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**THE COUNCIL OF THE CITY OF NEW YORK**

##### BRIEFING PAPER AND COMMITTEE REPORT OF THE HUMAN SERVICES DIVISION AND THE INFRASTRUCTURE DIVISION

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Hon. James F. Gennaro, *Chair*

**Committee on HOUSING & BUILDINGS**

Hon. Pierina Sanchez, *Chair*

**June 27, 2022**

**Oversight: Local Law 97 Green Workforce Pipeline**

1. **Introduction**

On June 27, 2022, the Committee on Civil Service and Labor, chaired by Council Member Carmen De La Rosa, the Committee on Environmental Protection, chaired by Council Member James F. Gennaro, and the Committee on Housing and Buildings, chaired by Council Member Pierina Sanchez, will hold a joint oversight hearing titled, “Local Law 97 Green Workforce Pipeline.” Witnesses invited to testify include representatives from the New York City (“NYC” or “City”) Department of Environmental Protection and the NYC Department of Buildings, as well as advocacy groups and organizations, other interested stakeholders, and members of the public.

1. **Local Law 97**

*Introduction to Local Law 97*

In April 2019, the New York City Council passed Local Law 97 of 2019 (Local Law 97) as part of a legislative package known as the Climate Mobilization Act, codifying emission limits for buildings of 25,000 square feet or larger, in order to achieve a 40% carbon equivalent reduction by 2030 and to meet the reduction goal of 80% by 2050.[[1]](#footnote-2) Approximately 50,000 buildings fall under Local Law 97’s requirements, comprising nearly 60% of New York City’s buildings.[[2]](#footnote-3) The law sets emissions intensity limits for 10 categories of buildings, with intensity calculated in metric tons of emissions per square foot.[[3]](#footnote-4) The emissions intensity limit for a specific building is calculated as the emissions intensity limit for the relevant building category multiplied by the gross floor area of the specific building.[[4]](#footnote-5)

*Office of Building Energy and Emissions Performance (OBEEP)*

Local Law 97 established the Office of Building Energy and Emissions Performance (OBEEP) within the Department of Buildings and assigned OBEEP fundamental roles in implementation.[[5]](#footnote-6) OBEEP’s functions include: overseeing the implementation of energy and emissions performance laws for existing buildings, new construction, and major renovations; establishing protocols for assessing annual energy use in buildings; monitoring buildings’ energy use and emissions; reviewing their emissions assessment methodologies; and establishing timeframes for achieving a 40 percent reduction in greenhouse gas emissions by calendar year 2030, relative to emissions for the calendar year 2005.[[6]](#footnote-7)

Additionally, OBEEP is required to create an online portal for submitting annual building emissions assessments, validating annual building emissions assessments, auditing annual building emissions assessments and inspections to ensure accurate reporting, determining penalties for buildings that are noncompliant with applicable emissions limits, reviewing applications for alternative methods of compliance, and adjustments for special categories of buildings or for special use and occupancies.[[7]](#footnote-8) OBEEP is expected to coordinate with the Mayor’s Office of Long-term Planning and Sustainability (OLTPS), incorporate advisory board recommendations, and ensure the participation and cooperation of relevant agencies.[[8]](#footnote-9) Rules are expected to be made in 2023, along with a report outlining metrics and requirements.[[9]](#footnote-10) Despite the volume and complexity of the work under OBEEP’s purview, the office was only funded for six staffers in Fiscal Year 2022.[[10]](#footnote-11) The Council’s 2023 Preliminary Budget Response called on Mayor Eric Adams’s Administration to include baseline funding of $450,000 in the Fiscal Year 2023 executive budget, for six additional positions within OBEEP to assist with Local Law 97 implementation.[[11]](#footnote-12) The final executive budget for Fiscal Year 2023 includes $ .9 million for OBEEP, including 11 positions, in addition to $2 million in OTPS costs for studies.[[12]](#footnote-13)

*Emissions Limits*

Under Local Law 97, the top 20% most carbon intensive buildings in each category are required to meet emissions limits in 2024, followed by the top 75% most carbon intensive buildings in 2030.[[13]](#footnote-14) Of the approximately 50,000 buildings covered by Local Law 97, 59% are residential and 41% are commercial.[[14]](#footnote-15) The definition of “rent regulated accommodation” outlined in Local Laws 97 and 147 of 2019 initially permitted residential buildings containing even a single rent regulated unit to comply through prescriptive measures in lieu of meeting specific emissions reductions.[[15]](#footnote-16) Local Law 116 of 2020 raised the applicability threshold for such purposes to buildings containing at least 35% rent regulated units,[[16]](#footnote-17) expanding the scope of residential buildings that must comply with emissions reductions.[[17]](#footnote-18)

