



Activating Speed and Scale

2020 Business Plan

January 2020



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Opening Context

2020 marks the start of a new decade. TAF is about to be 30 years old. That's 30 years of hard-won successes and hard lessons learned on delivering real, effective climate action. While no one can predict what the next 30 years will ultimately bring, we know what we need to achieve. We have lots of insight, experience and partnerships to work from. And now, a new nation-wide network to draw upon.

We are a foundational partner in the Low Carbon Cities Canada initiative (LC3), which will add \$40 million to our endowment (a doubling of contributions from the City of Toronto and the Province of Ontario), and creates a network of seven LC3 centres including TAF and a national office to accelerate urban climate solutions.

2019 also saw the adoption of *carbon neutrality by 2050* objectives at the Pan-Canadian level and the declarations of climate emergencies globally and locally. However, TAF's most recent carbon emissions inventory for the Greater Toronto and Hamilton Area (GTHA) shows our carbon emissions have not budged. Gains made in the recent past are effectively lost to growth and the near-term outlook for emissions from producing energy would set us back significantly.

Despite the scale of the challenge, we have reasons for hope:

- Public awareness of the climate crisis and expectations for action are at an all-time high and voters of all stripes expect all major parties to act on climate change
- A surge of new talent to seasoned professionals are clamouring to bring their expertise to fighting climate change
- Employees and customers are setting clear expectations of brands and companies
- The economics of low-carbon technologies are only getting better, and coupled with divestments from fossil fuels, continue to increase market interest and drive uptake
- The 'internet of things', or interconnectedness of devices, is transforming buildings, transport, communities, and how we manage the flow of energy, goods, and services
- The social and health benefits of climate action are widely recognized
- More and more GTHA municipalities are taking climate action, creating a vital foundation of public support and a knowledge base that can be rapidly scaled through the region

The challenge does not get easier to face, but the fact that we enter 2020 with more capital, tools, knowledge, and allies makes this TAF's year to activate speed and scale.

2020 Focus Areas

There is so much to do; what should we do **now?**

We are nimble and entrepreneurial and must stay that way, but we must also move faster with a stronger agenda and get even more done.

In [our 2019-2022 Strategic Directions](#) we identify de-carbonizing existing and new buildings, and securing electrification of transportation as two critical actions. It's not a surprising focus, since 77% of GTHA's emissions are from these two sectors.

Based on a review of key opportunities upcoming in the near term, as well as critical barriers that stand in the way today, in 2020 we aim specifically to:

Secure and pass effective policies for decarbonizing new and existing buildings

2020 brings significant public funding and policy movement at all three levels of government for accelerating building improvements. The federal government has announced an estimated \$1 billion in funding for buildings, expected to flow this year. We will work to ensure this money is spent the right way: in a way that advances stronger energy performance standards for existing buildings and 'near zero' requirements for new construction, and builds the capacity of the industry and regulators to ensure compliance.

Launch the region's first 'retrofit delivery centre'

A foremost barrier to undertaking energy efficiency retrofits is the labour, time, technical expertise and detail intensive nature of these projects. Managing this scope and achieving anticipated performance levels is too intensive for most building managers to take on today. The idea for a 'retrofit delivery centre' leverages our experience from TowerWise into a single-point, centralized service that delivers the required administrative, financial, technical, project management and evaluative support to enable retrofits in buildings at scale across the GTHA.

Secure and pass effective policies for decarbonizing transport

Fuels standards, efficiency standards, ZEV mandates, as well development standards that accelerate installation of EV charging, create purchase incentives and reduce other barriers, must advance. These are large, multi-sector and cross-sector opportunities that will require strategic, committed, and sustained effort to be well-designed and adopted rapidly to deliver required carbon reductions.

Advancing EV charging infrastructure

Charging access coupled with range anxiety continue to be among the top-most barriers to market adoption of EVs in public and private fleets, in Ontario and the GTHA. In 2020, we will put additional attention to understanding and accelerating the pathways to funding, installing and operating EV charging infrastructure in the region.

