

BERDO REVIEW BOARD PUBLIC MEETING



August 7, 2023

This public meeting 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.

BERDO REVIEW BOARD



Rashida Boyd

Board Member



Stephen Ellis

Board Member



Lovette Jacobs

Board Member



Kendra Lara

Board Member



Gail Latimore

Board Member



Lee Matsueda

Board Member



Jack Nelson

Board Member



Matt O'Malley

Board Member



Kai Palmer-Dunning

Board Member

CITY OF BOSTON STAFF



**Diana
Vasquez**

*Environment
Department*



**Claudia
Diezmartinez**

*Environment
Department*



**Aladdine
Joroff**

*Environment
Department*

Agenda

Today's Meeting



- 1. Approval of Meeting Minutes**
- 2. Phase 3 Regulations Activities Thus Far**
- 3. Introduction to Hardship Compliance Plans and Equitable Emissions Investment Fund**
- 4. Discussion on Building Portfolios and Individual Compliance Schedules**
- 5. Proposed Next Steps**
- 6. Administrative Updates**

Approval of Meeting Minutes

Board votes on approving previous meeting's minutes.

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. A semi-transparent dark blue horizontal band runs across the middle of the image, serving as a backdrop for the main text.

Phase 3 BERDO Regulations Update



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 boston.gov/berdo-regulations.*
- **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 boston.gov/berdo-regulations.*
- **Holding monthly Community Advisory Group meetings.**
 - *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)*
- **Working with technical consultant to support the development of regulations regarding technical *Hardship Compliance Plans*.**
- **Additional community meetings, virtual town hall, technical working sessions, and focus groups planned for *the summer*.**

Air Pollution Control Commission

On Building Portfolios and Individual Compliance Schedules



Building Portfolios and Individual Compliance Schedules

- The Commission voted to open a 21-day formal comment period. The comment period opened on **Friday, July 21** and closes 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.

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Hardship Compliance Plans and Equitable Emissions Investment Fund

Introduction to topics

Hardship Compliance Plans (HCP)

Ordinance requirements

- HCP are a flexibility mechanism that allows Building Owners to receive **alternative emissions reduction targets** and/or **timelines for compliance**.
- HCP are available for buildings that experience a **hardship in complying with BERDO**, including historic building designations, affordable housing refinancing timelines, pre-existing long-term energy contracts without reopeners, financial hardship, and any other factors detailed in the upcoming regulations.
- HCP are approved by the **BERDO Review Board**. The Review Board may set **conditions of approval**.
- **The regulations will clarify:**
 - *Additional circumstances that should be considered eligible hardships for HCP*
 - *Application and review process*
 - *Conditions of approval that may be set by the Review Board*
- **BERDO team is working with Buro Happold to inform regulations on technical hardship.**

Equitable Emissions Investment Fund (EEIF)

Ordinance requirements

- The EEIF is a new fund that will collect all 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**.
- The **Review Board** is responsible for evaluating project proposals, making expenditure recommendations, and setting **conditions for expenditure**.
- **The regulations will clarify:**
 - *Eligibility criteria to apply to the Fund.*
 - *Application and review process*
 - *Conditions for expenditure that may be set by the Review Board.*



