

Instructions to prepare and submit a BEUDO Deferral Plan

Overview

If you are an Owner of a Covered Property under the Building Energy Use Disclosure Ordinance (BEUDO) seeking temporary relief from requirements, this guide walks you through the process to confirm your eligibility for, prepare for, and submit a Deferral Plan.

A Deferral Plan allows a Covered Property to deviate from the standard annual emission reduction targets for a set time period, up to five years. This pathway is a good fit for Owners who have a major retrofit or other emissions-reducing work (e.g., renewable energy project) planned and budgeted, and need to align emissions reductions with major capital improvements, provided the property's cumulative carbon footprint does not increase.

STEP 1: Establish your Eligibility

The Owner of a Covered Property is eligible to apply for a Deferral Plan that modifies your emission reduction timeline if the following conditions are met:

- A. The Covered Property is up to date on other BEUDO requirements (Sections 8.67.040 and/or 8.67.050), including submission of required forms and reporting energy data for the most recent compliance year.
- B. The Covered Property will not be on track to meet standard targets in Section 8.67.100.

Why a Deferral Plan, instead of a Hardship Compliance Plan?



A Hardship Compliance Plan responds to financial, operational, and other barriers. A Deferral Plan is a better fit if you have already planned work, like a roof replacement or HVAC system replacement, to take place in the next 1–5 years, and you want to perform energy retrofits simultaneously to save time and money.

If you need relief but do not have a decarbonization project planned, consider a Hardship Compliance Plan.

A. Are you up to date on BEUDO requirements?

Before you can decide that you need relief, take time to understand what your requirements are and how close you are to meeting them. Your emission reduction requirements are based on two pieces of information: your property's configuration and your baseline.

Required for all: Submit Property Configuration Form

You must submit a [Property Configuration form](#) to the City in order to proceed with a Hardship Compliance Plan. The Technical Guide for [Covered Properties and Building Configuration](#) helps you confirm your requirements based on the size of your building(s) and presents your options to report multiple buildings on a parcel together.

Optional: Establish your Baseline in BEAM

If you would like to use an Alternative Baseline, which changes the starting point of your emissions reduction timeline, complete the [Baseline Selection Form](#). The [Establishing Your Baseline](#) Technical Guide helps you understand the impact this decision may have on your emission reduction requirements.

If you do not select a baseline, the City will apply the default baseline years averaged from 2018 and 2019 to your Covered Property.

How to submit forms?

This [checklist](#) walks you through submission of these two forms in the [BEAM Owner Portal](#).

Required for all: Submit annual energy data

Until now, the primary requirement for your Covered Property has been to report annual energy data, called benchmarking. Even if emissions reductions have not been achievable, you will need to continue reporting energy data each year.

Through May 2026, being up to date means that, in addition to the forms, you have submitted complete energy data for calendar year 2024.

After May 2026, you should have submitted your 2025 data.

B. So, are you on track for BEUDO compliance?

Once the forms are submitted and reviewed, you will have access through the [BEAM Owner Portal](#) to two important pieces of information: 1) your Covered Property ID for your configured property and 2) your Covered Property's Maximum Allowable Emissions for Compliance Period 1 (2026-2029). This is your 2026 emissions limit, reported in metric tons of carbon dioxide equivalent (MTCO_{2e}). For large buildings above 100,000 covered square feet, the 2026 limit is 80% of your baseline. In other words, you need to reduce total emissions by 20%.

While you will not know your Covered Property's actual 2026 emissions until the end of the year, you can get a sense of whether you are on track or not by referring to previously submitted data from prior years.

Use this [Emissions Calculator and Credit Estimation Tool](#) in the BEAM Owner Portal for a preliminary estimate of whether you are on track, based on your 2024 data.

Understand your options for compliance

If your Covered Property's emissions are expected to be above the limit, first consider how existing options can help. To pursue a Deferral Plan, you will first need to address how you have evaluated these options.

1. Purchase qualifying renewable energy to reduce your electricity emissions. This [Emissions Calculator and Credit Estimation Tool](#) shows if RECs can help you meet your target. *Note: If your emissions that come from electricity use are at least 20 percent of your total emissions, you may be able to enter into compliance just by purchasing Renewable Energy Certificates (RECs) that meet the BEUDO criteria.*
2. Purchase Alternative Compliance Credits, priced at \$234 per ton of emissions.
3. Starting in 2029, there will be an option to purchase Verified Carbon Credits.

If you are not on track to meet the 2026 target, and you have plans for a major retrofit that will achieve emissions reduction or plans to construct a new renewable energy project, continue with Steps 2 and 3 to confirm that a Deferral Plan is the right fit.

