



## Net Zero Carbon Zoning

Planning Department and Environment Department





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## TYPES OF EMISSIONS FROM BUILDINGS





Embodied Carbon: Greenhouse Gas Emissions associated with stages of products' lifespan —extraction, production, transport, and manufacturing. Embodied Carbon accounts for almost half of a building's total GHG emissions over its lifetime.

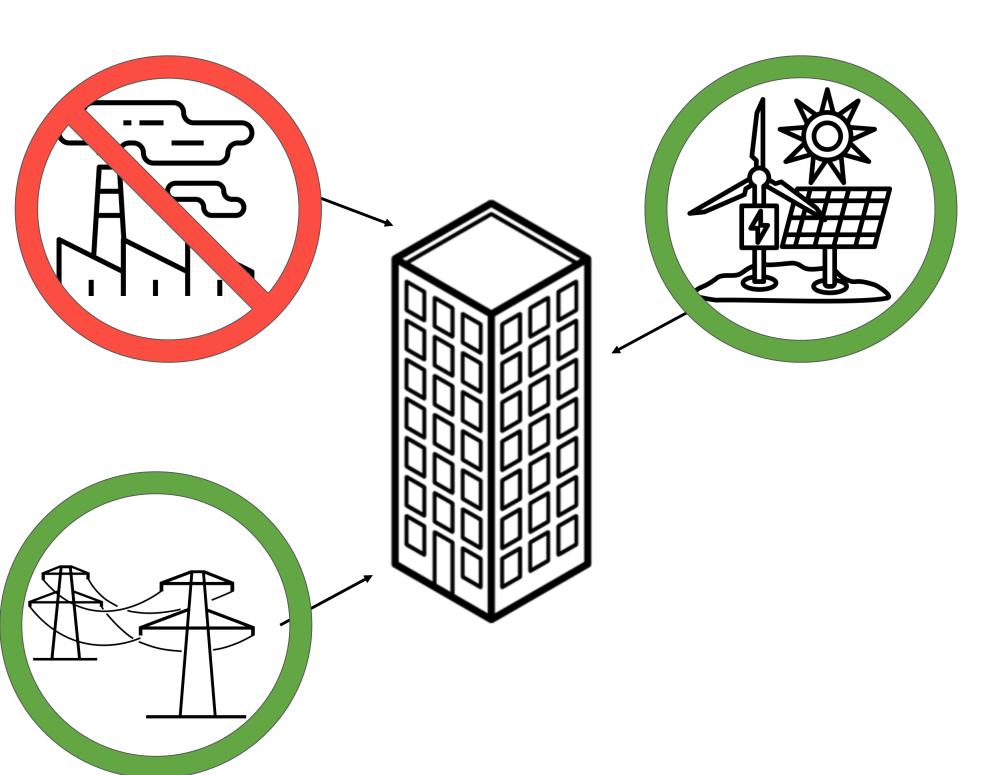
Building Emissions: Greenhouse Gas Emissions associated with a building's operations.

Typical building's power supplies

## **BUILDING EMISSIONS**

Existing buildings account for nearly 70% of our community's carbon emissions.

Fossil fuels and electricity power the majority of buildings' operations.



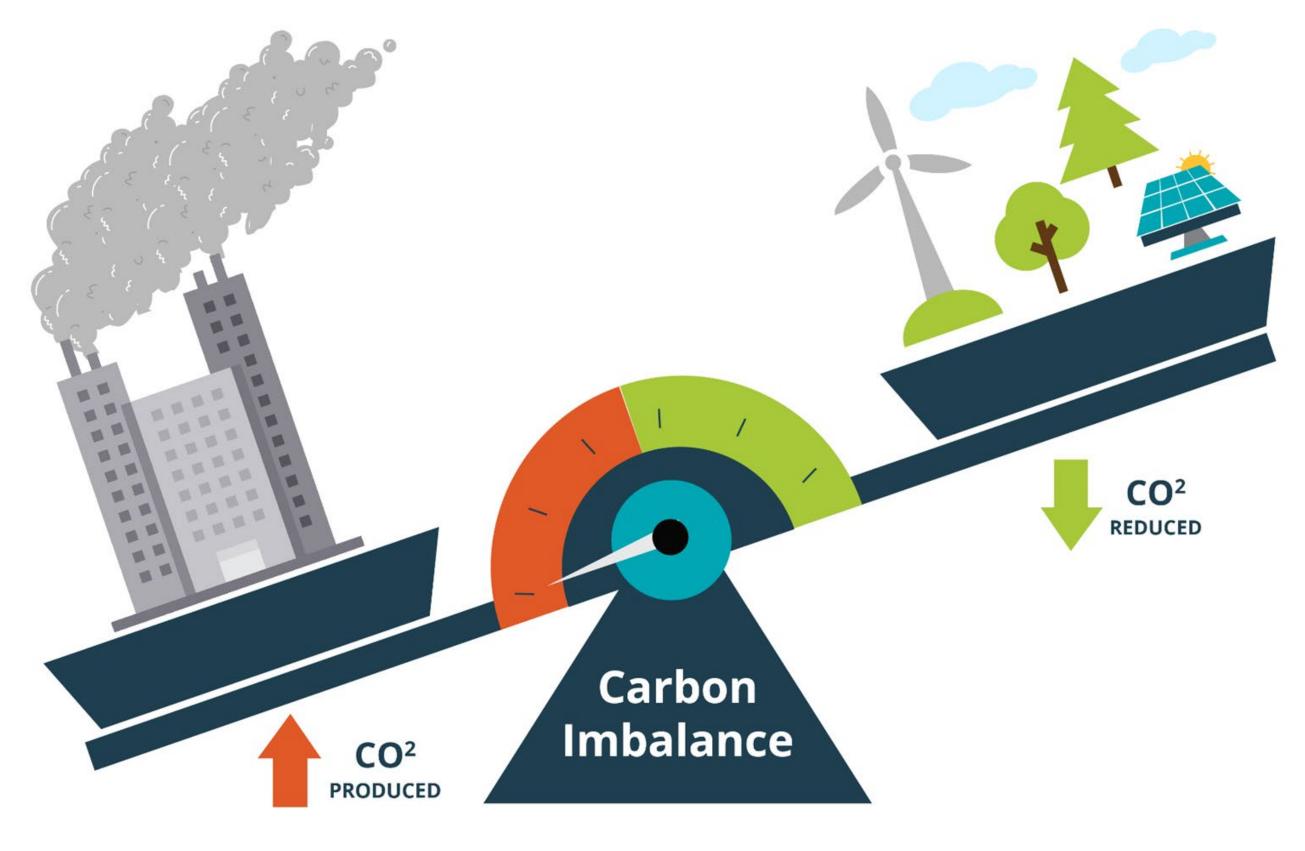
Typical building's power supplies

## **BUILDING EMISSIONS**

Buildings can be designed to minimize emissions and climate impact by:

