

The background of the slide is a photograph of a city street corner. In the center is a historic red brick building with a white clock tower and a balcony. To its left is a tall, ornate stone building. To its right is a modern glass skyscraper. The street is filled with pedestrians and cars, and the sky is a clear blue.

# BERDO 2.0 Update

April 5, 2023



Mayor Martin J. Walsh



# 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

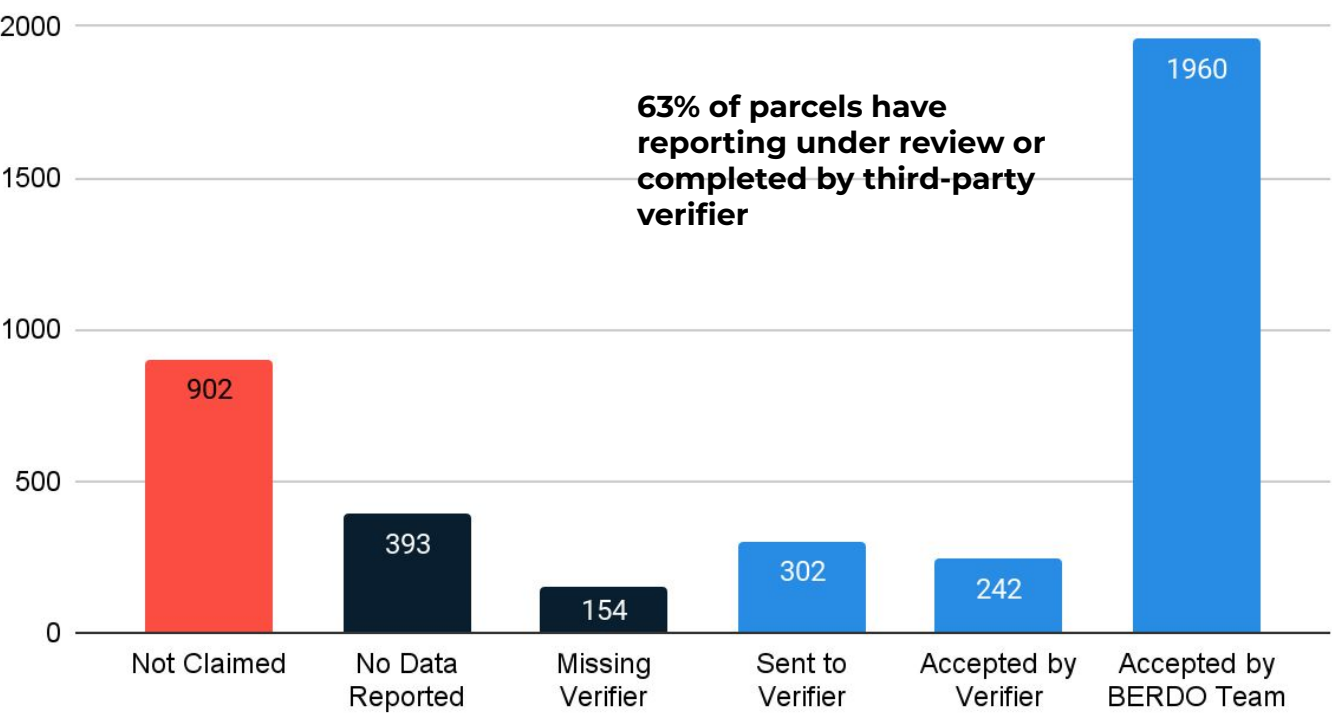


Mayor Michelle Wu



# BERDO Reporting Progress as of 3/17

Reporting Status as of 3/17/23



- **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



