# New York City's Local Law 97 (LL97): A Fact Sheet for CHP End-Users and Stakeholders

Prepared by Tom Bourgeois, Director US DOE's New York New Jersey Technical Assistance Partnership, Michael Hamersky, Climate Change and Land Use Policy Fellow Pace University's Land Use Law Center for Sustainability, and ThuLan Pham JD Candidate Elisabeth Haub School of Law at Pace University. 2025

Local Law 97 is referred to as one of the most ambitious plans for reducing emissions in the nation. Many cities and states are reviewing its structure and will pay attention to its performance. CHP has been identified by the Department of Energy as a near to mid term strategy, reducing CO2 emissions now. To prevent lock-in CHP systems can be retrofit to run on clean fuels[1]

**What is Local Law 97?**

Local Law 97 (LL97), part of a package of laws referred to as the Climate Mobilization Act, is a New York City law seeking to reduce the carbon emissions of buildings in New York City by placing caps on greenhouse gases emitted by them. It was passed om April 2019 and will come into effect beginning in 2024. The goal of LL97 is to reduce the emissions produced by the city's largest buildings 40% by 2030 and 80% by 2050 since approximately 70% of New York City's emissions come from the fossil fuels used to heat, cool, and power buildings [2]

**What buildings are covered by Local Law 97?**

Buildings that are over 25,000 square feet, which includes nearly 50,000 properties across New York City, will fall under the scope of LL97. The Law also applies to two or more buildings on the same tax lot that together exceed 50,000 gross square feet, or two or more buildings held in the condominium form of ownership that are governed by the same board of managers and that together exceed 50,000 gross square feet.[3]

**Are any buildings exempted from Local Law 97?**

Certain buildings are not required to comply with LL97. Those include: (i) buildings that primarily produce electrical power or steam; (ii) detached or semi-detached buildings of three stories or less, where each owner owns and maintains their own HVAC and hot water systems that serve spaces of 25,000 square feet or less; (iii) city owned buildings; (iv) housing developments or buildings on land owned by the New York City Housing Authority; (v) residential buildings where at least 35% of its units are rent regulated; (vi) buildings whose main use is as a religious house of worship; (vii) buildings owned by a company constructing or

[1] Industrial Decarbonization Roadmap DOE/EE-2635 September 2022. 1.2.1.1 Combined Heat and Power (CHP)
[2] NYC Sustainable Buildings, *Local law 97*, https://www.nyc.gov/site/sustainablebuildings/ll97/local-law-97.page
[3] N.Y.C. Admin. Code 28 § 320 (2023)

rehabilitating affordable housing, and (viii )buildings that participate in a project-based federal housing program..[4]

**What are the greenhouse gas emissions limits on buildings pursuant to Local Law 97?**

The greenhouse gas emissions limits are based on each building's square footage, but different types of buildings have different emissions limits based on their occupancy group. For example, from 2024-2029, a multifamily housing building will have a limit of 6.75kg/sq. ft., while an office building will have a limit of 7.58kg/sq. ft.[5] The emissions limits for sixty different property types can be found at the US Environmental Protection Agency's Energy Star Portfolio Manager.

**Do the greenhouse gas emissions limits placed on buildings remain static over time?**

No. LL97 imposes more stringent compliance standards over time. The initial period runs from 2024-2029 and subsequent periods run from: 2030-2034; 2035-2040; and 2040-2050. LL97 expects building to reach net zero emissions by 2050.[6]

**How does Local Law 97 ensure compliance with greenhouse gas emissions limits?**

Beginning May 1, 2025, and every year thereafter, an owner of a covered building must file an annual Greenhouse Gas Emission report for the previous year. Such Greenhouse Gas Emission report must show that such building is either: In compliance with its applicable building emissions limit; or not in compliance with its applicable limit, along with the amount by which it exceeds its limit.[7]

**What is the penalty for non-compliance with Local Law 97?**

Building owners whose building exceeded its annual building emissions will be liable for a civil penalty of $268 per ton of carbon emitted in excess of its permitted emissions limit.[8] By comparison, California has established a price of $35.20 per ton[9], and Washington ($63.03)[10]. The province of Ontario's carbon tax per ton is currently $65 CAN ($47,27[11] US), which is slated to increase $15/year until it reaches a cap of $170 CAN ($123.60 US) in 2030.[12] The City of Boston established an Alternative Compliance Payment (ACP) of $234 per metric ton of CO2e[13].

