

TESTIMONY OF THE REAL ESTATE BOARD OF NEW YORK TO THE COMMITTEE ON ENVIRONMENTAL PROTECTION OF THE NEW YORK CITY COUNCIL CONCERNING INT 1982

August 14, 2020

The Real Estate Board of New York (REBNY) is the City's leading real estate trade association representing commercial, residential, and institutional property owners, builders, managers, investors, brokers, salespeople, and other organizations and individuals active in New York City real estate. REBNY thanks the Committee for the opportunity to testify on legislation that would clarify the method of determining the greenhouse gas emissions level attributable to natural gas-powered fuel cells.

BILL: Intro No. 1982-2020

SUBJECT: A Local Law to amend the administrative code of the city of New York, in relation to marginal emissions

SPONSORS: Council Members Constantinides and Kallos

Int 1982 would amend how New York City calculates the greenhouse gas emissions attributable to natural gas-powered fuel cells by relying on the rate published by the New York State Energy and Research Development Authority (NYSERDA) rather than having the NYC Department of Buildings (DOB) determine the rate.

REBNY agrees that calculating the emissions based on the marginal factor is the correct approach given that fuel cells help reduce electrical consumption on the grid during peak demand. In determining the correct rate, it is essential the figure be based on thoughtful and proven data. Using the factor published by NYSERDA would provide that benefit as it is based on the information produced in the Metrics, Tracking & Performance Assessment report published by the Department of Public Service (DPS).

This is not to suggest that the DOB and participants in the advisory board process who are currently required by law to make such a determination are not well-suited to do so. However, given that such a determination is not required to be made by DOB until 2023, providing more certainty in the near-term will help property owners make better decisions as they work to reduce carbon emissions.

With the need for greater certainty in mind, REBNY encourages the Council to ensure that the same approach used to quantify the greenhouse gas reduction attributable to electricity production from fuel cells is used to determine the greenhouse gas reduction attributable to electricity production from natural gas-powered cogeneration plants. The carbon impact of the electricity that is offset by the production from both fuel cells and cogeneration plants should be treated the same way, on a marginal emissions factor basis, as both cogeneration plants and fuel cells perform the same type of functions with similar environmental footprints, using comparable inputs and outputs.

While existing law already ensures that marginal rate is used for fuel cells, current law does not specify that the marginal rate should be used to determine the emissions of natural gas-powered cogeneration plants. Consequently, REBNY encourages the Council to amend Administrative Code §28-320.3.1.1 and §28-320.3.2.1 to specify that marginal rates should be used when calculating the emissions factors for cogeneration plants.

Thank you for the consideration of these points.

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