



BERDO REGULATIONS PHASE 3

Working Session #1: Building Portfolios

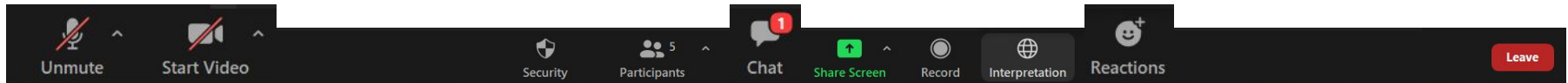
March 29, 2023



Welcome



- Update your name in Zoom to include your preferred name and your pronouns.
- Your microphones are turned off to start. You will need to unmute to speak. Joining via phone? Press ***6** to unmute.
- You can use non-verbal feedback options. Raise your hand or leave a message in the chat box if you would like to contribute to the discussion. If you called into the meeting, use ***9** to raise your hand.
 - When speaking, please make sure to introduce yourself.
 - Note: due to the number of participants, we will not be answering individual questions in the chat.



BERDO Team Members

City of Boston Staff



**HANNAH
PAYNE**

*Director of
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*BERDO
Policy Fellow*

Agenda

- **Regulations development process**
- **Introduction to Building Portfolios**
- **Regulations Proposals & Discussion**
- **Next steps & Reminders**

An aerial wireframe illustration of a cityscape, showing various building footprints and streets in a light blue color against a darker blue background. The perspective is from a high angle, looking down on the city.

Regulations Development Process

Launch of Phase 3

Phase 3 Regulations: Topics to Address



BUILDING PORTFOLIO COMPLIANCE

- *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 approved by the Review Board.*



HARDSHIP COMPLIANCE PLANS

- *Alternative emissions reduction targets and/or timelines approved by the Review Board. Available for buildings that experience a hardship in complying with BERDO.*



EQUITABLE EMISSIONS INVESTMENT FUND

- *New investment fund that will collect all Alternative Compliance Payments 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)*

An aerial wireframe illustration of a cityscape, showing various building footprints and structures in a light blue color against a darker blue background. The perspective is from a high angle, looking down on the city.

Building Portfolios

Introduction to the topic

Building Portfolios

Introduction to topic

What the Ordinance says:

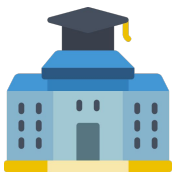
- Two or more Buildings with the **same Owner** or that are part of an approved **Institutional Master Plan** may comply with BERDO as Building Portfolio, including by using a *blended emissions standard*.
- Building Portfolios must be approved by the **Review Board**.
- The Review Board may set **conditions on the approval of a building portfolio**, including prioritizing emissions reductions in Buildings located in or near **environmental justice populations**.

The regulations and guidance will establish and clarify:

- Definition of Owner for the purposes of Building Portfolios
- Process to apply for a Building Portfolio
- Process through which the Review Board will assess and approve Building Portfolios
- Conditions the Review Board may set to approve Building Portfolios

Building Portfolios

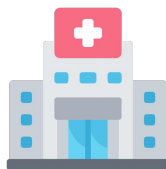
Examples of actors who may apply for Building Portfolios



