



# BESO COMPLIANCE GUIDE

## *Time-of-Sale Requirements for Small Residential Buildings*

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## OVERVIEW

In alignment with the City of Berkeley’s climate action goals, the Building Emissions Saving Ordinance (BESO), BMC Chapter 19.81, aims to reduce energy use, water consumption, and greenhouse gas emissions in existing buildings to increase resilience of these buildings and promote public health. Additionally, BESO helps Berkeley homeowners prepare for the Bay Area Air District’s zero NOx appliance rules, which prohibit the sale and installation of new NOx-emitting gas water heaters and furnaces, starting in 2027.

The new BESO requirements, effective January 1, 2026, require homeowners selling a single-family home or duplex in Berkeley to complete an energy assessment and receive a Home Energy Score (HES) before listing the home for sale. The seller can then choose to complete home upgrades prior to the sale or defer the upgrades to the buyer. These upgrade requirements apply to:

- Single-family homes and duplexes starting January 1, 2026
- Triplexes and fourplexes starting January 1, 2028

Find out if your property or sale meets exemption requirements on Page 7.

A brief summary of the requirements in this compliance guide can be found at the BESO [Time-of-Sale Energy Requirements for Small Residential Buildings](#) webpage.



## SELLER RESPONSIBILITIES

### Energy Assessment

Prior to listing a building for sale, the seller must have a comprehensive Home Energy Score (HES) assessment completed by a registered BESO Assessor. The Home Energy Score is a standardized assessment that rates a home's energy efficiency on a 1–10 scale and provides recommendations to reduce energy use and emissions. It gives buyers and owners a clear snapshot of current building energy performance and opportunities for improvement, including recommendations for upgrades.

To complete the energy assessment requirement before listing a property for sale, sellers must:

1. Hire a [Registered BESO Assessor](#).
2. Receive a separate Home Energy Score report for each unit.
3. List the Home Energy Score on the property's MLS listing in the Property Notes section. Follow instructions on the [detailed guide](#) on how to include the score on the MLS.
4. Include the Home Energy Score report and assessment confirmation in the disclosure documents provided to prospective buyers and in the transfer documents at the close of escrow.

A Home Energy Score report is valid for **five years** and may be used for compliance with subsequent sales before the five-year expiration. There is a \$500 penalty for non-compliance.

### Resilience Standard – Upgrade Requirements

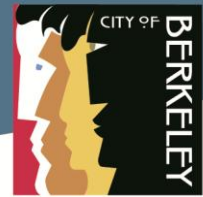
The Resilience Standard is a credit-based system that allows homeowners to choose from a menu of energy efficient, health and safety, and electrification upgrades to improve their home's performance. Instead of requiring one specific set of measures, the standard gives property owners the flexibility to select the upgrades that best fit their home's condition and budget. Homes must earn a minimum number of six credits to comply.

As the seller, you have flexibility in how you meet the Resilience Standard. You can complete the required upgrades before listing the home, receive credit for eligible work completed within the past five years, or choose to defer the upgrades to the buyer at closing.

A seller must choose **one** of three compliance path options to complete before the sale is finalized. If there are multiple small residential buildings on the property (e.g., a single-family home and a duplex), **each building must comply separately**:

#### Option One: Complete Upgrades Prior to Listing the Property for Sale

1. Complete the Resilience Standard: Choose one or more upgrades from the Measure Upgrades and Credits table (Page 6) to reach six credits. See the How to Meet the Resilience Standard section on Page 4 for more information. Upgrades that were made



in the five years before the date of sale can receive credit towards the Resilience Standard.

2. Submit application, documentation, and \$150 filing fee through the [BESO Portal](#) to receive a **Certificate of Compliance**. *A separate Certificate of Compliance is needed for each building on a property.*
3. Include Certificate of Compliance in the closing documents.

### **Option Two: Defer the Upgrades to the Buyer**

1. Coordinate with the buyer and title company to complete the [Upgrade Deposit Form](#).
2. Submit the Upgrade Deposit Form and \$5,000 BESO Upgrade Deposit to BESO through your title company at closing (\$2,500 each from the seller and buyer). The full \$5,000 deposit will be refunded to the buyer.

