

## **Chief Executive Officer's Report**

**Date:** July 4, 2025  
**To:** Board of Directors of the Toronto Atmospheric Fund  
**From:** Chief Executive Officer

### **GOVERNANCE MATTERS**

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#### **Board and Committees**

Applications are being accepted until August 4<sup>th</sup> for public member appointments to TAF's Board of Directors via the [Civic Appointments portal](#). Three Board seats will be open. Appointments are expected to be made by City Council before the November 24<sup>th</sup> TAF Board meeting.

After serving two terms, Kim Marshall is not eligible for reappointment, making this her final Board meeting. Please join me in extending our heartfelt thanks to Kim for her outstanding contributions over the past eight years, including her leadership as Treasurer, Chair of the Investment Committee and then the Direct Investment Committee, and as a member of the Audit Committee. She's been involved in the recruitment process for two senior staff – our Finance Director and VP of Impact Investing – and in the development of two Strategic Plans. Kim has also been a steadfast champion for TAF's work and link to many important networks and stakeholders. While her time on the Board is ending, we're looking forward to continuing to draw on her expertise in other ways.

#### **Risk Register**

Geopolitics and associated challenges to the Canadian economy, continue to evolve, sometimes rapidly, with implications for TAF's objectives. In tandem, policies and programming are emerging from the federal and provincial governments that need to be assessed and addressed in the context of TAF's mandate. For instance, the US government looks poised to terminate the EnergyStar program which is the basis for most equipment efficiency programming and regulation in Canada, and EnergyStar Portfolio Manager, the benchmarking software used for regulatory compliance with provincial and municipal benchmarking regulations and Toronto's forthcoming Building Emissions Performance Standard bylaw. TAF and many other organizations are encouraging the government of Canada to put in place appropriate contingency plans to avoid programming gaps and loss of momentum.

As noted below, two Director-level staff have left the organization in June-July, for different reasons. These departures may have some short-term impact on program

delivery, we have mitigated risk through careful transition plans and re-allocation of capacity, and the hiring process is underway to fill these positions.

All TAF staff have completed the cybersecurity training required and offered by the City of Toronto, and implemented related software updates to mitigate email-related risks.

There is no material non-compliance in respect of The Atmospheric Fund's (TAF) legislative, regulatory or contractual obligations of which I am aware.

### **ON/TAF/TO Transfer Payment Agreement (TPA)**

The 2024 annual report was submitted to the Ontario Ministry of Municipal Affairs and Housing outlining TAF's financial performance, programmatic highlights, and compliance with the terms of the TPA. To the best of my knowledge, this confirms that TAF is in compliance with the terms of the TPA.

### **FCM/TAF/TO Funding Agreement (FA)**

As per the requirements of the Funding Agreement, TAF submitted our 2024 Annual Report, including financial and impact information about grants, programs and investments made during the year and the program audit conducted by TAF's Auditor. This information is compiled by FCM, along with the information provided by the other six LC3 centres, into their annual report to the federal government.

## **STAFF AND OPERATIONAL MATTERS**

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We've recently said goodbye to two senior staffers. Ian Klesmer joined TAF in 2013 as Grants Manager and has worn many hats over the years: leading the grants program; supporting governance including stewardship and updating of our endowment and relationship agreements and development and implementation of key policies; and most recently leading TAF's work on accelerating electric vehicle uptake in the GTHA including the successful EV Station Fund and the new EV-Ready MURB program, policy and programs to drive and support electrification of vehicle for hire fleets, and engagement with the EV sector to accelerate EV adoption. Aakash Harpalani joined in 2021 to fill in for a parental leave on the Research & Innovation team and then transitioned to leading the electricity systems focus area where he leveraged his analytical skills within this complex and evolving file and positioned TAF as an influential technical and policy advisor and advocate for clean electrification including successful advocacy for a significant expansion of Ontario's DSM budget, participation in the Integrated Regional Resource Plan (IRRP) for Toronto, and design of the Solar Home program which is nearing public launch. Both Ian and Aakash have been key contributors to TAF's impact and culture, and we are sure our paths will continue to cross. We are currently recruiting for both the Director, Clean Transportation and Director, Clean Electrification roles.

