Climate Mobilization Act

Frequently Asked Questions

1. **What does Local Law 97 of 2019 do?**
This law sets emissions caps for buildings larger than 25,000 square feet, beginning in 2024, which will cut carbon emissions at least 40 percent by 2030 and over 80 percent by 2050 from the affected buildings. Buildings that do not comply will face fines set at $268 per ton of emissions that are in excess of the individual building's cap in a given year.

   By 2030, this law is projected to reduce New York City's carbon emissions by 6 million tons, the equivalent of taking 1.3 million cars off the road. It will also create 26,700 green jobs and prevent 50 to 130 premature deaths and 150 hospital visits annually by 2030.

   In addition to its climate change benefits, this law will improve air quality, protecting New Yorkers from harmful pollution linked to asthma, emphysema, and other health conditions.

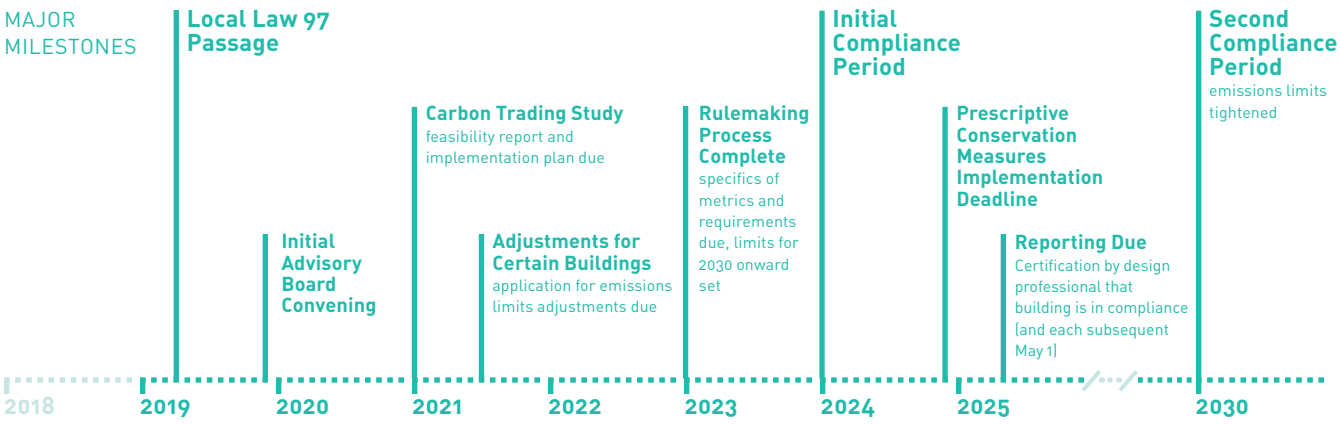
2. **How many buildings will be affected by this legislation?**
Approximately 50,000 buildings on 23,000 properties are affected by the law.

3. **What is the compliance timeline?**
Under this law, compliance timelines are designed to give buildings enough time to integrate projects into capital planning and align with normal replacement or refinancing cycles.

   Buildings will have to make reductions beginning in 2024; however, 80 percent of buildings impacted by this legislation are already performing within their 2024 targets today.

   Progressively more stringent targets are set for 2030 through 2050, including 2050 limits that achieve at least 80 X 50.

Compliance Timeline:



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4. **What concrete steps can be taken to reduce emissions from buildings?**
Building owners can reduce their energy use by improving heating and cooling systems, and upgrading hot water heaters, roofs, windows, and electric appliances. They can also reduce their emissions impact by installing solar panels and switching to less polluting energy sources.

5. **Even if buildings switch from fuel oil or natural gas to electricity, won't they still be reliant on fossil fuel power plants?**
Under this policy, most buildings will be able to meet their 2024 and 2030 targets by improving efficiency alone. To meet targets beyond that, they will need to draw energy from a greener electrical grid. Cleaning up the grid by bringing a greater supply of clean energy into New York City from upstate renewables and offshore wind is a top priority for the City.

6. **Will this law cause energy prices to go up? What about residential or commercial rents?**
This law is expected to drive energy efficiency improvements, which will yield long term cost savings for both building owners and tenants.

