# Contractor Action Summit

November 8th, 2023 Building Energy Exchange Presentations by:

The Mayor's Office of Climate and Environmental Justice

The Department of Buildings

NYC's Housing Preservation and Development

The New York City Accelerator Program

Con Edison



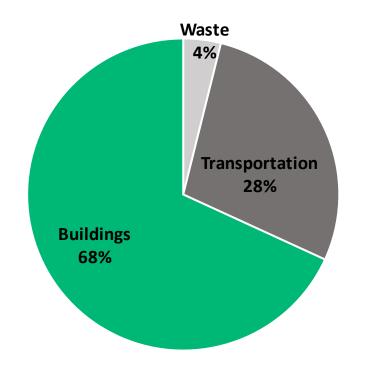
# Local Law 97 Implementation Overview, Rules Update, & Mobilization Plan



# **LL97 Overview – Focus on Buildings**

- New York City has more than 1 million buildings, and more than 90% of them will still be here in 2050
- Nearly 70% of New York City's emissions come from buildings
- Fossil Fuels consumed in buildings account for 60% of emissions from buildings and 30% of total citywide emissions
- Reducing emissions from buildings is a key strategy for achieving New York City's goals of achieving citywide carbon neutrality by 2050

NYC GHG Emissions by Sector (2021)





#### **LL97 Overview – Climate Mobilization Act**

- The **Climate Mobilization Act** (CMA), passed in 2019, is the largest climate solution put forth by any city in the world. It consists of a slate of climate laws designed to dramatically cut carbon emissions in New York City.
- Central to the CMA is Local Law 97 (LL97), a first-of-its-kind legislation placing emissions limits on New York City's large buildings.
- LL97 is expected to reduce cumulative emissions from large buildings at least 40% citywide by 2030 through building retrofits.
- Applies to 50,000 buildings across New York City (those larger than 25,000 square feet) across
   22,000 properties



# LL97 Overview – Design & Intentions

**§28-320:** Market Rate buildings >25,000 square feet are required to meet ambitious carbon reduction targets:

- First carbon emissions limit will be applied in 2024-2029
  - 75%-80% in compliance / 20%-25% out of compliance
- Second carbon emissions limit will be applied in 2030-2034
  - 25%-30% in compliance / 70%-75% out of compliance
- Lower limits will follow in 2035 and 2040 to achieve carbon neutrality by 2050

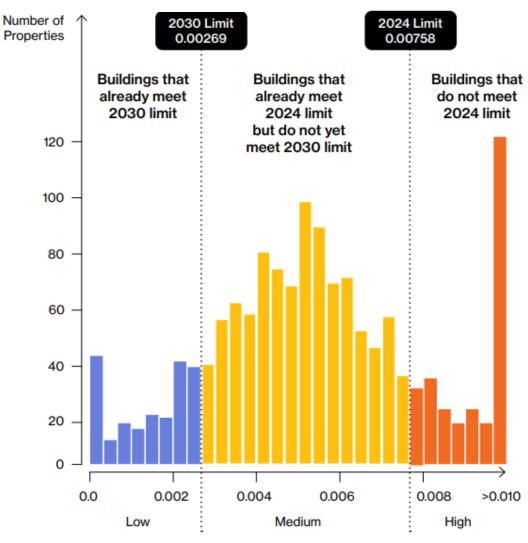
**§28-321: Certain Affordable Housing buildings >25,000 square feet** have a one-time compliance deadline and can:

- Meet 2030 emissions limits OR
- Implement Prescriptive Energy Conservation Measures



# LOCAL LAW 97 BUILDING COMPLIANCE: COMMERCIAL BUILDINGS

The chart shows GHG emissions intensity (tCO<sub>2</sub>e/ft<sup>2</sup>/year) for single use commercial office properties over 25,000 ft<sup>2</sup> as of 2019.



# **LL97 Overview – Compliance & Rules**

Starting May 1<sup>st</sup>, 2025, buildings will have to file annual emissions reports with the DOB for the prior year

#### §28-320: Market Rate Buildings

- 1. Calculate total annual building emissions using GHG coefficients established in the law
- 2. Meet emissions limits (tCO2e/sf) set for 10 different occupancy groups
- 3. Deductions allowed for the purchase of greenhouse gas offsets or renewable energy credits, or the use of clean distributed energy resources

# §28-321: Certain Affordable Housing Buildings (>35% of dwelling units are rent regulated, HDFC Coops, Buildings w/project-based federal funding) + Houses of Worship

- 1. A report demonstrating the building's energy use and emissions as if such building were an Article 320 covered building; OR
- 2. A report demonstrating implementation of the 13 prescriptive energy conservation measures listed in the law



## **LL97 Overview – Penalties**

#### §28-320: Market Rate Buildings

- 1. Failure to file a report: \$0.50/sf for each month until the violation is corrected within 12 months of deadline
- 2. If annual building emissions exceed the limit, pay a civil penalty of \$268 per tCO2e over limit for that year
- 3. False Statements: up to \$500,000 or imprisonment of not more than 30 days or both

#### §28-321: Affordable Housing Buildings (>35% of dwelling units are rent regulated) + Houses of Worship

- 1. Failure to file a report: \$10,000 penalty
- 2. Failure to demonstrate completion of prescriptive energy conservation measures: \$10,000

**Penalty Mitigation**: may be granted under conditions such as unexpected or unforeseeable events (hurricane, flood or fire), good faith efforts, financial hardship, inability to provide critical services (i.e. hospitals)



#### **Local Law 97 Mobilization**

**Local Law 97 Remains NYC's Most Important Climate Initiative.** By 2030, it is expected to:

- Reduce citywide GHG emissions from buildings 40% by 2030, carbon neutral by 2050
- Achieve ~6 million tons of CO2e reduced, avoiding 150 hospitalizations
   per year and preventing 50 to 130 deaths per year.
- Create between 26,700 and 141,000 jobs.
- Expand the **annual retrofit market to \$20 billion** 13 times larger than today's market.
- Drive cost savings to buildings through energy efficiency.





# LL97 Mobilization Plan – "Getting 97 Done"

#### Getting 97 Done is a multi-pronged mobilization plan:

DOB Rules that Mobilize, not Penalize

Incentivize RECs over Penalties/Non-Compliance

**Incentive Programs Targeting LL97 Efforts** 

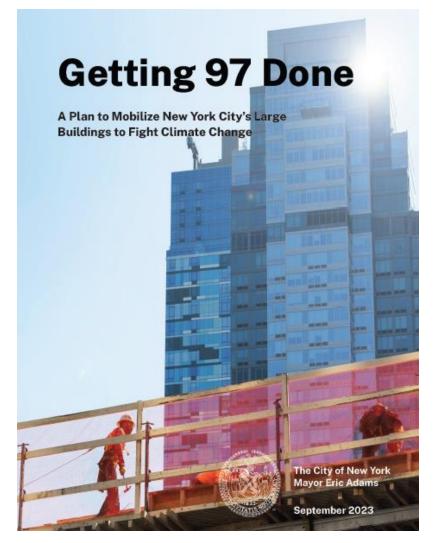
Leverage City Tax Abatements

**Mobilization Council** 

**Enhance NYC Accelerator** 

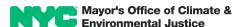
Streamline Legacy Sustainability Laws & LL97





# **About MOCEJ**

- The Mayor's Office of Climate and Environmental Justice (MOCEJ) is a team of architects, lawyers, data and climate scientists, engineers, policy advisors, and city planners leading the City's strategy to create a city where our 8.3 million New Yorkers can live, work, learn, and play in healthy, resilient, and sustainable neighborhoods — now and into the future.
- MOCEJ leads the City's efforts to ensure that New York City is both reducing its emissions and preparing to adapt and protect New Yorkers from the intensifying impacts of climate change. We do this by:
  - •Prioritizing City resources and action in low-income and communities of color
  - •Addressing racial and social inequities in health outcomes resulting from our environment
  - •Reimagining how we invest in and use land
  - Retrofitting buildings that serve New Yorkers
  - Adapting and augmenting our transportation system
  - Prioritizing an equitable shift to renewable energy
  - •Transforming how the City manages food waste, wastewater, and construction and demolition debris
  - Communicating with, educating, and learning from New Yorkers
- Policy Development (e.g. LL97) and Program Implementation (e.g. NYC Accelerator, ElectrifyNYC)



#### What Is NYC Accelerator?

- A City program to help control costs, meet local law compliance, boost building performance, increase energy savings, and reduce carbon emissions across NYC buildings
  - Provides free technical guidance to help the market transform how our buildings operate and are built
  - Identifies building upgrade projects to help meet emissions limits established under the Climate Mobilization Act
  - Offers no-cost building operator trainings and supports green workforce development
  - Connects building decisionmakers directly with service providers to implement decarbonization projects
    - We refer all active building decision-makers to our network of 150+ vetted service providers; these are private companies working in NYC's green economy. Approximately 30 of these companies are M/WBEs.
  - Helps buildings identify applicable financial incentives and financing, such as NYC Accelerator PACE



## **Program Objectives**

- 1. Promote awareness and share information about NYC's accelerated path to decarbonization.
- 2. Influence representatives from ~85,000 buildings and engage primary target audiences and the secondary audience through the array of tactics outlined in both the Marketing Plan and the Outreach Strategies.
- 3. Develop a pipeline of project leads to refer to qualified industry partners via incentive programs, RFQs, and other verified referrals.
- 4. Directly assist, through training, education, and technical guidance private buildings to: Comply with LL97, reduce carbon emissions, and to help building owners/operators save money, improve energy efficiency, create economic opportunity, and improve the health and wellbeing of New Yorkers.



