

Webinar

ULI Toronto: NYC's Local Law 97: North America's Green Building High Bar

Date: September 28, 2021

00:00:29 --> 00:00:33: OK, for those of you just coming in welcome before
 00:00:33 --> 00:00:34: we start,
 00:00:34 --> 00:00:38: we're going to run a quick video that announces our
 00:00:38 --> 00:00:42: upcoming ESG symposium on November the 4th and will
 send
 00:00:42 --> 00:00:45: you some more detail in the chat as well.
 00:00:45 --> 00:00:46: But if we could run that video.
 00:01:16 --> 00:01:19: Good afternoon everyone. My name is Richard Joy,
 00:01:19 --> 00:01:25: executive director of the Urban Land Institute or ULI Toronto.
 00:01:25 --> 00:01:29: Welcome. Considered the most progressive climate laws in
 North America,
 00:01:29 --> 00:01:32: nor New York City's 2019,
 00:01:32 --> 00:01:36: local law 97 is designed to aggressively reduce the city's
 00:01:36 --> 00:01:38: overall carbon emissions by 40%
 00:01:38 --> 00:01:40: by the end of this decade and 80%
 00:01:40 --> 00:01:44: by 2050. Targeting buildings in all asset classes,
 00:01:44 --> 00:01:49: future and existing. Aligned with the controversial Green New
 Deal
 00:01:49 --> 00:01:49: agenda,
 00:01:49 --> 00:01:52: local 97 is intended to be the cornerstone,
 00:01:52 --> 00:01:57: a cornerstone of outgoing. Their de Blasio's legacy.
 00:01:57 --> 00:01:58: But is such a standard,
 00:01:58 --> 00:02:03: achievable? And should Canadian miss a pallet ease
 realistically embraced such
 00:02:03 --> 00:02:03: ambition?
 00:02:03 --> 00:02:07: Factoring economics, affordability concerns, etc.
 00:02:07 --> 00:02:11: We have set up our program today to learn some
 00:02:11 --> 00:02:14: more about this New York City law and explore these
 00:02:14 --> 00:02:18: questions in the context of the greater Golden Horseshoe.

00:02:18 --> 00:02:20: As a Toronto region based organization,
 00:02:20 --> 00:02:23: we acknowledged the land we are meeting on.
 00:02:23 --> 00:02:26: Virtually is the traditional territory of many nations,
 00:02:26 --> 00:02:28: including the Mississauga's of the credit,
 00:02:28 --> 00:02:31: the NS now back, the Chippewa Hood,
 00:02:31 --> 00:02:34: masoni, the Wendet peoples and is now home to many
 00:02:34 --> 00:02:35: diverse First Nations,
 00:02:35 --> 00:02:40: Inuit and Metis people. We acknowledge that Toronto is
 covered
 00:02:40 --> 00:02:43: by Treaty 13 with the Mississaugas of the credit.
 00:02:43 --> 00:02:45: We are all treated people.
 00:02:45 --> 00:02:47: Many of us have come here as settlers,
 00:02:47 --> 00:02:52: immigrants and newcomers in this generation or generations
 past.
 00:02:52 --> 00:02:56: Importantly, this week ULI stands in solidarity with indigenous
 communities,
 00:02:56 --> 00:03:01: demanding action and accountability for the ongoing legacy
 of the
 00:03:01 --> 00:03:03: residential school system.
 00:03:03 --> 00:03:06: You will I stand, I apologize,
 00:03:06 --> 00:03:09: we acknowledge and honor those we also like,
 00:03:09 --> 00:03:13: but acknowledge and honor those who've come here
 involuntarily.
 00:03:13 --> 00:03:17: Particularly descendants from those who were brought here
 through enslavement.
 00:03:17 --> 00:03:20: To better understand the meaning behind this land
 acknowledgement,
 00:03:20 --> 00:03:24: we recommend four programs that we have uploaded to
 YouTube
 00:03:24 --> 00:03:28: and these links will be made available in the attack.
 00:03:28 --> 00:03:31: 13,000 years of indigenous history in the GTA and why
 00:03:31 --> 00:03:33: it matters to planning and development.
 00:03:33 --> 00:03:35: Whose land and whose law?
 00:03:35 --> 00:03:40: Indigenous Toronto the stories are city paved over and
 colonialism
 00:03:40 --> 00:03:45: enslavement and abolition in the greater Golden Horseshoe.
 00:03:45 --> 00:03:48: A few house items housekeeping items before we start.
 00:03:48 --> 00:03:51: Everybody obviously will be automatically mute throughout
 the session.
 00:03:51 --> 00:03:55: To avoid audio interference. Closed captioning is available
 for this
 00:03:55 --> 00:03:57: session and you can access it by the button along
 00:03:57 --> 00:03:59: the bottom of the zoom platform.
 00:03:59 --> 00:04:02: If you have any questions and we encourage them,

