Unlocking Incentives: Multifamily Upgrades
Thank you to our sponsor
Agenda

• **32BJ Welcome:** Michaela Boren, Manager, Green Programs, 32BJ Training

• **Incentives Primer:** Ellen Honigstock, Senior Director, Education, Urban Green Council

• **NYC Accelerator Program Overview:** Gledis Korra, Account Manager, NYC Accelerator

• **Con Edison Multifamily Incentives Programs:** Derick Kowalczyk, Multifamily Program Manager, Willdan Energy Services

• **Audience Q&A**
Ellen Honigstock
Senior Director, Education, Urban Green Council
Primer:

What Are Utility Energy Efficiency Incentives?
New York State has Ambitious Targets for Carbon Reduction

New Efficiency New York (NENY) is a statewide energy efficiency target and comprehensive strategy that is the most aggressive in New York’s history.

Targets (by 2025):

- 185 TBtu Site Energy Savings (~fueling 1.8 million homes)
- 22 million metric tons CO2e reduction (~ 30% of the GHG emissions reductions to stay on target to meet 40x30)
Main Focus: Increasing End-Use Efficiency in Buildings

Multifamily sector is second only to single family homes in potential energy efficiency savings.

Achievable savings potential by type (New Efficiency: New York, NYSERDA, 2018)
Why are Utilities Incentivizing Customers to Use Less Energy?

1. **Regulatory Compliance**

2. **Grid Stability and Economic Efficiency:**
   - Reduces overall demand on the power grid (especially during peak usage times).
   - Reduces overload on the system.
   - Reduces the need for new power plants.

3. **Environmental Responsibility:**
   - Reduces greenhouse gas emissions.
   - Reduces air pollution.
Many Types of Incentives for Energy Efficiency

**State and local government programs:**
- Tax rebates, discounts, and credits for specific technologies.
- Solar
- Low-interest loans and other financing options.

**Utility energy efficiency incentive programs:**
- Funded by ratepayers via a small surcharge on utility bills to provide incentives that facilitate energy efficiency projects.
Gledis Korra
Project Verification Account Manager, NYC Accelerator
Program Overview and NYC’s Pathway to Decarbonization

Presented by: Gledis Korra, NYC Accelerator
Protecting NYC’s Future

Nearly 70% of our GHG emissions come from buildings.

Nearly 90% of NYC buildings will still be here in 2050.

Source: NYC's Roadmap to 80 x 50
Local Law 97 (LL97) Overview

+ Article 320: Market Rate buildings >25,000 square feet will meet ambitious carbon reduction targets
  • First carbon emissions limit will be applied in 2024-2029
  • Second carbon emissions limit will be applied in 2030-2034
  • Lower limits will follow in 2035 and beyond to reach carbon neutrality by 2050

Under existing conditions:
  • 89% of properties projected to meet 2024-2029 LL97 limits
  • 63% of properties projected to meet 2030-2034 LL97 limits

+ Article 321: Affordable Housing buildings >25,000 square feet have varying requirements
  • Meet LL97 emission limits within a defined timeframe OR
  • Implement Prescriptive Energy Conservation Measures ("Prescriptive Path")
The New York City Department of Buildings (DOB) issued a new set of rules to guide the implementation of LL97 in December of 2023.

The key highlights include:

- Outline penalty mitigation pathways, including what is considered a “Good Faith Effort” to comply with the law’s 2024 carbon limits.
- Create a new credit for early electrification work that building owners can apply toward emissions reduction targets.
- Describe reporting requirements and penalties for affordable housing and houses of worship under the law’s Article 321 prescriptive pathway.

DOB held a public hearing on the September 2023 proposed rules on 10/24/23 and considered all public comments before publishing the final adopted rules in December 2023. DOB will publish additional rules related to LL97, as needed, in the future.
NYC Accelerator Program and Offerings
What is NYC Accelerator?

A New York City program to help control costs, meet compliance requirements for local laws, boost building performance, increase energy savings, and reduce carbon emissions across New York City buildings.