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



Equitable Emissions Investment Fund collects money



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

Opportunities to prioritize benefits to Environmental Justice communities



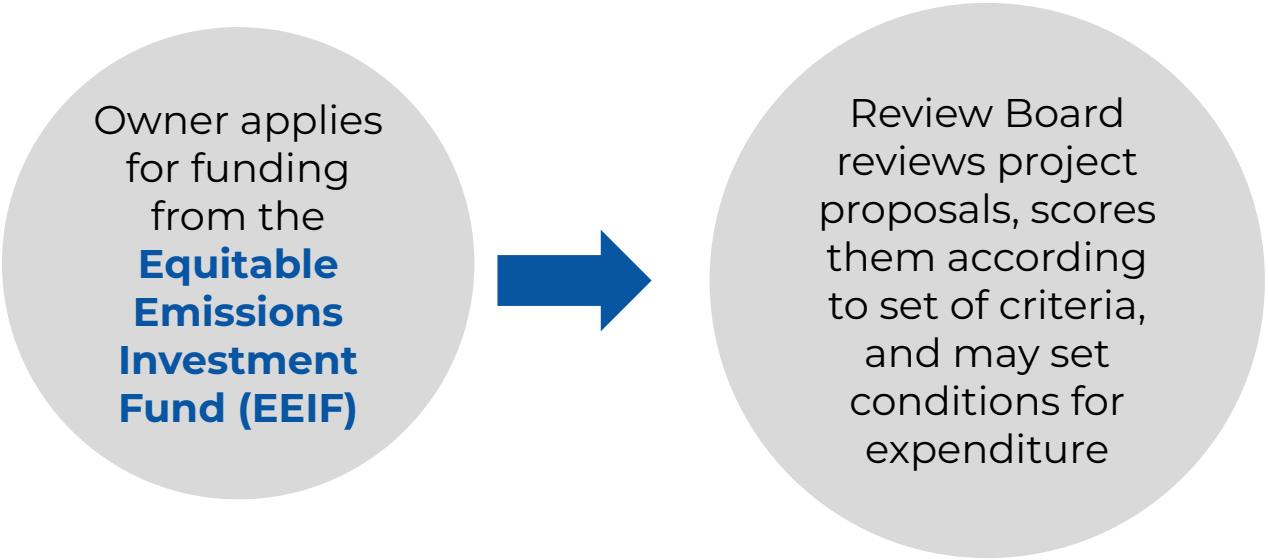
1. Conditions for Hardship Compliance Plans (HCP)

Examples of potential types of EJ benefits / conditions:



Opportunities to prioritize benefits to Environmental Justice communities

2. Projects funded by Equitable Emissions Investment Fund



Examples of potential types of evaluation criteria:

Evaluation criteria
<i>Scale and timing of potential emissions reductions *</i>
<i>Benefits to affordable housing</i>
<i>Inclusion of tenant protections and anti-displacement strategies</i>
<i>Improvements to outdoor air quality</i>
<i>Improvements to indoor air quality and tenants' health</i>
<i>Inclusion of living wage standards</i>
<i>Hiring of local, cooperative and Minority- and Women-Owned Business Enterprises (MWBES) for building improvements</i>
<i>Other benefits to environmental justice populations</i>

* All projects must demonstrate emissions reductions

Tentative Timeline and Next Steps

On Remaining Phase 3 Topics

Hardship Compliance Plans

- We will present preliminary regulations proposals to APCC at **August 16** public hearing and open an informal public comment period.
- We will conduct a [public technical working session](#) on **August 22** at 1:00 to 2:30 p.m.
- Current goal is to present draft regulations to APCC at the **September 13** public hearing.

Equitable Emissions Investment Fund

- We will present preliminary regulations proposals to APCC at **August 16** public hearing and open an informal public comment period.
- We will conduct a [public working session](#) on **August 23** at 1:00 to 2:30 p.m.
- Current goal is to present draft regulations to APCC at the **September 13** public hearing.

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Board Q&A


The Board may discuss and ask staff questions.



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Public Q&A

The public may discuss and ask staff questions.



Building Portfolios and Individual Compliance Schedules

Discussion of draft language.

Building Portfolios and Individual Compliance Schedules

- **Application Timelines**
- **Environmental Justice Reporting Requirements**
- **Building Portfolio Standard Conditions**
- **Tenant Ability to Petition to Terminate (Building Portfolio)**
- **Indicators of Inequitable Distribution of Benefits (Building Portfolio)**

Building Portfolios

Regulations Language



Topic	Current Proposals - Building Portfolio	Current Proposals - Individual Compliance Schedule
Application Timeline	<p>Pathway 1: After Enviro dept confirms application is complete, within 45 days the review board votes to approve with standard conditions or deny. <i>This gives enough time to make a decision in at least 2 public meetings if meeting biweekly, or 1 public meeting if meeting monthly.</i></p> <p>Pathway 2: After Enviro dept confirms application is complete, within 60 days the review board votes to approve with standard conditions, special conditions, or deny. <i>This gives enough time to make a decision in at least 4 public meetings if meeting biweekly, or 2 public meetings if meeting monthly.</i></p> <p>Pathway 3: After Enviro dept confirms application is complete, within 90 days the review board votes to approve with standard conditions, special conditions or deny. <i>This gives enough time to make a decision in at least 6 public meetings if meeting biweekly, or 3 public meetings if meeting monthly.</i></p>	<p>After Environment Department confirms application is complete, within 90 days the review board votes to approve with standard conditions, special conditions, or deny. <i>This gives enough time to make a decision in at least 4 public meetings if meeting biweekly, or 2 public meetings if meeting monthly.</i></p>