# NYC Accelerator and Affordable Housing

- + At least 60% of the assisted multifamily buildings must be buildings that have been financed by HPD, HDC, NYSHCR, or HUD in exchange for affordable housing agreements
- → NYCA assists with LL97 compliance for affordable housing
- Beyond LL97 Compliance, NYCA also serves buildings between 5,000-25,000 square feet in targeted neighborhoods
  - · Goal of implementing projects in at least 800 buildings
  - Delivered trainings to at least 40 building operators/owners
  - · Goal of referring 15 projects to be financed by HPD, GHPP, or other HPD loan program
- + HPD as key program partner and strategic advisor





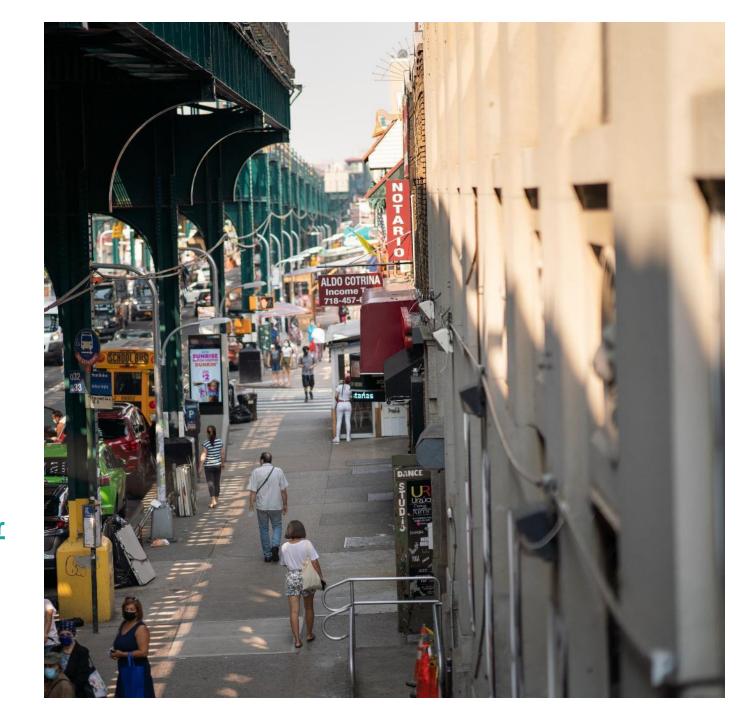
# Contact Our Team of Experts



Web: www.nyc.gov/accelerator

Email: info@accelerator.nyc

Phone: 929-343-2694





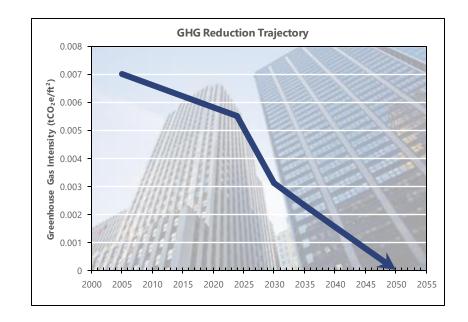
### **LOCAL LAW 97**

- Greenhouse Gas (GHG) emissions limits for all buildings >25,000 square feet
- Emissions are reported May 1 every year for the prior calendar year
- City buildings reduce GHG emissions 40% by 2025 and 50% by City 2030
- NYCHA buildings subject to the same requirements as the private sector, but complying portfolio-wide
- Different path for rent-regulated buildings

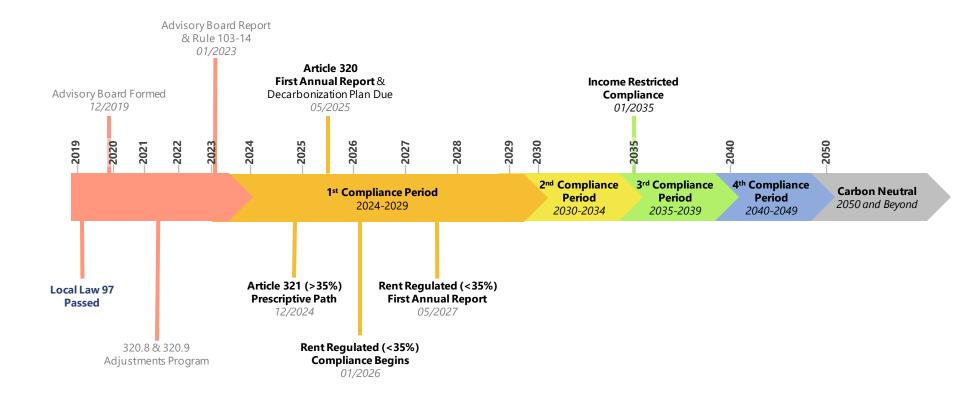


#### **LOCAL LAW 97 CONTEXT & GOAL**

- •By 2030, Local Law 97 is expected to achieve:
  - •6 million tons of CO<sub>2</sub>e reduced
  - •Over **26,700** jobs created
  - •150 hospitalizations avoided per year
  - •50 to 130 deaths prevented per year
- •LL97 works with the State Climate Leadership and Community Protection Act (**CLCPA**):
  - •70% of electricity will be from renewable energy sources by 2030
  - State aims to achieve zero emission electricity by 2040



#### **LOCAL LAW 97 TIMELINE**



## **RCNY 103-14**

- Rule became effective on January 19, 2023
  - Guidance on calculations
  - Guidance on reporting
  - Compliance requirements
  - Building emission limits
- 2050 Trajectory

#### **MOBILIZATION PLAN**

- Enhanced funding and financing
  - Federal, state, utility, and city funding and financing targeted to
     LL97 compliance
- Comprehensive outreach with NYC Accelerator
- Implementation task forces
  - Workforce/retrofit companies; Building owners and managers; Financers
- Enforcement
  - Rulemaking

#### SECOND MAJOR LL97 RULE PACKAGE

- 1. Penalty Framework, Beneficial Electrification Credit and Various Technical Amendments
- 2. Article 321 (Prescriptive Path) Requirements for Compliance and Penalties for Non-Compliance
- 3. Local Law 88 Defining Lighting and Sub-metering compliance

#### **LL97 Article 320 Penalty Framework**

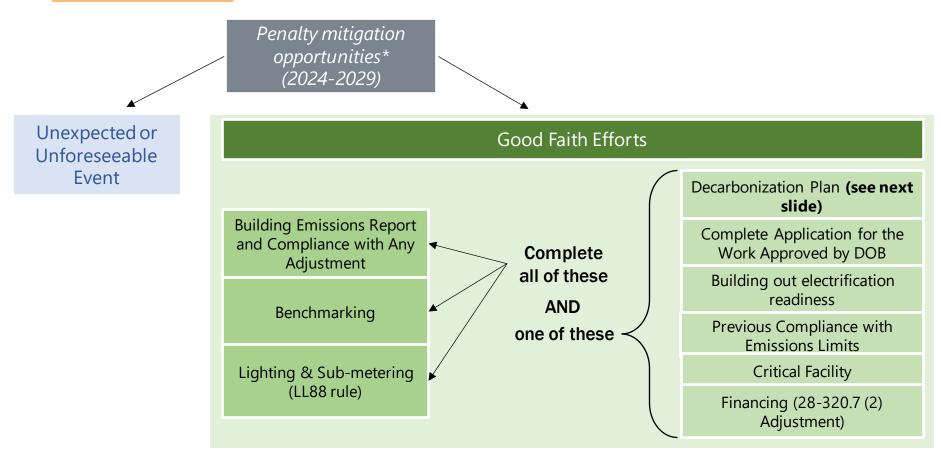
Properties have two main compliance responsibilities

**Submit building emissions report** 

 $Penalty = (Floor\ Area\ x\ \$0.50)/month$ 

**Meet emissions limits** 

Penalty = ((Emissions - Limit) x \$268)/yr



<sup>\*</sup>Adjustments available for hospitals, nonprofits, landmarks and buildings with special circumstances or financial hardship.



