

New York City Benchmarking Law: Investing in Sustainable Change

To reduce greenhouse gas emissions and help mitigate climate change, New York City continues to set ambitious energy goals. The recent [Climate Mobilization Act](#) is one such example, requiring large and medium-sized buildings, which account for nearly a third of all greenhouse gas emissions in the city, to reduce their emissions 40 percent by 2030 and 80 percent by 2050.

To meet these goals and encourage businesses to be proactive in this transition, New York City introduced the Benchmarking Law, which requires all companies with buildings of at least 25,000 sq. ft. to submit energy- and water-consumption data to the Environmental Protection Agency's online benchmarking tool. Graded A through D, these companies are required every year in October to post a label with the grade in a conspicuous part of their building.



Business Case for Efficiency

As consumer sentiments change to support sustainability, these grades can have a major impact on a business' reputation. Receiving a grade in the A or even B range could help to drive business, whereas a lower grade will communicate a not-so-favorable story to the public.

From a commercial business perspective, these grades may influence the willingness of environmentally conscious constituents to purchase from that business if the grade is less than ideal. On the other hand, a high building grade could become a key positive differentiator in New York City's competitive landscape.

For multifamily buildings, these grades can greatly affect the overall value of the property. Not only is energy efficiency important to attracting new tenants, it will greatly impact the building's reputation. As COVID-19 remains an ongoing concern, a high building grade could give the perception of being a cleaner and more habitable place to reside.

Whether you receive a high grade and want to improve further or a low grade and need to take immediate action, local utilities such as National Grid are here to help make this transition easier and more affordable for various types of businesses.

National Grid's Benchmarking Program

National Grid's [Benchmarking Program](#) can help you understand your building's current level of energy efficiency and provide solutions designed to help it perform better. Working with our partners at Leidos, if you haven't benchmarked your building yet, we can help by providing you with a no-cost energy assessment and upload your information into the ENERGY STAR® Portfolio Manager.

As part of your energy assessment, you'll get a detailed report with energy-efficient upgrade recommendations. We'll also help you find financial incentives to reduce your initial investment and shorten the payback period. It includes a roadmap to help you understand what you need to do to enhance your energy efficiency. This roadmap can include a variety of solutions, from low-cost quick projects to long-term capital investments.

Quick Fixes

While long-term efficiency measures are ideal for the city's rapidly changing regulatory landscape, short-term fixes are also helpful for those who need to quickly improve building grades and mitigate business disruption. Additionally, under the Climate Mobilization Act, the poorest-performing buildings will be required to take action by 2024. In this case, companies will need to identify the most feasible ways to quickly improve energy usage.

From water fixture upgrades to more efficient lighting, there are a variety of ways to make low-cost or no-cost investments in energy efficiency. For instance, National Grid's [Commercial Direct Install Program](#) offers commercial customers no-cost installation of high-efficiency water- and energy-saving measures. These upgrades use at least 30 percent less water than the standard fixtures, making it a great way for eligible businesses to quickly improve efficiency without spending any financial resources to do so.



Long-Term Investments

While shorter-term energy investments can certainly be impactful, long-term investments are ideal for providing building resiliency and consistent cost savings. Considering New York City's energy regulations are only expected to become more demanding in the future, it's important for businesses to look at their buildings holistically and get ahead of the curve now.

In addition, the Benchmarking Law will continue to grade buildings every year, and long-term investments are the best way to guarantee a positive grade over the long run. Larger upgrades that will drive this long-term resiliency include weatherization as well as heating system overhauls, including the adoption of new high-efficiency boilers, furnaces, water heaters, pipe insulation and variable-frequency-drive pumps.

While these upgrades may cost more initially, they guarantee consistent cost savings after the initial buyback period. To help alleviate some of the financial pressure and encourage businesses to take the leap, National Grid offers several incentives geared toward high-efficiency natural gas equipment, including a program that offers [rebates of up to \\$12,000](#) for qualifying commercial properties.

Conclusion

At the bottom line, each business is unique and will require a different approach to improving building grades and becoming more sustainable. With new local rules and regulations emerging every year to incentivize energy-efficiency measures, there has never been a better time to take action.

Regardless of the grade received, there is always room for improvement, and National Grid is a great resource for not only quick-fix measures that make an immediate impact, but also to help plan for long-term efficiency and a complete energy transformation.

To learn about other National Grid programs that are available to New York City commercial, industrial and multifamily properties, visit www.nationalgridus.com/business or www.nationalgridus.com/multifamily.