7. **What else is the City doing to support emissions reductions from buildings?**
The Administration is committing over $30 million to expand our Retrofit Accelerator to provide free technical assistance to any building larger than 25,000 square feet. The Retrofit Accelerator will also grow the market for energy retrofits through education and training of contractors and tradespeople in order to meet the demands of buildings that need to reduce emissions.

8. **How is clean energy treated in the law?**
Clean energy provides 2 types of benefits to building owners:

- First, clean and efficient energy assets that provide power to a building will reduce utility energy consumption and can reduce a building's emissions to the extent that the asset has lower associated emissions than utility power.
- Second, there are clean Distributed Energy Resources (DER) deductions available for emissions-free projects that lead to less emissions-intensive utility electricity production.

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Building owners can receive a deduction for the procurement of directly connected renewable power that supplies the NYC load zone, either by retiring RECs or purchasing hydro.

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Building owners can also receive a capacity-based deduction for hosting renewable energy projects that aren't claiming a REC deduction.

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9. What is a clean DER according to the law?

Clean DERs are defined as emissions-free energy resources, including solar, wind, hydro, and geothermal. Also included are energy storage resources which do not release new emissions. Not included are fossil-based resources, such as gas-fired CHP, which can improve the city's overall emissions profile but are not emissions-free. Clean DERs are eligible for additional deductions in the law for contributing to lowering the grid's carbon intensity.

10. How is solar treated in the law?

Direct consumption of solar power at the building site will replace more emissions-intensive utility electricity.

A building owner can claim a deduction for the retirement of RECs from solar that directly feeds into NYC's grid (NYISO zone J). Building owners can also claim a capacity-based deduction for hosting solar projects that aren't also claiming a REC deduction. For community solar projects, there is no time limit on this deduction. For behind the meter solar projects, this deduction is only available for 5 years.

11. Why is the capacity-based deduction only available for 5 years for behind the meter solar?

Behind the meter solar already receives compensation by reducing the building's consumption of higher-emission utility power. An additional capacity-based deduction is available to promote solar adoption and compensate behind the meter projects that might inject a portion of their power into the grid. However, the capacity-based deduction is time limited so as not to disadvantage community solar projects which only receive compensation once. Furthermore, the time limit can promote the adoption of storage to balance supply and demand in the longer term.

12. How is storage treated in the law?

A capacity-based deduction is available for buildings that deploy storage in a way that is beneficial to the grid. Rules for the deduction will be developed based on the size of the resource and its ability to reduce GHG emissions during designated peak periods.

13. How is CHP treated in the law?

Due to the consumption of fossil fuels, CHP is not considered a clean DER in the law, and is therefore ineligible for the clean DER deductions. However, to the extent that the energy generated by CHP has lower emissions than power that would have otherwise been procured from a utility and/or the thermal energy generated from an alternative source, CHP would lower the building's emissions.

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14. Is the City creating a new REC system?
The City is not creating its own REC system. A deduction is available for the retirement of RECs that are certified through existing channels, e.g. NYGATs.

15. How are renewables outside Zone J credited?
The law provides a separate deduction from buildings emissions for purchases of renewable power and hydropower that is directly connected into the City, independent of whether they generate RECs in other markets.

- The law requires hydropower resource owners to certify the amount of energy produced and verify that all non-power attributes are only sold once for the purposes of complying with the law. The administrative rules and procedures for demonstrating compliance with the law's requirements will be promulgated in rulemaking.

16. Why did the City decide to treat hydropower differently from other renewable resources?
Electricity production from hydropower does not involve the combustion of fossil fuels, and the direct connection of hydropower resources to the electric system in New York City will improve air quality and reduce greenhouse gas emissions. Hydropower is also more dispatchable than other resources because it is frequently integrated with pumped storage. Hydropower can therefore reduce reliance on fossil-fueled generating facilities.

17. Does the law account for emissions in different seasons or at different times of day?
Utility emissions factors are fixed for 2024-2029 and do not include different coefficients for different times or seasons.

18. What does the Property Assessed Clean Energy (PACE) law (Local Law 96 of 2019) do?
This legislation establishes a low-cost financing system that will help ease the financial burden of making energy efficiency and clean air retrofits.

PACE loans, which attach to the building, rather than to the owner, require little or no money up-front, and are paid back based on the projected energy savings. This can enable owners to make necessary retrofits while saving on operating expenses.