## **DECARBONIZATION PLAN PATHWAY**

A plan for reaching net zero carbon emissions by 2050, including:

- Energy audit
- Inventory of major equipment
- List of alterations needed for compliance, consisting of:
  - Timeline
  - Financing plan
  - Expected emissions reductions

#### Additionally:

No RECs in the first compliance period.

Important Decarb Plan Dates:	
Submit the decarb plan by:	May 1, 2025
Meet the 2024 emissions limit by:	May 1, 2027
Demonstrate* that the work for 2030 compliance is underway by:  *Complete Application for the Work Approved by DOB	May 1, 2028

## BENEFICIAL ELECTRIFICATION

- Owners that replace fossil fuel equipment early with high-efficiency space conditioning or water heating equipment receive a credit against emissions limits for the first or second compliance period
- A negative coefficient may be applied against a building's emissions reducing penalties for buildings that convert to heat pumps:
  - Double the emissions reduction for owners taking action between 2021-2026
  - 1x the emissions reduction for owners taking action between 2027-2029

## BENEFICIAL ELECTRIFICATION

Draft electricity emissions calculation with BE "Credit":

- Calculation examples will be provided in DOB's LL97 Filing Guide
  - Deemed approach, based on capacity, for smaller installations
  - Metered approach, based on actual kWh, for larger installations
- Banking of BE Credits
  - BE credit for one year must be applied in whole to a future year
  - Multiple BE credits may not be combined for use in a single year
  - BE credits can be applied for each year of operation

# RENT REGULATED & AFFORDABLE HOUSING

#### Local Law 97 Compliance Guidelines for Rent Regulated and Affordable Housing

LL97 covered buildings† with rent regulated and/or affordable units should follow one of the pathways below:

#### If building includes any of the following:

- > 35% of units subject to rent regulation (regardless of any income restrictions), OR
- Is an HDFC co-op (not a rental), OR
- Has 1+ units that participate in a federal project-based housing program (e.g., Section 8, Section 202, Section 811, or CoC). OR
- Participates in NYCHA PACT

#### If building does not fit into the column at left AND:

 Has 1+ rent regulated units and no more than 35% of units subject to rent regulation (regardless of any income restrictions)

#### If building does not fit into any of the columns at left AND:

- Is a Mitchell-Lama with no units that participate in a federal project-based housing program, OR
- Has <u>no</u> rent regulated units and has 1+ units that are income restricted through certain\* loans, grants, real property tax benefits (e.g., 420-c, Article XI, UDAAP), or property disposition programs

Note that units with an income restriction imposed solely through the Zoning Resolution (e.g., Inclusionary Housing programs) do not count as "income restricted" for the purposes of this path.

When a building's CBL status changes, the building's compliance requirements change.



#### Building must follow the Prescriptive Pathway (Article 321):

#### By 2024.

- Demonstrate that emissions are below the applicable 2030 limits, OR
- Show that applicable <u>Prescriptive Energy</u> <u>Conservation Measures</u> have been fully implemented

File a one-time report by May 2025\*

\*Further information is available here: §28-321

#### Building must follow the 2026 Compliance Pathway:

 Meet emission limits starting in 2026, and face penalties for exceeding the limits

File Annual reports starting May 2027\*

\*Further information is available here: §28-320.3.10.1



 Meet emission limits starting in 2035, and face penalties for exceeding the limits

File annual reports starting May 2036\*

\*Further information is available here: §28-320.3.9

†LL97 generally covers, with some exceptions: buildings that exceeds 25,000 gross square feet; two or more buildings on the same tax lot that together exceed 50,000 square feet; two or more condominium buildings governed by the same board of managers and that together exceed 50,000 square feet.



#### **ARTICLE 321 COMPLIANCE**

- Meet the Article 320 emissions limits for 2030 in 2024
- Prescriptive Energy Conservation Measures (One-time report due May 1, 2025)
  - Adjusting temperature set points for heat and hot water
  - Repairing all heating system leaks
  - Maintaining heating systems
  - Installing individual temperature controls or insulated radiator enclosures with temperature controls
  - Insulating all pipes for heating and/or hot water
  - Insulating steam system condensate tank or water tank

- Installing indoor and outdoor heating system sensors and boiler controls
- Replacing or repairing all steam traps
- Installing or upgrading steam system master venting
- Upgrading lighting
- Weatherizing and air sealing
- Installing timers on exhaust fans
- Installing radiant barriers behind all radiators.



#### **ARTICLE 321 COMPLIANCE**

- Rule clarifies that reporting may be submitted by a "qualified" RCx Agent
  - Registered design professional; OR
  - Certified refrigerating system operating engineer; OR
  - Licensed high-pressure boiler operating engineer
- PECMs documentation requirements
  - 9 PECMs require attestations
  - 4 PECMs require detailed inspection reports
- DOB will be issuing a guide for Article 321 with sampling requirements and additional clarification along with reporting templates for the 4 detailed PECMs

#### **LL97 Article 321 Penalty Framework**

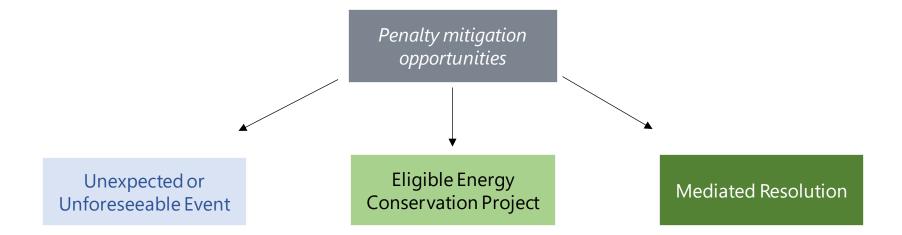
Properties have two requirements

**Submit required report** 

Penalty = \$10,000

**Demonstrate compliance** 

Penalty = \$10,000



#### **NEXT STEPS**

- Guidance
- Rule Hearings
  - October 24 at 11am
    - LL97 Article 320 Penalty Framework
    - LL97 Article 321 Compliance and Penalty Framework
  - October 26 at 11am
    - LL88 Lighting and Submetering
- Studies
  - Industry
  - EE metric
  - Hospitals and non-profits
- Future Rules
  - Cogen / DER
  - 320.7 Adjustments (financial hardship and legal limitations)
  - Alignment of sustainability laws

#### CONTACT US AT: GHGEMISSIONS@BUILDINGS.NYC.GOV

NYC ACCELERATOR: HTTPS://ACCELERATOR.NYC/

**RULE:** 

HTTPS://WWW.NYC.GOV/ASSETS/BUILDINGS/RULES/1\_RCNY 103-14.PDF





# HPD Local Law 97 Guidance Contractor Action Sumit

Presented by Jasmine Reid-Harris

# **Local Law 97 Overview**

- + <u>Local Law 97</u> requires most buildings >25,000 square feet to meet ambitious carbon reduction targets\*. There are two main sections of the law:
  - Article 320 outlines emissions limits for different occupancy types starting in 2024, with increasingly stringent carbon caps every 5 years until 2050. Buildings that don't comply will be subject to fines of \$268/ ton of carbon over the cap. Some affordable housing has delayed deadlines.
  - Article 321 establishes an alternate pathway for certain types of affordable housing, with a <u>one-time compliance deadline</u> that requires them to either implement 13 prescriptive measures or meet the 2030 carbon cap by 2024. Buildings may get fined for failure to comply.

