

# How might the City of Toronto incentivize retrofitting to meet its net-zero goals?

Emmeline Caplan, Ruofan Lin,  
Annelisa Sherry



# UNDERSTANDING THE PROBLEM



## Policy Problem



Toronto faces escalating climate, fiscal, & security risks from extreme weather.

## Why It Matters



Costs could reach \$4.1B annually by 2030 without adaptation; impacts fall hardest on vulnerable communities.

## City Response Gap



Despite TransformTO & retrofit programs, progress is insufficient to meet 2030 & 2040 net-zero targets.

# BARRIERS TO CHANGE



## Infrastructure

- Insufficient incorporation of renewables
- Ageing, inefficient building stock
- Electrification gaps

## Regulatory Environment

- Voluntary building efficiency standards that are under incorporated into TransformTO
- No provincial regulation on low-carbon buildings

## Limited Stakeholder Cohesion

- Developer uptake of low-carbon practices is  $\approx 10\%$ .
- Legal threats over a by-law mandating green standards in new constructions

## Fiscal

- \$145 billion costs over 25 years
- City facing \$29.5 billion unfunded capital budget.
- Existing financial incentives are “weak”



## POLICY OPTIONS



### ENERGY RETROFIT LOANS



**Cost:** Loans of up to \$125,000

**Relevant stakeholders:**

Building owners (commercial, residential, hospitals, schools, hospitality).

- Offer more loans under this program, which provides low-interest, long-term financing buildings to invest in retrofitting measures (e.g., heat pumps).



### EXPANDING ECO-ROOF GRANTS



**Cost:** \$5/m<sup>2</sup> – \$10/m<sup>2</sup>, up to \$100,000

**Relevant stakeholders:** Building owners (commercial, residential), Toronto School Board, not-for-profit organizations.

- Increase grants and supports for green roof and cool roof installations.
- Since 2009, the Eco-Roof Incentive Program has supported over 600 projects to divert stormwater, reduce energy consumption, and lower GHG emissions.



## POLICY OPTIONS – CONTINUED



### GREEN WILL INITIATIVE



**Cost:** \$5M (NRCan), \$650K (TransformTO)

**Relevant stakeholders:** Toronto Building Owners, environmental experts

- Harness the coalition of building owners in Toronto under the Green Will Initiative who are committed to emissions reductions.
- By enhancing proactive communication through targeted advertising and tax incentives, target increased participation in retrofitting initiatives, beginning with GWI members.



### TORONTO HYDRO PARTNERSHIP



**Cost:** Funded by Toronto Hydro

**Relevant stakeholders:** Toronto Hydro, City of Toronto

- A partnership between the City of Toronto and Toronto Hydro to support widespread diversification and deployment of renewable energy and storage systems.
- Toronto Hydro's 2024 Climate Action Plan aligns with the City's Net Zero Strategy and highlights retrofit programs for energy efficient buildings.

# IMPLEMENTATION

## Renewable Generation and Transmission

- Double existing infrastructure by 2035. (33% 2029, 66% 2032)

## Multilateral Oversight

- Annual progress reports that identify gaps + barriers
- Led by the City, Toronto Hydro, and a rotating stakeholder

## Targeted Generation and Retrofitting Campaigns

- Retrofitting discounts and continuous energy discounts for large-scale residential buildings in low-income, older neighbourhoods.
- Downtown core commercial energy generation campaign, incentivized by advertising opportunities.
- Roll out of portable/low-cost EV chargers in transit-inaccessible areas.

**Thanks for  
Listening!**