NYC Accelerator:

- Provides **free technical guidance** to help the market transform how our buildings operate and are built
- **Identifies building upgrade projects** to help meet emissions limits established under the Climate Mobilization Act
- Offers **no-cost building operator trainings** and supports green workforce development
- **Connects building decisionmakers directly with service providers** to implement decarbonization projects
- Helps buildings **identify applicable financial incentives** and financing, such as NYC Accelerator PACE
How Does NYC Accelerator Work?

+ Who is eligible?
  - Any privately owned New York City building ≥ 5,000 square feet (new or existing)
  - Smaller buildings referred to partner organizations

+ How does it work?
  - Call us and get connected with a dedicated Account Manager
  - Receive objective advice customized to your needs

+ How much does it cost, and what’s the catch?
  - No catch, no cost, no sign-up or commitment
How Can NYC Accelerator Help You?

Step 1: Learn About NYC Accelerator

+ Call us at 212.656.9202, email us at info@accelerator.nyc, or complete the contact form on our website: accelerator.nyc/contact.
  
  • Speak with a Program Coordinator
  • Get assigned a dedicated Account Manager

+ Free resources on the NYC Accelerator website (content being added and updated)
  
  • Building energy law information
  • Technical primers explaining decarbonization opportunities
  • Case studies
  • Links to online tools: NYC Energy & Water Performance Map, GHG Emission Calculator
  • Building Energy Snapshot
How Can NYC Accelerator Help You?

Step 2: Building Needs Assessment with Account Manager

**Collect Data**
- Supply and confirm list of building(s) in portfolio
- Collect and assess benchmarking data
- Review energy letter grades (prioritize)

**Analyze**
- Determine LL97 compliance pathway: prescriptive vs. carbon reduction
- Number of rent-regulated units
- Discuss compliance deadlines and action items
- Prioritize buildings based on energy grades and LL97 emissions

**Prioritize**
- Determine applicable energy conservation measures to meet LL97 requirements
- Energy audit review, opportunities based on building typology, past ECMs completed
- Discuss sequencing of projects based on energy savings and carbon reduction impacts
## LL97: How Existing Buildings Could Meet 2030 Limits

<table>
<thead>
<tr>
<th>RANGE OF BUILDINGS</th>
<th>SAMPLE SCOPES TO MEET 2030 LIMITS</th>
<th>GHG REDUCTIONS</th>
</tr>
</thead>
</table>
| Buildings already performing close to 2030 targets | • Invest in maintenance  
• Install low-flow fixtures  
• Air seal building  
• Heating system upgrades               | 22%-29%       |
| Buildings that are significantly underperforming | All of the above, PLUS:  
• Roof insulation and air sealing  
• Replace heating system with more efficient system  
• Lighting improvements  
• Heating system controls and sensors   | 29%-48%       |
| The worst-performing buildings (the worst 20th percentile) | All of the above, PLUS:  
• Install heat pump hot water heaters  
• Upgrade old windows           | 44%-63%       |
How Can NYC Accelerator Help You?

Steps 3 and 4: Decide and Implement

**Implementation Plan**
- Prioritize projects (energy efficiency and solar)

**Process and Financing Support**
- Incentive pathway
- Contractor pathway

**Toolbox and Resources**
- Utilities
- NYSERDA + Other New York City programs
- Qualified contractors
Available Resources and Incentive Programs

+ **Utilities**
  - **Con Edison**
    - Multifamily Energy Efficiency Program (MFEEP)
  - **National Grid**
    - Multifamily Program
    - Total Building Comfort Program

+ **State**
  - **New York State Energy Research Development Authority (NYSERDA)**
    - Flexible Technical Assistance (FlexTech) Program
    - Low Carbon Pathways Program
  - **Joint Utility and NYSERDA**
    - Affordable Multifamily Energy Efficiency Program (AMEEP)
    - Clean Heat Program

+ **Other Financing Options**
  - NYC Accelerator Commercial Property Assessed Clean Energy (C-PACE) financing
  - Traditional financing through mortgage lenders
NYC Accelerator’s Financing Assistance

Identify applicable financing programs

+ Relevant to specific project needs
+ Fit with building use and financial structure

