

## Planning and Housing Committee

City of Toronto  
100 Queen St W  
Toronto, ON  
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December 04, 2024

### PH17.8 - Toronto Green Standard: Net Zero Transition Study Update

Dear Planning and Housing Committee Members,

The Atmospheric Fund (TAF) is a regional climate agency based in the Greater Toronto and Hamilton Area (GTHA) supporting a net-zero future. TAF strongly supports the Toronto Green Standards and has worked closely with the City on the design and evolution of the standards over the past 15 years. TAF is currently on the Steering Committee for the ongoing Net Zero Transition Study, and we commend staff for the thorough research and stakeholder consultation to date. However, TAF is disappointed in the recommendation put forward in this report, which is inconsistent with the City's TransformTO Net Zero Strategy and will undermine progress toward the City's climate targets.

As part of the 2021 update to the TransformTO Net Zero Strategy, City Council directed City Planning to accelerate updates to the TGS Greenhouse Gas Intensity (GHGI) targets to 2025 and 2028. This was based on the findings of energy and emissions modelling which showed the acceleration was needed to meet the City's climate targets. However, staff are recommending postponing the next GHGI update to 2026. This is inconsistent with the TransformTO plan and is expected to increase annual emissions by between 5,000 and 16,000 tonnes. The City's most recent TransformTO progress report makes clear that even with all planned measures implemented, there is a sizeable gap to meeting the 2026-30 climate targets<sup>1</sup>. Postponing the GHGI update will increase the size of the gap and there is currently no plan to offset that impact.

TAF understands the current focus is on accelerating housing supply and addressing affordability concerns. However, according to the Net Zero Transition Study the estimated incremental cost of meeting the updated GHGI target is marginal, ranging from 0.4% for high-rise residential to cost neutral for low-rise residential<sup>2</sup>. That is without taking into account the recently approved federal Clean Technology Investment Tax Credit, which would bring most projects to cost neutrality. In contrast, the cost to retrofit these brand-new buildings before the 2040 net zero date is expected to be an order of magnitude higher. We also note that industry has been expecting the update, which was announced in

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<sup>1</sup> Annual TransformtTO Net Zero Progress and Accountability Report, City of Toronto. <https://www.toronto.ca/wp-content/uploads/2024/03/95d3-Attachment-1-Annual-TransformTO-Net-Zero-Progress-and-Accountability-Report.pdf>

<sup>2</sup> TGS Net Zero Transition Study, Interim Report.

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2021, and have already begun meeting the higher GHGI requirement on half of recently proposed projects<sup>3</sup>.

## RECOMMENDATION

We understand that sometimes plans need to be adjusted in response to evolving conditions. However, with Toronto's emissions increasing in recent years and a growing gap to 2030 targets, ***any delay in climate action needs to be offset by new or enhanced actions. If the City is going to postpone updating the TGS GHGI target, it should develop and implement a plan to offset the emissions impact by enhancing voluntary compliance with the Tier 2 and Tier 3 GHGI targets.*** TAF would be happy to participate in the development of such a plan, which should include consideration of:

- Improving implementation and timing of the existing *TGS Development Charge Refund* to make it more attractive to industry
- Working with TAF to refine and relaunch the approved and funded *New Development Sustainable Energy Plan Financing Program*, which has not received industry uptake to date
- Developing non-financial incentives such as accelerated development reviews or assistance in navigating zoning, permitting, and utility connection barriers to net-zero ready buildings.

We remain committed to supporting the City in achieving its climate targets and fostering a green, resilient and affordable future.

Sincerely,



Bryan Purcell  
VP Policy & Programs, 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.*

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<sup>3</sup> TGS Net Zero Transition Study Update Report, City of Toronto.  
<https://www.toronto.ca/legdocs/mmis/2024/ph/bgrd/backgroundfile-250811.pdf>