
EX25.6- MAYOR'S ECONOMIC ACTION PLAN IN RESPONSE TO UNITED STATES TARIFFS

JULY 16, 2025

Dear Executive Committee Members,

The Atmospheric Fund (TAF) is a regional climate agency that invests in low-carbon solutions in the Greater Toronto and Hamilton Area. We appreciate the opportunity to provide feedback on the Mayor's Economic Action Plan Update and are pleased to be working in collaboration with Environment, Climate, and Forestry, as well as Toronto Hydro, on the staff-recommended report, *The Electrification Advantage*.

In response to City Council's [direction to report back](#) on how Toronto can increase local renewable energy generation, energy storage, and customer electrification to reduce dependence on U.S. fossil fuels, we've outlined a series of recommendations. Most of these can be considered as part of the proposed *Electrification Advantage* report later this year, and are included in Appendix A. However, other actions are time sensitive and are recommended for immediate implementation. These are highlighted below under short-term priorities.

Toronto has already taken meaningful steps to reduce reliance on fossil fuels. Notably, City Council [passed a motion](#) last year requesting the IESO phase out the Portlands Energy Centre (PEC) by 2035 as part of their Integrated Regional Resource Plan (IRRP), a clear signal of the City's intent to shift toward cleaner, more resilient local energy sources. However, accelerated action is needed if Toronto is to see a significant reduction in fossil fuel consumption by 2030.

The following recommendations are informed by technical expertise, stakeholder engagement, and our experience supporting low-carbon projects across the Greater Toronto and Hamilton Area. We have identified practical, high-impact actions the City can take to accelerate climate progress, strengthen local energy resilience, and insulate residents and businesses from growing U.S. trade and supply chain risks. These recommendations will support and grow local businesses that provide goods and services for energy efficient buildings, clean grids, and electric mobility.

Short-term Priority Actions to Accelerate Renewables, Energy Storage and Electrification

1. Eliminate zoning barriers to renewables, energy storage, heat pumps and electric vehicle charging

As [TAF has previously reported](#), Toronto's Zoning Bylaw contains a number of unintentional barriers to key climate actions. In most cases, there is no known public policy rationale or evidence for the need for these zoning barriers. Key barriers include effective prohibitions on putting heat pumps in

front yards or installing solar canopies in parking lots. Simply put, the City cannot accelerate adoption of heat pumps and solar as long as these technologies are prohibited in some of the most suitable areas for their installation. [Council requested](#) proposals to address these barriers by Q1 2025, however this work has fallen behind schedule. We recommend that this work should be accelerated.

2. Accelerate electrification and adoption of renewables in City-owned buildings, including via the carbon budget process

While City-owned buildings are a minority of city-wide emissions, this is an area where the City has operational control and can achieve rapid progress in reducing fossil fuel use. Funding is available to support this federally, with more expected this fall via the proposed Clean Electricity Investment Tax Credit which will provide municipal organizations with 15% rebates on the cost of solar, storage and heat pumps.

3. Advocate to the Province to Include Toronto In Its EV Charging Program

Ontario's [Budget 2025](#) added \$92 million to Ontario's EV ChargeON program to expand public EV charging, but the **current program rules unfairly and arbitrarily prohibit projects in Toronto** and other large cities. **The Province should expand eligibility to all communities in Ontario** including Toronto.

4. Advocate to the Federal Government for New Funding to Support Climate Action

Pre-budget submissions for the federal 2026 budget are due August 1st and the City should integrate requests for climate supportive funding in its submission and ongoing advocacy. Key priorities include implementing the proposed Clean Electricity Investment Tax Credit, recapitalizing federal EV incentives, and providing consumer supports for heat pump adoptions.

Sincerely,

Bryan Purcell
Vice-President, Policy and Programs
The Atmospheric Fund

Appendix A: Medium-Term Priorities to Accelerate Renewables, Energy Storage and Electrification and Reduce Reliance on US Fossil Fuels

Recommended City Actions

Prioritize and align key policy initiatives that enhance energy efficiency and security

- **Pass a resolution recognizing Ontario and Toronto's reliance on U.S. energy** as a strategic vulnerability, with implications for energy security, cost volatility, and climate resilience
- **Decarbonize existing district energy.** Consult with Enwave on a long-term plan to fully phase out natural gas in their district heating system. Review what mechanisms the City has to support and/or require system decarbonization.
- **Assess the impact of the Province's proposed [third transmission line](#) project** on Toronto's climate objectives, including phasing down the Portlands Energy Centre. Request the IESO to provide the business case data for the project, along with their assumptions in their cost-benefit analysis and impacts on the long-term viability of the PEC

Recommended City Advocacy for Provincial Support

Unlock renewable energy

- **Amend the Distribution System Code** to clarify distributed energy resource (DER) connection rules and remove barriers to DER.
- **Expand eligibility for net-metering** to include participants in Save on Energy's Home Renovation Savings Program.
- **Enable community-scale PPAs**, by extending the community net metering pilot program (O. Reg 679/21) across Ontario
- **End the offshore wind moratorium** to explore opportunities for additional renewable energy procurement.

Recommended City Advocacy for Federal Support

Invest in Net-Zero Ready Housing

- **Integrate low carbon requirements into the mandate for the proposed Build Canada Homes initiative**, including the proposed \$35B federal investment in the nascent prefabricated housing sector.
- **Integrate urban climate action into the federal vision and supports for developing Canada as a clean energy superpower.**