

# Climate Mobilization Act Series: The IRA Meets New York

BE-Ex and NRDC host a Climate Mobilization Act Series event on how local building stakeholders can meet Local Law 97 compliance and capitalize on new value opportunities with federal funding.

## *Opening Remarks*

Laura Popa, Deputy Commissioner of Sustainability, NYC Department of Buildings

## **Moderator**

Dale Bryk, Director of State & Regional Policies, Harvard Environmental & Energy Law Program; Senior Fellow, Regional Plan Association (RPA)

## **Presenter**

Alexis Saba, Associate, Sive, Paget & Riesel

## **Panelists**

Sadie McKeown, President, Community Preservation Corporation (CPC)

Alexis Saba, Associate, Sive, Paget & Riesel

Esther Toporovsky, Executive Vice President, Housing Partnership; President, HP Sustainability Solutions

Amit Kalra, PC, Partner, Tax, Employee Benefits and Trusts and Estates Practice Group, Sheppard Mullin

*January 24, 2023 | 9:30am to 11am | 1.5 AIA LU/HSW*

*Building Energy Exchange | [be-exchange.org](https://be-exchange.org)*





# THE IRA MEETS NYC

Opening Remarks by  
Laura Popa, Deputy Commissioner for Sustainability  
NYC Department of Buildings

BE-Ex  
January 24, 2023



# LL97 COMPLIANCE OVER TIME

## Excess Emissions (tCO<sub>2</sub>e) by Compliance Period

	2024-2029	2030-2034	2035-2039
Total Excess Emissions (tCO <sub>2</sub> e)	1,668,642	4,464,305	4,463,047
Total Emissions (tCO <sub>2</sub> e)	15,015,462	11,788,384	9,913,125
Count of Compliant* Properties	17,572	5,158	4,515
Count of Non-Compliant* Properties	4,149	16,563	17,206
Total Properties	21,721	21,721	21,721
<b>Compliance Rate*</b>	<b>80.9%</b>	<b>23.7%</b>	<b>20.8%</b>

## Three Compliance Periods

- Emissions & excess emissions (tCO<sub>2</sub>e)
- Projected compliance rates by compliance period



# LL97 IMPLEMENTATION TO-DATE

- **Bureau of Sustainability**
- **LL97 Advisory Board Recommendations Report**
- **First Major Rule**
  - Clarity for building owners on calculating energy use
  - Renewable Energy Credit (RECs) to offset electricity emissions
  - Energy Star Portfolio Manager (ESPM) property types
  - Sets emissions limits to achieve LL97 impacts and benefits
- **Future Rulemaking**
  - Additional clarity on RECs
  - Penalties and Good Faith Efforts
  - Affordable Housing



# THE IRA AND CLEAN BUILDINGS

- **\$370 Billion investment in a clean energy future**
- **Shared Policy Goals**
  - Tax credits and rebates for heat pumps, electrification, energy efficient appliances, and retrofits
  - Direct investments in clean energy tech
  - Financial and technical assistance to reduce or avoid emissions
- **Influencing Program Design**
  - Collaboration with local, state, federal partners
  - Fair share





THANK YOU



# **Introduction to the Inflation Reduction Act for Local Law 97 Compliance**

Alexis Saba

January 24, 2023

Building Energy Exchange

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P A G E T  
R I E S E L



# LL97 Compliance Landscape

- **Numerous stakeholders**
  - Building developers/owners/operators
  - Consultants (architects, engineers, lawyers)
  - Financing entities
  - Construction
  - City government
- **Many factors that influence compliance**
  - Cost and availability of goods and services
  - Availability of capital/financing/incentives
  - Uncertainty about future legal requirements
  - Challenges in staging compliance over the long term



# IRA Basics

- Signed on August 16, 2022
- Provides \$369 billion for energy efficiency and renewables
- Funding generally as: tax credits, rebates, and community & environmental justice programs
- Takes a whole economy approach
  - Wage and training requirements
  - Investments in manufacturing
  - Incentives for innovation and deployment
- Provides resources on top of existing federal, state, city, and utility programs

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# Potential IRA Resources for LL97 Compliance: Energy Efficiency Tax Credits

- **For commercial building owners:** Energy Efficient Commercial Buildings Deduction (IRC §179D)
  - Square footage-based tax deduction for energy efficiency improvements (like lighting, HVAC)
- **For multifamily developers:** Energy Efficient Home Credit (IRC § 45L)
  - Tax credit for buildings that meet certain ENERGY STAR requirements
  - Credit increases when constructed with prevailing wage – and increases again when certified as a DOE Zero Energy Ready Home
- **For homeowners:**
  - Non-Business Energy Property Credit (IRC § 25C) – For energy efficiency improvements like windows, heat pumps
  - Residential Clean Energy Credit (IRC § 25D) – For clean energy systems like solar, geothermal, fuel cells



# Potential IRA Resources for LL97 Compliance: Clean Energy Tax Credits

- IRA extends and modifies the production tax credit (PTC) and investment tax credit (ITC) for deployment of clean energy projects
- Existing programs will be replaced by technology-neutral programs in 2025
- Bonuses for:
  - Facilities located in certain energy communities (like on brownfield sites)
  - Projects using domestic products
  - Projects meeting wage and apprenticeship provisions



# Potential IRA Resources for LL97 Compliance: Rebates

- IRA establishes two rebate programs administered through the states
- Likely not available until late 2023, depending on pace of policy development
- Home Energy Performance-Based, Whole-House Rebates (HOMES) program
  - Grants for energy efficiency upgrades like insulation and HVACs
  - Savings depend on energy reduction and household income level
- High-Efficiency Electric Home Rebate Act (HEEHRA)
  - Rebates for purchase of efficient electric appliances like heat pump water heaters and electric stoves
  - Only available to buildings with certain low- and middle-income units



# Potential IRA Resources for LL97 Compliance: Community & EJ Programs

- **Greenhouse Gas Reduction Fund**
  - About \$27 billion to governments and organizations for projects that reduce and avoid GHGs, especially in low-income and disadvantaged communities
  - EPA still developing the program – but supposed to start distributing funds next month
- **Climate Pollution Reduction Grant program**
  - \$5 billion to state and local governments to develop and implement GHG reduction plans
- **Climate Justice Block Grant program**
  - \$3 billion to governments and organizations for projects that address clean air and climate pollution in disadvantaged communities

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energy  
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**thank you.**