

November 19, 2021

John Dalzell Boston Planning and Development Agency 1 City Hall Square, #9 Boston, MA 02201

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Dear Mr. Dalzell,

On behalf of A Better City's membership, representing 130 of Boston's business leaders across multiple sectors of the economy, thank you for the opportunity to comment on the Zero Net Carbon (ZNC) Building Zoning Initiative Technical Advisory Group (TAG) reports and recommendations. We are grateful for the City of Boston's continued climate leadership and for your engagement with business leaders through the initiative. We are committed to continuing to work with you to find implementable design and construction strategies that ensure the next generation of Boston's buildings align with city and state commitments to achieve net zero emissions by 2050.

As currently designed, however, we have significant concerns that the TAG recommendations for the ZNC Initiative are not feasible for the real estate and development community in Boston. We appreciate the goal to decarbonize new building stock but urge the BPDA to seriously examine the data utilized to design the Carbon Intensity Targets (CEI) and assess their applicability to the large commercial buildings that drive Boston's economy *before* recommendations are included in draft regulations. We also urge the BPDA to clarify key questions about the role of utilities in ensuring the large-scale deployment of onsite renewable energy, the relationship to evolving Commonwealth statutory requirements, and the workforce training and placement needed to implement this initiative.

Over the past two years, A Better City has engaged member businesses and institutions from A Better City and the Boston Green Ribbon Commission's Commercial Real Estate Working Group to form an Efficient and Resilient Buildings Coalition (Coalition). Members of my staff have simultaneously been members on two of the four TAGs and each TAG had representation from A Better City member companies with a total of twelve representatives across the four groups. Based on these discussions and feedback from Coalition members, please see the enclosed detailed comments on the recommendations of the four TAG reports. We look forward to continued dialogue in the months ahead as TAG recommendations are included in draft regulations.

Sincerely,

Richard A. Dimino President & CEO



Enclosures: 1

cc: Michelle Wu, Mayor, City of Boston Brian Golden, Director, Boston Planning and Development Agency Richard McGuiness, Deputy Director, Boston Planning and Development Agency Mariama White-Hammond, Chief of Environment, Energy & Open Space Alison Brizius, Commission of Environment Department, City of Boston



DETAILED COMMENTS ON ZERO NET CARBON BUILDING ZONING INITIATIVE TECHNICAL ADVISORY GROUP (TAG) REPORTS AND RECOMMENDATIONS

November 2021

A Better City and its members support the City's goal of achieving net zero emissions by 2050 and recognize the urgent and important role new construction plays in achieving that. We appreciate that as the City seeks to implement building programs in line with this goal, the BPDA has selected consultants and sought stakeholder feedback on the Zero Net Carbon (ZNC) recommendations. We look forward to continued engagement as you refine the recommendations for inclusion in the draft regulations.

It is even more critical, therefore, that input from the real estate community be considered as you refine the Technical Advisory Group (TAG) recommendations ahead of regulation drafting for the ZNC Initiative. A Better City's Coalition members are eager to ensure that reasonable and achievable standards are set so that building owners and developers can both plan for and meet them once implemented. There are some overarching elements we believe need additional attention alongside specific TAG report recommendations. These are detailed below.

I. Overarching Elements for Additional Attention

A. Proof of Concept in Large Buildings

Our members have serious concerns about the feasibility of the Carbon Emissions Intensity targets and the requirement of forty percent emissions reductions compared to ASHRAE 90.1-2013. They do not believe these targets to be achievable; nor do they see examples of existing buildings that have met these reduction levels. We have previously expressed concerns that the buildings and costs in the Built Environment Plus report are not representative of large buildings in Boston constructed over 100,000 square feet, and do not adequately represent energy-intensive buildings like healthcare facilities, labs, data centers, etc.

As currently set, members are concerned that the targets could compromise industry practices such as daylighting and ventilation in commercial offices, compromise care and core services in hospitals and lab buildings, and make the development of housing cost prohibitive. They also noted concerns that an unrealistic standard invites the utilization of modeling tactics that will not actually result in the necessary reductions the BPDA is seeking. Finally, members questioned the approach to meeting carbon emissions standards through carbon limits and speculated if it would be more effective to pursue a standard that required electrification (perhaps with exceptions for life sciences and hospitals) and renewable energy procurement.

We recommend that the City carefully identify, examine, and share building-specific case studies and associated costs that demonstrate proof of concept in buildings of these types before drafting standards.