How We Work

TAF has four specific tools it brings to market to advance carbon reductions in the GTHA:

- **Programs** that demonstrate the feasibility of low-carbon solutions
- Evidence-based **policy solutions** that accelerate and sustain carbon reductions
- **Innovative financing and impact investing** to invest as well as attract capital to low-carbon technologies and projects
- **Grants and capacity building** for municipalities, charities and non-profit organizations to spark and sustain climate action across the GTHA

These tools are enabled by:

- **Communications** to reach and engage our key audiences , and **outreach** to ensure TAF continues to be at all the right tables, sharing our expertise and supporting our partners
- **Accountability and transparency** in our management and operations, to ensure a strong and effective working infrastructure for staff, and good governance of TAF's endowment
- **Quantification and evaluation** to forecast and measure carbon reductions, as well as evaluate social, health, and environmental benefits, and guide our resources accordingly

TAF Team

Julia Langer, CEO

Fatima Crerar, VP, Strategy and Partnerships

Ian Klesmer, Director of Strategy and Grants

Mary Pickering, VP, Strategy and Partnerships (on special assignment)

Bryan Purcell, VP, Policy and Programs

Tim Stoate, VP, Impact Investing

Katrina Brain, Communications Coordinator

Keith Burrows, Low Carbon Buildings Manager

Devon Calder, TowerWise Coordinator

Kaitlin Carroll, Energy & IEQ Research Coordinator

Iryna Halubkova, Manager, Impact Investing

Tracy Haynes, Manager, Investor Partnerships

Jaime Klein, Operations Lead

Julie Leach, Communications Manager (on leave, returning February 2020)

Ryan O'Connor, Grants Manager

Mina Rizkalla, Building Energy & Environmental Researcher

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Maryam Shekarrizfard, Carbon & Co-Benefits Quantification Manager (on leave, returning February 2020)

Juan Sotes, Carbon & Co-Benefits Quantification Manager

Estelle Taylor, Communications Manager (covering for Julie Leach)

Chris Vincent, Accountant

Evan Wiseman, Climate Policy Manager

Diana Yoon, Regional Outreach Lead

Hamza Zaheer, Building Energy & Environmental Researcher

Board

Chair: Parminder Sandhu, Chair

Vice-Chair: Mike Layton, Councillor, City of Toronto, Vice-chair

Treasurer: Kimberly Marshall, Treasurer

Secretary: Jennifer McKelvie, Councillor, City of Toronto

Laurel Atkinson, Program Director, Northern at the W. Garfield Weston Foundation

Karim Bardeesy, Co-Founder, Ryerson Leadership Lab, Distinguished Visiting Professor, and Special Adviser to the President, Ryerson University

Antoine Belaieff, Director, Regional Planning at Metrolinx

Shelley Carroll, Councillor, City of Toronto

Andrew Dooner, Partner at Strategy&, part of the PwC Network

Jacoline Loewen, Director at UBS Bank (Canada) Wealth Management

Deepak Ramachandran, Investor, Entrepreneur, and Advisor

Audit Committee

Jacoline Loewen (Chair)

Kimberly Marshall

Deepak Ramachandran Investor, Entrepreneur, and Advisor

Grants and Programs Committee

Antoine Belaieff (Chair), Director, Regional Planning at Metrolinx

Laurel Atkinson, Program Director, Northern at the W. Garfield Weston Foundation

Nicola Crawhall, Principal at Westbrook Public Affairs

Corey Diamond, Executive Director at Efficiency Canada

Andrew Dooner, Partner at Strategy&, part of the PwC Network

Tamar Heisler, Director, Government and Industry Relations at Alectra Utilities

Mike Layton, Councillor, City of Toronto

Erika Lontoc, DSM Partnerships Manager at Enbridge

Ryan Ness, Canadian Climate and Clean Growth Institute

Sandra Odendahl, President & CEO at CMC Research Institutes

Investment Committee

Kimberly Marshall (Chair)

Shelley Carroll, Councillor, City of Toronto

Bill Crossland, President and CEO at Thermal Energy International Inc.

Robert Eberschlag, Partner at WeirFoulds LLP

Hyewon Kong, Associate Portfolio Manager at AGF Investments Inc.

