

Local Law 97 Impact



New York City building owners are facing rising expectations to reduce greenhouse gas (GHG) emissions with the passage of Local Law 97, passed by the City Council in April 2019, which aims for New York City to become carbon neutral by 2050.

[Local Law 97 \(LL97\)](#), part of Mayor de Blasio's New York City Green New Deal and included in the [Climate Mobilization Act](#), outlines one of the nation's most ambitious plans to eliminate GHG emissions. As buildings account for two-thirds of GHG emissions in New York City¹, building owners will play a significant role in reaching carbon neutrality through compliance of new energy efficiency and greenhouse gas (GHG) emissions limits.

Who does Local Law 97 impact?

Local Law 97, which will require the annual monitoring of buildings' energy and water usage, includes*:

- Buildings that exceed 25,000 gross square feet.
- Two or more buildings on the same tax lot that together exceed 50,000 square feet.
- Two or more buildings owned by a condo association governed by the same board of managers and that exceed 50,000 square feet together.¹

*Some buildings are exempt from Local Law 97. More information can be found on the [Department of Buildings \(DOB\) Greenhouse Gas Emission Reporting](#) website.

When will Local Law 97 be implemented?

2024

LL97 Benchmarking Begins

The process known as "benchmarking" requires detailed annual GHG emissions to be reported to the Department of Buildings by May 1, 2025 (and May 1 of every year after). Reports must reflect emissions in the calendar year 2024.

For full compliance details, visit the [NYC Sustainable Buildings Compliance Page](#).

Building owners that fail to submit their report on their energy usage will face stiff penalties and fines, starting in 2025.

2025

Initial Fines are Assessed

New energy efficiency and GHG emissions limits take effect based on property types from the [Energy Star Portfolio Manager \(ESPM\) tool](#). View the [2024 – 2029 limits based on ESPM property types](#) to see how your building(s) is impacted.

2026

ESPM Property Types Required

Owners whose emissions limits have been lowered (made more stringent) can follow either the original limits based on New York City Building Code occupancy groups, or the limits based on ESPM property types, for calendar years 2024 and 2025. **Beginning in 2026**, all owners must report their emissions using the ESPM property types.

2030

Emission Limits by Property Type Lowered

Stricter limits for buildings take effect, requiring buildings to reduce their GHG emissions per square foot (tCO₂e), established by [1 RCNY §103-14](#), and use ESPM property types.

Milestone:
GHG Reduction Goal of 40%

2035

Emission Factors Requirements Lowered

Another reduction adjustment takes place, reducing GHG emissions per square foot (tCO₂e) limits, established by [1 RCNY §103-14](#) and using ESPM property types.

2050

Carbon Neutrality Reached

Citywide emissions reported by the calendar year 2050.

Milestone:
Full Carbon Neutrality

How do I ensure my building(s) comply with the Local Law 97 codes and laws?

Understanding and navigating the new limits introduced by Local Law 97 (LL97) can be overwhelming and stressful for building owners. Each journey toward compliance may look different but rest assured, the right collaborator will meet you at any point. The path to compliance can be summed up in one word—decarbonization. The journey to decarbonize your building is uniquely yours and Trane® is the right collaborator to help guide you.

Taking Action

Where do I begin?

It's important to first understand what is meant by decarbonization. Decarbonization is the process of decreasing or eliminating GHG emissions that come from a building. Like vehicles that are reducing emissions by becoming more fuel efficient, or powered by electric batteries, buildings are decarbonizing, too. Through a thoughtful combination of improved equipment, controls, and services, buildings can achieve their decarbonization goals and thus maintain compliance with more rigorous environmental laws.

How can Trane help?

For over a century, Trane has seen more than the building. We've seen opportunities to build life. Trane is a world leader in air conditioning systems, services, and solutions. Our robust and diverse portfolio coupled with our highly skilled and knowledgeable representatives will ensure a smooth and successful journey towards decarbonization.

What can you expect?

Trane deploys a depth and breadth of expertise, backgrounds, and perspectives to both innovate new technologies and individualize solutions that get it right for you today and the world tomorrow. We are among Con Edison's top participating contractors, obtaining millions of dollars in rebates and incentives for our customers.

Trane Value Snapshot

62 buildings enrolled in NYSERDA or Con Edison rebate programs.

19,000,000 kwh (energy) and **13 MW** (power) reduction annually.

\$30M secured for clients in rebate dollars.

How will I fund these improvements?

Compliance with LL97 will require thoughtful planning and likely funding support. While local utility and NYSERDA rebate programs are designed to provide funding based on performance, the recently enacted Inflation Reduction Act (IRA) is available for specific project types. The IRA, signed on August 16, 2022, is the nation's largest investment in clean energy solutions to date^{2,3}. The IRA offers a variety of clean energy tax credits to building owners to help ease the financial load. Many include a base tax credit with opportunities for bonus tax credits for projects meeting certain requirements. Below are some helpful resources with more information:

- [The White House: Inflation Reduction Act Guidebook](#)
- [Trane Commercial: Legislation and Incentives Resource Center](#)

Trane will work with you to navigate, plan, and develop a solution that's right for your building. We honor the legacy we've created and build on it by making buildings safer, more comfortable, and more cost-effective. Now, and for generations to come. [Start planning today!](#)

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1. <https://www.nyc.gov/site/sustainablebuildings/ll97/local-law-97.page>

2. https://www.epa.gov/system/files/documents/2022-12/12%2009%202022_OAR%20IRA%20Overview_vPublic.pdf

3. <https://www.dol.gov/agencies/whd/IRA>



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