

REVISED DRAFT PHASE 3 POLICY FOR PUBLIC COMMENT

7. BUILDING PORTFOLIOS

A. Applications

- a. Owners applying for Building Portfolios including (a) on-site Campus District Energy Systems **that use non-renewable or CO₂e emitting fuels**, on-site Combined Heat and Power plants, industrial or manufacturing Buildings, or energy/power station Buildings located in Environmental Justice Populations, (b) a combination of Residential Buildings located in both Environmental Justice Populations and non Environmental Justice Populations, or (c) a combination of Deed-Restricted Residential Buildings and other Residential Buildings shall use the following data sources and tools to prepare the map required in Section XX.c.ii.a.3:
 - i. For Environmental Justice Population criteria, Owners shall use the most recently updated Environmental Justice Populations Map created by the Massachusetts Executive Office of Energy and Environmental Affairs.
 - ii. For the overlay of asthma rates, Owners shall use the metric “asthma among adults aged 18 or older” included in the most recently updated Environmental Justice Screening and Mapping Tool created by the U.S. Environmental Protection Agency.
 - iii. For the overlay of the Air Toxics Respiratory Hazard Index, Owners shall use the metric “Air Toxics Respiratory HI” included in the most recently updated Environmental Justice Screening and Mapping Tool created by the U.S. Environmental Protection Agency.
 - iv. For the overlay of heat resilience metrics, Owners shall use the metric “Urban Heat Island Intensity (UHII) Index” included in the most recently updated Climate Ready Boston Map Explorer created by the City of Boston

The Environment Department may update these data sources via guidance. The Environment Department shall provide either (i) a mapping tool for Owners to utilize or (ii) instructions for preparing standard maps.

B. Emissions Standard Compliance Plans and Progress Reports

- a. Any (i) initial ~~or updated~~ Emissions standard compliance plan or (ii) updated Emissions standard compliance plan submitted in a Verification Year, shall include, at minimum, the following:
 - i. An update of the map submitted with the Building Portfolio application as required by Section XX.c.ii.
 - ii. A narrative description of plans to prioritize distribution of benefits associated with BERDO compliance in Buildings in the Building Portfolio that are located in Environmental Justice Populations and affordable housing. Examples of benefits may include, but need not be limited to, any of the following:
 1. For Buildings with residential dwelling units, affordability, including as it relates to rents, energy bills and energy burdens.
 2. Improvements to quality of life and public health, such as ~~public health~~, indoor air quality (e.g., replacement of gas stoves), and thermal comfort (e.g., improved insulation).
 3. Climate resilience, such as access to cooling, reliable access to affordable energy, and backup systems in case of climate shocks.
 4. Investments in a Building Portfolio in emission reduction strategies, such as energy efficiency and renewable energy projects.
 - iii. A narrative description of any planned Emissions standard compliance efforts that are expected to be implemented across the Building Portfolio over the next two compliance cycles. This may include, but need not be limited to, narrative discussions of the following:

1. Timeline and type of expected Emissions reduction measures and compliance mechanisms to be implemented across the Building Portfolio. ~~Examples of Such~~ measures may include, but are not limited to: ~~energy efficiency improvements, retrofits, weatherization, electrification, appliance replacements, and installation of local renewable energy.~~
 - a. Any plans regarding the maintenance, upgrade, or replacement of existing heating and cooling systems, windows, stoves and other fossil fueled appliances, fossil fueled machinery, and industrial equipment.
 - b. Plans to incorporate energy efficiency or decarbonization measures into regular operational and maintenance procedures, e.g., insulating pipes when they are exposed due to repair or maintenance work.
 - c. Any plans to perform energy audits in Buildings, including through the Mass Save Energy Audit program or other third-party program.
2. Where applicable and feasible, a narrative description of any expected strategies to reduce emissions from on-site Campus District Energy Systems ~~that use non-renewable or CO₂e emitting fuels~~, Combined Heat and Power plants, industrial or manufacturing Buildings, and energy/power station Buildings.
3. The types of heating systems, cooling systems, stoves, ventilation, and any air quality monitoring and filtration systems that are currently in operation for each Building.
- ~~4. Any plans regarding the maintenance, upgrade, or replacement of existing heating and cooling systems, stoves and other fossil fueled appliances, fossil fueled machinery, and industrial equipment.~~
- ~~5. Plans to incorporate energy efficiency or decarbonization measures into regular operational and maintenance procedures, e.g., insulating pipes when they are exposed due to repair or maintenance work.~~

