

WHAT SHOULD A CONTRACT FOR A MA CLAS I REC LOOK LIKE?



Key components to look out for when signing a contract to buy MA Class I RECs for BERDO compliance

Basic Information of the Seller (the broker) and Buyer (the BERDO building owner)

Make sure the “Buyer” name matches your building owner name under BERDO

Tip: Ask for a NEPOOL GIS ID to validate that your broker has an active NEPOOL account

Type of REC product

Your contract should explicitly state that you are buying RECs certified as MA Class I, as defined by the state

Flag: Other types of RECs such as Green-e or MA Class II are not eligible under BERDO

REC Vintage Year and Quantity

Check that the Vintage Year meets BERDO requirements. For example, if you want to reduce your emissions from 2025, you can buy MA Class I RECs with a Vintage Year of 2024 or 2025

Tip: Check you emissions projections to ensure you buy a sufficient number of RECs to mitigate electricity emissions

REC Retirement Terms

Check that the REC retirement timeline meets BERDO requirements

Tip: Ask for the Seller to guarantee that they can provide the attestation documents you need for BERDO reporting

REC Price

Make sure you understand the full cost of the transaction

Flag: Always compare REC prices to the cost of Alternative Compliance Payments and choose the best option for your building

Payment Terms

Make sure you understand the invoicing process and payment timeline requirements

SAMPLE CONTRACT LANGUAGE FOR EDUCATIONAL PURPOSES ONLY

SELLER	REC Broker LLC	Address: 123 REC Broker Street, Boston, MA 02123
SELLER CONTACT	John Smith NEPOOL GIS ID #: 12345	Contact Telephone Number: 617-123-123 Contact E-mail: john.smith@recbrokerllc.com
BUYER	BERDO Building Owner LLC	Address: 123 Big Building Street, Boston, MA 02123
BUYER CONTACT	Jane Berdo	Contact Telephone Number: 617-345-345 Contact E-mail: Jane.Berdo@gmail.com
	SELLER and BUYER may each be referred to herein as a “Party” and collectively as the “Parties.”	
TRANSACTION DATE	February 28, 2025	
PRODUCT AND STANDARD	Renewable Energy Products referenced under this Agreement shall be restricted to Massachusetts Class I Renewable Energy Certificates (“MA Class I RECs”). Massachusetts Renewable Energy Portfolio Standard (“RPS”) Renewable Energy Certificates (“RECs”) means a renewable energy credit evidenced by a NEPOOL–GIS Certificate and certified by the Massachusetts Department of Energy Resources (“MA DOER”) that is associated with a MWh of energy generated by a qualified renewable energy system utilizing renewable energy as set forth in in the State of Massachusetts’s Renewable Energy Portfolio Standard (RPS”), Massachusetts regulations 225 CMR 14.00, 15.00, or 16.00 et seq., promulgated pursuant to M.G.L. c. 25A, § 11F, as such statutes and regulations may be amended or supplemented from time to time, and any successor laws and regulations, together with the operating rules of the NEPOOL–GIS or any successor registry.	
VINTAGE YEAR	2025	“Vintage year” means the year when the RECs were generated
QUANTITY	1,000	1 REC represents 1 MWh of renewable energy. This means that with 1 REC, you can mitigate the emissions from 1,000 kWh of electricity
TRANSFER, RETIREMENT, ATTESTATION AND AUDITING	<p>Unless explicitly agreed upon otherwise, Seller shall retire RECs via NEPOOL–GIS by June 10 following the applicable Vintage year. Seller attests that it has made or will make a voluntary retirement of MA Class I RECs on behalf of Buyer or on behalf of “BERDO obligations” consistent with the specifications outlined herein.</p> <p>Upon request from Buyer, Seller will provide supporting documentation corroborating Seller’s retirement of RECs on behalf of Buyer or on behalf of “BERDO obligations” , including NEPOOL GIS identification numbers. Furthermore, Seller attests that Buyer shall have exclusive rights to make environmental claims associated with the corresponding RECs in this Agreement.</p> <p>Buyer may use this contract as a form of attestation for the Boston Building Emissions Reduction And Disclosure Ordinance (“BERDO”), however Seller makes no attestations or warranties with respect to this contract’s compliance with BERDO.</p>	
