

Boston's Building Emissions Reduction Proposal

Boston City Councilor Matt O'Malley [filed an ordinance](#) with the Boston City Council amending the existing Building Energy Reporting and Disclosure Ordinance (BERDO). **This proposal significantly impacts property owners in Boston by establishing a building emissions standard and implementing emissions reduction requirements starting in 2025, continuing until the city's large building stock reaches net zero emissions in 2050.**

Ordinance Provisions

This proposal is a follow-up to a 2013 [ordinance](#), which required large buildings to report their annual energy and water use to the City beginning in 2017. This new proposal institutes a declining emissions standard and lowers the square footage threshold for buildings affected by the ordinance. The pace of the emissions reduction is dependent on building use, but in all cases, the declining emissions standard will require significant changes to existing buildings in Boston to comply. The standard will also apply to any buildings built after the proposal is enacted. For example, from 2025 to 2034, buildings in the healthcare sector must reduce emissions by 33%, office buildings must reduce emissions by 40%, and buildings in the retail sector must reduce emissions by 50%. Buildings or building portfolios with several uses may use a blended emissions standard, which must be approved by a new Review Board.

What buildings would this apply to?

- Non-residential and residential buildings with at least 20,000 square feet or 15 residential units. Non-residential purposes include commercial, retail, office, professional, or educational uses.
- In the case of multiple buildings under one owner, this ordinance applies when combined floor space meets or exceeds 20,000 square feet. Two or more buildings under one owner constitutes a building portfolio.
- All new construction over the square footage and unit thresholds.
- Any grouping of residential or non-residential buildings that the ordinance's Review Board designates as an appropriate reporting unit.

Compliance

The ordinance dictates the mechanisms property owners can use to reduce emissions. Owners may:

- Purchase electricity from the Boston municipal aggregation program
- Purchase renewable energy credits
- Enter into power purchase agreements
- Use alternative compliance payments at a cost of \$234 per metric ton of CO₂e. Carbon dioxide equivalent, or CO₂e, means the number of metric tons of CO₂ emissions with the same global warming potential as one metric ton of another greenhouse gas.¹

If a property owner is unable to meet the standard emissions reduction schedule, they may apply for an individual compliance schedule. Under this option, owners may alter their path to net-zero, but they still must commit to a declining rate of building emissions. An individual schedule must reduce emissions at a linear or better pace, reduce emissions 50% by 2030, and reduce emissions by 100% by 2050.

If building characteristics or additional circumstances present a significant challenge to adhering to the energy compliance standards, building owners may seek a hardship compliance plan. The circumstances that constitute hardship status may include pre-existing long-term energy contracts or financial hardships but must be approved by the Review Board. The Review Board retains the right to alter the availability and use of hardship compliance plans.

Regulators and Powers

This ordinance creates a new Review Board with sweeping powers largely unchecked by other city departments or agencies to regulate, advise, and oversee implementation. The Board may require additional conditions on building owners to receive the exemption, such as requiring owners to provide housing stabilization resources or employment plans.

The Review Board is appointed by the Mayor and approved by the Council. Members of the Board will serve for three years and will meet at least quarterly. Two-thirds of board members will be nominated by community organizations in Boston. There is no requirement for business representation. There is also no requirement that Board members have relevant technical expertise in pertinent subjects such as climate science, energy generation, or project financing.

¹ <https://www3.epa.gov/carbon-footprint-calculator/tool/definitions/co2e.html>

The Review Board and the City’s Air Pollution Control Commission (APCC) will oversee implementation. The APCC is charged with crafting regulations to implement this ordinance and many regulations have yet to be written.

Implementation and Violations

Annually, the APCC will publicly release energy usage, emissions data, and the compliance status for each building by May 15. Building owners have 30 days prior to disclosure to review the accuracy of the energy usage and emissions data. Failure to report energy usage or adhere to emissions standards will result in daily fines levied by the Review Board:

Building Size		Failure Type	
Residential	Non-Residential	Energy Reporting	Emission Standard
At least 35 units or 35,000 square feet.	At least 35,000 square feet.	\$300	\$1,000
Between 15 and 35 units, and 20,000 and 35,000 square feet.	Between 20,000 and 35,000 square feet.	\$150	\$300

Process

The City’s Government Operations Committee will soon send a recommendation on the proposal to the full City Council. If the Council passes the ordinance, it will go to the Mayor for final approval. This proposal is effective immediately upon passage. It is unclear how this ordinance would interact with emerging standards from the state, as the administration also looks to cement policies to become net-zero by 2050. If state standards differ from the standards in Boston, building owners could face a second structural redesign of their buildings, overturning years-long retrofitting processes and investment.

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