# REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

# Direct Investment Request 2026.D

**Date:** April 14, 2025
**To:** Board of Directors of the Toronto Atmospheric Fund
**From:** Vice President, Impact Investing

## REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report contains commercial and financial information supplied in confidence to the Toronto Atmospheric Fund which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

## SUMMARY

The Direct Investment Committee recommends that the Board of Directors approve TAF’s consent to administrative and structural amendments to an existing subordinated debt facility previously approved for a for-profit, energy efficiency-focused infrastructure as a service company. The proposed changes are intended to align the facility with TAF’s current lending structure and security framework following earlier Board-approved restructuring of related financing arrangements. The request does not involve new capital, changes to approved limits, or amendments to pricing or economic terms.

Details of the proposed amendments are contained in Confidential Attachment 1.

## RECOMMENDATIONS

The Vice President, Impact Investing recommends that the Board of Directors of the Toronto Atmospheric Fund:

1. Adopt the Confidential Instructions to Staff in Confidential Attachment 1, authorizing TAF’s consent to the assignment and associated amendments to an existing subordinated debt facility.
2. Direct that the confidential information contained in Confidential Attachment 1 remain confidential in its entirety, as it contains commercial and financial information, supplied in confidence to the Toronto Atmospheric Fund, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

## FINANCIAL IMPACT

There is no financial impact to the City of Toronto resulting from the adoption of the recommendations in this report.

## DECISION HISTORY

On April 29, 2025, the Board approved restructuring of related financing arrangements to address tax inefficiency and market alignment considerations. Subsequent implementation of that decision resulted in the realignment of TAF's warehouse lending facilities (https://secure.toronto.ca/council/agenda-item.do?item=2025.TA10.6).

In September 2014, the TAF Board approved the establishment of retrofit financing facilities to support energy efficiency projects delivered by the company. (https://secure.toronto.ca/council/agenda-item.do?item=2014.TA20.5).

## COMMENTS

This report relates to an existing, Board-approved investment program supporting energy efficiency retrofits. The proposed actions are administrative in nature and intended to better align TAF's subordinated debt facility with its current lending and security arrangements, following previous Board decisions. Details of the amendment, including the structure of the amendments and related legal considerations, are described in Confidential Attachment 1.

## CONTACT

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## SIGNATURE

Kristian Knibutat
VP Impact Investing

## ATTACHMENTS

Confidential Attachment 1 – Direct Investment Request 2026.D