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Benchmarking – Local Law 84 has expanded with the addition of Local Law 133 - by George Crawford

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Local Law 84 – Benchmarking has expanded with the addition of Local Law 133. Local Law 84 was originally enacted in 2009 – as part of the suite of the Greener Greater Buildings Laws. Up until now, Benchmarking requirements for covered buildings were limited to buildings 50,000 s/f and larger. Now, starting in 2018, as required by LL 133, covered buildings that are 25,000 s/f or larger must comply. This expanded group of buildings must file their Benchmarking reports by May 1, 2019 and every May 1st thereafter. This expansion of covered buildings will add about 11,000 additional buildings to those buildings already required to Benchmark, for a combined total of 26,000 buildings.

While Local Law 133 was enacted two years ago, 2018 is the first year where the Local Law 133 covered buildings will be required to file on or before May 1, 2019. Last year these LL 133 Buildings were encouraged to file Benchmarking reports on an optional basis. Now 2018 is for real. Failure to file for the year 2018 will result in penalties. Penalties for the LL 133 buildings will be the same as for LL 84 buildings. A \$500 fine for failure to file on or before May 1, 2019. Then an additional penalty of \$500 will be added for failure to file for each three month period thereafter. The maximum penalty for any one filing year is capped at \$2,000. This penalty structure is unlike Local Law 87, energy audits and retro-commissioning, where there is no cap and the annual penalties for failure to file continue indefinitely.

In terms of benefits for buildings that file their annual Benchmarking Reports, each building receives a Benchmarking score that ranges from 100 (the best) down to 1 (the worst). These scores are a measure of the energy efficiency level of a building as compared to like buildings. It is difficult to determine the appropriate energy efficiency level of any building without the ability to compare with like buildings. In this context, Benchmarking scores provide a valuable tool to evaluate your own building. Remember that every dollar saved in energy costs is a dollar that drops to the bottom line and increases cash flow.

As a general guide, a Benchmarking score of 60 puts your building in the middle of the pack, as 60 is the average score for NYC buildings. A higher score equates to above average energy efficiencies. A score of 75 and above qualifies your building for Energy Star designation. In the other direction, scores below 60 indicate lower than average energy performance. Low scores should raise concerns. Very low scores – big concerns.

Low scores should be fixed fast to stop the flow of wasted cash. Two quick remedies to consider: 1) If your building has not upgraded to LED lighting, start now. You will soon need to upgrade to LED to comply with Local Law 88, so you can kill two birds with one fix. 2) If your building does not have stand-alone domestic hot water production, convert now. Stand-alone production has a quick payback and will give boilers a rest in warm weather and therefore extend the useful life of your boiler.

Each of these two measures have a quick payback and will improve your building's energy efficiency. If your building still has a below average Benchmarking score after implementation of the two fixes covered above, the next step is to engage an engineer to conduct a targeted energy audit. This audit should initially focus on the boiler and heating system controls. These are measures with

quick paybacks and will have a meaningful impact in terms of improved energy efficiencies.

Now for coming attractions – Local Law 33. Local Law 33 was enacted in 2018. This Local Law leverages off LL 84 and LL 133 by requiring that Benchmarking scores be converted to letter grades and then posted “in a conspicuous location near each public entrance.”

In terms of the conversion of the Numerical Benchmarking scores to Letter Grades, see below:

- Grade A – Numerical Scores 90 and above.
- Grade B – Numerical Scores of 50 to 89.
- Grade C – Numerical Scores of 20 to 49.
- Grade D – Numerical Scores of less than 20.

From a practical perspective very few buildings will receive an “A.” Most buildings that Benchmark will be in the “B” category. From a marketing standpoint, “B” buildings will be the norm. As these grades must be posted starting in 2020, owners and managers should check their building scores. If a building has a Benchmarking score of 49 or below, there is time to act to achieve an improved score by implementing energy savings measures, including the two remedies covered earlier in this article.

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