



DOB WEBINAR SERIES – SESSION 10: PURCHASING OFFSETS FOR LL97 COMPLIANCE

April 8, 2025

presented by
DOB Sustainability Bureau

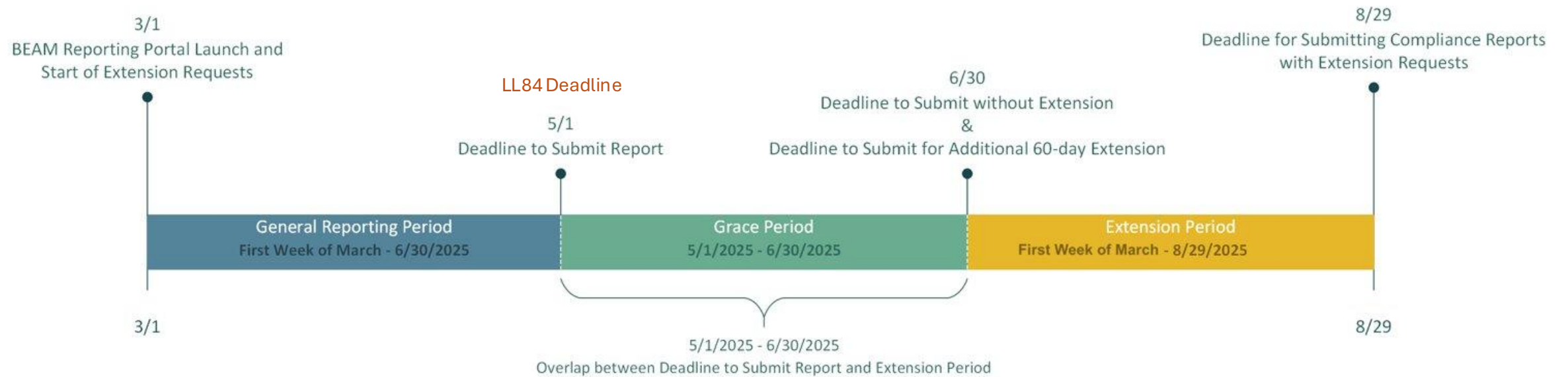


LL97 Timeline

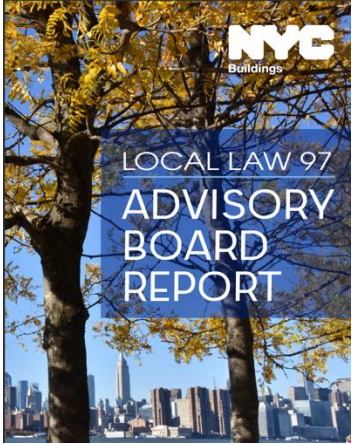
LL97 TIMELINE

For Filing Extensions and Submitting Compliance Reports

Grace periods & extensions apply to LL88

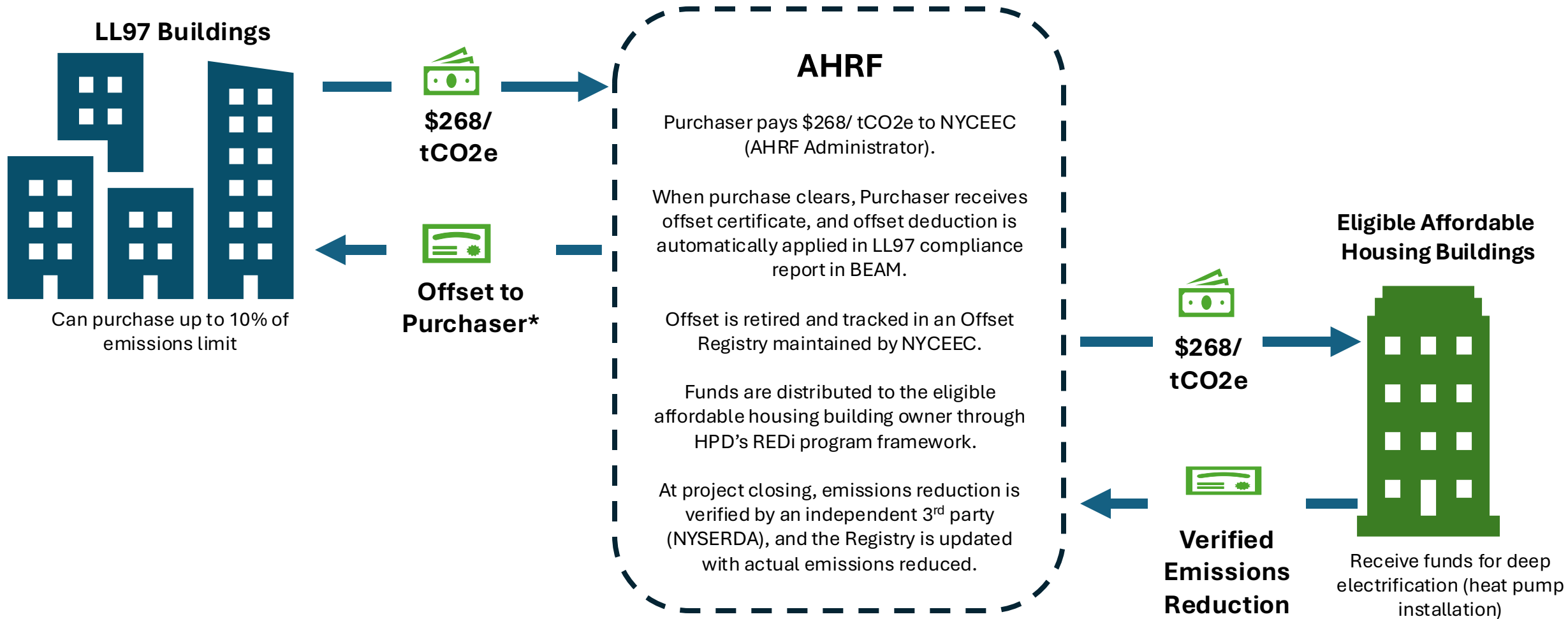


Affordable Housing Reinvestment Fund



- The idea for an affordable housing reinvestment fund was raised at the inception of the law during the legislative process, and was an explicit recommendation in the LL97 Advisory Board Report.
- LL97 authorizes offsets to be purchased and applied to a building's annual emissions in an amount **up to 10 percent of the annual building emissions limit**.
- The **only offsets** that may be used for LL97 compliance are offsets generated by [the New York City Affordable Housing Reinvestment Fund \(AHRF\)](#), a fund established by DOB and HPD and administered by NYCEEC.

Affordable Housing Reinvestment Fund (AHRF) Mechanics



New York City Energy Efficiency Corporation (NYCEEC)

- First local green bank in the US
- 501(c)(3) mission-driven lender, originally created in 2010 by the NYC Government
- Lend to support energy efficiency, renewable energy, battery storage, EV charging, and high-performance building projects
- Serve multiple real estate sectors: affordable & market rate multifamily, commercial, industrial, & institutional
- NYC C-PACE Program Administrator



Funding Flows Through HPD's Redi Program

REDi is a joint HPD-NYSERDA program that is a successor to HPD's highly successful Retrofit Electrification Pilot, which has allocated funding to “beneficially electrify” more than 1,300 households in HPD's preservation pipeline.

- REDi projects are subject to significant oversight by HPD and NYSEERDA.
- REDi funds supplement city dollars to meet the city's climate goals.
- REDi has a large pipeline of projects that are good candidates for electrification.
- Adding AHRF dollars ensures HPD does not need to turn away low-income buildings where electrification provides multiple health, safety and climate benefits.

Resilient & Equitable Decarbonization Initiative (REDi)

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Overview: To reach New York City and New York State's ambitious climate targets and to reduce the barriers to decarbonizing affordable housing, HPD's REDi program provides funding to build capacity and scale up equitable decarbonization, beneficial electrification, and resiliency within the HPD development pipeline and as outlined in HPD's Design Guidelines. The REDi program is a long-term joint HPD-NYSERDA initiative that builds on HPD's highly successful Retrofit Electrification Pilot and other joint programs and is an innovative model for streamlining access to financial and technical assistance from New York State. REDi funding is secured directly through HPD, without requiring an application to NYSEERDA.