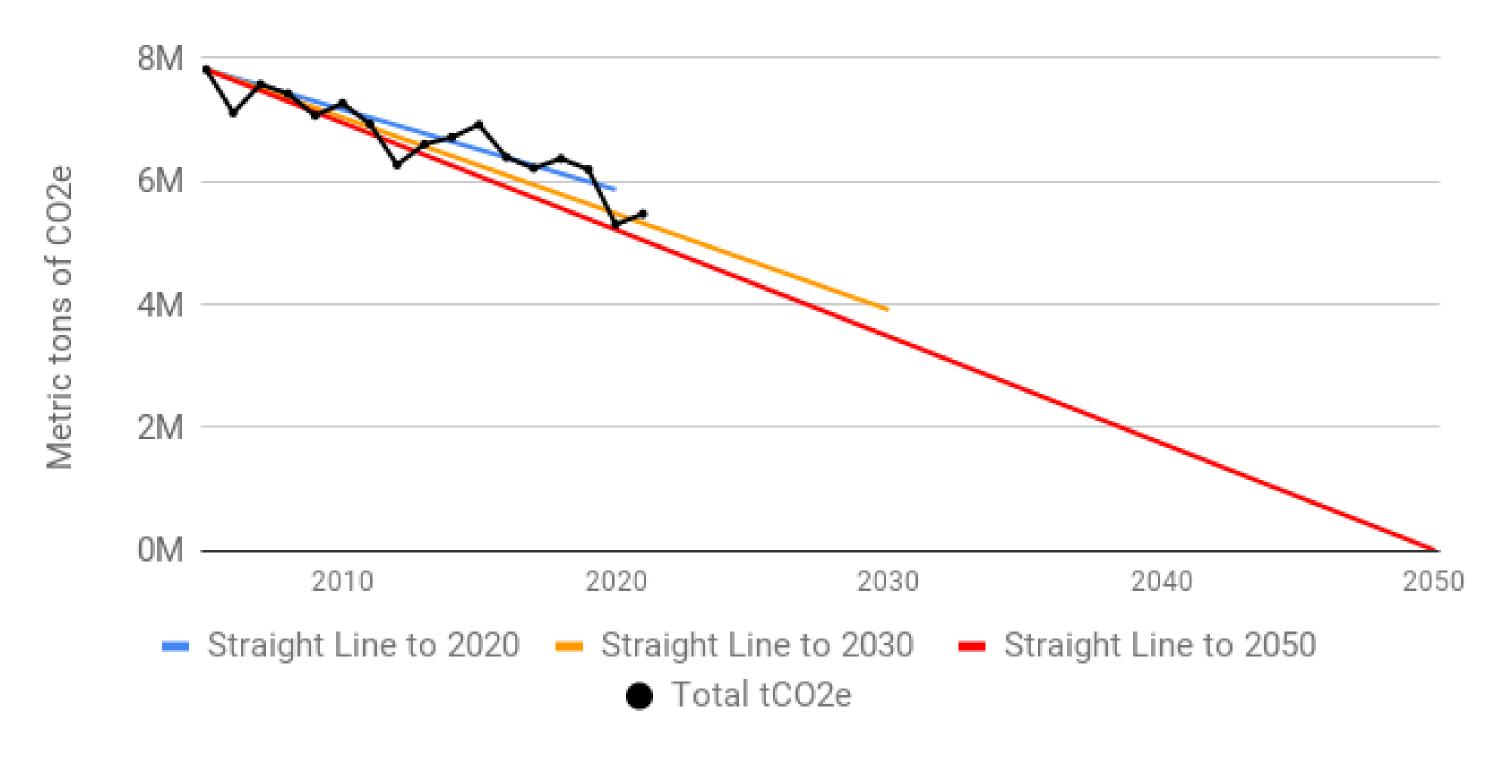
- 1. Increasing efficiency
- 2. Reducing reliance on fossil fuels (e.g. decarbonize)
- 3. Using renewable energy

## BOSTON IS PRODUCING MORE EMISSIONS THAN IT IS OFFSETTING



**Present** 

#### BOSTON COMMUNITY-WIDE EMISSIONS





WHAT IS BOSTON ALREADY DOING TO DECARBONIZE NEW BUILDINGS?

## 1. Requires LEED Certifiable

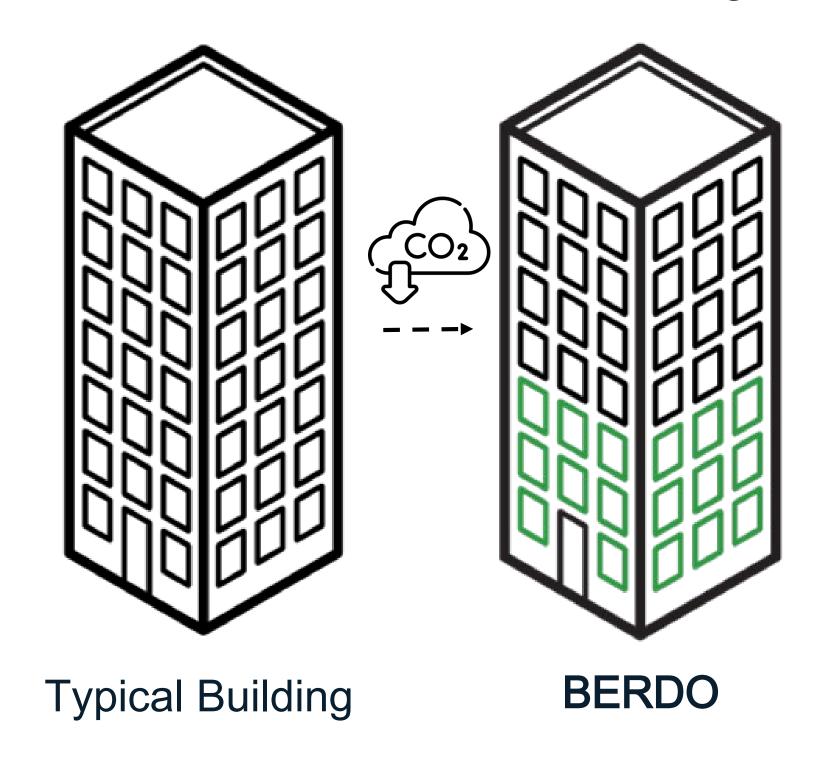
Applicable to Large Projects (i.e. create/ add >50,000 SF)

→ Ensures that major building projects are designed and constructed to minimize adverse environmental impacts

## BUILDING EMISSIONS REDUCTION DISCLOSURE ORDINANCE (BERDO)

B

Boston's BERDO sets annual emissions limits on existing buildings.