### **Option 3: Qualify for a Heat Pump Exemption**

Buildings that have a verified heat pump water heater (HPWH) and/or heat pump HVAC system are exempt from additional upgrades. The heat pump system must serve all units within the building.

1. Submit application, documentation (the Home Energy Score report), and \$150 filing fee through the [BESO Portal](#) to receive a **Certificate of Compliance**.
2. Include Certificate of Compliance in the closing documents.

## **BUYER RESPONSIBILITIES**

### **Resilience Standard – Upgrade Requirements**

The Resilience Standard allows homeowners to choose from a menu of upgrades to improve their home's performance. Instead of requiring a specific set of measures, the standard gives property owners the flexibility to select the upgrades that best fit their home's condition and budget.

If the seller chooses to defer the required upgrades, the buyer becomes responsible for completing upgrade measures to meet the credit requirement within two years of the sale. Buyers receive the Home Energy Score report at closing, which outlines the home's current systems and provides recommendations to help identify which upgrades will be the most effective, cost-efficient, and supportive of future all-electric appliances.

### **Requirements if the Upgrades are Deferred to the Buyer**

#### **Prior to the Close of Escrow:**

1. Coordinate with the seller and title company to complete the [Upgrade Deposit Form](#).



2. Submit the Upgrade Deposit form and \$5,000 BESO Upgrade Deposit to BESO through your title company at closing (\$2,500 each from the seller and buyer). *A separate deposit and deposit form is needed for each building on a property.*

### After Purchasing the Property:

1. Comply with Resilience Standard by completing measure upgrades within two years of the sale date. Instructions can be found on Page 5 under “How to Meet the Resilience Standard”.
2. Submit application, documentation, and \$150 filing fee to receive **Certificate of Compliance**.
3. Submit [Refund Claim Form](#) and a copy of the Certificate of Compliance to obtain the \$5,000 Refund after upgrades are completed.

### Upgrade Timeline Extensions

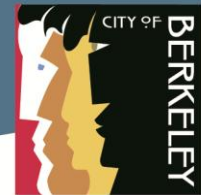
- **One-Year Extension:**  
The initial two-year upgrade due date may be extended by one additional year, allowing up to a total of three years from the date of sale to complete the required upgrades. To obtain this extension, the property owner must submit a Request for One-Year Extension application through the [BESO Portal](#) before the upgrade due date expires.
- **Extensions Beyond Three Years (Special Circumstances Only):**  
An upgrade due date may only be extended beyond three years in cases involving special circumstances outside the homeowner’s control. To request a special circumstances extension, the property owner must:
  1. Submit a written extension request by emailing [BESO@BerkeleyCA.gov](mailto:BESO@BerkeleyCA.gov) before the upgrade due date expires.
  2. Demonstrate that additional time is needed due to one or more of the following:
    - PG&E service upgrade delays
    - Supply chain delays impacting required equipment or materials
    - Required scheduling delays needed to minimize disruptions to tenants
    - Other circumstances beyond the homeowner’s control

## HOW TO MEET THE RESILIENCE STANDARD

To comply with the Resilience Standard, **each residential unit in the building must achieve a minimum of six credits** from the approved menu of Measure Upgrades provided in the table on Page 6.

### 1. Review Available Information and Select Measure Upgrades:

Refer to resources such as the Home Energy Score (HES) assessment and the approved list of measure upgrades to determine which upgrades to complete. The HES assessment provides recommendations to help identify which upgrades are the best fit



for the home. Each measure upgrade includes a **PDF link** that describes the upgrade in detail and provides:

- a. Required **installation criteria**.
- b. Required **verification documentation** (including building permits).
- c. Additional information to help determine whether the measure is appropriate for the home.

Owners may select any combination of measures to reach the six credit requirement, offering flexibility to choose upgrades that align with the home's condition, budget, and future electrification plans.

