

This public hearing will include opportunity for public comment. During public comment periods, members of the public may submit any comments or questions by "raising their hand" or by typing in the chat box.

# **AIR POLLUTION CONTROL COMMISSION**





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Environment Department



Diana Vasquez

Environment Department



Aidan Callan

Environment Department



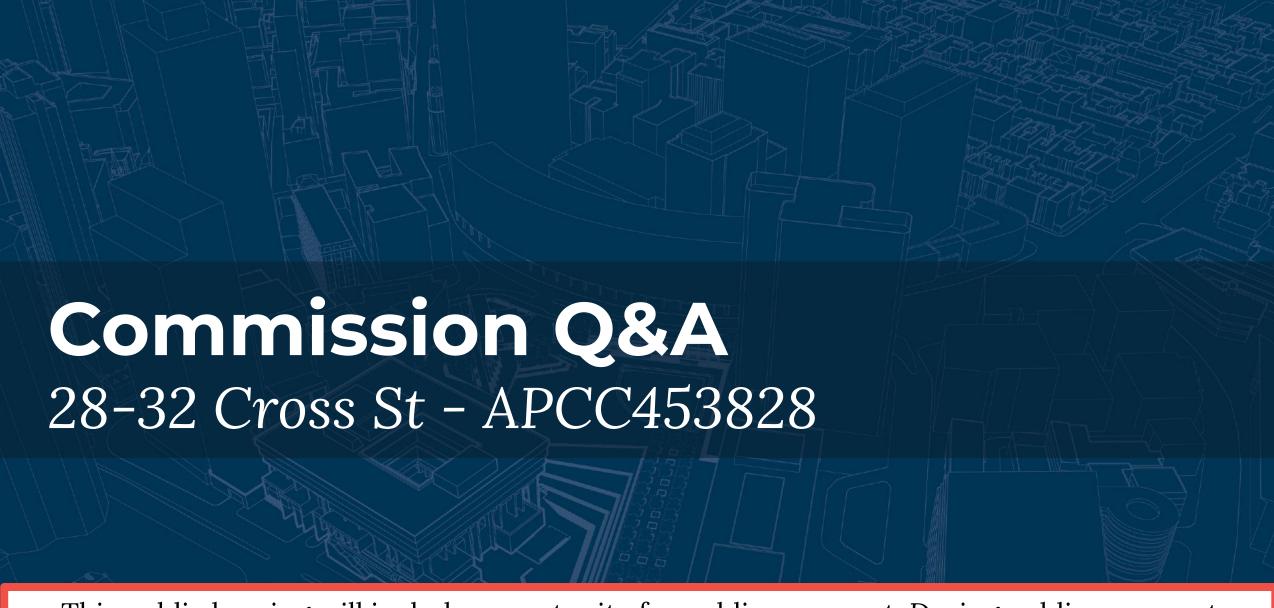


# Modified Downtown Boston Exemption Certificate Application

28-32 Cross St - APCC453828



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# Public Q&A

28-32 Cross St - APCC453828

Members of the public may submit any comments or questions by "raising their hand" or typing in the chat box.







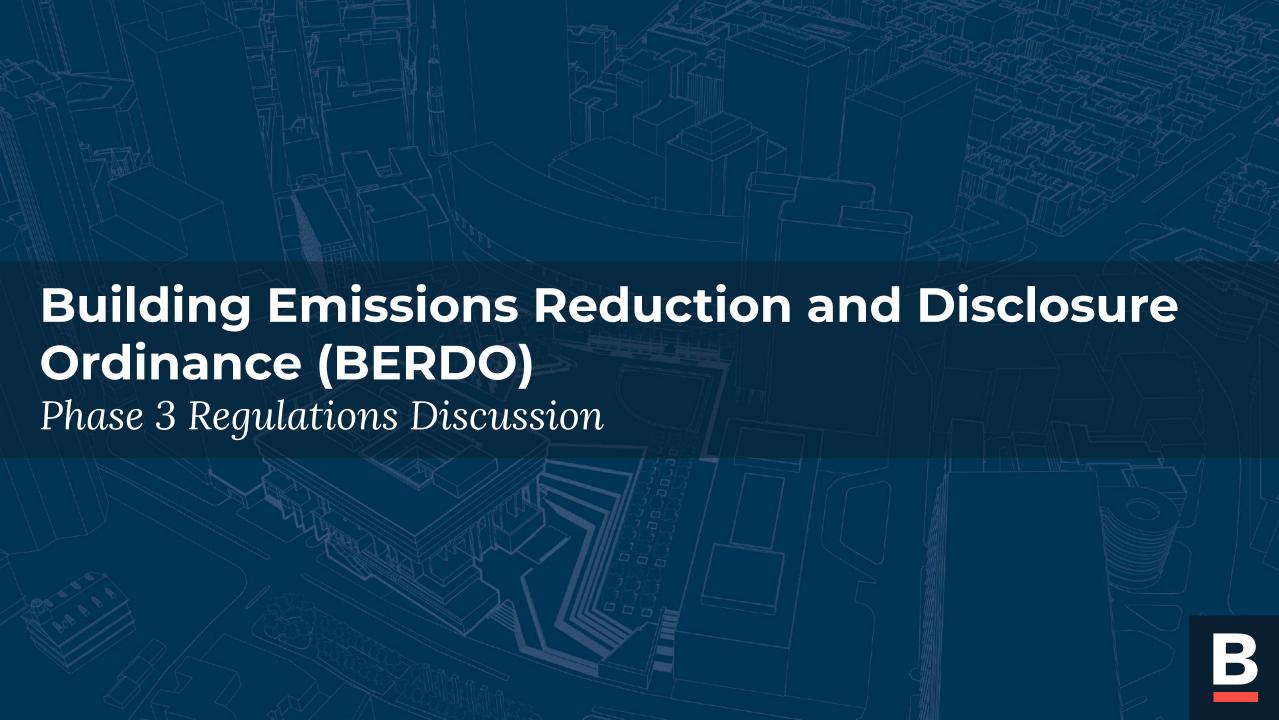
## **CONTINUED TO AN UPCOMING HEARING**



**Continued:** Application for a Modified East Boston Parking Freeze Permit from VHB on behalf of Cargo Ventures LLC for 575 park and fly spaces. This permit is to relocate spaces from a surface lot at 320 McClellan Highway to a new parking garage at 440 McClellan Highway. Modification of the permit would have no effect on the East Boston parking freeze bank.

**Continued:** Application for a Modified East Boston Parking Freeze Permit from VHB on behalf of Cargo Ventures LLC for 127 park and fly spaces. This permit is to relocate spaces from a surface lot at 380 McClellan Highway to a new parking garage at 440 McClellan Highway. Modification of the permit would have no effect on the East Boston parking freeze bank.