00:04:02 --> 00:04:05: please use the Q&A function or up vote questions by
00:04:05 --> 00:04:08: pressing the thumbs up button and will have probably about
00:04:08 --> 00:04:10: 10 minutes at the end of this program.
00:04:10 --> 00:04:13: For those, this is a recorded session at.
00:04:13 --> 00:04:16: The recording will be sent to you after.
00:04:16 --> 00:04:20: And if you want to take the conversation to social
00:04:20 --> 00:04:20: media,
00:04:20 --> 00:04:24: please tag us with the Twitter handle at Uli Toronto
00:04:24 --> 00:04:25: or the hashtag.
00:04:25 --> 00:04:30: Ask great questions. Today's event and all other UI
00:04:30 --> 00:04:34: programming
00:04:34 --> 00:04:37: simply would not be possible without our annual sponsors,
00:04:37 --> 00:04:39: and I'd like to say a major thank you for
00:04:39 --> 00:04:41: all of them for that support.
00:04:41 --> 00:04:44: Truly, now more than ever,
00:04:44 --> 00:04:47: we rely on the support of these annual sponsors who
00:04:47 --> 00:04:49: enable us to put on the quality program we do
00:04:49 --> 00:04:54: to drive our mission to shape the future of the
00:04:54 --> 00:04:55: built environment. For transformative impact in communities
00:04:55 --> 00:04:58: worldwide.
00:04:58 --> 00:04:59: So again, to all of them,
00:04:59 --> 00:05:01: we say thank you. An extra thank you to Cadillac
00:05:01 --> 00:05:06: Fairview,
00:05:06 --> 00:05:09: the annual sponsor of the UI Connect committee,
00:05:09 --> 00:05:10: that's our committee that is comprised mostly of members
00:05:10 --> 00:05:13: under
00:05:13 --> 00:05:15: 35 and we think and and who's program who produced
00:05:15 --> 00:05:18: this.
00:05:18 --> 00:05:21: Program today and we'd like to thank them and the
00:05:21 --> 00:05:25: committee for their activity.
00:05:25 --> 00:05:27: A quick note on membership.
00:05:27 --> 00:05:30: Uh, October 1st our head office,
00:05:30 --> 00:05:35: I guess recognizing that that that you like Toronto,
00:05:35 --> 00:05:39: and you're like Canada, has grown significantly.
00:05:39 --> 00:05:42: We are now the largest chapter in the global environment,
00:05:42 --> 00:05:43: but our membership prices are significantly lower than they
00:05:43 --> 00:05:47: are
00:05:47 --> 00:05:48: globally and certainly tested the border.
00:05:48 --> 00:05:50: And there's going to be a stepping up of the
00:05:50 --> 00:05:50: prices on October 1st,
00:05:50 --> 00:05:50: but you can save. That yourself from that increase for
00:05:50 --> 00:05:50: at least a year,
00:05:50 --> 00:05:50: no matter when your anniversary date is.

