

BERDO REGULATIONS PHASE 3

Working Session: Equitable Emissions Investment Fund

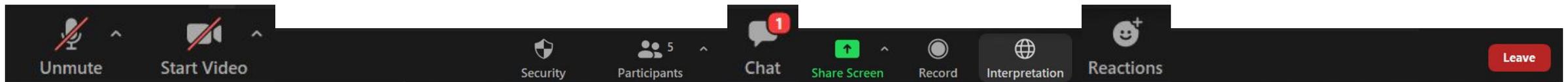
August 23, 2023



Welcome



- Update your name in Zoom to include your preferred name and your pronouns. You can also include your affiliation.
- 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.



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Agenda



- Welcome, introductions, and reminders
- Introduction to the Equitable Emissions Investment Fund
- Presentation of preliminary proposals
- Q&A and Discussion

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) and other clarifying regulations.*

We are receiving feedback on Phase 3 regulations

- The Air Pollution Control Commission (APCC) has opened a second formal public comment period for draft regulations regarding **Building Portfolios** and **Individual Compliance Schedules**.
- The BERDO team is also receiving informal public comments on preliminary proposals for regulations regarding **Hardship Compliance Plans** and the **Equitable Emissions Investment Fund**.
- We invite you to provide feedback on all topics in a single letter to the APCC (apcc@boston.gov) by **September 15 at 12:00 p.m.**
- If you would like to only provide informal comments on Hardship Compliance Plans and the Equitable Emissions Investment Fund, you can also send your feedback to claudia.diezmartinez@boston.gov by **September 15 at 12:00 p.m.**
- Based on feedback, the BERDO team will revise draft language and present it to the APCC at a special public hearing in September (time TBD).

The background of the slide is a dark blue wireframe illustration of a cityscape, showing various buildings and structures from an aerial perspective. The lines are white and light blue, creating a technical, architectural feel.

Equitable Emissions Investment Fund

Introduction to the topic

Equitable Emissions Investment Fund (EEIF)

Ordinance requirements



- The EEIF is a fund that will collect any Alternative Compliance Payments (ACPs)** and penalties made to BERDO and **invest them in local building carbon abatement projects.**
- Fund expenditures shall **prioritize projects that benefit environmental justice communities and populations disproportionately affected by air pollution.**
- The **Review Board** is responsible for evaluating project proposals, making expenditure recommendations, and setting **conditions for expenditure.**



BERDO buildings with emissions over their limits pay ACPs and/or penalties to comply with BERDO



Equitable Emissions Investment Fund collects money



ACPs and penalties are invested in local building carbon reduction projects approved by the Review Board

*** ACPs are one of the additional compliance mechanisms authorized by the Ordinance*

Types of projects that may receive funding

Ordinance requirements

Money in the Fund shall be used for **local building carbon abatement projects**.

The Fund shall prioritize projects that also **improve or promote**:

- *Low-income affordable housing and housing where tenants are at risk of displacement and in need of rent stabilization;*
- *Local air quality improvement;*
- *Indoor environmental quality and health for building tenants;*
- *Economic inclusion, training, and technical assistance for Minority, Women, and Disadvantaged Business Enterprises (MWDBE) and cooperative contractors;*
- *Equitable workforce development training programs for residents who have been disproportionately impacted by the effects of climate change;*
- *Projects with community ownership of housing and renewable energy infrastructure;*
- *Reduced energy burdens; or*
- *Any further environmental initiatives.*

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.