→ Reduces emissions

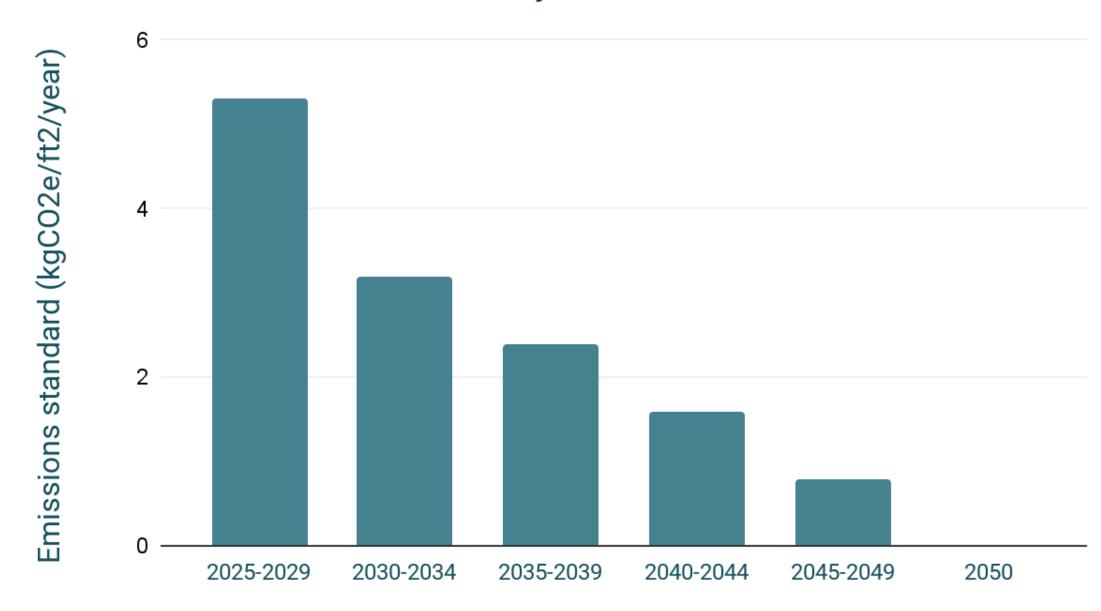
## BERDO applies to:

- Residential buildings with
   15+units
- Non-residential buildings>20,000 SF

BERDO tracks and enforces emissions reductions <u>after a</u> <u>building is in operation</u> (i.e. up and running), enforcing net zero emissions by 2050.

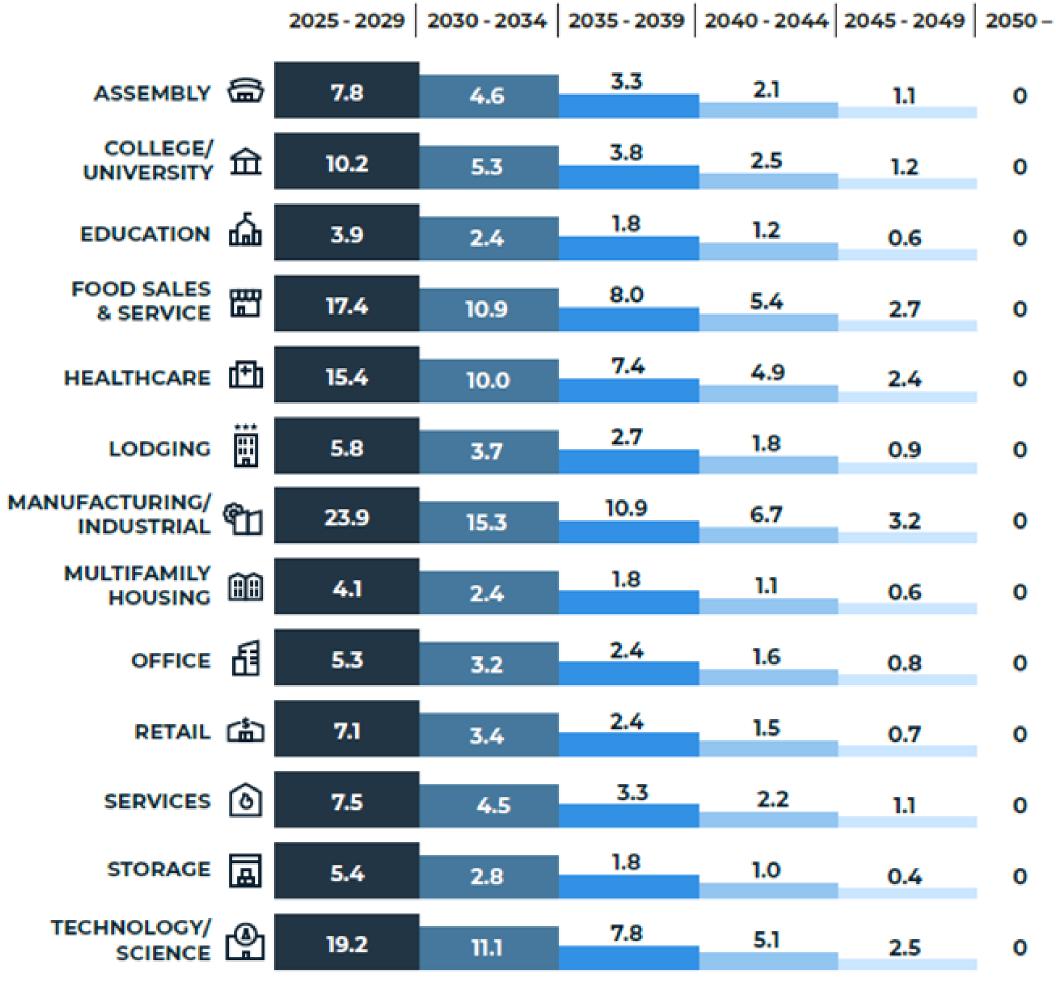
For example

## Office's Emissions Standard by Year



The annual emissions limits are based on different types of building uses, which meet declining emissions standards and achieve net zero emissions by 2050.

