# REPORT FOR INFORMATION

# Chief Executive Officer's Report

**Date:** April 14, 2026
**To:** Board of Directors of the Toronto Atmospheric Fund
**From:** Chief Executive Officer

## GOVERNANCE MATTERS

### Board and Committees

We extend our thanks to Tamar Heisler and Erika Lontoc who concluded two full terms on the Grants and Programs Committee during which they provided expert insights and reviewed many grant applications.

Bernie Li and Kelly Marshall stepped down from the Direct Investment Committee, leaving big shoes to fill given their expertise and connections in the impact investing space.

Appointment recommendations to both the Grants and Programs Committee and Direct Investment Committee are included in Item TA 14.5.

### Risk Register

The well-publicized slowdown of housing construction is creating challenges for TAF direct investing practice including for several investees with building-related products and services and for new investment opportunities. Some pivots and patience will be needed to support companies and mobilize capital as investors preserve cash. And we also need to be innovative and opportunistic, for instance with leaders in the high-performance and prefabricated construction, particularly affordable housing, EV charging, and retrofit spaces.

Market volatility is a very real risk given geopolitical realities. We have shaped a defensive portfolio and will continue to tap into the best possible analysis and advice from our staff, volunteers (Board and Committee) and trusted stakeholders. Nevertheless, it is unclear how much we can actually mitigate impact on our endowments, which may require some tough decisions regarding our operations and sources of revenue.

Several changes have been made to TAF's Grants program to address challenges and risks; these are presented in Item TA 14.14. Implementation and outcomes will be monitored to ensure that the intended mitigations are being achieved.

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**
TAF continued to build internal capacity for program delivery and organizational priorities. Jessica Obodoechi joined as Program Manager, Home Solar Accelerator, where she'll support the launch and implementation including program coordination, delivery planning and functions, and partner engagement.

The Retrofit Accelerator team welcomed two new Analysts -- Benedictus Haryanto and Naqiya Jamaly – who will help improve retrofit project delivery and outcomes through hands-on technical assistance, project coordination, and analysis of building performance data.

Five summer interns across multiple teams have been recruited; as usual, there was strong interest with over 850 applications received. TAF's internship program is designed to support learning, professional development, and exposure to applied climate work, helping build capacity in the sector.

Recruitment is also underway for a Climate Policy Analyst maternity leave replacement, and for a new Manager position at the intersection of the Impact Investing, Retrofit Accelerator and Net-Zero New Construction focused on identifying, developing, and advancing underused and innovative financing approaches for both existing buildings and new construction.

## STRATEGIC PROGRAMS

**Advancing Clean Transportation**
Implementation of TAF's EV-Ready Pilot, an initiative to install EV-ready electrical infrastructure at 100 percent of parking stalls and approximately 500 Level 2 chargers in 10-12 multiunit residential buildings across the GTHA is progressing albeit more slowly than anticipated. The project is supported by a $2.45M award from Natural Resources Canada and a Direct Investment approved by the Board.

All vendors have now been procured, including a short list of qualified electrical contractors capable of delivering the EV-ready installations at scale. However financial and policy headwinds facing the real estate sector have resulted challenges securing participants, and as set out in Item # refinements to the financing model are being explored to increase the attractiveness of the offer while managing TAF risk.

Now named Future Charge Toronto, an action plan to accelerate the rollout of publicly accessible EV charging infrastructure on non-municipal lands in the City of Toronto is in development. The project team, with support from Dunsky Energy + Climate Advisors, has completed technical research, interviews with key experts, and focus groups with commercial and institutional stakeholders. An executive-level steering committee has been formed that will shape the plan. 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.

The strategic evolution of TAF's transportation work continues, with an internal planning exercise underway to take a more holistic, systemwide view of mobility emphasizing management of vehicle kilometres travelled (VKT) region-wide. This planning exercise, leveraging quantification of VKT levers by the Research & Innovation team, complements TAF's ongoing leadership in the EV sector, while recognizing the importance of mode shift towards public transit and active transportation, as well as the decarbonization of the freight and e-commerce sector.

**Accelerating Clean Electrification**

Home Solar Accelerator was launched on April 7. It's a free concierge service to support homeowners interested in adopting rooftop solar systems (paired with storage where it makes sense) and foster the conditions for home solar and storage to flourish in the GTHA. Please visit the website and resource hub at SolarAccelerator.ca. Shareable promotional content is available for channel partners to circulate via print, social media, and newsletters – we encourage you to share! TAF continues to build collaborative relationships to promote the Home Solar Accelerator with utilities (including Toronto Hydro), municipalities and regions (including the City of Toronto) and community groups. Engagement with these organizations will continue through information sharing and problem solving to streamline and enable the home solar and storage ecosystem, including improvements to regulation and interconnection approvals, zoning requirements, financing and funding options, commercial terms and conditions, and public perception. Opportunities to support affordable housing providers through the program infrastructure are being explored.

Because local distribution companies are now able to deliver programs that advance efficiency and adoption of distributed energy resources programs (DERs), TAF is encouraging GTHA utilities to maximize their access to available eDSM Stream 2 funding. The Electrification Advantage report, which outlines the many benefits of electrification and current goals and initiatives, was developed collaboratively by Toronto Hydro, Toronto's Environment, Climate and Forestry Division and TAF and adopted this month by the Infrastructure and Environment Committee and Council along with recommendations to accelerate the pace and scale of distributed energy resources and advocate for enabling provincial policies and programs.