## STRATEGIC PROGRAMS

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### Retrofit Accelerator

TAF's Retrofit Accelerator team attended and sponsored this year's Retrofit Canada Conference (RCC), which was held right here in Toronto. It was a fantastic opportunity for learning and networking, and inspiring to hear TAF's work highlighted and referenced by other speakers in various sessions, including our work prequalifying prefabricated panel suppliers and deep retrofit support we're providing for some incredibly ambitious projects.

TAF is running two parallel prequalification initiatives related to Retrofits. The first is a technical prequalification to identify organizations that can provide [Enhanced Reserve Fund Studies](#) (ERFS) for condominiums and co-ops which can serve as a roster for the building owners to procure service providers from. The ERFS was developed by TAF and is gaining traction in the market as it complements the Reserve Fund study that is already required.

With the goal of helping establish a market for suppliers in the GTHA, we are running a second round of technical [prequalification for prefabricated overcladding](#) panels for retrofits. We prequalified three products last year and are hoping to increase the number significantly. Products that meet our technical requirements will be shared with building owners we work with and the public (through TAF's Retrofit Accelerator website).

### Electrification of Transportation

In March, TAF was awarded \$2.45M for a project to demonstrate the technical and financial viability of comprehensive EV-ready retrofits in multi-family buildings (i.e., where every in-use resident parking space has an energized outlet to support the future installation of Level 2 chargers). This public funding will be matched with a TAF investment approved by the Board on November 21, 2024. The initiative will install 100% EV-ready infrastructure and 490 Level 2 chargers in 11 participating multi-family buildings throughout the GTHA, dependant on the outcome of feasibility studies at each site. TAF has launched an RFP for electrical engineer(s), who will complete the site assessments, feasibility studies, and EV-ready design options, with the anticipated award date of July 31, 2025. There is also a live RFP for a Charging Service Provider, who will provide and operate the EV chargers. Next steps include launching a procurement for electrical contractors and finalizing legal agreements with building owners.

In response to [a request by Toronto City Council from October 2024](#) TAF will lead development of an action plan to accelerate the strategic rollout of public EV charging in Toronto. The plan will leverage the input and commitments of public and private players and will focus on public EV charging that complements the City of Toronto-operated network of chargers on its own properties. Dunskey Energy + Climate Advisors has been

engaged to support development of a strategy and action plan based on consultations with the stakeholders and consideration of relevant business models. \$300K of external funding has been secured to support this project.

## **Accelerating Clean Electrification**

Having ‘soft-launched’ the residential solar and storage program, activity is underway for full launch throughout the GTHA in the fall. For instance, a procurement is in market for a service provider who will undertake the customer-facing support and liaison with installers. An exciting partnership with a local utility is in development which is a key stepping-stone to scaling solar & storage uptake; more on this in a future report.

TAF continues to actively participate in efforts to open new pathways for distributed local generation projects across all market segments. In June, the province passed long-advocated amendments to allow for large electricity consumers to enter into corporate power purchase agreements with off-site non-emitting generation to offset local demand (a form of virtual net metering). In addition, TAF is continuing to engage with the Independent Electricity System Operator (IESO) on its [Local Generation Program](#), set for launch in 2026; this program will seek to secure generation from both existing resources coming off contract and new-build facilities, targeting distribution-connected generation between 100 kW and 10 MW. These pathways continue to evolve the backdrop of the province’s recent [Integrated Energy Plan](#) (and related amendments), which TAF will continue to monitor and engage on into the fall.

## **Climate Policy**

TAF undertook extensive analysis related to Bill 17 along with municipal colleagues and other stakeholders. We engaged with the Government, Opposition MPPs and civil servants to advocate for maintaining municipal ability/authority for Green Development Standards. We developed recommendations for legislative amendments, made two [ERO submissions](#), crafted and secured 762 signatures on a [letter to the Minister](#) summarizing the positions, and provided various media interviews to raise awareness of the implications. Passage of Bill 17 was expedited, skipping committee review, and receiving Royal Assent just three weeks from introduction. We continue to engage with the Government and other stakeholders to explore alternate pathways and approaches for ensuring efficient, resilient, affordable new construction, including via the regulations which have yet to be published.

