

REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Grants and Program Allocation Recommendations

Date: November 7, 2023
To: Board of Directors of the Toronto Atmospheric Fund
From: Senior Grants Manager

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report contains commercial 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

This report recommends approval of seven grants with a combined value of \$1,035,378 for Board approval.

RECOMMENDATIONS

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

1. Approve the following grants to be funded jointly from the Canada, Ontario, and Toronto endowments except where otherwise indicated:
 - a. \$189,000 over 36 months (*from the Canada and Toronto endowments only*) to Buildings Ontario Transformation Hub to promote research and engagement on green development standards and related mechanisms for decarbonizing the building stock in Ontario, subject to the following conditions:
 - Confirmation of participation of relevant non-profit partners in the project.
 - Submission of a revised workplan and budget reflecting the removal of Strategy 3 and related activities, and engagement of non-profit partners in the project's activities.
 - b. \$100,000 over 12 months to Create Climate Equity to build the capacity of overburdened communities on climate change and enable their participation in retrofit programs, subject to the following conditions:

- The community engagement effort be focused on pathways for achieving deep and net-zero retrofits, including through fuel switching/electrification.
 - Development and implementation of a strategy to engage program delivery agencies and share insights and recommended program design improvements to support the targeted communities in achieving deep retrofit objectives.
 - TAF funding be stage-gated, with the release of the final 25% of TAF's contribution contingent on CCE securing at least \$200,000 in additional funding from external sources for the proposed project.
- c. \$40,000 over 12 months to the Toronto District School Board to assess the feasibility of its parking lots for delivering EV charging access to local communities.
- d. \$110,000 over 18 months (*from the Canada and Toronto endowments only*) to Volta Research for research and engagement on addressing barriers to electrification of Part 9 buildings and support future code adoption and development processes, subject to the following conditions:
- Development and implementation of a knowledge mobilization strategy focused on ensuring the project's recommendations are considered by key decision-makers.
 - Development and implementation of a plan for engaging non-profit and advocacy organizations in the project, including covering their reasonable costs of participation with funding provided by TAF.
- e. \$225,000 over 36 months to Building Up to expand their social enterprise operations by adding an insulation and draft-proofing service and delivering training support for workers in the GTHA, subject to the following condition:
- Initial and subsequent funding disbursements be conditional on satisfactory due diligence of the proposed social venture by TAF's Impact Investing team, and progress against milestones.
- f. \$72,130 over 24 months to Toronto and Region Conservation Authority to develop a free home heat loss estimator web tool to help contractors with the sizing of air source heat pumps and scale up their deployment.
- g. \$299,248 over 15 months to Optiwatt for a distributed energy resource (DER) demonstration project focused on managed EV charging in the GTHA as described in Confidential Attachments 2 and 3.

2. Decline three grant requests with a total value of \$566,890. These are summarized in Confidential Attachment 1.
3. Approve the allocation of \$181,500 over three months (Q1 2024) to support TAF programs as outlined below and to be funded from Canada, Ontario, and Toronto endowments except where otherwise indicated:
 - Electrification of transportation: \$4,750 to support the expansion of EV charging in priority areas.
 - Decarbonizing Ontario's electricity system: \$23,500 to support the region's transition to a net-zero grid.
 - Retrofit Accelerator: \$66,250 to build the market for deep retrofits by collaborating with leading building operators and industry solutions providers to deliver faster and cost-effective deep retrofits.
 - Impact Investing: \$28,750 to support investments in impact-first projects/companies and maintain management and compliance of TAF's investment portfolio.
 - Climate Policy: \$12,500 (*from Canada and Toronto endowments only*) to be an effective and influential advocate for urban climate policy with all three levels of government.
 - Grants: \$13,000 to build the internal and community capacity needed to support effective design and delivery of TAF-funded initiatives.
 - Research and Innovation: \$23,750 to deliver critical insights and evaluation to support advancement of climate and social priorities, and to provide research leadership and support to TAF teams.
 - Communications and Campaigns: \$9,000 to increase TAF's audience reach while maintaining engagement levels towards all focus area priorities.
4. Direct that the confidential information contained in Confidential Attachments 1,2, and 3 remain confidential in their entirety, as they contain 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

If the recommended grants are approved, \$614,220 would come out of TAF's 2023 grants budget and \$357,158 from the 2024 budget. The unallocated \$9,822 remaining in the 2023 grants budget will be carried over to the 2024 budget.

