



## **BOMA NY presents 2024 Energy Action Day panel event**

May 14, 2024 - Owners Developers & Managers



Manhattan, NY Across the nation, climate laws are being written to place accountability on building owners. Experts say progress depends on a tenant-owner team approach.

Following a rousing keynote address by Tony Malkin, chair and CEO of Empire State Realty Trust at BOMA New York's 2024 Energy Action Day event, an executive panel of experts explored the CRE community's progress toward carbon neutrality; its successes so far, and the industry's state of readiness to meet the strict compliance deadlines mandated by Local Law 97.

Moderated by Chris Cayten, partner and head of strategy at CodeGreen Sustainability, the panel included Bob Murphy, director of engineering at CBRE, and Dana Robbins Schneider, SVP, director of energy, sustainability & ESG at Empire State Realty Trust.

Introduced by BOMA NY chair Pat Dolan and executive director Lori Raphael, Cayten opened the discussion with a candid question: “Is this still the same atmosphere that we were in five years ago?” Both panelists answered with a resounding “No.” Enormous progress has been achieved by the integration of an owner’s capital plan and energy efficiency strategy with tenants’ own goals for sustainability and cost savings. The partnering process starts on the day of tenant move-in.

Schneider said, “We look at the whole asset. We look at what the capital plan is in that building, what kind of equipment’s there, how old it is, what shape is it in. It’s really that basic. We look at who the tenants are, and when their leases are rolling. And then we look at blue sky thinking - no limitation, what can we do to actually reduce emissions in this building by 80% through technology and tenant behavior?”

She added, “Using that combination of technologies, we bundle those projects into incrementally increasing energy reduction. We look at what the real cost is. So we’re designing the jobs, we’re bidding the jobs out, we know exactly how much they’re going to cost. We confirm the payback. There’s even a net-zero path for 100-year-old buildings. Often, the pre-war buildings perform better.”

Murphy explained his approach as an engineer. He said, “My approach is to determine what the building’s current energy baseline is and how far its drifted from the original.”

“I believe in continuous commissioning within a building. Some buildings don’t even have updated single line drawings or equipment schedules. How can we possibly optimize something that doesn’t have a true baseline of energy use? That’s been my key focus right now.”

Cayten added, “I think there is a human aspect to this, right? We have seen in the 15 years talking to property teams and chiefs, they have that kind of ‘Aha!’ moment where it’s like we’re also saving money. Those are the priorities, not Local Law 97 or emissions that are out there somewhere. Their lives are being made simpler and they are achieving their own goals.”

Cayten then asked, “These tenants, most of them in class A buildings, have their own sustainability goals, right?” Schneider answered, “Tenants are the biggest driver of our usage and we can’t do this work without their partnership. We work really hard to develop a lease form with high performance design and construction guidelines in it and it basically tees us up to partner with our tenant from the beginning.”

Cayten wrapped up the discussion with a reaffirmation of the achieved successes, and a call to action.

He said, “The clock is ticking; 2024 is the first year we’re being measured against Local Law 97 limits. We had three years, four years of training and now we are in it. But the goal essentially is as the analysis had said. It’s only about 20% of the highest emitters (who) will have to face fines next year. (But) in 2030, that flips on its head; 70 to 80% of buildings will face fines according to the current analysis.

“We’re reminding folks, 2030 is not that far away. And the other thing that we have seen with a lot of these local laws is the cost of services skyrockets right before the deadlines. Any of these laws that come out, in those last couple years, right before compliance hits, you can’t find anyone to do the work. We remind everybody we talk to: ‘Make a plan and get started.’”

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