



## Complying with and opportunities of New York City Local Law 87 (LL 87)

May 11, 2015 - Design / Build

The calendar says May, but it is not too early at all to think about compliance with New York City Local Law 87 (LL 87), mandating an energy audit and retro-commissioning once per decade. All buildings in New York City that are 50,000 s/f and larger must have these done. Your due date is December 31st of the year ending with the last number of your block number (2015 for 5, etc.). If your building's due date is 2015, now is the time to start to gather the information needed to comply because the Department of Buildings (DOB) is requiring a thorough audit and retro-commissioning study. The DOB is enforcing the rule robustly and requiring re-work in many cases it deems as not thorough enough.

LL 87 requires a licensed professional engineer, a certified energy manager, and a commissioning professional to certify that the law's requirements are met. You must provide at least two years of recent utility data (electric and gas bills, oil invoices) to be reviewed. The professional must perform field work to assess the building's envelope (roof, walls, windows), HVAC system(s), lighting, and other energy systems. It is critical to have available during the site visits the person who knows best your building's operations. As part of the energy audit, the professional will estimate the quantity of electricity or gas or oil usage of different operations (cooling, heating, lights, conveyors, refrigeration, etc.) and develop a list of Energy Conservation Measures (ECMs) to reduce costs and improve the efficiency of your current systems. The building owner is not required to implement any ECM or if one chooses to may do so at any pace.

Retro-commissioning involves checking your existing energy-using systems to ensure they work properly. LL 87 contains 25 different items that must be checked. No building to be subject to all 25 different items, but all will have many of them. These consist of ensuring that lights are not broken, HVAC filters are not dirty, thermostats are calibrated, etc. If the professional finds deficiencies, this is not a LL 87 compliance issue; the building owner/manager must only remedy the deficiencies (fix the broken lights, replace the filters, fix leaks, have the HVAC expert re-calibrate the thermostats, etc.). These are generally no or low cost fixes. Given the time it takes to do the audit and retro-commissioning study properly and to remedy any problems, it is important to start fairly soon to meet a December 31st deadline.

However, do not think of LL 87 as just another compliance situation, another thing to "check off the box." LL 87, if done right, is an opportunity for you to make money. The ECMs that the professional engineer will recommend are designed to pay back the initial cost and save you money, in many cases, significant expenses. Con Ed and NYSERDA grants exist to further reduce the costs. And given the likely high rate of return of investing to address ECMs, it is likely that you can borrow to implement these so there is no upfront cost for you and, at the same time, positive cash flow at all times. You repay the loan based on the growing savings in energy costs. Companies will be

motivated to loan you money knowing the return on investment and reliability for energy upgrades. As for retro-commissioning, this is simply a matter of ensuring that your energy systems, of which you paid possibly hundreds of thousands of dollars for, are functioning properly. In other words, ensuring you are getting your money's worth. Now doesn't it make sense to spend a small amount of money once per decade to ensure that hundreds of thousands of dollars of equipment are working properly? LL 87 is an opportunity to not only save money, but to also better ensure your systems are working properly for the comfort of tenants, workers and shoppers, to raise the value of your property and also to reduce O&M, freeing your workers to do other tasks than often changing light bulbs, etc.

Climate Change & Environmental Services, LLC has the LL 87 experts (licensed professional engineers, Certified Energy Managers, commissioning professionals) and experts in specific energy areas (lighting, HVAC, building envelope, elevators, etc.) to help you not only comply with LL 87 without putting out your staff, but also to maximize the financial benefits possible (maximize energy cost savings, O&M reduction, and government and utility incentives).

Marc Karell, P.E., CEM, EBCP, is the president of Climate Change & Environmental Services, LLC, Mamaroneck, N.Y.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540