

PATHWAYS TO CARBON NEUTRALITY: COMPLYING WITH LL97 IN NEW YORK CITY

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Local regulations related to buildings' energy performance and emissions have become stricter in recent years and will continue this trend into the future. New York City sees itself as a leader in this space and has made several regulatory changes that will have significant impacts on how project teams design and construct buildings.

New York City's **Climate Mobilization Act** went into effect in 2020, with a new energy code that made several revisions for building enclosures to help achieve carbon neutrality in the city. As part of those regulations, **Local Law 97** (LL97) went into effect on 1 January 2024, limiting buildings' carbon emissions. It is important for building owners and project teams to understand these new regulations and how they may impact new construction and building renovation projects in New York City moving forward.

WHAT IS LOCAL LAW 97?

The Climate Mobilization Act's focal point, LL97, requires that buildings reduce their emissions by 40% by 2030 and 80% by 2050. Starting in 2025, building owners must file annual **greenhouse gas emissions reports** with the New York City Department of Buildings by 1 May of each year. Owners should partner with a registered design professional now to track emissions and prepare for filings.

Who is affected?

Impacted buildings include:

- | Single buildings with 25,000 gross sq ft
- | Portfolios of multiple buildings with 50,000 gross sq ft on a single lot, or governed by the same condominium board

What are the penalties?

Buildings that do not comply with LL97 emissions targets must pay the following penalties to the city:

- | (Gross floor area x \$0.50) per month for unsubmitted reports
- | (Excess emissions over limit x \$268) per year for exceeding emissions limits

How to comply?

There are different compliance pathways and exemptions, depending on the building type. Buildings that include rent-regulated accommodations and houses of worship have two options for compliance under Article 321. Exempt buildings include certain industrial and federal properties, as well as detached and semi-detached buildings with three or fewer stories where each owner owns and maintains their own HVAC and hot water systems.

LL97 offers several compliance pathways, outlined herein.

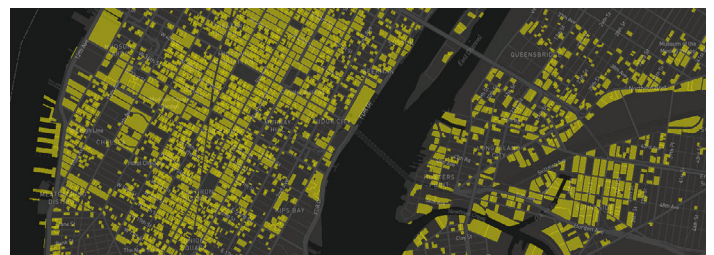
ARTICLE 320: THE PATHWAYS FOR MOST

This pathway applies to all non-exempt buildings. To comply, building owners must:

- | Meet emissions limits for each reporting period (2024-2029, 2030-2034 ... 2050) or face penalties each year for exceeding them
- | File annual reports starting in May 2025

There are additional pathways for buildings that include rent-regulated units and affordable housing.

- | The 2026 Pathway applies to buildings that have one or more rent-regulated units and no more than 35% of units subject to rent regulation (regardless of any income restrictions). To comply, building owners must:
 - | Meet emissions limits in 2026 or face penalties for exceeding them
 - | File annual reports starting in May 2027
- | The 2035 Pathway applies to **Mitchell-Lama buildings** with no units that participate in a federal project-based housing program, or to buildings that have no regulated units and one or more income-restricted units through certain loans or programs. To comply, building owners must:
 - | Meet emissions limits in 2035 or face penalties for exceeding them
 - | File annual reports starting in May 2036



Sustainability Compliance Map. Source: www.nyc.gov/assets/sustainablebuildings/html/LL97-n-LL33-map.html

ARTICLE 321: THE PRESCRIPTIVE PATHWAY

This pathway applies to buildings that have more than 35% rent-regulated units, have an HDFC co-op (not a rental), have more than one units that participate in a federal project-based housing program, or participate in the New York Housing Authority Permanent Affordability Commitment Together (NYCHA PACT) program. To comply, building owners must:

- | Demonstrate that emissions are below applicable 2030 limits in the 2024 calendar year, OR
- | Implement prescriptive energy conservation measures and file a one-time report by May 2025. The report must be certified by a qualified retro-commissioning agent and demonstrate the completion or non-applicability of the prescriptive measures.

What are prescriptive energy conservation measures?