Assist in navigating financing options

+ Connection to capital providers and lenders
+ Engage building stakeholders in the process
+ Improve understanding of various financing products
+ Guidance assessing options
NYC Accelerator PACE Financing

**Benefits**

+ **100% financing**, fixed rate, non-recourse
+ **Long-term financing**. Loan term based on the weighted average useful life of improvements for up to 25-30 years. Longer-term financing extends repayment period, lowers payment
+ **Lower energy expenses** help offset the loan repayments with potential for positive cash flow
+ The positive GHG impacts of the improvements **can improve your building’s energy efficiency rating** and help compliance with LL97
+ **Transferable upon property sale**. New owner enjoys energy savings and continues loan payments
+ PACE can **retroactively finance improvements** completed up to 3 years earlier
NYC Accelerator will stay with you every step of the way from planning and pre-development all the way through project completion!
Building Energy Snapshot Tool

Click to watch

BUILDING A BETTER NYC WITH ENERGY UPGRADES

Energy-efficient and renewable energy upgrades make buildings and neighborhoods cleaner, healthier, and more resilient for all.

GET STARTED WITH NYC ACCELERATOR

NYC Accelerator provides resources, training, and one-on-one expert guidance to help building owners and industry professionals improve energy efficiency and reduce carbon emissions from buildings in NYC.

Contact Us

LOOK UP YOUR BUILDING

Use our online tool to get specific information about your building's energy use and Local Law 97 compliance status. Then, contact NYC Accelerator.
NYC Accelerator can connect you with contractors and other service providers to help your property move forward toward compliance.

Help You Assemble a Decarbonization Team

LL97 requires different professionals to certify and submit a report to the DOB depending on your pathway. NYC Accelerator can help you determine who you need on your project team!

**Article 320:**
- Registered Design Professional (Architect or Engineer)
- Contractors to do the work

**Art. 321 PECM Pathway:**
- Retro-commissioning Agent
- A contractor(s)
- Project manager

Left: Our service provider lookup tool, not an endorsement. NYC Accelerator is a service provider-agnostic City program.
Contact
Our Team of Experts

Web: accelerator.nyc/LL97
Email: info@accelerator.nyc
Phone: 212-656-9202
Derick Kowalczyk
Multifamily Program Manager, Willdan Energy Services
Unlocking Multifamily Energy Incentives
What Are We Covering?

<table>
<thead>
<tr>
<th>• Multifamily Programs Overview</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 2024 Incentives</td>
</tr>
<tr>
<td>• Case Study</td>
</tr>
<tr>
<td>• Application Process</td>
</tr>
</tbody>
</table>
Multifamily Programs Overview
Energy Savings

Con Edison provided incentives for 2,800+ multifamily projects to customers in New York City and Westchester County.

$100m+ Cash Incentives
Paid out in 2023

25,000+ Megawatt Hours Saved
Enough to power 2,400 average US households for one year

862,000+ MMBtu Saved
The equivalent annual natural gas consumption for about 11,000 US households

Multifamily Programs offer incentives for energy-saving equipment and technology upgrades to customers in NYC and Westchester County.

Eligibility Requirements:

- Buildings with 5+ residential units
- Customer must have an active Con Edison electric and/or gas service account for common area

Incentives are applied through Con Edison’s implementation contractor, Willdan Energy Solutions (WES).
From Application to Service Upgrade

NYS Clean Heat Program

Con Edison Multifamily Energy Efficiency Program (MFEEP)

NYS Affordable Multifamily Energy Efficiency Program (AMEEP)

Adder Programs: Targeted Demand Management & Non-Pipe Alternatives
From Application to Service Upgrade

- NYS Clean Heat Program
- Market Rate and Affordable Housing (LMI) Buildings
- Electrification projects submitted on an individual project basis
From Application to Service Upgrade

- Con Edison Multifamily Energy Efficiency Program (MFEEP)
- Market Rate Buildings
- Electric and Gas upgrades submitted on an individual project basis
From Application to Service Upgrade

- Electric and gas upgrades submitted on an individual project basis
- Comprehensive Pathway available for whole-building retrofits.

