



## **Mayor Bloomberg launches \$100 million in financing to improve air quality; To help convert to cleaner heating fuels**

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According to mayor Michael Bloomberg, more than \$100 million in financing and other new resources to help city buildings convert to cleaner fuels. The financing and assistance results from innovative partnerships between leading banks, energy providers and environmental groups, and are a part of the NYC Clean Heat program the mayor launched last year to help buildings meet cleaner fuel requirements. In 2011, the city set new regulations to ban the heaviest heating oils - No. 4 and No. 6 - that are still used in approximately 10,000 buildings and significantly contribute to air pollution. Eliminating those fuels will help meet Bloomberg's aggressive new PlaNYC goal to reduce soot pollution by 50% by 2013, saving 120 lives and preventing 300 asthma-related hospital visits. The conversions are also expected to generate \$300 million in construction activity. The mayor made the announcement at the Eastchester Heights Apartments in the Bronx, a housing development that recently converted to natural gas and was formerly one of the top 10 users of heavy oil in the city. He was joined by deputy mayor for operations Cas Holloway; Department of Environmental Protection commissioner Carter Strickland; director of the Office for Long-term Planning and Sustainability David Bragdon; director of Energy Policy Sergej Mahnovski; Douglas Durst, chairman of The Durst Organization and chair of the NYC Clean Heat Task Force; Priscilla Almodovar, head of Chase Community Development Banking; Gary Hattem, president of Deutsche Bank Americas Foundation; Claude Trahan, senior vice president for Gas Operations at Con Edison; Ken Daly, president of National Grid; Bill Hanna, vice president of Hess Energy Solutions; Eric Pooley, senior vice president for Strategy and Communications for the Environmental Defense Fund; Paul Pariser, co-CEO of Taconic Investment Partners and Bronx borough president Ruben Diaz, Jr.

"Summer is the perfect time for buildings to convert from polluting to cleaner heating systems, and the new resources announced today will help them do just that," said Bloomberg. "By phasing out heavy heating oils, we are closer to achieving our PlaNYC goal for the cleanest air of any major U.S. city. I want to thank the banks, energy providers and non-profits who have entered into groundbreaking partnerships with us and whose commitment will save lives and improve the quality of life in New York City."

The new financing is available to property owners for clean heat conversions. The city is leading the program by committing \$5 million to create a loan loss reserve fund that will enable a significant portion of this private financing and making it accessible to low- and moderate-income buildings. Financial institutions, including Chase, Deutsche Bank, Hudson Valley Bank, Citi and the Community Preservation Corp., have committed \$90 million in private lending for such projects. The city's Housing Development Corp. and Department of Housing Preservation and Development will offer an additional \$18 million for mixed-income residential buildings.

In addition to financing, New York City will expand its partnership with the Environmental Defense Fund to offer technical assistance and outreach to buildings that are undergoing fuel conversions. A team of trained energy professionals will assist buildings in evaluating their conversion options, coordinating with utilities to obtain natural gas access, and pursuing the use of biofuels and energy efficiency measures. More information about these resources is available on [www.nyc.gov](http://www.nyc.gov) or by calling 311.

The city's chief utility providers will also reduce barriers to cleaner fuel. Con Edison and National Grid will upgrade natural gas infrastructure to make it easier and less costly for buildings to convert to that resource. The city's largest provider of heating oil, Hess Corporation, will offer its customers new incentives to switch to the cleanest burning fuels, including natural gas, ultra-low sulfur No. 2 heating oil, and biodiesel. Chase also worked with Hess to structure the model that will allow for future financing of this program.

Bloomberg also announced a new target to cut emissions of fine particulate matter PM 2.5 - the type emitted by heating oils No. 4 and No. 6 - by 50 percent over the next two years. The financing, technical assistance and energy investments are critical resources that will help buildings meet the new target, a part of the PlaNYC goal for better air quality. PM 2.5 is linked to lung and heart conditions, contributes to asthma and can decrease life expectancy. Reducing its emissions levels from buildings across the city - and particular in areas with high asthma rates - will improve air quality, save lives and reduce hospital visits.

Today's announcement was held at Eastchester Heights Apartments in the Bronx, a multifamily housing development that consists of approximately 1,400 rent-stabilized units located in 114 buildings across five city blocks. Eastchester Heights was formerly one of the top 10 users of heavy oil, consuming nearly one million gallons annually before converting to natural gas that incorporated significant energy efficiency measures.

"The clean-fuels conversion program we're announcing today" which will ultimately save hundreds of lives "is a true public private partnership," said deputy mayor for operations Holloway, "and a prime example of how City government can act as a catalyst for innovative investments that make economic sense, and benefit all New Yorkers."

"NYC Clean Heat is a bold program to help ensure that we deliver on the promise of bringing New Yorkers the cleanest air of any large city in the U.S.," said commissioner Strickland. "In phasing out Numbers 4 and 6 heating oil last year, it was clear that we would need to work with the private sector to bring about real change in the way we heat our buildings. Along with today's program, we are making the transition to clean heat as easy as possible through the Clean Air Tracking System, which will save time and money for building owners and property managers by allowing them to register boilers online."