AHRF Offsets: Methodology

Every offset purchased will fund one tCO₂e reduced by an eligible retrofit project in HPD's REDI program that is electrifying heating and hot water.

Purchase Price:

- Offset Purchase Cost: \$268/ tCO₂e

Offset Value:

- Funding levels will be set at \$268/ deemed tCO₂e,
 - Ensures that funding is sized appropriately to emissions reductions
 - Calculations are based on a methodology that was vetted by NYSERDA and compared against other sources
 - Calculations are based on the incremental savings compared to a “business as usual” HPD scope
 - Funding will vary based on a building's base fuel type (e.g., oil vs. gas)
 - Funding is scaled to building and size and unit size (number of bedrooms)
 - REDI program will vet the project's baseline fuel type/ fuel use and final scope, to ensure that deemed savings are achieved

AHRF Offsets

Exhibit core environmental integrity principles, including the following:

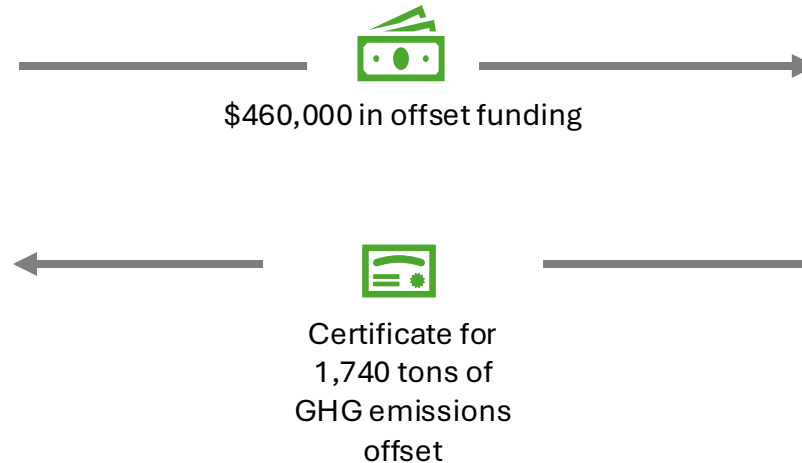
1. **Real and quantifiable:** AHRF Offsets represent genuine atmospheric impact that is replicable and determined by a credible, transparent methodology.
2. **Permanent:** AHRF Offset emission reductions or removals are permanent and not reversible; that is, the emissions can't be rereleased back into the atmosphere.
3. **Additional:** AHRF Offsets may not be used to offset emissions required by law or regulation.
4. **Verifiable:** Activity design is validated, and results are verified, by a qualified, accredited, independent third party (NYSERDA).
5. **Unique:** One credit corresponds to 1 tCO₂e emissions; each AHRF Offset is tracked, and it is possible to enforce its ownership and to avoid double counting (done via the Offset Registry).
6. **Robust baselines:** Baselines for emissions reduction and removal activities are based on rigorous methodologies that avoid over-crediting.

Example



PURCHASER:

Estimated Penalty for 2024-2029: ~\$2MM/year
Compliance Limit: 17,402 MT CO₂e
Offsets Allowed (10% of limit): 1,740 MT CO₂e
Cost of Offsets: \$468,000 (at \$268 offset price)



OFFSET PROJECT:

8-unit oil-heated building
Not subject to LL97
Scope: Electrification of heating + hot water
Deemed Savings: 770 tGHG2 over 20 years
Total Amount: \$208,000



OFFSET PROJECT:

10-unit oil-heated building
Subject to Article 321
Scope: Electrification of heating + hot water
Deemed Savings: 970 tGHG2 over 20 years
Total Amount: \$260,000

Total Funding: \$468,000

Total Households: 20

Total GHG Savings: 1,740 tons (over 20-year lifecycle)

Step 1:

When purchasing offsets for LL97 compliance, the first step is for the building owner (or owner's representative) to determine the quantity of offsets to be purchased.

A covered building's maximum allowable deduction for offsets is 10% of its unadjusted emissions limit.