STEP 2: Prepare Your Application

To build the case for your deferral, your application must include:

- ▶ **A Narrative:** A detailed description of why you seek a deferral.
 - Identify the duration of your deferral, up to five years.
 - Describe other major capital projects (e.g., envelope upgrades, HVAC replacement, or renovations) and explain how the emissions reduction work will be integrated into the broader work plan. Will the combination create operational or financial efficiency?
- ▶ **Address existing compliance mechanisms:** A statement addressing how you have considered or used authorized compliance mechanisms:
 - Alternative Compliance Credits
 - Renewable Electricity Certificates (RECs)
 - Starting in 2029, Verified Carbon Credits
 - Campus-based reporting, if applicable
- ▶ **Propose an Annual Schedule of GHG Emissions Reduction:** Complete the [GHG Emissions Schedule](#) to provide a clear timeline for completing all required activities by the end of your deferral period. Follow Step 3 carefully to make sure your schedule is acceptable.

STEP 3: Evaluate feasibility: Understanding the “bottom line” of emissions

BEUDO mandates that total cumulative emissions through 2050 cannot exceed the total emissions allowed under the standard schedule (Section 8.67.100). You must prove that your delay will not impact the "bottom line" of carbon and that you will be able to catch up on emissions reduction. **Even with a Deferral Plan, the total cumulative emissions of the standard schedule remains your maximum.**

The [GHG Emissions Schedule](#) also serves as a tool to help you understand whether your proposed plan will meet this requirement.

Once approved, this alternative schedule replaces your standard annual targets for the duration of the plan, and your Covered Property's performance moving forward will be evaluated against the new limits.

At the end of the deferral period, Owners will be responsible for paying Alternative Compliance Credits for any emissions over what was approved in the Deferral Plan.

Neutral emissions

You can "over-emit" in the early years through a Deferral Plan, but must "repay" the debt by significantly cutting emissions in later years.



Example Scenarios



120,000 csf


Net Zero by 2035

Example 1: Large building with deep energy retrofit planned in 2029

If Property ABC's baseline emissions is 10,000 MTCO_{2e}, the property's cumulative maximum allowable emissions sum to 52,000 MTCO_{2e}. Even with a Deferral Plan, this Property cannot exceed this maximum.

Property ABC has a major retrofit project planned for 2029, which includes building envelope sealing, air-to-water heat pump chillers, and energy recovery. While the property exceeds the 2026-2028 annual caps by 4,000 tons, the retrofit project provides a 50% reduction, achieving same cumulative emissions as the building would have had under the standard schedule.

Below is the schedule of required emissions reduction for this large building, and the proposed schedule using a five-year Deferral Plan. Baseline emissions are 10,000 MTCO_{2e}.

Year	Standard Trajectory	Emissions (MTCO _{2e})	Deferral Plan	Proposed schedule	Emissions (MTCO _{2e})	Explanation
2026	80%	8,000	Year 1	100%	10,000	Over-emitting
2027	80%	8,000	Year 2	90%	9,000	Over-emitting
2028	80%	8,000	Year 3	90%	9,000	Over-emitting
2029	80%	8,000	Year 4	40%	4,000	Deep energy retrofit outperforms standard
2030	40%	4,000	Year 5	40%	4,000	
2031	40%	4,000	N/A	40%	4,000	Return to standard trajectory
2032	40%	4,000	N/A	40%	4,000	
2033	40%	4,000	N/A	40%	4,000	
2034	40%	4,000	N/A	40%	4,000	
2035	0%	0	N/A	0%	0	Net zero by 2035
Cumulative total emissions		52,000			52,000	Same total emissions as standard.  Plan can be approved.

Example 2: Large building can meet near-term goals, and wants to defer later emissions




120,000 csf

Net Zero by 2035

Property XYZ also has baseline emissions of 10,000 MTCO_{2e}, and the cumulative maximum allowable emissions sum to 52,000 MTCO_{2e}. Even with a Deferral Plan, this Property cannot exceed this maximum.

Property XYZ can meet near-term goals, reducing emissions to 80% of baseline in 2026-2029, through efficiency measures and the greening of the electric grid. The Owner knows that removing on-site fossil fuels will be challenging, and considers a Deferral Plan starting in 2030.

The schedule of required emissions reduction for this large building is shown below, and the proposed schedule is evaluated on the right. Baseline emissions are 10,000 MTCO_{2e}.