#### Article 321

#### If building includes any of the following:

- > 35% of units subject to rent regulation (regardless of any income restrictions), OR
- Is an HDFC co-op (not a rental), OR
- Has 1+ units that participate in a federal project-based housing program (e.g., Section 8, Section 202, Section 811, or CoC), OR
- Participates in NYCHA PACT



#### Building must follow the Prescriptive Pathway (Article 321):

#### By 2024,

- Demonstrate that emissions are below the applicable 2030 limits, OR
- Show that applicable <u>Prescriptive Energy</u> <u>Conservation Measures</u> have been fully implemented

File a one-time report by May 2025\*

"Further information is available here: §28-321

#### Article 320

#### If building does not fit into the column at left AND:

 Has 1+ rent regulated units and no more than 35% of units subject to rent regulation (regardless of any income restrictions)

#### If building does not fit into any of the columns at left AND:

- Is a Mitchell-Lama with no units that participate in a federal project-based housing program, OR
- Has <u>no</u> rent regulated units and has 1+ units that are income restricted through certain\* loans, grants, real property tax benefits (e.g., 420-c, Article XI, UDAAP), or property disposition programs

Note that units with an income restriction imposed solely through the Zoning Resolution (e.g., Inclusionary Housing programs) do not count as "income restricted" for the purposes of this path.



#### Building must follow the 2026 Compliance Pathway:

 Meet emission limits starting in 2026, and face penalties for exceeding the limits

File Annual reports starting May 2027\*

"Further information is available here: §28-320.3.10.1



#### Building must follow the 2035 Compliance Pathway:

 Meet emission limits starting in 2035, and face penalties for exceeding the limits

File annual reports starting May 2036\*

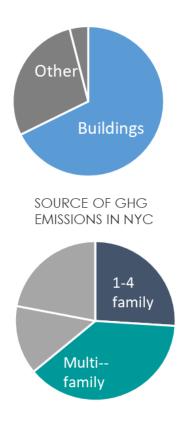
"Further information is available here: §28-320.3.9

# A very big opportunity

+ "Affordable Housing" makes up a significant portions of the buildings in NYC, and a significant portion of the GHG emissions

+ There are nearly 60,000 buildings subject to Article 321 in NYC, and nearly 5,000 affordable housing buildings subject to Article 320

+ At least 75% of those buildings are estimated to be out of compliance (don't already meet 2030 limits)



BUILDING AREA IN NYC



HOUSING IN NYC

# Article 321 Pathways to Compliance

### Article 321 applies to certain types of buildings:

#### If building includes any of the following:

- > 35% of units subject to rent regulation (regardless of any income restrictions), OR
- Is an HDFC co-op (not a rental), OR
- Has 1+ units that participate in a federal project-based housing program (e.g., Section 8, Section 202, Section 811, or CoC), OR
- Participates in NYCHA PACT



#### Building must follow the Prescriptive Pathway (Article 321):

By 2024,

- Demonstrate that emissions are below the applicable 2030 limits, OR
- Show that applicable <u>Prescriptive Energy</u> <u>Conservation Measures</u> have been fully implemented

File a one-time report by May 2025\*

\*Further information is available here: §28-321

- Buildings in which more than 35% of units are rent regulated, regardless of income-restrictions;
- HDFC cooperatives; and
- Buildings w/ HUD project-based assistance (Section 8, 202, 811, CoC, etc.) including NYCHA RAD/PACT buildings.

\*The DOB has recently released proposed rules that may give certain buildings more time to comply.

#### Article 321: Two Pathways to Compliance

#### If building includes any of the following:

- > 35% of units subject to rent regulation (regardless of any income restrictions), OR
- Is an HDFC co-op (not a rental), OR
- Has 1+ units that participate in a federal project-based housing program (e.g., Section 8, Section 202, Section 811, or CoC), OR
- Participates in NYCHA PACT



#### Building must follow the Prescriptive Pathway (Article 321):

By 2024,

- Demonstrate that emissions are below the applicable 2030 limits, OR
- Show that applicable <u>Prescriptive Energy</u> <u>Conservation Measures</u> have been fully implemented

File a one-time report by May 2025\*

\*Further information is available here: §28-321

# Demonstrate that for 2024, building is below 2030 emissions limits:

- Use LL84 benchmarking to determine emissions
- By May 2025, a report must be submitted to the DOB, certified by a registered design professional, that for calendar year 2024 building complies with the applicable building emissions limit.

#### Implement all applicable Prescriptive Energy Conservation Measures (PECMs) by 2024:

- Implement all <u>applicable</u>
   Prescriptive Energy Conservation
   Measures (PECMs) by December
   2024
- By May 2025, a report shall be prepared and certified and submitted to the DOB by a <u>retro-commissioning agent</u>.

\*The DOB has recently released proposed rules that may give certain buildings more time to comply.

# Article 321 PECMs – Costs, Savings, & Incentives

	Prescriptive Energy Conservation Measures (PECMs)	Cost	GHG Savings	Energy Savings	Incentives
GENERAL PECMs	Installing individual temperature controls or Radiator Cozys	\$\$	++	\$\$	<b>~</b>
	Insulating all exposed pipes for heating and/or hot water	\$	+	\$	<b>~</b>
	Installing heating system sensors and boiler controls	\$\$	+	\$\$	<b>~</b>
	Installing radiant barriers behind certain radiators	\$	+	\$	
	Installing timers on intermittent exhaust fans	\$	++	\$\$	
	Upgrading common area lighting (Aligns w/ LL88 2025 deadline)	\$\$	++	\$\$	~
	Weatherizing and air sealing	\$	+	\$	~
STEAM SYSTEM	Replacing or repairing all steam traps	_ *	_ *	_ *	~
PECMs	Upgrading steam system master venting	\$\$\$	++	\$\$	~
	Insulating steam system condensate tank or water tank	\$	++	\$	~
MAINTAINENCE	Adjusting temperature set points for heat and hot water	\$	+	\$	
PECMs	Repairing all heating system leaks	\$-\$\$	+++	\$-\$\$	
	Maintaining heating systems	\$	+	\$	

<sup>\*</sup>Cost, GHG, & energy savings information in development, however incentives are available for this measure.

### Article 321 – 2030 Limit Pathway

#### §28-321

#### Demonstrate that for 2024, building is below 2030 emissions limits

- This is a one-time compliance requirement.
- Buildings will need to demonstrate compliance using benchmarking. The work needs to be completed at least one year before it is due so that benchmarking data can be collected.
- This may be a great opportunity for:
  - Buildings already meeting or close to meeting 2030 limits
  - Buildings on #4 oil that need to convert
  - Buildings that have upcoming repairs / refinancing where the scope could meet 2030 limits (e.g., a boiler replacement, an oil conversion)
  - Buildings planning on implementing solar or electrifying hot water

# Sample Scopes to Meet 2030 Limits

\*These scopes are just an example of work that buildings can complete to reach compliance.

RANGE OF BUILDINGS	SAMPLE SCOPES TO MEET 2030 LIMITS	GHG REDUCTIONS	
Buildings already performing close to 2030 targets	<ul> <li>Invest in maintenance</li> <li>Install low flow fixtures</li> <li>Air seal building</li> <li>Heating distribution upgrades</li> </ul>	22-29%	
Buildings that are significantly underperforming.	<ul> <li>All of the above PLUS some/ all of the following:</li> <li>Roof insulation &amp; air sealing</li> <li>Replace heating equipment w/ more efficient equipment</li> <li>Heating system controls &amp; sensors</li> <li>Lighting improvements</li> <li>Install Solar</li> </ul>	29-48%	
The worst performing buildings (the worst 20 <sup>th</sup> percentile)	All of the above PLUS any of the following:     Eliminate on-site oil use by replacing hot water heaters with efficient gas or heat pump hot water heaters     Replace old windows	44-63%	

### **A321: Penalty Mitigation Opportunities**

Properties have two requirements

Submit required report

Demonstrate compliance

Penalty = \$10,000

Penalty = \$10,000



#### Unexpected or Unforeseeable Event

Buildings damaged as a result of a disaster, including but not limited to a hurricane, severe flooding, or fire.

#### Eligible Energy Conservation Project:

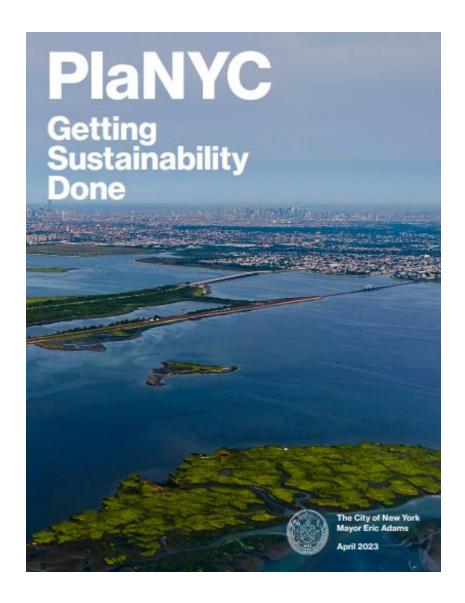
Buildings that received funding from a Housing Agency as of November 15, 2019 demonstrating that they implemented an eligible Energy Conservation Project. Guidance will be forthcoming.