00:05:50 --> 00:05:53: If you remember, if you're a new member to become
 00:05:53 --> 00:05:54: a member before October 1st,
 00:05:54 --> 00:05:57: but the prices will go up about 30%
 00:05:57 --> 00:06:01: on October 1st. To close that gap with the Canadian
 00:06:01 --> 00:06:03: membership value being so,
 00:06:03 --> 00:06:08: so great right now, please consider renewing or becoming a
 00:06:08 --> 00:06:09: member.
 00:06:09 --> 00:06:13: Enough advertising we're going to move now to our session
 00:06:13 --> 00:06:17: for today and I'm gonna say I'm gonna come back
 00:06:17 --> 00:06:19: in the Q&A session.
 00:06:19 --> 00:06:23: But it's now my great pleasure to introduce our moderator,
 00:06:23 --> 00:06:27: who in turn is going to introduce our panelists so
 00:06:27 --> 00:06:30: our our moderator is Sandra Oh Doll,
 00:06:30 --> 00:06:34: who's the Vice President of Social Impact and Sustainability
 at
 00:06:34 --> 00:06:35: Scotiabank?
 00:06:35 --> 00:06:37: So we agreed that will put the remainder of the
 00:06:38 --> 00:06:40: details in the chat for you to follow up.
 00:06:40 --> 00:06:41: Same with all the other panelists,
 00:06:41 --> 00:06:44: so with with very minimal introduction.
 00:06:44 --> 00:06:46: Sandra, it's my pleasure to hand it over to you.
 00:06:48 --> 00:06:50: Thank you very much, Richard.
 00:06:50 --> 00:06:53: Come yes, thank you and welcome to everyone who's joining
 00:06:53 --> 00:06:54: the session today.
 00:06:54 --> 00:06:56: I think it's it's going to be interesting.
 00:06:56 --> 00:07:00: I certainly found doing my own reading and speaking to
 00:07:00 --> 00:07:02: the panel is was fascinating,
 00:07:02 --> 00:07:05: so I'd like to introduce our four panelists and so
 00:07:05 --> 00:07:09: hopefully everyone's got their cameras on as well as the
 00:07:09 --> 00:07:12: you'll see their pictures up here on the screen.
 00:07:12 --> 00:07:14: So first we have Christopher,
 00:07:14 --> 00:07:17: Kate, and so Christopher is the partner and senior director
 00:07:18 --> 00:07:18: of Strategic.
 00:07:18 --> 00:07:23: That code green solutions. We also have Stewart debt field
 00:07:23 --> 00:07:28: Stewart is acting manager of public energy initiatives offer
 existing
 00:07:29 --> 00:07:34: buildings within the City of Toronto's Environment and
 Energy Division.
 00:07:34 --> 00:07:39: We've got Kirk Johnson. Kirk is president of Eco Efficiency
 Consulting and last but not least,
 00:07:39 --> 00:07:42: we have Julia Langer. Julia is CEO of the Atmospheric
 00:07:42 --> 00:07:46: Fund,
 00:07:46 --> 00:07:46: also known as the Toronto Atmospheric Fund here in

Toronto.

00:07:50 --> 00:07:55: So for today's session we thought we would kick things

00:07:55 --> 00:07:57: off with Chris of Code,

00:07:57 --> 00:08:00: Green Solutions giving us an overview of how New York

00:08:00 --> 00:08:05: City's local law 97 worth and following Christmas

00:08:05 --> 00:08:08: presentation will

00:08:08 --> 00:08:13: then turn it over to a bit of a panel

00:08:13 --> 00:08:14: discussion and some opportunities for the audience to ask

00:08:14 --> 00:08:17: their

00:08:17 --> 00:08:19: own questions.

00:08:19 --> 00:08:21: So with that, I'm going to turn it over to

00:08:21 --> 00:08:24: Chris Caton and Chris.

00:08:24 --> 00:08:27: We're looking forward to hearing.

00:08:27 --> 00:08:29: More about local I97 over to you.

00:08:29 --> 00:08:30: Sandra, thank you so much.

00:08:30 --> 00:08:32: I will see if I can get my screen to

00:08:32 --> 00:08:37: share properly.

00:08:37 --> 00:08:44: That's always the first challenge.

00:08:44 --> 00:08:46: Run. And switch. Does that look good?

00:08:46 --> 00:08:50: Can you see the slides here?