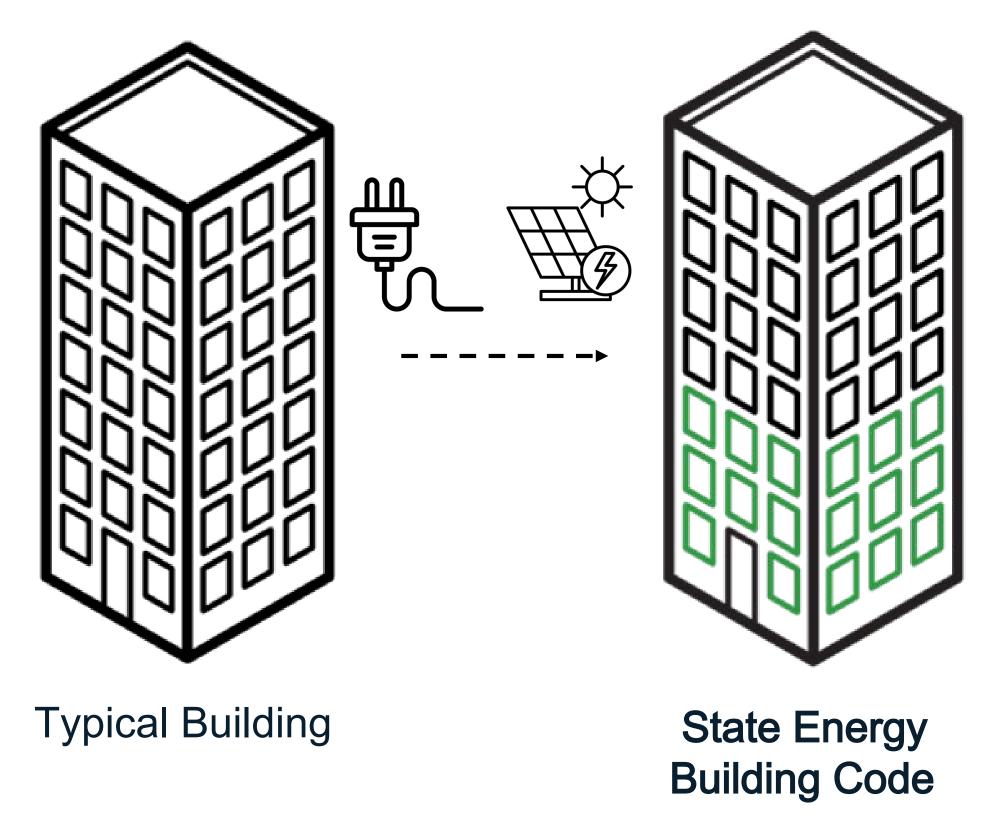
All uses'emissions limits











→ Improves energy efficiency

## BOSTON ADOPTED THE SPECIALIZED STRETCH ENERGY CODE



## **Specialized Stretch Code**

Current Base Energy Code



Stretch Code Amendments

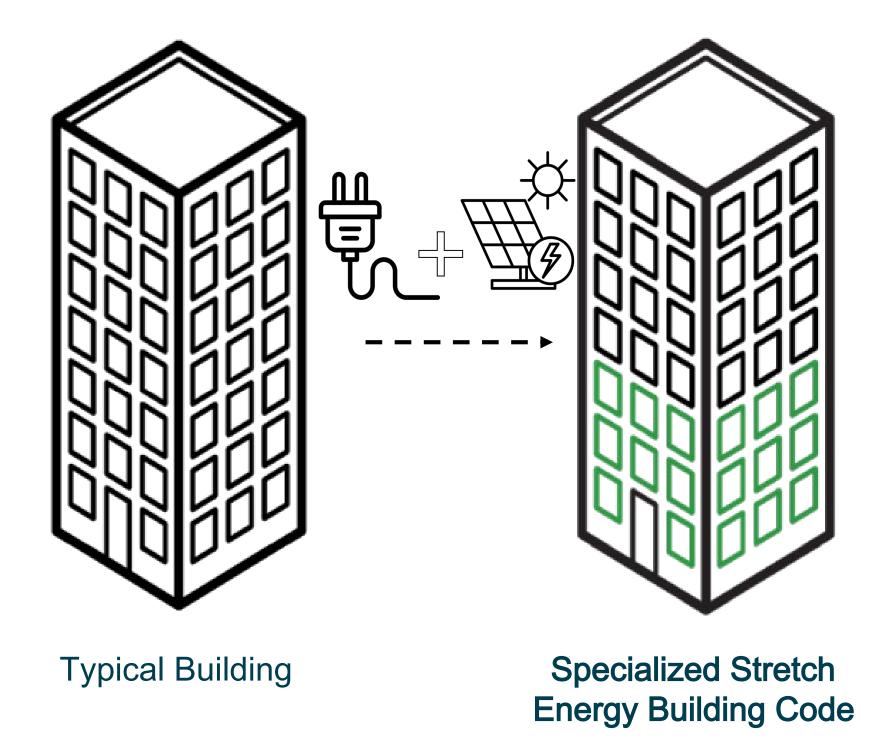


Specialized
Code
Appendices

Boston adopted the *most*stringent e nergy code (went into effect Jan 1, 2024) allowed in Massachusetts.

## SPECIALIZED STRETCH ENERGY CODE





Requires very high levels of energy efficiency for all new construction.

