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Air Pollution Control Commission
Boston City Hall
Environment Department, Room 709
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Boston, MA 02201

RE: A Better City's Comments on BERDO 2.0 Phase 3 Draft Regulations on the Hardship Compliance Pathway and the Equitable Emissions Investment Fund

Dear Commissioners:

On behalf of A Better City's nearly 130-member businesses and institutions, thank you for the opportunity to provide comments on regulations for the Hardship Compliance Pathway and the Equitable Emissions Investment Fund.

We appreciate the consideration given to our comments on the preliminary proposals of the Hardship Compliance Pathway and the Equitable Emissions Investment Fund. Please see the comments below, some of which are an emphasis of previously discussed items and some of which are new comments received from our members.

Under the Hardship Compliance Pathway, comments include: critical services; technical and operational hardship, and applications. Under the Equitable Emissions Investment Fund (EEIF), comments include: selecting projects to receive funding; project evaluation; and EEIF management.

HARDSHIP COMPLIANCE PATHWAY COMMENTS:

Critical Services: We appreciate the flexibility that has been provided for the Review Board to consider other services beyond the provision of life saving services and affordable housing regarding critical services. However, we still think the Review Board would benefit from an expanded critical services list that includes critical research, labs, community health centers, climate resilience hubs, data centers, cultural institutions, churches, libraries, and properties providing services like access to grocery stores, to name a few.

- **Recommendation:** *A Better City recommends expanding the list of critical services to give more guidance to the Review Board without it being an exhaustive list.*

Technical and Operational Hardship: A Better City members would like to reiterate the following comments and additional circumstances for consideration within technical and operational hardship:

- Under "Equipment needed for significant compliance related work is not adequately demonstrated or available in the US," add lead times on the delivery of equipment.
- When labs/museums/data centers have unique temperature/humidity constraints.



- When equipment trials fail.
- When timing of decarbonization projects need to be considered in the context of lease obligations, e.g., a building retrofit may be able to be completed within 2 years if the building is closed down, but lease obligations may require the building to remain open, so the project could take much longer.
 - **Recommendation: A Better City recommends considering additional circumstances detailed above for technical and operational hardship.**

Applications: Section ZZ(d)(i) requires information on how the Owner has used, plans to use, and/or has evaluated the use of all the compliance mechanisms and flexibility measures other than direct emissions reductions in a hardship application. A Better City recommends a modification to this language that requests a brief description of this information only. This would provide the relevant information to the Review Board without overly burdening applicants.

In terms of hardship application fees, we have a concern in ZZ(e)(ii)(a) that additional fees may be requested at the Review Board's discretion with no limit to the cost of those fees, or criteria for these requests.

A Better City members suggest allowing the following materials to support why hardship may be necessary:

- Adding "other forms of evidence proving hardships" to the list of supporting materials.
- Adding ASHRAE audits to the list of supporting materials.
- Adding letters of support to the list of supporting materials.
 - **Recommendation: A Better City recommends a change to the language requiring information on all other compliance mechanisms and flexibility measures in a hardship application, clarification of application fees, and additional materials to support why hardship is necessary.**

EQUITABLE EMISSIONS INVESTMENT FUND (EEIF)

Selecting Projects to Receive Funding:

- **Prioritizing Emissions Reduction in Project Selection:** Projects must "provide benefits to Environmental Justice Populations and/or advance the purposes of the Ordinance." As the goal of the Ordinance is emissions reduction, which is the greatest benefit to Environmental Justice and all populations, we suggest making emissions reductions the most important criteria in the list of expected project impacts and benefits. We also recommend prioritizing projects with large emissions reduction, short time horizons, or both.
 - **Recommendation: A Better City recommends making emission reductions the most important criteria in the list of expected project impacts and benefits and prioritizing large emissions reduction projects, projects with short time horizons, or both, when considering projects for funding under the EEIF.**
- **Considering Projects that Support District Energy Solutions for Building Decarbonization:** A Better City members suggests considering district energy solutions, e.g., networked geothermal energy that serve buildings located in Boston, as potential projects for EEIF funding.



- ***Recommendation: A Better City recommends considering district energy projects that serve Boston buildings as recipients of EEIF funding.***
- **Considering Green Bank Models and Carbon Removals Best Practices for Selection Criteria:** A Better City recommends exploring existing green and climate bank models as selection criteria are considered for project selection and evaluation. Some examples include the [DC Green Bank](#) and [Connecticut Green Bank](#), and the PAVER+ framework from carbon removals verification and accreditation best practices (please see A Better City's carbon removals [report](#) for more information).
 - ***Recommendation: A Better City recommends exploring existing green bank selection criteria methodologies, as well as the PAVER+ framework from carbon removals best practices, for project selection criteria of the EEIF.***

Project Evaluation: A Better City suggests the project evaluation process be very proactive and that evaluation not be done just at the end of the project. We understand the reluctance to spend a lot of the funds on auditing, but there are effective models where a reasonable percentage of funds are required to monitor performance. One such model is the State Department of Public Health that assists grantees who have obtained Community Health Initiative funds. A portion of the funds are used to fund an independent evaluator who works with the grantee from the beginning of the project to set evaluation metrics and provide ongoing analysis during the project. Some A Better City institutional members have experience with the effectiveness of this approach as they have disbursed significant dollars to many community groups involved in health care. This proactive approach by the State Department of Public Health avoids the traditional problem of waiting until the end of the project to do an audit, which provides no opportunity to take corrective action to enhance the likelihood of success.

We also recommend that once EEIF projects are completed, the independent evaluation includes a publicly accessible report on project deliverables that includes the overall impact on greenhouse gas emissions reductions, and the co-benefits provided. If a project does not meet its intended emissions reduction goals, future Alternative Compliance Payments can be structured to fill the non-compliance gap.

Making sure that the EEIF funds are well-spent will be an important factor in maintaining public support for BERDO.

- ***Recommendation: A Better City recommends a proactive evaluations process that works from the beginning of the project to set evaluation metrics and provide ongoing analysis during the project, with funds from the EEIF. Additionally, A Better City recommends that information on EEIF-funded projects and their associated emissions reduction and other co-benefits are provided once the project is complete and are made publicly accessible.***

EEIF Management: To ensure the credibility and effectiveness of the EEIF, it must be transparently managed and independently verified and validated. To ensure this, we recommend adequate funding is provided for EEIF administration.

- ***Recommendation: A Better City recommends EEIF funds be used to transparently manage the EEIF including independent verification and validation.***



Thank you for your ongoing leadership. Please reach out to Yve Torrie (ytorrie@abettercity.org) with any comments and questions.

Sincerely,

Y. L. Torrie

Yve Torrie
Director of Climate, Energy & Resilience
A Better City