#### Mediated Resolution

By May 1, 2025 owner may submit an attestation + the previous year's benchmarking + a Compliance Plan outlining how the project will comply w/ either pathway of Article 321 and demonstrating that progress is being made.

# Local Law 97 at HPD How are we incorporating LL97 in HPD Deals?

# PlaNYC: Getting Sustainability Done

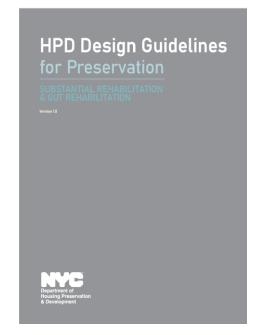


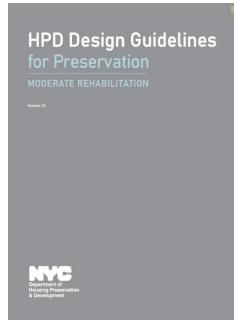
- HPD is committed to addressing energy efficiency, sustainability, and resiliency by 2026 through our Design Guidelines – including
  - Equitable decarbonization
  - o Beneficial electrification
  - Flood resilient construction
  - Ensuring all buildings comply w/ LL97
     and
  - Leveraging the Inflation Reduction Act

# HPD's Design Guidelines for Preservation

# All new projects applying to HPD will be subject to the Guidelines.

- For buildings subject to Article 321 (The Prescriptive Pathway)
  - Substantial Rehabs must meet 2030 emission limits
  - Moderate Rehabs may choose to implement all applicable Prescriptive Energy Conservation Measures, but HPD strongly encourages buildings to be designed to meet or exceed the 2030 GHG emissions limits
- For buildings subject to Article 320.3.9 (The 2035
   Pathway), design should meet or exceed the 2035 GHG
   emissions limits by 2035 and have the ability to meet
   future limits within the project's financing cycle (e.g.
   using reserve funding)

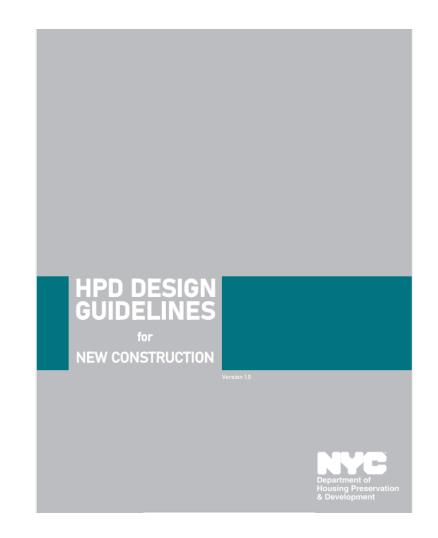




### **HPD's New Construction Guidelines**

# All projects closing after 2024 will be subject to the updated New Construction Guidelines\*

- Buildings must be all electric to enable them to comply w/ Local law 154
- Design building to meet Local Law 97's 2050 GHG emissions limits in 2050, assuming a 100% clean electric grid



# Resources

### The NYC Accelerator & KC3

NYC Accelerator works can help buildings understand the laws, provides free technical guidance, helps buildings identify scopes and identify sources of funding.

- + Who is eligible?
  - Any privately-owned NYC building ≥ 5,000 sq ft (new or existing)
- + How does it work?
  - Reach out and get connected with a dedicated Account Manager
  - Receive objective advice customized to your needs
- + How much does it cost and what's the catch?
  - No catch, no cost, no sign-up or commitment!



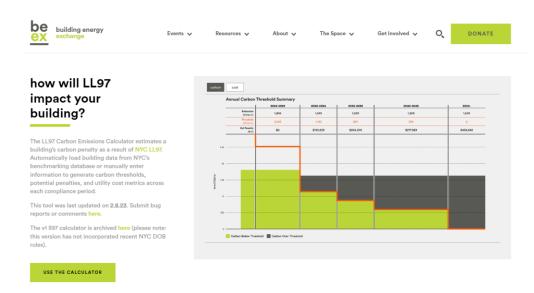
# **Building Energy Exchange**

- Provides free live and online trainings and written resources
- Has worked w/ HPD to develop affordablehousing specific resources
- Developed the <u>LL97</u>
   <u>Carbon Calculator</u>









# Our web page has it all!



We update our website and associated paged frequently



There are lots of FAQs, resources and tools



Our main page links to our other webpages (e.g., Pilots, Design Guidelines, Solar...)



Our LL97 page outlines the resources and incentives discussed today



LL97 and Affordable Housing

treated differently under the law:

> 35% of units subject to rent regulation (regardless of any income restrictions), is an HDPC ox-op (not a rental), OR Has 1+ units that participate in a fodera project-based housing program (e.g., Section 8, Section 202, Section 811, or CoO), OR Participates in NYCHA PACT

Buildings that include affordable and rent-regulated housing are not exempt, but are

Local Law 97 Compliance Guidelines for Rent Regulated and Affordable Housing

LL97 covered buildings! with rent regulated and/or affordable units should follow one of the pathways below

Has 1+ rent regulated units and <u>no more</u> than 35% of units subject to rent regulation (regardless of any income

#### Act Now!

2024 is approaching quickly and we recommend that building owners act now to start on a path to compliance. Below are some actions building owners with near-term deadlines can do right away to start on a path to compliance:

- Determine if your building is subject to LL97, and if so, which compliance requirement applies (see chart above). If you have questions, see the FAQs below.
- Determine your building's current greenhouse gas emissions. Whether or not your building is subject to the Prescriptive Pathway, your building may already meet the applicable emissions limits. You can determine these limits by looking up your <u>Local Law 84 Benchmarking</u>. If your building already meets the applicable emissions limits, skip to #6. If your building does not meet the applicable emissions limits, continue to #3.
- 3. Find a provider to help you develop an appropriate work scope to meet your compliance requirement. It is important to act now because it can take a significant amount of time to assemble a team and implement your scope.
- Determine how you will pay for the work. You should seek all available incentives, including <u>ConEdison's Limited Offering</u>, the <u>NYS Affordable Multifamily Energy</u> <u>Efficiency Program Incentives</u>, <u>NYSERDA FlexTech</u>, or <u>financing from HPD</u> or other lenders to offset costs.
- Bid out the project and implement the work in time to meet the compliance deadline.
   File your LL97 report with the Department of Buildings (DOB).
- 6. Reap the benefits of a more efficient and more comfortable building!

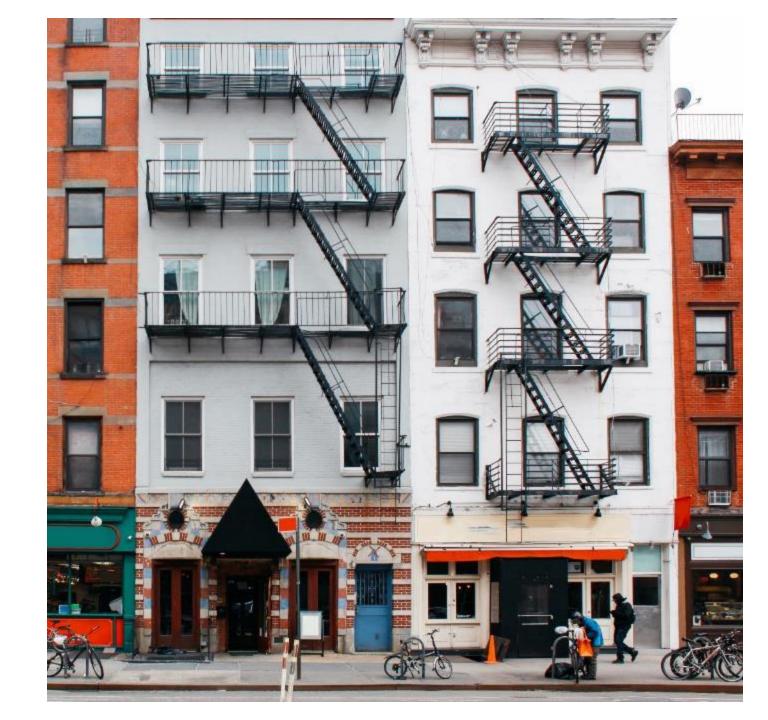
Q&A Please enjoy this short break



# Contractor Action Summit: Incentive Review

Presented by Morissa Morris

morissa@accelerator.nyc



#### **NYC Accelerator**

NYC Accelerator works with thousands of buildings across the five boroughs to build a cleaner future by lowering pollution and reducing carbon emissions.