A multi-team effort is underway to secure a fair and effective Building Emissions Performance Standards (BEPS) by-law in Toronto, including chairing a multi-sectoral steering committee focused on mobilizing stakeholder participation and support, and implementing an [online mobilization campaign](#). TAF staff developed and submitted three memos –on what building types and sizes should be included/excluded, on the performance metrics, and on credits and offsets -- to City staff, incorporating recommendations on technical elements of the bylaw and jurisdictional best practices. We’re also providing recommendations via advisory committee meetings, technical working group meetings, and stakeholder town halls. Co-chaired with Clean Air

Partnership, TAF led the first Community of Practice workshop to share best practices and encourage other municipalities in the GTHA toward developing BEPS.

## **Research & Innovation**

Data gathering for the 2024 GTHA Carbon Emissions Inventory is largely complete, and analysis is underway; the inventory is published in November. TAF's expertise and knowledge is increasingly being shared with and leveraged by partners and stakeholders; for instance: TAF provided recommendations to SSG on estimating aviation emissions and direction on which electricity emissions factors to use when making forecasts, and Dunsky Energy + Climate, Pembina Institute, and Canadian Association of Physicians for the Environment (CAPE) have started to use TAF's air pollution savings and health benefits calculator to evaluate the impacts of electrifying the transportation sector; and guidelines and insights on inventory development have been shared with TAME, Environment and Climate Change Canada and KPMB Architects.

TAF attended several conferences including the Embodied Greenhouse Gas Symposium, the Toronto Neighbourhood Climate Vulnerability symposium, and the Canada Green Building Council's Building Lasting Change.

The carbon reduction potential of 16 expressions of interest and six grant applications was evaluated during the second grants round. This included an updated protocol for evaluating proposals that are not directly quantifiable but rather are "pathway supporting" and methodology for evaluation the probability of success. Carbon impact assessment of two investment opportunities were also undertaken. The health impacts of medium-and heavy-duty vehicles and the benefits of electrification have been quantified to inform policy advocacy.

## **Campaigns & Communications**

TAF published thought-leadership blogs on [appliance efficiency standards in Canada](#), advocacy on [increasing adoption of rooftop solar in Ontario](#), lessons from Quebec on promoting [EV readiness in existing buildings](#), [an interview with Toronto Hydro](#) on how the utility is preparing for Building Emissions Performance Standards, and [two statements](#) on Bill 17.

Media coverage over the past couple of months has centered on Ontario's Bill 17 and green standards, including multiple interviews in the [Toronto Star](#) and Canada's [National Observer](#), the Energy Mix on [impacts to city-led climate policies](#), the Village Report on [impacts to green roofs and flood and extreme heat mitigation](#), a widely circulated Canadian Press article on [the City's position on green standards in Bill 17](#), and The Pointer on [how green standards make cities more liveable](#) and [impacts to bird-safe building design](#). TAF was also interviewed by The Pointer about the green workforce benefits of [clean energy](#).

This year, TAF also made a strategic decision to sponsor of the 2025 Retrofit Canada Conference held in Toronto June 9-10. This event is squarely in TAF's priority focus and has been attracting significant participation since its launch three years ago, and this year was a record with over XXX. We used the opportunity to make TAF more widely known to technology and services providers, building owners and retrofit funders in the GTHA, and to drive thought leadership in this emerging sector. TAF staff was well represented and profiled: Kaitlin Carroll facilitated a panel on Building a Better Retrofits Workforce which identified the benefits of engaging and supporting workers who are facing barriers to employment in the construction industry; I facilitated a Roundtable on Building Emissions Performance Standards; Fatima Crerar was a member of the event's Advisory Group and co-host of the conference; several team members participated in a luncheon for NRCan's Retrofit Accelerator Network; and TAF and Pembina co-hosted a very well-received post-conference reception.

