

Chief Executive Officer's Report

Date: January 30, 2026
To: Board of Directors of the Toronto Atmospheric Fund
From: Chief Executive Officer

GOVERNANCE MATTERS

Risk Register

The current social/political/economic environment, including slipping corporate and public sector commitment to climate action, is affecting various aspects of TAF's work, which is neither unique or surprising, and challenging to mitigate. In this context our approach is to focus on practical strategies and activities and redoubling our multi-solving practices to achieve near-, mid- and longer-term emission reduction objectives.

Earlier stage companies are facing longer times to raise financing, fewer investors and constrained exit strategies as money flows away from climate/cleantech to AI and significant market uncertainty is causing investors to sit on the side-lines. This has placed some stress on three of our Direct Investments which staff are actively managing including supporting fundraising assessing strategies and ensuring cash management, however the risk profile has not changed or been downgraded.

Steps need to be taken to maintain the functionality of TAF's premises at Union Station, with particular attention to availability of meeting rooms and internet stability, especially given the requirement for City staff to be in in the office 3-4 days/week.

There is no material non-compliance in respect of The Atmospheric Fund's (TAF) legislative, regulatory or contractual obligations of which I am aware. To the best of my knowledge, this confirms that TAF is in compliance with the terms of the Ontario TPA.

STAFF AND OPERATIONAL MATTERS

Staffing and Recruitment

Sohail Amini has joined the Impact Investing team as Impact Investing Analyst, bringing strong analytical and financial skills to support due diligence, portfolio monitoring, and market research.

Recruitment is nearly complete for a Project Manager who will support the launch and implementation of TAF's Home Solar program and the electrification focus area overall,

and two Analysts for the Retrofit Accelerator team - one to fill a vacancy and one new role to meet growing project volume.

Teams are preparing applications for Interns with roles scoped to support priorities aligned with the 2026 Annual Plan.

Use of AI

As the AI wave accelerates, TAF is continuing to undertake a cautious, responsible, organization-wide approach to using generative AI tools and apps in our work. Data governance practices have been updated including confidentiality and security measures, setting appropriate access controls, and ensuring partner data sharing agreements meet TAF's standards. In the organization's current Microsoft 365 environment, a small group is piloting the upgraded Copilot to assess how and if it can improve efficiency and support staff. Staff continue to share their experience and trials to support transparency and team learning.

STRATEGIC PROGRAMS

Advancing Clean Transportation

Implementation of TAF's EV-Ready Pilot, an initiative to install 100 per cent EV-ready electrical infrastructure and approximately 500 Level 2 chargers in multiunit residential buildings across the GTHA, is progressing. The project is supported by a \$2.45M award from Natural Resources Canada and a Direct Investment approved by the Board. The terms of agreement with the building owners have been finalized, a service provider that will supply and operate the chargers has been secured, a procurement for the electrical contractor is in process, and a Request for Supplier Qualifications has been issued, and evaluations are currently underway to develop a short list of qualified contractors capable of delivering the EV-ready installations at scale. While there have been some delays in executing agreements with participating buildings—largely due to negotiations with apartment owners and condominium boards—we are optimistic about having at least one in place this quarter.

Development of a Public Charging Action Plan to accelerate the strategic rollout of EV charging infrastructure on nonmunicipal lands in the City of Toronto is underway. Working with Dunskey Energy + Climate Advisors, the project team has completed initial research and expert interviews and is now moving into a more active engagement phase with key stakeholders. By early spring, TAF will convene partners to identify needs, opportunities, and pain points, and to explore implementation pathways. The team is also coordinating closely with City staff to ensure alignment and complementarity with the City's concurrent planning for public charging on City owned assets.

With leadership from TAF's new Director of Clean Transportation, a strategic evolution of our transportation decarbonization work is being explored. While continuing to support electrification, a more holistic, systemwide view of mobility is being taken with emphasis on reducing vehicle kilometres travelled (VKT) across the region which is needed to address the continued increase of emissions from this sector. This reframing opens new opportunities for impact through grants, investments, advocacy, and programs related to mode shift, transit performance, goods movement, and land use, bridging to TAF's efforts on net zero new construction. Internal research and prioritization exercise to assess the relative decarbonization potential of different transportation strategies is being undertaken with the Research and Innovation team. In parallel, TAF has refreshed and strengthened its policy focused relationships, including productive engagement with provincial staff at the Ministry of Transportation, positioning the organization to play a more strategic role in shaping transportation outcomes across the GTHA.

