



Your boiler is guilty until proven innocent

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If your building has an older boiler, it may well be guilty of being the below ground equivalent of an oversized 1950s gas guzzler. To add to the problem, all boilers and hot water heaters utilizing No. 6 oil must now comply with Local Law 43, which mandates a conversion to cleaner fuels. Boiler conversions can be costly and often bring to mind "break the bank" scenarios. There is a solution to this problem however it requires very careful navigation through the conversion process. Successful completion can result in a positive cash flow ending to the story.

The key element to this approach is energy savings. Your boiler conversion must result in the consumption of less energy than at present. If you can achieve this energy saving goal, your project will pay for itself. If there is no reduction in energy consumption, your retrofit will not produce the energy savings needed to finance your project. Your retro-fit will end up as another large expensive project. (Conversion to natural gas is the exception because of pricing.) It is essential, therefore, to keep your focus on realizing energy savings at every step throughout the entire process. Do not stray from this all important goal.

Start with the following assumptions/expectations:

1. The existing boiler is oversized, especially if there has been a window retrofit. A smaller boiler can do the job.
2. Additional energy savings can be realized with a hot water heater. The boiler does not need to run during warmer weather.
3. Upgraded boiler controls can save energy. Open windows in cold weather are a sure sign of an overheated building.
4. If natural gas is available, go for it. The pricing advantage will cover the up front conversion costs (which can be substantial).
5. A common area energy efficient lighting upgrade will add to the energy savings spread.
6. Combine the project with Local Law 87 (if applicable). The audit will identify additional energy saving opportunities.
7. The project can be financed with the combined total of the energy savings realized. No cash required from building reserves.
8. Rated insurance is available to guarantee your energy savings spread.
9. If there are time constraints (Local Law 43), a temporary conversion to No. 4 oil is a viable (and legal) option.
10. Knowledgeable advisors are available to help you reach your goal.

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