## 2. Complete the Selected Measure Upgrades:

Before the sale or before the upgrade due date (if the seller deferred the work), complete one or more eligible upgrade measures to achieve six credits for each residential unit in the building. To qualify for the credits, each measure must be installed in full accordance with the installation criteria specified in its measure-specific PDF. Partial installations or partial compliance do not qualify for credit.

- **Shared upgrades may count for multiple units:**

If an upgrade measure serves multiple residential units, the associated credits may be applied to each unit served. *Example: installing attic insulation in a stacked duplex allows both units to receive full credit for that measure.*

- **Bonus credits for high-scoring homes:**

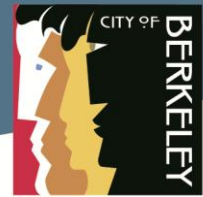
If a home or unit receives a Home Energy Score of 9 or 10, it is eligible for two bonus credits, reducing the number of required upgrade credits from six credits to four credits for that unit.

## 3. Gather Required Documentation:

Each measure upgrade must have the required verification documentation to qualify for credits. Most upgrades require a building permit with an approved final inspection. Please include **"for BESO compliance"** in the scope of work section of your building [permit application](#). See Page 6 for the measure PDFs that include required documentation (also available at the BESO [Time-of-Sale Energy Requirements for Small Residential Properties](#) webpage).

## 4. Obtain BESO Compliance Certificate

Submit an application through the [BESO Portal](#), upload all required documentation, and pay the **\$150 application fee**. The City will review your submittal and confirm that each unit in the building has achieved a minimum of six credits. A building may only receive a Certificate of Compliance once all units have satisfied the requirements. Once documentation is approved, the City will issue a BESO Certificate of Compliance confirming that the property has satisfied the Resilience Standard.



**Certificate Details:**

- One Certificate of Compliance is issued per building.
- The certificate is valid for five years from the date of issuance.
- If the property is listed for sale after the certificate expires, the homeowner will need to obtain a new Certificate of Compliance by completing additional Measure Upgrades or qualifying for a Heat Pump Exemption

**5. Submit BESO Upgrade Deposit Refund Form (if applicable):**

If a BESO Upgrade Deposit was placed on file with the City at the time of sale, the buyer may request a refund following the issuance of the BESO Certificate of Compliance. The buyer must submit a [BESO Refund Claim Form](#) to [BESO@BerkeleyCA.gov](mailto:BESO@BerkeleyCA.gov) to request release of the deposit.

**Important Refund Requirements:**

- Partial refunds are not allowed.
- Refunds may be issued only to the buyer who posted the deposit with the City.
- The deposit may be forfeited to the City if a BESO Certificate of Compliance is not obtained before the upgrade due date.

## Upgrade Measures and Credits

MEASURE	CREDITS	MEASURE	CREDITS
<a href="#">Heat Pump Water Heater</a>	6 (full)	<a href="#">Electric or Induction Range</a>	2
<a href="#">Heat Pump HVAC</a>	6 (full)	<a href="#">EV Charger</a>	2
<a href="#">Knob + Tube Replacement</a>	6 (full)	<a href="#">Whole-house Fan</a>	2
<a href="#">Smart Service Panel</a>	6 (full)	<a href="#">HVAC Duct Improvements</a>	2
<a href="#">Electrical Service Panel Upgrade</a>	6 (full)	High Home Energy Score (9 or 10)	2
<a href="#">Solar PV</a>	3	<a href="#">Prewiring &amp; 240v Receptacles</a>	1 or 2
<a href="#">Battery Energy Storage System</a>	3	<a href="#">Electric Clothes Dryer</a>	1 or 2
<a href="#">Window Replacements</a>	2 or 4	<a href="#">Air Sealing</a>	1
<a href="#">Wall Insulation</a>	2 or 4	<a href="#">Greywater System</a>	1
<a href="#">Attic Insulation</a>	2	<a href="#">Floor/Crawlspace Insulation</a>	1



## Exemptions

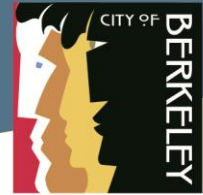
Under BESO, certain sales transactions and building types may be exempt from the Resilience Standard upgrade requirements. Exemptions apply only when the property or sale transaction meets the specific criteria outlined below. All exemption requests must be submitted prior to the close of escrow. Once approved, the exemption confirmation or Exemption Certificate must be provided to the title company and included in the property disclosure documents before the transfer of title. Exemptions granted based on a specific sale transaction do not transfer to future sales; each subsequent sale must independently qualify for an exemption.