**University
campus**



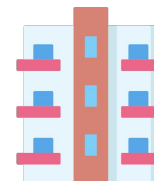
**Real estate
owner**



**Hospital
campus**



**Community
Development
Corporations**



**Affordable
housing**

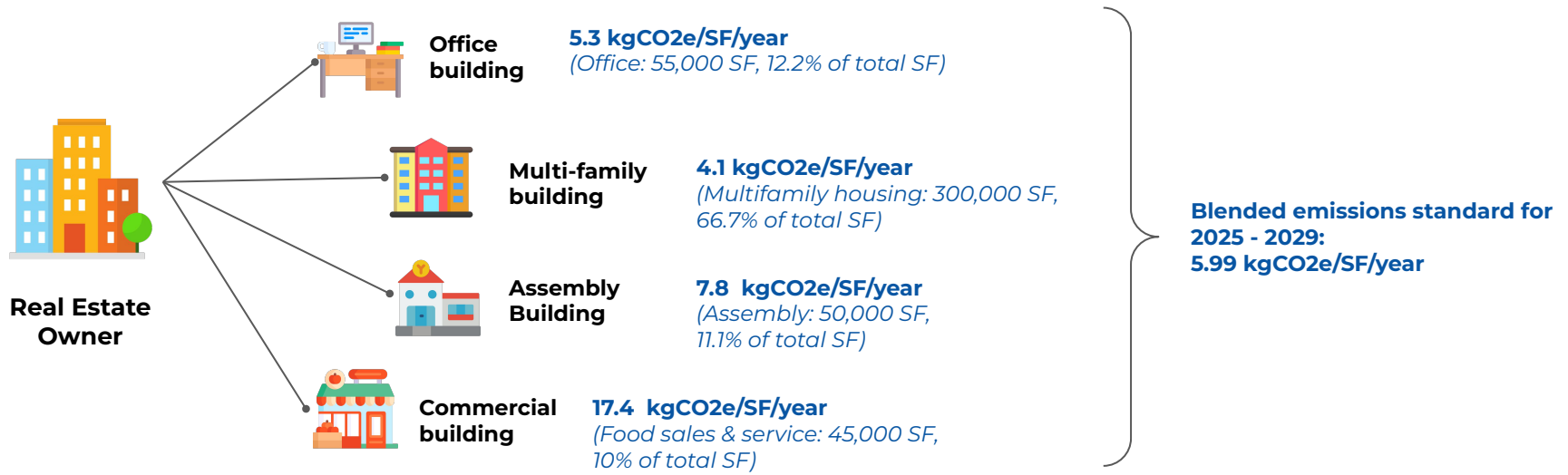


**City of
Boston**

Building Portfolios

Examples of Building Portfolios

Some Portfolio Owners may have buildings with different energy needs (and thus different emissions standards). Such Portfolios may use a blended emissions standard. For example:

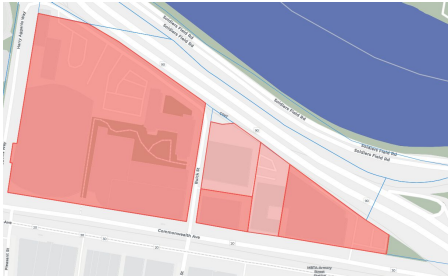


* Emissions standard for 2025 -2029

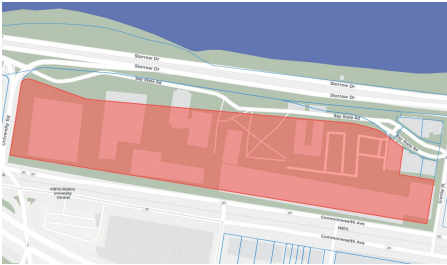
Building Portfolios

Examples of Building Portfolios

Buildings in adjacent parcels



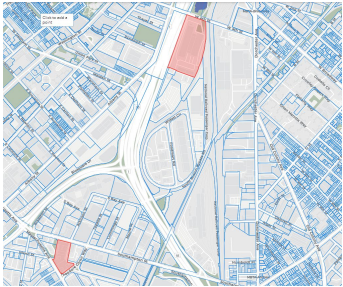
Buildings in the same parcel



Buildings with shared systems (no building metering)



Buildings in different parcels



Examples taken from [City of Boston's Tax Parcel Viewer](#)

A nighttime photograph of a city street, likely in Chicago, featuring a prominent church with a dome in the background. The street is lined with buildings and trees, many of which are decorated with strings of white lights. A street lamp with multiple circular globes is visible in the foreground. People are walking on the sidewalk, and a woman in the lower right is smiling and holding a phone. The overall scene is festive and urban.

Initial Draft Proposals

Definition of “Owner” for Building Portfolios

Per the Ordinance:

Building Portfolio means two or more Buildings, on one or more properties, provided that (i) **all Buildings within the Portfolio have the same Owner**; for this purpose, **a Building management company does not constitute an Owner**, or (ii) **all Buildings within the Portfolio are part of an approved Institutional Master Plan**.

Owner means a **Building’s Owner of record**, provided that the "Owner" may be deemed to include (i) multiple Owners in common ownership; (ii) the association or organization of unit Owners responsible for overall management in the case of a condominium; and (iii) the board of directors in the case of a cooperative apartment corporation.

