



How renewables and green technologies mitigate commercial real estate natural gas moratorium - by Nancy Colella

November 05, 2019 - Long Island

Nancy Colella,
NYS Sustainable Corp.

Renewable and green technologies continue to aggressively integrate and expand throughout the commercial real estate private sector and structured in various asset procurement, investment, and power conservation or cash-flow related assets. From a macro consideration, the industry has also significantly expanded the tax credit market, aligning publicly traded corporate investors with some of the greatest access to federal and state tax credit-driven investments available within the marketplace. Renewable integration is taking on a variety of commercial applications proving deals with ownership, based on cross collaborations by either offering leasing agreements to facilitate readily procured, sourced and penciled out renewable assets as profitable long-term investments. Also contributing, are deals between CRE (commercial real estate) parties, where both benefit, either from asset ownership as the power source or being a direct user of the power at a highly discounted operating power resource. The market has also grown progressively within renewable/commercial deals which primarily focus on generating on-site power within New York's densely populated towns, cities, and boroughs. Established to disperse power to the surrounding residential community as a "Community Distributed Generation" asset. Green technologies are the future and maintain a stronghold on the narrative as the convergence continues to migrate into socially responsible business-related practices. Currently, New York State commercial real estate, middle to large institutional applications benefit from co-generation, Fuel Cell, and tri-generation systems. The preceding technologies replicate the power needs of densely powered facilities, yet these renewable resources run on natural gas fuel. So how does the market mitigate natural gas constraints? Even from a renewable resource perspective.

Since May, New York has been under a constrictive gas moratorium, subjecting new and existing homes, businesses and even renewable conservation mechanisms throughout the southern tip of New York with service and new installation restrictions. In all tri-generation, co-generation and Fuel Cell Systems, the technology requires natural gas as the main fuel to produce electrical power, hot water and cooling - for tri-generation. On Oct, 11th, gov. Cuomo announced the Department of Public Service would investigate National Grid's conduct as to whether or not it had prepared properly for meeting the needs of its customers- as the utility made a case regarding facing supply constraints this upcoming winter. Noted, was the fact that even if the Williams pipeline was permitted

to go forward (under New York Harbor). The fracked natural gas deployment to a terminus from Pennsylvania (three miles off the coast of Rockaway Beach) would not be in service until December 2020. On the week of October 20th, gov. Cuomo ordered National Grid to comply or face millions of dollars in fines. National Grid will now lift its moratorium and begin connecting more than 1,100 customers in Queens and Brooklyn to natural gas service. The utility had been denying service to new and returning customers since May, responding to opposition on the \$1 billion Williams pipeline project, which was denied a permit by the state's Department of Environmental Prevention over concerns it would contaminate New York Harbor.

To that end, hypothetically speaking, if the moratorium was to reinstate, or if the state initiated a servicing limitation to natural gas, renewable technology-based systems such as tri-generation, co-generation, fuel cell, and solar/storage would continue to be a positive solution to powering buildings from 1 million s/f skyscrapers to smaller industrial facilities. These renewable solutions mitigate and offer builders, owners, and commercial developers a resource and proactive, long term resolution as they require roughly one-third of the actual gas needed to power, heat and cool the same active building, making them a better resource for existing, under construction and pre-construction New York-based projects. Today state of affairs and constant utility turbulence, much like the moratorium, are subject to the demands of the markets increasing fuel supply needs. A desirable scenario would be for a repeat deficiency of natural gas fuel demand -not taking primary importance. A prospective solution would be to level the playing field and scale future renewable implementation with a forward approach to lessening demand while -delivering integrative power solutions and mitigating possible future moratoriums.

Nancy Colella is a principal at NYS Sustainable Corp., Oyster Bay, N.Y.

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