

Amendments to the existing Building Energy Use Disclosure Ordinance (BEUDO)



In June of 2023, the Cambridge City Council approved amendments to the existing BEUDO.

These changes will require **large, non-residential buildings to reduce their Greenhouse Gas (GHG) emissions to net zero levels over time.** This type of policy is referred to as a **Building Performance Standard (BPS)** and is being implemented to reduce the emissions that cause climate change, as part of Cambridge’s net zero goals.

Net Zero Emissions

In Cambridge, **over 80% of greenhouse gas emissions come from building operations.** BEUDO buildings account for the majority of these emissions.

Reduction in building energy use and decarbonization via electrification and renewable energy procurement, are the two primary ways in which buildings subject to BEUDO are expected to meet the Net Zero requirements in BEUDO.

BEUDO Requirements

Any **parcel** of land which **contains buildings that total greater than 25,000 sq ft or more than 50 residential units** remains subject to the benchmarking requirements of the ordinance. Complete and accurate energy and water data is required to be submitted every year by May 1 for the previous calendar year.

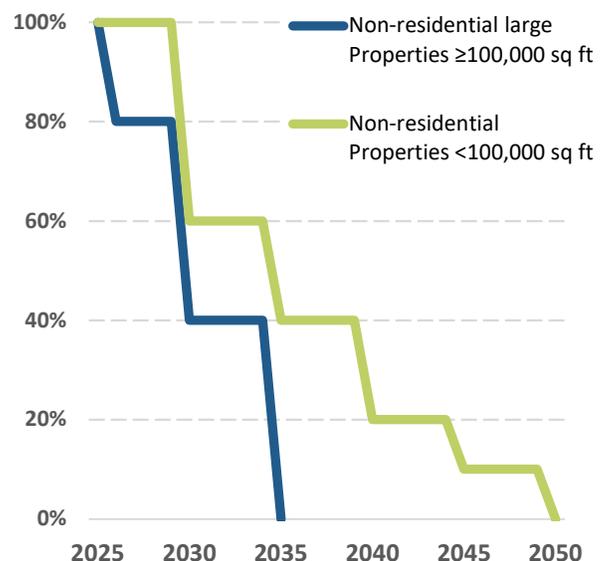
Benchmarking, or submission of data, has been required under BEUDO since 2015.

With the amendments, **non-residential buildings** are now also required to reach **zero greenhouse gas emissions** by the following timelines. Large ($\geq 100,000$ sq ft) properties must be Net Zero by 2035, while properties of 25,000 to 99,999 square feet have until 2050.

Net Zero Emissions trajectories under the BEUDO ordinance are based on each building’s individual baseline.

The **GRAPH at right** shows the reductions per compliance period that must be made as a percentage of the baseline emissions.

Maximum Emissions Permitted Each Year as a Percentage of Baseline Emissions



Important Information to Know

The newly amended Ordinance and forthcoming regulations **include a few important changes that all BEUDO owners and stakeholders need to be aware of.**

► Baselines

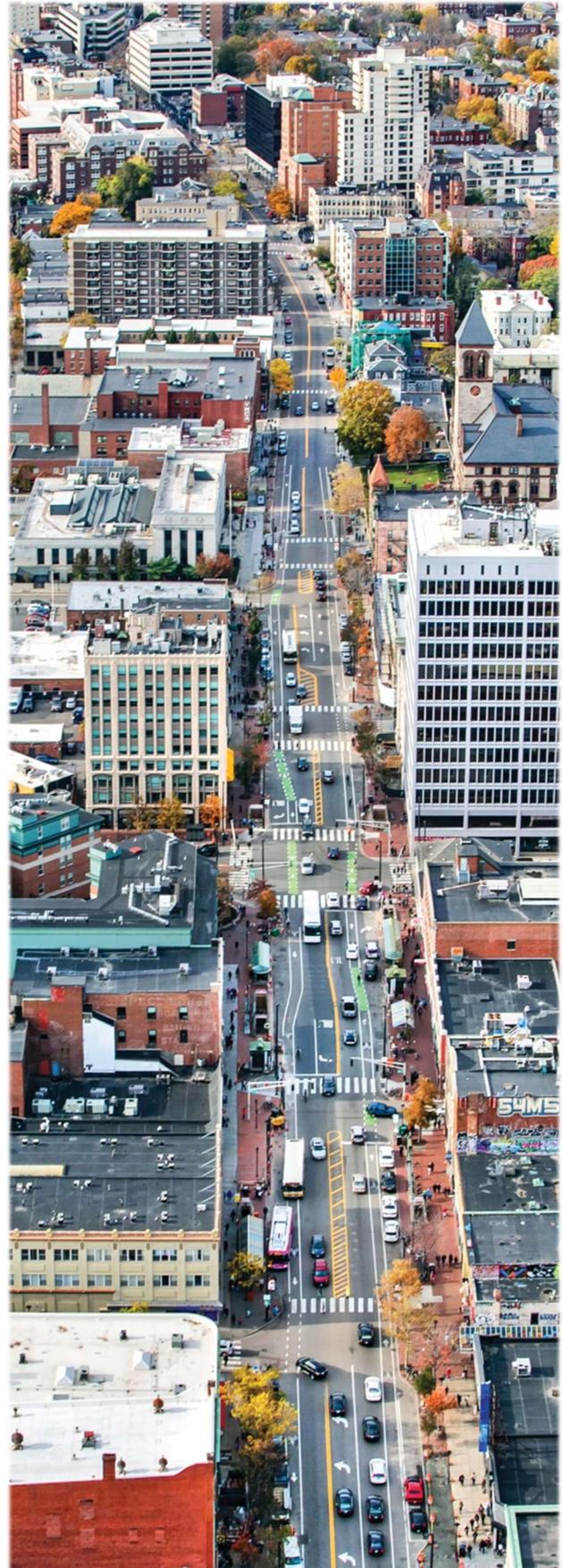
- The standard that will be used to determine a building's baseline is the **average of emissions for 2018 and 2019.**
- The baseline for **new covered properties** after 2019 will be the average of the first two calendar years of emissions following issuance of the certificate of occupancy.
- A building **can request an earlier baseline** if the building's use and size have not been altered in that time. Baselines will be two subsequent years averaged and can go back as far as 2010.