# 2023 BERDO Reporting

## 2023 Reporting is open!

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

**REPORTING IS DUE MAY 15, 2023**

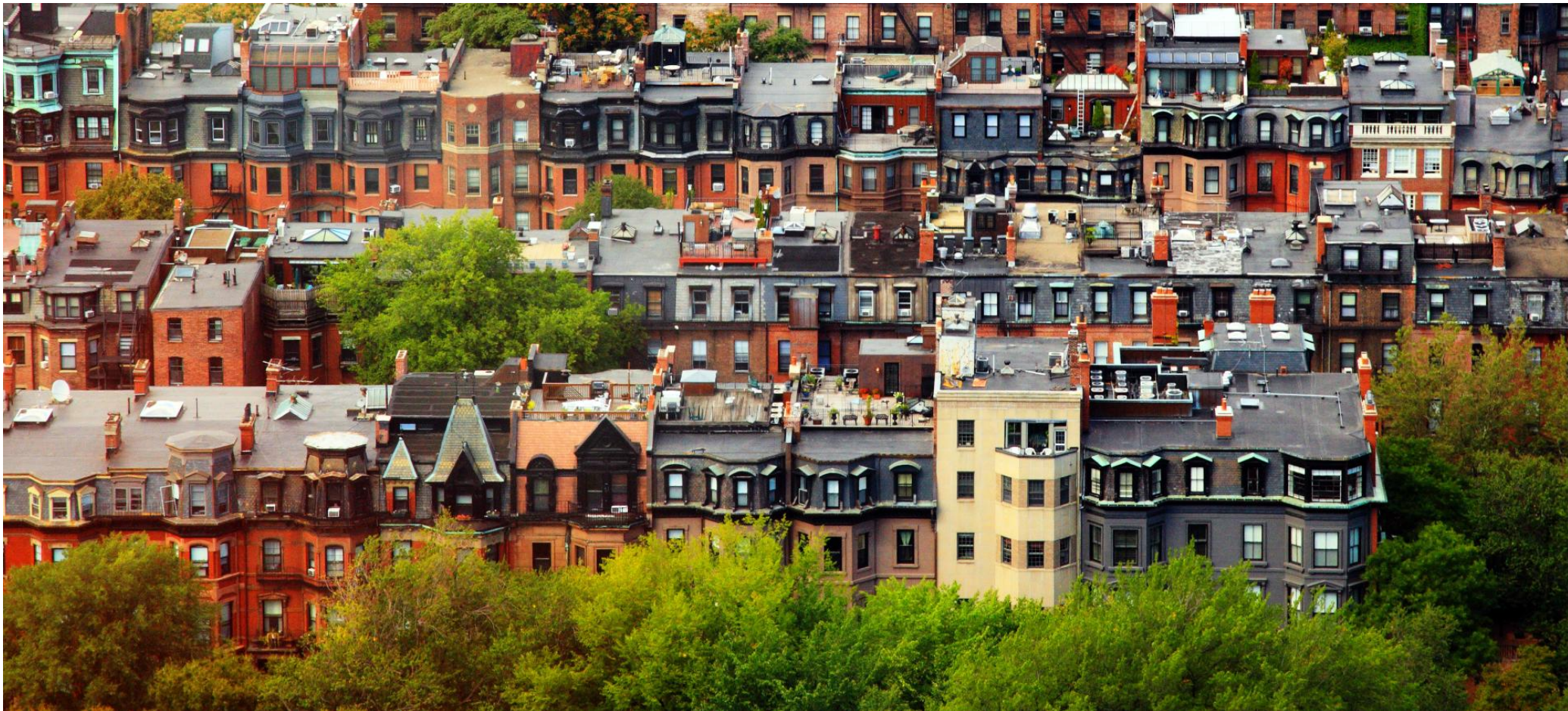
## Reporting reminders

- 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

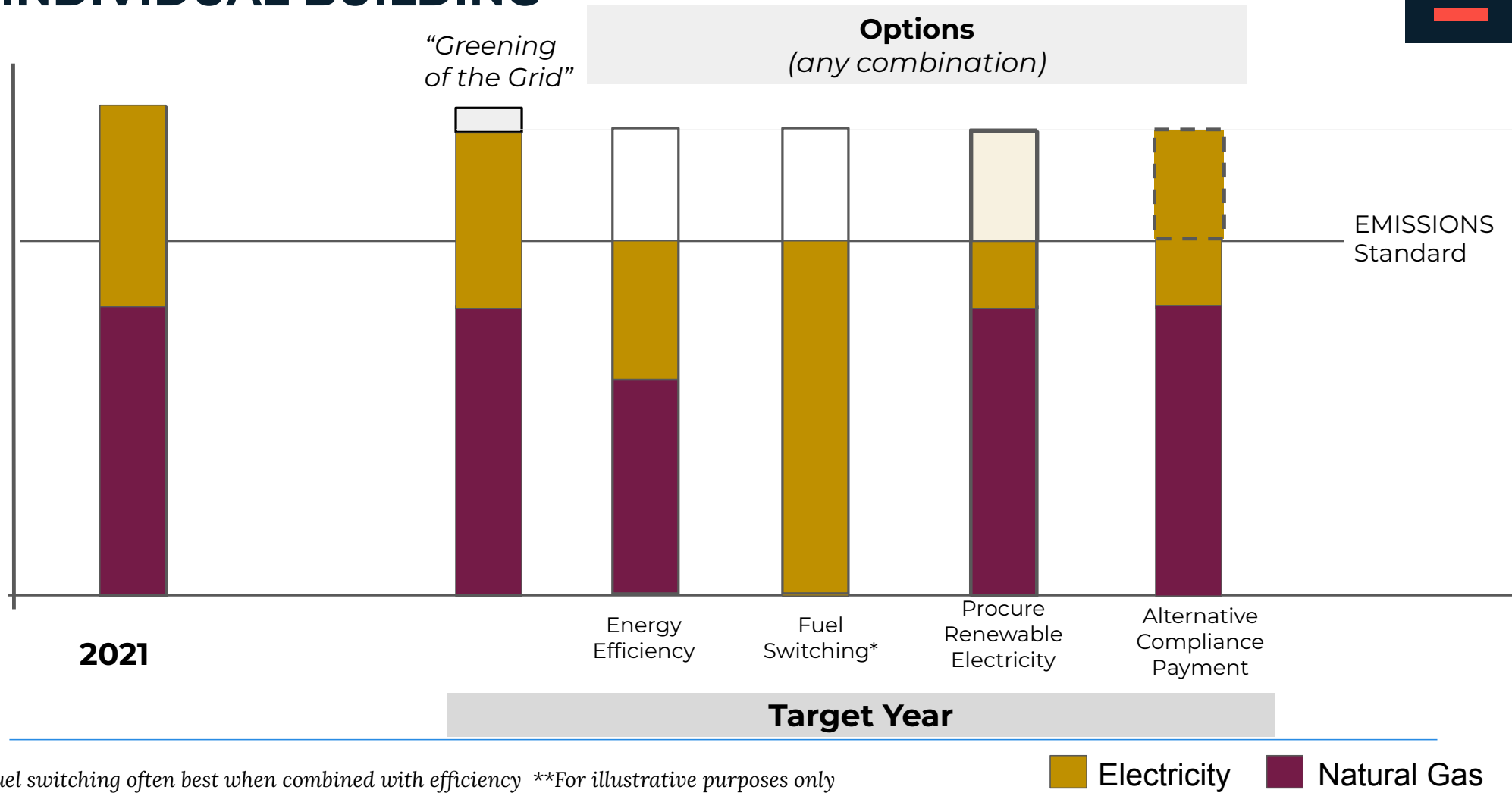
*Thank you for your participation!*







# INDIVIDUAL BUILDING



\* 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 CO<sub>2</sub>e 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  
additional 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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*Mayor Michelle Wu*