



## **New York City ushers in first sub-metering rule**

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N.Y.C.'s Local Law 88 (LL88) is now in effect. This rule contains requirements for buildings that are 50,000 s/f or greater to upgrade their lighting and to install sub-meters. A future article will discuss lighting, but this one will discuss sub-meters. N.Y.C. is believed to be one of the first cities in the nation to require sub-metering.

Urban Green Council (UGC) has been leading the way to educate N.Y.C. building owners and managers about LL 88 and to guide them on how to best comply. One UGC representative is Bonnie Hagen, LEED-AP, who can speak to your company or group about the law at no charge. She may be contacted at [bonnie@brightenergyservices.com](mailto:bonnie@brightenergyservices.com).

Many buildings, particularly those with multiple tenants, whether commercial or residential, have only a master electric meter or a small number of electric meters to save money for meter and wiring operations and maintenance. In this case, many landlords charge tenants for their electric use in a variety of ways such as a flat fee which is independent of actual electric usage or on a formula based on relative square footage. Paying a set fee for electricity no matter how much one uses is a disincentive to conserve energy, a priority in our area given the billions of dollars needed to upgrade infrastructure for our growing demand for electricity. In fact, such flat fee charges punish those who do conserve electricity believing it's the right thing to do.

Many anecdotes exist of residents who leave their air conditioners on all day even though nobody is home so that their apartment is cool when they get home; they pay no extra fee for this luxury, yet this is a great waste of energy. Many stories exist about how people -- once sub-meters are installed and now have to pay based on their actual measured usage - scream when they see their first bill, and then go out and buy more efficient lights and, of course, do not leave their AC on all day anymore. Several published studies show that this effect causes a decline in electricity usage and demand in a building of about 30%. This was the motivation for N.Y.C. to promulgate this law in their effort to become more energy efficient and reduce the future infrastructure upgrades of unbridled demand.

LL 88 requires all large commercial buildings (greater than 50,000 s/f) to install sub-meters for its tenants who lease at least 10,000 s/f by Jan. 1st, 2025. While this deadline may seem far away, it really is not, given that many commercial leases are 10 years long.

Now is the time to adjust leases to account for sub-meters. LL 88 does not require the landlord or building manager to charge a tenant for electricity based on actual usage (the readings of the installed sub-meter); it may continue to charge as it has done in the past. However, the sub-meters must be in place by then and tenants informed monthly of actual electricity usage. The landlord can decide how it installs sub-meters, whether to install all of them at once (although that may be a bit disruptive of tenant operations) or as space becomes available (as each tenant moves out).

In addition to the improvement in energy efficiency from sub-metering, it is anticipated that

sub-meters will also reduce landlord-tenant disputes. For example, if a group of tenants share a meter and are assessed a share of costs based on square footage, that may be unfair to a simple office which may only operate lights and a few desktop computers if they pay proportionally to a user with specific energy-using equipment or situations, like refrigerators and freezers, more lights, and those operating longer than standard office hours. Sub-meters would more accurately determine electricity usage by tenant so there is a fairer distribution of costs and fewer disputes.

CCES has the experts to help your building prepare and comply with LL 88 (as well as the other Local Laws pertaining to energy, LL 84 and LL 87). Even if your building is not in N.Y.C. or is under the threshold, it is likely in your interest to install sub-meters and upgraded lights, and we can help you do it with minimal disruption and to achieve maximum financial benefits. Contact us today at 914-584-6720 or at [karell@CCESworld.com](mailto:karell@CCESworld.com).

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