## **Impact Investing**

Since the last report, 32 potential investment opportunities were reviewed and declined due to lack of fit with TAF's investment thesis or misaligned investment timelines. There are a dozen active leads in the pipeline of potential investment opportunities; one with an affordable housing focus was introduced to the Direct Investment Committee at the June meeting where it was endorsed for further due diligence. Negotiations are underway to close the direct investment approved by the Board in April, and the team is also supporting an investment partner in the buyout of four of TAF's energy saving retrofit projects.

At the request of both the Investment Committee and Direct Investment Committee, work has been underway to provide a performance measurement for each of our direct investments over their full term to date. Based on our calculations, the investment maturity, and the investment structure, each direct investment was also allocated to a risk category. Presented in June, the Direct Investment Committee was satisfied with the status of the portfolio, having identified our direct investments as 36% in lower risk; 16% in moderate risk; and 48% in higher risk. It was recognized that the risk profile of investments will change over time, especially as TAF's mandate is to demonstrate and de-risk investible low-carbon opportunities; for instance, many of the investments currently categorized as lower risk were considered higher risk when originally approved, but have performed as or better than planned. Reporting of this nature as updates become available and our direct investments evolve.

Implementation of the Investment Committee's re-balancing guidance, including preferential redemption and re-balancing across TAF's four public equity funds, is substantially complete and moves into an ongoing monitoring mode. Throughout the remainder of the year attention will be given to substantiating the impact assessment of our public equities with the intention to compare and determine if additional Fund Managers or a change to our Fund Managers is appropriate.

## **Grants, including summary of completed Grants**

The Grants and Programs Committee's recommendations from the second grants intake of 2025 are included in Item TA 11.8. Expressions of Interest for the third intake are due August 15, 2025.

A summary of two recently completed grants is provided below.

### **Athena Sustainable Materials Institute – Embodied Carbon Pathfinder Tool for the GTHA**

*\$80,000 over 12 months, approved November 2022*

The objective of this project was to upgrade the web-based Embodied Carbon Pathfinder tool and enable embodied carbon assessments in new construction and renovation projects in the Greater Toronto and Hamilton Area (GTHA). The [Embodied Carbon Pathfinder](#) is a free web app that helps designers measure and reduce embodied carbon in new construction and renovation projects for archetype buildings across the region. It can be used to determine if early design choices are likely to meet the requirements of the Toronto Green Standard or other Green Development Standards. The web app was first launched in March 2022 with only one region (Metro Vancouver) and only three building types. This project supported the tool's expansion to the GTHA and five more building types.

Funds were used to upgrade the tool, develop tool support systems, prepare tool documentation, and launch communication and training plans. Specific tool upgrades included new GTHA-specific content including additional archetypes for the GTHA context developed by examining market data and real building designs in consultation with advisors and stakeholders; updated building material life cycle environmental data, also in consultation with advisors and stakeholders; and parametric life cycle assessment on the archetypes for embodied carbon results. The upgraded tool was launched in Fall 2024 and had over 2,000 unique visits in the first four months. The grantee also received funds from the Peter Gilgan Foundation to support this work.

### **Buildings Ontario Transformation Hub (BOTH) – Pathways to Compliance**

*\$189,000 over 36 months, approved November 2023*

*\$165,427 of this grant was rescinded.*

The project's original objective was to convene the Ontario Stakeholder Council and promote collaboration between municipalities and building sector stakeholders for improving the uptake of green development standards and compliance with building decarbonization processes in Ontario. A few activities took place through 2024 including two meetings of the Ontario Stakeholder Council, but in parallel the grantee was struggling to secure operational funding to support staff salaries. TAF staff connected the grantee to other funders, but these discussions did not prove fruitful. BOTH's staff lead left the organization in late 2024 to take on paid employment elsewhere and forwarded a formal request to rescind the grant in early 2025.

## **CONTACT**

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## **SIGNATURE**

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Julia Langer  
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