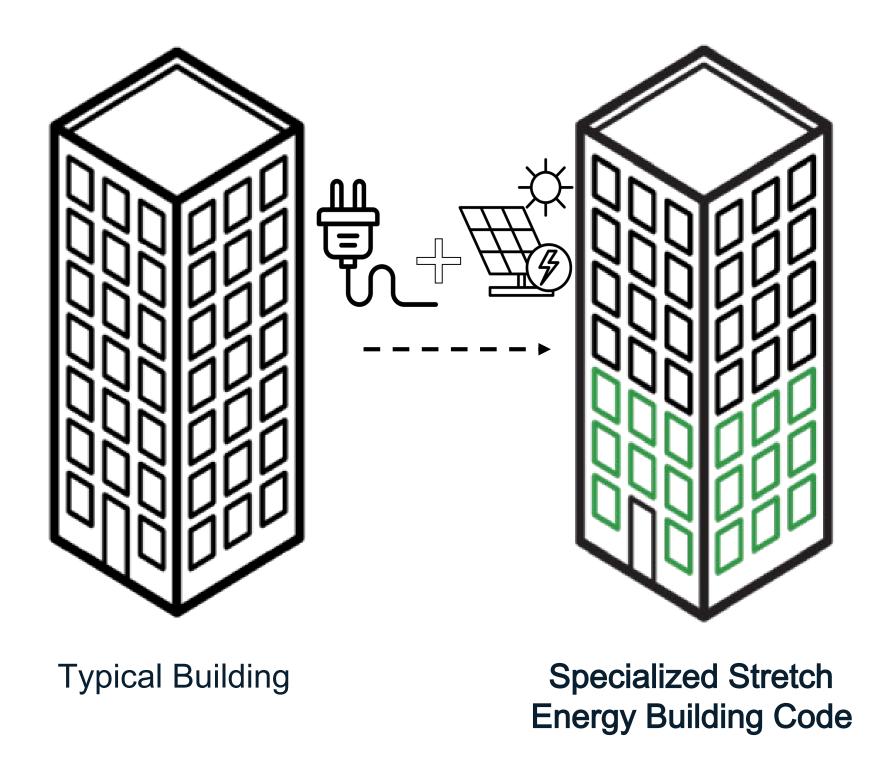
1. Incentivizes electrification: Mixed fuel buildings must pre-wire\* for electrification and install solar where feasible.

\*install electrical infrastructure during construction to support future electrical demands

→ Improves energy efficiency

## SPECIALIZED STRETCH ENERGY CODE





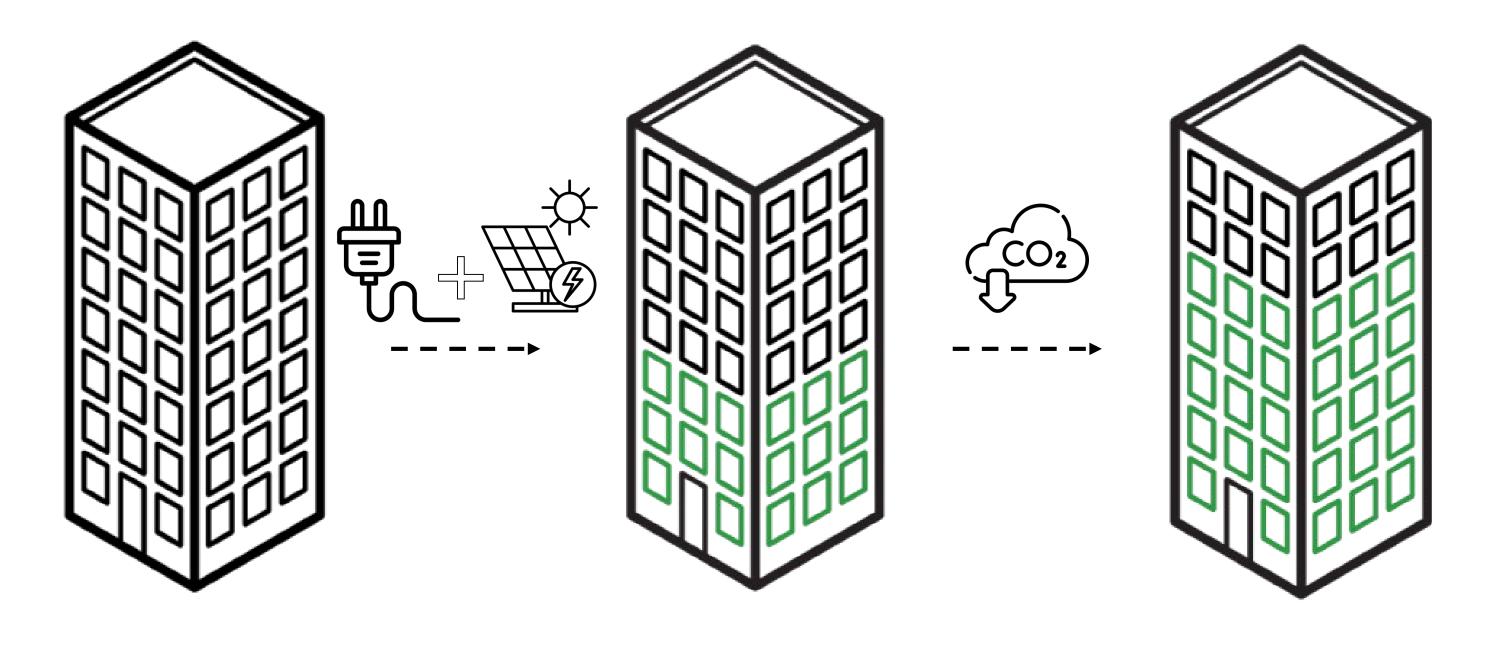
Requires very high levels of energy efficiency for all new construction.

1. Passive House Certification required for all new multifamily housing over 12,000 sf. Requires reduction of energy use for space heating and cooling.

→ Improves energy efficiency

#### WHAT IS BOSTON ALREADY DOING TO DECARBONIZE NEW BUILDINGS?





**Typical Building** 

Specialized
Stretch Energy
Building Code

Specialized Stretch
Energy Building
Code + BERDO



# HOW CAN ZONING SUPPORT THE CITY'S DECARBONIZATION GOALS?



1. Continues LEED Certifiable (no change)

+

2. Requires net zero building emissions

+

3. Requires reporting on embodied carbon

#### **NET ZERO CARBON ZONING OVERVIEW**



## Applies to new construction filing a Project Notification Form on/after July 1, 2025:

- New buildings >20,000 SF; or
- New building with 15 units +; or
- Additions >50,000 SF

## Does not apply to:

- Renovations
- Changes of use (e.g. office to residential conversions)
- Additions <50,000 SF