Jason Kotler, Entrepreneur

Michael LeClair, Founder and CEO at GML Legacy Corp.

Jacoline Loewen, Director at UBS Bank (Canada) Wealth Management

Graham McBride, Independent Investor and Strategist

Rob A. Roberti, Chief Financial Officer at Cordelio Finance Inc.

Stephen Simpson, Partner at InstarAGF

Terry Vaughan, Principal and Senior Consultant at Prime Quadrant

Objectives for 2020

1 Programs Demonstrating Low-Carbon Solutions

TAF is focused on testing and demonstrating the technical and economic feasibility of low-carbon solutions, including evaluating social, economic and environmental benefits, and leveraging the knowledge to inform smart policy design and other pathways to enable scale-up.

This year will see us continue to deepen our retrofit work to deliver more projects and serve more partners, as well as initiate new program design work to advance EV charging infrastructure in the GTHA.

TowerWise: Undertake deep retrofits and demonstrate the benefit

- 1.1 Complete construction and commissioning for first TowerWise deep retrofit site
- 1.2 Complete design work and measurement and verification plans for three new deep retrofit sites
- 1.3 Share case studies, outcomes and learnings from our deep retrofit work to advance policy-maker knowledge and industry buy-in
- 1.4 Identify 3-5 viable innovative energy efficiency products for consideration as TAF investment opportunities and/or implementation via TowerWise

Incubate a model to deliver retrofits at scale

- 1.5 Develop a business model and theory of change for the 'retrofit delivery centre' starting with supporting retrofits at scale in the multi-unit residential buildings sector
- 1.6 Establish basic operations, processes, and relationships to rapidly evaluate feasibility
- 1.7 Initiate a first cohort of retrofits under the new model, with a target of 1,500 suites and \$30 million in investment

Accelerate EV charging to support electrification of transportation

- 1.8 Develop a region-wide strategy for accelerating and improving EV charging, identifying TAF's role including grant-making, investing/financing, policy solutions, and programming. Staff and resource new activities in 2020

2 Policy Development and Advocacy

Smart, strong policy is one of the most effective tools to accelerate and sustain the level of change required to achieve carbon neutrality by 2050. At TAF we advance low-carbon policy and regulatory frameworks through the active convening and engagement of critical stakeholders, as well as carbon emissions evaluation, technical review and providing expert input in consultations and on committees.

This year we shift our policy approach towards advocacy, maintaining our solutions focus, yet proactively intervening in processes and consultations to achieve the scale and pace of climate policy action required.

Advance ‘near zero’ new construction through building codes and municipal green standards

- 2.1 Support a municipality to develop a green development standard with mandatory energy/carbon performance requirements, and in a way that serves as a model for similar municipalities in the region
- 2.2 Collaborate with stakeholders to ensure a strong 2020 National Building Code and support for harmonization and enhanced compliance in Ontario

Advocate for enhanced and strategic funding for climate action

- 2.3 Intervene through both proactive and reactive opportunities to ensure that federal and provincial governments deliver on key climate commitments, including funding for home retrofit loans, commercial building retrofits, new ‘near zero’ homes, electric vehicle (EV) charging infrastructure, electric buses, and the Ontario Carbon Trust
- 2.4 Strengthen targets and funding for natural gas and electricity conservation through the post-2020 conservation frameworks and related proceedings through ongoing consultations with the Ontario Energy Board and Independent Electricity System Operator
- 2.5 Continue to support utility regulatory reform by engaging with progressive utility stakeholders in delivering promising strategic climate action and demonstrating distributed energy resources

Strengthen minimum energy performance standards for key equipment

- 2.6 Collaborate with stakeholders to advocate for window standards that comply with the energy and carbon requirements of National Resources Canada’s market transformation roadmap, and support next generation space and water heating equipment in line with the roadmap