B. Consistency With Other Decarbonization Efforts

A Better City and its members are encouraged by action at the federal, state, and local levels to implement decarbonization policies and programs in line with commitments to do what science tells us is necessary. That said, members expressed concern that the current recommendations may jeopardize the future competitiveness of Boston relative to neighboring cities and the rest of the country.

It is imperative that these efforts, especially those between Boston and the Commonwealth are aligned to the greatest extent feasible. Uncertainty regarding evolving standards makes it difficult for building owners to plan and make



financial and operational decisions. For example, does the BPDA anticipate updating its percent carbon emissions reduction requirements upon promulgation of the new municipal opt-in stretch energy code currently under development at the Department of Energy Resources (DOER)? Or at a minimum, what process does the BPDA anticipate utilizing to determine the new stretch energy code's impact?

We recommend transparency about how a City of Boston Zero Net Carbon Zoning Ordinance is aligning with current policies under development in the Commonwealth including: 1) the state's new municipal opt-in stretch energy code under development at DOER, 2) updates to the current stretch and base building codes within the Board of Building Regulations and Standards, and 3) the anticipated work of the Clean Heat Commission. Considerations for alignment across these various initiatives will impact near-and medium-term implementation.

In addition, there is confusion about the relationship between the ZNC Zoning Initiative and the recently amended Building Energy Reporting and Disclosure Ordinance. There is a lack of clarity about thresholds for BPDA approval, how the buildings get treated in BERDO once occupied, and the timing and level of Alternative Compliance Payments.

We recommend the BPDA and Executive Office of Energy, Environment, and Open Space work together to develop clear communication for the real estate community about how the ZNC Zoning Initiative will get operationalized, and how it fits with the recently amended BERDO.

C. Integration into Article 80 Process

Each TAG report offers recommendations on timelines, review schedules, and enforcement mechanisms to comply with their respective proposals. We urge the BPDA to clearly outline requirements and consider the level of technical assistance needed to support the building industry in developing low-carbon buildings, maximizing on-site generation, procuring renewable energy, and reducing embodied carbon. This will assist the building community in determining their anticipated needs for compliance and help the BPDA ensure there is adequate staffing to promptly assist developers throughout the process.

In addition, renovations are mentioned for the first time in the TAG report under the Percent Emissions Reductions section. Given the complexities of the Article 80 Review Process, we urge the BPDA to clearly articulate early in this document the thresholds at which the ZNC standards will apply.

We recommend that the BPDA clearly outline the thresholds for the ZNC standard and how any final recommendations will come together into a process that developers will be expected to follow, and what support the BPDA will offer them.

D. Workforce Development

The TAG recommendations are designed to have sweeping impacts on how we design, source materials for, construct, and power buildings in Boston. Even with the refinements we are recommending, implementing a standard of this nature effectively will require a skilled workforce trained to routinely incorporate strategies for reducing carbon into their work. We know that, despite rapid change in the building sector in recent years, this remains far from the norm.

We recommend that the City of Boston prioritize workforce development and training opportunities, paying particular attention to providing access to career ladders in underrepresented communities in the City of Boston.



II. Technical Advisory Group (TAG) Report Recommendations for Additional Attention

A. Low Carbon Building TAG Report Recommendations

- As noted above, our members have serious concerns about the source data and rationale for the CEI and emissions reduction percentage targets. Members do not think the targets are realistic for large commercial buildings and lack the proof of concept in existing buildings. They also question if all the CEI targets appropriately include the ventilation requirements across all building typologies due to COVID-19, and the kind of resiliency/backup required in labs and health care institutions that are dominating construction. We recommend convening a facilitated working session where information can be exchanged between members and BPDA, specific to the feasibility of the recommended targets.
- Members noted that meeting LEED Platinum requires significant administrative burden and that Gold under LEED v4 is equivalent to LEED Platinum under v3. We recommend LEED Gold as more appropriate.
- The recently passed BERDO amendment ensured that data reporting requirements include a defined methodology for calculating emissions that allow for the most up-to-date and accurate emissions factors customized to generation sources serving the local grid in Boston. We recommend the same data reporting requirements be included in the TAG recommendations to ensure alignment with BERDO and more accurate localized eGrid factors.
- Under Section 2.4 Other Recommendations, the TAG recommends that the BPDA utilize practice data to
 annually update performance thresholds and targets. This pace is too rapid and will not allow any certainty for
 developers. We recommend aligning with the BERDO update timelines of every five years. In addition, we
 recommend that the BPDA consider establishing a ZNC Standard Advisory Group to solicit industry input on
 the BPDA process for updating the thresholds, targets, and standard in future years.