### Exempt Sales:

- **Qualifying first-time home buyers:**  
Buyers participating in an approved income-qualified, first-time home buying program or down payment assistance program can apply for an exemption. To apply for this exemption, documentation verifying the transfer type must be emailed to [BESO@BerkeleyCA.gov](mailto:BESO@BerkeleyCA.gov) prior to the transfer of title. Upon approval, an exempt sale confirmation will be issued. Approved programs currently include:
  - [California MyHome Assistance Program](#)
  - [CalPLUS FHA Program](#)
  - [CalPLUS Access FHA](#)
- **Refinances, partial and inheritance transfers:**  
Transactions that do not constitute a traditional sale, such as mortgage refinances, transfers between family members, or transfers resulting from inheritance are exempt. No exemption application or approval is needed.
- **Probate and Foreclosure sales:**  
Properties sold through a probate process or foreclosure are exempt from completing both the Home Energy Score assessment and the Resilience Standard. These transactions typically occur under court authority or lender action, and the seller does not have the discretion or ability to complete upgrades prior to transfer. To apply for this exemption, documentation verifying the transfer type must be emailed to [BESO@BerkeleyCA.gov](mailto:BESO@BerkeleyCA.gov) prior to the transfer of title. Upon approval, an exempt sale confirmation will be issued. Acceptable documentation includes:
  - Court Order Confirming Sale of Real Property or Letters Testamentary or Administration (for probate transactions)
  - Trustee's Deed Upon Sale or lender-issued REO/Bank-Owned sale documentation (for foreclosure transactions)

### Exempt Buildings:

- **All-Electric Buildings:**  
Buildings that have fully electrified all energy-consuming systems and appliances and have properly capped the gas service line are exempt from both the Energy Assessment and the Resilience Standard upgrade requirements. To obtain this exemption, the



Building Owner must submit an exemption application through the BESO Portal and provide documentation demonstrating that the building is fully electric. Upon approval, an exemption certificate will be issued. Acceptable documentation includes:

- Building permits verifying removal or decommissioning of all gas-fueled equipment.
- Confirmation from the gas utility that the gas meter has been removed and the service line has been capped.
- **Condominiums:**  
Attached condominium units are exempt from the Resilience Standard upgrade requirements. Due to shared walls, limited access to building-wide systems, and the governing authority of homeowners' associations (HOAs), individual condo owners typically do not have the ability to complete the required upgrades independently. To obtain this exemption, the property owner must submit an exemption application through the [BESO Portal](#). Upon approval, an exemption certificate will be issued.
- **Accessory Dwelling Units (ADUs):**  
Both attached and detached ADUs are exempt from the Resilience Standard upgrade requirements. If an ADU is attached to a small residential building, the property owner must email [BESO@BerkeleyCA.gov](mailto:BESO@BerkeleyCA.gov) with documentation demonstrating that the building contains an attached ADU. All other dwelling units in the building that are not designated as an ADU are subject to the resilience upgrade requirement. Upon approval, an exemption confirmation for the attached ADU unit will be sent. No exemption application or approval is needed for detached ADUs.

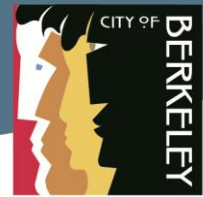
## COMPLIANCE CHECKLIST AT THE CLOSE OF ESCROW

### 1. BESO Assessment Requirement:

- a. **Completed by Seller** – Include the Home Energy Score report and assessment confirmation in transfer documents.
  - i. If the seller did not complete the assessment, they are required to pay a \$500 non-compliance fee to the City.