# **Review Board Updates**



### 8 members seated

- Rashida Boyd, HERS Energy Rater Trainee at New Ecology
- Lovette Jacobs, Electrical Worker, IBEW Local 103
- Kendra Lara (or her designee), City Councilor District 6, Environmental Justice, Resiliency, and Parks Chair
- Gail Latimore, Executive Director of Codman Square Neighborhood Development Corporation
- Lee Matsueda, Executive Director of Community Labor United
- Jack Nelson, P.E., CEM Partner at CMTA engineering consulting firm
- Matt O'Malley, Chief Sustainability Officer at Vicinity Energy
- Kai Palmer-Dunning, Director of Equitable Building Transition at Home Energy Efficiency Team (HEET)
- 1 member passed by City Council, yet to be sworn in
  - Stephen Ellis, Director of Data Analytics at Boston University Sustainability

# Phase 3 Regulations: Topics to Address





#### **BUILDING PORTFOLIOS**

• Two or more Buildings with the same Owner or that are part of an approved Institutional Master Plan may comply with BERDO through a Building Portfolio. Building Portfolios are approved by the Review Board.



#### INDIVIDUAL COMPLIANCE SCHEDULES

• Alternative emissions standard reduction schedules based on a baseline year. Individual Compliance Schedules are approved by the Review Board.



### HARDSHIP COMPLIANCE PLANS

• Alternative emissions reduction targets and/or timelines. Available for buildings that experience a hardship in complying with BERDO. Hardship Compliance Plans are approved by the Review Board



### **EQUITABLE EMISSIONS INVESTMENT FUND**

• New investment fund that will collect all Alternative Compliance Payments (ACPs) and penalties made to BERDO and invest them in local building carbon abatement projects that prioritize environmental justice communities in Boston.



#### FINES AND ENFORCEMENT

• Fines and penalties for non-compliance.



#### **COMPLIANCE WITH EMISSIONS STANDARDS**

• Compliance rules for buildings in special circumstances (e.g., vacant buildings, demolitions)

# **Phase 3 Progress and Activities Thus Far**



- Launched Phase 3 with Listening Session held on Zoom (3/6/23).
  - Slides and notes available on <u>boston.gov/berdo-regulations</u>.
- Held two public technical working sessions focused on Building Portfolios (3/29/23)
   and Individual Compliance Schedules (4/5/23).
  - Slides and notes available on <u>boston.gov/berdo-regulations</u>.
- Held seven Community Advisory Group meetings.
  - o Optional 'office hours' on July 26, 2023.
  - Next meeting scheduled for August 8, 2023.

# **Phase 3 Progress and Activities Thus Far**



- Focus groups on Hardship Compliance Plans with the following stakeholders:
  - Affordable housing (6/7/23)
  - Longwood hospitals (6/20/23)
  - Healthcare (6/27/23)
  - Historic Preservation (7/6/23)
  - Green Ribbon Commission Cultural Institutions Working Group (7/11/23)
- Selected and meeting with a technical consultant to support the development of regulations regarding technical Hardship Compliance Plans.
- Starting discussions on Hardship Compliance Plans with Community Advisory Group.
- Additional community meetings, technical working sessions, and focus groups planned for the summer.

# Summary of feedback received during informal public comment period



## **Building Portfolios and Individual Compliance Schedules**



Reminder of requirements set in Ordinance

### **Building Portfolios**

- Building Portfolios allow Owners of multiple
  Buildings to comply with a single
  portfolio-level emissions standard that is
  based on the mix of Building Uses in the
  portfolio.
- Building Portfolios can be formed with two or more Buildings that share the same Owner or that are part of an approved <u>Institutional</u> <u>Master Plan</u>.
- Building Portfolios must still report energy, emissions, and water data for each individual Building.
- Building Portfolios must be approved by the Review Board. The Review Board may set conditions of approval.

### **Individual Compliance Schedules (ICS)**

- ICS are alternative emissions reduction timelines that allow Owners to decrease their emissions based on a baseline and at a different rate than the schedule set in the Ordinance.
- All ICS must establish absolute emissions standards with 5-year increments. Those standards must (i) decline on a linear or better basis, (ii) reduce emissions by 50% by 2030, and (iii) reduce emissions by 100% by 2050.
- ICS may use (i) the first year that the Building was required to report to BERDO 2.0 or (ii) any year from 2005 to the first required reporting year as a baseline year.
- ICS must be approved by the **Review Board** and the Review Board may set **conditions of the approval**.





Informal public comment period ending at 5:00 pm on Friday, June 16, 2023

### We received feedback from the following institutions and organizations:

- A Better City
- Action for Equity
- Conference of Boston Teaching Hospitals
- Green Ribbon Commission Higher Education Working Group
- Jamaica Plain NDC
- Joint letter from Alternatives for Community & Environment, Clean Water Action, GreenRoots, Greater Boston Physicians for Social Responsibility, Allston-Brighton Health Collaborative, New England United for Justice, Union of Concerned Scientists, Planning Office for Urban Affairs, Boston Climate Action Network, Action for Equity, and Sierra Club Massachusetts
- Longwood Medical Energy Collaborative
- Longwood Collective
- Mass General Brigham



Feedback on preliminary proposals for Building Portfolios and Individual Compliance Schedules

### For Both Building Portfolios and Individual Compliance Schedules:

- Requests to define a timeline for the application process.
- Requests to define an appeal process.
- Seeking more clarity on the criteria that the Review Board will use to approve, approve with conditions, or deny a Building Portfolio or Individual Compliance Schedule.
- Seeking more clarity on the type of conditions that Review Board may set for Building Portfolios and Individual Compliance Schedules.





Feedback on preliminary proposals for Building Portfolios

### For Building Portfolios:

- Seeking more clarity on the eligibility criteria for Building Portfolios
  - Definition of "same Owner"
  - Building Portfolios based on Institutional Master Plans
- Seeking more clarity on the requirements of Emissions Standard Compliance Plans (Pathway 2 and 3).
- Seeking more clarity on the requirements of environmental justice reporting criteria (Pathway 2 and 3).



Feedback on preliminary proposals for Individual Compliance Schedules

### For Individual Compliance Schedules:

- Seeking flexibility for buildings that may not have complete historical data to establish a baseline year.
  - Concerns for availability of retroactive Emissions Factors from District Energy Systems.
- Seeking clarity on third-party verification requirements for historical data.
- Seeking more clarity on the level of detail required to describe emissions reduction efforts implemented in Buildings as part of the application.
- Concern with misuse and combination of Individual Compliance Schedules and Hardship Compliance Plans.



Feedback on preliminary proposals for Building Portfolios and Individual Compliance Schedules

## For Building Portfolios Applying for Individual Compliance Schedules

- Seeking more clarity on whether and how Owners will be able to apply for Building Portfolios and Individual Compliance Schedules concurrently.
  - General support for streamlined processes that allow owners to submit applications concurrently.
- Seeking more clarity on the ability of Building Portfolios to apply for Individual Compliance Schedules, if historical data is not available for all Buildings for the same baseline year.
- Seeking more clarity on the need to use blended emissions standards for Building Portfolios with Individual Compliance Schedules.



Additional feedback

### **Additional topics**

- Requests for tenant protections, affordable housing measures, and anti-gentrification measures throughout the regulations, and not only as conditions for flexibility mechanisms and the Equitable Emissions Investment Fund.
- Requests to create regulations related to workforce development and how BERDO compliance efforts will serve as a way to advance economic opportunity for the most marginalized.
- Requests for the City to work with community organizations to create and conduct community engagement to bring awareness on BERDO and involve tenants, residents, and other stakeholders in this discussion.

