

Proposed Amendments to Municipal Code Chapter 669, Climate Change Goals and Governance

Date: April 23, 2025

To: Infrastructure and Environment Committee

From: Executive Director, Environment, Climate and Forestry Division

Wards: All

SUMMARY

In response to the climate emergency, in 2021 City Council endorsed the TransformTO Net Zero Strategy (NZS) and adopted the target of net zero greenhouse gas (GHG) emissions in Toronto community-wide by 2040. At that time, City Council also adopted the first of four short-term action plans (for 2022-2025) to move Toronto toward the 2040 target.

Toronto Municipal Code Chapter 669, Climate Change Goals and Governance, sections 669-2.3C(1), D(1) and E(1) prescribe that the next short-term plan to reduce community-wide and City corporate GHG emissions over 2026-30 shall be brought forward by June 30, 2025 for consideration by City Council.

Work to date on developing the NZS Action Plan (2026-30) indicates that Building Emissions Performance Standards (BEPS) are a significant action that the City can take to reduce GHG emissions community-wide as buildings represent the single largest source of emissions. Staff have been directed to bring forward a detailed plan for how BEPS will be implemented for City Council consideration (2023.EX7.1, Part 12) in the third quarter of 2025 (2024.IE15.4). The report is currently tracking to the Infrastructure and Environment Committee meeting scheduled for September 24, 2025.

Given the expected importance of BEPS for the NZS Action Plan (2026-30), this report recommends amending Municipal Code Chapter 669 to allow City Council consideration of the NZS Action Plan (2026-30) and BEPS at the same time. The proposed amendments to Municipal Code Chapter 669 would defer Council consideration of the NZS Action Plan (2026-30), and Advance Plans for Corporate emissions from buildings and transportation, from June 2025 to before the end of 2025.

The NZS 2024 Annual Report on implementation progress will proceed as scheduled and be brought forward to Infrastructure and Environment Committee at its June 2025 meeting.

RECOMMENDATIONS

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

1. City Council amend City of Toronto Municipal Code Chapter 669, Climate Change Goals and Governance, as follows:

a. delete § 669-2.3C(1) and replace it with the following, in order to postpone the reporting to no later than the end of 2025:

(1) No later than December 31, 2025, the City Manager, or designate, and the Chief Financial Officer and Treasurer, considering the advice of the Executive Director, Environment and Climate, shall provide to City Council an Advanced Plan for actions to achieve the 2030 greenhouse gas emission reduction targets set out in § 669-2.1B(1) and the greenhouse gas emissions budget for Community emission sources for the period between 2026-2030.

b. delete § 669-2.3D(1) and replace it with the following, in order to postpone the reporting to no later than the end of 2025:

(1) No later than December 31, 2025, the City Manager, or designate, shall bring forward for consideration by City Council an Advanced Plan for actions to achieve the 2026-2030 greenhouse gas emissions budget for Corporate emission sources - Buildings.

c. delete § 669-2.3E(1) and replace it with the following, in order to postpone the reporting to no later than the end of 2025:

(1) No later than December 31, 2025, the City Manager, or designate, shall bring forward for consideration by City Council an Advanced Plan for actions to achieve the 2026-2030 greenhouse gas emissions budget for Corporate emission sources - Transportation.

2. City Council direct that the amendments to the City of Toronto Municipal Code Chapter 669, Climate Change Goals and Governance, described in Part 1 above, come into force on May 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 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 669, Climate Change Goals and Governance, do not represent significant equity impacts.

DECISION HISTORY

On July 3, 2024, Infrastructure and Environment Committee adopted report IE15.4, Building Emissions Performance Standards - Design Principles and Development Plan, which updated the timing of the BEPS detailed report back, indicating that staff would target a report back to City Council in Q3 2025 with a draft proposed BEPS by-law and recommended next steps.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.IE15.4>

On September 6, 2023, City Council adopted report EX7.1, Updated Long-Term Financial Plan, which included direction (Part 12 b) for the Executive Director, Environment and Climate to report in 2024, with a proposed by-law that would require existing buildings in Toronto to meet specific greenhouse gas emissions performance standards.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX7.1>

On May 10-12, 2023, in response to the December 2021 TransformTO Net Zero Strategy Council direction Parts 3, 6, 10 and 12, City Council decided to establish the Toronto Municipal Code Chapter 669, Climate Change Goals and Governance.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.IE3.4>

On December 15, 2021, City Council endorsed the Transform TO Net Zero Strategy and adopted a number of related directions.

<https://secure.toronto.ca/council/agenda-item.do?item=2021.IE26.16>

COMMENTS

In response to the climate emergency, in 2021 City Council endorsed the TransformTO Net Zero Strategy (NZS) and adopted the target of net zero greenhouse gas (GHG) emissions in Toronto community-wide by 2040. At that time, City Council also adopted the first of four short-term action plans (for 2022-2025) to move Toronto toward the 2040 target.

As part of the Net Zero Strategy accountability and management framework, Toronto Municipal Code Chapter 669, Climate Change Goals and Governance, sets out deliverables, responsibilities and timelines for planning and reporting related to the NZS and the City's Carbon Budget.

The City of Toronto is currently implementing the NZS Short-Term Implementation Plan (2022-25). Municipal Code Chapter 669 section 669-2.3C(1) prescribes that the next short-term plan to reduce *community-wide* GHG emissions over 2026-30 shall be provided to City Council by June 30, 2025. Similarly, sections 669-2.3D(1) and 669-2.3E(1) prescribe that Advance Plans to achieve 2026-30 GHG emissions budgets for *Corporate* emission sources from buildings and transportation, respectively, shall be brought forward by June 30, 2025 for consideration by City Council.

Work to date to develop the NZS Action Plan 2026-30 has included extensive public engagement, consultation with the City's Climate Advisory Group, Corporate-wide internal consultation, best practices analysis, and technical GHG and energy modelling. A key finding of this work is that, given the City's authorities and constraints, Building Emissions Performance Standards (BEPS) are a significant action that the City can take to reduce GHG emissions community-wide. The extent to which Toronto can directly make progress toward its NZS GHG-reduction target will be materially affected by decisions on BEPS implementation in Toronto.

Given the expected importance of BEPS for the NZS Action Plan (2026-30), staff recommend amending Municipal Code Chapter 669 to allow City Council consideration of the NZS Action Plan (2026-30) and BEPS at the same time. Staff have been directed to bring forward a detailed plan for how BEPS will be implemented for City Council consideration (2023.EX7.1, Part 12) in the third quarter of 2025 (2024.IE15.4). The report is currently tracking to the Infrastructure and Environment Committee meeting scheduled for September 24, 2025.

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SIGNATURE

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