



CITY OF CAMBRIDGE

Community Development Department

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To: Yi-An Huang, City Manager

From: Iram Farooq, Assistant City Manager for Community Development

Date: June 1, 2023

Re: Policy Order O-4 dated May 1, 2023 regarding amendments to the Building Energy Use Disclosure Ordinance

Please find attached proposed amendments to the Building Energy Use Disclosure Ordinance (BEUDO). The attached document reflects the following changes to the existing BEUDO:

- Amendments proposed by the Community Development Department (CDD) in November 2021, to introduce GHG performance requirements for BEUDO properties and achieve science-based GHG reductions, developed through an engagement process primarily with BEUDO building owners and in consultation with the Climate Protection Action Committee (now Cambridge Climate Committee) and the Net Zero Task Force.
- Amendment adopted by Ordinance Committee to accelerate the target timeframe to eliminate greenhouse gas (GHG) emissions from BEUDO buildings from 2050 to 2035, responding to the urgency of the climate crisis, evolving scientific data, and a desire for Cambridge to lead the way in responding to climate change.
- Amendments adopted by the Ordinance Committee at the hearing of April 26, 2023, including:
 - a. CDD proposal responding to a policy order to recommend flexibility mechanisms to accommodate a 2035 target for eliminating GHG emissions from large buildings. Key changes exclude residential condominiums from BEUDO performance requirements, place properties with less than 100,000 sq. ft. of development on a 2050 timeline, allow limited use of carbon credits for large buildings, create a 5-year deferral mechanism, and a Review Board to evaluate hardship waiver requests
 - b. Additional amendments by councillors related to criteria for permitted carbon credits, frequency of ordinance review, and makeup of the proposed Review Board

Additional ideas have been proposed by one or more councillors that were not voted on. The attached proposal for amendments incorporates such ideas and clarifications that are consistent with the votes taken by the Council or Ordinance Committee on this matter. Ideas that are inconsistent with prior votes, or that have significant policy ramifications that were either not discussed, or are better implemented through other regulations, are not included. The attached chart summarizes the changes incorporated and proposals not included.

BACKGROUND

The Building Energy Use Disclosure Ordinance (BEUDO) was adopted in 2014 and requires energy and water reporting from commercial properties over 25,000 square feet and residential properties over 50 units. This regulates approximately 1,100 buildings in Cambridge which are responsible for approximately 75% of the building sector greenhouse gas (GHG) emissions.

The ordinance has successfully increased transparency and awareness of energy and water consumption by the regulated buildings. BEUDO includes a provision requiring that the Community Development Department review the impact of the ordinance on energy performance of covered properties, and recommend amendments to improve building energy performance if it has not improved significantly. Analysis performed in 2018 concluded that energy performance of covered properties had not improved significantly.

The attached proposal for amendments to BEUDO represents an essential step in Cambridge's commitment to achieve carbon neutrality. The Net Zero Action Plan identifies BEUDO performance requirements as an integral part of a comprehensive suite of actions which together will phase out GHG emissions from new buildings, many existing buildings, and much of the energy supply system in Cambridge. The Net Zero Task Force, the Cambridge Climate Committee, and the Climate Crisis Working Group, have all urged the prompt advancement of strong BEUDO performance requirements.