

Proposed Amendments to Municipal Code Chapter 367, Building Emissions Performance

Date: February 12, 2025

To: Infrastructure and Environment Committee

From: Executive Director, Environment, Climate and Forestry Division

Wards: All

SUMMARY

In December 2023, City Council adopted a resolution to create a new City of Toronto Municipal Code Chapter 367, Building Emissions Performance (2023.IE9.5), which requires property owners of large buildings in Toronto to report their buildings' energy and water use to the City annually (the By-law).

The first reporting deadline under the By-law was October 31, 2024 and applied to property owners of buildings with a gross floor area equal to or exceeding 4,645 square metres (~50,000 square feet). This deadline was extended for 2024 from the original reporting deadline of July 2, 2024 to allow for implementation delays and ensure property owners were notified of their obligations. Property owners submitted over 3,400 energy and water use reports to the City as required under the By-law, corresponding to greater than 64% compliance.

The Environment, Climate and Forestry Division is working through further implementation of the By-law, including working on putting in place direct supports to facilitate reporting for property owners who have never before submitted energy and water use reports to the City, and working to provide options for streamlined access to utility data.

The Environment, Climate and Forestry Division is proposing that the City postpone the first reporting year for property owners of buildings with a gross floor area equal to or exceeding 929 square metres (~10,000 square feet) but less than 4,645 square meters (~50,000 square feet) under the By-law from 2025 to 2026 to allow additional time for implementation of property owner supports. This will allow additional time for 1) the Environment, Climate and Forestry Division to put in place a reporting help centre which will provide direct support for property owners, and 2) water, electricity and natural gas utilities to streamline access to aggregated whole-building utility consumption data.

This report proposes to amend Municipal Code Chapter 367, Building Emissions Performance, as follows:

1. postpone the first requirement to report energy and water use annually from 2025 to 2026 for property owners of buildings with a gross floor area equal to or exceeding 929 square metres (~10,000 square feet) but less than 4,645 square meters (~50,000 square feet), and,
2. for 2025, change the deadline for property owners to request reporting extensions and exemptions to July 2, 2025 (i.e. the 2025 report deadline).

The Environment, Climate and Forestry Division is working through further implementation of Toronto Municipal Code Chapter 367, Building Emissions Performance, and plans to report back further on implementation progress, and on potential changes to the By-law, in upcoming reports to Council, including in alignment with the development of Building Emissions Performance Standards.

RECOMMENDATIONS

The Executive Director, Environment, Climate and Forestry, recommends that:

1. City Council amend City of Toronto Municipal Code Chapter 367, Building Emissions Performance, as follows:
 - a. delete §367-2.1.A.(2) and replace it with the following, in order to postpone the reporting of property owners of buildings with a gross floor area equal to or exceeding 929 square metres (~10,000 square feet) but less than 4,645 square meters (~50,000 square feet) to 2026:

(2) In 2026 if their property contains a building with a gross floor area equal to or exceeding 929 square metres.
 - b. add a new subsection to §367-2.4.B., that includes the following provision, in order to change the reporting extension and exemption deadline in 2025:

On or before July 2, 2025 for the 2025 reporting year.
2. City Council direct that the amendments to the City of Toronto Municipal Code Chapter 367, Building Emissions Performance, described in Part 1 come into force on March 31, 2025.
3. City Council authorize the City Solicitor, in consultation with the Executive Director, Environment, Climate and Forestry, to prepare the necessary bill required to give effect to City Council's decision and to make such clarifications, minor modifications, technical or stylistic refinements as may be identified by the City Solicitor.

FINANCIAL IMPACT

The implementation of the proposed amendments will have no financial impact.

The financial impacts associated with the first year of by-law implementation are described in the financial impact section of Item 2023.IE9.5, which was adopted by City Council on December 13, 14, and 15, 2023. The proposed amendments to the by-law reflect delays in implementation and the impacts have been incorporated through the 2025 budget process.

The Chief Financial Officer and Treasurer has been advised of the financial impacts associated with this report and agrees with the financial impact information presented.

EQUITY IMPACT

The proposed amendments to City of Toronto Municipal Code Chapter 367, Building Emissions Performance, do not represent significant equity impacts.

DECISION HISTORY

At its meeting on May 22 and 23, 2024, City Council adopted Item 2024.MM18.27 entitled “Re-opening and Amending Item 2023.IE9.5 to Extend the Reporting, Exemption, and Extension Deadline for Municipal Code Chapter 367, Building Emissions Performance – by Councillor Jennifer McKelvie, seconded by Councillor Dianne Saxe” which amended City of Toronto Municipal Code Chapter 367, Building Emissions Performance for 2024 to extend the original energy and water use reporting deadline of property owners to October 31, 2024, and to extend the deadline by which property owners could request a reporting extension and/or exemption to October 31, 2024.

The City Council decision can be viewed at:

<https://secure.toronto.ca/council/agenda-item.do?item=2024.MM18.27>

At its meeting on December 13, 14, and 15, 2023, City Council adopted Item 2023.IE9.5 entitled “Proposed Building Emissions Performance Reporting By-law” which established the new City of Toronto Municipal Code Chapter 367, Building Emissions Performance, which requires owners of buildings in Toronto that have a gross floor area of 929 square meters or larger to report their energy and water usage to the City of Toronto annually.

The City Council decision can be viewed at:

<https://secure.toronto.ca/council/agenda-item.do?item=2023.IE9.5>

COMMENTS

Background

In December 2023, City Council adopted a resolution to create a new City of Toronto Municipal Code Chapter 367, Building Emissions Performance (2023.IE9.5), which requires property owners of large buildings in Toronto to report their buildings' energy and water use to the City annually (the "By-law"), starting with buildings 4,645 square meters and larger in 2024.