Accelerate electrification of transportation through key policy interventions

- 2.7 Work with key stakeholders to ensure Canada’s Clean Fuel Standard for the transportation sector effectively accelerates investment and adoption of clean energy sources
- 2.8 Engage key partners to raise and sustain stakeholder demand for a national zero emissions vehicle mandate
- 2.9 Ensure the City of Toronto resources and implements the recommendations of the Toronto EV Strategy adopted by Council in January 2020
- 2.10 Identify at least one municipality to support in developing an EV Strategy
- 2.11 Ensure Canada’s vehicle standards are aligned with California’s and other climate-focused U.S. states

Advance the adoption of regulatory requirements for retrofits of existing buildings

- 2.12 Support the City of Toronto's working group in developing and adopting an effective retrofit policy strategy for existing buildings, which can serve as a model for other cities
- 2.13 Identify at least one additional municipality that can champion a similar policy

Accelerate fuel switching in the buildings sector through strategic policy interventions

- 2.14 Work with stakeholders to provide recommendations to ECCC in support of a strong federal Clean Fuel Standard regulation for gaseous fuels, including a building electrification compliance pathway
- 2.15 Promote expansion of the renewable natural gas (RNG) sector by engaging with industry and investment partners to advocate for the Provincial government to reduce regulatory obstacles and red tape that deters investment in RNG

3 Impact Investing and Finance Innovation

TAF is a recognized leader in impact investing and innovative financing tools to support low-carbon solutions. The team has grown to achieve a larger mandate for investment opportunities, including the deployment of the LC3 federal endowment and the attraction of greater co-investment capital.

With this bigger team and mandate, the coming year will see more new deal development, as well as a focus on designing and demonstrating tools financing tools required to fund major low-carbon projects like financing retrofits and electrifying transportation.

Invest \$4 million in 3-5 new prudent and high-impact opportunities, in keeping with SIOP and asset mix guidance

- 3.1 Continue to build awareness among potential investees and co-investors of TAF's impact investing 'strike zone' and value proposition
- 3.2 Host a "technology exchange" event that attracts at least five new strike zone-aligned investment opportunities and five new pertinent co-investors
- 3.3 Mobilize additional capital investment through syndicated co-investment at a 1:3 ratio, striving for at least \$16 million.
- 3.4 Finalize a co-developed, standardized process with Efficiency Capital Corporation to reduce burden and improve efficiency, in support of increasing the volume of ESPAs financed
- 3.5 Standardize and implement new processes to drive efficiency and improve tracking:
 - Direct investing functional capacity including account management (transaction origination, screening, and due diligence)
 - Investment syndication (co-investor origination, relationship management, and reporting);
 - Governance with the Investment Committee, Direct Investment Sub-committee, and Board

Help scale up low-carbon investment

- 3.6 Coordinate the development of a 50-project pipeline and the submission of at least 10 high-quality proposals and applications to Federal and Provincial governments, in support of climate action across the GTHA
- 3.7 Scope, profile, and mobilize additional investment in renewable natural gas by:
 - Assessing the investible opportunity over the next 10 years
 - Developing a standardized framework for third-party or partnership financing of municipal projects and initiating at least one of these projects with TAF investment
- 3.8 Propose options for mobilizing the LC3 network's capital for high-impact direct investments including activities such as shared or third-party direct investment functions, tools and templates; co-investment opportunities; and business models

Develop innovative tools that address barriers to financing low carbon solutions, specifically:

- 3.9 A funding approach related to tax structured products which provides flexibility and value for for-profit potential clients and co-investors and apply it to at least one transaction
- 3.10 To finance and operate the 'retrofit delivery centre'; including how we coordinate multiple sources of capital and structure offerings
- 3.11 A performance contract approach for decarbonizing transportation and initiate at least one transaction

4 Grants and Capacity Building

Providing grants and capacity-building to charities, non-profits and municipalities in the GTHA is key pathway through which TAF enables on-the-ground, local climate action.

This coming year we will return to hosting three rounds of granting, as well as put our attention to how we increase the capacity of our grant-making function to support and fund more strong applicants and projects.