Grants Program Budget	2023
Total available	\$1,861,423
Grant allocations committed to date	\$1,100,085
Currently available	\$761,338
Recommended allocations from the October 2023 intake	\$614,220
Remaining balance	9,822

There are no internal allocations recommended from the 2023 budget. In October 2022 the Grants and Programs Committee approved \$1,033,000 to support internal programs in 2023. The balance of \$67,000 in the program budget will remain in TAF's endowment.

DECISION HISTORY

Members of the Grants and Programs Committee met on October 19, 2023 to discuss nine grant applications. Their recommendations are described in the next section and a summary of declined applications is provided in Confidential Attachment 1.

COMMENTS

Grant Recommendations

A summary of the grants recommended for approval by the Grants and Programs Committee is presented below.

Buildings Ontario Transformation Hub – Pathways to Compliance

\$189,000 over 36 months

Applicant's address: Suite 103 – 157 Pearl Street South, Hamilton, ON L8P 3X7

Location of proposed activities: GTHA

The aim of this project is to convene the Ontario Stakeholder Council and promote collaboration between municipalities and building sector stakeholders for improving the uptake of green development standards (GDS) and compliance with building decarbonization processes in Ontario. The grantee will achieve this by:

- Coordinating dialogue between municipalities, developers, and other industry stakeholders on barriers limiting the uptake of and compliance with municipal GDS.
- Knowledge sharing to develop a common understanding of the Ontario Building Code and GDS, leading to standardized municipal processes.
- Stakeholder collaboration to identify critical process elements that have a material impact on a building's embodied carbon.

Create Climate Equity - Engaging GTHA's Diverse Communities in Understanding Energy Conservation and Climate Change

\$100,000 over 12 months

Applicant's address: 29 – 1140 Falcon Drive, Coquitlam, BC, V3E 2J7

Location of proposed activities: GTHA

The project aims to increase the energy and climate awareness of newcomer and immigrant residents and lead to their increased participation in home retrofit programs that are currently available through governments and utilities. The applicant will achieve this by:

- Hiring members of immigrant/newcomer communities in the GTHA
- Building networks and relationships with community organizations in the region to offer capacity and support to their clients.
- Offering culturally appropriate, multilingual workshops to support the capacity building of newcomer and immigrant households.

Toronto District School Board - Preliminary Assessment: Siting Potential for Staff and Community Electric Vehicle Charging on TDSB Lots

\$40,000 over 12 months

Applicant's address: 60 St. Clair East, Suite 201, Toronto, ON M4T1N5

Location of proposed activities: Toronto

The proponent aims to assess its portfolio of properties to identify suitable parking lots as pilot sites to deliver EV charging access to TDSB staff and the broader community, with the eventual goal of scaling up EV charging across the City of Toronto. The key activity for the project is a feasibility study, which will include identification of:

- Best practices for managing and maintaining EV charging stations.
- Existing financing opportunities and business models for supporting an EV charging rollout.
- Answers to legal questions around user access and zoning

Volta Research Inc. - Supporting Electrification Policy in the GTHA: Facilitating Stakeholder Coordination Through the Integrated Design Process

\$110,000 over 18 months

Applicant's address: 1655 Dupont Street, Suite 101, Toronto, Ontario, Canada

Location of proposed activities: GTHA

The project seeks to promote research and engagement between utilities and building sector stakeholders through integrated design process (IDP) workshops to identify barriers to electrification of Part 9 buildings and showcase the modelling of different

electrification scenarios and their impact on the grid. Key activities that will be completed during this grant include:

- Three IDP workshops to foster dialogue between stakeholders.
- Development of a guidance document recommending improvements to future building code adoption, code development, and review processes