# Building Portfolios Draft language





Draft language

### **Draft definitions:**

- **Deed-Restricted Residential Building** means any Residential Building that has and maintains a recorded deed restriction or covenant that restricts the occupancy of 50% or more of the units to households earning incomes below 80% of the Area Median Income, as defined by the U.S. Department of Housing and Urban Development. These recorded deed restrictions may be connected to funding provided by sources such as the U.S. Department of Housing and Urban Development, the Massachusetts Department of Housing and Community Development, or the City of Boston, including the federal Low Income Housing Tax Credit program.
- **Sponsor** means a nonprofit organization that: (i) is exempt from income taxation pursuant to section 501(c)(3) of the Internal Revenue Code; (ii) has material control over the operations of a Building; and (iii) either: (1) is a certified Community Development Corporation as defined in G.L. chapter 40H; (2) is a certified Community Housing Development Organization pursuant to 24 CFR section 92.2; or (3) has been determined by the Massachusetts Department of Housing and Community Development to have a history of successful development of affordable housing projects in the commonwealth.



Draft language

### **Draft eligibility criteria for Building Portfolios:**

To confirm eligibility for a Building Portfolio, Owners must attest to the following and provide supporting documentation upon request:

- 1. All Buildings in the proposed Building Portfolio have the same **Owner** as listed in the records of the Boston Assessing Department or:
  - a. The **same Sponsor** of two or more Deed-Restricted Residential Buildings may be considered the Owner of record for purposes of creating a Building Portfolio, provided, however, that a Building may not be in more than one Building Portfolio.
  - a. The same majority owner of two or more special purpose entities or charitable corporations, each owning a single Building, may be considered the Owner of record for purposes of creating a Building Portfolio; provided, however, that a Building may not be in more than one Building Portfolio.



Draft language

### **Draft eligibility criteria for Building Portfolios (Continued):**

- 2. For Building Portfolios based on **Institutional Master Plans**, all Buildings in the Building Portfolio are part of one approved Institutional Master Plan. Buildings from different Institutional Master Plans may not be combined into a single Building Portfolio <u>unless all Buildings</u> share the same Owner, as defined in Section XX.a.i.
- 3. The Building Uses, Energy Use, Gross Floor Area, and Emissions data of all Buildings in the proposed Building Portfolio were **third-party verified** during the last applicable Verification Year.
- 4. All Buildings in the proposed Building Portfolio are **in compliance with the Ordinance and Regulations**, including, as applicable, requirements for Individual Compliance Schedules or Hardship Compliance Plans, and (i) the payment of any applicable fines for any failure to comply with reporting requirements, accurately report information, or comply with an Emissions Standard, (ii) where feasible, the submission of any missing required reporting data, and (iii) the submission of compliance mechanisms in the amount required to correct any failure to meet an Emissions standard in any calendar year.
- 5. None of the Buildings in the proposed Building Portfolio are **vacant**, as defined in policies and procedures adopted by the Commission;
- 6. For any Building Portfolio that combines Buildings with Emissions standard requirements starting in 2025 and 2030, the Owner shall meet the applicable 2025-2029 Emissions standards in Table 1 for the whole Building Portfolio until 2030; and
- 7. Any Building in the proposed Building Portfolio that is required to meet a net-zero Emissions standard prior to 2050 must meet its Building-specific Emissions standard every compliance year.



Draft language

### **Draft requirements for Building Portfolios:**

Owners must maintain compliance with (i) any conditions attached to approval of a Building Portfolio and (ii) the following requirements; failure to do so may result in revocation of the Building Portfolio.

1. Any Building Portfolio that contains Buildings with different Building Uses shall comply with a **blended Emissions standard**, provided, however, that a blended Emissions standard is not required for Building Portfolios that are subject to an Individual Compliance Schedule. Blended Emission standards shall be calculated in accordance with the methodology outlined in guidance adopted by the Commission.



Draft language

### **Draft requirements for Building Portfolios (Continued):**

- 2. For any Building Portfolio that includes (a) on-site Campus District Energy Systems, on-site Combined Heat and Power plants, industrial or manufacturing Buildings, or energy/power station Buildings located in Environmental Justice Populations, (b) a combination of Residential Buildings located in both Environmental Justice Populations and non Environmental Justice Populations, or (c) a combination of Deed-Restricted Residential Buildings and other Residential Buildings, Owners must:
  - a. Submit an Emissions standard compliance plan within two (2) years of the Review Board's initial approval of the Building Portfolio. Such plan must comply with any guidance adopted by the Commission.
  - b. Submit **annual progress reports** that identify any progress made on the Emissions standard compliance plan. Such reports must comply with any guidance adopted by the Commission.
  - c. Submit an updated Emissions standard compliance plan every Verification Year.



Draft language

### **Draft application process for Building Portfolios:**

• Applications for Building Portfolios may be submitted on a **rolling basis**, provided, however, that applications must be submitted by **September 1** for approval for the following compliance year. Applications shall be made in accordance with any guidance or standard form issued by the Environment Department. Owners shall utilize one of the following three application pathways.



### **PATHWAY ONE**

Building Portfolios that **do not** include the following:

- Any on-site Campus District Energy
   Systems, on-site Combined Heat and
   Power plants, industrial or manufacturing
   Buildings, or energy/power station
   Buildings located in Environmental
   Justice Populations;
- A combination of Residential Buildings located in both Environmental Justice Populations and non Environmental Justice Populations, or
- A combination of Deed-Restricted Residential Buildings and other Residential Buildings.



Applications must include:

- Confirmation of compliance with the eligibility criteria listed in Section XX.a.
- A list of all Buildings included in the Building Portfolio.



The Environment Department shall review each application for **completeness** and recommend approval or denial to the Review Board.



Within 14 days of receiving an application to create or modify a Building Portfolio, the Environment Department shall inform the applicant whether the application is complete.



Within 45 days of the Environment Department's finding of completeness, the Review Board shall vote to approve with standard conditions or deny an application. A decision shall be based on whether the applicant meets the eligibility criteria set forth in Section XX.a.



A written copy of the Review Board's decision shall be provided to the applicant within 7 days after the vote. Applicants must record decisions approving a Building Portfolio with the Registry of Deeds and send proof of such recording to the Environment Department within 30 days of issuance of the decision.



Within 21 days of issuance of the Review Board's written decision, an applicant may file a written appeal to the Commission. Appeals shall be made in accordance with any guidance or standard form provided by the Environment Department.



### **PATHWAY TWO**

### Building Portfolios that **include** the following:

- Any on-site Campus District Energy Systems, on-site Combined Heat and Power plants, industrial or manufacturing Buildings, or energy/power station Buildings located in Environmental Justice Populations;
- A combination of Residential Buildings located in both Environmental Justice Populations and non Environmental Justice Populations, or
- A combination of Deed-Restricted Residential Buildings and other Residential Buildings.