Build capacity to bolster climate action

- 4.1 Initiate two new service offerings through the Social Innovation Skills Fund to enhance the capacity of GTHA practitioners to deliver high-impact climate projects

Improve grant-making processes to support even more climate action work across the region

- 4.2 Develop and implement new policies and procedures to more effectively meet the needs of our grantees; increase the efficiency of administering of TAF's grants program for TAF staff; the Granting Committee and Board; and improve the quality and outcomes of TAF's grants and internal programs

Cultivate high-impact grants

- 4.3 Support a strong portfolio of climate action initiatives across the GTHA, including:
- At least two grant applications in each of TAF's focus areas
 - At least one grant application in each of the GTHA's regional and single-tier municipalities
 - At least three new grant applications led by non-environmental climate allies

5 Communications and Regional Outreach

Core to achieving our mandate is the active and strategic communications of our knowledge, insights, services, expertise and results. Doing this well enables TAF to advance and inform strong, evidence-based climate policy, shape and influence industry behaviour, attract new funding partners, and advance local community climate action.

This year we will continue to integrate communications and outreach capacities directly into the day-to-day activities of our core functional areas, and also strengthen the organization's collective ability to deliver influential, impactful communications.

Expertly deliver the communications and regional outreach aspects of TAF's 2020 plan

- 5.1 Improve the use of a communications briefing process to create more effective, audience-oriented materials
- 5.2 Market TAF's key messages and materials through digital and social channels, traditional media, TAF-hosted events, external meetings and webinars
- 5.3 Support TAF's policy, granting, investment and programs objectives by identifying events, policy processes, collaborations, and other strategic opportunities across the region
- 5.4 Support the development of proposals and reporting to external funders, making clear our value proposition, and ensuring strong funder recognition and acknowledgement on key communications materials
- 5.5 Enhance TAF's relationships with finance audiences – specifically potential co-investors – through a concerted marketing campaign and through hosting a “technology exchange”
- 5.6 Publicly celebrate the receipt of the \$40 million LC3 endowment by announcing the first LC3 project

Support a scaling organization with improved internal communications

- 5.7 Support a great TAF culture by sending out a monthly staff update that improves staff understanding of TAF's work and recognizes individual contributions
- 5.8 Deepen staff awareness of local, dinner table issues, local politics and stakeholders influencing local climate action the GTHA
- 5.9 Compile a comprehensive list of stakeholders throughout the GTHA needed to help the entire team identify and seize new opportunities to advance our strategic objectives across the region

Support climate action and TAF's influence by increasing audience engagement with our work

- LinkedIn engagement rate: 6% (maintaining strong second-half of 2019)
- LinkedIn average post impression: 550 (maintaining strong second-half of 2019)
- Twitter engagement rate: 1.65% (steady with 2019)
- Twitter average post impression: 1,500 (steady with 2019)
- Twitter 'sweet spot' posts: 4 a month (steady with 2019) (sweet spot = 1,250 impressions, 1.67% engagement rate)
- Web visitors: 4,200 a month (5% growth from 2019)
- Page views: 12,000 a month (10% growth from 2019)
- Growth of “key audiences” on LinkedIn: 20% from 2019
- Growth of e-news audience: Double subscriber numbers outside Toronto

6 Finance, Operations and Governance

TAF's back-end support team is vital to keeping the wheels on the TAF bus turning – while we rapidly evolve into a high-speed electric train.

This year we will continue to strengthen internal support services, with a particular focus on meeting requirements for the LC3 monies and improving how we work together, to be even stronger and more effective.

Maintain TAF's high standard of accountability to our Board, Funders, Committees and Council

- 6.1 Deliver timely, effective reporting on City and provincial endowments, including audited financial statements and impact analysis. Extend this standard of accountability to TAF's forthcoming federal endowment and implement new procedures as required to meet the federal funding requirements with excellence
- 6.2 Finalize TAF-City of Toronto-FCM LC3 funding agreement and the process for reporting on use of these funds
- 6.3 Update TAF's core governance documents in coordination with the City, specifically the Relationship Framework, TAF Act, and bylaws to ensure compliance with provincial and federal funding agreements