Building Up – Expanding Green Construction Workforce

\$225,000 over 36 months

Applicant's address: 116 Industry Street, York, ON M6M 4L8

Location of proposed activities: GTHA

The proponent is seeking TAF funding to scale up its social enterprise operations by offering an insulation and draft-proofing service and associated training support for tradespeople in the construction industry. Key activities that will be completed during this grant include:

- Establishment of Building Up's insulation service division
- Training and capacity building of over 400 tradespeople

Toronto and Region Conservation Authority - Home heat loss tool development and mobilization to scale air-source heat pump deployment in the GTHA

\$72,130 over 24 months

Applicant's address: 101 Exchange Ave, Concord, ON L4K 5R6

Location of proposed activities: GTHA

The project aims to develop a free home heat loss estimator web tool designed to support sizing and deployment of air source heat pump (ASHP) retrofits. The proponent will achieve this by:

- Developing the tool's key functionalities and completing user testing
- Knowledge mobilization amongst relevant stakeholder groups for scaling its use

Optiwatt – Managed EV Charging Demonstration Project

\$299,248 over 15 months. Up to this amount to be repaid to TAF from a percentage of future gross revenues generated by the business or project during a pre-defined period commencing after the provision of the final grant instalment; exact terms of the recoverable grant will be established via the contribution agreement.

Applicant's address: c/o Dunskey Energy + Climate Advisors, 1110-555 Richmond St. W., Toronto, ON M5V 3B1

Location of proposed activities: GTHA

TAF launched its first targeted call for grant applications in August. The objective is to support the design, development, and/or demonstration of distributed energy resources (DER) in the Greater Toronto and Hamilton Area, including technologies that have the potential to contribute to local and system-wide capacity needs at scale.

The process and outcomes are described below:

- Expressions of interest: indicated from 22 organizations.
- Screening: TAF met with 15 potential applicants to discuss their project idea

- Invitation: 12 proponents with project ideas most closely aligned with TAF's criteria were invited to apply using an adapted version of TAF's grant application form.
- Submission: 6 applications received.
- Review: applications were evaluated by TAF staff and proposals scoring >70% were shortlisted for further consideration, and reviewed by external experts

As the timeline for this process did not align with the October Grants and Programs Committee meeting, the highest scoring proposal is being presented to the Board as a staff recommendation. The proposal and budget have been provided as Confidential Attachment 2 and a summary of staff's evaluation has been documented in Confidential Attachment 3.

The project aims to demonstrate, analyze, and document the effectiveness and cost of managed EV charging, via vehicle telematics in the GTHA. Key activities that will be completed during this grant include:

- Designing and implementing a managed EV charging program in coordination with key stakeholders (e.g. local distribution companies)
- Enrolling up to 2,000 customers across the GTHA and collecting relevant cost and performance data via a series of managed charging tests
- Data analysis and knowledge dissemination to relevant stakeholder groups

Program Allocation Recommendation

TAF 2024 Internal Programs

\$181,500 over three months (Q1 2024)

The Grants and Programs Committee recommendation is to approve up to 25% of the total 2024 program budget for spending by Focus Area and functional teams in Q1 on ongoing activities and projected new activities. This is aligned with the internal programs budget being proposed for 2024. A separate request for the balance of the year will be presented in early 2024 once the Annual Plan has been completed.

This year's process differs from the previous years which involved staff submission of a full annual program funding request at the final meeting of the year. The updated approach for 2024 offers several advantages over our previous practice:

- Eliminates duplication of effort between program-level planning and annual planning.
- Enhances the inclusivity of the decision-making process by involving the entire team.
- Presents more detailed program objectives and activities (based on the finalized Annual Plan) and a more accurate funding request to facilitate informed input from the Grants and Programs Committee.

CONTACT

Siddharth Chatpalliwar, Senior Grants Manager, schatpalliwar@taf.ca

SIGNATURE

Siddharth Chatpalliwar
Senior Grants Manager

ATTACHMENTS

Confidential Attachment 1 – Summary of declined grant requests
Confidential Attachment 2 – Optiwatt Proposal and Budget
Confidential Attachment 3 – Summary of staff evaluation for Optiwatt proposal