Preliminary Proposal:

1. A Building’s Owner of record means the Owner(s) listed in the Boston Assessing Department.

Potential Environmental Justice Considerations

- Disparities in the **speed** and **scale** of **emissions reductions and their associated benefits** across communities, neighborhoods, and types of housing within a Portfolio, including:
 - *Geographic distribution of large point sources of emissions within a Portfolio (e.g., combined heat and power plants, campus district energy systems, and industrial/manufacturing Buildings)*
 - *Geographic disparities in housing investments within a Portfolio.*
 - *Disparities in investments between market rate and affordable housing within a Portfolio.*

Draft Proposal for Application Pathways

Three proposed application pathways:

1. Standard application
2. Standard application with potential environmental justice impacts
3. Non-standard application

A standard application would require the following:

1. The Building Uses, Energy Use, and Emissions for each Building included in the Portfolio have been third-party verified in the last Verification year.
2. All Buildings included in the Portfolio are in compliance with the Ordinance.
3. None of the Buildings included in the Portfolio are vacant, including awaiting for demolition.
4. The applicant demonstrates that they are the Owner of record of all Buildings in the Portfolio or all buildings in the Portfolio are part of one Institutional Master Plan.

3 Proposed Application Pathways

1

Standard Review

Portfolios outside of Environmental Justice Neighborhoods or Portfolios with buildings in Environmental Justice Neighborhoods that **do not include** any of the following:

- Combined Heat and Power Plants or Campus District Energy Systems;
- Industrial and manufacturing buildings;
- Or Residential Buildings

Application and Review Steps

1. Submit a complete standard application.
2. Environment Department reviews application for completeness.
3. If standard application is complete, Environment Department recommends for approval by the Review Board.
4. Review Board votes at next meeting.

Fastest review

2

Standard Environmental Justice Review

Portfolios **with** any of the following in Environmental Justice neighborhoods:

- Combined Heat and Power Plants or Campus District Energy Systems;
- Industrial and manufacturing buildings;
- Or Residential Buildings

Application and Review Steps

1. Submit a complete standard application.
2. Environment Department reviews application for completeness and potential impacts on Environmental Justice populations.
3. If application is complete, Environment Department recommends for approval by Review Board with standard environmental justice reporting conditions.
4. Review Board may request a hearing or vote at next meeting.

Fast review, periodic EJ reporting required

3 Proposed Application Pathways

3

Non-standard Review

Portfolio does not follow standard application.

Application and Review Steps

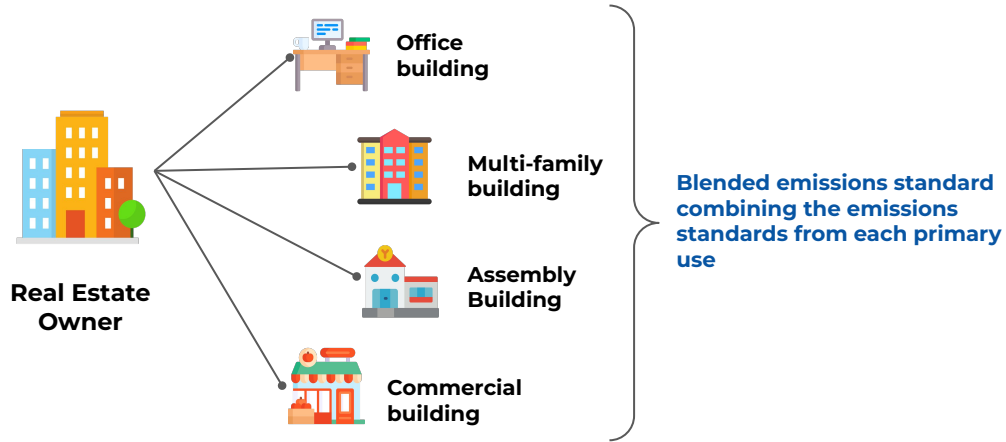
1. Submit a complete application including non-standard requests.
2. Environment Department reviews application for completeness, evaluates non-standard requests, and potential impacts on Environmental Justice populations, if applicable. Staff may request additional information to evaluate application.
3. Environment Department recommends for approval by the Review Board with conditions of approval, if needed. This may include standard environmental justice reporting conditions.
4. Review Board may request a hearing or vote at next meeting.