Local Law 97 also subjects City government operations and the New York City Housing Authority (NYCHA) to emissions reduction mandates, although such mandates apply to the portfolio of covered buildings, not individual buildings.[[18]](#footnote-19) City government operations must reduce emissions by 40% by 2025 and 50% by 2030 relative to calendar year 2006.[[19]](#footnote-20) NYCHA must make efforts to reduce emissions from the building portfolio that it owns or operates by 40% by 2030 and 80% by 2050 relative to calendar year 2005. As of 2019, the most current year for which data is available, New York City has reduced annual GHG emissions by 23% since 2006.[[20]](#footnote-21)

*Methods of Compliance*

Building owners can reduce their GHG emissions to comply with Local Law 97 in a variety of methods that include building retrofits, implementing operational procedures, purchasing GHG offsets or renewable energy credits, and using clean distributed energy resources.[[21]](#footnote-22) To assess viability of other methods of achieving compliance, Local Law 97 also required the Office of Long Term Planning and Sustainability to study the feasibility of a carbon trading program, including assessments of carbon trading scenarios, methods to ensure that environmental justice communities receive equitable investment, recommendations from stakeholder engagement, and an implementation plan for carbon trading including pricing mechanisms, carbon credit verification, and monitoring and evaluation. The completed study was published in November of 2021.[[22]](#footnote-23) On April 13, 2022, Rohit Aggarwala, Commissioner of Environmental Protection, testified in a hearing before the Committees on Environmental Protection and Housing and Buildings that the Administration had no immediate plans to implement a carbon-trading scheme.[[23]](#footnote-24)

1. **The Green Workforce Pipeline**

*The Green Workforce*

Energy efficiency mandates, emissions reductions targets, resiliency planning, and other legislative and policy measures designed to fight climate change all drive the growth of green jobs.[[24]](#footnote-25) Local Law 97 exemplifies how environmental regulations can accelerate growth in the green energy sector to create a green workforce pipeline.[[25]](#footnote-26) A recent analysis concluded that the enactment of Local Law 97 will drive both the retrofit market and the demand for skilled workers in the field of green jobs.[[26]](#footnote-27)

Green jobs have the power to provide laborers with strong skills at family sustaining wages.[[27]](#footnote-28) A 2019 Brookings Institute study found that the mean hourly wages for clean energy workers were 8% to 19% higher than the national average.[[28]](#footnote-29) Further, clean energy workers at the lower end of the salary scale were earning $5 to $10 more per hour than comparable counterparts in other industries.[[29]](#footnote-30) The same study showed that clean energy sector workers have fewer educational requirements to enter the field than lower earning colleagues in other sectors.[[30]](#footnote-31) The low educational point-of-entry into the green workforce presents an opportunity for many New York City workers, half of whom do not have a bachelor’s degree.[[31]](#footnote-32)

According to a 2019 retrofit market analysis conducted by Davis Hsu of Massachusetts Institute of Technology, Local Law 97 has the potential to create 15,000 jobs by 2024 and an additional 126,000 jobs by 2030 in the New York City metropolitan area.[[32]](#footnote-33) These jobs comprise architects, engineers, sustainability consultants, building tradespeople, and HVAC professionals. Hsu predicts that related job growth will expand to other industries, such as retail, food services and product manufacturing needed to meet demands created by green industry growth.[[33]](#footnote-34)

In his analysis, Hsu cautions that timing is critical: “[I]f building owners and contractors wait until just before each compliance deadline to retrofit their buildings, then the skilled labor necessary to support their projects may not exist.”[[34]](#footnote-35) Hsu stresses that to meet the demand set by the Local Law 97 compliance deadlines, the city must invest in the skilled labor force required to upgrade the city’s building stock.[[35]](#footnote-36)

A 2022 report produced by the Cornell Worker Institute suggested Local Law 97 presents enormous opportunities for the unionized workforce.[[36]](#footnote-37) New York City’s union workforce carries a variety of skills needed to upgrade public and private building stock.[[37]](#footnote-38) However, there are no local hiring requirements or unionized labor standards included in Local Law 97.[[38]](#footnote-39)

*Effective Green Jobs Models*

Several public training programs are designed to equip New Yorkers with the necessary skills to qualify for a green job.[[39]](#footnote-40) Unionized industries and non-profit providers have partnered with the City to increase awareness of their programs and, in many instances, to cover the cost of training.[[40]](#footnote-41) Through these initiatives, green job development opportunities have reached a wider audience.[[41]](#footnote-42) These programs potentially serve as models for building a substantial workforce pipeline of new and existing workers who support the implementation of Local Law 97.