**Climate Policy**
Comments and recommendations have or will be submitted in the first quarter of 2026 including in response to the revised tailpipe emission regulations which is replacing the sales targets; to the open call for Federal and Provincial Pre-Budget Submissions; and regarding Ontario Bill 98 and four related Environmental Registry of Ontario postings.

Toronto Planning will soon table proposed zoning changes which TAF advocated for and Council directed action on to streamline and enable adoption of low carbon technologies. A second set of 'red tape reduction' recommendations is being formulated based on input TAF has gathered from industry and other stakeholders. The Policy team is also engaging with other municipalities in the GTHA and with the Province of Ontario regarding barriers and frictions. For example, our request for review and update internal operating practices that unintentionally impair deployment of EV charging stations along the 401 has been undertaken and has resulted in closer working relationships with MTO on mutual objectives, and similar engagement is being pursued with Ministry of Energy and Mines.

**Research & Innovation**
In response to requests for follow-up after the release of TAF's Carbon Emissions Inventory, briefings were held with climate and sustainable development staff of ten GTHA municipalities: Oshawa, Whitby, Halton Hills, Milton, Oakville, Brampton, Caledon, Mississauga, East Gwillimbury and Hamilton. The emission trends, action opportunities and policy recommendations specific to each jurisdiction were discussed, and gives TAF a better understanding how we can support municipal priorities.

A record 33 Expressions of Interest were evaluated for carbon reduction potential in the first Grants intake; nine were recommended to proceed to the application stage. The R&I team also quantified the carbon reduction potential of an investment opportunity and updated our health benefit assessment after the new federal tailpipe emissions regulation. The recently-developed Carbon Quantification Guide is receiving good feedback from grant applicants and other organizations are now using it within their own programs to build capacity and understanding around carbon quantification.

**Retrofit Accelerator**
TAF has published rosters of services providers that we have prequalified to support our retrofit initiatives including engineering firms specializing in feasibility and decarbonization studies, suppliers of prefabricated overcladding panels, and measurement and verification service providers. These were developed primarily to help streamline retrofit projects supported through Retrofit Accelerator and have now been put on TAF's website as a public resource for owner and contractors looking to decarbonize multi-unit buildings.

TAF facilitated the installation of a cold-climate heat pump for a makeup air unit at the French Quarter Shared Facilities (FQSF) condominiums. Although this hybrid system will continue to use gas during the few coldest days of the year, the heat pump will provide most of the heating and is expected to reduce gas consumption for the condos by 15%. TAF previously installation of Mitsubishi's Climaveneta air-to-water heat pump system at FQSF. We have partnered with the Toronto and Region Conservation Authority's Sustainable Technologies Evaluations Program (TRCA STEP) team to provide detailed monitoring, analysis, and optimization support on both projects.

The Retrofit Accelerator team is finalizing a new program focused on commissioning of existing buildings which is intended to help the poorest-performing buildings in the city improve operation of key building systems in advance of a Building Emissions Performance Standards (BEPS). Our goal is to achieve substantial reductions in energy use and carbon emissions from these buildings through operational efficiencies.

**Campaigns & Communications**

The TAF-led multi-stakeholder Steering Committee continues its work to share resources and perspectives on advancing a by-law establishing Building Emissions Performance Standards, which has been deferred to Q1 2027. TAF convened a panel discussion at the Toronto Community Benefits Network Green Building Symposium, profiling Canada's opportunity to leverage industrialized construction to meet housing, economic, and employment goals, creating strategic connections with industry groups, and inspiring job-seekers to consider a green construction career path.

Since my last report, TAF has published several thought leadership pieces, including blogs on the National Model Building code, urban transportation policy priorities, Ontario's economic development opportunities in green construction, why we're supporting scaling residential solar and storage, available financing for retrofits, and media statements in response to the federal automotive strategy and Ontario's Bill 98.

TAF experts were interviewed and our reports cited by CBC News on transit ridership, Canadian Architect on Canada's model code, the Energy Mix on the federal auto strategy, and stories on Bill 98 from the Energy Mix and Canadian Press.

**Impact Investing**

Since the last report, nine potential Direct Investment opportunities have been reviewed and declined due to lack of fit with TAF's investment thesis or misaligned investment timelines. There are currently 10 leads in the investment pipeline and 10 more under consideration or waiting on progress updates from the proponents. The team is also dedicating significant attention to four Direct Investments which are assessed as having increased risk resulting from significant changes in the macro environment.

As presented in Item TA14.12, due diligence on an affordable net zero housing investment was completed and has been recommended by the Direct Investment Committee; if approved this would bring TAF's committed capital in direct investments to more than $15 million and approximately 15% of TAF's net asset value, which is half-way to our 30% target allocation for this asset class.

Last year we renegotiated the terms for one of two revolving finance facilities with a long-term partner which reinvigorated our opportunity for investment in energy efficiency retrofit projects: three new projects have been approved, with one already fully deployed and repaid. As proposed in Item TA 14.11, renegotiation of the second finance facility will support growth and scale.

An asset class review process has been started by the Investment Committee which will leverage the members' knowledge and insights, with support from TAF's investment advisor. A progress report will be presented at the May Investment Committee meeting, and recommendations will be brought to the Board in Q4.

**Grants, including summary of completed Grants**

Updates to the Grants Program are provided in a separate report to the Board (TA 14.14).

There have been no grants completed since the last report.

## CONTACT

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## SIGNATURE

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