

BERDO Compliance & Your Electricity Supply

A practical guide for energy brokers and Boston commercial building owners

Gridwealth Electric · Updated 2025

WHAT IS BERDO?

Boston's Building Emissions Reduction and Disclosure Ordinance (BERDO 2.0) requires large commercial buildings to meet declining carbon emissions limits — or face substantial financial penalties. Emissions limits tighten every five years until reaching net-zero by 2050.

Coverage thresholds:

- Non-residential buildings 35,000 sq ft or larger → compliance required from 2025
- Non-residential buildings 20,000 sq ft or larger → compliance required from 2030
- Annual energy and water use reporting required by May 15 each year
- Third-party data verification required in year one and every five years thereafter

PENALTY EXPOSURE BY BUILDING TYPE (2025–2029)

If a building exceeds its emissions limit, the penalty is **\$234 per metric ton of CO₂e** above the limit — with no grace period.

Building Type	Limit (kg CO ₂ e/sq ft)	Example Size	Est. Annual Penalty
Office	5.3	200,000 sq ft	\$500,000+
Retail	7.4	100,000 sq ft	\$200,000+
Industrial / Mfg	23.9	500,000 sq ft	\$1,000,000+
Hotel / Lodging	7.5	150,000 sq ft	\$350,000+
Multifamily (35+ units)	4.6	75,000 sq ft	\$175,000+

Penalty estimates are illustrative. Fossil fuel emissions excluded from this table.

HOW YOUR ELECTRICITY AFFECTS BERDO EMISSIONS

Under BERDO, electricity emissions are reduced by the percentage of consumption covered by Massachusetts Class I Renewable Energy Certificates (RECs). The ordinance uses this formula:

BERDO ELECTRICITY EMISSIONS FORMULA

Electricity emissions = MWh consumed
× (100% – RPS Class I %)
× BERDO grid emissions factor

→ If RPS Class I % = 100%, electricity emissions = zero.

KEY INSIGHT

A building supplied with 100% MA Class I RECs has zero electricity-related emissions under BERDO. Not reduced — zero. This eliminates the electricity component of penalty exposure entirely.

MA CLASS I REC REQUIREMENTS (BERDO-SPECIFIC)

Not all RECs qualify. BERDO is specific:

- Must come from non-emitting sources — wind and solar qualify; biomass generally does not
- Generating facility must have begun operation after 1997
- RECs must be generated within 12 months before or during the compliance year
- Bundled RECs must be retired no later than six months after the compliance year ends
- REC retirement must be documented and tied to the specific BERDO building ID number

COMMON MISTAKE

Generic or out-of-region RECs do not satisfy BERDO. Building owners need documentation of retirement tied to their specific property — not just a certificate that green power was purchased somewhere.

THE GRIDWEALTH ELECTRIC BERDO GREEN SOLUTION

Gridwealth Electric is a licensed retail electricity supplier serving commercial and industrial customers in Massachusetts and Rhode Island. Our BERDO-compliant green supply product is backed by 100% MA Class I RECs — so your client's electricity emissions are zero under BERDO.

- 100% MA Class I REC-backed electricity supply
- REC retirement executed on behalf of the building
- Annual documentation for BERDO reporting
- Fixed and index pricing available
- Competitive vs. utility default green programs
- MA and RI service territory
- Single contract — supply + compliance in one
- Broker-friendly enrollment and support

CLIENT COMPLIANCE PATHWAY

- 1 Identify BERDO-covered buildings in your book**

Non-residential 35,000+ sq ft face 2025 compliance. Buildings 20,000–34,999 sq ft face 2030. Check the City of Boston's BERDO building list.
- 2 Estimate penalty exposure**

Use Gridwealth's free BERDO penalty calculator to model the client's annual exposure and show the cost of inaction.
- 3 Compare action vs. inaction**

For most buildings, the premium for 100% MA Class I green supply is a fraction of the ACP penalty. Model both scenarios side-by-side.
- 4 Enroll with Gridwealth Electric**

We handle REC sourcing, retirement, and annual documentation. The client's electricity emissions are zero under BERDO.
- 5 Support the client's BERDO filing**

Use the annual REC retirement documentation Gridwealth provides when completing the BERDO Reporting Form and Energy Star Portfolio Manager submission by May 15.

Disclaimer: This guide is for informational purposes only and does not constitute compliance, legal, or financial advice. BERDO compliance involves both electricity and fossil fuel emissions — this guide addresses electricity only. Building owners should consult qualified energy professionals and legal counsel. Penalty estimates are illustrative based on published ACP rates and the 2025–2029 emissions limits.