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**Testimony of Chief Climate Officer Louise Yeung  
Before the New York City Department of Buildings' Rules Hearing  
on Annual Greenhouse Gas (GHG) Emissions Limits for Buildings**

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Thank you to the Department of Buildings for convening this hearing and for providing the opportunity to submit testimony. New York City's Local Law 97 (LL97), the most ambitious municipal building energy law in the country, will go into effect in two months. By making emissions reductions mandatory for buildings over 25,000 square feet, with ambitious but necessary and reasonable targets, LL97 will require property owners to invest in building sustainability improvements that reduce emissions, fundamentally transforming NYC's building stock and taking significant action to reduce our city's carbon footprint.

As a member of City Council, Comptroller Lander was instrumental in the passage of LL97 and remains proud of the City's efforts to manage emissions from buildings as the leading contributor to the City's climate emissions. In his current role, the Comptroller is committed to overseeing strong implementation of LL97. As LL97 goes into effect, the City must ensure that the law's implementation delivers real building decarbonization. The law will only be as good as its implementation.

We appreciate that the proposed rulemaking offers clear pathways to bring buildings into compliance. Replacing old gas boilers, inefficient windows, cooking appliances, and lighting fixtures is neither easy nor cheap upfront – but they are essential; and many of these steps will save building owners money over the long term.

We believe that the “good faith effort” provision outlined in the rulemaking provides a reasonable on-ramp to compliance for buildings that genuinely need more time or support to make these critical retrofits, while also establishing accountability mechanisms to ensure that those buildings follow through on their commitments. The requirements that buildings entering into “good faith” agreements must develop and carry out a DOB-approved decarbonization plan—placing them immediately within a legally-binding and clearly detailed compliance mandate—and meet their 2030 emissions limits early strikes the balance of flexibility and rigor to maximize compliance and achieve decarbonization. Many buildings have never undergone this kind of retrofit, and they need guidance to help them through it. The City must ensure funding and staffing resources to DOB and the NYC Accelerator program to enable proactive technical assistance, financing opportunities, and outreach for building owners. Our office supports the 100% limitation on the purchase of RECs for buildings that enter into “good faith” agreements with DOB.

Beyond the “good faith” program, we believe that an overarching cap on RECs is still necessary to incentivize meaningful investments in emissions reduction. The Comptroller's policy analysis of RECs in *Cap the Credits* (2022) recommended limiting the use of RECs to no more than 30% of a building's electricity emissions coverage as a reasonable limit to incentivize building owners to comply by implementing on-site retrofits. In addition to capping the use of RECs, we also encourage DOB to

prohibit the use of carbon capture technology for compliance. Carbon capture systems do not improve building efficiency, or provide good green jobs made possible by building-wide retrofits. While we are open to rigorous, science-based approaches to carbon capture and other innovative climate solutions, these must be *after* building owners have complied with Local Law 97's requirements to reduce their own emissions through retrofits.

In addition to this important rulemaking process, we encourage the City to take additional important measures to set this law up for successful implementation. In order to avoid exacerbating housing affordability and facilitate a just transition, we encourage the City to strengthen protections that make sure tenants do not bear the brunt of the costs of the energy transition, and to establish a Green Affordable Housing Fund that offers robust, accessible financing for affordable multifamily buildings. The Inflation Reduction Act, the J51 tax incentive program, and other City and State resources can be used to establish this fund.

LL97 has the potential to bring wide-ranging environmental, health, and economic benefits to New Yorkers. To reap these benefits, the rules must encourage emissions reductions through building retrofits. Our city must complement this rulemaking with accessible financing opportunities and technical assistance resources that support the needs of building owners in coming years. As the law comes into effect in 2024, we will pay sharp attention to the success of implementation to achieve a greener New York City.

Thank you for this opportunity to testify – and for the hard work that lies ahead to implement the nation's most ambitious municipal building decarbonization law.