Equitable Emissions Investment Fund

Preliminary proposals



Preliminary eligibility criteria and application process



Preliminary proposals

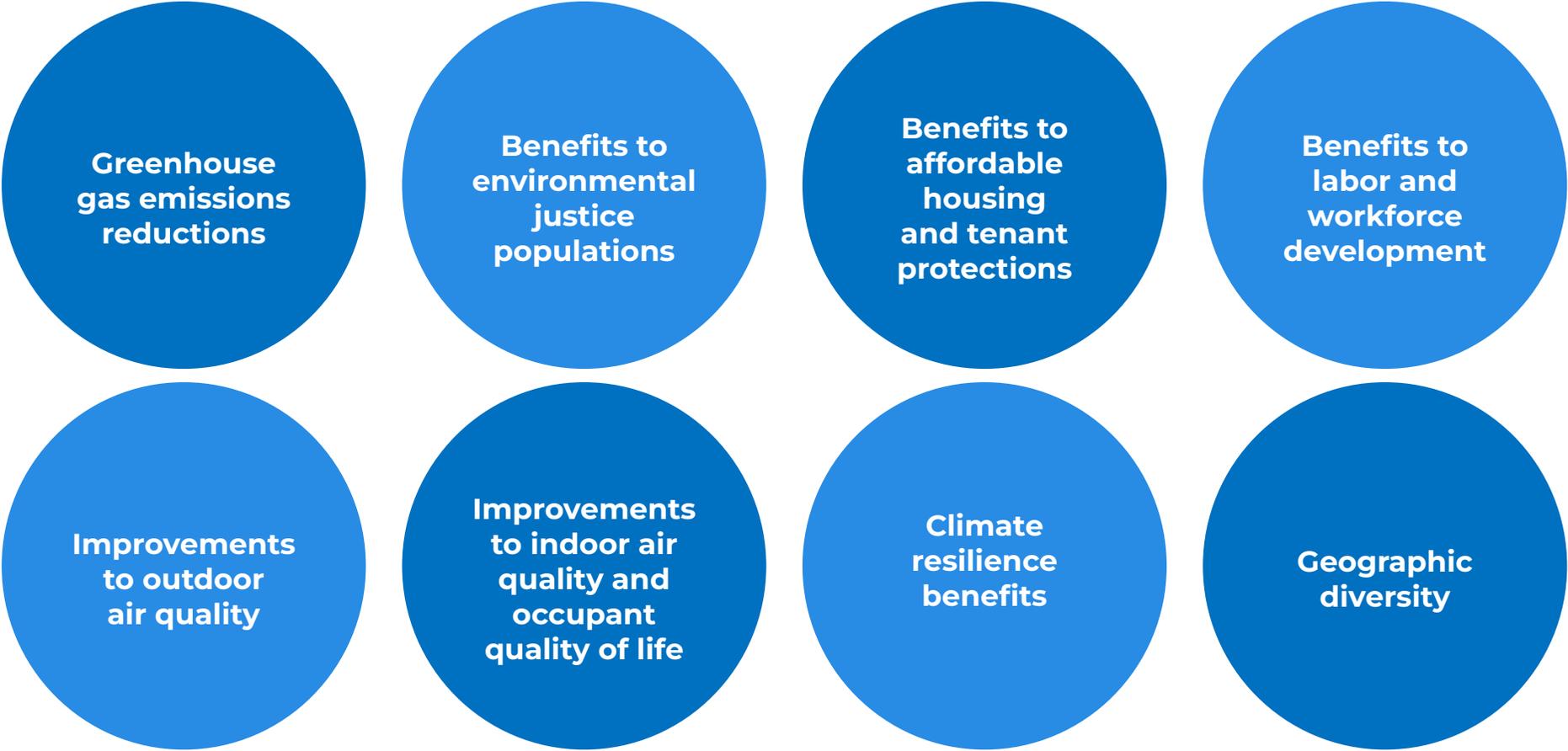
- Any building owner(s) or resident(s) located in the City of Boston, or entity acting on their behalf, are eligible to receive funding.
- The Review Board shall hold at least one application cycle per year.
- Applicants must submit project proposals for **local building carbon abatement projects** and present a narrative of how the project would provide benefits to Environmental Justice Populations and/or advance the purposes of the Ordinance.



Preliminary project evaluation criteria

Preliminary proposals

Review Board decisions shall consider the following criteria to evaluate project proposals:



Preliminary project evaluation criteria

Preliminary proposals



Preliminary criteria	Description
Greenhouse gas emissions reductions	<ul style="list-style-type: none">All projects must result in direct greenhouse gas emissions reductions from buildings located in Boston. The Review Board may consider the expected timing and scale of emissions reductions when comparing proposed projects.
Benefits to environmental justice populations	<ul style="list-style-type: none">Whether projects are located in or directly benefit Environmental Justice Populations.
Benefits to affordable housing and tenant protections	<ul style="list-style-type: none">Whether projects directly benefit low-income residents and residents of affordable housing, including both Deed-Restricted Residential Buildings and Naturally-Occurring Affordable Housing.Whether projects include anti-displacement measures, such as rent stabilization, rent assistance, and/or relocation assistance.
Benefits to labor and workforce development	<ul style="list-style-type: none">Whether projects include benefits to local contractors, cooperative contractors, Minority, Women, and Disadvantaged Business Enterprises (MWDBE), and/or promotes equitable workforce development.
Improvements to outdoor air quality	<ul style="list-style-type: none">Whether projects would result in the reduction of local air pollutants, including but not limited to, carbon monoxide, lead, ground-level ozone, nitrogen dioxide, particulate matter, and sulfur dioxide.
Improvements to indoor air quality and occupant quality of life	<ul style="list-style-type: none">Whether projects would result in improvements in indoor air quality, thermal comfort, and/or reduced energy bills for occupants.
Climate resilience benefits	<ul style="list-style-type: none">Whether projects include measures for heat or energy resilience, coastal resilience, stormwater flooding, or other hazards.
Geographic diversity	<ul style="list-style-type: none">Distribution of funded projects across Boston neighborhoods over time.

Additional preliminary considerations

Preliminary proposals

- The Review Board may decide to dedicate any given application cycle to specific types of benefits or types of applicants that align with the goals of the Fund and the Ordinance.
- The Review Board may prioritize projects that meet multiple evaluation criteria.
- If there are insufficient qualified proposals, funds may be held over to the next application cycle, provided, however, that starting in 2026, new monies may not sit in the Fund for more than 5 years.

Other?

Preliminary conditions for expenditure

Preliminary proposals

- The Review Board may set standard and special conditions to grant funding to a project proposal.
- **Standard Conditions**
 - For all cases. Examples include ongoing compliance, timeline of project completion, reporting responsibility, and repayment in case of lack of compliance.
- **Special Conditions**
 - Conditions related to providing benefits to Environmental Justice Populations and/or advancing the purposes of the Ordinance**.
 - Any special conditions shall be determined on a case-by-case basis and discussed at a public hearing.

** “It is the intent of this Subsection to reduce the emissions of air pollutants, including greenhouse gases, from building energy production and consumption, and thereby to encourage efficient use of energy and water, develop further investment in building a green economy, including by encouraging the hiring and training of green jobs, protect public health, and promote equitable access to housing.”

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Q&A and Discussion

Discussion questions

- Are there other project evaluation criteria that should be considered by the Review Board?
- How should the Review Board compare projects with different community benefits?
- What should be required as part of a funding application?
- Are there other considerations we are missing? E.g.,
 - *Leverage of other funding sources?*

THANK YOU!

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