### 2. Resilience Upgrade Requirement:

- a. **Certificate of Compliance or Exemption Confirmation** – Obtained by seller if upgrades have been completed prior to the sale, the building already has a heat pump system, or sale is exempt. Include the Certificate of Compliance or Exemption Confirmation in transfer documents. *A separate Certificate of Compliance is needed for each building on the property.*  
-OR-
- b. **BESO Upgrade Deposit Form and Deposit Check(s)** – Signed by both buyer and seller, and \$5,000 Resilience Upgrade Deposit (\$2,500 each from buyer and seller) if upgrades have been deferred to the buyer. Mail the [BESO Upgrade](#)



[Deposit Form](#) and check(s) to the City. A separate deposit is needed for each building on the property.

## FREQUENTLY ASKED QUESTIONS

### Home Energy Score (HES) and Assessments

**Do you have a list of qualified energy assessors who can complete the required Home Energy Score?**

Yes, qualified assessors can be found on the [list of Registered BESO Energy Assessors](#).

**My building has multiple units. Do I need a separate Home Energy Score for each unit? How do I list multiple scores?**

Yes, a separate Home Energy Score is needed for each unit. Multiple scores can be listed on the property's MLS listing in the Property Notes section.

**What happens if a seller does not submit the Home Energy Score?**

The BESO team will contact the seller's realtor. If no energy assessment is completed, the seller is required to pay a \$500 non-compliance fee to the City at or before closing.

**I am a realtor. Can I complete the BESO requirement for the seller?**

Yes, a realtor may complete the BESO energy assessment requirement on behalf of the seller.

**How much does a BESO home energy assessment cost?**

The assessment ranges in price based on the building type, square footage, and assessor. The price for an assessment for a 1-4 unit home typically ranges between \$200-\$600 per unit. We recommend obtaining quotes from a few [Registered BESO Assessors](#).

**I had a Home Energy Score assessment done when the property was last sold. If I list my property again, do I need to complete another assessment?**

The Home Energy Score is valid for five years and may be used to comply with the assessment requirement for subsequent sales during that period.

### Resilience Standard - Measures and Credits

**Are there any rebates or incentives currently available for the Resilience Standard measure upgrades?**

Visit the [Switch is On](#) to explore incentive options. It lists currently available federal, state and local incentives.

**Will homeowners have to upgrade their electric panel to add new electric equipment?**

No, it is often not necessary to upgrade the electric panel to add new electric equipment.

**What is one measure that can help me reach compliance quickly and cost-effectively?**

Heat Pump Water Heaters (HPWH) are worth six credits, which is full compliance. A home with a HPWH is exempt from completing future Resilience Upgrades for subsequent sales.



**If a measure upgrade serves multiple units in a building, can all units get credit for that measure upgrade?**

Yes, upgrades that serve multiple units will qualify for credits for each unit which is served.

**If a homeowner completed upgrade measures more than five years before the sale, do those upgrades count toward the required credits for compliance?**

No. Only upgrades completed within the five years prior to the sale may qualify for credits, and only if all installation criteria and required verification documentation have been met. The only upgrade completed more than five years before the sale that can count toward compliance with the Resilience Standard is the installation of a heat pump (heat pump water heater and/or heat pump HVAC).

**Can the City provide a list of vetted contractors for the Resilience Standard upgrades?**

The City cannot recommend specific contractors. The [Switch is On](#) has a database of contractors.

**What is the penalty for not completing the upgrades?**

If upgrades are not completed before the due date, the penalty is forfeiting the \$5,000 BESO Upgrade Deposit.

## Permits

**Can other proof of upgrades be provided in lieu of permits?**

The required verification documents listed on each measure upgrade guide serves as proof that the upgrades were completed. Most measure upgrades require permits, but the measure upgrade guides provide specific documentation requirements when permits are not applicable. Measure upgrade guides are available on the [BESO Time-of-Sale Energy Requirements for Small Residential Properties](#) webpage.

