Boston's Building Performance Standards - BERDO

November 18, 2024

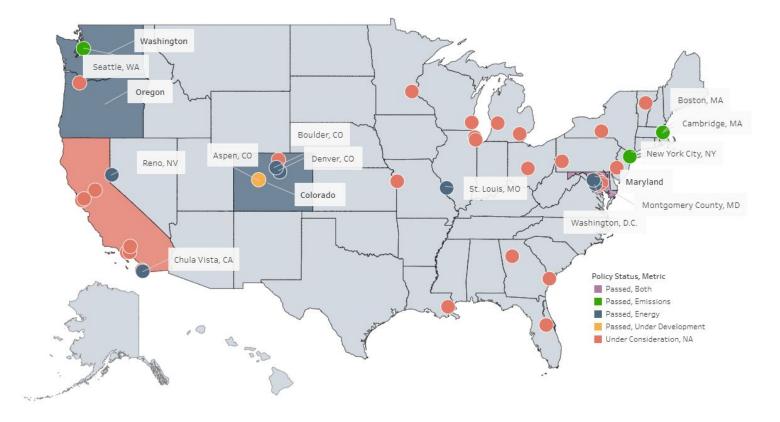


WHAT IS BERDO?

The Building Emissions Reduction and Disclosure Ordinance (BERDO) addresses Boston's largest source of emissions.

- BERDO requires medium and large buildings in Boston to reduce emissions over time and achieve **net-zero emissions by 2050**.
- By complying with BERDO, the approximately 6,000 covered buildings (5% of buildings in Boston) could collectively **reduce city-wide emissions by nearly 40%.**
- There are several ways a building can directly or indirectly reduce its emissions and come into compliance with its BERDO emissions standard.

STATE AND LOCAL BUILDING PERFORMANCE STANDARDS



WHAT IS REQUIRED UNDER BERDO?







REPORTING

Annual reporting of total energy and water use from the previous calendar year.

THIRD-PARTY VERIFICATION

Third-party verify reported data on their first year of reporting and every "Verification Year" thereafter.

EMISSIONS REDUCTIONS

Reduce annual emissions below an emissions standard (emissions limit).

B

- Non-residential buildings that are 20,000 ft² or larger excluding parking (e.g., office spaces, churches, universities)
- **Residential buildings** that have **15 or more units** (e.g., apartments and multi-family buildings)
- Any parcel of land with multiple buildings that sum to **20,000 ft**² or **15 units** or more.





| First year with an emissions standard | Non-Residential Residential buildings buildings | |
|---|--|------------------|
| 2025 | 35,000 ft ² or larger | 35 or more units |
| 2030 | 20,000 - 34,999 ft ² | 15 - 34 units |



WHAT ARE THE EMISSIONS STANDARDS (LIMITS)?

Emissions standards set annual emissions limits based on different types of building uses.

| Building use | Emissions standard (kgCO ₂ e/SF/yr.) | | | | | |
|------------------------------|---|-----------|-----------|-----------|-----------|-------|
| | 2025-2029 | 2030-2034 | 2035-2039 | 2040-2044 | 2045-2049 | 2050- |
| Assembly | 7.8 | 4.6 | 3.3 | 2.1 | 1.1 | 0 |
| College/ University | 10.2 | 5.3 | 3.8 | 2.5 | 1.2 | 0 |
| Education | 3.9 | 2.4 | 1.8 | 1.2 | 0.6 | 0 |
| Food Sales & Service | 17.4 | 10.9 | 8.0 | 5.4 | 2.7 | 0 |
| Healthcare | 15.4 | 10.0 | 7.4 | 4.9 | 2.4 | 0 |
| Lodging | 5.8 | 3.7 | 2.7 | 1.8 | 0.9 | 0 |
| Manufacturing/ Industrial | 23.9 | 15.3 | 10.9 | 6.7 | 3.2 | 0 |
| Multifamily housing | 4.1 | 2.4 | 1.8 | 1.1 | 0.6 | 0 |
| Office | 5.3 | 3.2 | 2.4 | 1.6 | 0.8 | 0 |
| Retail | 7.1 | 3.4 | 2.4 | 1.5 | 0.7 | 0 |
| Services | 7.5 | 4.5 | 3.3 | 2.2 | 1.1 | 0 |
| Storage | 5.4 | 2.8 | 1.8 | 1.0 | 0.4 | 0 |
| Technology/Science | 19.2 | 11.1 | 7.8 | 5.1 | 2.5 | 0 |

Emissions Standards by Building Use Type:

- Based on emissions intensity and reported in kilograms of carbon dioxide equivalent per square foot per year.
- Based on the building use type and reduced every five years.
- All buildings covered by BERDO are expected to achieve net-zero emissions by 2050.

