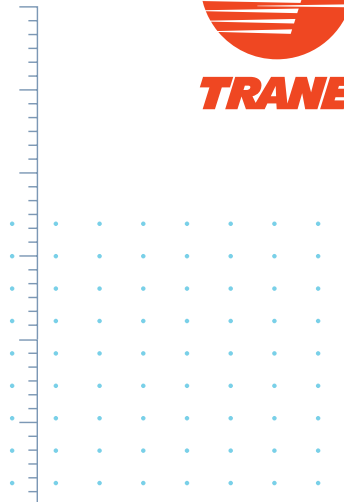


Local Law 97 Impact



New York City building owners are facing rising expectations to reduce greenhouse gas (GHG) emissions with the passage of Local Law 97, passed by the City Council in April 2019, which aims for New York City to become carbon neutral by 2050.

[Local Law 97 \(LL97\)](#), part of Mayor de Blasio's New York City Green New Deal and included in the [Climate Mobilization Act](#), outlines one of the nation's most ambitious plans to eliminate GHG emissions. As buildings account for two-thirds of GHG emissions in New York City¹, building owners will play a significant role in reaching carbon neutrality through compliance of new energy efficiency and greenhouse gas (GHG) emissions limits.

Who does Local Law 97 impact?

Local Law 97, which will require the annual monitoring of buildings' energy and water usage, includes*:

- Buildings that exceed 25,000 gross square feet.
- Two or more buildings on the same tax lot that together exceed 50,000 square feet.
- Two or more buildings owned by a condo association governed by the same board of managers and that exceed 50,000 square feet together.¹

*Some buildings are exempt from Local Law 97. More information can be found on the [Department of Buildings \(DOB\) Greenhouse Gas Emission Reporting website](#).

When will Local Law 97 be implemented?

For full compliance details, visit the [NYC Sustainable Buildings Compliance Page](#).

2024	2025	2026	2030	2035	2050
<p>Benchmarking Begins</p> <p>Annual GHG emissions reporting commences on May 1, 2025, for the calendar year 2024, then on May 1 annually thereafter as required by the Department of Buildings. Non-compliance with reporting results in fines starting in 2025.</p>	<p>Initial Fines are Assessed</p> <p>Limits based on Energy Star Portfolio Manager (ESPM) property types takes effect. These new efficiency and GHG emission limits affect different properties starting in 2024, with specific limits for 2024 – 2029 available for review.</p>	<p>ESPM Property Types Required</p> <p>For 2024 and 2025, owners with stricter emissions limits can choose between the original New York City Building Code occupancy group limits or ESPM property type limits. Starting in 2026, emissions must be reported using ESPM property types exclusively.</p>	<p>Emission Limits by Property Type Lowered</p> <p>Emission limits per square foot (tCO₂e) for buildings are lowered, necessitating GHG reductions under 1 RCNY §103-14, using ESPM property types. The milestone is a 40% GHG reduction goal.</p>	<p>Emission Factors Requirements Lowered</p> <p>Emission factors are adjusted again, further reducing GHG emissions per square foot (tCO₂e) as per 1 RCNY §103-14, utilizing ESPM property types.</p>	<p>Carbon Neutrality Reached</p> <p>Required citywide emissions reporting aims for full carbon neutrality by 2050.</p>

Are there any notable exemptions or incentives?

Good Faith Exemptions

Provided an owner has already completed a.) benchmarking, b.) lighting upgrades and submetering requirements, and, c.) has submitted a Local Law 97 annual emissions report, a building can qualify for good faith exemptions from the Department of Buildings by meeting certain requirements by May 1, 2025.

Article 321 Buildings

Article 321 of Local Law 97 makes it possible for some types of public housing as well as houses of worship to satisfy LL97 by meeting different criteria. Article 321 details which energy conservation measures building owners must implement, provides help with documentation, and offers guidance for those struggling to meet LL97 requirements.

Beneficial Electrification Credits

Beneficial electrification credits are available for properties that install electric heating, cooling and/or hot water equipment that meets specified minimum energy requirements. Credits will apply to equipment installed before 2030, though there are added incentives for owners who install qualifying electrical equipment before 2027.

Taking Action

Understanding and navigating the new limits introduced by Local Law 97 (LL97) can be overwhelming and stressful for building owners. Each journey toward compliance may look different but rest assured, the right collaborator will meet you at any point. The path to compliance can be summed up in one word—decarbonization. The journey to decarbonize your building is uniquely yours and Trane® is the right collaborator to help guide you.

Where do I begin?

It's important to first understand what is meant by decarbonization. Decarbonization is the process of decreasing or eliminating GHG emissions that come from a building. Like vehicles that are reducing emissions by becoming more fuel efficient, or powered by electric batteries, buildings are decarbonizing, too. Through a thoughtful combination of improved equipment, controls, and services, buildings can achieve their decarbonization goals and thus maintain compliance with more rigorous environmental laws.

How can Trane help?

For over a century, Trane has seen more than the building. We've seen opportunities to build life. Trane is a world leader in air conditioning systems, services, and solutions. Our robust and diverse portfolio coupled with our highly skilled and knowledgeable representatives will ensure a smooth and successful journey towards decarbonization.

What can you expect?

Trane deploys a depth and breadth of expertise, backgrounds, and perspectives to both innovate new technologies and individualize solutions that get it right for you today and the world tomorrow. We are among Con Edison's top participating contractors, obtaining millions of dollars in rebates and incentives for our customers.

Trane Value Snapshot

62 projects enrolled in NYSERDA or Con Edison rebate programs.

25,500,000 kwh (energy) and **13.6 MW (power)** reduction annually.

\$32.7M secured for clients in rebate dollars.

How will I fund these improvements?

Compliance with LL97 will require thoughtful planning and likely funding support. While local utility and NYSERDA rebate programs are designed to provide funding based on performance, the recently enacted Inflation Reduction Act (IRA) is available for specific project types. The IRA, signed on August 16, 2022, is the nation's largest investment in clean energy solutions to date^{2,3}. The IRA offers a variety of clean energy tax credits to building owners to help ease the financial load. Many include a base tax credit with opportunities for bonus tax credits for projects meeting certain requirements. Below are some helpful resources with more information:

- [The White House: Inflation Reduction Act Guidebook](#)
- [Trane Commercial: Legislation and Incentives Resource Center](#)

Trane will work with you to navigate, plan, and develop a solution that's right for your building. We honor the legacy we've created and build on it by making buildings safer, more comfortable, and more cost-effective. Now, and for generations to come. [Start planning today!](#)

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1. <https://www.nyc.gov/site/sustainablebuildings/ll97/local-law-97.page>

2. https://www.epa.gov/system/files/documents/2022-12/12%2009%202022_OAR%20IRA%20Overview_vPublic.pdf

3. <https://www.dol.gov/agencies/whd/IRA>



Trane – by Trane Technologies (NYSE: TT), a global climate innovator – creates comfortable, energy efficient indoor environments through a broad portfolio of heating, ventilating and air conditioning systems and controls, services, parts and supply. For more information, please visit trane.com or tranetechnologies.com.

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