### Applications must include:

- Confirmation of compliance with the eligibility criteria listed in Section XX.a.
- A list of all Buildings included in the Building Portfolio.
- A **map** that identifies (i) each Building included in the Building Portfolio and (ii) any EJ Population criteria at the location of each Building based on data from the Massachusetts Executive Office of Energy and Environmental Affairs.
  - Owners shall highlight (i) any on-site Campus District Energy Systems, industrial or manufacturing Buildings, energy/power station Buildings located in EJ Populations, (ii) any Deed-Restricted Residential Buildings, and (iii) Residential Buildings in EJ Populations.
  - Owners shall provide maps that overlay asthma rates, the Air Toxics Respiratory Hazard Index, and heat resilience metrics; data sources for these maps will be provided in guidance, as may be amended from time to time, from the Commission or Environment Department.
- A **brief narrative description** of any existing plans to achieve compliance across the proposed Building Portfolio. This may include, but need not be limited to, (i) any anticipated building audits, retrofits, capital improvements, or any other emissions reduction efforts that may be implemented in the Building Portfolio in the near term, (ii) any anticipated strategies for developing the Emissions standard compliance plan, and (iii) if applicable, any expected efforts to inform and engage tenants in the development of the Emissions standard compliance plan.

### **PATHWAY TWO**

### Building Portfolios that **include** the following:

- Any on-site Campus District Energy
   Systems, on-site Combined Heat and
   Power plants, industrial or manufacturing
   Buildings, or energy/power station
   Buildings located in Environmental
   Justice Populations;
- A combination of Residential Buildings located in both Environmental Justice Populations and non Environmental Justice Populations, or
- A combination of Deed-Restricted Residential Buildings and other Residential Buildings.



The Environment Department shall review each application for **completeness**, evaluate the applicant's **narrative to assess potential impacts on and benefits to EJ Populations**, and recommend approval or denial to the Review Board.



Within 30 days of receiving an application, the Environment Department shall inform the applicant whether the application is complete.



The Review Board **may** hold a hearing to evaluate the application and request more information on how the applicant will address any impacts on or provide benefits to EJ Populations.



Within 60 days of the Environment Department's finding of completeness, the Review Board shall vote to approve with standard conditions, approve with special conditions, or deny an application. A decision shall be based on whether the applicant meets the eligibility criteria set forth in Section XX.a and on consideration of potential impacts on and benefits to EJ Populations based on information from the application and, if applicable, any public hearing.



A written copy of the Review Board's decision shall be provided to the applicant within 7 days after the vote. Applicants must record decisions approving Building Portfolios with the Registry of Deeds and send proof of such recording to the Environment Department within 30 days of issuance of the decision. Recording deadlines shall be stayed pending any appeal.



Within 21 days of issuance of the Review Board's written decision, an applicant may file a written appeal to the Commission. Appeals shall be made in accordance with any guidance or standard form provided by the Environment Department.



### **PATHWAY TWO**

### **Draft for sources and tools to develop map:**

- 1. Owners shall use the following data sources and tools to prepare the map required in Section XX.c.ii.a.3:
  - a. For **Environmental Justice Population criteria**, Owners shall use the most recently updated Environmental Justice Populations Map created by the Massachusetts Executive Office of Energy and Environmental Affairs.
  - b. For the overlay of **asthma rates**, Owners shall use the metric "asthma among adults aged 18 or older" included in the most recently updated Environmental Justice Screening and Mapping Tool created by the U.S. Environmental Protection Agency.
  - c. For the overlay of the **Air Toxics Respiratory Hazard Index**, Owners shall use the metric "Air Toxics Respiratory HI" included in the most recently updated Environmental Justice Screening and Mapping Tool created by the U.S. Environmental Protection Agency.
  - d. For the overlay of **heat resilience metrics**, Owners shall use the metric "Urban Heat Island Intensity (UHII) Index" included in the most recently updated Climate Ready Boston Map Explorer created by the City of Boston.

The Environment Department may update these data sources via guidance.

### **Draft application process for Building Portfolios (Continued):**

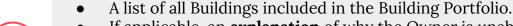


#### **PATHWAY THREE**

#### Building Portfolios that:

- Do not meet the eligibility criteria in Section XX.a
- Are unable to calculate blended emissions standards as required in Section XX.b.i.,
- Are concurrently applying for or already have an Individual Compliance Schedule.

#### Applications must include:



- If applicable, an **explanation** of why the Owner is unable to meet the eligibility criteria in Section XX.a. or is unable to calculate a blended emissions standard.
- For Building Portfolios that are required to complete an Emissions standard compliance plan, the **map** and **narrative** required by Section XX.c.ii.
- If applying for an **Individual Compliance Schedule**, any data and documentation required by Section YY.
- The Environment Department shall review each application for **completeness**, evaluate the applicant's **narrative to assess potential impacts on and benefits to EJ Populations**, and recommend approval or denial to the Review Board.
- Within 30 days of receiving an application, the Environment Department shall inform the applicant whether the application is complete.
- The Review Board **shall** hold a hearing to evaluate the application. If applicable, the Review Board may request more information on how the applicant will address any impacts on or provide benefits to EJ Populations.

### **Draft application process for Building Portfolios (Continued):**



#### **PATHWAY THREE**

#### Building Portfolios that:

- Do not meet the eligibility criteria in Section XX.a
- Are unable to calculate blended emissions standards as required in Section XX.b.i.,
- Are concurrently applying for or already have an Individual Compliance Schedule.

Within 90 days of the Environment Department's finding of completeness, the Review Board shall vote to approve with standard conditions, approve with special conditions, or deny an application. A decision shall be based on whether, if applicable, (i) the applicant provided a reasonable basis for not meeting one or more of the eligibility criteria set forth in Section XX.a, (ii) the applicant provided a reasonable basis for not using a blended Emissions standard, (iii) the applicant meets the eligibility criteria for Individual Compliance Schedules, and (iv) consideration of the potential impacts on and benefits to EJ Populations based on information from the application and any public hearing.

- A written copy of the Review Board's decision shall be provided to the applicant within 7 days after the vote. Applicants must record decisions approving Building Portfolios with the Registry of Deeds and send proof of such recording to the Environment Department within 30 days of issuance of the decision. Recording deadlines shall be stayed pending any appeal.
  - Within 21 days of issuance of the Review Board's written decision, an applicant may file a written appeal to the Commission. Appeals shall be made in accordance with any guidance or standard form provided by the Environment Department.

### Summary of draft application process for Building Portfolios

# **PATHWAY**

#### WHO?

For Building Portfolios without Buildings that trigger an environmental justice

review.

#### For Building Portfolios with Buildings that trigger an environmental justice review.

For Building Portfolios that (i) do not meet eligibility criteria or (ii) are unable to calculate blended emissions standards as required in Section XX.b.i., or (iii) are concurrently applying for an Individual Compliance Schedule (ICS).

Building Portfolio may or may not contain Buildings that trigger an environmental justice review.

