

BERDO 2.0 REGULATIONS - PHASE 2 WORKING SESSION #1

September 7, 2022



AGENDA

- **Introduction (5 min)**
- **Blended Emissions Standards (Discussion: 20 min)**
- **Designating Tenant as “Owner” (Discussion: 20 min)**
- **Change of Ownership (Discussion: 20 min)**
- **Buildings in Special Circumstances: Vacant Buildings and Demolitions (Discussion: 20 min)**
- **Next Steps (5 min)**

The background of the slide is a dark blue aerial wireframe map of a city, showing building footprints, streets, and parks in a light blue color. The map is centered and covers the entire area.

BERDO 2.0 Regulations

Proposed approach for regulations development



Regulations Development Process

Phased approach by key topics



Phase 1

- ***Adopted in March 2022***
- *Reporting and data verification requirements*

Phase 2

- *Review Board regulations*
- *Emissions factors*
- *Renewable energy purchases*
- *Blended emissions standards*
- *Designating tenant as owner, change of ownership, and other clarifying regulations as needed*

Phase 3

- *Hardship compliance plans*
- *Individual compliance schedules*
- *Portfolio compliance*
- *Equitable Emissions Investment Fund regulations*
- *Additional regulations as needed to implement and enforce the ordinance*



Phase 2 Community Engagement Process

Main components

Community Leads Meetings

Special meetings with community partners

- Advise on community needs and priorities.
- Engage residents.
- Inform and provide feedback on regulations.
- Ensure the regulations and implementation of BERDO are aligned with environmental justice and equity.

Technical Working Sessions

**Public meetings on Zoom
Technical experts invited**

- Provide technical feedback on regulations

Focus Groups

Special meetings to go deep into specific topics

- Convening of specific groups to have in-depth discussions on relevant issues.
- Scheduled as needed.

Air Pollution Control Commission

Public meetings on Zoom

- Series of monthly meetings from September to December.
- City will present proposals and draft language on regulations.
- Commission will provide direction and open public comment periods when appropriate.

The background of the slide is a dark blue aerial view of a city, rendered as a white wireframe. The buildings are represented by simple rectangular outlines, creating a grid-like pattern of urban structures. The perspective is from a high angle, looking down on the city.

Community Priorities

These priorities need to be at the forefront of regulations development

Community Priorities for BERDO 2.0

What did we hear that residents want?



Boston residents want carbon reduction programs that:



**Improve
air quality
for residents**



**Reduce renter
energy bills**



**Do not contribute to
displacement**



**Improve heating
+ cooling in
homes**



**Create jobs for
residents**



**Are good for the
environment**



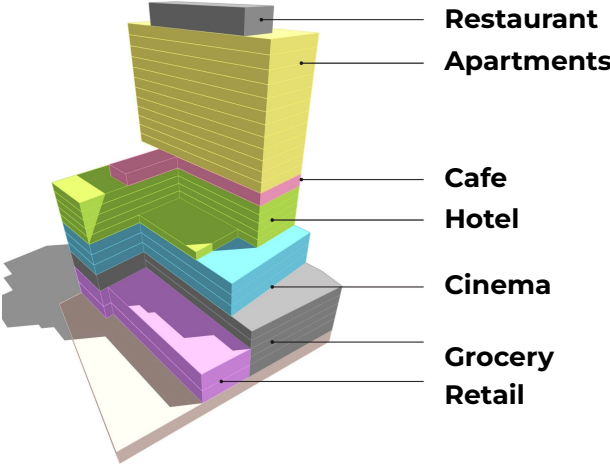
Blended Emissions Standards

Key regulatory questions

When can blended emissions standards be used by building owners?

As established by the Ordinance:

- “Buildings or Building Portfolios **with more than one primary use** may comply with a blended CO₂e Emissions standard; provided, however, that a use may constitute a primary use only if it:
 - (i) occupies **at least 10%** of a Building’s or Building Portfolio’s **square footage**, or
 - (ii) accounts for **more than 10%** of a Building’s or Building Portfolio’s total annual **Energy use** or **CO₂e Emissions.**”



Example of building with multiple primary uses

When can blended emissions standards be used by building owners?

