



Planning and Development Department
Office of Energy and Sustainable Development

Berkeley’s Building Emissions Saving Ordinance (BESO) Amendments Effective Jan 1, 2026¹

The new Building Emissions Saving Ordinance (BESO) amendments, effective 2026, build on BESO’s current requirements of energy disclosure at the time of sale and are coupled with upgrade requirements. The amendments increase resilience and can improve indoor air quality, comfort, health, and safety. They can also help new Berkeley homeowners prepare for the Bay Area Air District’s zero NOx emissions standard, which prohibits the sale and installation of NOx emitting gas-powered water heaters and furnaces, starting in 2027. Homeowners can install an electric heat pump early (which is a zero NOx appliance) or complete necessary electrical upgrades to ensure a seamless transition.

Flexible Resilience Standard

The BESO amendments would **maintain the current assessment and disclosure requirements and establish a flexible resilience standard** that requires small residential building owners to complete upgrades from a **menu of options** when a property is sold. **Buildings not being sold are not required to complete upgrades.** Building owners can **choose which upgrades to complete** that best fit with their preferences and building’s conditions. Each upgrade measure will have a **corresponding credit value based on its emissions reductions and/or costs**. A building owner would need to complete one or more measures to meet the required **number of credits within two years of the sale, with the option of a one-year extension.** (Further extensions may be granted on a case-by-case basis.) The cost of compliance will vary, as a homeowner can choose which upgrades they want to complete. The amendments would require **6 credits for full compliance.** Here’s an initial list of measures and potential credits:

Measure	Credits*	Measure	Credits*
Heat Pump Water Heater	6 (Full)	Induction Range	2
Heat Pump HVAC	6 (Full)	Window Replacements	2
Knob + Tube Replacement	6 (Full)	Attic Insulation	2
Panel Upgrade or Smart Panel	6 (Full)	Wall Insulation	2
Solar PV + Storage	6 (Full)	Floor Insulation	1-2
Duct Sealing & Replacement	3	Greywater System	1-2
Bi-Directional EV Charger	3	Air Sealing	1
EV Charger	2	Prewiring & 240v Receptacles	½ per receptacle

* The credit values may be subject to change.

¹ Berkeley City Council adopted the BESO amendments on April 15, 2025.

Installing a heat pump water heater is the simplest and cheapest way to comply. Without rebates, the average purchase and installation cost of a heat pump water heater in Alameda County is ~\$6,700-\$7,900². There are tax credits and rebates currently available to reduce this cost.

Escrow Deposit

A **\$5,000 cash deposit, split between the buyer and seller**, to help cover the cost of compliance will be held by the City through escrow and be **refunded in full once the upgrades are complete**. Building owners may **apply for an early refund** of their deposited funds if they supply sufficient evidence, such as issued building permits and a contract for qualifying work, to show the upgrades will be completed.

Heat Pump Exemption Pathway

If a building has at least one electric heat pump system, then no additional upgrades are needed. The amendments include a heat pump exemption pathway that encourages homeowners to install a heat pump in advance of a home sale in order to meet full compliance. Currently, 5-7% of Berkeley homes would already qualify for this exemption, and more will become exempt as they transition to electric heat pumps.

Additional Exemptions and Support

- **First-time Homebuyers** – First time homebuyers participating in an approved income-qualified first-time home buying program or down payment assistance program would be exempt from the flexible resilience standard.
- **High Home Energy Score Credit** – Buildings that have received a high Home Energy Score demonstrate a high level of energy efficiency and will receive bonus credits, reducing the number of upgrades needed to meet the standard.
- **Condominiums and ADUs** – Individual condominiums and ADUs that are sold are exempt from BESO and the flexible resilience standard.

Phase-In Timeline for Building Types:

- **Phase I:** Single Family Homes and Duplexes (approximately 600 buildings each year) – effective January 1, 2026
- **Phase II:** Triplexes and Fourplexes (approximately 50 buildings each year) – effective January 1, 2028

² Based on project installation data available for Alameda County from BayREN Home+ participation data (January 2020 to March 2024) and TECH Clean California (July 2021 to November 2024), <https://techcleanca.com/public-data/> accessed 12/31/2024.