



Your guide to New York City's Local Law 97 - by William Shoard

May 18, 2021 - Design / Build

What is Local Law 97?

Local Law 97 (LL97) is a new bill passed into law on May 18, 2019, in New York City, to reduce carbon emissions in commercial buildings and the ultimate goal of reducing emissions by 40% by 2030 from a 2005 baseline.

The city has pledged to reduce Greenhouse Gas (GHG) emissions by 80% by 2050. To assist in achieving this, the interim goal of a 40% reduction by 2030 has been put in place.

The worst performing buildings will have to act by 2024 to curb their emissions. Large fines will be enforced starting in 2024 and will build until the goals are reached. You must act fast and have a plan in place by 2024.

What Does This All Mean?

A threshold has been set for GHG emissions for buildings based on their usage type and square foot area. Building GHG emissions are calculated using their annual energy usage. Buildings which exceed their GHG emissions thresholds will be fined.

LL97 sets detailed requirements for two initial compliance periods: 2024-2029 and 2030-2034 and requires the city to clarify the requirements for future periods through 2050.

Buildings over 25,000 gross s/f must meet annual whole-building carbon intensity limits during each compliance period based on building type or prorated for mixed-use buildings.

Certain building types including city-owned buildings, affordable housing, hospitals and houses of worship will have alternative compliance options if they cannot hit the carbon intensity limits.

How Does it Affect You?

Are you required to report your energy and water usage each year under Local Law 84 (LL84)? If so, chances are that you will be required to comply with the GHG emissions limits mandated in LL97

or face a fine for non-compliance.

To comply, building owners must submit an emissions intensity report stamped by a registered design professional every year starting in 2025 or pay substantial fines.

What happens if I don't comply?

The city has set steep fines for buildings that do not comply. Buildings must pay \$268 per metric ton that their carbon footprint exceeds the limit, annually. There are also fines for not submitting a report and for submitting a false report.

What Next?

Building owners will be required to report their GHG emissions starting on May 1st, 2025, with the report performed and submitted by a licensed professional engineer (PE) or a registered architect. The GHG emissions thresholds set by the city will punish the worst performing buildings first and punitively punish more adequately performing buildings thereafter.

The time to act is now. The first reports to be submitted in 2025 will be based on the building's energy usage over the calendar year 2024. Engage a PE now to help determine the energy conservation measures that will give the greatest energy savings for the least capital expenditure. Don't wait until it is too late and risk non-compliance, violations, and fines. The information needed to calculate the building's current annual GHG emissions is contained in the Statement of Energy Performance (SEP) generated when the LL84 Energy Benchmarking is performed. Send your most recent SEP to Ryan Soames Engineering (RSE) for analysis and we will let you know how LL97 will affect your property.

How do I reduce my carbon emissions and prepare for compliance?

All buildings should start developing long-term energy and carbon reduction strategies today to meet or exceed the emissions performance targets. A proper energy and carbon management plan should evaluate all potential energy and carbon reduction initiatives in the near, medium, and long term:

- Building HVAC
- Building lighting
- Control systems
- Tenant lighting, electrical loads and HVAC systems
- Retail tenants
- Operator and occupant training

If you haven't started LL87 yet, RSE can help you to consider longer-term energy savings strategies

in the analysis since we will already be analyzing your systems looking for energy saving opportunities.

What about my tenants?

Reducing overall energy and carbon intensity will not be possible without including the tenants. NYSERDA has an incentive program, the Commercial Tenant Program, that will pay for some or all of the cost of identifying energy reduction opportunities in new and existing tenants' spaces.

What RSE can do for you

RSE was recently contracted to assist one of our clients by recommending Energy Conservation Measures (ECMs) which if installed would reduce energy consumption at the property, improve their LL97 energy efficiency letter grade and reduce the potential fines under LL97.

A number of ECMs were recommended by RSE, ranging from HVAC equipment control upgrades to lighting replacement measures. The total cost for the recommended measures was around \$175,000. It was predicted that they would save around 25% of the building's annual energy consumption and were predicted to save \$75,000 per year from lower utility consumption.

We have already started assessing buildings based on meeting the LL97 requirements to assess the impact of potential fines and the following results show how the fines grow over time:

38-story Midtown building, 306,000 s/f, 1983 construction

The penalty between 2025-2029 is \$0 per year

The penalty between 2030-2035 is \$104,983 per year

The penalty from 2035 is \$360,592 per year

10-story Downtown building, 116,000 s/f, 2016 construction

The penalty between 2025-2029 is \$3,388 per year

The penalty between 2030 – 2035 is \$126,835 per year

The penalty from 2035 is \$225,152 per year

To ensure that your building is in full compliance with the requirements of NYC LL97 or if you need to discuss further how we can assist you with the design please do not hesitate to reach out to our office.

William Shoard, P.E., CEM, LEED AP, WELL AP is associate principal at Ryan Soames

Engineering, New York, N.Y

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