Accelerating Clean Electrification

TAF's Home Solar Accelerator will launch in Q1 2026. The program will provide homeowners with unbiased information about the feasibility and business case for rooftop solar and battery storage, support them to secure installers and approvals, and advise on available financing. The aim is to accelerate the installation of new solar and storage systems and improve the ecosystem (i.e. reducing costs and barriers) for all stakeholders. TAF is coordinating closely with the City of Toronto and Toronto Hydro, and developing similar collaborations with other municipalities, local distribution companies and community groups to promote this 'concierge' service throughout the GTHA.

TAF is advocating for clean energy and the uptake of distributed energy resources at all levels of government. Once the results of the IESO's LT2 procurement are released TAF will re-engage municipalities to reinforce the benefits of distributed energy resources, address concerns including safety, and encourage municipal support, leveraging the decision-support tool developed and disseminated in collaboration with the Association of Municipalities of Ontario. TAF is also monitoring the development of the Local Generation Program, which will extend the contracts of existing renewable energy facilities, albeit at lower tariff rates, and contract new renewable generation facilities of up to 10 MW.

Climate Policy

At the request of the House of Commons Standing Committee on Environment and Sustainable Development TAF addressed health benefits the Electric Vehicle Availability Standard which our analysis indicates over \$90 billion in health system savings for Canadians calculated using Health Canada's Benefits-Per-Tonne metric. TAF continues to advocate widely for 'un-pausing' regulation and has proposed including the health benefits as a factor in any [update](#).

TAF also appeared at the hearing on Ontario's Bill 40 and its changes to the IESO and OEB Acts and presented recommendations to ensure economic growth, consumer protection, and recommended changes to the province's hydrogen market development to expand its use beyond electricity to better use cases. Although there were no hearings on Bill 60 which focused on development changes, TAF submitted comments and recommendations via the Environmental Registry of Ontario that highlighted the importance of local planning requirements that support affordability and energy efficiency.

Research & Innovation

TAF's [2024 Carbon Emissions Inventory](#) was published in November which documents another year of rising emissions. As per our news release: "Climate action is economic action. Every retrofit, every electric vehicle, every clean energy investment creates jobs, drives innovation, lowers energy bills, and builds resilience. Recent climate policy and funding rollbacks are concerning, revealing that our leaders aren't getting the message—smart policies and investments deliver returns across affordability, housing, and mobility—and reduce carbon." Interest from practitioners, policy-makers and media was strong including a well-attended webinar (120 participants), record media mentions regionally and nationally across digital, print, and TV formats (including [The Canadian Press](#), [Toronto Star](#), [CTV News](#), [Canada's National Observer](#), [BNN Bloomberg](#), [Quebec Nouvelles](#), [Financial Post](#), [Weather Network](#) and [The Hamilton Spectator](#)), generating more than 80 syndicated news mentions, and briefings to municipal staff throughout the GTHA.

Technical research was completed to identify barriers and opportunities for building out EV charging in grid constrained areas, a methodology for estimating the total behind-the-meter generation across the GTHA is in development, and the carbon reduction of one potential direct investment was quantified.

To support future grant applicants, TAF has created a Carbon Quantification Guide that outlines how we evaluate the carbon reduction potential of grant ideas, and indicates the information applicants should provide to help TAF undertake these assessments.

Retrofit Accelerator

TAF completed a second prequalification of prefabricated panels for retrofit projects which received stronger-than-expected response.