- + Who is eligible?
  - Any privately-owned NYC building ≥ 5,000 sq ft (new or existing)
  - Smaller buildings referred to partner organizations
- + How does it work?
  - Reach out to us and get connected with a dedicated Account Manager
  - Receive objective advice customized to your needs
- + How much does it cost and what's the catch?
  - No catch, no cost, no sign-up or commitment!



## How can NYC Accelerator help you?

**Help clarify LL97 requirements** 

**Identify GHG emissions & compare to limits** 

Determine which pathway is appropriate for a building: Meet GHG limits or implement PECMs

Help identify applicable financing or incentive programs and assemble a team of service providers

Provide project management support through project completion!



#### **NYC Accelerator**

#### Your account manager can assist with:

- +LL97 Compliance
- + Energy Efficiency Projects
- + Connecting with Contractors
- + Navigating Incentive Programs
- + Financing Support
- + Solar Feasibility
- + Trainings



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#### **Incentive Overview – LL97 PECMs**

# NYS Affordable Multifamily Energy Efficiency Program (AMEEP)

- → The New York State Affordable Multifamily Energy Efficiency Program (AMEEP) is a combined effort of the <u>Joint Utilities of New York</u> and the New York State Energy Research and Development Authority (NYSERDA).
- → AMEEP offers incentives to building owners, operators, and property managers for installing energy-efficient electric and gas equipment & technology.
- + The program offers incentives for the installation of energy-efficient equipment and technology to <a href="mailto:affordable-multifamily-buildings">affordable multifamily-buildings</a> with five or more units.
  - Buildings that have regulatory agreements with a housing agency or in which at least 25% of the units are, or are expected to be, occupied by households earning not more than 80% of Area Median Income.
- + Click here to view AMEEP website



#### Affordable Multifamily Energy Efficiency Program (AMEEP) **Comprehensive Pathway Non-Comprehensive Pathway** · Ideal for smaller upgrades of a few measures, Ideal for large projects or whole building retrofits projects that do not hit the 100-point minimum for · Offers higher incentives and a mid-project comprehensive incentive payment Incentives determined by equipment installed and/or · Points-based incentive structure; must meet energy savings 100-point minimum \$/dwelling unit incentives

Energy audit is required to help identify scope of work;
 incentives are available to offset the cost of the audit



HOW TO DETERMINE YOUR INCENTIVE			
Step 1	Step 2	Step 3	
Add up points associated with measures you would like to install for your project	Identify if your project falls under Tier 1 (100-149 points) or Tier 2 (150+ points)	Multiply the incentive associated with your tier with the number of dwelling units in your building(s)	

40 Points Per Measure	30 Points Per Measure	20 Points Per Measure	10 Points Per Measure	5 Points Per Measure	
Windows replacement Insulation (roof) Insulation (wall) Boiler replacement	Domestic hot water heater replacements	Energy management system (EMS)     Hot water and steam pipe insulation     Central cooling     Elevators     Ventilation such as energy recovery ventilators	Air sealing     Orifice plates     Steam traps     Thermostatic Radiator Valves (TRVs)     HVAC electric controls (BMS, thermostats)     Motors and drives	Boiler clean & tune     Common area lighting     In-unit direct install measures such as faucet aerators, showerheads, LEDs     Appliances (stoves, refrigerators, washer/dryendishwashers)	
		INCENTIVE TIERS			
Tier		Minimum Points	num Points Incentive (\$/Dwelling		
Tier 1		100		\$1,500	
Tier 2		150		\$2,000	



#### New York State Affordable Multifamily Energy Efficiency Program

**Downstate Incentives** 

#### Non-Comprehensive Pathway Incentives Electric

	Installed Measure	Incentive Details	Downstate Incentive \$
Common Area Lighting		Tube Lamps	\$15.00 per lamp
	LED Links	Screw-in Lamps	\$8.00 per lamp
	LED Lighting	Interior Fixtures	\$75.00 per fixture
		LED Exit signs	\$15.00 per sign
		HID Less than or equal to 100 W	\$125.00 per fixture
P. E.	Exterior New Fixtures	HID Over 100 W	\$175.00 per fixture
mmon A Lighting		Non-HID Fixture Replacing Screw-in/Pin Based Lamp	\$90.00 per fixture
5		Bi-level fixtures - Stairwell, corridor, parking garage	\$115.00 per fixture
	Lighting Controls	Bi-level fixtures - parking lot	\$90.00 per fixture
	Occupancy Sensors		\$25.00 per sensor
	Miscellaneous Relamp and reballasting, retrofit kits		50% of fixture replacement incentive
Non-Lighting Custom Measures	Unitary Controls	Any non-central building system control projects (e.g., Wi-Fi thermostats connected to an in-unit PTAC or PTHP) may be submitted as a custom project	\$0.18 per kWh
	Custom Other	Other non-lighting efficiency upgrades not listed in this document may be eligible for performance-based custom incentive	\$0.65 per kWh
	AC - Central Unit Replacem	ent	\$0.65 per kWh
S	Packaged Terminal Air Conditioner		\$0.65 per kWh
OF	Elevator Modernization		\$0.35 per kWh
HVAC	Variable Frequency Drive (VFD)		\$0.29 per kWh
Z	Blower Fan - with EC Motor for Furnace Distribution		\$0.75 per kWh
20207	Circulator Pump - with EC Motor for Hydronic Distribution		\$0.75 per kWh
In-Unit Direct Install	LEDs		Free



#### **AMEEP Incentives for PECMs**



3. Maintain the heating system in clean and good operating condition



4. Install individual controls or insulated enclosures with controls for all radiators



5. Insulate space heating and DHW pipes



6. Insulate steam condensate or water tanks



7. Apply heating sensors & boiler controls



8. Inspect all steam traps, repair or replace



9. Install master venting on mains, large pipes, risers



10. Upgrade lighting to NYCECC

utterstock.com ·



11. Weatherization and air sealing



12. Install timers on exhaust fans



13. Install radiant barriers behind all radiators





# Example Scope: Building - 20 Units, 2PS

#### GENERAL:

- ✓Installing individual temperature controls or Radiator Cozys
- Insulating all exposed pipes for heating and/or hot water
- Installing heating system sensors and boiler controls
- ✓Installing radiant barriers behind freestanding radiators
- ✓Installing timers on exhaust fans (likely limited to bath fans)
- Upgrading common area lighting (Aligns w/ LL154 2025 deadline)
- ✓ Weatherizing and air sealing

#### STEAM SYSTEMS:

- Replacing or repairing all steam traps
- Upgrading steam system master venting
- ✓Insulating steam system condensate tank or water tank

#### MAINTENANCE:

- Adjusting temperature set points for heat and hot water
- ✓ Repairing all heating system leaks
- Maintaining heating systems
- → Needed PECMs Pipe Insulation, EMS, CA Lighting, Steam Traps, Master Venting

PECM	Incentive Rate	# of Units	Total Incentive
Pipe Insulation	\$130	20	\$2,600
EMS	\$175	20	\$3,500
CA Lighting	\$80	20	\$1,600
Steam Traps	\$600	20	\$12,000
Master Venting	\$40	20	\$800
TOTAL			\$20,500



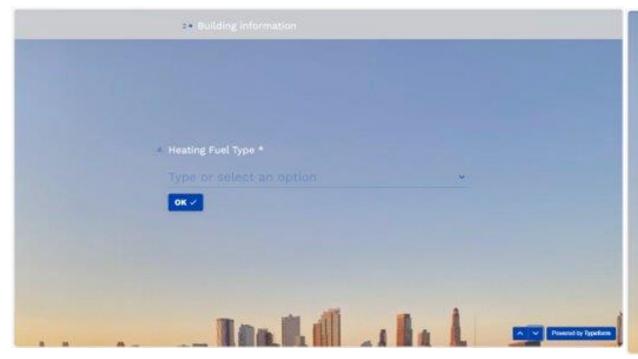
#### **Con Edison LL97 Limited Offering Timeline Overview**

***	ENGAGEMENT	Connect with a NYC Accelerator account manager to confirm LL97 pathway and program eligibility.
\$	ELIGIBILITY REVIEW	Most recent gas and electric bills submitted for review. Affordable housing documentation submitted.
	APPLICATION & PROPOSAL	Complete building survey typeform and review draft AMEEP non- comprehensive application. Contractors conduct walkthroughs and draft proposals.
x-	CONTRACTOR SELECTION	Proposal selected. Signed application and proposal submitted. Documents reviewed and approved.
	NOTICE TO PROCEED & CONSTRUCTION	Notice to proceed and preliminary incentive offer letter. Construction begins and equipment installed.
¥	POST INSPECTION & PROJECT COMPLETION	On-site inspection completed and incentive payment released.