In 2017, the former Administration and the Building Construction Trades Council (BCTC) announced an agreement to launch the first class of pre-apprenticeships available through the NYC Green Jobs Corps.[[42]](#footnote-43) The aim of the partnership was to train 3,000 workers with new skills needed for the emerging green economy.[[43]](#footnote-44) The New York City Green Jobs Corps was modeled after the Build It Back Hurricane Sandy Recovery program, which engaged New Yorkers impacted by Hurricane Sandy in rebuilding their own neighborhoods.[[44]](#footnote-45) Like the Build it Back program, the Green Jobs Corps was designed to serve as a pathway for New Yorkers to enter the unionized construction trades.[[45]](#footnote-46) The objective of the Green Job Corps was to invest in the burgeoning green workforce needed to meet the Administration’s goal to reduce New York City’s greenhouse gas emissions 80 percent by 2050.[[46]](#footnote-47)

Another workforce model is Solar One’s partnership with the city to train and educate job seekers in urban sustainability. The Department of Citywide Administrative Services and the Department of Corrections have partnered to train incarcerated individuals on solar and renewable energy to prepare them for direct entry into the solar installation field.[[47]](#footnote-48) As of September 2021, 124 incarcerated individuals participated in a two-day training at Riker’s Island, and 49 have taken part in a five-day post-incarceration training program.[[48]](#footnote-49) The city also works with Solar One, the Fortune Society, and local solar developers and unions to connect trained justice-involved individuals with job opportunities. [[49]](#footnote-50)

1. **Transition to enforcement**

Local law 97 cannot promise job growth alone without demonstrated commitment to enforcement from the Administration. Davis Hsu’s conclusions in his 2019 retrofit market analysis underscore the role of early and consistent messaging on expectations for compliance: if building owners wait too long to embark on retrofits, the green workforce may not have sufficient time to materialize to meet demand, frustrating compliance with local law 97’s crucial deadlines.[[50]](#footnote-51) Thus, the statements and actions of the Administration leading up to enforcement of local law 97’s requirements could affect the development of a workforce equipped to decarbonize buildings throughout New York City.

The Administration has asserted its commitment to enforce Local Law 97.[[51]](#footnote-52) In the aforementioned April 13, 2022, hearing before the Committees on Environmental Protection and Housing and Buildings, Commissioner Aggarwala testified that the Administration’s enforcement approach would take into account the need for a just transition, “addressing the legacy of environmental injustice that is reality for so many New Yorkers,” while creating “good-paying local jobs to the greatest extent possible.”[[52]](#footnote-53) He testified further that “the city’s dire need to recover economically from the effects of the pandemic” would influence the Administration’s enforcement approach.[[53]](#footnote-54) Commissioner Aggarwala emphasized that the Administration will “focus on compliance, not on penalties.”[[54]](#footnote-55)

Advocates for enforcement of Local Law 97 have expressed concern that the Administration’s statements foreshadow a watered-down approach to civil penalties that may discourage timely attempts to comply with emissions limits.[[55]](#footnote-56) Mention of potential alternative compliance paths, a perceived lack of adequate funding and staffing of OBEEP, and expansive implementation of exceptions could suggest the adoption of a relaxed enforcement approach that will not yield the intended effects for local communities, including job opportunities.[[56]](#footnote-57)

For their part, the Administration has not finally determined whether, and if so, what alternative compliance paths might be offered to building owners when the first round of emissions limits become enforceable in 2025.[[57]](#footnote-58) In testimony on April 13, 2022, Commissioner Aggarwala indicated that the Administration had no plans of immediately adopting a carbon-trading scheme, which environmental advocates feared would allow building owners a lower cost alternative to comply with local law 97’s emission limits without actually reducing emissions and local pollution.[[58]](#footnote-59) The Commissioner acknowledged the availability of exceptions provided in local law 97 that would relieve building owners from paying full penalties when they make “good faith efforts to comply.”[[59]](#footnote-60) Questions remain as to how the Administration will approach such cases and what behavior might constitute good faith efforts.

