



## NOTICE OF MOTION

### Reopening of Item IE19.7 – Wastewater Energy Program Implementation

Moved by: Deputy Mayor Malik

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Seconded by: Councillor Fletcher

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#### SUMMARY:

In March 2025, City Council authorized Toronto Water (TW) and Environment, Climate and Forestry (ECF) to negotiate and execute Wastewater Thermal Energy Agreements (WTEA) and other necessary agreements of up to 30 years to enable wastewater energy projects. These projects connect to the City's sewer system for the non-contact exchange of wastewater flows to provide low-carbon heating and cooling solutions for buildings, thereby displacing natural gas use and reducing emissions.

Toronto's first wastewater energy transfer project, currently being commissioned, serves Toronto Western Hospital. Staff are currently negotiating the Wastewater Thermal Energy Agreement (WTEA) for a second project, located at Exhibition Place, which is anticipated to serve 2.5 million square feet and reduce greenhouse gas emissions by ~90,000 tonnes over 30 years. There are several other potential projects under consideration across Toronto.

The current Council authorization defines "agreement execution" as the commencement date and specifies a term of up to 30 years. However, since construction and commissioning – which all occur post-agreement execution – can take months or years to complete, the actual agreement term will be less than 30 years. This is inconsistent with the intent of the Wastewater Energy Program and creates a risk that project lenders will not release construction financing even after the agreements are executed. The WTEA for the project at Exhibition Place is the first project to proceed through the formal Wastewater Energy Program approved by Council, and therefore the first instance where this issue has come up.

Staff are therefore recommending a technical amendment to a previous Council decision to clarify agreement terms, which will enable Wastewater Energy Program implementation, a key action in the TransformTO Net Zero Strategy, which aims to reduce Toronto's greenhouse gas emissions community-wide to net zero by 2040. There is no financial impact associated with this change.

**Requires Re-opening:**

Infrastructure and Environment Committee Item 2025.IE19.7 (March 26 and 27, 2025) only as it pertains to part 1.f.

**RECOMMENDATION:**

1. City Council amend its previous decision on item 2025.IE19.7 by adding the words “commencing on the date that is one business day following delivery of the Notice of Acceptance of Commissioning by the General Manager, Toronto Water to the applicant(s), in accordance with the terms and conditions of the agreement and” after the word “duration” to Part 1.f. so that it now reads:
  - f. the agreements may be for terms up to but not exceeding 30 years in duration commencing on the date that is one business day following delivery of the Notice of Acceptance of Commissioning by the General Manager, Toronto Water to the applicant(s), in accordance with the terms and conditions of the agreement and subject to any limitations under law.

**Date:** December 16, 2025