



BEUDO APPLICATION GUIDE:

Deferral Plan

**CITY OF
CAMBRIDGE**

Office of
Sustainability

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 condition is met:

- 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.

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

All Covered Properties must submit a [Property Configuration form](#) to the City. 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.

How to submit forms?

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

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.

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 2030, 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 your deferral period, 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 and/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 allowable limit through 2050.**

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, and your Covered Property's performance moving forward will be evaluated against the new limits through 2050.

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 MTCO₂e, the property's cumulative maximum allowable emissions sum to 52,000 MTCO₂e. 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 MTCO₂e.

Year	Standard Trajectory	Emissions (MTCO ₂ e)	Deferral Plan	Proposed schedule	Emissions (MTCO ₂ e)	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 MTCO₂e, and the cumulative maximum allowable emissions sum to 52,000 MTCO₂e. 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 MTCO₂e.

Year	Standard Trajectory	Emissions (MTCO ₂ e)	Deferral Plan	Proposed schedule	Emissions (MTCO ₂ e)	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: Prepare Your Application

The [Deferral Plan Application](#) and accompanying template, 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.

A. Do you want direct assistance before you start an application?

If you are interested in applying for a Deferral Plan but need more assistance to understand how to proceed, submit [this Plan Assistance form](#) and City staff will reach out with resources and an invitation for you to attend Office Hours with City staff.

Please read through this guidance first, review the templates, and come prepared with your questions.

B. Application Contents

Please use the fillable MS Word application templates that are available for you to download. These templates include prompts for what to include in the application narratives.

The application package includes the following:

Section	Instructions
Title page	Title page for your application packet
Application Summary	One-page summary of the major components of the proposed application, for the Review Board's quick reference
Application Body	Invites narrative and addresses the use of compliance mechanisms and flexibility measures
Covered Property or Campus Owner's signature	Signature form for the Owner or authorized representative
File attachments	Documentation is to be submitted through BEAM. This includes the GHG Emissions Schedule .

C. Application Body

Covered Property Information

- Identify your Covered Property or Campus by including the prompted details visible through your [BEAM Owner Portal](#).
 - ID numbers, address, and baseline years
 - Emissions Data: You must provide the total emissions from the prior compliance year and your maximum allowable emissions for Compliance Period 1 (kgCO₂e/yr).

2026 Deadline

If you want your Deferral Plan to apply to the 2026 Compliance Year, applications are due by **December 1, 2026.**

- Property Specs: Include the total covered square feet (csf) and the year the building was built (or the date of the newest Certificate of Operation).

Compliance Attestation

- Before proceeding, you must attest that the property is in compliance with BEUDO benchmarking (i.e., reporting) requirements (Section 8.67.040 and/or 8.67.050) for the most recent compliance year. Include the specific prior compliance year to complete this section.

Evaluation of Flexibility Measures and Compliance Mechanisms

The Review Board needs to know that you have made a "good faith" effort to comply using existing flexibility measures before seeking a hardship exception. BEUDO already allows for the purchase of Renewable Energy Certificates (RECs) and other off-site options to secure renewable electricity, and flexibility mechanisms such as choosing different baseline years as your starting point.

Provide a concise narrative below detailing how you have implemented, planned for, or evaluated the feasibility of each of the flexibility measures listed below. For any measures deemed inapplicable or non-feasible, state the specific constraints that precluded their use. Use [this tool](#) in BEAM to see how you may be able to meet your needs through renewable electricity certificates.

1. **Qualifying Renewable Energy Certificates.** Describe any efforts made to acquire RECs to offset electric emissions. If RECs have not been pursued or were found to be an unviable solution, explain the reasoning behind that determination. Use the [Emissions Calculator and Credit Estimation Tool](#) to see if you might be able to purchase RECs to help meet your target.
2. **Alternative Compliance Credits.** For a single Covered Property, use the [Emissions Calculator and Credit Estimation Tool](#) to estimate the projected cost of compliance via ACCs. Provide these estimates and explain how this financial obligation impacts the property's compliance strategy or overall viability.
3. **Verified Carbon Credits (VCCs):** Note that VCCs will become available in 2030 for application toward thermal emissions. If your alternative compliance plan extends past 2030, describe how you have integrated (or why you have excluded) the anticipated use of these credits in your long-term strategy.

