

# TAF Strategic Directions 2019-2022

Approved by TAF Board of Directors – 22 February 2019

## 1. Focus on the “Next Coal Phase Outs”

Buildings and transportation are the largest emissions sources in the GTHA, at 44% and 33% respectively. TransformTO 2050 scenario modelling and the Greater Toronto and Hamilton Area Greenhouse Gas Emissions Inventory point to retrofitting existing buildings, transitioning to near-zero emissions in new construction, and electrification of transportation as the highest-impact opportunities for carbon reduction. These measures also have potential to improve air quality and create local employment. In response, TAF will focus the majority of its effort and resources – integrating its grants, investment and finance, advocacy and social innovation tools – to:

- Significantly reduce the carbon intensity of large buildings, especially multi-unit residential buildings. **2030 VISION:** Average GHG Intensity of large buildings in GTHA is 35% lower than current level.<sup>1</sup>
- Transition new construction to near-zero carbon emissions. **2030 VISION:** new large buildings in the GTHA are required by law to be near zero emissions.<sup>2</sup>
- Accelerate the electrification of transportation. **2030 VISION:** 40% new passenger vehicles sold in the GTHA will be electric.<sup>3</sup>

## 2. Positioning Proven Solutions for Scale

Guided by TAF’s Theory of Change, TAF will move away from our traditional positioning as an incubator and demonstrator of new solutions and instead move into the “commercialization” zone to pave the way for large-scale deployment of proven low-carbon solutions. These solutions may be technologies, services, financial products, approaches, and often integrated combinations of all of these. TAF will focus on removing obstacles, establishing policies and advancing other enabling factors that drive market demand for low-carbon buildings and electric transportation. TAF will find, support, work with and learn from others who have demonstrated excellence in scaling up and mainstreaming adoption of solutions.

**2030 VISION:** There is public and political support as well as the necessary institutional readiness and market acceptance that will allow high-impact climate solutions and actions to scale to their full carbon emissions reduction potential by 2050.

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<sup>1</sup> Based on Toronto’s 2016 inventory, ~35% additional reduction in GHG Intensity is required in order for the buildings sector to reduce emissions to 65% below 1990 levels by 2030 (Toronto’s 2030 target).

<sup>2</sup> Toronto’s Zero Emissions Building Framework targets near zero emissions in new construction by 2030 under the Toronto Green Standard, and this target is also included in the TransformTO climate plan. Variations of the near zero by 2030 target have been adopted around the world, including by Vancouver, Seattle, and in Canada’s Pan-Canadian Framework on Clean Growth and Climate Change.

<sup>3</sup> This target is aggressive but achievable with strong policy support. For reference, the federal government’s goal is 30% by 2030, but since the market share in GTHA is much higher than for Canada as a whole, a higher target for GTHA is warranted.

### 3. Build Strong Partnerships to Advance Climate Action

To broaden the relevance of climate issues, TAF will deepen our understanding of and better communicate the co-benefits of high-impact urban climate solutions. TAF will co-develop and promote solutions that address community priorities, thereby building trust beyond our current spheres of influence, giving priority attention to job creation. TAF will seek to mobilize private sector leadership to collaborate in developing strong public policy and market mechanisms to help accelerate best solutions to scale. To build our own and others' capacity to partner with excellence, TAF will model best practices in collaboration and partnership brokering, especially across diverse sectors.

**2030 VISION:** The public at large expects leaders to advance urban climate actions, not just because of environmental concerns but for the multiple benefits climate solutions can create to address community priorities.

### 4. Pave the Way for Increased Investment in Low-Carbon Solutions

Building on two decades of demonstrating and de-risking, TAF's own impact investment will be designed, directed and used to create investible opportunities and market conditions for large-scale investment in reducing the carbon-intensity of buildings and electrifying transportation. Recognizing TAF has limited capital, investment will increasingly be undertaken with co-investors who have expertise and focus on market adoption and commercialization, and where TAF can influence how others invest to amplify scope and impact. Similarly, TAF will work with key partners to identify and break down market barriers and create policies that create market pull/favourable market dynamics for capital to flow into low-carbon solutions.