Year	Standard Trajectory	Emissions (MTCO _{2e})	Deferral Plan	Proposed schedule	Emissions (MTCO _{2e})	Explanation
2026	80%	8,000	N/A	80%	8,000	On track with standard trajectory
2027	80%	8,000	N/A	80%	8,000	
2028	80%	8,000	N/A	80%	8,000	
2029	80%	8,000	N/A	80%	8,000	
2030	40%	4,000	Year 1	80%	8,000	Deferral Plan includes 40% higher emissions than required
2031	40%	4,000	Year 2	80%	8,000	
2032	40%	4,000	Year 3	60%	6,000	
2033	40%	4,000	Year 4	60%	8,000	
2034	40%	4,000	Year 5	60%	8,000	
2035	0%	0		0	0	Return to standard trajectory; Net zero by 2035
Cumulative total emissions		52,000			72,000	 Exceeds cumulative total emissions; Plan not approved

This proposed schedule shows that the total cumulative emissions produced during the plan period **do** exceed the cumulative emissions that would have been produced under the standard compliance schedule. This plan would **not** be approved. The Owner has several options for compliance:

- Starting now, leverage renewable electricity purchasing options to the fullest extent, decarbonizing all electric emissions. If the Owner can overachieve (i.e., do even better than) their near-term goals, they can effectively bank carbon emissions budgeted for later years.
- Starting in 2029, consider purchasing Verified Carbon Credits to offset on-site emissions from gas equipment.
- Starting in 2030, purchase Alternative Compliance Credits in lieu of decarbonizing the building.
- Apply for a Hardship Plan, if financial, operational, or other barriers limit compliance.

STEP 4: Submit Your Deferral Plan Application in BEAM

The [Deferral Plan Application](#), with narrative and technical attachments, must be filed through the [BEAM Owner Portal](#) by October 1 of the year the plan is to take effect.

Public hearings will not be scheduled until all required application materials are received and deemed complete. Electronic submissions should meet the following specifications:

- ▶ PDF format, readable by Adobe Acrobat v.7.0 and later
- ▶ Excel Emissions Schedule Template completed and uploaded as Excel file (.xlsx)
- ▶ All pages rotated so that the tops of all pages align with the top of the screen
- ▶ File sizes minimized and set to a resolution of roughly 150 dpi, if images are included
- ▶ No single file greater than 10 MB (volumes may be broken into separate files)
- ▶ Scanned documents processed with optical character recognition (OCR) software
- ▶ Do not write-secure (on request, City staff may secure files before posting to the website)

City staff will check completeness, and incomplete applications may be pushed to the next review cycle.

STEP 5: Review Board review

After you submit your application materials, City staff will perform a preliminary review to confirm that your application is complete and provide a recommendation to the [BEUDO Review Board](#). You will then receive an email invitation with the time and date of your Review Board hearing. Review Board meetings take place virtually via Zoom on the first Wednesday evening of the month and, as needed, the third Wednesday evening of the month.

The Review Board meeting notice with an agenda and meeting link will be posted to the City calendar at least 48 hours prior to the meeting. Application materials will be distributed to Review Board members and may be called upon during the meeting.

You and/or your representative should plan to attend this meeting. Slides are encouraged but not mandatory and applicant presentations will generally be restricted to a 15-minute time limit. You should be prepared to share information and answer Board Member questions about the proposed Deferral Plan.

Within 65 days of the filing of a complete application, the Review Board will issue its decision to approve, approve with conditions, or deny applications and adjustments to previously approved plans. If the Board deems that additional discussion and/or information is needed, the Board may make a motion to continue the hearing to a later date. If the Board is not able to issue its decision within the 65-day timeframe, they may request additional time from the applicant. If approved, your new targets are locked in and uploaded to BEAM.

2026 Deadline

For the 2026 Compliance Year, applications are due by **December 1, 2026.**



STEP 6: Comply with your Deferral Plan, and prepare to return to the standard schedule

Once the approved duration of your Deferral Plan concludes after up to 5 years, the Covered Property is required to immediately resume compliance with the standard annual Emission Reduction Requirements from Section 8.67.100.

You must meet the standard targets active at that time, regardless of the deferral period's previous targets. Remember, Owners are responsible for paying Alternative Compliance Credits for any emissions over what was approved in the Deferral Plan.

Need more help?

If you need additional support, submit this [Hardship and Deferral Plan Assistance Form](#) and we will direct you to additional resources, including an invitation to meet with City staff during Office Hours.

For more detailed information, review BEUDO policy documents on the BEUDO page: camb.ma/BEUDO.



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