00:08:50 --> 00:08:54: Terrific, thank you Sandra. Thank you so much and thank

00:08:54 --> 00:08:57: you to Richard and the ULI Toronto and ULI greater

00:08:57 --> 00:08:59: for connecting me in New York City to the ULI

00:08:59 --> 00:09:01: Toronto team. I'm really excited to be here.

00:09:01 --> 00:09:04: I've spent a little bit of time in Toronto,

00:09:04 --> 00:09:07: but probably not enough, and I've spent the last 13

00:09:07 --> 00:09:10: years of my life in New York City before that.

00:09:10 --> 00:09:14: About five years in Hong Kong and Madrid and Latin

00:09:14 --> 00:09:15: America.

00:09:15 --> 00:09:18: So you know, seeing? A lot of impacts of climate

00:09:18 --> 00:09:20: change and loss.

00:09:20 --> 00:09:23: A lot of really great work that you lie is

00:09:23 --> 00:09:24: doing all over the world,

00:09:24 --> 00:09:25: essentially to push climate. I have to admit finding quick

00:09:25 --> 00:09:26: story about you.

00:09:26 --> 00:09:29: Well, I when I was in architecture school I thought

00:09:29 --> 00:09:31: you will.

00:09:31 --> 00:09:32: I was only an environmental organization around real estate.

00:09:32 --> 00:09:34: I had no idea, never touched any other topics of

00:09:34 --> 00:09:37: real estate,

00:09:37 --> 00:09:39: only the environment. So that's that's where you will.

00:09:39 --> 00:09:41: I started for me back in College in architecture school.

00:09:37 --> 00:09:39: So really glad to be here.

00:09:39 --> 00:09:41: I will try to keep this brief on this presentation

00:09:41 --> 00:09:43: so we can get into.

00:09:43 --> 00:09:45: Some discussion and move that forward.

00:09:45 --> 00:09:48: So as Sandra mentioned, I'm Chris Kate and I'm a

00:09:48 --> 00:09:51: partner at Code Green and Senior Director of Growth Code

00:09:51 --> 00:09:52: Green.

00:09:52 --> 00:09:54: Just a little bit of context of kind of where

00:09:54 --> 00:09:57: I'm coming from and how I see this law and

00:09:57 --> 00:09:59: the involvement I've had in this law.

00:09:59 --> 00:10:02: Based on my experience, both professionally and a lot of

00:10:02 --> 00:10:04: pro bono work that I've done code.

00:10:04 --> 00:10:05: Green is a consulting firm.

00:10:05 --> 00:10:09: We do energy and sustainability consulting to the to the

00:10:09 --> 00:10:10: real estate industry.

00:10:10 --> 00:10:13: We have about 50 plus staff where based.

00:10:13 --> 00:10:14: Primarily in New York City,

00:10:14 --> 00:10:17: really with staff all over North America all across EU

00:10:17 --> 00:10:18: S Some in Canada,

00:10:18 --> 00:10:20: some in and some in Mexico.

00:10:20 --> 00:10:24: But we provide really strategic portfolio and technical

00:10:24 --> 00:10:25: solutions to

00:10:25 --> 00:10:28: building,

00:10:28 --> 00:10:32: so we've really seen the types of initiatives that are

00:10:32 --> 00:10:34: required in order to meet these types of stringent goals.

00:10:34 --> 00:10:38: And that's really why the city asks us to be

00:10:38 --> 00:10:39: involved with some of the negotiations and discussion around

00:10:39 --> 00:10:41: the

00:10:41 --> 00:10:42: development of this law.

00:10:42 --> 00:10:44: Because we've been involved with the real estate industry for

00:10:44 --> 00:10:47: so long.

00:10:47 --> 00:10:50: Supporting these types of initiatives.

00:10:50 --> 00:10:53: That the building owners are are pushing for.

00:10:53 --> 00:10:54: We do work with a lot of great large investors.

00:10:54 --> 00:10:57: Many you align Members as well looking not only at

00:10:57 --> 00:10:59: individual assets,

00:10:59 --> 00:11:02: but portfolio wide. How do they push ESG initiatives forward

00:11:02 --> 00:11:05: now over the last say two years?

00:11:05 --> 00:11:08: How do you target net zero both at the individual

00:11:08 --> 00:11:10: asset level but also as a corporate policy?

