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Building decarbonization in Mass. - by Scott Howe

July 07, 2023 - Owners Developers & Managers



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As emission reduction mandates gain traction in Massachusetts, commercial building owners face growing pressure to adopt sustainable practices. With the implementation of stretch energy codes and net zero opt-in energy codes in communities throughout the state, decarbonization is becoming mandatory in many places. While a path to compliance may seem daunting and expensive, it also presents an opportunity for proactive businesses to gain a competitive advantage and save money.

A central component of these emerging policies is Boston's Building Emissions Reduction and Disclosure Ordinance (BERDO 2.0). Watched closely across the state and the US, BERDO 2.0 is a decisive step towards decarbonization; it requires emissions reporting and sets performance standards for existing buildings. Compliance is essential to avoid penalties and achieve the ambitious goal of net zero emissions by 2050. Buildings included in BERDO 2.0 are non-residential buildings larger than 35,000 s/f who must report emissions annually by May 15th and meet emissions performance standards starting in 2025. Non-residential buildings over 20,000 s/f or residential buildings with 15 or more units must report on emissions annually by May 15th and meet standards starting in 2030.

Adopting emissions reduction strategies is essential for compliance and can be achieved with some of the following products - onsite solar and battery storage, LED lighting, efficient HVAC systems, insulation, and smart building technologies. Onsite solar and energy storage is an emissions reduction strategy that pays for itself, and provides a long term benefit to the real estate.

Renewable Energy Can Power Your Compliance

Renewable energy, particularly solar power, is crucial for compliance and offers impressive financial advantages. Onsite solar installations, like rooftop or carport systems, reduce grid dependence and result in significant energy bill savings. Additionally, federal and state incentives, such as the Investment Tax Credit (ITC) and the Solar Massachusetts Renewable Target (SMART) program, further enhance financial returns. The ITC allows businesses to deduct a portion of solar installation costs from federal taxes. Recent legislation increased the ITC to 30% and introduced additional incentives, potentially providing a total tax credit of 40% or more for eligible projects. The SMART program offers fixed monthly cash payments for 20 years to businesses and public entities adopting solar, with greater incentives for early adopters.

Both ITC and SMART incentivize energy storage as well. Combining onsite solar with storage allows you to store excess energy, further reducing grid reliance, and minimizing peak demand charges. Plus, with the right battery storage solution, energy storage can provide a clean source of power during outages.

There are two financing options available that enable adoption with little or no upfront costs - Power Purchase Agreement (PPA) or a Solar Site Lease. These no cost options are particularly attractive when interest rates are rising, and there are concerns with capital investment. Through a PPA, a third-party investor, like Solect Energy, owns the project – providing the funding, installation, monitoring, and maintenance. The business hosting the system gets electricity at discounted, fixed

rates. With a Solar Site Lease, Solect leases a roof for a solar installation, and provides a lease payment for the term of the lease. Lease payments can be in regular installments, such as yearly, or can be a combination of regular installments and an upfront payment. An upfront payment allows building owners to pay for maintenance items such as roof improvements before solar is installed. Similar to a PPA, operations and maintenance is included in the lease agreement.

Your Compliance Partner

As your trusted solar and energy storage provider, Solect Energy is committed to helping you achieve compliance while unlocking the extensive benefits of sustainability, financial incentives, operational efficiency, and future-proofing your business. Partnering with Solect Energy means contributing to a more sustainable future while ensuring the long-term success of your business. For more information, visit <https://go.solect.com/articles>.

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