### **Building Survey - Typeform**

+The building survey captures information about building size, existing gas and electric systems, and PECMs you are interested in applying for







#### **Building Survey – Photo Guidelines**

# HPD LL97 Limited Pilot Program Photo Guidelines

Con Edison Local Law 97 Prescriptive Energy Conservation

Measures Limited-Time Offer Survey

This document should be used in conjunction with Con Edison Limited Pilot Typeform to provide photo documentation for the application. Please follow the instructions below to complete the survey successfully.

#### Information & Photo Documentation

Each section is broken down into parts describing what information should be included for that measure.

#### Heating Distribution Systems (1-pipe, 2pipe, Hydronic)

#### Notes:

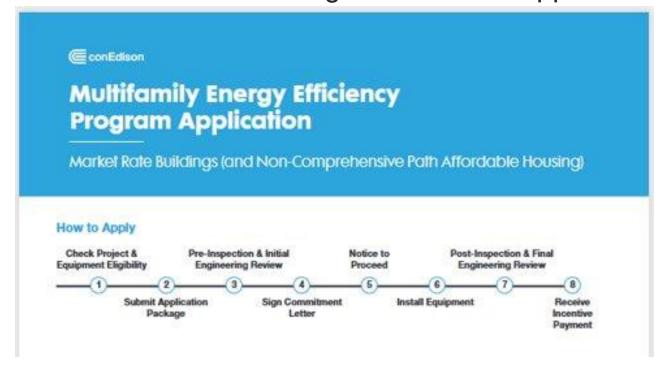
- Information for this section you will need for form submission:
  - o boiler make and model
  - o number of boilers
  - o age of boilers
- · Please include photos of the following:
  - o boiler & boiler room
  - o boiler nameplate
  - o distribution pumps
  - o in-unit radiator





#### **Program Application - AMEEP**

- + This pilot program uses the AMEEP Non-Comprehensive pathway application
- + After the building survey is completed, a pre-filled application will be sent over to be completed
- +Once signed, the NYCA Account Manager will submit application on your behalf





#### Con Edison LL97 PECM Limited Offering for NYC Affordable Housing

# Limited funding available for energy efficiency projects

NYC Accelerator is partnering with Con Edison and the NYC Department of Housing Preservation & Development (HPD) to help affordable housing buildings comply with Local Law 97 (LL97). Get financial incentives when you work with a participating contractor to make energy efficiency upgrades at your facility. NYC Accelerator can help you take advantage of available incentives today!

Whole-Building Upgrades	Incentive Per Residential Unit	
Common Area Lighting	\$80	
Air Sealing	Free with additional upgrades	
Roof Insulation*	\$10 /sq. ft.	
Unitary Controls	\$100	

Heating Upgrades	Incentive Per Residential Unit		
	Heating System	2-Pipe Steam System	Hydronic System
Boiler Clean and Tune	\$34	\$34	\$34
Thermostatic Radiator Enclosure	\$500	\$500	
Tank Insulation	\$100	\$200	
Energy Management Systems	\$200	\$175	\$120
Steam Traps		\$600	
Master Venting	\$70	\$40	
Pipe Insulation	\$200	\$130	\$120

#### **ELIGIBILITY**

- Affordable housing buildings, 25,000–75,000 sq. ft. with 5+ units
- · Con Edison gas customers
- Buildings subject to LL97's Article 321, including:
- o Greater than 35% rent regulated units
- HDFC co-ops
- HUD project-based assistance, including buildings on NYC Housing Authority land that participate in PACT/RAD
- Not already in compliance with LL97 2030 limits

#### CONTACT NYC ACCELERATOR FOR HELP

- Confirming eligibility and identifying qualifying upgrades
- · Choosing a participating contractor
- Submitting an application to Con Edison
- Installing upgrades within two years and scheduling a post-inspection to get incentives



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#### Incentive Overview – Meeting Emissions Limits

## **NYSERDA Low Carbon Capital Planning (LCCP)**

- + Support for multifamily buildings for clean energy analyses that focuses on electrification and electrification-readiness upgrades
  - Portfolio-level studies
  - Building-specific studies

Study Type †+	Energy Analysis	Cost-Share Information	Cost-Share Cap Per Project
Building-specific	ASHRAE Level 2 or above	Up to 75% of total study cost* (for completion of study)	10% of building annual energy expenditure for the buildings in study, up to \$500K
Portfolio-level	ASHRAE Level 1+ or above	Up to 75% of total study cost* (for completion of study)	2% of total portfolio annual energy expenditure for the buildings in study, up to \$100K



# NYSERDA Low-Carbon Pathways for Multifamily Buildings

- + Buildings can consider Low-Carbon Pathways if:
  - Have upcoming building improvements & interested in high-performance solutions
  - Looking to reduce operating costs, improve resident health & comfort
  - Looking into electrification
- Building owners can choose from one to four building packages:
  - Envelope
  - Ventilation
  - Heating & Cooling
  - Domestic Hot Water (DHW)

Measure Package	Required Upgrade Incentives*	Add-On Incentives**
Envelope	\$3,750 per dwelling unit  Bonus \$1,250/dwelling unit if this is first package implemented and none of the other required measure packages described in this table have been implemented	Air sealing: \$50 per dwelling unit Steam upgrades: \$250 per dwelling unit
Ventilation	\$750 per dwelling unit	Air sealing: \$50 per dwelling unit
Heating & Cooling	\$750 per dwelling unit In addition to any applicable NY Clean Heat incentives	Air sealing: \$50 per dwelling unit Induction stoves: \$100 per dwelling unit
Domestic Hot Water	\$700-750 per dwelling unit In addition to any applicable NY Clean Heat incentives	

\*All required upgrades within a package must be implemented and adhere to measurement & verification and quality control protocols to receive the required upgrade incentives for that package.

<sup>\*\*</sup>Add-on incentives are available when implementing recommended upgrades along with all required upgrades.





#### **Identifying & Applying for Financing & Incentives**

- + For projects subject Article 321:
  - Joint Utility & NYSERDA
    - Affordable Multifamily Energy Efficiency Program
  - Con Edison
    - LL 97 Limited Offering
    - Multifamily Energy Efficiency Program
  - National Grid
    - Multifamily Program
- **+** Other Funding Options

Applicable to either compliance path!

- New York City Energy Efficiency Corporation (NYCEEC)
- Inclusive Prosperity Capital Catalyst Loan
- Community Preservation Corporation Construction
   Loans & Mortgage Lending
- Con Edison 0% Down-Payment Loan

- + For projects subject to Article 320 or interested in longer-term capital plans, the following resources are available:
  - New York State Energy Research
     Development Authority (NYSERDA)
    - Flextech
    - Low Carbon Capital Planning & Pathways
  - Housing Preservation & Development
    - Green Housing Preservation Program
    - HPD Retrofit Electrification Pilot
  - Con Edison
    - Clean Heat Program

Utility incentive programs can also be utilized by those subject to Article 320!





