



MEDIA RELEASE

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New financing company set to invest \$100M in energy efficiency

Leverages innovative approach created and tested by Toronto Atmospheric Fund

Toronto: Efficiency Capital Corporation, a new, for-profit social enterprise dedicated to financing energy efficiency retrofits of large buildings, has been launched by [Toronto Atmospheric Fund](#) (TAF). The company allows building owners to undertake energy retrofits without taking on debt, and then guarantees the energy savings through a specialized insurance product.

TAF developed the approach, called the Energy Savings Performance Agreement (ESPA™), to overcome barriers faced by this market. TAF demonstrated the viability and value of the ESPA™ via retrofits of Harbourfront Centre, the YMCA of Greater Toronto, and social housing buildings in Toronto. The organization then exclusively licensed the innovative financing tool to a new, third-party company, Efficiency Capital, so that the ESPA™ could be offered more broadly.

TAF, a non-profit endowment, is mandated to develop urban solutions to address greenhouse gas (GHG) emissions and air pollution through grant-making, impact investments and community collaboration. Having incubated the company, TAF will invest up to \$2 million of its own funds as subordinated debt, which Efficiency Capital will deploy in ESPA™ transactions. Investment returns support TAF's operations.

Buildings are the largest source of GHG emissions in Toronto (50 percent) – outstripping even transportation-related emissions. Multi-measure retrofits – efficient heating and cooling equipment, motors, lighting and water fixtures, insulation, and ongoing monitoring – can reduce energy and water use by at least 30 percent in most buildings. Building owners make little to no capital outlay and, during the ESPA™ contract term, repay Efficiency Capital a percentage of the utility savings and keep the balance.

“Reducing energy waste is profitable and is the biggest, fastest opportunity to tackle climate change in cities,” says Julia Langer, TAF's CEO. “Efficiency Capital is launching at the perfect time as governments, citizens and businesses get serious about creating a low-carbon economy.”

Efficiency Capital aims to invest at least \$100 million over the next few years. “It's rare that you get an opportunity to actually make money and make the world a better place all at the same time,” says Efficiency Capital's President Mike Vinokur. “To win the use of TAF's ESPA™ we had to promise that, notwithstanding being a for-profit organization, we will also advance the GHG-reduction mandate. They were very clear: it's not one or the other, it's both.”

Further information about TAF's development of the ESPA™ and incubation of Efficiency Capital Corporation can be found by [clicking here](#).

Quick facts:

- Energy retrofits in large buildings represent a \$1B market in the Toronto region and a \$10B opportunity Canada-wide.
- Large buildings (office towers, condos, apartments, institutions, etc.) produce approximately 50 percent of Toronto's GHG emissions.
- The City of Toronto has committed to reducing greenhouse gas emissions 30 percent by 2020, and 80 percent by 2050, compared to 1990. To date, emissions have been reduced by 22 percent.
- TAF has been operating since 1991 and is the world's first dedicated municipal climate agency.

Please visit taf.ca for more information about Toronto Atmospheric Fund.

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