



## **STATEMENTS OF FISCAL EFFECT AND SMALL BUSINESS IMPACT**

Pursuant to the Boston City Code, Ordinances, Chapter 2-12.5, all City of Boston departments, in promulgating rules and regulations, shall adhere to the requirements of the Massachusetts Administrative Procedure Act, Mass. Gen. Laws ch. 30A, provided, however, that the City Clerk shall perform those duties designated in chapter 30A to be performed by the Secretary of the Commonwealth. Mass. Gen. Laws ch. 30A, § 5, requires that an estimate of a rule or regulation's fiscal effect on both the public and private sector be filed with the City Clerk prior to the rule or regulation taking effect. Furthermore, an amended small business impact statement must be filed with the City Clerk prior to the adoption of the proposed rule or regulation. The small business impact statement shall consider whether the following methods of reducing the impact of the proposed regulation would hinder achievement of the purpose of the proposed regulation:

1. establishing less stringent compliance or reporting requirements;
2. establishing less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
3. consolidating or simplifying compliance or reporting requirements for small businesses;
4. establishing performance standards for small businesses to replace design or operational standards required in the proposed regulation;
5. an analysis of whether the proposed regulation is likely to deter or encourage the formation of new businesses in the Commonwealth; and
6. minimizing adverse impact on small businesses by using alternative regulatory methods.

### **A. Statement of Fiscal Effect**

#### **Fiscal Effect on the Public Sector**

The Air Pollution Control Commission (Commission) anticipates that the fiscal effect of the Regulations on the City of Boston will be minimal and any additional fiscal impacts will be due to procedural requirements as required by the Ordinance. While the Commission does not anticipate that the City of Boston will have to hire additional staff to implement and administer these Regulations, the Commission acknowledges that additional positions may be needed for implementing and administering the Ordinance as a whole.



In instances where a state department and/or agency needs to comply with the Ordinance, the Commission anticipates that the fiscal effect of the Regulations on said state department and/or agency will also be minimal.

### Fiscal Effect on the Private Sector

The Commission does not anticipate that the Regulations will have a measurable fiscal effect on the private sector. The Regulations provide building owners regulated by BERDO with more flexibility to use Massachusetts Class I Renewable Energy Certificates (MA Class I RECs) for purposes of BERDO compliance.

### **B. Small Business Impact Statement**

The Ordinance applies to commercial buildings that are 20,000 SF or larger or residential buildings with 15 or more units. The building owner is responsible for reporting and other compliance requirements.

### Adding Flexibility to the Use of MA Class I RECs

The Regulations expand flexibility for the generation and retirement requirements for MA Class I RECs. This will significantly impact the feasibility for building owners to use this as a mechanism to come into compliance with emissions standards during annual reporting seasons.

### Consolidating or Simplifying Compliance or Reporting Requirements for Small Businesses

The Regulations provide different flexibility measures for which small businesses are eligible to apply. Hardship Compliance Plans offer the potential to have more flexibility in meeting the default emissions standards and timelines established by the Ordinance.

### Appropriateness of Performance Standards Versus Design Standards

This consideration is not applicable as the Regulations are clarifying already existing processes defined in the Ordinance.

### Identification of Duplicate or Conflicting Regulations and Consideration of Alternative Regulatory Methods



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The Commission has not identified any conflicting or duplicate regulations of any other City of Boston department, agency, board, or commission, and the Commission has not identified an alternative regulatory method in lieu of the Proposed Regulations to implement and administer the Ordinance.

Analysis of Whether the Proposed Regulations are Likely to Deter or Encourage the Formation of New Businesses Within the City of Boston

The Commission does not expect that the Proposed Regulations will have any significant impact on the formation of small businesses in Boston, as the Regulations define and clarify already existing processes and streamline flexibility measures outlined in the Ordinance.

The Commission believes that the Ordinance may encourage the formation of new businesses to support Owners with reporting, applications for flexibility measures, and planning for emissions compliance as required by the Ordinance and defined in the Proposed Regulations. Creation of such businesses would not be a direct result of the Proposed Regulations, but a result of the Ordinance.