

BEUDO Amendments – Summary of Changes

June 1, 2023

Amendments Voted on by City Council

<i>Topic</i>	<i>Ordinance Section</i>	<i>Proposal</i>	<i>Staff Comments</i>
Mandatory Emission Reduction Requirements	8.67.100 (2)	<ul style="list-style-type: none"> • Create emissions reduction schedules for large non-residential (100,000 sq ft and greater), small non-residential (less than 100,000 sq ft), and residential properties. • Create schedule for New Covered Properties (built after 2019). 	
Residential Condos	8.67.100 (2)(c)	<ul style="list-style-type: none"> • Exempt residential condominiums from GHG emission reduction requirements. 	Reporting of benchmarking data is still required. Performance standards will be created for these properties in the future.
Verified Carbon Credits	Definitions 19 and 31, and 8.67.100 (5)	<ul style="list-style-type: none"> • Allow limited use of Verified Carbon Credits to offset fossil fuel emissions for large properties on the 2035 schedule. • Require that credits meet PAVERE/AVID+ criteria and that local credits (if available) must be utilized first. 	Detailed regulations will be developed, and the Review Board will further define project types and locations.
Policy Review	8.67.130 (4)	<ul style="list-style-type: none"> • Create a provision for regular policy review after each reporting period. 	
Review Board	8.67.130 (3)	<ul style="list-style-type: none"> • Create Review Board to review hardship applications, deferral plans, and carbon credit type and location. • Board membership categories have been defined. 	Two members from climate advocacy groups, two members represent real estate or business, and five members are technical experts who understand the urgency of the climate crisis.

<i>Topic</i>	<i>Ordinance Section</i>	<i>Proposal</i>	<i>Staff Comments</i>
Hardship Compliance Plan (alternative compliance)	Definition 20 and 8.67.100 (9)	<ul style="list-style-type: none"> • Create a mechanism for hardship compliance applications. • Include language for historic buildings, financial distress, ownership structure e.g. non-residential condominiums, and grid capacity. 	Regulations will address minimum requirements for emissions reductions and duration of hardship compliance plans.
Exemptions	8.67.100 (11)	<ul style="list-style-type: none"> • Create exemption for backup generation. 	Exempt through 2030, then reconsidered as part of policy review.
Purpose	8.67.020	<ul style="list-style-type: none"> • Amend the Purpose to reflect the commitments of the Net Zero Action Plan and the 2035 and 2050 net zero goals. 	
Baseline	8.67.100 (1), (4)	<ul style="list-style-type: none"> • Default baseline is 2018-2019 average, with option to choose earlier to 2010. 	Specific baseline options defined for buildings built after 2019.
Campus	Definition 7, 8.67.100 (10)	<ul style="list-style-type: none"> • Create campus definition. 	Define Campus as 5 or more properties owned by the same organization, or any number of Affordable Housing properties owned by the same organization. A campus's reduction requirements are the combined requirements of its individual covered properties.
Alternative Compliance Credits (ACCs)		<ul style="list-style-type: none"> • ACCs are available at \$234/ton. • Can be deferred for up to 5 years with Department approved plan as long as cumulative emissions reductions are equivalent. 	
Off-site Renewable Electricity		<ul style="list-style-type: none"> • Must come from new, purchaser-caused projects. • Owners must retire RECs. 	
Emissions Factors	8.67.10 (15)	<ul style="list-style-type: none"> • Define emissions factors. 	Regulations will be developed to establish emissions factors for all fuel types.

Additional Included Ideas and Clarifications

<i>Topic</i>	<i>Ordinance Section</i>	<i>Proposal</i>	<i>Staff Comments</i>
Non-residential condos	Definition 20	<ul style="list-style-type: none"> Based on additional information, non-residential condos may receive hardship exemption. 	The Hardship Compliance Plan pathway identifies this ownership structure as a specific hardship and allows the Review Board to determine an appropriate compliance mechanism.
Net Zero definition	Definitions		Definition removed as it is no longer necessary
Cogeneration facilities	Definition 15(c), 25	<ul style="list-style-type: none"> Create regulation to guide use of renewable electricity (RECs) and verified carbon credits for emissions from cogeneration facilities. 	Cogeneration facilities will be allowed to use offsite renewable electricity to offset their electricity emissions from cogeneration as long as the cogenerated electricity is cleaner than the grid. Cogen plant owners will also be able to use Verified Carbon Credits to offset their non-electricity emissions, up to the stated limits.
Use of ACCs	Definition 2	<ul style="list-style-type: none"> ACC funds should result in verified reductions in carbon emissions. 	Language is amended to say that the ACC funds can only be used for projects that directly reduce carbon emissions.
Compliance Period 1 (2026-2029)	8.67.100 (2)	<ul style="list-style-type: none"> Clarification 	In 2026-2029, nonresidential buildings 25-100,000 sf and apartment buildings will have to stay at or below their Baseline (i.e., 2018-2019).
Cooperatives	Definition 10	<ul style="list-style-type: none"> Clarification 	Cooperatives, in addition to condos, are excluded from the residential performance requirements.
New Covered Property	Definition 22, 8.67.080 (3)	Clarification	Ensures that major renovations are also covered by this definition.

Proposals Not Included

<i>Topic</i>	<i>Ordinance Section</i>	<i>Proposal</i>	<i>Staff Comments</i>
New Buildings		<ul style="list-style-type: none"> New buildings should have a zero baseline in 2025. 	The Fossil Fuel Free Demonstration Project will require all-electric construction for all new buildings (except labs, hospitals, and medical offices). New buildings will also have to reach net zero by 2035 or 2050, based on size and type.
Embodied Carbon		<ul style="list-style-type: none"> The Review Board shall make recommendations to City Council within 2 years. 	Embodied carbon is a topic relevant to the construction of new buildings, as opposed to the regulation of emissions from existing buildings. Embodied carbon reporting is now being required through zoning.
Renewable Electricity		<ul style="list-style-type: none"> Allow biogas/biofuel to count as renewable energy. 	The definition allows regulations to permit new types of renewable energy in the future. At present, many types of biogas and biofuel are not actually renewable. As a result, their use may delay actual building decarbonization.