

## Soften the Blow of Local Law 97

*Planning Gradual Upgrades Won't Break the Bank and Leverages the Greening of the Grid – Don't Overspend Now*

New York City's Local Law 97 (LL97) is one of the most discussed topics in the city's building industry, as 2024 marks the start of non-compliance fines for building owners. While some owners have taken steps to comply, many are overwhelmed with the prospect of complex and expensive upgrades not aware they can take an incremental approach that minimizes fines and facilitates compliance. Many owners have been presented with plans requiring an investment of millions to renovate their buildings to meet compliance targets. However, a productive analysis of your buildings should consider more than just a fine projection and spending plan.

It's essential to understand the difference between carbon and energy usage. LL97 limits carbon usage on buildings, not energy usage. Those limits become stricter over time and require zero carbon emissions by 2050.

CHA – an engineering, design, consulting, and program/construction management firm with whom RSA has recently met, has technical teams to conduct LL97 analyses that consider the overall greening of the electric grid as one of the critical factors in the reduction of a building's carbon emissions. A minimum and maximum fine for each compliance period can be determined based on best- and worst-case grid renewable scenarios, and then LL97 fines can be combined with building efficiency and electrification scenarios, utility costs, construction costs, and the owner's long-term goals to develop a practical means to comply. In other words, as new renewable sources of energy come online generally, such as solar and offshore wind farms, it will naturally help lower the carbon usage of a building and mitigate fines.

Consider a 100,000 SF multifamily residential building with steam heat and window air conditioners that faces fines from 2025 to 2050. Based on a comprehensive analysis of the building and the grid, CHA may advise the owner to repair only the steam insulation and replace boiler controls and steam traps. If the building is only slightly over the LL97 carbon limit in 2030, these incremental measures will eliminate fines for 2030-2034. The owner has now extended their compliance timelines, doubling the time from five to 10 years before facing LL97 fines.

Through an energy model analysis, this same building owner can adopt a phased approach to electrify one-third of the building by 2035, 2040, and 2050, respectively, to stay under LL97's decreasing carbon limits. This scenario stretches the implementation based on the broader energy grid becoming fully renewable by 2050, giving the owner an extra 10 years to upgrade and comply.

In this example, instead of a complex and expensive system upgrade or replacement to renovate the entire building by 2030

with the latest expensive energy-efficient equipment, the building owner can perform limited repair work to avoid LL97 compliance fines now and gradually electrify the building over 15 to 20 years. With the extra time, the cost of energy-efficient equipment should continue to drop. With a greener grid, buying the latest high-efficiency equipment is not necessary to enjoy the benefits of reduced carbon emissions.

Although LL97 is intimidating, there are expert resources at CHA who can advise owners and provide careful analysis and detailed planning to strategically and gradually renovate a building to comply without breaking the bank in the near term. Best- and worst cases for the wider grid's carbon content can be accounted for, and a long-term master plan can minimize the burden of decarbonizing by extending the timeline and using infrastructure replacement funds for LL97 compliance. The path for a building to emit zero carbon by 2050 is steep, but it is a hill, not an insurmountable mountain. Taking small, practical steps – without overspending – toward carbon reduction will address LL97 compliance. ■



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