#### **APPLICATION REQUIREMENTS**

- Confirmation of eligibility criteria

- List of Buildings
- Confirmation of eligibility criteria
- List of Buildings
- Map with EJ criteria •
- Brief narrative description of any near-term actions and preliminary ideas for developing Emissions Standard Compliance Plan
- List of Buildings
- Explanation of why applicant cannot meet eligibility criteria or is unable to calculate a blended emissions standard, if applicable
- Requirements for ICS, if applicable
- Map with EJ criteria, if applicable
- Brief narrative description of any near-term actions and plans to develop Emissions Standard Compliance Plan, if applicable

#### **APPLICATION REVIEW PROCESS**

- Rolling applications
- No hearing needed
- Approval based on whether the applicant meets the eligibility criteria.
- Rolling applications
- Review Board may request hearing
- Approval based on whether the applicant meets the eligibility criteria and on consideration of potential impacts on and benefits to EJ Populations based on information from the application and, if applicable, any public hearing.
- Rolling applications
- Review Board **shall** hold hearing
- Approval based on:
  - Applicant provided a reasonable basis for not meeting one or more of the eligibility criteria.
  - Applicant provided a reasonable basis for not using a blended Emissions standard,
  - Applicant meets the eligibility criteria for ICS
  - Consideration of the potential impacts on and benefits to EJ Populations based on information from the application and any public hearing.



Draft language

### Draft requirements for Emissions standard compliance plan and progress reports:

- 1. Any initial or updated Emissions standard compliance plan shall include, at minimum, the following:
  - a. An **update of the map** submitted with the Building Portfolio application as required by Section XX.c.ii.
  - b. A narrative description of plans to prioritize distribution of benefits in Environmental Justice Populations and affordable housing. Examples of benefits include, but need not be limited to:
    - i. Affordability, including as it relates to rents, energy bills and energy burdens.
    - ii. Quality of life, such as public health, indoor air quality and thermal comfort.
    - iii. Climate resilience, such as access to cooling, reliable access to affordable energy, and backup systems in case of climate shocks.
    - iv. Investments in emission reduction strategies, such as energy efficiency and renewable energy projects.



Draft language

### Draft requirements for Emissions standard compliance plan and progress reports (continued):

- c. A narrative description of **any planned Emissions standard compliance efforts** that are expected to be implemented across the Building Portfolio over the next two compliance cycles. This may include, but need not be limited to, narrative discussions of the following:
  - i. Timeline and type of expected Emissions reduction measures and compliance mechanisms to be implemented across the Building Portfolio. Such measures may include, but are not limited to, energy efficiency improvements, retrofits, weatherization, electrification, appliance replacements, and installation of local renewable energy.
  - ii. Where applicable and feasible, a narrative description of any expected strategies to reduce emissions from on-site Campus District Energy Systems, Combined Heat and Power plants, industrial or manufacturing Buildings, and energy/power station Buildings.
  - iii. The types of heating systems, cooling systems, stoves, ventilation, and any air quality monitoring and filtration systems that are currently in operation for each Building.
  - iv. Any plans regarding the maintenance, upgrade, or replacement of existing heating and cooling systems, stoves and other fossil fueled appliances, fossil fueled machinery, and industrial equipment.
  - v. Plans to incorporate energy efficiency or decarbonization measures into regular operational and maintenance procedures, e.g., insulating pipes when they are exposed due to repair or maintenance work.
  - vi. Any plans to perform energy audits in Buildings, including through the Mass Save Energy Audit program or other third-party program.



Draft language

### Draft requirements for Emissions standard compliance plan and progress reports (continued):

- 1. By July 15 of each year, Building Owners shall submit **annual progress reports** that include a **narrative description** of any progress towards achieving the measures described in the Emissions standard compliance plan. If relevant, Building Owners shall include information on any efforts that have been delayed or stopped due to extenuating circumstances beyond their control. Building Owners are encouraged to submit, and the Review Board may request, documentation to support the narrative.
- 2. The Review Board may request more information or hold a hearing to evaluate a Building Portfolio's Emissions standard compliance plan and progress reports.

### **Summary of Environmental Justice Review Requirements**



Draft language

### AT THE TIME OF APPLICATION

Application will require **EJ map** and **brief narrative** on anticipated near-term compliance actions and plans to develop Emissions Standard Compliance Plan



### TWO YEARS AFTER APPROVAL

Submit **Emissions Standard Compliance Plan** 



### EVERY YEAR THEREAFTER

Submit **annual progress report by July 15**.



### EVERY VERIFICATION YEAR THEREAFTER

Submit **updated Emission Standard Compliance Plan** 



Draft language

### **Draft conditions of approval for Building Portfolios:**

- 1. The Review Board may include the following **standard conditions** on the approval of any Building Portfolio:
  - a. Timely compliance with reporting and third-party verification requirements in the Ordinance.
  - b. Timely compliance with the requirements in Section XX.b, including, when applicable, the submission of a satisfactory Emissions standard compliance plan.
  - c. The Review Board or its designee may inspect any Building that is part of an approved Building Portfolio, at reasonable times and with reasonable notice, in order to assess compliance with the terms and conditions of said Building Portfolio.



Draft language

### **Draft conditions of approval for Building Portfolios (continued):**

- 1. For Building Portfolios that are required to complete an Emissions standard compliance plan, the Review Board may include special conditions relevant to the distribution of benefits to Environmental Justice Populations. Such conditions may be added to the approval of a Building Portfolio at the time of the initial approval or following an Owner's submission of their first Emissions standard compliance plan. Any proposal to add special conditions shall be discussed at a public meeting of the Review Board and Owners shall be provided notice of such meeting at least 30 days in advance, provided, however, that any Review Board vote to add special conditions must be made within 90 days of receipt of an initial or updated Emissions standard compliance plan. The Review Board may hold a public hearing at its discretion. If the Review Board approves addition of special conditions following submission of an initial or update Emissions standard compliance plan:
  - a. A written copy of the Review Board's decision shall be issued to the applicant within 7 days after the vote. Owners must record such decisions with the Registry of Deeds and send proof of such recording to the Environment Department within 30 days. Recording deadlines shall be stayed pending any appeal
  - b. Within 21 days of issuance of the Review Board's written decision, a Building Portfolio Owner may file a written appeal to the Commission. Appeals shall be made in accordance with any guidance or standard form provided by the Environment Department.



Draft language

### **Draft modification process for approved Building Portfolios:**

Notifications and requests to modify an approved Building Portfolio must be submitted by **September 1** for the modification to be reflected for the following compliance year. For Building Portfolios using a blended Emissions standard, the Owner must **update the blended emissions standard** to reflect any modification to the Building Portfolio according to the requirements in Section IX.b.

- 1. Notice to the Review Board is required to remove a Building from an approved Building Portfolio due to (a) change of Owner of an existing Building or (b) vacancy of an existing Building.
- 2. **Approval** from the Review Board is required to remove any Building from an approved Building Portfolio for any reason other than in (e)(i) or to add any Building. Any Building added to an approved Building Portfolio must meet the eligibility criteria and requirements for Building Portfolios in Section XX.
- 3. For Building Portfolios that are required to complete an Emissions standard compliance plan, Building Owners must submit a **short update to their Emissions standard compliance plans** to reflect any modification to the Building Portfolio. The update shall be submitted at the time of notice or application to modify the Building Portfolio. Any modifications to the Building Portfolio must also be reflected in any subsequent progress reports and updates to the Emissions standard compliance plan.