Building Portfolios

Regulations Language



Topic	Current Proposals
Environmental Justice Reporting Requirements	<p>Environmental Justice Reporting Requires Building Owners to:</p> <ol style="list-style-type: none">1. Map each building in proposed portfolio AND any EJ criteria at the location of each building (based on Mass EJ criteria)2. Highlight Buildings that have any on-site Campus District Energy Systems, industrial or manufacturing Buildings, energy/power station Buildings located in EJ populations, and residential buildings in EJ populations in the proposed portfolio3. Highlight any deed-restricted residential buildings in proposed portfolio4. Highlight residential buildings in EJ populations5. Provide maps that overlay asthma rates, the Air Toxics Respiratory Hazard Index, and heat resilience metrics (data source from EPA and City of Boston) with buildings from the proposed portfolio.6. When creating their initial (and updated) emissions standard compliance plan, they must include:<ol style="list-style-type: none">a. A current map of portfolio buildings submitted with the applicationb. A narrative description of plans to prioritize distribution of benefits to EJ populations and affordable housing. Examples can include: affordability of rent or energy bills, increased air quality or thermal comfort, access to cooling or backup systems in case of climate shocks, or investments in energy efficiency and renewable energy projects

Building Portfolios

Regulations Language



Topic	Current Proposals
Portfolio Standard Conditions	<p>Standard conditions currently include:</p> <ol style="list-style-type: none">1. Building Owners committing to timely compliance with third-party verification requirements every verification year2. Building Owners committing to complying with a Blended Emissions Standard for their portfolio (unless complying with an Individual Compliance Schedule for the portfolio)3. If the proposed portfolio has on-site Campus District Energy Systems, on-site Combined Heat and Power plants, industrial or manufacturing buildings, a combination of residential buildings located in both EJ and non-EJ communities, or a mix of deed-restricted and non deed-restricted residential buildings, Building Owners must commit to<ol style="list-style-type: none">a. Submit an emissions standard compliance plan 2 years after Board's initial approval of portfoliob. Submit annual progress reports that identify any progress made on compliance planc. Submit an updated standard compliance plan every verification year (2026 and every 5 years thereafter)4. The Review Board or designee may inspect any Building that is part of an approved Portfolio (at reasonable times with reasonable notice).

Building Portfolios

Regulations Language



Topic	Current Proposals
Tenant Ability to Petition	<p>The greater of 20% of tenants or 5 tenants of a Building can petition the Review Board to initiate a proceeding to terminate a Building Portfolio if:</p> <ul style="list-style-type: none">• An owner does not comply with conditions of the Portfolio or no longer meets the eligibility requirements• An Owner has not prioritized the distribution of benefits to EJ populations

Building Portfolios

Regulations Language



Topic	Current Proposals
Indicators of Inequitable Distribution	<p>Currently the Review Board can initiate at its own initiative or as a response to a petition from tenants to terminate a Portfolio if an owner has not prioritized the distribution of benefits to EJ populations.</p> <p>Indicators of a failure to prioritize distribution of benefits may include, but are not limited to:</p> <ul style="list-style-type: none">• Disproportionate allocation of benefits, investments in BERDO compliance, and/or improvements to:<ul style="list-style-type: none">○ Buildings located outside of EJ Populations,○ Buildings in areas with lower rates of asthma, Air Toxics Respiratory Hazard exposure, or urban heat island intensity, or○ Residential Buildings that are not affordable housing.

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Proposed Next Steps

Regarding Phase 3 regulations.