"Residual heating oil is a major local source of air pollution that can trigger heart attacks, stroke, and asthma with the greatest impact on the most vulnerable people," said Health Commissioner Dr. Thomas Farley. "Replacing residual oil with the cleaner heating fuels will be a major step forward for NYC's air quality and public health and will prevent hundreds of premature deaths among New Yorkers' in the coming decade. Efforts to accelerate the conversion of residual heating oil to cleaner burning fuels will save more lives sooner."

"Today's announcement shows how NYCEEC is achieving its mission to create an energy efficiency financing market in NYC, leveraging federal stimulus dollars to attract private investment and improve local air quality," said Edna Wells Handy, Commissioner of the Department of Citywide

Administrative Services. "I am thrilled that DCAS' administrative and technical support is playing a role in this important PlaNYC initiative."

"Many of New York City's largest and least efficient buildings use No. 6 and No. 4 heating oil," said Susan Leeds, NYCEEC CEO. "These buildings can gain significant financial and environmental advantages by combining conversion to cleaner fuels with energy efficiency measures. New York City Energy Efficiency Corp. is proud to support mayor Bloomberg's clean heat goals, and to partner with financial institutions who care about the quality of the environment in our community."

"Over the last nine months, the Clean Heat Task Force has brought together stakeholders from industry, real estate, energy and finance to create a practical plan to help achieve mayor Bloomberg's public health and environmental goals," said Douglas Durst, chairman of The Durst Organization and Chair of the NYC Clean Heat Task Force. "The shared commitment from city government and the partners here will transform New York's infrastructure and positively impact our quality of life in the years to come."

"The heating oils used in 1% of New York City buildings create more soot pollution than all the cars and trucks in the City combined - that's why upgrading these buildings to cleaner heating fuel is the single largest step New Yorkers can take to solve local air pollution," said Fred Krupp, president of Environmental Defense Fund. "Clean Heat is a model for cities around the world: by bringing together leaders in government, real estate, finance, and civil society, we're finding practical solutions that work for health, for the planet and for today's economy."

"As New York City's largest bank, Chase is committed to investing in projects that have a sustainable impact on the communities where we operate," said Priscilla Almodovar, head of Chase Community Development Banking. "Our financing pilot is a great example of government and the private sector working together to help improve air quality in these neighborhoods by making it easier for buildings in low-income communities to switch to cleaner fuels at no cost and with no increase in rents to families."

"Deutsche Bank Americas Foundation is pleased to support the goals of NYC Clean Heat," said Gary Hattem, President of the Deutsche Bank Americas Foundation. "We have made a \$250,000 philanthropic grant to enable NYCEEC to aggressively pursue this mandate. In addition, Deutsche Bank will launch the Community Clean Heat Fund, a \$40 million dollar financing effort that will enable building owners in our lowest income neighborhoods to have access to the capital they will need to convert to clean burning furnaces."

"Hudson Valley Bank through its wholly owned subsidiary, HVB Leasing Corp. is proud to be a part of the Clean Heat initiative," said Michael Weisberg, president of HVB Leasing Corp., a subsidiary of Hudson Valley Bank. "Hudson Valley Bank/ HVB Leasing Corp. has been financing clean heat conversions and other energy savings retrofit projects in the multi-family and commercial building arena for over 10 years. Mayor Bloomberg through his nation leading initiative's has shone a spotlight on the benefits for buildings and communities to switch to clean heat. The obvious benefits are economic savings for the buildings, a healthier environment and energy independence. I also see firsthand the jobs created from this initiative and the economic relief to buildings from the oil shocks they have experienced over the past several years."

"The Community Preservation Corp. is proud to support mayor Bloomberg's new Clean Heat and other energy efficient initiatives to create a greener New York," said Rafael Cestero, president & CEO of the Community Preservation Corp. "At CPC we believe that every New Yorker deserves to live in housing without these highly-polluting oils. We have focused our financing efforts for low-and

moderate-income buildings to help owners create a cleaner and more energy efficient city."

"Con Edison appreciates the dedication the Administration has shown to improving the environment for all New Yorkers," said Claude Trahan, senior vice president of Gas Operations at Con Edison. "Whether we are converting one building at a time, or clustering a number of buildings together to help reduce costs, we have been working with the Administration, energy partners, plumbing and boiler associations, elected officials, managing agents and building owners to get as many customers to make the switch as possible. We have made great strides in making the conversion process simple and customer focused. The Eastchester Heights complex is a good example of how building owners, the city and the utilities can come together to improve air quality, and we are pleased to be here in the Bronx to talk about this partnership."

"National Grid applauds Mayor Bloomberg's NYC Clean Heat program," said Ken Daly, president of National Grid New York. "We have a long tradition of offering incentives and energy efficiency grants to help convert our customers in New York to clean, safe natural gas. This innovative program will allow us to convert even more customers, so they can realize lower energy costs and the significant environmental benefits of natural gas."