As established by the Ordinance:

- *“Building Owners using a blended CO₂e Emissions standard must:*
 - *(i) designate the blended standard in annual reports to the Commission, and*
 - *(ii) provide documentation verifying the qualification of each primary use in annual reports to the Commission for the first year a blended CO₂e Emissions standard is used and in any subsequent year when the blended Emissions standard or primary use(s) change”.*

Regulations for Blended Emissions Standard

Some preliminary proposals for discussion:

- *Blended emissions standards would require third-party verification every “Verification Year”, as part of the regular verification process (i.e., starting in 2026 and every 5 years thereafter).*
- *Owners may update, opt-in, or opt-out from a blended emissions standard every “Verification Year” (i.e., starting in 2026 and every 5 years thereafter).*
- *If primary uses change, owners may update their blended emissions standard before a “Verification Year”, and this updated standard would require third-party verification.*
- *To verify their primary use(s), Owners would need to provide:*
 - *Gross Floor Area as listed in City of Boston Assessing Department records; or*
 - *Building Documentation such as Blueprints, Architectural Plans, or Project Capital Needs Assessments, if calculating alternative Gross Floor Area.*



Change of ownership

Key regulatory questions

What happens when a building changes ownership?

As established by Phase 1 regulations:

- *“When a building changes ownership, the previous Owner shall provide to the new Owner any required data that has been collected and is necessary for completing the next required report.”*

Regulations for Change of Ownership

Some preliminary proposals for discussion:

- *If a Building changes ownership, any outstanding Compliance obligations and liabilities shall become the responsibility of the new Building Owner.*

The background of the slide is a dark blue aerial wireframe map of a city, showing the outlines of buildings, streets, and parks. The lines are white and light blue, creating a technical, architectural feel.

Designating Tenant as Owner

Key regulatory questions

When could a tenant be designated as an “Owner” for BERDO compliance?

As established by the Ordinance:

- *“In the case of a Building subject to a lease that assigns maintenance, regulatory compliance and/or capital improvement costs to Tenants with a term of at least 30 years, inclusive of all renewal options, the Owner may designate the lessee as “Owner” for purposes of compliance with this Subsection.”*

Regulations for Designating Tenant as Owner

Some preliminary proposals for discussion:

- *This process would require submitting a letter of agreed designation to the Environment Department, signed by **both** the Building Owner and the lessee.*
- *When lease ends, the responsibility of compliance and any outstanding obligations would revert back to the Building Owner.*

The background of the slide is a dark blue wireframe illustration of a city skyline, viewed from an elevated perspective. The buildings are represented by white and light blue lines, creating a complex, geometric pattern of rectangular shapes and heights. The overall aesthetic is modern and architectural.

Buildings in Special Circumstances

Key regulatory questions

Regulations for Buildings in Special Circumstances: Vacant Buildings and Demolitions

Some preliminary proposals for discussion:

Vacant buildings

- A Building that **was not occupied**, did not use **any utilities for all 12 months**, and did not have an **active certificate of occupancy (COO)** for the relevant calendar year would not be required to report for that year.
- Third party verification would not be required until the first year after receiving a COO.
- Verification would be required on reported data prior to utility shut-off.

Building demolitions

- Buildings with **demolition permits** will need to report under BERDO and provide third party verification for the relevant calendar years in which the building was still in operation.
- Following demolition, any new covered buildings on the parcel would need to follow the requirements of the Ordinance.
- Buildings with active demolition permits would **not** need to provide third-party verification for **2022**.

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Reminders and next steps

Sign up for upcoming working sessions



Working Sessions Schedule for 2022

Additional meetings may be convened as needed and advertised via the BERDO newsletter and boston.gov/events.

Meeting Number	Date	Focus areas
#1	TODAY	Blended emissions standards, designating tenant as owner, and change of ownership
#2	September 14 1:00 - 2:30 p.m.	Grid emissions (emissions factors) and renewable energy purchases
#3	September 21 1:00 - 2:30 p.m.	District energy systems and co-generation

KEY DATES FOR APCC HEARINGS (TENTATIVE SCHEDULE SUBJECT TO CHANGE):

Meetings publicly noticed and accessible via boston.gov/public-notice.

- **September 28 time TBD (APCC Special Hearing):** City presents first proposals for regulations.
- **October 19 at 1:00 p.m. (APCC Monthly Hearing):** City submits draft regulations language. At the discretion of the Commission, first public comment period will open.
- **November 16 at 1:00 p.m. (APCC Monthly Hearing):** Discussion of feedback from public comment period.
- **December 14 at 1:00 p.m. (APCC Monthly Hearing):** To be determined by prior hearing.

Reminders

- Please share additional feedback via [Google Form](#)
 - <https://forms.gle/aJgVgM1ZLUPtBYf3A>
- Updates will be posted on BERDO regulations page:
 - boston.gov/departments/environment/berdo-regulations-development.
- [Boston.gov/berdo](https://boston.gov/berdo) is also updated regularly

THANK YOU!

Please visit boston.gov/berdo for more information and updates.