00:11:10 --> 00:11:09: So again, that really does require us to look at

00:11:09 --> 00:11:10: multiple geographies,

00:11:10 --> 00:11:14: multiple jurisdictions to understand how these laws are impacting.

00:11:14 --> 00:11:19: Both existing and potentially new buildings in New York.

00:11:19 --> 00:11:22: Specifically, we have been working hand in hand with many

00:11:22 --> 00:11:26: of the organizations that really create the pathway that that

00:11:26 --> 00:11:28: real estate owners,

00:11:28 --> 00:11:31: operators and developers need to navigate everything from the New

00:11:31 --> 00:11:33: York City Mayor's Office,

00:11:33 --> 00:11:37: which has the one that really oversees and actually writes

00:11:37 --> 00:11:38: many of these laws.

00:11:38 --> 00:11:42: Some of the programs that manage these types of policies

00:11:42 --> 00:11:44: and create tools to allow compliance.

00:11:44 --> 00:11:48: Like EU. S EPA Energy Star platform,

00:11:48 --> 00:11:50: we are a Energy Star port.

00:11:50 --> 00:11:52: Excuse me, Energy Star partner of the year for a

00:11:52 --> 00:11:53: number of years now,

00:11:53 --> 00:11:57: dating back to 2017 and many other organizations within New

00:11:57 --> 00:12:00: York City on the building owner side between the building

00:12:00 --> 00:12:04: Boehme and Rodney who really represent most of the building

00:12:04 --> 00:12:06: owners and operators in New York City,

00:12:06 --> 00:12:09: as well as the programs like Urban Green and Nicer

00:12:09 --> 00:12:12: to that really are not just the the sticks that

00:12:12 --> 00:12:13: the city puts out,

00:12:13 --> 00:12:15: but some of the carrots in terms of the knowledge.

00:12:15 --> 00:12:18: The financial incentives. So we've really helped to organize many

00:12:18 --> 00:12:21: of and and work with many of the constituents that

00:12:21 --> 00:12:24: really create the landscape that the building owners have to

00:12:24 --> 00:12:27: navigate. So that's a little bit about us and me.

00:12:27 --> 00:12:29: I'm an architect. By training.

00:12:29 --> 00:12:31: I've been doing architecture for about.

00:12:31 --> 00:12:33: I did architecture for about 12 years,

00:12:33 --> 00:12:36: then real estate development and now sustainability consulting.

00:12:36 --> 00:12:39: So I spend most of my time working with private

00:12:39 --> 00:12:42: building owners to navigate these types of goals and targets,

00:12:42 --> 00:12:44: but I spend probably about 20%

00:12:44 --> 00:12:46: of my time pro bono working with.