~~6. Any plans to perform energy audits in Buildings, including through the Mass Save Energy Audit program or other third-party program.~~

- b. Any update to an Emissions standard compliance plan submitted in connection with a modification to a Building Portfolio shall include (i) a list of the Buildings added or removed from the Building Portfolio that identifies which, if any, Buildings are located in an Environmental Justice Population or are Deed-Restricted Residential Buildings and (ii) the compliance status of each Building added or removed from the Building Portfolio.
- c. By July 15 of each year, Building Owners shall submit annual progress reports that include a narrative description of any progress **or delays** towards achieving the measures described in the Emissions standard compliance plan, **including any changes in compliance strategies for the Building Portfolio**. If relevant, Building Owners shall include information on any efforts that have been delayed or stopped due to extenuating circumstances beyond their control. Building Owners are encouraged to submit, and the Review Board may request, documentation to support the narrative.
- c. The Review Board may request more information or hold a hearing to evaluate a Building Portfolio's (i) **initial** Emissions standard compliance plan, (ii) **updated Emissions standard compliance plans submitted in a Verification Year, or ~~and~~ (iii) annual progress reports. Any hearing shall be scheduled within sixty (60) Days of the Environment Department's receipt of an initial or updated Emissions standard compliance plan and within thirty (30) Days of the Environment Department's receipt of an annual progress report.**

C. Amendments to Special Conditions and Revocation of Approved Building Portfolios

- a. Grounds for revoking or amending an approved Building Portfolio include a finding by the the Review Board that, absent extenuating circumstances beyond an Owner's control, an Owner has not prioritized distribution of benefits **associated with BERDO compliance to Buildings in the Building Portfolio that are** in Environmental Justice Populations **and affordable housing** as proposed in the Building Portfolio's Emissions standard compliance plan. Indicators of a failure to prioritize distribution of benefits **associated with BERDO compliance** may include, but are not limited to,

disproportionate allocation across multiple compliance schedules of benefits, investments in BERDO compliance and/or improvements to (i) Buildings located outside of Environmental Justice Populations, (ii) Buildings in areas with lower rates of asthma, Air Toxics Respiratory Hazard exposure, or urban heat island intensity, or (iii) Residential Buildings that are not affordable housing.

8. INDIVIDUAL COMPLIANCE SCHEDULES

A. Data sources for baseline year

- a. Building Owners may use a baseline from any year starting in 2005 to 2021, provided that the Owner provides documentation of the Building or Building Portfolio data required by the Ordinance. The following data may be used for the baseline year of an Individual Compliance Schedule:
 - i. Energy use
 1. Owners may use (a) historical utility data or utility bills, (b) public reports meeting a third-party standard or accreditation, including internally produced sustainability reports, and (c) any other records proposed by the Owner and deemed acceptable by the Review Board.
 - ii. Emissions Factors
 1. Emissions Factors for the electric grid shall correspond to the historical Emissions Factors published by ISO New England. If available, Owners shall use Emissions Factors including net imports to the ISO New England grid.
 2. District Energy System operators may provide historical Emissions Factors for their systems and shall have the respective data, calculations, and Emissions Factors verified by a third party following any requirements included in policies and procedures. If a District Energy System operator fails to provide third-party verified historical Emissions Factor, the

Owner shall use the relevant Emissions Factors reported by ENERGY STAR Portfolio Manager.

3. Owners of Campus District Energy Systems may calculate historical Emissions Factors for their systems by (a) following the Emissions Factors requirements for District Energy Systems as outlined in Section VIII.a.iii; or (b) applying the appropriate Emissions Factors to their central plant's fuel inputs and apportion the emissions across their connected buildings following Section VI.a of the Regulations. Owners may also choose to use the relevant Emissions Factors reported by ENERGY STAR Portfolio Manager.
4. Owners may propose alternative Emissions Factors to the Review Board. The Review Board shall have the discretion to accept or deny alternative Emissions Factors.

ii. Gross Floor Area

1. Owners may use the records of the Boston Assessing Departments or calculate the historical Gross Floor Area pursuant to Section IV.b. and any existing guidance by the Environment Department.

The Environment Department may update these data sources via guidance.

B. Individual Compliance Schedules for Building Portfolios with Multiple Baseline Years

- a. The Environment Department will provide model calculations explaining how to create an Individual Compliance Schedule for Building Portfolios with multiple baseline years.