"We see the Clean Heat Financing Program as a win-win-win," said Bill Hanna, vice president of Hess Energy Solutions and Small Business Services. "Building owners in the program will be able to meet New York City regulations and switch to cleaner-burning, less expensive natural gas with no out-of-pocket cost. The city will realize its clean air objectives more quickly, and Hess will maintain the long-term relationships we have with our New York City customers."

"We applaud mayor Bloomberg and his Clean Heat initiative which will result in millions of New Yorkers benefitting from clean heating fuels such as 'Clean 2,' the cleanest heating oil in the United States," said John Maniscalco, CEO of the New York Oil Heating Association. "Thanks to the partnership between the Bloomberg Administration and NYOHA, New York City has led the country in embracing a cleaner, greener fuel of the future, namely the promotion and adoption of Clean 2 which is a blend of ultra low sulfur heating oil and renewable biodiesel - a fuel that will only become cleaner over time."

"Too many children in the Bronx are suffering from asthma, and that costs them and their families time, money and days away from school and work," said city council speaker Christine Quinn. "That is why it is important for us to help buildings cover the upfront costs of cleaner-burning boilers and to overcome other technical impediments that will allow them to move from burning dirty fuels that produce harmful black smoke to fuels that produce significantly less particulate matter and other harmful pollutants."

"I applaud mayor Bloomberg's efforts to help buildings convert from heating oil to cleaner fuel and natural gas, by providing funding to assist in the process," said Representative Eliot Engel, a senior member of the House Energy and Commerce Committee's Subcommittee on Energy and Power. "The use of cleaner fuel can only help to bring our country into an era where oil is not our default fuel. Continuing this commitment throughout the City and across the nation will prevent diseases and even deaths, save health care costs, reduce greenhouse gas emissions, and decrease fuel costs. And once again, New York is leading the way."

"I know firsthand just how important a clean heat conversion can be, as my office has already begun a pilot program to fund such conversions for eligible buildings in the Bronx," said Bronx Borough President Ruben Diaz Jr. "This program is a great step forward towards a cleaner City and a healthier environment, and I applaud Mayor Bloomberg for his efforts on the environment."

"Air pollution from dirty home heating oil continues to threaten our health and we need to act quickly to eliminate it so we can save lives, reduce asthma episodes and see improved lung health," said Jeff Seyler, President and CEO of the American Lung Association of the Northeast. "The Lung Association applauds Mayor Bloomberg for his leadership in doing just that. Not only has the Mayor set an ambitious goal for reducing soot pollution, he's brought together all the major stakeholders and found creative solutions when obstacles stood in the way. Cleaner, healthier air will be achieved much sooner as a result of this program and this means healthier New Yorkers and lives saved."

The New York City Housing Development Corporation is also working with NYCEEC to launch the Energy Retrofit Loan Program to encourage residential properties that have been financed by Housing Development Corporation and the Department of Housing Preservation and Development to apply for low-cost loans to finance energy efficiencies including upgrading their heating plant. Funded with HDC bond proceeds and supported by the loan-loss reserve funds for NYCEED, the \$18 million initiative will launch in July to address 4,000 units.

"The Energy Retrofit Loan Program will leverage an initial \$18 million that will enable building owners to finance capital improvements that improve building performance and assist in complying with recently enacted Local Laws," said Marc Jahr, President of Housing Development Corporation. "Our goal in this initial phase is to target developments in our portfolio that have been spending the most on their heating fuel and thus could benefit the most from these loans. The result will be a cleaner, greener and healthier New York City."

"Taconic Investment Partners is proud to complete one of the first large-scale conversions from No. 6 fuel oil to natural gas in New York City at the Eastchester Heights apartment complex. Taconic strives to improve both the properties and the communities in which we invest in a manner that is both financially and environmentally responsible. The completion of this conversion will reduce carbon emissions at the property by nearly 60 percent and will lower energy costs by at least 25 percent. The changeover also enables Eastchester Heights to opt out of its Title V air permit and makes it eligible for emission reduction credits," said Charles Bendit, co-CEO of Taconic Investment Partners. "Taconic is grateful to ConEd for its willingness to work with us to find a solution that has brought this project to fruition in a very timely manner. Further, we would also like to commend the Mayor's office, and our local officials and the City agencies for their commitment to helping property owners like us to develop ways to run our properties in a more efficient manner and to navigate this process of completing this large undertaking in less than two years, from concept to completion."

"Clarion Partners is committed to environmentally sensitive operating practices across our investment portfolio," said Rick Schaupp, head of Sustainability at Clarion. "With this conversion, we have significantly reduced emissions at Eastchester Heights, affirming ownership's ongoing commitment to the residents of Eastchester Heights and the community at large. We appreciate Con Edison's cooperation and the support we have received from the Mayor's office."