In connection with its avowed intention to facilitate compliance with local law 97, Commissioner Aggarwala testified that the Administration has administered an internship and workforce development program, a service provider program, and training programs for building operators, architects, and engineers through the NYC Accelerator.[[60]](#footnote-61) Among these program components, over 30 courses are offered online to industry professionals embarking on energy improvement projects.[[61]](#footnote-62) Specific details on the NYC Accelerator workforce development program do not appear on the NYC Accelerator website.[[62]](#footnote-63) According to Commissioner Aggarwala, the City has assisted 2,580 buildings through such programming as of April 2022.[[63]](#footnote-64)

Factors outside the Administration’s control may also contribute to Local Law 97’s potential for creating green jobs—either locally or outside of New York City. The Administration’s carbon study found that Local Law 97’s impact is contingent on the pace at which New York State greens its electric grid, as energy consumption represents a significant source of a building’s GHG emissions.[[64]](#footnote-65) If New York State meets its green energy commitments, building emissions, as counted under Local Law 97, will decline without building owners having to undertake significant retrofits to their properties.[[65]](#footnote-66)

A number of major projects aim to bring renewable energy into New York City’s grid, including: the Clean Path New York project, which will connect 2,050 megawatts of new wind generation and 1,826 megawatts of new solar generation assets to a substation in Astoria, Queens; [[66]](#footnote-67) the Champlain Hudson Power Express (CHPE) project, which will connect New York City’s grid to 1,250 megawatts of renewable energy generated by HydroQuebec via a 339-mile-long transmission wire running underwater or buried along existing rights of way;[[67]](#footnote-68) and the Empire Wind offshore wind farm, which is expected to produce 2.1 gigawatts of renewable energy, will connect to the NYC grid at the Gowanus Substation, and will be headquartered at the South Brooklyn Marine Terminal, where the project’s construction activities, operations, and maintenance base will be located.[[68]](#footnote-69)

1. **Conclusion**

Local Law 97 could be the impetus for a New York City green workforce pipeline for decades to come. Jobs created under Local Law 97 could offer thousands of New York City laborers living wages and economic stability in a sector of employment that supports a sustainable future. Whether and when green jobs materialize locally will depend on the demand for retrofits and other work intended to bring buildings into compliance with Local Law 97’s emissions limits. The Administration has power to influence this demand, and to facilitate compliance with Local Law 97, with consistent messaging and effective outreach to make clear Local Law 97’s requirements and the means of meeting them. The Committees look forward to learning more about the City’s efforts to support and develop a green workforce equipped to help building owners reduce emissions and continue the crucial work of decarbonizing New York City.

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4. *Id.* [↑](#footnote-ref-5)
5. Local Law No. 97. [↑](#footnote-ref-6)
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15. Local Law No. 147 (2019) of City of New York. [↑](#footnote-ref-16)
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20. New York City Mayor’s Office of Sustainability, Inventory of New York City Greenhouse Gas Emissions, *available at* <https://nyc-ghg-inventory.cusp.nyu.edu/> (last accessed 4/8/22). [↑](#footnote-ref-21)
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22. Danielle Spiegel Feld, et al., Carbon Trading for New York City’s Building Sector, Report of the Local Law 97 Carbon Trading Study Group to the New York City Mayor’s Office of Climate & Sustainability, Guanrini Center for Environmental, Energy & Land Use Law (2021), *available at* <https://drive.google.com/file/d/1LILLYyrx5s3znKg84W6vJxxVZiaGqdsj/view> (Spiegel). [↑](#footnote-ref-23)
23. Transcript of the Minutes of the Committee on Environmental Protection jointly with the Committee on Housing and Buildings (Apr. 13, 2022), *available at* <https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=5545553&GUID=FCB7243A-2707-45D5-AB1E-828203D5638B&Options=&Search>= (Hearing Transcript). [↑](#footnote-ref-24)
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31. *Id*. [↑](#footnote-ref-32)
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53. *Id.* [↑](#footnote-ref-54)
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59. *Id.* [↑](#footnote-ref-60)
60. *Id*.; *see also* NYC Accelerator (2022), <https://accelerator.nyc/> (last accessed June 22, 2022) (NYC Accelerator). [↑](#footnote-ref-61)
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