

Building Energy Efficiency Ratings

A Guide for Unit Owners, Board Members & Multifamily Building Owners

Buildings account for more than 70% of greenhouse gas emissions (GHG) in New York City. That's why they are a focal point of the city's [Climate Mobilization Act](#) (CMA), a bold initiative to dramatically reduce carbon emissions from large buildings by at least 40% citywide by 2030, and 80% by 2050.

As part of the CMA, New York City requires buildings 25,000 sq. ft. and above to post their [Building Energy Efficiency Rating](#) (Energy Grade) near each public entrance by October 31 each year. [NYC Local Law 33/18 as amended by Local Law 95/19] Failure to display the placard will result in a NYC Department of Buildings (DOB) violation and a fine of \$1,250.

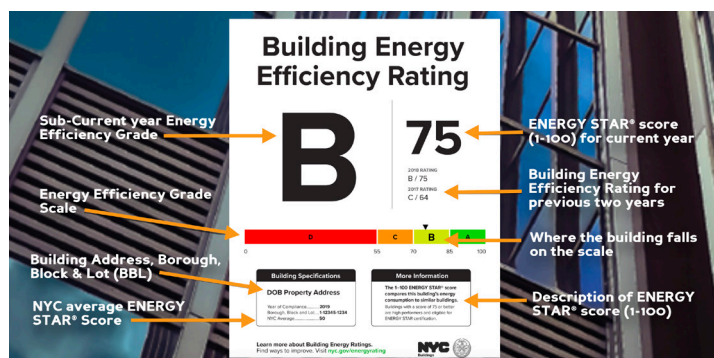
Energy Grades are intended as a tool to initiate conversation, education and ultimately reduce energy consumption among building residents. The score assesses how a property is performing compared to similar buildings nationwide and is based on actual energy consumption and various building characteristics.





How are Building Energy Efficiency Grades Calculated?

- ▶ The city uses the building's annual energy consumption data to benchmark the property against similar properties. *[NYC Local Law 84/09 as amended by Local Law 133/16]*
- ▶ The data includes the energy from individual apartments, base building (elevators, hallway lighting, heating and cooling, etc.) and any commercial space (if applicable).
- ▶ Simply put, it is the total energy consumed divided by the building's total square footage on an annual basis.
- ▶ The resulting ENERGY STAR score reflects the building's Energy Use Intensity (EUI) and ranges from 1 (lowest score/high energy user) to 100 (highest score/low energy user).
- ▶ The numerical score is then converted to a letter grade.



NYC Multifamily Building Energy Grades			
Grade	ENERGYSTAR Score Range	# of Buildings	% of Buildings
A	85-100	1,886	(14%)
B	70-84	2,237	(17%)
C	55-69	2,292	(18%)
D	54 or Below	6,600	(51%)

What Else to Know about Building Grades

- ▶ 69% of multifamily buildings in New York City fall in the C or D range (see chart).
- ▶ A low grade could mean the building uses more energy per square foot than another property of similar size and use type.
- ▶ Central air conditioning systems tend to have higher amounts of energy per sq. ft. versus decentralized air conditioning (window units, through-the-wall A/C, mini-split systems).
- ▶ The score and grade are calculated annually, which provides an opportunity to increase the score each year.
- ▶ ENERGY STAR calculates source energy to approximate inefficiencies in energy production. Site energy is what is reflected in your utility bills. Source energy is meant to capture all the energy it took to deliver that energy to you, including production, transmission, and delivery, as well as the energy losses during each step of the way.



Local Law 97 Carbon Emissions Caps

Understanding the Correlation with Building Energy Grades

As the centerpiece of the CMA, [Local Law 97](#) requires large buildings to reduce their carbon emissions to allowable limits by December 31, 2024. Buildings must reduce emissions by 40% by 2030 and 80% by 2050 or face costly fines.

Most buildings will require a deep energy retrofit or must follow an alternative path to achieve these strict emissions targets. Saving energy is the most effective way to reduce building emissions and targeting the most carbon-intensive fuels will yield the biggest carbon savings. In multifamily buildings, the greatest amount of carbon comes from the heating, cooling and domestic hot water production processes.

It is important to note that Energy Grades and carbon emissions limits are based on different sustainability metrics:

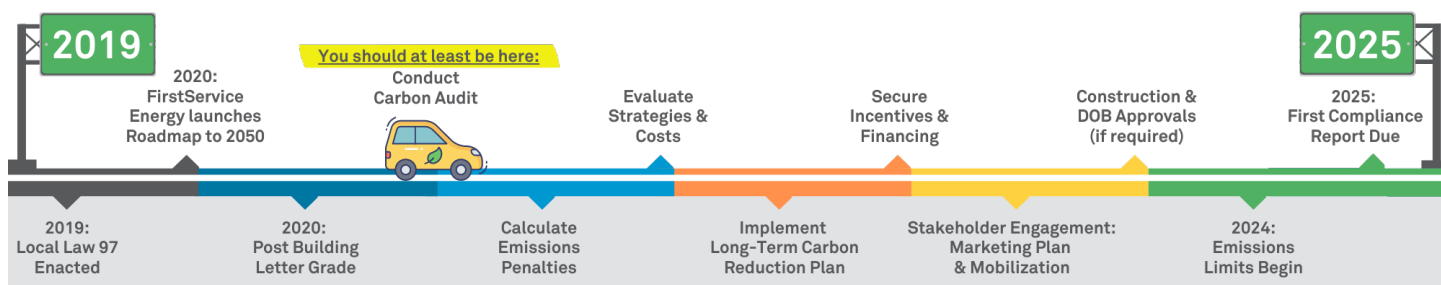
- ▶ Energy Grades are based on the ENERGY STAR score which represents your building's total aggregate energy usage.
- ▶ Carbon emissions are calculated based on the type of energy used at the building multiplied by its individual carbon intensity.

