



December 14, 2016

Hon. Glenn Thibeault, Minister of Energy
Ministry of Energy
Hearst Block, 4th floor
900 Bay St.
Toronto, ON M7A 2E1
By email: glenn.thibeault@ontario.ca

**Response to: *Planning Ontario's Energy Future:
Discussion guide on the Long-Term Energy Plan***
EBR Registry Number: 012-8840

Dear Minister Thibeault,

We are writing to provide our perspectives from the not-for-profit and charitable sector in response to your Ministry's discussion guide on the development of Ontario's Long-Term Energy Plan (LTEP). We fully support the Ontario Government's Climate Change Action Plan and would like to see our sector do its part to help conserve energy and reduce our greenhouse gas emissions. If Ontario is to meet its ambitious target of reducing emissions to 80 percent below 1990 levels by 2050, every sector in the province will need to be engaged in the mission of conservation and decarbonization.

We understand that your government is undertaking a broad consultation to inform the new LTEP and we appreciate the opportunity to provide input. We would like to highlight the fact that the discussion paper addresses the situation of residents, businesses, and industry but does not speak to the needs and priorities of the not-for-profit and charitable sector. Consider for instance the cost of heating and air conditioning at recreation facilities, the need for energy retrofits at century-old churches and child care centres, and the precarity of volunteer-run Meals on Wheels programs in the context of rising fuel costs.

Our sector's business models and financing structures are different from the for-profit sector and these differences should be taken into account in designing an energy plan that is truly long-term in scope and brings all sectors on board in the service of decarbonization.

Summary of recommendations

1. Support the not-for-profit and charitable sector to implement energy efficiency initiatives by providing financial incentives in the form of grants and interest-free loans. Consider offering separate streams for building retrofits and for new buildings at levels suitable for both small and large projects.
2. Work with the Government of Canada to ensure that energy efficiency projects in the not-for-profit and charitable sector have a specific allocation in the design of the next phases of the New Building Canada Fund.

3. Apply a cross-government approach to supporting the not-for-profit and charitable sector in energy management efforts. Most notably, ministries with transfer payment agreements should ensure that these agreements reflect recent and anticipated increases in the cost of hydro, including ongoing increases in the Global Adjustment rate.

Our submission specifically answers the questions under your discussion paper's heading, "Using energy efficiency and low-carbon technologies to fight climate change." Your paper asks, "To meet the province's climate change objectives, how can existing or new conservation and energy efficiency programs be enhanced in the near and longer term?" And, "How can we continue to inform and engage energy consumers?" (p. 37). Our contribution offers three recommendations on these questions.

Ontario's Climate Change Action Plan includes the action: "Support municipal and other stakeholder climate action." It is important for the Government of Ontario to consider the not-for-profit and charitable sector as key partners and stakeholders in achieving the objectives of this plan. We encourage the Government to see the adoption of our recommendations as a contribution to this action item.

Introduction

The not-for-profit and charitable sector is composed of 55,000 organizations in Ontario that work every day to build a dynamic and resilient province. We are economic drivers and solutions builders, employing over one million full-time and part-time workers. Now is the ideal time to bring the not-for-profit and charitable sector into long-term energy planning as the sector is keen to reduce energy expenses and reinvest those savings into Ontario's communities.

Charities and not-for-profits fully understand the inextricable link between environmental health and the health of the communities and individuals we serve. While our sector is eager to undertake energy efficiency initiatives, when it comes to delivering essential services to communities, organizations have very little latitude in their choices about energy consumption. In the context of strained budgets, not-for-profits must prioritize community needs and that means little is left over for retrofits or other efficiency projects.

1. Energy efficiency financial incentives

In 2013, ONN conducted a survey of our members on goods and services procurement. The survey indicated that utilities are the highest reported procured expense for not-for-profits. This survey finding highlights a key opportunity for government to work with not-for-profits on energy efficiency in the service of both reducing energy costs and energy consumption.

In the cases where not-for-profits do meet eligibility requirements for grants, they are keen to take up these opportunities. For example, the YMCA operates Centres of Community which encompass facilities for child care, employment programs, newcomer services, health, fitness and aquatics, among other programs. Our Centres appreciate the immense cost-saving potential in energy efficient technologies; however, the upfront capital required to make investments in these technologies is often elusive. Upfront capital investment is critical to support not-for-profits in their transitions to energy efficient facilities and systems. The YMCA of Greater Toronto worked diligently to secure grants from all levels of government to assist with a \$459,000 investment in upgrading to a solar thermal heating and waste-heat recovery system in

five YMCA Centres of Community. Within three years, the project will have full payback and by 2020 the initiative will offset a cumulative cost savings of \$500,000.