Draft language

### Draft modification process for approved Building Portfolios (continued):

- 1. The Review Board shall vote to approve or deny a requested modification at the next regularly scheduled public meeting A decision shall be based on whether the Building Portfolio is, at the time of the request, in material compliance with the Ordinance and any requirements in Section XX, including any standard or special conditions set by the Review Board.
- 2. A written copy of the Review Board's decision shall be provided to the applicant within 7 days after the vote. Applicants must record decisions with the Registry of Deeds and send proof of such recording to the Environment Department within 30 days of issuance of the decision. Recording deadlines shall be stayed pending any appeal.
- 3. Within 21 days of issuance of the Review Board's written decision, an applicant may file a written appeal to the Commission. Appeals shall be made in accordance with any guidance or standard form provided by the Environment Department.



Draft language

### **Draft transfer process for approved Building Portfolios:**

1. Approved Building Portfolios are transferable upon change of ownership. The original and new Owners are jointly and separately responsible for notifying the Environment Department within 14 days of the change of ownership.



Draft language

### **Draft termination process for approved Building Portfolios:**

- 1. The Review Board may initiate a proceeding to terminate a Building Portfolio at its **own initiative** or **upon a petition from the greater of 20% of tenants or 5 tenants of a Building included in a Building Portfolio**. The Review Board may revoke an approved Building Portfolio or amend the special conditions of an approved Building Portfolio if the Review Board determines that (a) an Owner does not materially comply with the requirements in Section XX or the conditions of a Building Portfolio, or (b) absent extenuating circumstances beyond an Owner's control, an Owner has not prioritized distribution of benefits to Environmental Justice Populations as proposed in the Building Portfolio's Emissions standard compliance plan.
- 2. Any proposed revocation or amendment shall be discussed at a public hearing of the Review Board. Owners shall be provided notice of such hearing at least 30 days in advance.
- 3. A written copy of the Review Board's decision shall be provided to an Owner within 7 days after the vote. Owners must record decisions with the Registry of Deeds and send proof of such recording to the Environment Department within 30 days of issuance of the decision. Recording deadlines shall be stayed pending any appeal.
- 4. Within 21 days of issuance of the Review Board's written decision, Owners may file a written appeal to the Commission. Appeals shall be made in accordance with any guidance or standard form provided by the Environment Department.



Draft language

### **Draft termination criteria for approved Building Portfolios:**

1. Grounds for revoking or amending an approved Building Portfolio include a finding by the Review Board that, absent extenuating circumstances beyond an Owner's control, an Owner has not prioritized distribution of benefits to Environmental Justice Populations as proposed in the Building Portfolio's Emissions standard compliance plan. Indicators of a failure to prioritize distribution of benefits may include, but are not limited to, disproportionate allocation across multiple compliance schedules of benefits, investments in BERDO compliance and/or improvements to (i) Buildings located outside of Environmental Justice Populations, (ii) Buildings in areas with lower rates of asthma, Air Toxics Respiratory Hazard exposure, or urban heat island intensity, or (iii) Residential Buildings that are not affordable housing.



Draft language





Draft language

### **Draft eligibility criteria for ICS:**

To confirm eligibility for an Individual Compliance Schedule, an Owner of a Building or approved Building Portfolio must attest to the following and provide supporting documentation upon request:

- 1. For all Buildings, the Energy use, Gross Floor Area, Building Use(s), and Emissions Factors data for the year selected as the baseline have been **third-party verified**.
  - a. Energy use data shall be based on utility data, utility bills, or other factors outlined in guidance, as may be updated from time to time, provided by the Commission.
  - b. Emissions factors shall be based on factors outlined in guidance, as may be updated from time to time, provided by the Commission.
- 2. For an individual Building, the total Gross Floor Area has not been reduced from the baseline year by **more than 10%** and the **largest primary Building Use** remains the same.
- 3. For a Building Portfolio, the Building Portfolio's total Gross Floor Area has not been reduced from the baseline year by more than 10% and the three largest Primary Building Use(s) across the Building Portfolio remain the same.



Draft language

### **Draft eligibility criteria for ICS (continued):**

4. All Buildings are currently **in compliance with the Ordinance and Regulations**, including, as applicable, requirements for Building Portfolios and the payment of (i) fines for any failure to comply with reporting requirements, accurately report information, or comply with an Emissions Standard and (ii) the submission of relevant compliance mechanisms in the amount required to correct any failure to meet an Emissions Standard in any calendar year.



Draft language

#### Draft data sources for baseline year:

- 1. Building Owners may use a baseline from any year starting in 2005 to 2021, provided that the Owner provides documentation of the Building or Building Portfolio data required by the Ordinance. The following data may be used for the baseline year of an Individual Compliance Schedule:
  - **a. Energy use:** Owners may use (a) historical utility data or utility bills, (b) public reports meeting a third-party standard or accreditation, including internally produced sustainability reports, and (c) any other records proposed by the Owner and deemed acceptable by the Review Board.

#### **b.** Emissions Factors:

i. Emissions Factors for the electric grid shall correspond to the historical Emissions Factors published by ISO New England. If available, Owners shall use Emissions Factors including net imports to the ISO New England grid.



Draft language

#### Draft data sources for baseline year (continued):

#### a. Emissions Factors (continued):

- ii. District Energy System operators may provide historical Emissions Factors for their systems and shall have the respective data, calculations, and Emissions Factors verified by a third party following any requirements included in policies and procedures. If a District Energy System operator fails to provide third-party verified historical Emissions Factor, the Owner shall use the relevant Emissions Factors reported by ENERGY STAR Portfolio Manager.
- iii. Owners of Campus District Energy Systems may calculate historical Emissions Factors for their systems by (a) following the Emissions Factors requirements for District Energy Systems as outlined in Section VIII.a.iii; or (b) applying the appropriate Emissions Factors to their central plant's fuel inputs and apportion the emissions across their connected buildings following Section VI.a of the Regulations. Owners may also choose to use the relevant Emissions Factors reported by ENERGY STAR Portfolio Manager.
- iv. Owners may propose alternative Emissions Factors to the Review Board. The Review Board shall have the discretion to accept or deny alternative Emissions Factors.



Draft language

### Draft data sources for baseline year (continued):

**c. Gross Floor Area:** Owners may use the records of the Boston Assessing Departments or calculate the historical Gross Floor Area pursuant to Section IV.b. and any existing guidance by the Environment Department.

The Environment Department may update these data sources via guidance.



Draft language

#### **Draft application process for individual Buildings:**

Applications for Individual Compliance Schedules may be submitted on a **rolling basis**, provided, however, that applications must be submitted by **September 1** for approval for the following compliance year. Applications shall be made in accordance with any guidance or standard form issued by the Environment Department. An application for an Individual Compliance Schedule for a Building shall include the following information and any other material required by standards issued by the Review Board:

- 1. The **baseline year** for emissions.
- 2. An alternative CO2e Emissions standard reduction schedule that meets the requirements set in the Ordinance.
- 3. A **brief narrative** description of (a) any significant emissions reduction efforts completed in the Building from the baseline year to date and (b) any cumulative increase of Gross Floor Area of 10% or more from the baseline year to date that did not significantly increase Energy use or Emissions.
- 4. A **brief narrative description** of expected methods to meet the alternative CO2e Emissions standard reduction schedule. This may include, but need not be limited to, any anticipated buildings audits, retrofits, capital improvements, or any other emissions reduction efforts that may be implemented in the Building in the near term.
- 5. If relevant, an **explanation** for any inability to meet the eligibility criteria in Section YY.a.



