



## **The Building Owners and Managers Association of Greater New York's Comments to The New York State Climate Action Council regarding the Draft Scoping Document**

The Building Owners and Managers Association of Greater New York (BOMA New York) represents more than 750 owners, property managers, and building professionals who either own or manage 400 million square feet of commercial space. We are responsible for the safety of over 3 million tenants, generate more than \$1.5 billion in tax revenue, and oversee annual budgets of more than \$4 billion. BOMA New York is the largest Association in the BOMA International Federation, the world's largest real estate trade organization.

BOMA NY appreciates this opportunity to comment upon the Draft Scoping Document ("DSD"), which was released by the Climate Action Council ("CAC") to lay down a detailed roadmap of how the State and various stakeholders will help to meet the aggressive goals of the Climate Leadership and Community Protection Act ("CLCPA").

BOMA NY appreciates the detail and scope of the DSD. The document undertakes to describe how each sector can contribute towards reaching the eventual goal of zero emissions. BOMA NY will focus particularly on the buildings and steam sectors.

### **Buildings Sector**

BOMA NY supports a statewide audit system. A statewide energy benchmarking and disclosure program is an important step in data transparency. In NYC, Local Law 84 requires building owners to report energy and water data to the City – a requirement that has been successful in bringing awareness about energy use and prompted meaningful investments in building energy efficiency. Based on NYC's experience with reporting this data, the PSC should require electric, gas, and water utilities to provide automatic aggregated whole building uploads of utility customer data directly to EPA's Energy Star Portfolio Manager and that the methods for providing that data directly from the utility be audited and approved by a third-party agency specializing in data extraction and integration to ensure data accuracy. In addition, for the sake of uniformity and efficiency, New York City's well-established audit system should automatically be deemed as in compliance with whatever statewide system is developed and implemented.

BOMA NY supports the CAC's approach to moving new buildings away from fossil fuel combustion. We also support the CAC's phased-in approach to requiring new buildings to stop using fossil fuels. This approach reflects the complexity of the building sector, especially in New York City, and recognizes that certain tools and technologies need to be implemented to make this idea work. That said, we do recommend both for new buildings and existing buildings that the timeline should allow for revision/extension based on technology advancement, state of grid decarbonization, and grid resiliency. There should also be allowances for exceptions for special-use types or specific hardships.

BOMA NY also appreciates the DSD's strategy to decarbonize existing buildings. The multi-faceted approach acknowledges the complexity of the existing built environment and the high costs that can be associated with converting existing buildings to clean heating and cooling technologies. This approach also recognizes that technology in this area continues to evolve, and that solutions, especially in large buildings, might be greatly improved over time in the long term versus the short term. In addition, the gradual approach allows for the deployment of sufficient renewable energy and time for grid upgrades to protect reliability under the much higher electricity peak load to be expected. We believe the phase-in schedule outlined in the DSD strikes the correct balance of being aggressive enough while also allowing for the longer-term changes listed above to take effect, as well as to allow buildings flexibility to meet their unique circumstances and to undertake what will often be extensive and disruptive actions to their daily operations.

We strongly encourage the CAC not to require that all new buildings be all-electric. With new tools and strategies developing all the time, the CAC should call for a fossil fuel ban, but should leave the door open for low- and no-carbon fuels, which could take pressure off the grid, allow buildings to not rely exclusively on expensive electricity, and provide energy reliability options that would not be impacted by electricity outages. We would also reiterate our support for a decarbonized steam system, which would provide similar benefits to those listed above

The DSD also calls for a building energy performance standard for existing buildings. Because of New York City's Local Law 97 ("LL 97"), which requires existing buildings to reduce emissions starting in 2024, and then reduce emissions significantly more in 2030 and beyond, it is imperative that any new performance standard enacted be in line with LL 97 mandates. This is especially so as buildings are already planning and budgeting for strategies to meet the law's mandates. In addition, any performance standard enacted must recognize, as LL 97 does to a degree, the complexity of the buildings sector and be designed recognizing that complexity. The State will also need to provide a range of programs and incentives to help buildings meet any such enacted standard, as the expected work required will often be expensive and disruptive to building operations.

This last point about incentives, programs, and funding is more broadly true even without a new performance standard. Decarbonizing the economy will of course bring significant costs to all buildings, and the State and local governments need to do everything in their power to help pay for all of the essential work that is expected to be done.

The Final Scoping Document should discuss aligning energy price signals with policy goals. Electricity rates should be aligned with the CLCPA's goals. A primary barrier to the adoption of heat pump technology is concern over the escalating electricity cost impacts. Providing the appropriate price signals must include electric rate structures and programs that incentivize deployment and usage of DERs, battery and thermal storage, and other load flexibility measures that promote more efficient utilization of the electric delivery system and help to mitigate summer and winter system peaks. Additionally, in New York City, more transparency around price and rate structures for steam is necessary to determine the appropriate role of district steam in phased building decarbonization plans.

### **Con Edison Steam System**

There is very little mention in the DSD of leveraging the Con Ed Steam system in Manhattan as an effective tool for lowering CO2 generation and to meet the larger NY state decarbonization goals.

Con Ed Steam states in the Executive Summary of their Long Range Plan (LRP): "We anticipate investing approximately \$1.5 billion in our steam system through 2031. We anticipate that many of these investments will provide customers a cost-effective way to comply with City emissions limits. In addition, we will prioritize energy solutions and investments that provide multiple benefits."

In Manhattan, there is neither the electrical distribution/internal infrastructure to fully electrify all large Class A commercial buildings, nor is there capacity to electrify the smaller Class B/C structures. The Con Ed Steam system can continue to bring a low-carbon heating source utilizing the existing buildings' heating systems and simultaneously provide permanent peak load relief within winter peak scenarios. In sum, any investment in technological advances related to the Con Ed steam system will benefit the City's emissions profile in the aggregate.

The Con Ed Steam-supplied buildings represent a significant portion of the energy consumed during the winter heating months and should directly be acknowledged in your plan as a viable and desirable low-carbon long term solution. In addition to current steam customers, approximately 6,000 large buildings operating on oil or gas near steam mains could benefit from this transition to clean steam. Of these buildings, more than 1,000 would have a net-zero cost connection. These buildings could benefit from clean steam either holistically or hybridized with heat pump solutions and/or by transitioning to Con Edison's proposed hot water system serving parts of the District perimeter. We also believe that if the decarbonization of Con Edison's steam system were mandated, this would further support the goals of the CLCPA.

Once again, BOMA NY appreciates the ability to comment on this DSD. We applaud the hard work of the CAC and look forward to working with the State to meet the important and ambitious goals for decarbonizing New York.