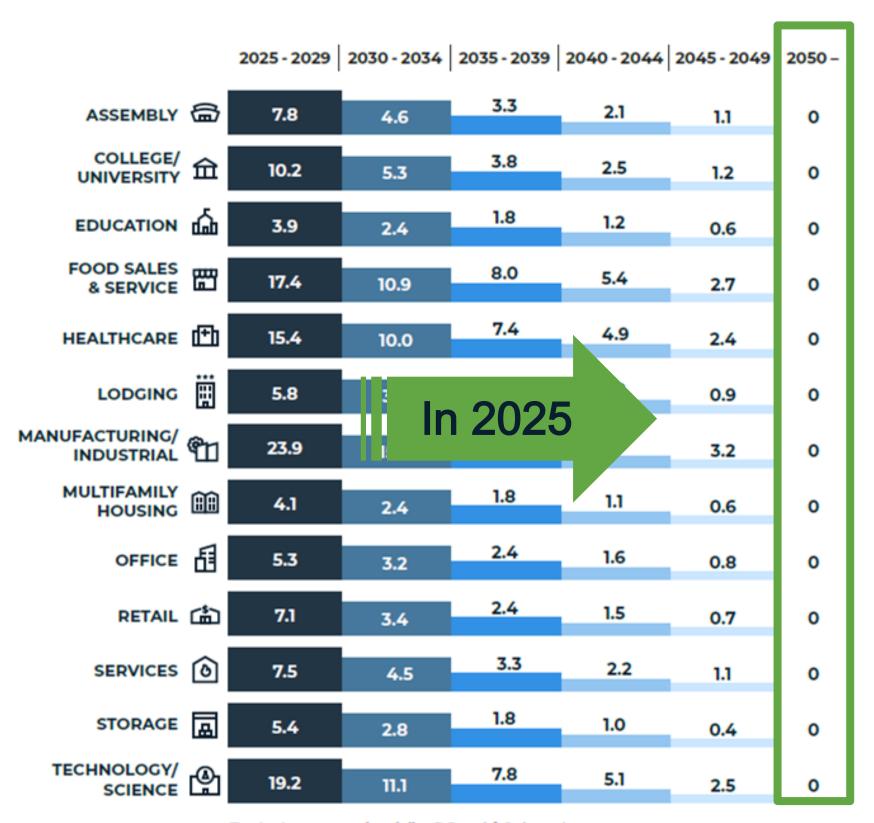


### REQUIRE NET ZERO CARBON EMISSIONS

- New project filings will be required to meet **Net Zero Carbon** emissions standard (i.e. BERDO 2050) starting July 1, 2025.

## Once a building is in operation:

- Compliance with net-zero emissions will be demonstrated through BERDO compliance mechanisms and annual reporting.



Emissions standard (kgCO₂e/ft2/year)

#### REQUIRE NET ZERO CARBON EMISSIONS



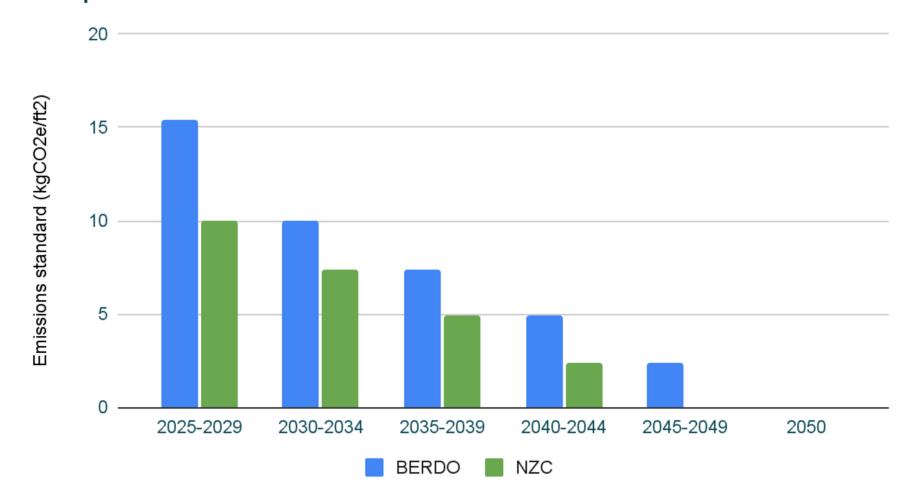
## For Hospital and General Manufacturing Uses:

- In 2025 - 2029 require compliance with 2030-2034 building emission standards stepping down to Net Zero emissions by 2045.

## Why?

- Complexities related to mechanical systems to achieve zero emissions
- Specialized equipment and unique energy demands

#### Hospital's Phased-in Emissions Standard



#### REQUIRE NET ZERO CARBON EMISSIONS



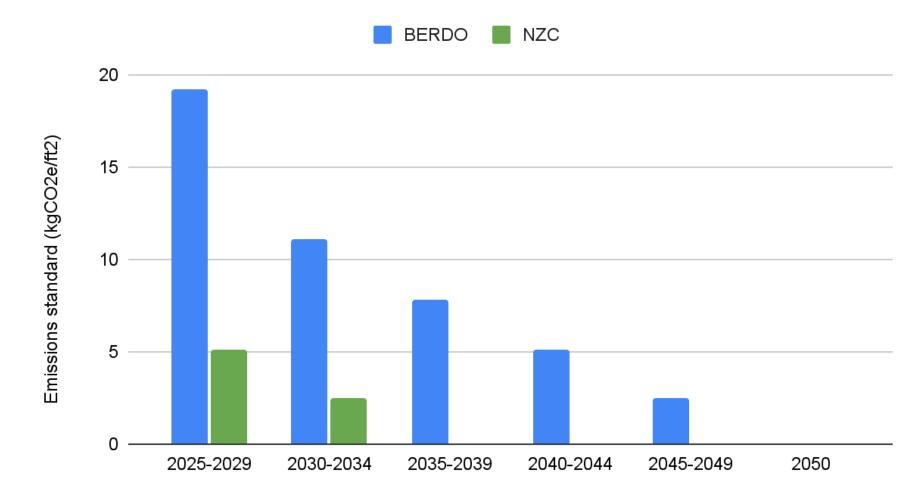
## For Labs:

- Require compliance with
- 2040 2044 building emissions standards in 2025, stepping down to Net Zero in 2035.

## Why?

- Complexities related to unique energy demands
- Technology constraints related to peak energy demands

#### Lab's Phased-in Emissions Standards



#### INTRODUCE EMBODIED CARBON REPORTING

В

- 1. Large buildings (> 50,000 SF) required to provide structure and enclosure life cycle assessment.
- 2. Smaller buildings (<50,000 SF) required to report on their embodied carbon through a checklist/ sustainability narrative.

EX: What is your low carbon and healthy material strategy?