Draft language

#### **Draft application process for Building Portfolios:**

Applications to approve an Individual Compliance Schedule for Building Portfolios may be submitted on a **rolling basis**, provided, however, that applications must be submitted by **September 1** for approval for the following compliance year. Applicants applying for a Building Portfolio and an Individual Compliance Schedule concurrently must follow the application requirements in Section XX. Applications shall be made in accordance with any guidance or standard form issued by the Environment Department. Applications pursuant to this section shall include the following information and any other material required by standards issued by the Review Board:

- 1. The **baseline year** for emissions. Buildings in a Building Portfolio may have different baseline years.
- 2. An alternative CO2e Emissions standard reduction schedule for the Building Portfolio that meets the requirements set in the Ordinance. For Building Portfolios with multiple baseline years, the alternative CO2e Emissions standard reduction schedule proposed in an application for or modification to an Individual Compliance Schedule must be verified by a third party. Third party verification is not required for Building Portfolios with a single baseline year. The alternative CO2e Emissions standard reduction schedule shall supersede the Building Portfolio's blended Emissions standard. The Individual Compliance Schedule must cover all Buildings in the Building Portfolio.



Draft language

### **Draft application process for Building Portfolios (continued):**

- 3. A brief **narrative description** of (a) any significant emissions reduction efforts completed across the Building Portfolio from the baseline year to date, and (b) any cumulative increase of Gross Floor Area of ten percent (10%) or more from the baseline year to date that did not significantly increase Energy use or Emissions.
- 4. For Building Portfolios that are required to complete an Emissions standard compliance plan, **a copy of such plan**, provided, however, that if the Emissions standard compliance plan is not completed at the time of application, submission upon completion shall be a required condition of the Individual Compliance Schedule.
- 5. For Building Portfolios that are not required to complete an Emissions standard compliance plan, a **brief narrative description** of expected measures to meet the alternative CO2e Emissions standard reduction schedule. This may include, but need not be limited to, any anticipated buildings audits, retrofits, capital improvements, or any other emissions reduction efforts that may be implemented in the Building Portfolio in the near term.



Draft language

### **Draft review process for ICS applications:**

- 1. The Environment Department shall review each application for **completeness** and **technical accuracy** and recommend approval or denial to the Review Board.
- 2. The Review Board shall hold a hearing to evaluate applications for Building Portfolios and may hold a hearing for applications for individual Buildings seeking an Individual Compliance Schedule. The Review Board shall consider whether an application demonstrates that (a) a Building or Building Portfolio should have an Emissions standard different than the one applicable under Table 1 in the Ordinance, (b) there have been significant Emission reductions at the Building or Building Portfolio since the baseline year, (c) there are extenuating circumstances that support the need for an Individual Compliance Schedule, and/or (d) if relevant, the reason for and impact of any inability to meet the eligibility criteria in YY.a.
- 3. The Review Board may vote to deny or approve applications with standard conditions regarding (a) timely compliance with reporting and third-party verification requirements in the Ordinance, and (b) timely compliance with the requirements in Section YY. The Review Board may include special conditions for Individual Compliance Schedules that do not meet the eligibility criteria in Section YY.a. A decision shall require a majority vote by the Review Board.



Draft language

### **Draft timeline for ICS applications:**

- 1. Within 30 days of receiving an application to create or modify an Individual Compliance Schedule, the Environment Department shall inform the applicant whether the application is complete.
- 2. Within 90 days of the Environment Department's finding of completeness, the Review Board shall vote on an application.
- 3. A written copy of the Review Board's decision shall be provided to the applicant within 7 days after the vote. Applicants must record decisions with the Registry of Deeds and send proof of such recording to the Environment Department within 30 days of issuance of the decision. Recording deadlines shall be stayed pending any appeal
- 4. Within 21 days of issuance of the Review Board's written decision, an applicant may file a written appeal to the Commission. Appeals shall be made in accordance with any guidance or standard form provided by the Environment Department



Draft language

### Draft modification process for an approved ICS:

Review Board approval is required to make any modifications to an Individual Compliance Schedule. Requests to modify an approved Individual Compliance Schedule must be submitted by **September 1** for the modifications to be reflected for the following compliance year. Situations for which modifications are required include:

- 1. Individual Compliance Schedules for individual Buildings if the **Building's total Gross Floor Area is reduced by more than 10%** or the **largest primary Building Use changes**.
- 2. Individual Compliance Schedules for Building Portfolios if the Building Portfolio's total Gross Floor Area is reduced by more than 10% or the three largest primary Building Use(s) across the Building Portfolio change.
- 3. Changes to an approved alternative CO2e Emissions standard reduction schedule because of the addition of a Building to a Building Portfolio or Institutional Master Plan that has an Individual Compliance Schedule.

The Review Board shall approve requests for modifications that adjust approved alternative CO2e Emissions standard reduction schedules using the standard methodology adopted in guidance provided by the Commission. The Review Board may hold a hearing for requests for applications that use a different methodology and may approve a proposed methodology and outcome that the Review Board determines is reasonable.



Draft language

#### **Draft transfer process for an approved ICS:**

Approved Individual Compliance Schedules for individual Buildings or whole Building Portfolios are transferable upon change of ownership. The original and new Owners are jointly and separately responsible for notifying the Environment Department within 14 days of the change of ownership.



Draft language

#### **Draft termination process for an approved ICS:**

Upon termination of an Individual Compliance Schedule, the Building or Building Portfolios will be subject to the Emissions standards in Table 1 of the Ordinance.

- 1. An Owner may terminate an approved Individual Compliance Schedule. **Notice** must be provided to the Review Board by **September 1** for the termination to be reflected for the following compliance year.
- 2. An Individual Compliance Schedule for a Building Portfolio shall be automatically terminated if the associated Building Portfolio is terminated in accordance with Section XX.
- 3. The Review Board may initiate a proceeding to revoke or amend an approved Individual Compliance Schedule if the Review Board determines that an Owner does not materially comply with the requirements in Section YY or the conditions of an Individual Compliance Schedule. Any amendment shall be at the Review Board's discretion and based on a finding that the material noncompliance was due to unique circumstances beyond the Owner's control.



Draft language

### **Draft termination process for an approved ICS (continued):**

- 4. Any proposed revocation or amendment shall be discussed at a public hearing of the Review Board. Owners shall be provided notice of such meeting at least 30 days in advance.
- 5. A written copy of the Review Board's decision shall be provided to an Owner within 7 days after the vote. Owners must record decisions with the Registry of Deeds and send proof of such recording to the Environment Department within 30 days of issuance of the decision. Recording deadlines shall be stayed pending any appeal.
- 6. Within 21 days of issuance of the Review Board's written decision, Owners may file a written appeal to the Commission. Appeals shall be made in accordance with any guidance or standard form provided by the Environment Department.