- Non-combustible Panel by Quantum Passivehaus
- Wood-framed Panel by Quantum Passivehaus
- Primewall by Primeline Windows and Doors
- SEED Panels by Toketree Passive Homes
- SpeedWall by Flynn Group of Companies
- ENNVELOP by Ennova Facades
- UnitiWall High Performance Wall System by UnitiWall

Primewall has been selected for a panelized retrofit of a WoodGreen supportive housing building at 444 Logan that is currently under construction. The rosters are being used as a reference for a deep retrofit of TCHC's Scarlettwood complex which TAF helped originate and is being funded by the City's Carbon Budget and NRCan.

The Scarlettwood retrofit is using an innovative Integrated Project Delivery (IPD) model which aims to better align risk and incentives for construction projects while developing a project team culture of collaboration and transparency. TAF is a party to the multi-party CCDC-30 contract. We are advocating for more building owners to use collaborative contracting models like IPD as they can improve outcomes and reduce costs for complex retrofit projects.

Campaigns & Communications

The TAF-led Campaign Steering Committee collaborated with a wide range of stakeholders to ensure that Building Emissions Performance Standards (BEPS) for existing buildings remains a key element of the TransformTO Net-zero Action Plan, Toronto's climate plan. TAF's policy analysis and mobilization of influential stakeholders helped secure direction for City staff to continue consultation and development of the by-law and establish supports for buildings who need help with compliance, and direction for TAF to work with City colleagues to have all the pieces in place for a successful BEPS in Q1 2027.

TAF has participated in various public fora focused on BEPSs, including a panel discussion at the annual Building Decarbonization Forum which discussed how this kind of policy is progressing in Vancouver, Montreal, and Toronto.

Since the last Board report, TAF has published several thought-leadership pieces, including blogs on [Ontario municipalities leading on solar](#), [commentary on the federal budget](#), [insights](#) and [recommendations](#) from the Carbon Emissions Inventory, calls-to-action in support of [Green Development Standards](#) and [Building Emissions Performance Standards](#), and a [statement](#) congratulating the City of Toronto on its new Climate Action Plan.

TAF experts were interviewed by CBC News on [Green Development Standards](#) and [Building Emissions Performance Standards](#), as well as [Canada's National Observer](#) and the [Toronto Star](#).

Impact Investing

In keeping with best practice of undertaking an asset class review at least every five years, this will be undertaken with the Investment Committee and support of TAF's our investment advisor as the last review was in 2021.

Since the last report, 18 potential investment opportunities have been reviewed and declined due to lack of fit with TAF's investment thesis or misaligned investment timelines. There are 22 active leads in our investment pipeline and at least one, an

innovative structure to deliver affordable housing, is in due diligence and on track to be formally presented at the April Direct Investment Committee meeting. We have renegotiated the terms of our revolving finance facility for a long-term partner, Efficiency Capital, which has reinvigorated our direct investment in energy efficiency projects. Under the Direct Investment Committee's delegated authority, one retrofit project was approved and fully disbursed in December, two additional projects were approved in January, and two new leads introduced in January are now undergoing due diligence.

To fill two vacancies on the Direct Investment Committee (DC), we published a call for expressions of interest late last year and have shortlisted four candidates. A structured selection process, including review by DC members, will be undertaken with the intention of recommending appointments by the Board at the April meeting.

Grants, including summary of completed Grants

A summary of recently completed grants is provided below.

Ontario Geothermal Association

Geothermal Drilling and Aquifer Protection Guideline

\$26,050 over 10 months, approved November 2020

The objective of this project was to provide municipalities with up-to-date information on leading practices for protecting aquifers while enabling the use of geothermal to advance decarbonization goals. The Geothermal Drilling and Aquifer Protection Guide was released in 2024 and provides a primer on geothermal systems with the aim of supporting municipal decision making and regulations related to geothermal drilling restrictions. It discusses the challenges and obstacles to large-scale adoption of geothermal systems across the province including financial, technical and regulatory requirements. The guide also provides a set of regulation recommendations that can be adopted by municipalities who do not currently have geothermal regulations in place. OGA has committed to review the Guide on an annual basis to ensure that it provides the most up to date information and continues to address the issues that municipal aquifer protection staff raise with their climate colleagues.

CONTACT

Julia Langer, Chief Executive Officer, jlanger@taf.ca

SIGNATURE

Julia Langer
Chief Executive Officer