COMPLIANCE MECHANISMS

Options to keep a building's emissions under its limit include:

Direct reduction of emissions produced by a building:

• Energy efficient appliance upgrades, electrification, improved building insulation and controls, etc.

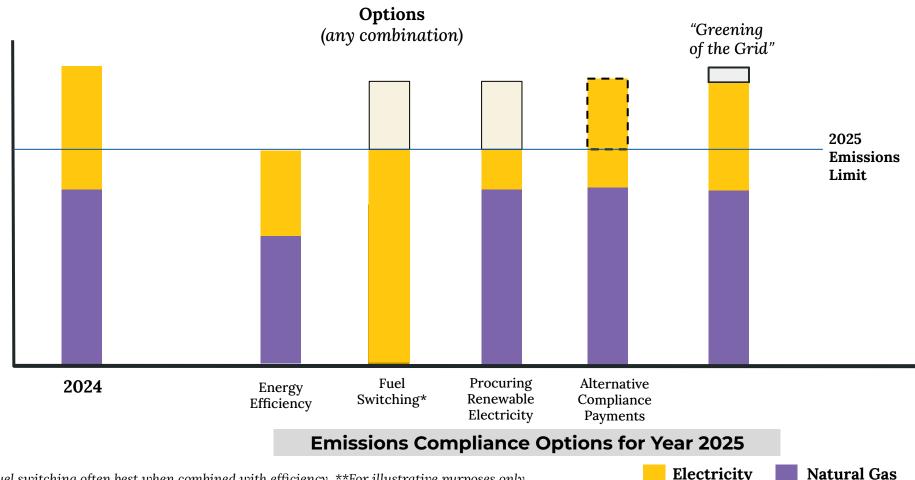
Purchasing of eligible renewable energy

- Boston Community Choice Electricity, local solar generation, Renewable Energy Certificates, Power Purchase Agreements
- Renewable energy may be used to reduce emissions <u>only from electricity usage</u>.

Alternative Compliance Payments (ACP)

- \$234 per metric ton of CO_2e
- ACPs go into the Equitable Emissions Investment Fund

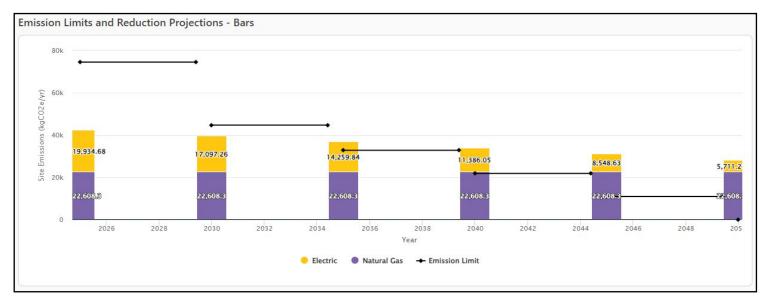
EXAMPLE: SINGLE BUILDING COMPLIANCE



* Fuel switching often best when combined with efficiency **For illustrative purposes only

Electricity

<u>BERDO Emissions Calculator</u> - Designed to assist building owners in evaluating and understanding their projected emissions and compliance. Paired with its <u>guidance</u> <u>document</u>.



