



Enterprise Association of Steamfitters Local Union 638

OF

STEAM, HOT WATER, HYDRAULIC, SPRINKLER, PNEUMATIC TUBE, COMPRESSED AIR, ICE MACHINE, AIR CONDITIONING
AND GENERAL PIPE FITTERS OF NEW YORK AND LONG ISLAND, A.F.L.-C.I.O.

STEAMFITTERS LOCAL UNION 638 OF THE UNITED ASSOCIATION

Dear Commissioner,

It is with great interest that The Enterprise Association Steamfitters Local 638 has reviewed Department of Buildings' (DOB) proposed rule changes to Section 103-14 to Chapter 100 Title 1 to establish procedures of reporting and complying with Local Law 97. We are a union comprised of over 9,400 members, the majority of whom work in the installation and servicing of heating and cooling systems in large multifamily and commercial buildings across the five boroughs. Our members share a great stake in the effective and timely implementation of Local Law 97, particularly in the early enforcement periods when large buildings will be called upon to make efficient upgrades, repairs and improvements to the boiler and chiller systems which our members maintain and install. Our members are equipped with the expert skill and training to help building owners achieve massive reductions in fuel use and increase efficiency in their existing systems, as part of a whole building approach to energy efficiency to achieve the compliance targets of Local Law 97 in 2024 and 2030. In the following decade, the work our members do installing ground source heat pumps and installing thermal energy networks will be critical for many buildings to reach their decarbonization and net zero energy goals required by local and state law. For that reason, ensuring an intelligent and planned transition for New York's large building stock will be essential, not only for ensuring pollution reductions and air quality benefits in the City, but also for creating a pipeline of good, union jobs that will strengthen the local economy.

It is with that context in mind that we would like to begin by praising the thoughtful work that the experts at DOB have done to expand the building classifications of Local Law 97 based on their energy use profile. It is laudable that DOB has recognized that EPA's Portfolio Manager, with its 10 building code occupancy groups was not adequate for determining energy use in the broad sector of buildings covered by Local Law 97. We want to compliment the dedicated staff at DOB for expanding those classifications to 60 building types, representing the diverse types of building in New York City and their varied energy use. Doing this will ensure that Local Law 97 provides the optimal compliance flexibility for building owners, and avoids a 'one-size-fits-all' approach to building decarbonization. Our members and the contractors who employ them have the skill and expertise to assist owners in reducing their in-building energy use, and tailoring their approach to Local Law 97 on a building-by-building basis. Setting emissions limits to property type in such a granular way will ensure that buildings are not unfairly penalized for their building-wide energy use. It is apparent that much thought and technical work went into this proposed system of building classification, and we want to commend DOB on the results.

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However, we are deeply concerned with the promulgated rules surrounding the use of Renewable Energy Certificates (RECs) that we have seen, and the warnings from credible experts that this alternative method of compliance will give buildings an alternative to doing on site work in their buildings to meet their compliance targets. The use of RECs to offset some building emissions under Local Law 97 was conceived prior to the Public Service Commission's approval to bring two new "Tier 4" projects online that will substantially increase the amount of clean energy powering the downstate grid, thus increasing the amount of RECs available to building owners. We approve of the recommendation to limit REC offsets to existing electrical use, so that REC purchases are not displacing work to heating and hot water systems that need to be undertaken in buildings. REC purchases must not be a substitute for building decarbonization and the retrofit work that our members in the local construction economy are poised to undertake. Local Law 97 was envisioned and crafted into law with the dual purpose of dramatically reducing pollution in New York City's buildings *and* creating a pipeline of thousands of construction jobs for a highly-trained workforce such as union Steamfitters. Without in-building work, New York tenants and residents will not realize the benefits of improved local air quality and more comfortable living and work spaces. Just as importantly, dollars spent on REC purchases are money that is being taken out of the local economy by not being invested in the jobs of steamfitters, plumbers, electricians, architects, and local contractors in the construction and design business. Analysis suggests that under the proposed rule, 40% of the emissions limits in multifamily residential buildings could be achieved using REC purchases. More disturbingly, office properties (a class of buildings where the unionized construction workforce sees a disproportionated amount of work) may be able to skirt up to 85% of their compliance obligations. Allowing such a broad section of covered buildings to avoid in-building upgrades while other owners inevitably opt to pay penalties rather than make investments in retrofits and improvements, undermines the local economic benefit that effective implementation of Local Law 97 promises. We strongly urge a more limited use of RECs that reflects the reality of a market that is about to be flooded with a new supply once new transmission projects come online.

In closing, we want to reiterate the public message our union has given to the City Council in regard to Local Law 97 and to various agencies regarding state policy: we are committed to the transition to clean energy, particularly in the building sector where our construction and service divisions maintain a substantial market share. However, we will always advocate for a thoughtful and deliberate transition to clean energy that takes an 'all-of-the-above' approach to clean energy and avoids premature, 'one-size-fits-all' adoption of electrification. We believe that DOB's approach to expanding building typology types and aligning Local Law 97's carbon coefficients with state law and NYSERDA's projections for the clean energy coming online in the coming decade accomplishes this. However, loose standards around the use of RECs threatens to undermine the law and fails to provide a clear market signal to building owners that on-site improvements and upgrades to their heating and cooling systems are required to meet the mandate. A market signal such as this is essential to ensuring that our union can continue to grow its membership and provide access and opportunity to local communities in the building trades. For over 140 years, Local 638 has been a source of middle-class jobs for the men and women who build and maintain New York City's most critical energy infrastructure. We urge the Department to keep our workforce top-of-mind in rulemaking and the enforcement of Local Law 97, so that the unionized trades can continue to be at the forefront of the 21st century's transition to clean energy.

On behalf of the 9,400 members of Steamfitters Local 638 and their elected membership, we thank you for taking the time and consideration of our public input on this critical issue.