- This calculation is a building's emissions limit **before** any adjustment is applied (e.g. under 320.7, 320.8, or 320.9);
- If multiple buildings choose to submit a combined report with **aggregated emissions** (allowed when the buildings share energy service, follow the same LL97 compliance pathway, have the same owner, and are on the same or adjacent tax lots), this is the group's aggregated emissions limit;
- If the building is complying with **Article 321** through the emissions performance pathway, this would be the 2030 emissions limit.
- If the building exceeds its emissions limit by **less than 10%**, then the building only needs to purchase enough offsets to get to compliance.
- Minimum purchase is 1 tCO₂e at \$268 per tCO₂e. Anything greater than 1 offset may be purchased in tenths of a tCO₂e.

AHRF Offsets: Purchase Process

- The LL97 reporting portal contains a [calculator](#) that can be used to assess potential offset purchases.
- AHRF offsets must be purchased within the same calendar year as the LL97 report submission, but may be purchased either before or after initial submission of the LL97 compliance report, as long the purchase is complete by the relevant deadline.

02. LL97 Test Calculator

Edit

Building Identification Number (BIN)

None

Prepopulate

Enter BIN as it appears on LL97 CBL.

BINs must be 7 numerical digits (i.e. 1234567) There should be no dashes, spaces, or other characters within the digits.

Once you've entered your BIN, select "prepopulate" to view your building's preliminary emissions and emissions limit.

Enter the amount of offsets in tCO2e that you would like to evaluate:

Emissions Limit (tCO2e)

Evaluate

Building Emissions (tCO2e)

Evaluate

Excess Emissions (tCO2e)

Loading...

Evaluate

Maximum Allowable Offsets (tCO2e)

Evaluate

AHRF Offsets: Sample Offset Purchase Amount

[Scenario] Multi-family/ Retail mixed-use Building of 30,000 sf

Annual Emissions

Fuel type	2024-2029 Emissions Coefficient	2024 Annual Fuel Use	2024 Annual Emission [tCO ₂ e]
Natural Gas	0.00005311 tCO ₂ e/kBtu	1,560,000 kBtu	82.8516
No. 2 Oil	0.00007421 tCO ₂ e/kBtu	950,000 kBtu	70.4995
Utility Electricity	0.000288962 tCO ₂ e/kWh	250,000 kWh	72.2405
			225.6

Emissions Limit

ESPM Property type	2024 – 2029 Emissions Factor [tCO ₂ e/sf]	Gross Floor Area [sf]	2024 Emissions Limit [tCO ₂ e]
Multifamily Housing	0.00675	24,000	162
Retail Store	0.00758	6,000	45
			207

Offset Purchase

10% of Emissions Limit [tCO ₂ e] (Max Purchase amount)	Amount over limit [tCO ₂ e]	Offset Purchase Amount [tCO ₂ e]	2024 Annual Emissions with Offset Purchase [tCO ₂ e]
20.7	18.6	18.6 x \$268 = \$4,984.8	207

Was non compliant with LL97 for CY 2024 as 2024 Annual Emission was more than 2024 Emissions Limit. 225.6 tCO₂e > 207 tCO₂e

With offset purchase, compliant with LL97 for CY 2024 as 2024 Annual Emission is equal 2024 Emissions Limit. '207 tCO₂e = 207 tCO₂e

AHRF Offsets: Purchase Process

Step 2:

Once the amount of offsets for purchase has been determined, the building owner should visit NYCEEC's AHRF website to download, fill, sign and submit via email the Offset Purchase Application (the "Application").

- Visit: <https://nyceec.com/nyc-ahrf-offset-program/>
- Send the completed purchase application to NYCOffsets@nyceec.com



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The Affordable Housing Reinvestment Fund (AHRF) Offsets Program

1. Determine Offset Purchase Amount: For LL97, the maximum amount of offsets that may be used for compliance is 10% of a building's calculated emissions limit. Visit the LL97 Reporting Portal here to calculate this amount.	2. Submit Purchase Application: Complete the AHRF Offset Purchase Application, available below, and submit it to the Administrator by emailing NYCOffsets@nyceec.com . Administrator reviews the application and, upon approval, countersigns the agreements, and sends it and the Invoice to Purchaser to make the payment for AHRF offsets.	3. Confirm Purchase: Once payment clears, the Administrator will send the Applicant a certificate confirming the number of offsets purchased and their retirement. Offsets purchased for LL97 compliance will automatically be applied to the building's annual emissions in the LL97 reporting portal within 10 business days.	4. Track Offsets: All AHRF Offsets will be reflected in a public registry, soon available on this page, tracking the emissions reductions achieve.
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The price of one AHRF Offset is: \$268 per tCO₂e. This price is designed to reflect the localized cost to offset one tonne or one metric ton of carbon dioxide equivalent emissions and mirrors the approach used to determine the cost of LL97 penalties.

