

Legislative Review, October 13, 2009

It is a crucial time for environmental policy and the issue is at the forefront of international, domestic and local legislation. Great Forest has compiled an overview of existing and emerging legislation affecting business. This includes an outline of the NYC Mayor's Office of Long Term Planning and Sustainability's "Greener, Greater Buildings Plan" to green existing buildings. Please contact your Great Forest representative if you have any questions or comments, or email info@greatforest.com. Check www.greatforest.com for more information.

New York City

This year, the Mayor's Office of Long Term Planning and Sustainability, through its PlaNYC initiative, unveiled its "Greener, Greater Buildings Plan," which aims to reduce greenhouse gas emissions from existing government, commercial, and residential buildings through a series of legislation. The plan aims to lead to a 5% citywide carbon reduction, create 19,000 construction-related jobs and help finance energy-saving improvements using \$16 million available from the Federal stimulus package. The following are part of the plan:

- 1. Intro 564-A: New York City Energy Code: Removes a State Energy Code loophole that allows renovations of less than 50% to install non-compliant equipment
 - Requirements: All renovations will need to comply with provisions of the code
 - Benefits: Code-compliant equipment is widely available at competitive prices and will result in energy reductions and cost savings
 - Effective date: July 1, 2010
- 2. Intro 0973:Lighting Upgrades: Requires that lighting systems in large buildings be upgraded to meet Energy Code standards at the time of renovation or by December 31, 2022
 - Requirements: The law will apply to all buildings larger than 50,000 square feet, excluding multifamily residential units
 - Benefits: Lighting retrofits cost less than \$3 per square foot, pay for themselves in 18-24 months, and reduce our citywide carbon footprint by a projected 1.5%
 - Effective date: July 1, 2010
- 3. Intro 0476-A:Benchmarking: Requires owners of large buildings to log and disclose data on energy and water consumption using EPA's Portfolio Manager tool
 - Requirements: The law will apply to all buildings larger than 50,000 square feet and City-owned buildings larger than 10,000 square feet (residential building owners are exempt)
 - Benefits: EPA's simple, no-cost tool will track building performance for owners and create transparency in the marketplace
 - Effective date: July 1, 2010
- **4. Intro 0967: Audits and Retrofits**: Requires that, once every 10 years, large buildings perform an energy audit of central systems and make energy efficiency improvements that pay for themselves within 5 years
 - Requirements: The law will apply to all buildings larger than 50,000 square feet that have not demonstrated superior efficiency (note: deferrals available for financially distressed buildings)
 - Benefits: Owners will improve building systems, reduce energy costs and enhance tenant comfort
 - Effective date: Immediate, but no efficiency reports due until 2013

5. Green Workforce Development Training

- A Working Group consisting of the City, NYSERDA, REBNY, the Central Labor Council, 32BJ-SEIU, and others will define the skills, training programs, and certifications needed to implement the Greener. Greater Building Plan
- Needs: Skills training is likely to be necessary for an adequate supply of energy auditors, lighting technicians, pipe insulators, and other construction-related workers
- Effective date: the Working Group will release its strategy in Fall 2009

6. Green Building Financing

- A \$16 million loan fund from federal block grants will help buildings make efficiency improvements
- Building Categories include large buildings that face financing challenges and large "shovel-ready" buildings that have completed energy audits but lack financing for retrofits
- Benefits: The Fund will allow building owners to comply with the legislation and develop a track record for loans backed by energy savings
- Timeline: The Fund will start lending in early 2010



International and U.S. Legislation

Existing Legislation

European Union

- Under the Kyoto Protocol, in 2005, the EU established a 27-country Emissions Trading System (ETS) for GHGs
- The ETS caps the total amount of GHG emissions from the 11,000 largest emitters (power plants, refineries, manufacturing facilities, etc.) representing about half of the EU's carbon

Regional Greenhouse Gas Initiative – Northeast States (RGGI)

- Cooperative effort by 10
 Northeast and Mid-Atlantic states to limit GHG emissions
- RGGI is the first mandatory, market-based CO2 emissions reduction program in the U.S.
- Focuses on CO2 emissions from fossil fuel-fired power plants

EPA's GHG reporting rule

- Beginning in 2010, the U.S. EPA will, for the first time, require large emitters to begin collecting GHG data under a new reporting system
- The program will cover approximately 85% of the nation's GHG emissions and apply to roughly 10,000 facilities in the country

Emerging Legislation Looming Federal Carbon Regulation

- The Waxman-Markey bill, passed in the U.S. House, includes a cap-and-trade program that would cover approx. 7,400 power plants, oil companies and other large industrial facilities that emit more than 25,000 tons of carbon
- The Kerry-Boxer bill, recently introduced in the U.S. Senate, calls for a 20 percent reduction in greenhouse gas emissions over 2005 levels by 2020, and an 80 percent reduction by 2050.
- The EPA has issued a draft regulation proposing to find that GHGs endanger public health and welfare – and therefore is worthy of regulatory attention under the Clean Air Act

Other state initiatives

- On the West coast, 11 states and Canadian provinces are currently developing the Western Climate Initiative (WCI)
- Under a state climate law, California is also pursuing its own cap-and-trade system
- A coalition of Midwestern governors is also planning a regional program

New York State

New York state task force

- NY state has a goal to reduce emissions from all sources by 80% below the levels emitted in 1990 by 2050
- In Aug. 2009, Executive Order No. 24 created a Climate Action Council, consisting of the state department commissioners and other officials, to draft an action plan by September 2010
- The council must conduct a range of activities as part of the order, including an inventory of GHG emissions, developing reduction strategies and identifying the economic impacts they will have

Energy-Related Provisions of the Federal Stimulus Package

- \$63 billion of the \$787 billion bill is related to energy
- Energy provisions focus primarily on renewable, efficiency and transmission and distribution
- \$34 billion to the Department of Energy, focusing on renewable, innovation, "smart grids" and public transit, with \$6.3 billion flowing down to states as grants
- \$10 billion related to energy efficiency and climate change will be administered by other federal agencies (DoD and GSA)