**What if a BESO measure upgrade was completed without permits and the homeowner would like it to apply the upgrades to the BESO Resilience Standard?**

Homeowners may apply to legalize the un-permitted work retroactively through the [Permit Service Center](#).

## Upgrade Deposit

**Is a separate \$5,000 deposit needed for each unit within a single building?**

No, only one \$5,000 deposit is needed for one building.

**My property has several small residential buildings, does each building need a separate deposit?**

Yes, a \$5,000 deposit and deposit form must be submitted for each building that doesn't have a Certificate of Compliance.



**Can the BESO Upgrade Deposit be waived if either the seller or buyer has a signed contract with a contractor showing upgrade work is underway?**

No, if a BESO Certificate of Compliance has not been obtained prior to the close of escrow, the \$5,000 BESO Upgrade Deposit is required.

**Can one party (buyer or seller) cover the full deposit amount?**

The \$5,000 deposit is designed to be split evenly between the buyer and seller. The full deposit amount will be refunded to the buyer upon completing the resilience upgrades and obtaining the Certificate of Compliance.

**If the buyer resells the property before the upgrade due date, can the buyer apply their previously submitted \$2,500 to the Upgrade Deposit as the new “seller”?**

Yes. If the buyer resells the property before the upgrade due date, their previously submitted \$2,500 deposit may be applied toward the new \$5,000 Upgrade Deposit, as they are now acting as the seller. The new buyer will be required to submit the remaining \$2,500 to complete the deposit.

The prior seller’s \$2,500 portion of the original deposit is forfeited and is not transferable to future transactions.

**Can I receive the Upgrade Deposit Refund early to pay my contractors?**

To qualify for an early refund, the Buyer must provide a signed contract with a licensed contractor clearly indicating that the work to be performed will fulfill the Resilience Standard requirements within the Buyer Compliance Period. Contact the BESO Helpdesk for further information.

## **Extensions and Exemptions**

**How can I apply for a no-cost one-year extension?**

To apply for a one-year no-cost extension through the BESO portal, complete the following steps:

1. Open the [BESO Portal](#) and input building address.
2. Input contact information.
3. Input building details.
4. Select “One-Year Extension” application.
5. Input the anticipated upgrade measures and completion date.
6. Submit application.

**I have an electric hot water heating system or an electric HVAC system. Does this qualify for the Heat Pump Exemption?**

An electric water heating or space heating system that serves all dwelling units in the building and does not use any fossil fuel source may qualify for the Heat Pump Exemption, subject to



review and approval by the Administrator. Property owners should contact the BESO Helpdesk for guidance on eligibility and required documentation.

**What documentation can be used to verify the Heat Pump Water Heater Exemption?**

Approved building permits or the Home Energy Score report. Either document can be submitted on the BESO Portal when applying for the Certificate of Compliance.

**Does the ADU have to be certified as an ADU to receive the exemption?**

Yes.

**What if a property has a Berkeley address but pays taxes in Oakland?**

Properties that pay taxes to the City of Oakland are exempt.

**What if a property was listed for sale on or before December 31, 2025?**

The property will be subject to the previous BESO requirements and is not required to complete upgrades to meet the Resilience Standard.

## ADDITIONAL RESOURCES AND LINKS

- [BESO Paper Application for Single Family Homes and Duplexes](#)
- [BESO Upgrade Deposit Form](#)
- [BESO Refund Claim Form](#)
- **BESO Portal:** <https://beso.my.site.com/s/>
- **BESO Helpdesk email:** [BESO@BerkeleyCA.gov](mailto:BESO@BerkeleyCA.gov)  
Email the BESO Helpdesk to ask any questions about BESO or to request an extension.
- **BESO website:** [www.BerkeleyCA.gov/BESO](http://www.BerkeleyCA.gov/BESO)  
Visit the BESO website for general information about BESO and the list of Registered Energy Assessors.
- **BESO Mailing Address**  
City of Berkeley  
ATTN: BESO [Deposit or Refund]  
1947 Center Street, 1st Floor  
Berkeley, CA 94704