berdocalculator.touchstoneig.com

FLEXIBILITY MEASURES

| | BLENDED EMISSIONS STANDARD | BUILDING PORTFOLIO | INDIVIDUAL COMPLIANCE SCHEDULE | HARDSHIP COMPLIANCE PLAN |
|---------------------------------------|---|--|--|--|
| DESCRIPTION | Allows Owners of a building or building portfolio with more than one primary use to calculate a blended emissions standard based on the mix of primary uses in the building(s). | Allows Owners of multiple Buildings to comply with a single portfolio-level emissions standard according to the mix of Building Uses in the portfolio. | Allows Owners to comply with an alternative emissions reduction schedule based on a baseline year. | Allows Owners to comply with alternative emissions reduction limits and/or schedules. |
| EMISSIONS REDUCTION REQUIREMENT | Requires calculating and complying with a blended emissions standard. | Requires use of a blended emissions standard in most cases. | Requires a 50% emissions reduction from the baseline year by 2030 and a 100% reduction by 2050. | May allow alternative emissions reduction timeline or less stringent emissions reduction limits. |
| ELICIBILITY | More than one Primary Use in a building. | Any Owner with multiple buildings , that demonstrates eligible shared ownership or a shared Institutional Master Plans for all Buildings in the Building Portfolio. | Third-party verified data for the baseline year and Gross Floor Area must not have reduced by more than 10% and the Primary Use type must be the same from the baseline year. | Owner must demonstrate one of the eligible hardships . |
| REQUIRES REVIEW BOARD APPROVAL | 0 | Ø | | v |
| CAN BE COMBINED WITH | Building Portfolios | Blended Emissions Standard; Individual Compliance Schedules; Hardship Compliance Plans | Building Portfolios | Building Portfolios |

*A Building Owner **cannot** combine an Individual Compliance Schedule with a Hardship Compliance Plan.

В

BUILDING PORTFOLIOS

- If you own multiple BERDO buildings.
- If you want to align your capital planning to target deeper retrofits and other improvements in certain buildings first.

INDIVIDUAL COMPLIANCE SCHEDULE

- If you have good quality historical data that can be third-party verified.
- If you have implemented significant building retrofits or other emissions reduction efforts prior to 2021.
- If your current emissions are significantly higher than the average building in your Building Use category.
- If you would prefer to plan emissions reduction efforts by benchmarking against your historical emissions, rather than based on your Building Use category.

HARDSHIP COMPLIANCE PLAN

- If you face an unforeseen "hardship" that will not allow you to comply with emissions standards in the short-term (1 - 3 years)
- If you face a long-term "hardship" (4+ years) in complying with emissions standards.

REMINDERS & RESOURCES

- Ongoing Data Quality Concerns
- Data Access from the Utility Companies
- Outreach to Non-Compliant Building Owners
- Administrative Bandwidth



FINES & ENFORCEMENT

The Ordinance establishes three types of fines:

| Failure to comply with reporting and verification requirements | Non-Residential Buildings ≥ 35,000 sq. ft. Two or more Buildings on the same parcel ≥ 100,000 sq. ft. Residential Buildings ≥ 35 units or ≥ 35,000 sq. ft. | \$300 per Day |
|---|--|---|
| | Non-Residential Buildings ≥ 20,000 SF but < 35,000 sq. ft. Residential Buildings ≥ 15 units but < 35 units; or ≥ 20,000 sq. ft. but <35,000 sq. ft. | \$150 per Day |
| Failure to comply with Emissions standards | Non-Residential Buildings ≥ 35,000 sq. ft. Two or more Buildings on the same parcel ≥ 100,000 sq. ft. Residential Buildings ≥ 35 units or ≥ 35,000 sq. ft. | \$1,000 per Day |
| | Non-Residential Buildings ≥ 20,000 SF but < 35,000 sq. ft. Residential Buildings ≥ 15 units but < 35 units; or ≥ 20,000 sq. ft. but <35,000 sq. ft. | \$300 per Day |
| Failure to accurately report information | • All Buildings | \$1,000 - \$5,000, at Review Board's discretion |

B

HOW WE ARE HELPING BUILDING OWNERS

- Help desk phone and email
- BERDO Emissions Calculator tool (Guide)
- <u>BERDO webinar series</u> (recordings available at boston.gov/berdo)
 - ° Recordings on flexibility measures and emissions compliance
- Free assistance for BERDO reporting and third-party verification
 - ^o Targeting self-managed residential buildings, small non-profit owners, or commercial buildings with small business tenants. Staff will prioritize owners with limited English proficiency, digital literacy, financial resources, located in EJ communities, and/or facing unusual challenges.
- Weekly office hours for emissions compliance
- One-on-one building emissions consultations
- How to Report Guide
- Renewable Energy Guide
- Hardship Compliance Plan Guide & FAQs
- BERDO Handbook for Condo Associations

RESOURCES

B

BERDO Homepage BERDO Regulations Retrofit Resource Hub BERDO Emissions Calculator



CONTACT US:

Emissions Compliance: retrofit@boston.gov

Energy Reporting: energyreporting@boston.gov

THANK YOU

EFE

STREET, STREET

THE OWNER STREET STREET, STREE