



## HOW OWNERS CAN STAY AHEAD OF LOCAL LAW 97 EMISSIONS STANDARDS NOW

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**T**his past spring, New York City passed the most comprehensive municipal built environment emissions legislation of any major city in the world. As part of the broader New York City Green New Deal, called OneNYC 2050, 2019's Local Law 97 mandates a sweeping 80% reduction of carbon emissions across the five boroughs. Because 70% of NYC's emissions come from its buildings, Local Law 97 specifically targets the real estate sector for sustainability upgrades, imposing the most stringent requirements for buildings greater than 25,000 square feet in size.

This has created anxiety among owners and building managers across the city, especially with a legally mandated 40% reduction in emissions by 2030, with initial progress needing to be demonstrated by 2024.

This will mean extensive retro-commissioning and energy-saving work on the largest and most complex buildings in the city. Many of the details on metrics and benchmarks, as well as the severity of fines, are unclear as of press time, in particular how these will impact individual buildings that have widely different levels of energy efficiency. But what is clear is that owners need to act soon to prepare. Here's what owners can do now to get ahead of the curve while they strategize for the long term.

### **Get a Full Picture**

While a 40% reduction is stark, understanding what that will mean specifically for a building is crucial, and details matter. It's also important to remember that the 40% benchmark will be

measured against a building's 2005 emissions metrics. For buildings that have undergone green upgrades, this could help ease the transition. Others may have a steeper uphill climb to meet carbon emission limits.

It's essential that owners arrange soon for comprehensive analyses, similar to an American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Level II or III audit, on building systems to achieve a full and detailed understanding of structural energy usage and inefficiencies. Owners should start working with energy experts and maximize efficiency now where possible.

### **Maximize Efficiency Now**

The next step is to engage in comprehensive, hands-on testing of major systems to gain a fuller understanding of a building's energy and emissions usage through certified commissioning and energy service experts to assess buildings accurately and help plan future upgrades.

After a full analysis, owners can work with their providers to plan cost-efficient changes immediately. Modifications to a building's HVAC sequences of operation through the building control system can create immediate energy, emissions and cost savings. Similarly, outdated metering systems can be upgraded quickly to identify further energy savings opportunities and methods of tracking usage. Owners can also take advantage of incentive and utility rebate programs available from the New York State Energy Research and Development Authority primarily for studies and analysis, and ConEdison for equipment and systems upgrades.

Once these upgrades are installed, it's necessary to verify the improved energy performance of the building and ensure that energy efficiency has been maximized to the extent possible. Data analytics overlays can capture and assess energy savings and the associated carbon savings to help maintain efficiency, identify areas for improvement, and alert facility managers to problems quickly so that these can be addressed before they become larger — and costlier — issues.

### **Prepare for Capital Expenditures**

The reality of the new emissions standards is that larger structural changes will most likely be necessary in affected buildings. To minimize costs, owners should triage end-of-life equipment replacement and building renovations to create long-term, phased plans to meet the deadlines.

A forward-looking tenant strategy with a phased approach can spread out new asset investments more gradually. Infrastructure improvements can be scheduled to coincide with tenant turnover and fit-outs to minimize interruptions to building activity and maximize efficiency of construction and maintenance. Having a proactive project management plan is essential.

The main takeaway for owners is to not panic and to be strategic. The new law is as an opportunity to better understand their properties and find efficient ways to realize energy and cost savings through planning and foresight.

Even though much about the law needs to be clarified for owners, it's important to prepare for change now.