Support a scaling organization with stronger internal processes

- 6.4 Complete research into models for scaling adoption of climate solutions, identify opportunities for adopting the insights, and incorporate into TAF's activities and operations
- 6.5 Develop and implement new policies and procedures to help TAF run smoothly, including:
 - HR improvements
 - Project management and accounting support
 - An annual operations calendar of major organizational activities
- 6.6 Ensure staff resources stay focused on highest value work and yet can respond quickly to emerging opportunities, with a business plan tracking process and strong individual work plans
- 6.7 Implement new systems and tools to support the management of TAF's growing number of relationships, financial functions and direct investment processes
- 6.8 Support a vibrant, resilient and inclusive TAF team through staff-wide implicit bias training, the adoption of Equal by 30 Commitments, and a new HR recruitment policy that reflects principles of equity, diversity, and inclusion
- 6.9 Organize a steady beat of staff social events and collective learning opportunities throughout the year

7 Quantification and Evaluation

Guiding all our work – from policy analysis to investments, granting to program design – is the evaluation of carbon reductions potential as well as other social and environmental benefits. Building up this practice at TAF has been immensely valuable in our ability to direct our focus and support our partners across the GTHA in the highest impact climate work.

The coming year will see us continue to improve the inputs, methodologies, and assumptions we need to ensure practitioners across the region and the LC3 network can measure and evaluate their progress towards carbon-neutrality goals and a just transition.

Continue to improve quantification protocols and analytical tools to more accurately track and estimate carbon emissions and other benefits, supporting decision-makers and practitioners throughout the GTHA and LC3 Network

- 7.1 Update, improve and republish our [Electricity Emissions Factors and Guidelines](#) and TAF's [Carbon Emissions Quantification Methodology](#)
- 7.2 Investigate fugitive methane emissions from fossil natural gas extraction, transmission, and distribution, and determine how this should be accounted for in carbon emissions quantification
- 7.3 Research emerging protocols for quantifying Scope 3 emissions in the GTHA and improve TAF's capability to evaluate projects and policies that target these sources
- 7.4 Develop and publish a guideline for calculating and interpreting the various types of cost-per-tonne metric
- 7.5 Incubate a community of practice to improve access to and quality of data and methods for eliminating errors, to reduce duplication of effort (and associated time and cost), and to explore methods for measuring co-benefits of climate action, by collaborating with municipal partners and other stakeholders
 - At least one staff person from each GTHA region participate
 - All regions are aware of what kind of quantification-related assistance TAF can provide

Develop the 2020 GTHA GHG Inventory, tracking progress toward carbon neutrality in 2050

- 7.6 Build anticipation about the release of the inventory and develop a strategic distribution plan to get it into the hands of key stakeholders
- 7.7 Include useful and actionable municipal-level insights to guide local attention and resources

Provide insightful, strategic and fit-for-purpose program evaluation and project-level analysis of impact

- 7.8 Continue to improve TAF's key performance indicators and collaborate with LC3 to develop a harmonized approach, including carbon emissions reductions and financial capital mobilization, as well as a metric to evaluate scaling solutions
- 7.9 Provide developmental evaluation support to guide the incubation of the 'retrofit delivery centre'
- 7.10 Undertake carbon emission estimation of all potential and key completed grants, direct investments, programs, and policies, using credible, purpose-built models and assumptions to streamline the process and provide useful information

Closing Thoughts

Every year that we as a society fail to sufficiently achieve carbon reductions, the effort needed to win the fight against climate change gets bigger. As such, TAF's 2020 plan aims to make tangible progress against the areas of highest carbon reduction value – not necessarily the easiest.

This year's plan also puts significant focus 'below the surface' into TAF's day-to-day operations and processes, in order to better support staff and partners, guide our work, and increase our output. Without this internal focus, it's possible TAF could continue working from our decades of expertise, but not see a demonstrable change in our results.

Furthermore, this is also a time when we expect the barriers and opposition to climate action to be the most entrenched. Change requires more effort and risk-taking than sticking with what is familiar. The subtle but vital shifts in our policy approach, the rapid prototyping and theory of change for scaling retrofits, and the application of new thinking to how we scale low-carbon solutions adoption in the GTHA will underpin how we change at TAF, to achieve what is possibly TAF's biggest year yet.

