



LL 84 and LL 87 - Expanding requirements

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New York City has just published two reports - "PlaNew York City LL 84" and "One City Build to Last" - covering progress to date with regard to LL 84 (Benchmarking) and LL 87 (Energy Auditing and Retro-Commissioning). The original goal set under PlaNew York City was a 30% Green House Gas - "GHG" - reduction by 2030. Progress to date: 19% GHG reduction from the 2005 base year. Also positive results in the cleaner air department. Thanks to "ahead of schedule" mandated boiler conversions from heavy heating oils to gas and No. 2 oil, New York City air quality has improved. New York City now has the cleanest air in 50 years and has risen in the national "clean air" rankings to the top 4. Interestingly, the underlying economics of oil to gas conversions have financially supported these improvements. Because natural gas pricing has been at lower levels than oil, oil to gas boiler conversions have been self-financing. Additionally, many conversions included upgrades to more efficient (and correctly sized) boilers. The combination of favorable pricing and improved efficiencies have not only paid for these conversions, but resulted in substantially improved air quality.

Also note, that there is game changer included in these reports. There is a new goal of an 80% reduction of GHG by 2050. Increasing the original goal from a 30% GHG reduction by 2030 to a very ambitious 80% reduction by 2050 is not going to happen without ground rule changes and new energy reduction mandates. These reports anticipate a significant increase in the number of buildings that will be required to comply with these regulations - from 23,400 to 40,200 buildings. Future mandates will touch every "covered" building owner in New York City, including the new population of smaller buildings that will be brought into the LL 84, LL 87 and LL 88 compliance fold. With significant energy reduction mandates on the horizon, think about developing a plan for your building. To understand the new GHG landscape - go to PlaNYC.nyc.gov and start reading. Review your recent Benchmarking scores as well as the requirements of applicable Local Laws, including LL 88 and related funding. With this information as your foundation, you can develop your plan. To help with the process, consider consulting with an experienced advisor familiar with both the economics of energy saving measures AND funding opportunities. From a cash flow perspective -start now. Funding programs change. Those currently in place will inevitably become history, so by planning now, you broaden your platform of solutions.

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