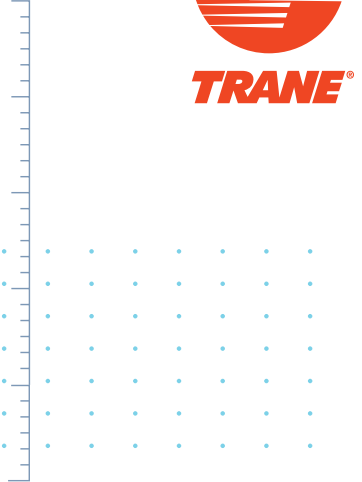


# BERDO 2.0 Impact



Building owners in Boston are facing rising expectations to reduce greenhouse gas (GHG) emissions with the passing of the second iteration of *The Building Emissions Reduction and Disclosure Ordinance (BERDO)*. Commonly referred to as BERDO 2.0, the ordinance will play an important role in helping Boston meet its climate goals.

In the fight to curb greenhouse gas emissions in Boston, buildings remain the largest obstacle. Buildings account for nearly 70% of greenhouse gas emissions in Boston. The 2021 amendment to BERDO gives the City authority to set carbon emissions standards for large existing buildings. The emissions standards will decrease over time, with all buildings achieving net zero emissions by 2050.<sup>1</sup>

## Who does BERDO 2.0 impact?

The ordinance requires covered buildings to report their annual energy and water performance to the City. **Covered buildings** are defined below. A detailed 2023 BERDO Covered Buildings List can be found [here](#).

- Nonresidential buildings that are 20,000 square feet or larger (excluding parking)
- Residential buildings that have 15 or more units.
- Any parcel with multiple buildings that add up to at least 20,000 square feet (excluding parking) or have 15 or more residential units. All buildings on the parcel must report their annual energy and water use **individually**.
- Buildings owned by the City of Boston and Boston Housing Authority.<sup>2</sup>

## How do I ensure my building(s) comply with the BERDO 2.0 Ordinance?

Starting in 2025, Berdo 2.0 requires that all covered buildings reduce their annual emissions below the set building emissions standard (emissions limit). This can be achieved directly — by upgrading equipment, for example — or indirectly by purchasing renewable energy or making compliance payments. BERDO 2.0 also requires that buildings comply with annual reporting, due by May 15th of each year, which include three (3) main components:

1. **Energy Star Portfolio Manager:** Used for reporting key building characteristics and energy and water usage.
2. **BERDO Reporting Form:** Captures data required for BERDO 2.0 that isn't included in Energy Star Portfolio Manager.
3. **Third-Party Data Verification:** Third-party verification of buildings is required for the first year of reporting under BERDO 2.0. If third-party verification was completed in 2022, it is not required in 2023.<sup>2</sup>

The City of Boston has published a [step-by-step guide](#) to completing annual energy and water reporting and third-party data verification for BERDO 2.0 in 2023.

Understanding and navigating the new limits introduced in accordance with BERDO 2.0 can be overwhelming and stressful for building owners. Each journey toward compliance may look different but rest assured, the right collaborator will meet you at any point. The path to compliance can be summed up in one word—decarbonization. The journey to decarbonize your building is uniquely yours and Trane® is the right collaborator to help guide you.

## When will BERDO 2.0 be implemented?

2022	2023	2025	2030	2031	2050
<b>Energy and Water Reporting</b>	<b>Third-Party Verification</b>	<b>35,000 + GSF Compliance</b>	<b>20,000-35,000 GSF Compliance</b>	<b>Emission Standards Take Effect</b>	<b>Carbon Neutrality Reached</b>
Buildings between 20,000-35,000 square feet or residential buildings between 15 to 35 units began reporting their energy use.	Third-party verification of buildings is required for the first year of reporting under BERDO 2.0. If third-party verification was completed in 2022, it is not required in 2023. After the first year, third-party verification is required on a consistent schedule outlined in the <a href="#">BERDO Reporting Guide</a> .	Buildings over 35,000 GSF are required to comply with ordinance or bldgs with more than 35 units.	Buildings between 20,000 and 35,000 GSF are required to comply with ordinance or bldgs with 15-35 units.	Emission standards take effect which will utilize reporting for 2030 emissions.	All Boston buildings achieve net zero emissions by 2050.

# Taking Action

## Where do I begin?

It's important to first understand what is meant by decarbonization. Decarbonization is the process of decreasing or eliminating GHG emissions that come from a building. Like vehicles that are reducing emissions by becoming more fuel efficient, or powered by electric batteries, buildings are decarbonizing, too. Through a thoughtful combination of improved equipment, controls, and services, buildings can achieve their decarbonization goals and thus maintain compliance with more rigorous environmental laws.