00:12:46 --> 00:12:48: Policy makers like the New York City Mayor's office,

00:12:48 --> 00:12:51: so that's kind of how we've come to learn a

00:12:51 --> 00:12:54: lot about how these policies are built and have our
00:12:54 --> 00:12:57: own opinions about how they've all turned out.
00:12:57 --> 00:12:59: So of course, they're still in the works,
00:12:59 --> 00:13:01: so taking a little bit of a step back,
00:13:01 --> 00:13:02: many of you probably know this.
00:13:02 --> 00:13:03: If you're on this call,
00:13:03 --> 00:13:06: but always like to start with some context globally.
00:13:06 --> 00:13:09: Buildings represent about 40% of our carbon footprint.
00:13:09 --> 00:13:11: That's not only in the operations,
00:13:11 --> 00:13:15: but in both embodied carbon and the operations of buildings.
00:13:15 --> 00:13:18: But in large cities. Like New York City,
00:13:18 --> 00:13:20: I'm interested to know if it's similar in Toronto.
00:13:20 --> 00:13:22: I believe it probably is.
00:13:22 --> 00:13:23: Building is account for about 70%
00:13:23 --> 00:13:26: of the carbon footprint in most large cities.
00:13:26 --> 00:13:30: That's because transportation industry, many of these other
areas are
00:13:30 --> 00:13:33: just far smaller in these dense urban cores.
00:13:33 --> 00:13:37: So when buildings represent such a high level high
percentage
00:13:37 --> 00:13:39: of carbon emissions in these cities,
00:13:39 --> 00:13:42: when cities create these carbon action plans,
00:13:42 --> 00:13:45: which are long term plans to reduce carbon emissions,
00:13:45 --> 00:13:48: city building owners building developers.
00:13:48 --> 00:13:51: Building operators usually have a very big role to play
00:13:51 --> 00:13:55: in helping cities target those those initiatives and achieve
those
00:13:55 --> 00:13:58: ambitious carbon emissions initiatives.
00:13:58 --> 00:14:00: I almost always start with a slide like this.
00:14:00 --> 00:14:03: This is thanks to IMT the Institute for Market Transformation.
00:14:03 --> 00:14:06: If you're not familiar with that organization,
00:14:06 --> 00:14:08: imt.org is a great site.
00:14:08 --> 00:14:10: They they do track a lot of these types of
00:14:10 --> 00:14:11: policies around the US.
00:14:11 --> 00:14:15: I think we're going to have to start increasing this
00:14:15 --> 00:14:18: map so that we can see this more even outside
00:14:18 --> 00:14:18: of the US.
00:14:18 --> 00:14:22: But they are instrumental in supporting the development of
these
00:14:22 --> 00:14:25: types of policies and also our great resource to find
00:14:25 --> 00:14:28: especially where the latest is on some of these policies.
00:14:28 --> 00:14:31: This map has grown from just a few cities,
00:14:31 --> 00:14:33: essentially that about 10 years ago,

00:14:33 --> 00:14:37: New York DC started out by requiring just basic transparency
00:14:37 --> 00:14:40: around energy use in buildings.
00:14:40 --> 00:14:43: So just an annual process where every building owner of
00:14:43 --> 00:14:45: a certain size has to submit in a years worth
00:14:45 --> 00:14:48: of energy used to the city so the city can
00:14:48 --> 00:14:52: get to. Understand the building stock and to understand the
00:14:52 --> 00:14:53: energy use trends.
00:14:53 --> 00:14:57: These types of benchmarking laws proliferated from New
00:14:57 --> 00:14:58: York and
00:14:58 --> 00:15:01: DC to many,
00:15:01 --> 00:15:04: many other locations. That was just the beginning of
00:15:04 --> 00:15:07: transparency.
00:15:07 --> 00:15:11: These early laws did not require buildings to do anything,
00:15:11 --> 00:15:14: they just to make any improvements.
00:15:14 --> 00:15:16: It just required them to to share that information.
00:15:16 --> 00:15:19: IMT as a brand new map which starts starts out
00:15:19 --> 00:15:22: looking like this today.
00:15:22 --> 00:15:25: Just as the benchmarking map did say 12 years ago,
00:15:25 --> 00:15:28: this is the new map for performance standards.
00:15:28 --> 00:15:32: So BEPS BPS building performance standards seems to be
00:15:32 --> 00:15:35: the
00:15:35 --> 00:15:38: term of art these days that talks about these regulatory
00:15:38 --> 00:15:39: limits and requirements on actual building performance.
00:15:39 --> 00:15:43: So instead of just requiring a building owner to submit
00:15:43 --> 00:15:48: their data to the city and publish that information about
00:15:48 --> 00:15:49: their energy performance,
00:15:49 --> 00:15:51: these types of regulations. Actually require buildings to hit a
00:15:51 --> 00:15:52: minimum performance or bear some type of penalty or
00:15:52 --> 00:15:55: compliance
00:15:55 --> 00:15:56: payment if they don't,
00:15:56 --> 00:15:58: so I'm sure in the next you know it'll be
00:15:58 --> 00:16:01: months,
00:16:01 --> 00:16:03: not years. This map will look just like this map
00:16:03 --> 00:16:06: does,
00:16:06 --> 00:16:09: with many more jurisdictions, so New York City was one
00:16:09 --> 00:16:11: of the first New York and DC are always duking
00:16:11 --> 00:16:16: it out as to which one I think DC passed
00:16:16 --> 00:16:17: the bill, but New York's went into effect sooner,
00:16:17 --> 00:16:18: so we're often duking it out.
00:16:18 --> 00:16:19: So I do have a couple comparisons here for some
00:16:19 --> 00:16:21: context.
00:16:21 --> 00:16:22: Again, this is being recorded so people can go back,
00:16:22 --> 00:16:23: pause it, and look more in depth.