In May 2024, City Council adopted Item 2024.MM18.27 which amended Municipal Code Chapter 367, Building Emissions Performance to extend the 2024 report deadline for property owners to October 31, 2024 and to extend property owners' deadline in 2024 to apply for reporting extensions and exemptions to October 31, 2024. The extension of the 2024 reporting deadline was to account for By-law implementation delays and ensure that the Environment, Climate and Forestry Division had notified affected property owners of their obligations under the By-law.

Updates on Implementation

The first reporting deadline under the By-law was October 31, 2024 and applied to property owners of buildings with a gross floor area equal to or exceeding 4,645 square metres (~50,000 square feet). This deadline was extended for 2024 from the original reporting deadline of July 2, 2024 to allow for implementation delays and ensure property owners were notified of their obligations. Property owners submitted over 3,400 energy and water use reports to the City as required under the By-law, corresponding to greater than 64% compliance.

During 2024, the Environment, Climate and Forestry Division received and granted requests for full-year reporting exemptions to three property owners whose buildings completing construction during 2023 and one property owner whose building was demolished in 2023. The Division also received and granted 17 requests for partial exemptions to property owners who were unable to access whole-building electricity or natural gas data from their utilities. Feedback was received from two large industrial companies articulating concerns about reporting and disclosure along with requests for exemption. In both cases, temporary (one-year) exemptions were granted to allow Environment, Climate and Forestry Division time to consider their feedback in parallel with consultations on updating the *Building Emissions Performance – Public Disclosure of Report Information Policy* associated with Municipal Code 367.

The Environment, Climate and Forestry Division is working through further implementation of Toronto Municipal Code Chapter 367, Building Emissions Performance, and plans to report back further on implementation progress, and on potential changes to the By-law, in upcoming reports to Council, including in alignment with the development of Building Emissions Performance Standards.

Proposed Amendments to Municipal Code 367, Building Emissions Performance

This report proposes to amend Municipal Code Chapter 367, Building Emissions Performance, as follows:

1. postpone the first requirement to report energy and water use annually from 2025 to 2026 for property owners of buildings with a gross floor area equal to or exceeding 929 square metres (~10,000 square feet) but less than 4,645 square meters (~50,000 square feet), and,
2. for 2025, change the deadline for property owners to request reporting extensions and exemptions to July 2, 2025 (i.e. the 2025 report deadline).

Postpone the reporting requirement from 2025 to 2026 for property owners of buildings with a gross floor area equal to or exceeding 929 square metres (~10,000 square feet) but less than 4,645 square meters (~50,000 square feet)

In item 2023.IE9.5 entitled “Proposed Building Emissions Performance Reporting By-law”, Environment Climate and Forestry Division proposed that buildings with a gross floor area equal to or greater than 929 square meters (~10,000 square feet) would begin reporting as of the first business day in July 2025 (i.e. July 2, 2025). This was one year later than the first reporting deadline proposed for buildings with a gross floor area of 4,645 square meters (50,000 square feet). The 2025 reporting deadline for the smaller buildings (929 to 4,645 square meters in size) was proposed to give Environment, Climate and Forestry Division time to work with utilities to ensure a streamlined reporting process, which is especially important for owners of properties with smaller buildings.

In this report, the Environment, Climate and Forestry Division is proposing that the City postpone the first reporting year for property owners of buildings with a gross floor area equal to or exceeding 929 square metres (~10,000 square feet) but less than 4,645 square meters (~50,000 square feet) under the By-law from 2025 to 2026 to allow additional time for implementation of property owner supports. This will allow additional time for 1) the Environment, Climate and Forestry Division to put in place a reporting help centre which will provide direct support for property owners, and 2) water, electricity and natural gas utilities to streamline access to aggregated whole-building utility consumption data.

The Environment, Climate and Forestry Division is in the process of finalizing a request for proposal (RFP) to procure services to provide property owners with assistance and support during the reporting process and expects the RFP process to result in a reporting help centre being in place for the 2026 reporting cycle.

The Environment, Climate and Forestry Division continues to work with water, electricity and natural gas utilities to facilitate building owners’ access to aggregated whole-building utility consumption data. While progress is being made, automated solutions to providing aggregated whole-building utility data for buildings smaller than 4,645 square meters (~50,000 square feet) but as large or larger than 929 square meters (~10,000 square feet) are not yet in place. The Environment, Climate and Forestry Division

recommends providing additional time for utilities to prepare to support the reporting process for this additional volume of buildings.

Change the deadline in 2025 for property owners to request reporting extensions and exemptions to July 2, 2025

The Environment, Climate and Forestry Division is proposing to amend the 2025 deadline for property owners to request an extension and/or exemption under the By-law to July 2, 2025, to align with the report deadline. This is a change from the existing requirement for property owners to request an extension and/or exemption 60 days before the report deadline. The reason the Environment, Climate and Forestry Division is proposing this amendment is because requiring property owners to request a reporting extension and/or exemption 60 days prior to the report deadline can be limiting where good faith efforts to report have been made but have been impacted due to factors outside of the property owner's control (e.g., not receiving anticipated whole-building consumption data from a utility before the report deadline despite requesting early). The Environment, Climate and Forestry Division will further explore the need for a broader update to timelines for requesting extensions and exemptions, but recommend that the 2025 deadline for requesting extensions and exemptions be aligned with the 2025 report deadline.

CONTACT

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SIGNATURE

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