## How can Trane help?

For over a century, Trane has seen more than the building. We've seen opportunities to build life. Trane is a world leader in air conditioning systems, services, and solutions. Our robust and diverse portfolio coupled with our highly skilled and knowledgeable representatives will ensure a smooth and successful journey towards decarbonization.

## What can you expect?

Trane uses a proven 4-step process when engaging with our customers.

**Step 1: Information Gathering**  
Collect information to inform the conversation

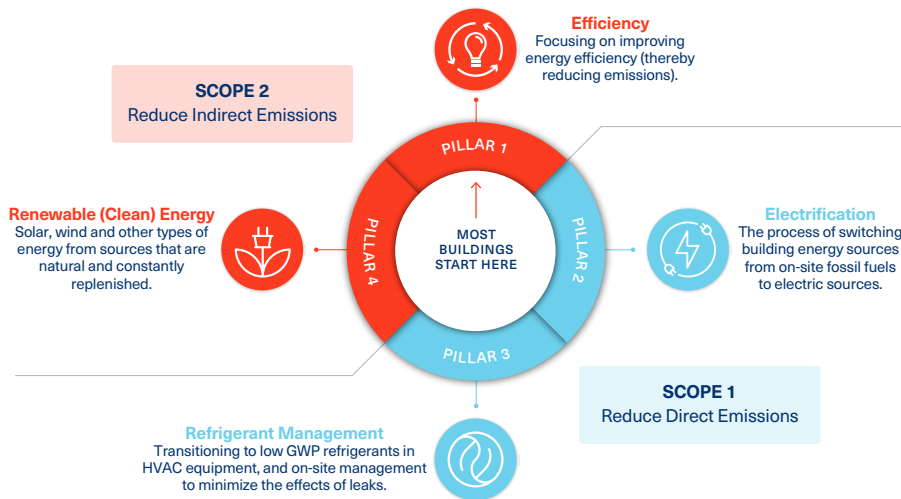
**Step 2: Assessment**  
Assess buildings' goals

**Step 3: Recommendation**  
Advise on a plan for decarbonization

**Step 4: Implementation**  
Deliver against plan to decarbonization

When planning for decarbonization specifically, Trane's recommendation is most often organized into four basic categories or "pillars":

### Trane's 4 Pillars of Decarbonization



## How will I fund these improvements?

Compliance with BERDO 2.0 will require thoughtful planning and likely funding support. Fortunately, the recently enacted Inflation Reduction Act delivers billions of dollars in funding for clean energy and the environment.<sup>3</sup> There are a variety of clean energy tax credits available to building owners to help ease the financial load. Many include a base tax credit with opportunities for bonus tax credits for projects meeting certain requirements. Below are some helpful resources with more information:

- [The White House: Inflation Reduction Act Guidebook](#)
- [Massachusetts: Inflation Reduction Act Implementation Guide](#)
- [Trane Commercial: Legislation and Incentives Resource Center](#)

Through industry and customer collaboration, Trane will work with you to develop a solution that's right for your building. We honor the legacy we've created and build on it by helping to make buildings safer, more comfortable and more cost-effective. Now, and for generations to come. [Start planning today!](#)

**Disclaimer:** Trane does not provide tax, legal, or accounting advice. This material is for informational purposes only and it should not be relied on for tax, legal, or accounting advice. Tax law is subject to continual change. All decisions are your responsibility, and you should consult your own tax, legal, and accounting advisors. Trane disclaims any responsibility for actions taken on the material presented.

1. <https://www.boston.gov/departments/environment/building-emissions-reduction-and-disclosure>
2. [https://docs.google.com/document/d/1bTCjWuZl-kfmM\\_nA\\_slo9fm5BU5ywhdtbaq8OB3iU/edit](https://docs.google.com/document/d/1bTCjWuZl-kfmM_nA_slo9fm5BU5ywhdtbaq8OB3iU/edit)
3. [https://www.markey.senate.gov/imo/media/doc/ira\\_implementation\\_guide.pdf](https://www.markey.senate.gov/imo/media/doc/ira_implementation_guide.pdf)
4. <https://www.buildingengines.com/campaign/3-sustainability-mandates-in-commercial-real-estate-and-how-to-prepare/>
5. "Driving Customer Engagement Through Portfolio Advisory Solutions," Trane Technologies and Guidehouse Insights, published 2Q 2021.
6. "Refrigerant Management," Project Drawdown



Trane – by Trane Technologies (NYSE: TT), a global climate innovator – creates comfortable, energy efficient indoor environments through a broad portfolio of heating, ventilating and air conditioning systems and controls, services, parts and supply. For more information, please visit [trane.com](http://trane.com) or [tranetechnologies.com](http://tranetechnologies.com).

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