00:16:17 --> 00:16:18: So I'm not going to read through all of these,
00:16:18 --> 00:16:20: but I have a few cities here and I do
00:16:20 --> 00:16:23: like to highlight kind of the areas and the structures
00:16:23 --> 00:16:27: of these different policies across different cities just to get
00:16:27 --> 00:16:28: a sense of what are some of these nuances.
00:16:28 --> 00:16:32: What are some of these differences understanding,
00:16:32 --> 00:16:36: typically within a city? What is the the building representative
00:16:36 --> 00:16:37: carbon emissions?
00:16:37 --> 00:16:39: What is the metric that that city chose to use?
00:16:39 --> 00:16:41: There are a few options there.
00:16:41 --> 00:16:43: The timeline. Of when this will go into effect,
00:16:43 --> 00:16:48: whether or not offsite actions like purchasing renewable
certificates or
00:16:48 --> 00:16:49: carbon offsets,
00:16:49 --> 00:16:54: if those are allowed. Understanding what the states
renewable electricity
00:16:54 --> 00:16:57: target is and what that regions renewable electricity target is,
00:16:57 --> 00:17:01: because that really does impact how you are pushing
building
00:17:01 --> 00:17:03: owners to reduce carbon emissions.
00:17:03 --> 00:17:06: Is it through moving to an all electric building and
00:17:06 --> 00:17:07: electrification as it's called?
00:17:07 --> 00:17:10: Or is it? Other means has a lot to do
00:17:10 --> 00:17:12: with what that regions?
00:17:12 --> 00:17:15: Renewable electricity target is in that timeline,
00:17:15 --> 00:17:19: the fine structure. Again, cities have taken different
approaches to
00:17:19 --> 00:17:20: this and then the engagement process.
00:17:20 --> 00:17:23: So for New York City you can see the stats
00:17:23 --> 00:17:24: that are up here.
00:17:24 --> 00:17:26: I do finally have to update the bottom of this,
00:17:26 --> 00:17:30: which says the industry engagement process essentially
came after this
00:17:30 --> 00:17:30: law was passed.
00:17:30 --> 00:17:34: So some other cities you'll see the engagement process was
00:17:34 --> 00:17:36: really prior to the law being passed.
00:17:36 --> 00:17:40: NYC essentially put the law on the books with with
00:17:40 --> 00:17:42: this framework and then created a pretty.
00:17:42 --> 00:17:47: A pretty robust engagement process with the industry
experts,
00:17:47 --> 00:17:51: not with average population but with industry experts to
weigh
00:17:51 --> 00:17:52: in on that process.

