BERDO 2.0 Key Features
Building Emissions Reduction and Disclosure Ordinance

- **Covered Buildings include:**
  - Nonresidential buildings that are 20,000 square feet or larger
  - Residential buildings that have 15 units or more

- **Annual reporting of whole-building energy and water use**

- **Starting in 2025 or 2030, buildings will need to meet declining emissions standards.**
  - Buildings can reduce their emissions by investing in energy efficiency and fuel switching, installing or purchasing renewable energy, and/or by making alternative compliance payments.

- **BERDO will be overseen by a new Review Board**
  - The Review Board will have oversight over BERDO flexibility measures
Regulations Process

Regulations are being developed in a phased approach:

**Phase 1**
- Adopted in March 2022
- Reporting and data verification requirements

**Phase 2**

**Phase 2a (adopted in Dec 2022)**
- Review Board
- Blended emissions standards, designating tenant as owner, and other clarifying regulations

**Phase 2b (adopted in Jan 2023)**
- Renewable energy purchases
- Emissions factors

**Phase 3**
- Compliance with emissions standards
- Building portfolios
- Individual compliance schedules
- Hardship compliance plans
- Equitable Emissions Investment Fund
- Fines and enforcement
- Additional regulations as needed
Phase 3 Regulatory Topics

**COMPLIANCE WITH EMISSIONS STANDARDS**
- Compliance rules for buildings in special circumstances (e.g., vacant buildings, demolitions)

**BUILDING PORTFOLIO COMPLIANCE**
- Two or more Buildings with the same Owner or that are part of an approved Institutional Master Plan may comply with BERDO by using a blended emissions standard. Building portfolios are approved by the Review Board.

**INDIVIDUAL COMPLIANCE SCHEDULES**
- Alternative emissions standard reduction schedules approved by the Review Board. Available to any building that applies to the Review Board.

**HARDSHIP COMPLIANCE PLANS**
- Alternative emissions reduction targets and/or timelines approved by the Review Board. Available for buildings that experience a hardship in complying with BERDO (e.g., historic building designations, affordable housing refinancing timelines, pre-existing long-term energy contracts without reopeners, financial hardship, and any other factors detailed in the upcoming regulations).

**EQUITABLE EMISSIONS INVESTMENT FUND**
- New investment fund that will collect all Alternative Compliance Payments and penalties made to BERDO and invest them in local building carbon abatement projects that prioritize environmental justice communities in Boston. The Review Board is responsible for evaluating local carbon abatement proposals, and making recommendations for expenditures from the Fund.

**FINES AND ENFORCEMENT**
- Fines and penalties for non-compliance.
Phase 3 Tentative Timeline

Schedule subject to change

2023

Mar  Apr  May  Jun  Jul  Aug  Sep  Oct  Nov  Dec

- **Start**
- **DRAFT INITIAL PROPOSALS ON SELECT TOPICS**
- **COMMUNITY-WIDE MEETINGS**
- **FOCUS GROUPS & TECHNICAL WORKING SESSIONS AS NEEDED**
- **MONTHLY MEETINGS WITH COMMUNITY ADVISORY GROUP & MONTHLY APCC HEARINGS**
- **GOAL:**
  - INTRODUCE PROPOSALS FOR ALL PHASE 3 TOPICS BY AUG
  - PUBLIC COMMENT PERIODS & VOTES
  - VOTE TO APPROVE PHASE 3 REGS BEFORE END OF 2023

Mayor Michelle Wu
Mayor Michelle Wu

BERDO Reporting Progress as of 3/17

Not Claimed - Building owner has not initiated reporting in our platform
No data reported - Building owner has ‘claimed’ building in our system but hasn’t fully reported data
Missing verifier - Data has been reported but needs to be sent to a third-party verifier
Sent to verifier - Awaiting review by third-party verifier
Accepted by verifier - Verifier has completed review and data is under review by BERDO team
Accepted by BERDO Team - Data quality checks have been completed and reporting is approved

Over 37% of covered parcels have been accepted by a third-party verifier.
63% of parcels have reporting under review or completed by third-party verifier.

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2023 BERDO Reporting

2023 Reporting is open!

- Using new reporting and data portal for 2023: portal.touchstoneiq.com/boston
- Updated How to Report Guide for 2023
- Updated Covered Building List

REPORTING IS DUE MAY 15, 2023

Reporting reminders

- Please follow our How to Report Guide.
- Complete Energy Star Portfolio Manager reporting AND BERDO Reporting Form
- Third-party verification is only required if 2023 is your first year of reporting.
Adjourn

Thank you for your participation!
INDIVIDUAL BUILDING

“Greening of the Grid”

Options (any combination)

EMISSIONS Standard

2021

Energy Efficiency
Fuel Switching*
Procure Renewable Electricity
Alternative Compliance Payment

Target Year

* Fuel switching often best when combined with efficiency  **For illustrative purposes only
Renewable Energy Purchases in BERDO

What are the options for building owners?

The Ordinance establishes that buildings may mitigate their CO2e emissions from electricity by:

- **Purchasing Mass Class I RECs through REC market or through PPA inside ISO-NE**
  - These would be unbundled RECs bought and retired independently OR bundled RECs bought and retired as part of a PPA inside ISO-NE.

- **Entering a PPA for energy generated by renewable non-emitting fuel sources outside of ISO-NE**
  - This includes the purchase of both electricity and its associated RECs. All PPAs need to meet additionality requirements and other rules set in the Ordinance and regulations.

- **Enrolling in Boston's Community Choice Electricity Program.**
  - Here, the City buys Mass Class I RECs on behalf of residents and businesses enrolled in the CCE program.

- **Local renewable energy generation (on-site or off-site)**
  - No REC retirement by off-taker is required if:
    - (a) the system is solar, is located in eastern MA, and the energy purchasing began before 2024 OR
    - (b) the system is any type of non-emitting renewable energy and is located inside the City of Boston

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