FORMS & DOCUMENTS

- [Offset Purchase Application \(download here\)](#)
 - Email the completed application to NYCOffsets@nyceec.com

AHRF Offsets: Purchase Process

Part 1. Contact Information

Full legal name of person completing this Application (the “**Purchaser’s Agent**”):

Title:	Organization:
Telephone:	E-mail:
<p>Person completing the application is <u>is</u> (check one):</p> <p><input type="checkbox"/> An engineer or design professional</p> <p><input type="checkbox"/> The owner of the <u>Building(s)</u> identified in Part 3</p>	
<p><input type="checkbox"/> The manager for the <u>Building(s)</u> identified in Part 3</p> <p><input type="checkbox"/> An officer or director of the Purchaser identified below</p> <p><input type="checkbox"/> Other _____ (insert description)</p>	

Part 2. Information on Offset Purchaser

Is the person completing this application the Offset Purchaser (the “**Purchaser**”): ☐ Yes ☐ No

Note: The Purchaser is the person or entity for whom the offsets will be retired. Purchaser must be the owner of the Building(s) covered by LL97.

If “No”, full legal name of the Purchaser:

Purchaser E-mail:

Legal structure (check one): ☐ Limited Liability Company ☐ For-profit Corporation ☐ Not-for-profit Corporation

☐ General Partnership ☐ Limited Partnership ☐ Sole Proprietorship ☐ S-Corporation

☐ Condominium ☐ Cooperative ☐ Private Individual

☐ Other _____
(insert description)

Federal Employer Identification Number (EIN):

State of formation:

Date formed:

Primary business address:

City:

State:

Zip:

E-mail address to which notices should be sent:

Is the person or entity that is the proposed Purchaser the owner of the Building(s)? ☐ Yes ☐ No

The Fund Administrator may contact the Applicant directly to obtain necessary identifying and/or other information. If the proposed Purchaser is an individual, Applicants must not include in this Application any personally identifiable information (“PII”) for the individual such as their date of birth, Social Security Number, or other similar PII.

Is this purchase of Offsets being undertaken for any purpose other than Local Law 97 compliance?

☐ Yes ☐ No ☐ Unknown

Note: This Offset Purchase Application may only be used by building owners for LL97 compliance purposes.

AHRF Offsets: Purchase Process



Part 3. LL97 Compliance Information

Total Number of LL97 Covered Building(s): _____ *Note: This should be the total number of buildings included in this Offset purchase.*
(insert number)

Full legal name of person or entity that owns all the Building(s) identified below:

Note: A separate Application must be submitted for each Building owner. Multiple Buildings may be included in the same Application only if they are owned by the same entity or person.

To complete the fields below, information on each Building should be entered separately. If an aggregated emissions report for LL97 is being submitted for multiple buildings, only the BBL(s) as displayed on the LL97 reporting portal need to be provided, no BIN or address is required. Email BEAM_LL97@buildings.nyc.gov for any questions relating to aggregate reports.

Building 1:¹	Street Address:	
Borough, Block, Lot No (BBL): <i>10-digits, no spaces</i>	Quantity of Offsets for Building 1 (in tCO ₂ e): <i>Round to nearest one-tenth (e.g. 10.1)</i>	
Building Identification Number (BIN): <i>7- digits, no spaces</i>	Offset Purchase Price: <i>\$268 per Offset/tCO₂e (For example: 21.7 Offsets x \$268 = \$5,815.60)</i>	
Building 2:	Street Address:	
Borough, Block, Lot No (BBL): <i>10-digits, no spaces</i>	Quantity of Offsets for Building 2 (in tCO ₂ e): <i>Round to nearest one-tenth (e.g. 10.1)</i>	
Building Identification Number (BIN): <i>7- digits, no spaces</i>	Offset Purchase Price: <i>\$268 per Offset/tCO₂e (For example: 21.7 Offsets x \$268 = \$5,815.60)</i>	
Building 3:	Street Address:	
Borough, Block, Lot No (BBL): <i>10-digits, no spaces</i>	Quantity of Offsets for Building 3 (in tCO ₂ e): <i>Round to nearest one-tenth (e.g. 10.1)</i>	
Building Identification Number (BIN): <i>7- digits, no spaces</i>	Offset Purchase Price: <i>\$268 per Offset/tCO₂e (For example: 21.7 Offsets x \$268 = \$5,815.60)</i>	