#### NZC ENGAGEMENT SUMMARY



## Since the draft was released on April 26, 2024:

- We had a 32 day comment period (closed May 28, 2024):
  - o Public Meeting
  - 4 Office Hours

#### We received:

- 0 84 comments through feedback form
- 0 8 comment letters

#### KEY TOPICS RAISED DURING ENGAGEMENT

B

- 1. Feedback on sustainability certifications
- 2. More clarity on the review process and expectations
- 3. Feedback on the date the zoning would go into effect & the filing cutoff
- 4. Concerns about the impact on development
- 5. Feedback on the embodied carbon reporting

## CONTINUE LEED CERTIFIABLE REQUIREMENT



## Feedback on maintaining LEED Certifiable:

- Require more stringent standard → LEED Gold
- Support maintaining LEED Certifiable (as proposed)
- Remove LEED standard to allow flexibility to pursue other sustainability certification pathways

## Why we are maintaining the existing requirement:

- Recognize importance of additional sustainability review
- Familiarity with review process
- Allow flexibility to pursue other rigorous sustainability certifications

#### FEEDBACK ON EFFECTIVE DATE



## A. Clear expectations need to be established upon a project's filing.

 Requirements should not be introduced mid - review or at the end of the project's review.

### A. Desire for an earlier effective date

 Reducing building emissions as soon as possible is important to address climate change.

#### A. Desire for a later effective date

- Need time to prepare.
- Align with the timeline of the "greening of the electric grid".
- Concern that the proposal will stall desired development in Boston.
- Supply chain & electric grid capacity disruption concerns.

#### FEEDBACK - CLEAR EXPECTATIONS



Feedback A: Clear expectations need to be established upon a project's filing.

## Response:

- NZC applies to project's filing a Project Notification Form:
  - Establishes clear expectations upon a project's filing
  - Ensures that the applicability of NZC requirements is not affected by arbitrary events (e.g. Article 80 approval date changing outside of Proponent's control)
  - Aligns with standard legal procedures
  - Does not subject project's mid review to new requirements

#### FEEDBACK - EARLIER EFFECTIVE DATE



## Feedback B: Desire for an earlier effective date

## Response:

- Provide time for project teams to prepare ahead of adoption
- Provide NZC review team time to develop compliance pathways with zoning
- New Linkage fees went into effect in January 2024 & IDP requirements will go into effect in October so a NZC July 1, 2025 effective date ensures projects are not subject to new requirements all at once.

#### FEEDBACK - LATER EFFECTIVE DATE



## Feedback C: Desire for a later effective date

## Response:

- The Mayor and the City's Climate Action Plan prioritize achieving carbon neutrality for new buildings
- High Ventilation and General Manufacturing Buildings have phased-in requirements to achieve Net Zero Carbon emissions
- The Building Code primarily dictates mechanical systems requirements
- Project teams have a year to prepare for NZC compliance requirements

#### INTRODUCE EMBODIED CARBON REPORTING



#### Feedback:

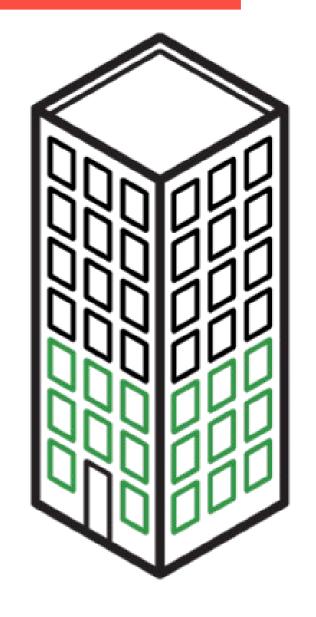
- Support for embodied carbon reporting & suggestions on how to collect data
- Align with Cambridge and Newton's embodied carbon reporting standard
- Introduce embodied carbon requirements in addition to reporting

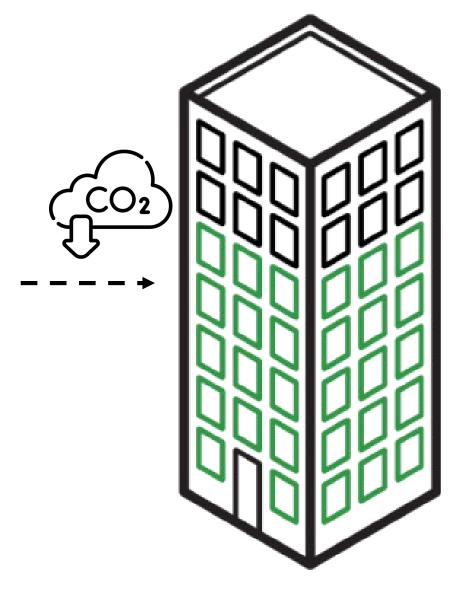
## **Next Steps:**

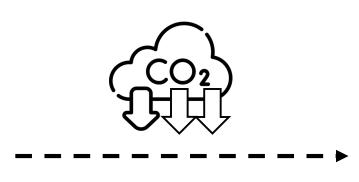
- Collaborate with industry leaders on methodology to collect embodied carbon data.
- Align with Cambridge and Newton's existing standards
- Obtain embodied carbon data to establish future requirements

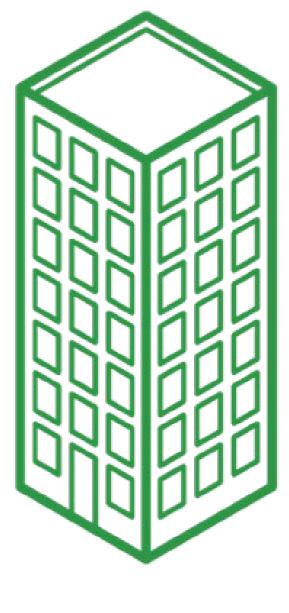












Specialized
Stretch
Energy
Building Code

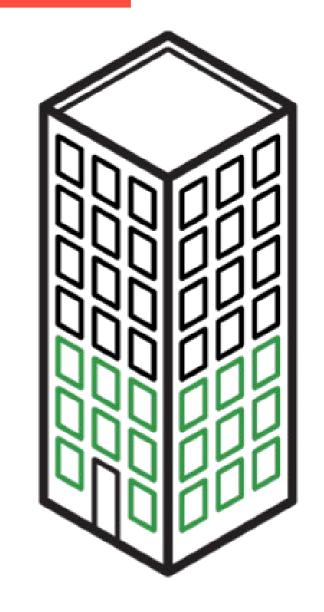
Specialized Stretch
Energy Building
Code + BERDO

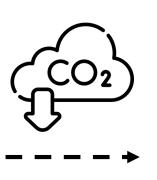
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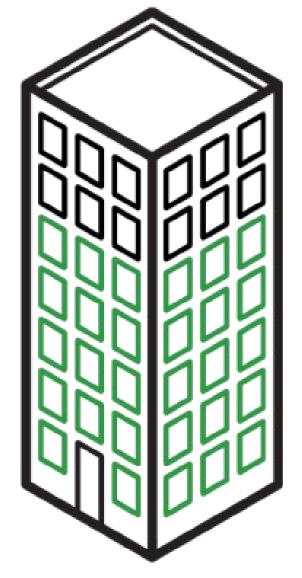
2024