D. Complete Application Checklist

A complete application includes the following components:

- ☐ Title page
- ☐ Application summary
- ☐ Application body
 - ☐ Covered Property Information
 - ☐ Compliance Attestation
 - ☐ Narrative
 - ☐ Evaluation of Flexibility Measures and Compliance Mechanisms
 - ☐ GHG Emissions Schedule
- ☐ Signature of Covered Property Owner or authorized representative
- ☐ File attachments

E. Application Submission

Submit all required materials via the BEAM Owner Portal by submitting a new ticket for a Deferral Plan Application. Here is the direct link to the [BEAM Form: Deferral Plan](#).

To ensure an efficient review, please follow the naming convention for all files:

[CoveredPropertyID]_[Deferral]_[Address]_[DocumentTitle] and/or [DocumentDate].

- ☐ Application: Save this completed document as a PDF and sign.
Example: CP999_DeferralPlan_344Broadway_Application_6_8_26.pdf
- ☐ GHG Emissions Schedule: Excel file of completed [GHG Emissions Schedule](#) (Deferral tab)
Example: CP999_DeferralPlan_344Broadway_GHGSchedule.xlsx
- ☐ *Optional:* Supplemental files

Public hearings will not be scheduled until all required application materials are received and deemed complete by City staff. The Review Board has sole discretion to reject untimely applications if requirements are not met.

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)

Any supplemental or amended application materials, including materials provided for continued hearings, should include a memo listing the new materials submitted, responses to information requests, and any changes to the plan.

STEP 5: Hearing Timeline and Application Review by BEUDO Review Board

Phase 1: Submit Your Deferral Plan Application in BEAM

- **Step 1: Initial Submission:** Submit all application materials via the [BEAM Owner Portal](#).
- **Step 2: Administrative Review:** The Office of Sustainability will perform a preliminary review to confirm your application is administratively complete.
- **Step 3: Confirmation of Completeness:** You will be notified once your application is deemed complete. This confirmation triggers the **65-day statutory window** for a hearing and decision. During this time, City staff will also prepare staff comments on your application for the [BEUDO Review Board](#).

Phase 2: Scheduling and Preparation

- **Step 4: Hearing Invitation:** You will receive an email invitation for your hearing including the date, time, and administrative instructions for attending and presenting via Zoom.
 - *Note:* Meetings take place on the first Wednesday evening of the month and the third Wednesday, as needed.
- **Step 5: Presentation Preparation (optional but recommended):** Begin preparing your slides as soon as you receive confirmation of a complete application. While slides are not mandatory, they are strongly encouraged for Deferral Plans to assist in your presentation (15-minute limit).
- **Step 6: Slide Submission Deadline:** If you plan to use a slide deck, it must be emailed to BEUDOReviewBoard@cambridgema.gov no later than **5:00 pm on the Wednesday one week prior to your hearing**.
 - *Example:* If your hearing is on the first Wednesday of the next month, your presentation is due by 5:00 pm on the last Wednesday of the current month.

Phase 3: Public Notice and Hearing

- **Step 7: Meeting Notice:** The Review Board meeting notice, including the agenda and Zoom link, will be posted to the [City's public meeting calendar](#) at least 48 hours prior to the meeting. Your application materials will be distributed to Board members at this time.
- **Step 8: The Hearing:** You or your representative(s) will attend the virtual meeting to present your plan (15-minute limit, if applicable) and answer Board Member questions.

Phase 4: Decision and Next Steps

- **Step 9: Final Decision:** Within **65 days** of your application being deemed complete, the Review Board will issue its decision to approve, approve with conditions, or deny the application.
- **Step 10: Continuances, if applicable:** If the Board requires additional information, they may motion to continue the hearing to a later date. If the Board cannot issue a decision within 65 days, they may request an extension of time from the applicant.

STEP 6: Comply with your Deferral Plan

Meet your new targets and continue to report your energy data annually. The Alternative Schedule that was approved, which includes up to 5 years of deferred emissions, is now your trajectory. Once the approved deferral period ends, the Covered Property will continue to follow the plan's GHG Reduction Schedule.

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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