**2030 VISION:** Deep retrofits, near zero carbon new construction, and electrification of transportation in the GTHA is attracting an incremental \$15-20 billion<sup>4</sup> from public and private sector investors needed to achieve net financial savings and other benefits.

### 5. Advance Public Policy to Accelerate Adoption of Climate Solutions

TAF will continue to advocate for public policies that support high-impact climate actions, recognizing that policy is one of the most effective methods to scale up proven climate change solutions. We will selectively advance key policy opportunities that have the capacity to accelerate energy efficiency and reduce carbon intensity in buildings and/or electrification of transportation. TAF will provide decision-makers and champions with tools and resources to help make the case for evidence-based climate policy, programs, and projects, and to avoid policies that "lock-in" carbon emissions and/or miss out on opportunities to generate significant community benefits. To do so, we will strengthen policy design and amplify public interest and benefits to decision-makers through collaborative approaches and multi-sectoral partnerships.

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<sup>4</sup> Includes cumulative, incremental (above BAU) investments of \$9B for retrofit investments required to reduce carbon intensity of building stock by 35% by 2030, \$4.3B for net zero new construction ramping up to all new buildings by 2030, \$2B for transition to 40% of new purchases being electric vehicles, and \$2B for the EV charging infrastructure required to serve that volume.

**2030 VISION:** Ontario Building Code requires near zero emissions in new construction and includes retrofit requirements for existing buildings. The Clean Fuel Standard and a Zero-Emissions Vehicle mandate are driving adoption of EVs and investment in EV charging.

## 6. Think and Act Regionally and Region-wide

Using systems thinking and a co-benefits lens, TAF will develop new opportunities that enhance overall GHG reduction impacts throughout the region and advance them through a flexible networking approach. TAF will build its own and others' capacity in the areas of program design, management, evaluation, and inclusivity to achieve excellence and improve outcomes in programming across the region. In particular we will capture and share inspiring success stories and instructive failures from across the region, and will also leverage the City of Toronto's TransformTO approach as a guiding principle in our regional work.

**2030 VISION:** Dedicated, effective, diverse collaborators from across the GTHA are advancing initiatives that are scaling up actions to improve energy efficiency of buildings and/or electrify transportation throughout the region.

## TAF's Expected Outcomes by 2022

**Based on the strategic directions developed here, and in service of our 2030 VISION Statements, by December 31, 2022, TAF will have:**

- Worked with others to leverage \$300M in new financing resources being used to fund 200 MURB retrofits in the GTHA averaging 30% reductions.<sup>5</sup>
- Supported at least one city and/or the Province of Ontario to adopt a code or performance standard creating a de facto mandate for significant retrofits of existing buildings.
- Monitored provincial Energy and Water Reporting and Benchmarking data as well as GTHA wide emissions to ensure that we are on track to reach 2030 targets (for example, a 4% average annual reduction in carbon intensity of building stock and an average 5% annual GTHA reduction trend) and leveraged monitoring results to influence region-wide action.
- Worked with key stakeholders to ensure that the urgent need for utility reform is on the public agenda and is working with others to call on the Province of Ontario to expedite utility reform that supports low-carbon actions.
- Worked with diverse collaborators who are poised to launch a public-facing community benefits campaign focused on job creation or other high-value local benefit associated with building retrofits or electrification of transportation.
- Established two partnerships with recognized, credible non-environmental players to co-design and advance key climate strategies while driving public health, equity, local economic development and/or resilience.
- Built awareness among key decision-makers about the potential job creation opportunities associated with building retrofits and has supported the preparation of a workforce development strategy to ensure that there is ready capacity to undertake retrofits at scale.

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<sup>5</sup> Retrofitting the entire MURB stock by 2050 requires quickly scaling up major retrofits to over 100 buildings a year, although it is recognized it will take several years to ramp up to this level of activity. Initiating 200 over the next four years is consistent with such a gradual ramp up. Based on TAF experience and research, the retrofit cost for a typical building to achieve 30% reductions is about \$1.5M, requiring approximately \$300M in total investment across 200 buildings.