This means some buildings with good letter grades may face Local Law 97 fines, or vice versa. We expect that these discrepancies will be addressed by the city in the coming years. For now, FirstService Residential recommends the focus be on *developing a strategy to reduce the building's overall emissions*. By doing so, you may or may not see an increase in your Energy Grade.

While a building may be able to reduce carbon below its 2025 or 2030 emissions limits, it still may not achieve an A or B grade. Some buildings may never achieve an A or B based on the type of systems and facilities in the building.

In addition, if a building reduces its energy consumption, it may not reflect in a higher Energy Grade score if *all* buildings reduce their energy use by the same amount.

Where is Your Building on the Path to Local Law 97 Compliance?





Energy Report Cards

As industry thought leaders, FirstService Residential understands the more informed our clients are about their building's environmental impact, the more empowered they are to improve it. That's why each year our in-house energy experts prepare a customized [Energy Report Card](#) for each property – something we've been doing for our clients for the last 10 years.

Using our proprietary energy information management system, our team records and analyzes each building's current and historical energy use, utility costs, typology information, carbon emissions and operating equipment. This data is then compared to similar buildings, which the energy team uses to identify which buildings have an opportunity to reduce their energy and costs.

The goal is to help our clients make informed decisions on opportunities that will deliver the greatest value in terms of reducing emissions, costs, and energy use, improving resident comfort and property values, avoiding potential fines, and importantly, remaining compliant with the law.



Energy Insights

How Residents Can Play a Part

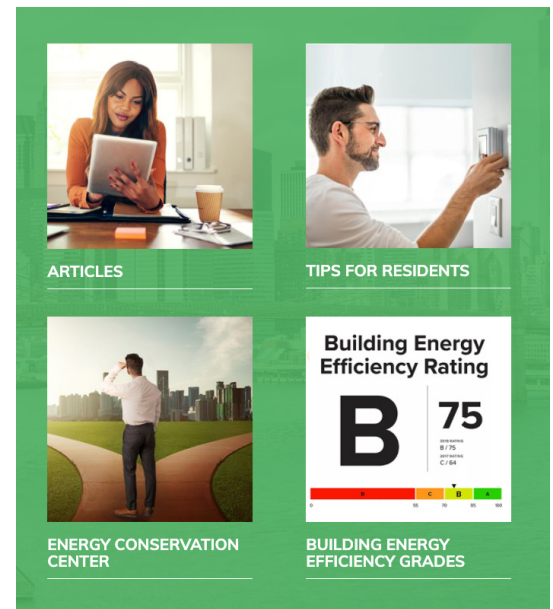
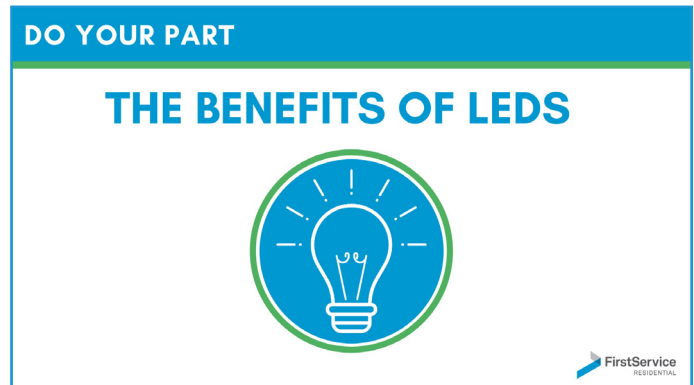
It will be nearly impossible to reduce a building's overall emissions without residents doing their part to reduce energy consumption in their individual units. Energy waste not only costs extra money, it affects how the building is compared to others – and may ultimately impact apartment values.

Simple changes in behavior, such as unplugging appliances and other electronics when not in use, or streaming movies on a smart TV rather than a game console, may seem insignificant on their own. But when you multiply those modest acts by the number of residents performing them, you could see a dramatic reduction in consumption.

To learn about simple lifestyle changes you can make to reduce your personal energy consumption, we encourage you to visit the [Tips for Residents](#) page on [Energy Insights](#), our virtual library containing tools and resources for reducing your energy usage.

Thank you in advance for doing your part to reduce energy consumption in your residence, which will help to increase the building's efficiency while also reducing costs.

Click the images below for simple strategies for reducing your personal energy consumption.



Let's Talk

Contact us today to learn how our energy solutions can help reduce carbon emissions, utility costs and improve efficiency in multifamily properties and portfolios.

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