# Schedule a call with us HERE



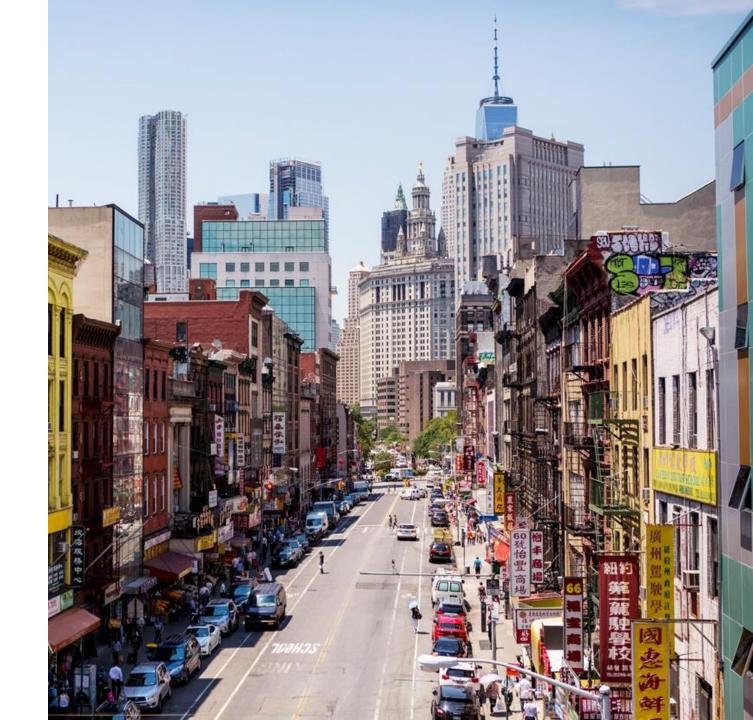
Web: <u>accelerator.nyc</u>

Our Affordable Housing Team Email:

affordable@kc3.nyc

Our call calendar:

calendly.com/affordablenyc





# Con Edison Energy Efficiency Program Enrollment Process

Shaun Hoyte: Section Manager

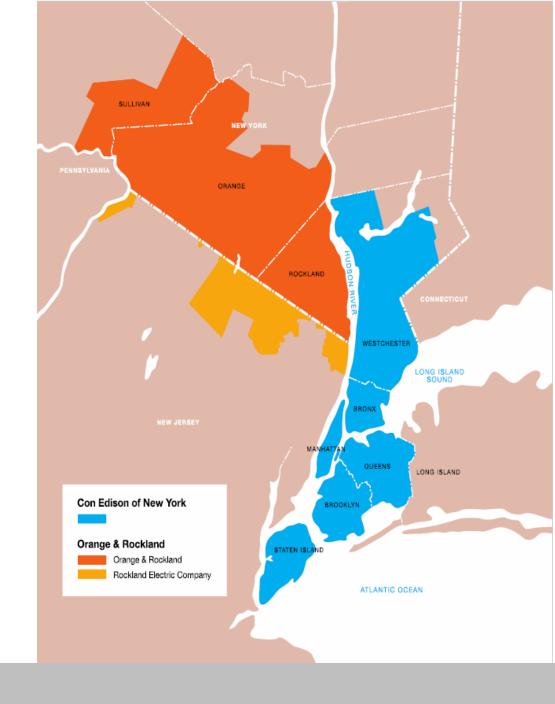
Andrew Kringas: Trade Ally Manager



# **About Con Edison**

# We deliver electricity, gas, and steam to 10 million people.

- That's about 44% of New York State's electricity needs
- We provide natural gas to 1.2 million customers.
- We operate the largest steam distribution system in the U.S.





# The Evolution of the Utility's Role in Clean Energy









**Core Business** 

Three Commodities: Electric, Gas and Steam

**Our Customers** 

Diverse market segments, unique building stock

**Growth Strategy** 

Investing \$1.8B in EE and heating electrification by 2025

## **Trusted Energy Advisor**

Promote customer choice, education and incentives



# **Con Edison's Clean Energy Commitment**



### **Build the Grid of the Future**

Build a resilient, 22nd century electric grid that delivers 100% clean energy by 2040.



## **Empower All of our Customers to Meet their Climate Goals**

Accelerate energy efficiency with deep retrofits, aim to electrify the majority of building heating systems by 2050, and all-in on electric vehicles.



# Reimagine the Gas System

Decarbonize and reduce the utilization of fossil natural gas, and explore new ways to use our existing, resilient gas infrastructure to serve our customers' future needs.



# **Lead by Reducing our Company's Carbon Footprint**

Aim for net zero emissions (Scope 1) by 2040, focusing on decarbonizing our steam system and other company operations.



### Partner with our Stakeholders

Enhance our collaboration with our customers and stakeholders to improve the quality of life of the neighborhoods we serve and live in, focusing on disadvantaged communities.



# **Con Edison's Program Onboarding Requirements**

Residential (1 – 4 family)

Implementation: ICF

### Requirements:

(Resi-Weatherization)

Active BPI certification;

Certificate of Insurance Policy: \$2M GL, WC, & \$1M Commercial Auto:

IRS Form W-9:

Consumer-facing website;

Contractor License

# Multifamily (5 units and above)

Implementation: Willdan

### Requirements:

Participating Contractor Agreement;

IRS Form W-9;

Certificate of Insurance Policy (min. \$1M GL);

First project submission;

1 project/year

\*Applies for Affordable Multifamily

# Commercial & Industrial

Implementation: Con Edison

### Requirements:

Participating Contractor Agreement;

IRS Form W-9;

Certificate of Insurance Policy (min. \$1M GL);

First project submission;

1 project/year

# Small-Medium Business

Implementation: Willdan

### Requirements:

Participating Contractor Agreement;

IRS Form W-9;

Certificate of Insurance Policy (min. \$1M GL);

1 project/year

# NYS Clean Heat Program

Implementation: ICF

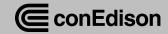
#### Requirements:

Con Edison & NYS
Participating Contractor
Agreement;

IRS Form W-9;

Certificate of Insurance Policy (min. \$1M GL);

Sector-specific documentation



# **Additional Requirements for ALL Programs**

- Customer references (at least 3)
- Required trainings
  - Varies per Program
- Adhere to Participating Contractor participation requirements
- DOB Permits for work requiring them
- Adhere to OSHA standards on job sites





# Clean Energy Networks: Trade Ally Manager

- Provided support for ALL Energy Efficiency Programs
- Works parallel to Implementing Contractors
- Cross-market recruitment efforts
- Hosts monthly meetings & industry events for Participating Contractors
- Seeking harmonization for enrollment process





# **Participating Contractor Benefits**

PC Monthly Meetings

Listing in PC Directory

Program and Marketing Tools

Access to Program CRM(s)

Co-Branding Opportunity

Utility trainings,
Webinars and
Events

Rebate and Technical Support

Customer Access to Financial Incentives

# **Questions?**



Andrew Kringas, Trade Ally Manager Kringasa@ConEd.com

Clean Energy Networks Team CleanEnergyNetworks@ConEd.com

# **Important Links and Contact Information**

Commercial & Industrial Program Website

Small Medium Business Program Website

Multifamily Program Website

Residential Program Website

New York State Clean Heat Program Website



### · NYC's Housing Preservation & Development's Economic Opportunity and Emergency Operations Teams

- HPD is looking for contractors for a variety of construction opportunities across the five boroughs. Emergency Operations Division ("EOD") Contractor Compliance Unit ("CCU") maintains lists of contractors who are prequalified to conduct work in various construction and building maintenance trades. CCU will assist vendors in the application process to join our Pre-Qualified List (PQL) where small contracts (up to \$100,000) are available
- HPD's Economic Opportunity and Regulatory Compliance Division seeks to collaborate with M/WBE (Minority and Women-Owned Business Enterprises) companies. Our team conducts proactive outreach to inform subcontractors of our current and future contracting needs.

### Department of Buildings

• Meet with representative from the Department of Buildings to learn more about LL97 and the proposed second set of Rules. Learn where you can find more information and direct your questions.

#### Small Business Services

• The NYC Department of Small Business Services (SBS) helps unlock economic potential and create economic security for all New Yorkers by connecting New Yorkers to good jobs, creating stronger businesses, and building thriving neighborhoods across the five boroughs.

#### · Solar One

• Here Comes Solar is a program of non-profit Solar One that partners with affordable housing providers, property owners, and community groups to help make their solar projects happen.

#### NYC Accelerator

• NYC Accelerator is a city program that provides resources, training, and one-on-one expert guidance to help building owners and industry professionals improve energy efficiency and reduce carbon emissions from buildings in NYC

#### · Cadence 1-5

• Our building decarbonization planning platform untangles the complications that delay multifamily retrofit and adaptation projects. We make it easier to make the right choices and to move quickly from wondering what to do, all the way to closing out construction.

#### · Con Edison

• Today, we operate one of the world's largest energy delivery systems, and provide electric, gas, and steam service for the 10 million people who live in New York City and Westchester County