Tentative Timeline and Next Steps

On Building Portfolios and Individual Compliance Schedules

Building Portfolios and Individual Compliance Schedules

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Tentative Timeline and Next Steps

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Equitable Emissions Investment Fund

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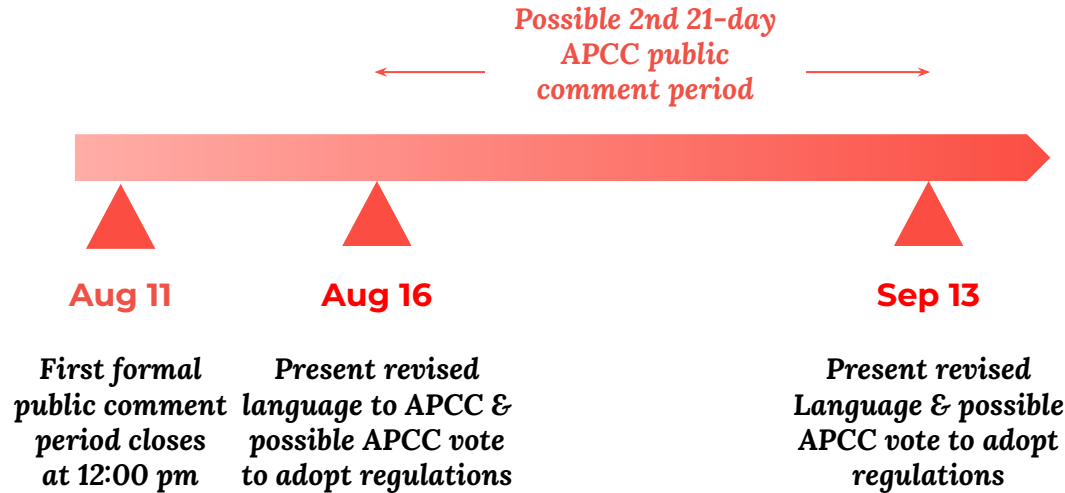
Fines and Enforcement

- Starting to think through questions related to fines and enforcement.

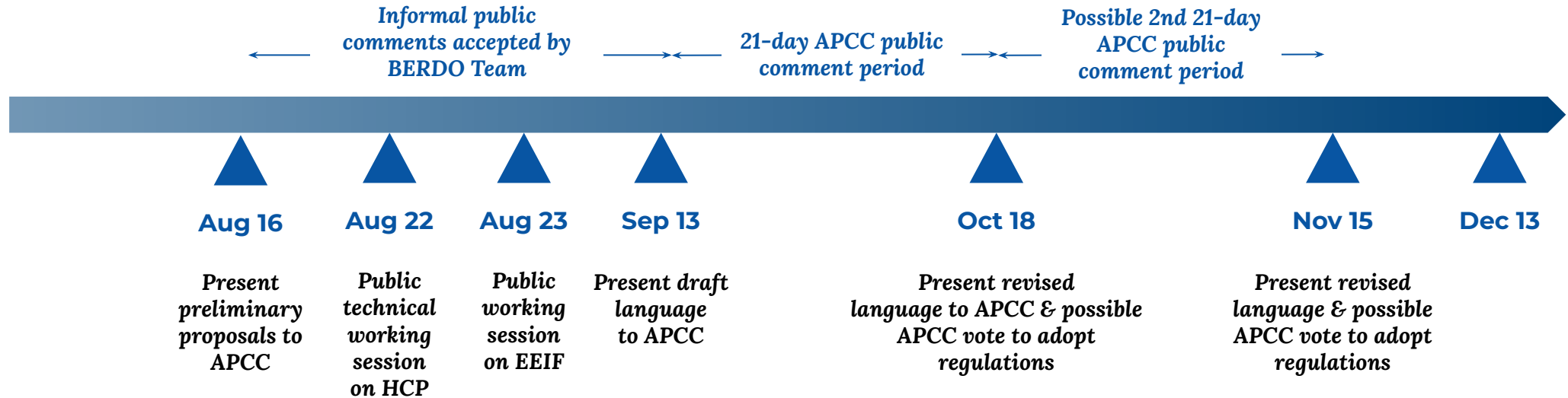
BERDO Timeline Review



Building Portfolios & Individual Compliance Schedules



Hardship Compliance Plans (HCP) & Equitable Emissions Investment Fund (EEIF)



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Additional Administrative Updates

Staff presents administrative updates.

Adjourn

Thank you for your participation!

