



The cost of dirty oil: Convert natural gas and save

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If you're a N.Y.C. building owner burning either No. 4 or No. 6 heating oil, chances are you already know that change is on the horizon. In three short years, Local Law 43 will require that all buildings burning No. 6 oil in the five boroughs be converted to a cleaner heating fuel - either No. 4, No. 2, or natural gas. Eventually, in 2030, No. 4 will be phased out as well. For those seeking to bypass any future restrictions on heating oil altogether, the choice is clear. Not only does converting to natural gas make sense for the environmentally conscious; it can also yield building owners a substantial long-term cost-savings.

Natural gas is lighter, cleaner, and less expensive than any heating oil available. A study published this January by Deutsche Bank Americas Foundation and Living Cities revealed that, in the nearly 19,000 affordable housing units examined, there was a 19% savings on fuel bills after completing energy efficiency retrofits. Some property owners have experienced savings as high as 35%. As part of their Clean Heat campaign, the city has also vowed to remove the red tape involved in obtaining permits for boiler conversions, making it easier than ever to make the switch.

No. 6 and No. 4 heating oil are high in a number pollutants, among them sulfur and nickel. The mere one percent of buildings that still burn these oils account for a staggering 86% of the city's soot pollution from buildings. It's also more pollution than what's produced by all of the city's motor vehicles combined. Switching a single large apartment building from residual oil to natural gas could cut nearly 300 metric tons of carbon dioxide each year. That's the equivalent of taking 59 cars off the road for an entire year.

According to a recent article by E! The Environmental Magazine writers Roddy Scheer and Doug Moss, "While oil prices are likely to remain high and volatile in the foreseeable future, most energy analysts agree that pricing for natural gas, much of which is still derived domestically, is not expected to rise or fluctuate substantially in the U.S. any time soon."

So if you're burning No. 4 or No. 6, what should you do? Hiring an energy consultant will help you make an informed decision about how best to handle the conversion process. He or she should provide a projected annual savings and ROI for your new system as well as its estimated payback period. Since the costs of heating fuels fluctuate, the market will ultimately determine your actual savings. The ROI for many owners has been cut to one or two years depending on the cost of the project. One thing is for certain, though -- switching from oil to natural gas will benefit both the environment and your wallet in the long run.

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