Zero Emissions by 2030

Dear City Councillors,

The Atmospheric Fund (TAF) strongly supports the adoption of the staff recommendations to transition the vehicle-for-hire (VFH) industry to net zero emissions by 2030. These recommendations have been developed following an extensive stakeholder consultation process in which the views of VFH companies and drivers, industry experts, and non-profit organizations were collected and carefully considered.

The Council-directed goal and strategy to achieve net zero emissions for the VFH industry by 2030 is an essential element of the City's [Electric Vehicle Strategy](#) and supports its broader efforts to drive down community-wide emissions through its [TransformTO Net Zero Strategy](#). If adopted, the report would establish Toronto as a North American leader in accelerating the decarbonization of the VFH sector.

With the right supports in place, the VFH sector is well-positioned to lead the community transition to zero emission vehicles (ZEVs). One such support is the timely establishment of a Zero Emissions Grant Program as proposed in the staff report.

The Economic and Community Development Committee has recommended that this program be deferred until City staff report back on a comprehensive framework for the VFH industry. However, if this program is delayed as proposed, then the thousands of VFH drivers who will be required to buy new vehicles in the interim will either have to pay more to operate a ZEV or will have to purchase another gas-powered car which will become a stranded asset by 2030. Either result will exacerbate the affordability concerns expressed by the sector. **We would therefore encourage the City to make the Zero Emissions Grant Program available to VFH drivers as soon as possible.**

The proposed mechanism for disbursing grant funding to taxi and limousine owners of ZEVs – through a reduction in annual licensing fees upon application or renewal – is straightforward and can be initiated on January 1, 2024 as planned.

With respect to private transportation companies (PTCs), the staff report proposes that funds from the Zero Emissions Grant Program be disbursed periodically to PTCs who would then remit them to drivers for each trip completed on their platforms. The mechanism by which grant funding would be remitted to drivers is still to be finalized. **We recommend that the Zero Emissions Grant Program be made available to PTC drivers as soon as a credible, transparent, and enforceable remittance plan has been submitted by the PTCs and approved by the City.**

It is preferable to make the Zero Emissions Grant Program available to each stakeholder group in the industry as soon as a satisfactory disbursement mechanism is in place, rather than deferring the entire program until staff report back on a comprehensive framework for the wider sector.

Overall, TAF is very supportive of the City of Toronto's VFH goal and strategy and **recommend that Council implement the strategy along with an accelerated timeline for launching the Zero Emissions Grant Program**. We are confident that the strategy, supported by a strong grant program, will generate significant local emissions reductions and help Toronto achieve its climate goals while promoting social equity.

Sincerely yours,

A handwritten signature in black ink that reads "Ian Klesmer". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Ian Klesmer
Director of Strategy and Grants, 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 (GTHA) 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.