



New York City Local Law 87: Is it a penalty? Or 'am I energy smart?

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What happens in Vegas may stay in Vegas; but that is never true in New York - what happens in the city sooner or later always impacts everyone in the area.

Depending upon your location and other factors, right now you may not be subject to LL87 requirements and penalties; but only the most naive believe LL87 or its equivalent won't soon be on their horizon - now is the time to get informed and prepare.

As a service to our friends, clients and readers we have provided our thoughts and opinions in this format as if we owned your building with the belief that it will both help you understand the law and its impact and provide energy and money saving suggestions that will be useful even for those not currently subject to the law.

Before you read on, remember the fact of the matter is; as building owners we care about the value of our building which is based on our census-cash and rental income, it enables us to leverage our properties to buy more. Banks want to know our five-year history, they look at our current income, history income and turnover. If we enhance the environment we increase value reduce turnover and create a lot of cash and that's what we call using these laws as a leverage and not a pry.

Who has to comply?

If you own, manage or control a building in New York City over 50,000 s/f you are required to comply with NYC Local Law 87 - which mandates certified energy audits and retro-commissioning to improve the energy efficiency of your building. Our message is: Don't be afraid, undertaking an energy audit and retro-commissioning will give you a much more robust understanding of your buildings performance. But note that there are some exemptions.

What are the penalties for non-compliance?

\$5,000 annual fine - is the short answer. But, considering the average building subject to that fine is losing over 30% in energy waste, your real financial losses probably far exceed that figure every month.

Are there any incentives?

Yes. Multifamily, commercial, industrial, and institutional buildings are eligible for cost-sharing incentives. This can be an exhausting task! Currently, the New York State Energy Research & Development Authority (NYSERDA) is funding a 50% cost share for the completion of the required audit and retro-commissioning work - a properly qualified energy auditor will help you apply for these.

Early compliance benefits?

Why wouldn't you want to know how you are performing? This means that you should start undertaking your audit and retro-commissioning as soon as possible. The current requirements are in their infancy and are expected to become more stringent over time. Early compliance will allow

buildings that choose to comply early will be viewed, not only by the industry but by potential tenants, as leaders in the effort to improve building performance in New York City.

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