► Verification

- Beginning in 2026, **submitted data will need to be verified** to be considered compliant.
- Verified data is only required for the baseline period and for the first year of each subsequent compliance period.

► Emission Factors

- An emissions factor is an estimate of how much of a greenhouse gas is released into the atmosphere per unit of energy or fuel type.
- Cambridge will be publishing **emissions factors** for energy sources including gas, oil, electricity from the grid, and energy from district energy plants.
- Cambridge will begin work on determining emissions factors early in 2024.



Reducing your Building's Emissions

► Decarbonization

- In order to meet Net Zero goals, all properties will eventually need to **decarbonize** and **eliminate reliance on fossil fuels** to heat, cool and operate buildings.
- Reducing fossil fuel use also has **indoor** and **outdoor air quality benefits**.

► Renewable Energy

- **Generating or purchasing renewable energy** is expected to be one of the primary methods for BEUDO buildings to meet their emissions reduction requirements.
- Renewable electricity may be purchased through a **Virtual Power Purchase Agreement from newly built renewable energy generating sources**.
- **Onsite renewable electricity generation** may only be used to reduce emissions from electricity.
- The City of Cambridge may create future community electricity programs to increase access to renewable energy.

► Efficiency and Electrification

- **Building upgrades** such as weatherization, insulation, and replacing gas fired boilers with electric heat pumps, will be necessary to operate efficiently and reduce emissions.

Flexibility Mechanisms

While reduction of energy use and decarbonization are likely to be the two most impactful measures in achieving Net Zero buildings, options are built into the ordinance to assist owners in reducing their emissions.

Carbon Credits	Alternative Compliance	Deferral Plans
<ul style="list-style-type: none">• In specified years, large (>100,000 sq ft) non-residential buildings will be allowed to purchase Verified Carbon Credits (VCCs) to offset GHG emissions.• VCCs must meet quality standards, which will be set in the upcoming regulations.	<ul style="list-style-type: none">• If a building cannot meet emissions reductions by lowering energy, procuring renewable electricity, or purchasing VCCs, the option exists to purchase Alternative Compliance Credits (ACCs) from the city.• ACCs will be used to directly fund Cambridge programs and projects that reduce carbon emissions.• ACCs are \$234/metric ton equivalent of carbon during the first compliance period and are not limited in the amount that can be purchased.	<ul style="list-style-type: none">• Property owners may apply for plans for extended time to meet their emissions goals. All alternative plans must be approved by a review board and are subject to regulations.• Hardship Compliance plans will be considered for properties facing certain limitations specified in the ordinance.• Deferral plans of up to 5 years may be submitted for reasons that are not related to hardship.

Other Considerations

► Campus Reporting

- A group of **5 or more buildings with the same owner** may choose to submit data and qualify their emissions as a campus rather than individually.
- Buildings under the size threshold for BEUDO may be **voluntarily included and** sets of buildings reporting as a campus will have **extra time to submit verification of their data.**

► Residential Properties

- Residential properties (those with more than 50 dwelling units) are still **required to submit their energy and water data** on a yearly basis to the city.
- At this time, residential properties **do not have requirements for emissions reductions** under BEUDO.

► Co-generation and District Energy

- Organizations which produce their own electricity, steam or other energy will need to have annual Emission Factors developed and verified for their specific plants.

Resources for BEUDO

- Find more information on the City website: www.cambridgema.gov/BEUDO
- Questions regarding compliance with the ordinance, including clarification of policy requirements, may be sent to BEUDO@cambridgema.gov. Those seeking assistance in reporting who wish to speak to an operator may call (617) 250-4205.
- **Eversource** provides incentives, rebates, engineering studies, and other comprehensive initiatives to BEUDO owners looking to reduce the emissions of their property.

For Commercial/Industrial properties, visit eversource.com/business-energy-assessments

For Residential properties, visit eversource.com/home-savings