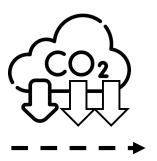
2025

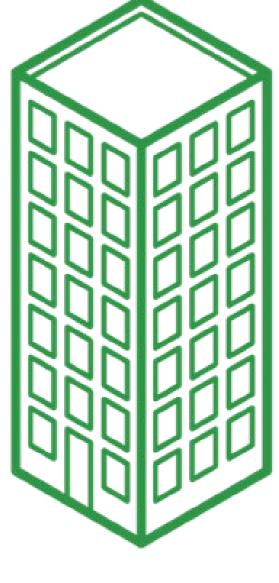












Specialize
Stretch
Energy
Building Code

Specialized Stretch
Energy Building
Code + BERDO

Specialized Stretch
Energy Building Code
+ BERDO +
Zoning

2024

2025

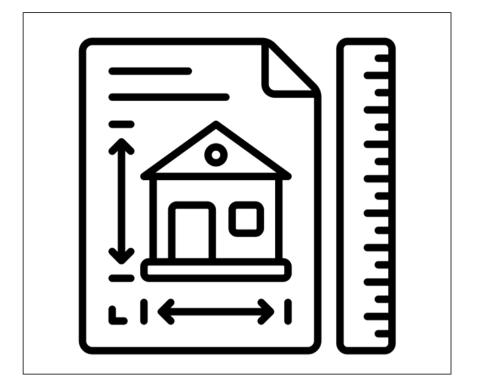


HOW DO BUILDINGS COMPLY WITH NZC?

#### NZC COMPLIANCE - NET ZERO READY



#### **Planning**



NZC Zoning

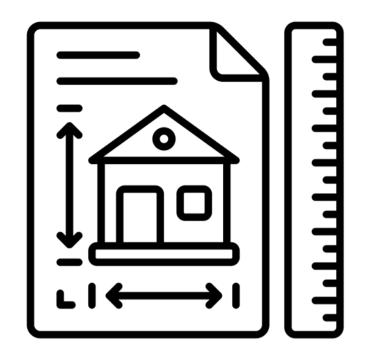
Projects will demonstrate they are *designed* to be Net Zero once they are in operation.

In others words, they will demonstrate that they are *Net Zero Ready*.

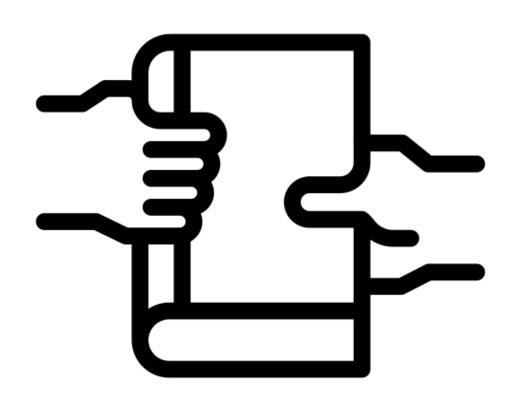
#### NZC COMPLIANCE TO BERDO



## **Planning**



NZC
determines if a building is Net
Zero Ready.







BERDO enforces

annual compliance

with the emissions
standard established
in NZC.

#### HOW CAN A BUILDING BE NET ZERO UNDER BERDO?





## Direct emissions reduction in the building

(e.g. improving insulation, upgrading heating and cooling systems)



## Install renewable energy or purchase eligible renewable energy

(e.g. solar) or purchase eligible renewable energy to reduce emissions from electricity only.



## **Alternative Compliance Payments (ACPs)**

ACPs will be paid into the new Equitable Emissions Investment Fund to support building decarbonization projects that prioritize benefits to Environmental Justice communities in Boston.

### RENEWABLE ENERGY OPTIONS UNDER BERDO



In all cases, eligible renewable energy can only be used to reduce emissions from electricity.

Renewable Energy Options	Key Requirements
Boston Community Choice Electricity (BCCE)	MA Class I RECs purchased on behalf of residents and businesses enrolled in either the standard or Green 100 options of the BCCE program.
MA Class I Renewable Energy Certificates (RECs)	MA Class I RECs bought and retired independently or as part of a Power Purchase Agreement.
Power Purchase Agreement (PPA) outside the ISO New England grid	Energy contract requiring the purchase of both electricity and its associated RECs. This includes virtual PPAs.  PPAs need to be signed prior to the commercial operation of the renewable energy project (additionality requirement)
Local renewable generation	Rec retirement is not required if:  (a) purchasing from solar system in Eastern MA that began operation before 2024; or  (b) purchasing from any type of non -emitting renewable energy system located inside the City of Boston.

#### HOW CAN A BUILDING BE NET ZERO UNDER BERDO?



Flexibility Measures: Applied differently to NZC buildings



Portfolios: A NZC building in a Building Portfolio must meet its building - specific emissions standard every year.



Individual Compliance Schedules: Not applicable



Hardship Compliance Plans: A NZC Building must meet its building - specific emissions standard every year regardless of whether it has a Hardship Compliance Plan. The BERDO Review Board may approve other forms of relief in Hardship Compliance Plans for NZC buildings.



- 1. SUPPORT decarbonization of new buildings
- 2. REDUCE future expensive building retrofits
- 3. ACCELERATE adoption of renewable energy
- 4. CLIMATE LEADER Position Boston at the forefront of building sustainability

#### **ANTICIPATED COST**



## Compliance pathways ranked by expected impacts on operational costs

- 1) Smaller Accounts Boston Community Choice Electric
  - a) BCCE Green 100 is close to parity with basic rates from Eversource and includes significantly higher amounts of renewable energy
- 2) Renewable Energy Purchases
  - a) Price varies based on RECs purchased at owners discretion
- 3) BERDO Alternative Compliance Payments
  - a) Estimated Cost of **ACPs** for Mixed Fuel buildings = 0.6% -5.5% of total operational costs



#### **NEXT STEPS**



- 1. Develop NZC How to Comply Guide & educational outreach for Small and Large Projects
- 2. Embodied carbon data collaboration & collection
- 3. Develop Equitable Electrification Plan

## THANK YOU. QUESTIONS?

Planning Department

CITY of BOSTON