If more than 3 buildings are covered by this Application, attach a supplemental page to this Application with the same information as specified above for Buildings 1 – 3.

Part 4. Information on Offsets Being Purchased

Total quantity of Offsets to be purchased (in tCO₂e):

Round to the nearest one-tenth of a whole number of tCO₂e: e.g. 100.1tCO₂e, or 10.7tCO₂e, but not 100.01tCO₂e, or 10.07tCO₂e

Total Purchase Price: \$ _____ *Note: the price should be the quantity of Offsets to be purchased multiplied by \$268.00*

LL97 reporting calendar year in which the Offsets are being purchased: **2025**

Purchaser will need to sign the
completed purchase application
and email it to

NYCoffsets@nyceec.com

AHRF Offsets: Purchase Process

Step 3:

- NYCEEC will confirm initial receipt of the Application.
- After NYCEEC has completed due diligence (which may take several business days and require the owner to submit additional/revised information), it will send a confirmation that the application has been approved and provide wire transfer instructions to complete the offset purchase.
- The building owner wires payment to the AHRF's bank account, administered by NYCEEC, and then notifies NYCEEC that payment has been sent via email at NYCoffsets@nyceec.com.
- Following receipt and clearance of funds (which may take another several business days), NYCEEC will finalize the AHRF purchase in the Offset Registry and issue a certificate to the building owner that lists the amount of offsets purchased, associated LL97 covered building BIN, BBL and address, and date of offset generation/retirement.

Note: AHRF purchases are non-refundable and non-transferable.

AHRF Offsets: LL97 Submission Process

All LL97 offset purchases will be exported from the Offset Registry to the LL97 reporting portal (BEAM) on a weekly basis.

As long as the BBL and BIN indicated in the Offset Registry match the BBL and BIN in the building's LL97 reporting portal account, purchased offsets will be automatically be reflected in a building's LL97 reporting portal emissions profile.

- If the offsets are not automatically reflected in the reporting portal within one week, then there may be a BIN/BBL discrepancy. In such cases supporting documentation can be emailed to DOB at BEAM_LL97@buildings.nyc.gov ; the Department will verify the discrepancy and contact NYCEEC. Building owners should not contact NYCEEC directly for matters related to the LL97 reporting portal.

Webinar Schedule

Webinar Date	LL97 Reporting Process Presentations
2/28/2025	Overview of LL97 Reporting Process (Presentation)
3/5/2025	Benchmarking Forum (Presentation)
3/7/2025	Article 321 Compliance Filing: Part 1 (Presentation) LL97 Compliance Report (Article 321)
3/11/2025	Article 320 Filing: Part 1 LL97 Building Emissions Limit & RDP Attestation (Article 320), LL97 Deductions and Alternatives to Calculating Annual Building Emissions (Article 320 and Article 321).
3/14/2025	Article 321 Compliance Filing: Part 2 LL97 Penalty Mitigation (Article 321), LL97 Covered Building List (CBL) Disputes.
3/18/2025	Article 320 Continued: Part 2 LL97 Penalty Mitigation (Good Faith Efforts), LL97 Covered Building List (CBL) Disputes.
3/20/2025	LL88 Lighting & Sub-Metering
3/25/2025	LL97 Application for §320.7 Adjustment
3/28/2025	Combined Reporting

DOB Webinars

Questions and Inquiries?

Contact: BEAM_LL97@buildings.nyc.gov

An aerial, black and white photograph of a dense urban landscape, likely New York City. The image shows a vast expanse of skyscrapers and buildings, with a river visible in the upper right corner. The perspective is from a high angle, looking down on the city.

THANK YOU!

build safe | live safe

NYC
Buildings