

# BERDO 2.0 At A Glance

The City of Boston was in the forefront of climate action when it passed **The Building Emissions Reduction and Disclosure Ordinance** – BERDO – in 2013. The original ordinance required all commercial and residential buildings with 35,000 square feet or more, or with 35 units or more, to report their energy and water use to the city.

BERDO 2.0 takes this to another level. The 2021 revision requires buildings to meet emissions targets starting in 2025. These targets are progressively more stringent, until 2050 when buildings are mandated to achieve carbon neutrality.

**The new ordinance affects only 4 percent of Boston’s buildings – but those buildings account for 60 percent of building emissions.**

## What should you know?

- ▶ There will be fines and compliance payments. The fines collected for non-compliance will be put into an Equitable Emissions Investment Fund that will help lower-income communities access energy efficiency retrofits.
- ▶ There are several pathways to decarbonization:
  - retrofitting buildings to be more energy efficient and reduce overall energy use
  - replacing fossil fuels with renewables or electricity
  - producing or purchasing clean energy to power building operations.
- ▶ Emission standards for mixed-use buildings will be calculated as a weighted average based on the square footage of each use.
- ▶ Owners of multiple buildings can comply based on its portfolio-wide emissions, but every portfolio will still need to reach the zero emissions target by 2050.
- ▶ Under an Individual Compliance Schedule, a building owner can comply by reducing GHG emissions by 50% by 2030 and 100% by 2050 from a 2018 or later baseline.
- ▶ Off-site renewable electricity purchase is an available compliance pathway, as long as the renewable energy meets Commonwealth requirements.
- ▶ Buildings may also mitigate CO<sub>2</sub>e emissions by making Alternative Compliance Payments. The initial cost of an Alternative Compliance Payment will be \$234 per metric ton of CO<sub>2</sub>e that is above what the emissions standard for that building type should have been.

## Timeline

- **2022**  
First year of reporting  
2021 data starting in 2022
- **2026**  
First year of compliance for  
buildings over 35,000 sq. ft.  
or with more than 35 units.
- **2031**  
Buildings between  
20,000 and 35,000 sq. ft.  
or residential buildings  
between with 15 to 35 units  
subject to the emissions  
standards, reporting for  
2030 emissions.

## What can you do?

Building owners and managers have an obligation to understand the law and what will be required for compliance – because failing to do so will result in financial penalties starting in 2026.

### How do you tackle the problem?

While energy efficiency improvements can certainly help, they are not the answer. The city is pushing buildings to revolutionize their existing heating systems and significantly reduce usage of fossil-fuel energy sources, such as natural gas, fuel oil, and steam. We can do this by installing efficient heat pump systems that use electricity. When electrified heating is combined with a decarbonized electric grid, a building can become carbon-neutral and avoid any risk of fines.

### Why act now?

Think about it this way. You might have a compliant building that is under the 2025 carbon limits. Why focus on the problem now? Well, those fines will be steadily increasing every five years. Truly eliminating fines requires buildings to modernize their existing infrastructure. And fines aside, focusing on the problem now can also be an opportunity to address longstanding comfort and infrastructure issues, making your buildings more appealing to residents and increasing overall value.

### Where does your building fit in?

There's a lot to digest, but that's where we come in. You've already been measuring your climate impact under BERDO. We can help you understand the new legislation and what fines you will be liable for – and we can identify solutions that will make a real difference, including cost-effective hybrid electrification approaches.

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**At Ecosystem, we believe everything can and should be more efficient.** This holds true for buildings, energy systems, the project delivery approach, and the collaboration with our clients. This is the foundation our business is built on.

We are equally committed to the energy transition and making progress toward an environmentally responsible energy future. As an integrated engineering and construction company specializing in energy projects, we have a dedicated role to play helping our clients along the path to carbon neutrality. Our holistic approach to projects in the built environment, combined with our proven expertise in delivering meaningful energy savings, sets us apart and enables us to develop measurable and achievable decarbonization programs.