CONTRACT PRICE AND TOTAL COST	<ul style="list-style-type: none">\$40 per REC (the “Contract Price”)Administrative fee: \$1,000Total Cost: \$41,000	REC brokers usually charge you for the price of the RECs themselves, as well as an administrative or processing fee
PAYMENT	<p>Seller shall invoice Buyer for payment by April 1 following the Vintage Year, or within 10 business days of the Transaction Date, whichever is later.</p> <p>Upon receipt of invoice by Buyer, Buyer shall make payment to Seller within thirty (30) days. If Buyer fails to remit any amount payable by due date, interest on such unpaid portion shall accrue at a rate equal to the prime interest rate in effect at the time as published in The Wall Street Journal plus two percent (2%) from the date payment is due to the date of payment.</p>	
GENERAL TERMS AND CONDITIONS	<p><u>Representations and Warranties of SELLER.</u> SELLER represents and warrants to BUYER that as of and at the time of each transfer hereunder (i) each REC meets the specifications set forth in this Agreement; (ii) SELLER has clear and marketable title to the RECs; (iii) all right, title and interest in and to the RECs are free and clear of any liens, taxes, claims, security interests, or other encumbrances; and (iv) the RECs have not otherwise been, nor will be, sold, retired, claimed, used or represented as part of electrical energy output or sales, or used to satisfy obligations for any parties other than BUYER. SELLER EXPRESSLY NEGATES ANY OTHER REPRESENTATION OR WARRANTY, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY REPRESENTATION OR WARRANTY WITH RESPECT TO MERCHANTABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE.</p> <p><u>Event of Default.</u> For purposes of this Agreement, a Party shall be in default (each of the following, an “Event of Default”): (i) if that Party fails to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within ten (10) business days of written notice from the other Party; (ii) if that Party materially breaches any or all of its obligations under this Agreement and such breach is not cured within fourteen (14) business days of written notice of such breach from the other Party.</p> <p><u>Remedies upon Default.</u> If either Party is in default, the non-defaulting Party may select any or all of the following remedies: (i) upon ten (10) business days’ written notice to the defaulting Party, terminate this Agreement, (ii) withhold any payments and deliveries due in respect of this Agreement, and (iii) exercise such other remedies available at law or in equity.</p> <p>If BUYER is in default and SELLER elects to terminate this Agreement, then BUYER shall pay SELLER, within ten (10) business days of invoice receipt, an amount equal to the positive difference, if any, obtained by subtracting the Contract Price from the market price, as reasonably determined by SELLER, for the RECs multiplied by the quantity of RECs not delivered, plus the amount due for any RECs delivered prior to termination. The intent of this provision is to protect Seller from any financial loss resulting from BUYER’s default.</p> <p>If SELLER is in default and BUYER elects to terminate this Agreement, then SELLER shall pay BUYER, within ten (10) business days of invoice receipt, an amount equal to the positive difference, if any, obtained by subtracting the contract price from the market price, as reasonably determined by BUYER, for the RECs multiplied by the quantity of RECs not delivered. In no event does the foregoing relieve BUYER of its obligation to pay SELLER the contract price multiplied by the quantity for any RECs delivered to BUYER for which SELLER has not been paid.</p> <p><u>Limitation of Liability.</u> IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR SPECIAL, PUNITIVE, INCIDENTAL, INDIRECT, EXEMPLARY, OR CONSEQUENTIAL DAMAGES OF ANY NATURE WHATSOEVER, INCLUDING LOSS OF PROFITS (EXCEPT TO THE EXTENT THAT ANY DIRECT DAMAGES INCLUDE AN ELEMENT OF PROFIT).</p> <p><u>Governing Law.</u> This Agreement shall be construed in accordance with and governed by the laws of Massachusetts, excluding any choice of law or conflicts of law rules or principles that would result in application of the laws of a different jurisdiction.</p>	