B. On-Site Renewable Energy TAG Report Recommendations

- For this component of the initiative to be successful, members stated that Eversource must be actively engaged and on-board to accept this level of interconnection. Member experience is that Eversource has resisted or reduced the size of all of their projects in the City. Therefore, they do not think the 12-month grace period will be sufficient. We recommend the 12-month grace period be extended and/or linked to Eversource being at the table and approving projects. We also recommend clarity be provided about how compliance with the on-site renewable energy standard will be incorporated into the certificate of occupancy process.
- We concur with the TAG recommendation that the City should offer support to project teams at the earliest stages of project planning. We further recommend that the BPDA share details on how it plans to manage and staff this new case load to ensure developers have adequate support in meeting any final requirements.
- Our members note that there will likely be instances of diminishing returns for projects constrained by limited roof space and that requiring them to pursue such installations will be administratively challenging and could lead to a misallocation of resources. The TAG report notes that the BPDA may allow for physical exemptions in certain cases. We recommend the BPDA provide clarity about the conditions under which exemptions can be pursued and what the process for doing so will be.
- At the Public Meeting the BPDA hosted in October 2021, a participant raised a question of whether the 50% capacity is for solar infrastructure or solar panels. We recommend the BPDA clarify this important nuance in the ZNC Initiative language.



C. Renewable Procurement TAG Report Recommendations

- Members expressed concern that Boston does not yet have a competitive Community Choice Aggregation option. They noted that in other markets they are able to pay a ten percent cost premium for 100% renewable energy, while Boston's cost premium of thirty percent, makes this an unviable pathway. We recommend that BPDA pursue the possibility of the City offering a 100% renewable option that has a more reasonable cost premium than the current offering.
- The Renewable Procurement TAG Report references a Cooperative Agreement multiple times. It is unclear if this agreement would be developed as part of a ZNC building or as part of BERDO compliance. We recommend the BPDA clarify this important detail.
- It is essential that developers have access to virtual power purchase agreements. While it is noted under the Renewable Energy Generators section that there is an exemption to the requirement for Massachusetts Class I generators for wind or solar generators located outside the ISO New England territory through VPPAs located in regions with electric grid emissions higher than New England's ISO, this exemption is not mentioned when describing requirements on pages 3 or 19. We recommend the BPDA make the availability of this exemption clear whenever requirements are referenced in the ZNC Initiative language.
- Members expressed confusion between the Renewable Energy Investment Fund and BERDO's Equitable Emissions Investment Fund. There was also lack of transparency around where funding from the Renewable Energy Investment Fund would be allocated. We recommend that the BPDA clarify what, if any, relationship the Renewable Energy Investment Fund and BERDO's Equitable Emissions Investment Fund will have, and how funding from the Renewable Energy Investment Fund will be allocated. As in BERDO, we recommend annually publishing the disbursements from the Renewable Energy Investment Fund, and including this clause in the ZNC Initiative language.

D. Embodied Carbon TAG Report Recommendations

• Developers in the City of Boston are much less familiar with embodied carbon reduction strategies than they are with low-carbon design, on-site renewable energy generation, and renewable energy procurement. Preliminary discussions with members indicate that assessment and measurement is required before requirements are advanced. We recommend BPDA engage developers in further conversations on the feasibility of the TAG recommendations and what intermediate steps are necessary to test proof of concept, increase awareness, and develop markets to support the inclusion of embodied carbon in Boston's ZNC Zoning Initiative.

III. Conclusion

We support Boston's leadership in pursuing Zero Net Carbon buildings and are eager to continue our engagement with the BPDA to ensure the Zero Net Carbon Zoning Initiative is a success. As a next step, we look forward to engaging in an information exchange on the source data and rationale for the CEI and carbon emissions reduction targets. We also encourage the BPDA to publicly report out on the comments received and how they will be incorporated into updated ZNC Initiative recommendations.

Should you have any questions regarding these comments or the ongoing engagement of A Better City members, please reach out to Yve Torrie (<u>ytorrie@abettercity.org</u>). We appreciate the opportunity to partner with you to support this critical work.