

Building Emissions Performance Standards Community of Practice Webinar #2: City of Toronto's Building Emissions Performance Standards Roadmap & Journey

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Presenters

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Presentation Overview

Policy Context

- TransformTO – City of Toronto's Climate Action Strategy sets out actions required to reach Net Zero GHG emissions target by 2040
- Complementary to the above, the City has the Net Zero Existing Building Strategy
 - The Strategy provides key policy actions, including to set requirements to assess building performance and create a path to net zero (e.g. BEPS)
- In 2023, through City Council's adoption of the Updated Long-Term Financial Plan ([2023.EX7.1](#)), staff received direction for the accelerated consideration of a BEPS Bylaw that would impose GHG emissions limits on buildings in Toronto . This allowed staff to fast-track and prioritize BEPS
 - BEPS Report to Council will be presented in Q3 of 2025
- Toronto Energy and Water Reporting – buildings 50,000 sqft or larger began reporting in 2024. In 2025, building 10,000 sqft or larger will be required to report.
- There are city programs available to support net zero ready retrofit: Support and Guidance Enablement, Financing & Incentives, and Policy

About BEPS

- Introducing BEPS has been identified as the [most impactful action](#) to drive the scale and depth of emissions reductions necessary to meet the City's 2040 net zero target
- Toronto's BEPS will include:
 - Mandatory emissions performance limits for existing buildings (specific building archetypes and sizes)
 - The enhancement/creation of programs, policies and resources to support compliance and voluntary action

- Emissions performance limits will be phased in and become stricter over time
- Building owners will have flexibility in meeting the by-law requirements, for example, by retrofitting their buildings, applying for alternative pathways, making alternative compliance payments, or purchasing credits and offsets.
- Building owners who do not comply may be subject to penalties. Revenue from penalties along with revenue from alternative compliance pathways will be reinvested in the decarbonization of Toronto's building sector

Toronto's Policy Development Process

- BEPS Design Principles
 - *Cross-cutting equity and affordability considerations* – How does BEPS intersect well with the City's affordable housing initiatives? How do costs get passed down to tenants? How do we limit negative consequences to building occupants/residents?
 - *Broad & inclusive engagement & consultation* – Toronto have brought people in engagement from the very beginning. Everybody could be impacted by BEPS.
 - Even though Low-rise are not included in the BEPS, they are still participating in the conversation.
 - *Attainable Standards* – To be reasonable and achievable. Providing alternative or flexibility to compliance pathways.
 - *Supportive programs and policies* – how do motivate building owners to prepare ahead of time.
 - *Data driven standards* – ensure the most up to date data is used, and regularly monitor its feasibility and impact.
- Key BEPS Concepts
 - Reporting is the foundation for BEPS targets, planning and compliance
 - Covered buildings – which building are subject to the by-law? Which buildings are not?
 - The primary compliance pathway represents that default requirements (GHGI limits)
 - Flexibility pathways provide accommodations for owners when primary pathway is challenging
 - Support programs will help ensure all participants can achieve BEPS compliance
- The BEPS By-Law, supporting policies, programs, and resources are all informed by consultation & engagement, technical analysis, and internal engagement & legal advisory.
- The project team conducted jurisdictional scan and 1:1 interviews with several US jurisdictions and Vancouver to gather insights as part of their research. How did other jurisdictions go about designing their BEPS? What does the regulatory scope look like? How many buildings were impacted?
- Internal Engagement was also done with the Legal Services, Partner Divisions, and other Key Leaders

- Technical Analysis work include: Engagement prep and data collection, analysis supporting BEPS targets recommendations, analysis supporting wider engagement, and best practices research
- Emissions Limits includes Initial, Interim, and Final Limits.
 - In the Initial Limits, the BEPS will only impact 15% worst performing buildings.
- External Engagement includes collaboration with Advisory Groups and Committees.
 - Engage a diverse range of stakeholders — both supporters and potential critics — to co-develop the policy collaboratively.
 - There are 6 advisory groups and 2 committees which ultimately inform the analysis and design of the BEPS team.
- What Toronto has heard:
 - More incentives, grants, and low-interest loans needed to reduce tenant cost impacts.
 - Advance notice is critical for aligning retrofits with capital plans.
 - External barriers like costly electrical upgrades and grid infrastructure must be addressed
 - Flexibility needed for building with unique high energy processes and those serving vulnerable population
 - BEPS is an opportunity to educate and raise awareness among owners and tenants
 - Harmonization across the GTHA can reduce administrative burden and support compliance
 - Co-benefits include better tenant comfort, health and green career paths.

Factors for Success

- Dedicated legal staff is required. It would be beneficial to have legal counsel from different expertise and areas of law.
- Don't take no for an answer! Investigate further — often there's another way.
- Amendable/flexible consultant contracts. Political or internal delays can make policy progress difficult, so there needs to be flexibility with changing timeline.
- Identify data needs and availability as early as possible
- Utilize project management tools to coordinate with the team and avoid duplication of effort. This will also ensure that siloes are not created amongst the team.
- Dedicate staff to focus on engagement, legal and technical aspects of the by-law development.
- Engage externally as early as possible
- Soliciting support and buy-in from corporate leadership
- Take the time to develop a strong rationale first
- Ensure leaders are aware of this early and willing to champion this

What's Transferable?

- Some deliverables that can ultimately be shared with other jurisdictions to help with their development of their own BEPS are as follows:
 - Model by-law (legal authorities)
 - Flexible pathways
 - Emissions setting process
 - Penalties calculation – how they issue those penalties
 - Engagement plan, advisory structure, feedback – Terms of References
 - Support program structure (implementation phase) – How to create or enhance programs
 - Communication, education and awareness campaign approach.

Additional Resources

- [City of Toronto BEPS Webpage](#)
- [City of Toronto Building Emissions Performance Standards \(BEPS\): Design Principles and Development Plan Staff Report](#)
- [City of Toronto Net Zero Existing Buildings Strategy](#)
- [BEPS Community of Practice Resource Hub](#)
- [TAF Resource Hub for Toronto BEPS](#)

Contact Information

Please reach out to us at any time with questions, input, or for additional information.

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You can view our upcoming events [here](#).