

REBNY Testimony | November 24, 2020

The Real Estate Board of New York to The Committee on Environmental Protection of the New York City Council Concerning Oversight on Offshore Wind Power

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 the considerations surrounding offshore wind power in New York.

REBNY shares the City and State's goals of reducing carbon emissions across the economy, including in the building sector. Through the Climate Mobilization Act (LL97 of 2019), New York City has imposed carbon emission limits for many buildings in the city beginning in 2024 with a goal of reducing emissions from the building sector by 40 percent of 2005 levels by 2030.

This effort will not be successful unless we swiftly and significantly scale-up the deployment of renewable energy, to which offshore wind power is essential. While that issue is outside the immediate regulatory jurisdiction of New York City, fortunately, following passage of the Climate Mobilization Act, New York State adopted the Climate Leadership and Community Protection Act (CLCPA), which establishes a target of 100 percent renewable electricity by 2040 across New York with an interim target of 70 percent by 2030.

Achieving the CLCPA targets is essential, given that electricity represents a significant share of total energy consumption in many buildings. Time is of the essence. With the closure of Indian Point Energy Center, New York City is losing a major source of carbon-free power. Consequently, even as the real estate industry continues to develop and maintain energy-efficient buildings, this electricity will be replaced by fossil fuel power plants in the short-term.

For this reason, REBNY commends New York State's aggressive commitment to renewable energy development, which includes 9,000 megawatts of offshore wind power by 2035. Of the State's goal, 1,700 megawatts are currently in contract and expected to be operational in the years ahead. This is an important step toward decarbonizing New York's electricity sector and is critical to reducing carbon emissions from buildings in New York City.

Achieving the transition to a renewable electrical system will also help to advance environmental justice goals, including the closure of natural gas powered 'peaker' plants. To protect the environment and the health of the local communities, REBNY supports the closure of these plants. Given reliability challenges,

Important Note

closing these and other fossil-fuel power plants will require the deployment of additional generation, including offshore wind.

Finally, as the electric grid shifts toward renewables, it will be vital that policymakers ensure that electricity remain reliable. Demand for electricity will continue to rise in the coming decades as real estate and other sectors like transportation transition away from more carbon-intensive energy sources toward electric. The increase in electrical consumption will strain the grid, particularly in times of peak demand, without meaningful improvements to its existing infrastructure and capacity. Given the intermittent nature of many renewable energy sources, including offshore wind, New York needs to develop plans for resilience through significant investment in battery storage and other technologies that will guarantee continued functionality of the electrical grid.

Thank you for the consideration of these points.

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