



What's *not* in the State budget? Relief from Local Law 97 for NYC Building Owners

NEW YORK CITY, April 19, 2021 -- Relief from the requirements of Local Law 97 is among the provisions “intentionally omitted” from the State budget. Local Law 97 establishes greenhouse gas emission caps on New York City buildings greater than 25,000 square feet. Emission caps must be met by 2024, unless an emissions cap adjustment is approved by the New York City Department of Buildings.

Currently, building owners can offset their emissions by the purchase of credits for renewable energy that is generated within or feeds directly into New York City, but no such renewable energy credits exist yet. Building owners had pushed the State legislature to allow for more flexibility in offsetting the emission requirements by allowing building owners to purchase credits for renewable energy generated outside of the city. While the offset option proposed by building owners was included in the Governor’s budget proposal, it did not make it into the final enacted budget.

It remains to be seen whether some accommodation will be made for building owners subject to Local Law 97 considering the unavailability of offsets. In the meantime, building owners who foresee that they may not be able to meet emission caps may seek an emissions cap adjustment. There are two types of adjustments for which NYC DOB guidance is currently available: adjustments for excessive emissions due to special circumstances (such as high-density occupancy or energy intensive communications technologies or operations), for which applications are due on June 30, 2021; and adjustments for not-for-profit hospital and healthcare facilities, for which applications are due on July 21, 2021.

Mintzer Mauch PLLC is based at 290 Madison Avenue, 4th Floor, New York, NY 10017. For more information, please visit www.mintzemauch.com or call (212) 380-6170.

###