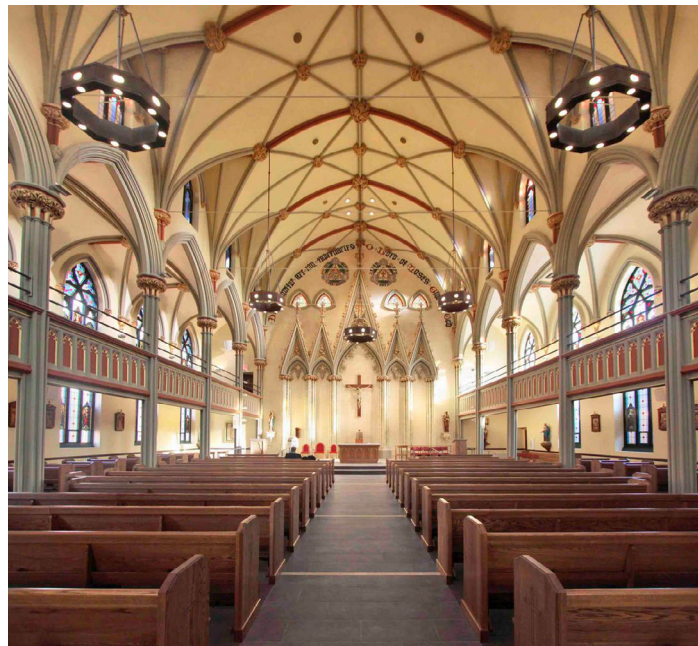
Prescriptive energy conservation measures include upgrades and repairs to the following building components:

1. **Central heating and hot water temperature set points.** Adjust set points for the appropriate space and occupancy.
2. **Heating system leaks.** Identify and repair leaks through visual inspection and record review.
3. **Heating system function.** Ensure clean parts and good operating condition.
4. **Radiator temperature controls.** Ensure at least 80% of radiators have individual, working temperature controls.
5. **Piping insulation.** Insulate all heating and hot water pipes.
6. **Water tank insulation.** Insulate steam system condensate tank or water tank.
7. **Indoor and outdoor temperature sensors.** Install heating system sensors and boiler controls.
8. **Steam traps.** Replace or repair all steam traps to contain valuable steam in systems.
9. **Master steam system venting.** Install master venting at ends of mains, large pipes, or tops of risers.
10. **Lighting.** Upgrade lighting to comply with the energy code.
11. **Building envelope.** Visually inspect 100% of common areas and 20% of private areas for air leakage through the enclosure. Repair and provide missing weatherstripping and insulation.
12. **Exhaust fan timers.** Install timers on intermittent fan motors.
13. **Radiant barriers.** Install reflective, insulated surfaces behind radiators to prevent heat escape through the wall.

MITIGATING FACTORS

For the first compliance period (2024-2029), a building owner's penalties for exceeding emissions limits may be reduced or waived given:

1. Unforeseeable events (aka, fire, flood)
2. Good Faith Efforts:
 - | Emissions reporting is completed on time.
 - | Compliance with LL 84 and 88, and the owner does not have outstanding fines.
 - | Additional efforts including, but not limited to, the following:
 - | Submit a Decarbonization Plan by 1 May 2025 that will bring the building into compliance with its 2024 limits no later than 2026 and with its 2030 limits no later than 2030, and demonstrating each year through 2030 that the work is proceeding on schedule.
 - | Demonstrating that work necessary to achieve compliance is currently underway by having a fully approved application and a permit issued for such work.



Houses of worship have two compliance pathways under Article 321

WHAT CAN YOU DO NOW?

Building owners should confirm their building type and compliance pathway, and partner with building performance engineers and energy verifiers to prepare for 2025 reporting deadlines. To begin:

- | Look up your building type at [NYC Accelerator](#) and check your building's square footage, projected LL97 annual penalties, and cost savings. If your square footage is incorrect or you believe an exemption applies, contact ghgemissions@buildings.nyc.gov for clarification.
- | Check if you own a covered building through these [preliminary covered buildings lists](#) compiled by the NYC Department of Buildings.
- | Confirm your building's compliance pathway with a legal representative or registered design professional.

For many, the first annual report is due on 1 May 2025 using 2024 utility data. These reports must be certified by a registered design professional, who can help track emissions and advise on prescriptive energy-saving measures.



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