

briefing note



Date: November 19, 2012

To: Toronto City Councillors

From: Franz Hartmann, Executive Director

Re: Ex. 24. 2 Repurposing of the Sustainable Energy Funds and New Funding Model for City Energy Projects

Recommendations:

- 1. Adopt recommendation 1 of the September 24th staff report**
- 2. Request staff to report to the Budget Committee on the impact on Toronto Hydro electricity infrastructure –especially in the downtown core- that may result from eliminating city involvement in energy reduction initiatives that target the MASH sector and the non-profit sector, including any additional costs to Toronto Hydro and how these may impact Toronto Hydro rates and/or capacity to upgrade other aging infrastructure in other parts of the city.**

Background:

We support having energy retrofit projects for city agencies and divisions financed through the capital budget process. However, we do not support eliminating a highly successful revolving loan to fund another very important environmental initiative, dealing with the Emerald Ash Borer (EAB).

As Appendix 2 of the supplementary report makes clear, the Sustainable Energy Revolving Loan funds have had a huge positive impact on the city: every dollar loaned has leveraged \$10 in private sector investment in energy conservation (almost \$1 billion). Another staff report from last year (see note 1 on the back) notes the Revolving Loan Funds has been directly responsible for over 7,100 person, in years of work and significant reduction in greenhouse gas emissions and energy use. As well, Appendix 1 of the supplementary report notes, the Sustainable Energy Fund stakeholders have made it clear the fund is vital for future energy retrofits.

But the real reason we need these revolving loan funds is that we need to reduce power demand as quickly as possible. A recent city-commissioned report (see note 2) says that by 2040, the number of days where the humidex is 40C and higher will be 5 times greater than today; the number of days the temperature will be 24C or higher will be 6 times greater; and the number of heat waves will go from an average of once every two years to 5 times a year. This means an increasingly huge strain on our electricity grid, especially in the downtown core, as people increasingly rely on air conditioning.

Our second recommendation asks that the Budget Committee consider the costs to the city (specifically Toronto Hydro) of eliminating a highly successful energy conservation initiative in light of increasing demand on old electricity infrastructure.

For further information, please contact: Franz Hartmann at 416-596-0660 or at franz@torontoenvironment.org

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Note 1:

“The estimated impacts of the loan programs are as follows:

- The overall investments for the Sustainable Energy Funds amount to \$160 million (Sustainable Energy Funds and Private Sector) and 7,100 person years of employment were created.
- The overall investments for the Better Buildings Partnership Loan Repayment Reserve Fund (Better Buildings Partnership Loan Repayment Reserve Fund and Private Sector) amount to \$180 million and 8,000 person years of employment were created.
- The total estimated reduction of carbon dioxide emissions for the Sustainable Energy Funds is 2,584 tonnes.
- The total estimated reduction of carbon dioxide emissions for the Better Buildings Partnership Loan Repayment Reserve Fund is 337,627 tonnes.”

City Budget 2012: Capital Budget Analyst Notes, Sustainable Energy Plan, pp. 16-17.

Note 2:

“Table 2 summarizes the changes expected to occur between the period 2000-2009 and the period 2040-2049. Key projections include:

- Though the number of storms that occur in winter decrease, the number of storms that occur in summer remains the same – but the maximum amount of rainfall expected in any single day and in any single hour more than doubles.
- The number of days when the humidex exceeds 40C is expected to increase fourfold.
- The number of degree days >24C (a degree-day occurs when the temperature is higher than 24C for 24 hours) - which is typically used as the measure of air conditioning being required - increases six-fold.
- The number of "heat waves" (i.e., events with more than 3 consecutive days of temperatures greater than 32C) is expected to increase from an average of 0.57 occurrences per year, as in the period 1971-2000, to 5 occurrences per year in the period 2040-2050.”

PE.17.3 Toronto's Future Climate: Study Outcome, TORONTO'S FUTURE WEATHER & CLIMATE DRIVER STUDY: OUTCOMES REPORT Summary of the SENES Consultants Ltd Study by Toronto Environment Office, October 30, 2012

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