Examples of non-standard requests may include:

- Including a non-verified building in the Portfolio (i.e. purchased a building or new building that will be verified in upcoming compliance year).
- Not using a blended emissions standard.
- Other special cases.

Detailed review, additional conditions and reporting may be required

Blended Emissions Standards



- *Should primary uses qualify at the Building level or at the Building Portfolio level?*
- *Should we require verification of all primary uses at the Building level or at the Building Portfolio level?*
- *For those considering Portfolios, how often do you change internal building uses? Do you have good data on the GFA of primary uses of your buildings?*

Per the Ordinance, a use may constitute a **primary use** only if:

- It occupies at least 10% of a Building's or Building Portfolio's SF;
- It accounts for more than 10% of a Building's or Building Portfolio's total annual Energy use; or
- It accounts for more than 10% of a Building's or Building Portfolio's CO₂e Emissions.

Per the adopted regulations:

- Owners shall submit the proposed blended CO₂e Emissions standard and documentation verifying the qualification of each primary use.
- If a blended emissions standard is updated due to a change of primary use(s), building owners must submit the updated blended CO₂e emissions standard and new documentation verifying the qualification of each primary use.

Timeline for Applications and Modifications

Preliminary Proposals:

1. Initial applications to be approved as a Building Portfolio may be submitted on a rolling basis until November 1, 2024. Thereafter, applications must be submitted by September 1 of each year to qualify as a Building Portfolio for the following compliance year.
2. With notification, Buildings may be removed from a Building Portfolio due to:
 - a. *Change of Ownership of an existing Building*
 - b. *Demolition or vacancy of an existing Building*
3. Review Board approval is needed if the Owner wishes to remove a Building from a Building Portfolio due to any other reasons or add a new Building to the Portfolio.
4. Requests and notifications to update a Building Portfolio must be submitted by September 1 to be reflected for the following compliance year.
5. The Building Uses and emissions of any added buildings must be third-party verified before being included in a Building Portfolio.

Buildings Reporting as a “Campus”

Per the adopted regulations:

Buildings that are on a single tax lot or on multiple tax lots, that are not classified as the same Building Use, and whose Energy or water use is not separately metered or sub-metered, should be **reported as a campus as defined in Portfolio Manager**.

Preliminary Proposal:

1. Buildings reporting as a campus as defined in Portfolio Manager are eligible to comply with the Ordinance as a Building Portfolio, either as a single Building Portfolio or as part of a bigger Building Portfolio.

Buildings with shared systems



Discussion

- **Definition of “Owner”**
- **Environmental justice concerns**
- **Standard and non-standard review processes**
- **Blended emissions standards**
- **Application timeline**
- **Modifications or updates for Building Portfolios**
- **Buildings reporting as “campus” under Portfolio Manager**

Any other topics / questions we are missing?

An aerial wireframe illustration of a cityscape, rendered in a light blue color against a darker blue background. The buildings are represented by simple geometric shapes and lines, creating a sense of depth and perspective. The text 'Next Steps' is overlaid on the left side of the image.

Next Steps

Next Steps

- Please share additional feedback by emailing Claudia Diezmartinez, BERDO Policy Fellow, at claudia.diezmartinez@boston.gov
- Slides and meeting notes will be posted on boston.gov/berdo-regulations

BERDO Reporting Reminders

2023 Reporting is due May 15

- Updated reporting guidance available on boston.gov/berdo
- New platform for BERDO Reporting Form (Touchstone) launches today!

2022 Reporting is past due

- 2022 reporting should also use new BERDO Reporting Form (Touchstone)
- 2022 reporting must be third-party verified.

Resources

Visit boston.gov/berdo for regular updates on BERDO and key resources for reporting.

- *Sign up for the BERDO newsletter to be notified of latest updates.*
- *Upcoming events including regular reporting office hours.*
- *Recorded webinars on BERDO basics, how to report, building decarbonization strategies, and more!*

Visit boston.gov/berdo-regulations for more information on the regulations development process.

- *Process updates, events, and opportunities to engage.*

The [Retrofit Resource Hub](#) is your one stop resource for reducing energy use and emissions.

- *Find technical and financial resources about renewable energy, electrification, and efficiency measures.*

THANK YOU!

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