# **Proposed Next Steps**

Draft language



### **Proposed Next Steps**



On Building Portfolios and Individual Compliance Schedules

### **Building Portfolios and Individual Compliance Schedules**

- BERDO team ask the Commission to consider opening 21-day formal public comment period on draft language regarding Building Portfolios and Individual Compliance Schedules.
  - If opened this week, the comment period would open on Friday, July 21 and close on Friday, August 11 at 12:00 p.m.
- After reviewing comments received during the formal public comment period,
   BERDO team will work to present a summary of comments and any revised regulations to APCC at August 16 public hearing.
  - At its discretion, the APCC may open a second formal public comment period for 21 days or vote to approve the regulations.





On Remaining Phase 3 Topics

### **Hardship Compliance Plans**

- Currently drafting regulations proposals on hardship compliance plans based on CAG conversations, focus groups, and technical assistance from contractor.
- Current goal is to present preliminary regulations proposals to APCC at August 16 public hearing.

### **Equitable Emissions Investment Fund**

- Starting to think through questions related to the Fund with the CAG.
- Current goal is to present preliminary regulations proposals to APCC during August 16 public hearing.

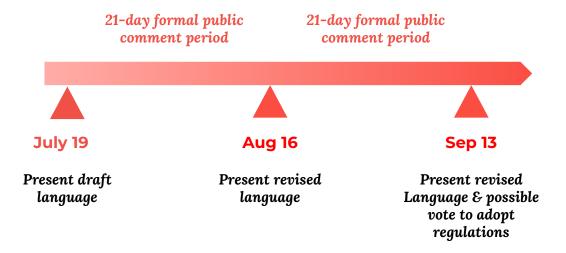
### **Fines and Enforcement**

Starting to think through questions related to fines and enforcement.

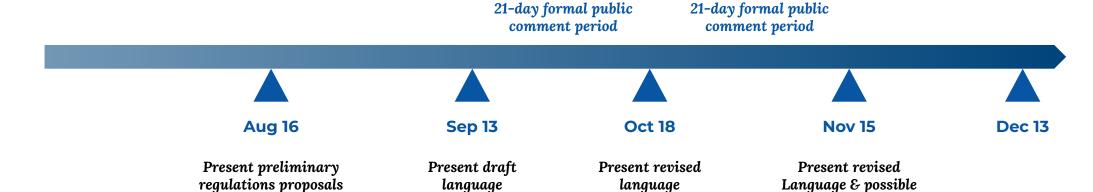
### **Tentative Timeline for APCC Hearings**



Building
Portfolios &
Individual
Compliance
Schedules



Other Phase 3 topics



vote to adopt regulations







## **BERDO Reporting Updates**



#### 2023 Reporting was due May 15

- Three-month extensions granted for:
  - All buildings reporting to BERDO for the first time this year
  - Buildings unable to report due to extenuating circumstances

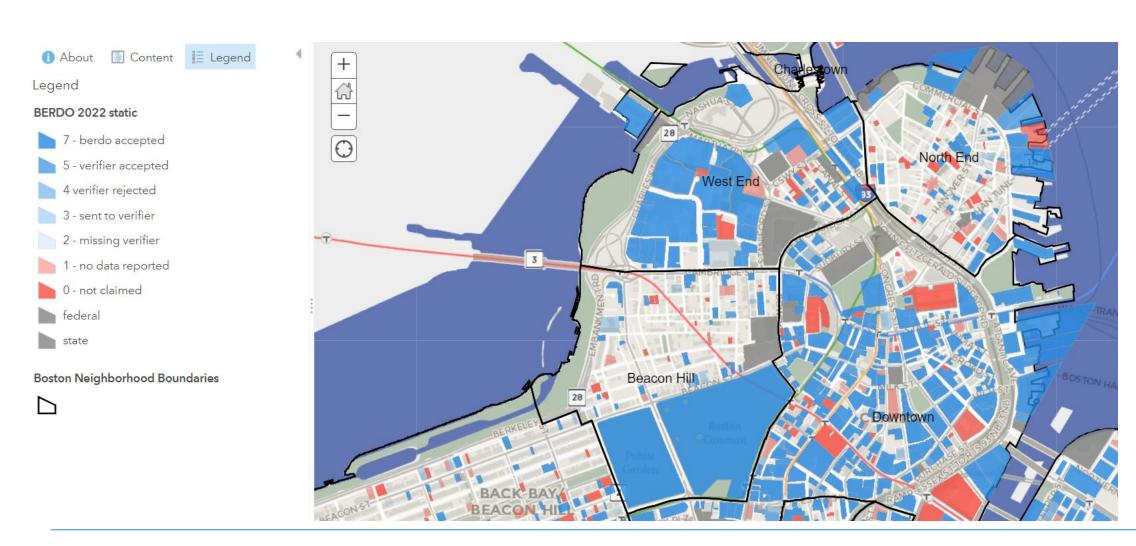
#### 2022 Reporting is past due

- Properties that have not been third-party verified are not in compliance with 2022 reporting
- Disclosed 2021 data has been posted to <u>Analyze Boston</u>

# **2021 BERDO Reporting Compliance Map**

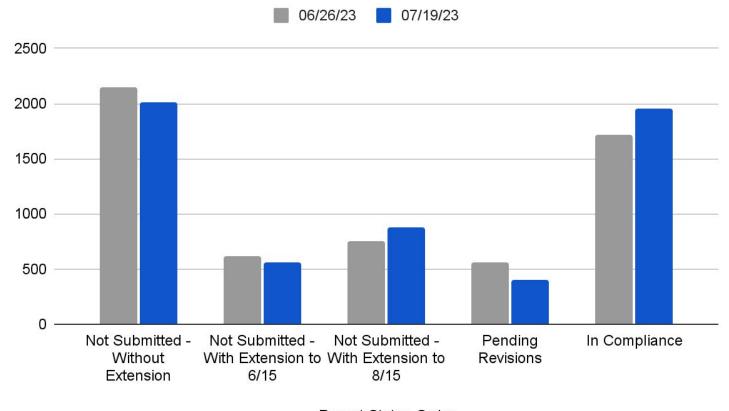


Link to Compliance Map



## 2023 BERDO Reporting Progress as of 7/19





Report Status Order

- In Compliance: 2022 data has been submitted and accepted by the BERDO Team.
- Pending Revisions: 2022 data has been submitted to the BERDO team, but acceptance by the BERDO Team is pending further corrections or clarification of submitted data.
- Not Submitted: 2022 data has not been submitted to the BERDO team.





#### 2023 Renewals



- Parking freeze permits expired on July 1 and must be renewed annually
- Automated renewal email went out to permit holders on 6/1/2023 and a reminder was sent on 6/20/2023
- As of July 17, 2023, 43% of permits have been renewed

# **APCC Hearings - Virtual/In-person**



- Discuss holding APCC hearings in person versus virtually
- Possibly holding quarterly meetings in person, and other monthly meetings virtually

# Acceptance of the Meeting Minutes





B

# Commission Motion & Vote Accordance of the June 14, 2022 Meeting Minutes

Acceptance of the June 14, 2023 Meeting Minutes

# **Adjourn**

Thank you for your participation!

