

FREQUENTLY ASKED QUESTIONS

Navigating Boston's Clean Energy Future
BERDO Insights with NRG Business Experts

What if my tenants are responsible for procuring energy as part of their lease agreement? Does this impact me as the building owner?

The BERDO regulations apply specifically to building owners. Compliance is based on the overall energy performance and emissions of the entire building, irrespective of tenant energy procurement. Under the Ordinance, building owners may request tenants of their buildings with separate utility meters to provide energy usage information or to authorize the tenant's utility to release this information to the building owner. Owners must aggregate and report building data, without disclosing individual energy use details. BERDO has a tenant authorization form available on their website.

To navigate responsibilities, building owners should review lease agreements and seek professional assistance, like legal counsel and energy consultants, for effective compliance navigation.

Is it mandatory to calculate the energy outputs based on "production efficiencies" or is it enough to allocate the final GHG emissions using the proportions of the energy outputs?

BERDO provides guidance on emission factors starting on page 7 of their Policies and Procedures guide. While every building is unique, we recommend engaging a third-party verifier to conduct a comprehensive assessment of the building envelope, operational equipment, and historical usage. This evaluation will help in developing a tailored decarbonization roadmap specific to the building's needs. For assistance in connecting with a third-party verifier, you can reach out to your account executive.

Do I need to pay to offset all of my energy consumption?

No, under BERDO, you are required to address only the excess emissions over the permissible limits set for your building. These excess emissions must be calculated and certified by a third party. BERDO provides an online emissions calculator to help building owners determine their projected emissions limits and estimate compliance costs. It's important to note that these limits become stricter over time, with 2030 posing a greater challenge than 2025.

Let's get started.
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If I have a low emissions limit in the first years and a higher emissions limits in later years, does NRG offer a solution to contract for a smaller volume upfront and a larger volume for later years?

Yes. This is the flexibility that we have built into the Renewable Grid Connect product, and we can work with you to achieve it.

Doesn't Massachusetts already have Renewable Energy Portfolio Standards for electricity supply?

Yes. The Renewable Energy Portfolio Standard is a requirement for all electric supply in Massachusetts. However, BERDO is a specific building emissions requirement for the City of Boston. This is an additional requirement beyond the Massachusetts RPS and applies to all emissions.

Note: If you have buildings in Cambridge, there is also a separate – but similar – ordinance called the Building Energy Use Disclosure Ordinance or BEUDO that you must be aware of.

If I contract today, do I need to start paying before compliance starts?

The contract start date is aligned with the BERDO start date – January 2025 (you start paying in January 2025).

I have multiple buildings under a contract – is there flexibility in how the RECs are retired – meaning do I need to keep to a set retirement volume for the term of the agreement or is there flexibility?

There is the ability to adjust REC allocation amongst compliance buildings.

What are the penalties for not complying?

Penalties can range from $300 to $1,000 per day based on building size. There's a penalty for failing to submit a report on time: $300 per day. The penalty for an inaccurate submission ranges from $1,000 to $5,000. More information on the requirements for failure to comply with reporting can be found on page 17 in the BERDO Ordinance.

Aren't PPA projects readily available? So what is the urgency to transact now?

It is correct that there are many renewable projects under development; however, the capacity from most projects that are coming online in the near-term has already been sold. When projects are contracted under a Power Purchase Agreement (PPA), they are often fully subscribed for financing purposes. Finding a new project – with supply available at a fair price and the proper timing is likely limited. NRG has PPA supply available from projects that are coming online in the first quarter of 2024 and we will need to transact to ensure grandfathering capability. Contracting the supply from our project provides significant savings versus other compliance alternatives such as MA Class I REC or the ACP.

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