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[4] *Id.*
[5] 1 RCNY §103-14
[6] *Id.*
[7] NYC Buildings, *Greenhouse gas emission reporting.* https://www.nyc.gov/site/buildings/codes/greenhouse-gas-emission-reporting.page
[8] N.Y.C. Admin. Code 28 § 320
[9] 17 CA ADC § 95910
[10] Wash. Rev. Code § 70A.65.060
[11] Conversion rate 1 CAD = ,727 USD as reported at https://cad.currencyrate.today/usd on November 16, 2023
[12] Source CTV Canada. https://www.ctvnews.ca/politics/carbon-pricing-in-canada-what-it-is-what-it-costs-and-why-you-get-a-rebate-1.6627245 Published Nov. 1, 2023 6:29 p.m. EDT
[13] Source: https://www.boston.gov/sites/default/files/file/2022/02/BERDO%202.0%20FAQs%20-%20Feb.%202022_0.pdf

**Does New York provide property owners assistance to comply with Local Law 97?**

Yes. New York City provides various tools to property owners to assist with their compliance, including: (i) information resources; (ii) financial incentives for efficiency upgrades; and (iii) various long-term financing solutions for up front compliance costs.

**What are the proposed changes to Local Law 97?**

New York City may limit the maximum penalty for noncompliance. Additionally, a property owner may be able to demonstrate a "Good Faith Effort," to reduce emissions and comply with the law, therefore avoiding penalties by showing progress on decarbonization, sharing a plan to reach their emissions reduction targets, and accepting a framework for retroactive enforcement if they fail to follow through on those plans. Finally, a new credit for early electrification work may be used towards compliance with emissions limits. These proposed changes are subject to public comment as of October 24, 2023, and final adopted rules are expected to be published before December 31, 2023.[14]

**How can buildings reduce their emissions to comply with Local Law 97?**

Reductions in greenhouse gas emissions may be achieved through improvements and retrofits such as adding solar panels, retrofitting HVAC systems, converting building systems from gas to electric, changing lighting fixtures to LED lighting, and installing energy efficient windows and appliances. Combined heat and power (CHP) in combination with other deep efficiency investments is a measure being utilized in reducing $CO_2$ emissions in hospital campuses, such as Memorial Sloan Kettering[15] as well as residential buildings such as the Camelot located at 301 west 45th Street.

CHP has been identified within the US DOE's Industrial Decarbonization Roadmap ("Roadmap"), as a near, mid- and long-term resource which delivers energy efficiency, resiliency, and can address hard to decarbonize sectors. CHP can provide significant GHG emissions reductions in the near- to mid-term as marginal grid emissions continue to be based on a mix of fossil fuels in most areas of the country.[16]. The Roadmap notes that CHP units installed in the present can avoid technology lock-in by maintaining emissions below marginal grid emissions throughout their useful life. Though not without several challenges during the transformation period to net zero emissions economy by no later than 2050[17], RNG and hydrogen fueled CHP systems can be a long-term path to decarbonizing hard to electrify processes and critical operations requiring resiliency and reliability

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[14] NYC Government Official Website, *Mayor Adams Launches "Getting 97 Done" Comprehensive Mobilization Strategy to Reduce Building Emissions* (2023) https://www.nyc.gov/office-of-the-mayor/news/656-23/mayor-adams-launches-getting-97-done-comprehensive-mobilization-strategy-reduce-building

[15] Decarbonization Project Shows Sustainable Savings. https://www.hfmmagazine.com/articles/4787-decarbonization-project-shows-sustainable-savings

[16] Industrial Decarbonization Roadmap DOE/EE-2635 September 2022. Pg 17

[17] Ibid., page 18