Measures for Affordable Housing (LMI buildings) are associated to points and incentive is based on a per dwelling unit basis:
  - **Tier 1**: 100 points - $1,500/dwelling unit
  - **Tier 2**: 150 points - $2,000/dwelling unit

NYS Affordable Multifamily Energy Efficiency Program (AMEEP)
Adder Programs:

- Targeted Demand Management (TDM)
- Non-Pipe Alternatives (NPA)

- Market Rate and Affordable Housing (LMI) Buildings
- Electric bonus incentives for eligible demand-reducing upgrades within some Brooklyn and Queens neighborhoods
- Gas & Clean Heat bonus incentives for eligible demand-reducing upgrades within the Soundview neighborhood of the Bronx

Adder Programs: Targeted Demand Management (TDM) & Non-Pipe Alternatives (NPA)
Increase Profitability → Decrease Energy Usage

- Offset project costs with cash incentives
- Avoid fines
- Increase ROI
- Lower operating expenses

- Reduce carbon footprint
- Improve “building health”
- Meet sustainability goals
- Enhance reputation
2024 Incentives
Electric Upgrades

- Common Area LED Lighting and Lighting Controls
- In-Unit LED Bulbs
- Elevator Modernization
- HVAC
  - Variable Frequency Drives
  - EC Motors
  - Chiller Replacement
  - Cooling Tower Replacement
  - Packaged Terminal Air Conditioners
  - Air Conditioner – Central Unit Replacement
Gas Upgrades

- Pipe Insulation
- Steam Traps
- Boiler Replacements
- Boiler Clean & Tune
- In-Unit Showerhead and Faucet Aerators
- Energy Management Systems
- 2-pipe Steam Retro-Commissioning
- Building Envelope
  - Air Sealing
  - Roof and Wall Insulation
  - Window Replacement
**Clean Heat Program Upgrades**

- Air-Source Heat Pumps
- Heat Pump Water Heater
- Bonus incentives for Building Envelope improvements
  - Air Sealing
  - Roof and Wall Insulation
  - Window Replacement
Additional Incentive “Adder” Programs

• In addition to those incentives, Eligible Non-Wires Solutions neighborhoods may qualify for **bonus incentives** to reduce grid electric demand

• Fully covered common area LED lighting upgrades

• Bonus incentives ($2,000/kW of energy savings) for:
  o Packaged Terminal Air Conditioners
  o Elevator Modernization
  o Chiller Replacement
  o Cooling Tower Replacement
Program Pathways

**PRESCRIPTIVE (STANDARD) MEASURES**
- For Electric and Gas equipment upgrades outlined in program fact sheets on website.
- Customers and contractors automatically calculate energy savings using equipment information.

**CUSTOM MEASURES**
- For equipment upgrades not listed in program fact sheets on website.
- Custom projects may require energy savings measurement and verification.

**CLEAN HEAT PROGRAM**
- Prescriptive and custom paths that offer incentives for heat pump installations.

**IN-UNIT DIRECT INSTALL (LMI)**
- Free In-Unit LED upgrades and low-flow aerators for faucets and showerheads in dwelling units.
# Multifamily Energy Efficiency Program

## Case Study

22,000 sq ft (147 unit) MF Building in the Bronx

<table>
<thead>
<tr>
<th>SOW</th>
<th>Roof Insulation (sq ft)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENERGY SAVINGS</td>
<td>13,955 therms annually; 73.8 tons of CO2</td>
</tr>
</tbody>
</table>
| COST | Project Total: $294,530.31  
Incentive: $250,350.76  
Customer: $44,179.55 |
| RESULTS | Payback: 2.2 years |

*Assuming $1.44/Therm for central heating for the annual savings*
Application Process
You MUST complete all pre-install requirements prior to moving onto installation/demo. If you start installation prior to application completion, you will be ineligible for incentives.
Thank You!

Willdan Energy Solutions
Program Implementation Contractor

ConEdMultifamily@willdan.com
DKowalczyk@willdan.com
844.316.4288

See www.coned.com/multifamily for application and program details
Audience Q&A
Unlocking Incentives: Multifamily Buildings
Thank you!

urbangreencouncil.org

@UrbanGreen