

FREQUENTLY ASKED QUESTIONS

NYC Local Laws Webinar
Cracking the Code for Compliance Success

How do I know what my new target emissions levels are? (where do I get my number for 2025)

A building's annual emissions cap or limit is based on its size (floor area) and the property type(s) within the building. Those annual limits will be the same for the duration of the first compliance period from 2024-2029 and will then be lowered in 2030.

To determine your emissions limit for 2025 (or any compliance year), use the limit provided by the law for that property type in that compliance period. You can find the 2024-29 limits for each property type in the LL97 Energy Star Portfolio Manager guide provided by the Department of Buildings (DOB), and for compliance periods between 2030-2050 refer to DOB's rulemaking RCNY 103-14 starting on page 4. Additionally, the DOB website's greenhouse gas emissions reporting page is a valuable tool. For any help and guidance on this, contact the NYC Accelerator, NYC's free resource for buildings that need to navigate LL97 and other building energy laws.

- See table at top of this ESPM Reference Guide for Limit by property type in 2024-29
- The table starting on page 4 in DOB's LL97 Rulemaking RCNY 103-14 has all of the corresponding limits for the 60 property types through 2050
- Property type information can also be found here on the DOB LL97 page, which also includes some links to DOB webinars about how to calculate your emissions in more detail

Can I self-report?

Yes, you can submit your own data and report, but the report needs to be verified and signed off by a registered design professional. Design professionals include Registered Architects and Professional Engineers.

My first report is due in May 2025; how long will it take a design professional to complete it? (or when should I get started and how?)

The time needed for a design professional to complete your first report in May 2025 varies based on your building's status in relation to its carbon limit, whether you plan on making any retrofits, whether you are choosing to pursue good faith efforts pathways, or are on the Article 321 pathway. Given the unique decarbonization paths for each building, it's crucial to identify applicable strategies and levers. With the first compliance period already underway, it is recommended to start planning now.

Does NRG provide Energy Efficiency and Engineering Services?

Yes, NRG offers energy efficiency and engineering services to assess your building's needs and assist in creating a tailored decarbonization roadmap for your specific journey.

Can NRG file LL97 requirements on behalf of our building?

Yes, NRG can file LL97 requirements on behalf of your building. While awaiting details on the city's portal, our team has registered design professionals ready to handle the process for you once that portal has been released.

Is there a process by which our building can challenge Carbon Reduction Requirements assessed by the State/City? And if so, might that mitigate penalty exposure?

Carbon reduction requirements are set based on property types, and disputing these limits is not possible. However, buildings struggling to meet the 2024 carbon limit can explore mitigated penalties through good faith efforts defined in recent rulemaking and/or apply for financial hardship adjustments. Concerned building owners should apply early. Adjustments are typically reserved for buildings significantly above their carbon limit, with baseline adjustment pathways available for energy-intensive buildings.

Note: Only about 11% of covered buildings currently exceed their 2024 limits, but preparations for the 2030 compliance period will impact around 70% of covered buildings and those buildings should start thinking about a plan now.

If my building is subject to a fine, who can help me lower my fine or figure out how to pay it over time?

Refer to guidance on obtaining mitigated penalties through good faith efforts outlined under recent rulemaking, and contact the NYC Accelerator with any questions about specific building circumstances. You can also refer to DOB's website on how to apply for adjustments.

Can you please discuss the role RECs and carbon-reducing technologies such as Carbon Capture play a role in compliance with LL97?

Two-part answer. RECs, yes. Carbon capture, not right now.

RECs, or renewable energy credits, are a viable option for compliance with LL97. They allow the purchase of credits equivalent to offsetting excess carbon emissions from electricity use, but the REC must come from energy generated in New York City. There is very little renewable energy generated in NYC that qualifies, but there are other options available.

Tier 4 RECs sourced from projects like Clean Path New York, connecting upstate renewables to NYC, or the Canadian hydropower project (CHPE), will likely qualify as eligible LL97 RECs. These can cover up to 100% of electricity-associated emissions. However, carbon capture is not currently part of the law, and its future inclusion remains uncertain.

Here's more information on NYSERDA's Tier 4 REC program, which was specifically created to increase the delivery of renewables into NYC.

Can we use the NYSERDA program to offset some of the costs associated with hiring design professionals for the compliance report?

While it's unclear if NYSERDA covers design professionals, there is compensation available for the types of energy efficiency and retrofit work buildings will be undertaking to meet the law's carbon limits. NYSERDA has incentives for multifamily and large commercial buildings to help pay for projects, and significant funding is currently available through the Inflation Reduction Act. It's recommended to explore these incentives for financial support, and various resources are available to guide you.

NYSERDA incentives website – There is support for consulting and engineering services.

Let's get started.
nrg.com/Business

Are there particular guidelines for not-for-profits and places, places of worship regarding local law 97?

The Article 321 filing guide outlines guidelines for not-for-profits and places of worship under Local Law 97. It classifies places of worship as group A3, and eligibility is determined based on Department of Finance Records indicating qualification for not-for-profit property tax exemption. (p. 8 in Article 321 Filing Guide under Houses of Worship offers guidance on that definition). For clarification, refer to the guide, and if uncertain, contact the New York City Accelerator, a dedicated resource for building owners navigating individual compliance.

Is there an established system in place to accurately divide the obligation among the tenants, or is it the building owner's decision to make? Especially because you may have both commercial tenants and residential tenants in the same building.

Currently, there is no established system to divide obligations among tenants under Local Law 97, and the responsibility to do so is on the building owner. Tenants, whether commercial or residential, are not legally obligated to take specific actions. Challenges include the lack of submetering infrastructure and existing long-term commercial leases, with some commercial leases starting to incorporate language on responsibility for fines. One opportunity is to consider timing upgrades and encouraging above code improvements at tenant fit-out. Collaboration between building owners and corporate tenants aligned with carbon targets is encouraged, fostering mutual benefits and aiding compliance. While no specific tenant obligations exist under the law, a trend toward collaborative solutions is emerging.

Note: Fit out is the term used to describe the process of making an interior space suitable for occupation. In other words, it's the electrical, mechanical, decorating, and furnishing that's undertaken by the tenant that's leasing the space from the developer or landlord.)

Being unfamiliar with Urban Green, where are they located, and how long have they been in business?

Urban Green is located in New York City. Established in 2002, Urban Green has been a pivotal force in shaping New York's green building policy for over a decade. Urban Green's work involves collaborating with city legislation to drive innovative policies, educating building professionals, and analyzing the latest building energy and water data to track the City's progress. For more information, visit their website at www.urbangreencouncil.org.

How likely is it going to be for this to impact existing buildings on gas heat and hot water?

Over time as emissions limits are lowered through 2050, buildings that continue to burn fossil fuels on-site will likely face penalties. Urban Green did an analysis last year on multifamily pathways to meeting the 2030 compliance period and found that most multifamily buildings have a straightforward path to compliance with 2030 carbon limits. And the second part in that series explored some of the most common types of work that old, low rise one pipe steam-heated multifamily buildings will have to perform in order to get in compliance with 2030, and much of that does not involve full-scale building electrification in the near term.

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