Greater access to grants and interest-free loans specifically tailored to our sector would provide better opportunities, like the example described above, for not-for-profits to access energy efficient technologies and minimize our carbon footprint. In order for the sector to move toward a more energy efficient future in earnest, recognition and support from the Government is critical.

Our recommendation is that the Ontario Government support the not-for-profit and charitable sector to implement energy efficiency initiatives by providing financial incentives in the form of grants and interest-free loans, specifically tailored to meet our unique needs. We furthermore recommend offering separate streams for building retrofits and for new buildings at levels suitable for both small and large projects. It will be important to implement programs that respond to the needs and realities of diverse not-for-profits by ensuring flexibility in program design, funding parameters, and application processes.

If not-for-profits were able to increase their conservation efforts, any savings generated would be reinvested in community programs benefiting the health and well-being of our province. This reinvestment would support a broad range of Government objectives that goes beyond energy efficiency; as such, we urge the Government to consider the unique needs of not-for-profits and the potential they offer as partners in undertaking the next LTEP.

2. New Building Canada Fund

The Ontario not-for-profit and charitable sector was pleased to see the Federal Government announce that green and social infrastructure would be major components of the New Building Canada Fund. We were especially encouraged by the Federal Budget 2016 commitment of an immediate \$11.9 billion to support these projects, among others. Knowing that the Federal Government will seek provincial guidance on projects chosen for investment, we ask that the Ontario Government work with the Government of Canada to ensure that the not-for-profit and charitable sector has a specific allocation in the design of the next phases of the New Building Canada Fund which would support energy efficiency projects in the sector. This will ensure the continued sustainability of our community infrastructure while reducing the carbon footprint of our sector.

3. Cross-government approach

Like residents and businesses, the not-for-profit and charitable sector can expect to see increased energy costs as the cap-and-trade system rolls out. This will have an impact on the cost of doing business, notably for community services that not-for-profits deliver on behalf of the Ontario Government. Our third recommendation is therefore that government take into account the impact of recent and anticipated energy cost increases in negotiating transfer payment agreements with not-for-profits. It would be helpful if the Ministry of Energy would communicate with other ministries that manage transfer payment agreements with not-for-profit organizations so as to support the not-for-profit and charitable sector in its energy management efforts. In cases where not-for-profits are contracted to provide services to the people of Ontario, their transfer payment agreements must better reflect recent and future increases in the cost of hydro, including ongoing increases in the Global Adjustment rate.

Conclusion

We thank you for considering the needs and priorities of the not-for-profit and charitable sector in the development of the LTEP for Ontario. Our sector is critical to the vitality and sustainability of Ontario's diverse communities, and we are eager to work with government to support the goal of decarbonization while continuing to serve our communities.

Sincerely,



Cathy Taylor, Executive Director
Ontario Not-for-profit Network



Medhat Mahdy, President & CEO YMCA of Greater Toronto
& President YMCA Ontario

c.c. The Honourable Laura Albanese, Minister of Citizenship and Immigration
Andrea Pastori, Cabinet Liaison and Strategic Policy Coordinator, Ministry of Energy via
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About the Ontario Not-for-profit Network

ONN's vision is to support thriving communities and a dynamic province through a strong and resilient not-for-profit sector. We are the provincial network for the 55,000 not-for-profit organizations across Ontario. ONN brings the diverse voices of the sector to government, funders and business to create and influence systemic change. ONN activates its volunteer base and the network to develop and analyze policy, and take action on strategic issues through its working groups, engagement of not-for-profits and charities and government.

About YMCA Ontario

YMCA's across Ontario provide community-driven programs and services that address complex health and social needs; our programs include: child care; youth engagement; education and training; employment services; community initiatives; health, fitness and aquatics; camps; global initiatives and opportunities to give. Through offering these programs and services, the YMCA achieves our mission and vision while supporting the Government of Ontario. Accessible to all, the YMCA's across Ontario connect with over 1.4 million people in more than 125 communities.