00:17:52 --> 00:17:54: Washington DC is doesn't look terribly different,
00:17:54 --> 00:17:57: but I will highlight here that instead of carbon emissions
00:17:57 --> 00:17:58: per square foot per year,
00:17:58 --> 00:18:02: Washington DC has chosen to use the EPA Energy Star
00:18:02 --> 00:18:05: score as their compliance metric.
00:18:05 --> 00:18:08: So not going to go into exactly all those nuances.
00:18:08 --> 00:18:10: But Energy Star does account not only for your carbon
00:18:11 --> 00:18:11: emissions,
00:18:11 --> 00:18:15: but some other uses within the building and normalizes for
00:18:15 --> 00:18:18: them so they do have the option of switching over
00:18:18 --> 00:18:20: to a GHG metric in 2023 if they feel that
00:18:20 --> 00:18:22: would be a help them align.
00:18:22 --> 00:18:24: And hit their citywide targets.
00:18:24 --> 00:18:27: Similar fine structure. If you look at this fine structure
00:18:27 --> 00:18:29: over over the same course of time,
00:18:29 --> 00:18:32: these are in the dollar to \$2 square foot fine
00:18:32 --> 00:18:33: structure as well,
00:18:33 --> 00:18:36: and they really did have a robust engagement process.
00:18:36 --> 00:18:41: Boston actually just enacted past their law a week ago,
00:18:41 --> 00:18:43: so a lot of this is brand brand new.
00:18:43 --> 00:18:47: They did set their targets using GHT per square foot.
00:18:47 --> 00:18:50: They are allowing some renewable certificates,
00:18:50 --> 00:18:53: but only locally sourced, which is similar to New York
00:18:53 --> 00:18:53: City.
00:18:53 --> 00:18:56: Rule and then the fine structure is actually quite similar
00:18:56 --> 00:18:57: to New York's.
00:18:57 --> 00:19:01: You know, in a similar order of magnitude and that
00:19:01 --> 00:19:04: payment actually will go into a fund to help fund
00:19:04 --> 00:19:05: retrofit projects,
00:19:05 --> 00:19:07: which is a great use of those types of funds.
00:19:07 --> 00:19:10: It's not considered a fine or a violation.
00:19:10 --> 00:19:14: It's considered a compliance payment that goes to fund other
00:19:14 --> 00:19:15: types of upgrade projects.
00:19:15 --> 00:19:17: So as you saw the,
00:19:17 --> 00:19:19: there are variations and programs.
00:19:19 --> 00:19:22: There are variations in the types of decisions they make
00:19:22 --> 00:19:23: around each of these.
00:19:23 --> 00:19:26: Usually that are crafted and the direction is comes from
00:19:27 --> 00:19:30: how it aligns with the city or the region's broader
00:19:30 --> 00:19:33: climate action plan and how they're trying to mitigate
emissions.
00:19:33 --> 00:19:37: Again, all of these pieces really need to work together

00:19:37 --> 00:19:41: with relation to the current utilities that are available in
00:19:41 --> 00:19:42: an area.
00:19:42 --> 00:19:44: What are those utility grids?
00:19:44 --> 00:19:46: Can they be repurposed? How?
00:19:46 --> 00:19:49: How are you? Working with everyone that supplies gas,
00:19:49 --> 00:19:52: electricity, New York City has a central steam system as
00:19:52 --> 00:19:56: well that building owners are working with to understand how
00:19:56 --> 00:19:57: to decarbonize that too.
00:19:57 --> 00:20:00: So these pieces are all very much in need to
00:20:00 --> 00:20:03: work in concert and then one of the last pieces
00:20:03 --> 00:20:04: time of use.
00:20:04 --> 00:20:06: Carbon emissions is kind of the state of the art.
00:20:06 --> 00:20:10: This question of wonder identifying if the carbon emissions of
00:20:10 --> 00:20:13: the electricity grid is say worse in the middle of
00:20:13 --> 00:20:14: the day,
00:20:14 --> 00:20:16: 'cause you're running peaker plants and some of these gas
00:20:16 --> 00:20:16: plans,
00:20:16 --> 00:20:17: but it may be. Better at night.
00:20:17 --> 00:20:19: Maybe you're getting more wind,
00:20:19 --> 00:20:23: and in those times, could you actually regulate compliance
based
00:20:23 --> 00:20:24: on time of use emissions?
00:20:24 --> 00:20:27: So there's a lot of factors that go into making
00:20:27 --> 00:20:30: a successful program so to jump into New York City
00:20:30 --> 00:20:30: specifically,
00:20:30 --> 00:20:32: this is a dense slide,
00:20:32 --> 00:20:33: but I think it tries to.
00:20:33 --> 00:20:35: I've tried to summarize kind of a long history of
00:20:36 --> 00:20:37: New York City climate plans.
00:20:37 --> 00:20:41: This is really specifically only to the building sector back
00:20:41 --> 00:20:41: in 2005.
00:20:41 --> 00:20:44: Under Bloomberg he created was called plan YC.
00:20:44 --> 00:20:47: At that point they had a.
00:20:47 --> 00:20:49: I guess it was 30 by 30 was that was
00:20:49 --> 00:20:53: the the really big splash was let's reduce our carbon
00:20:53 --> 00:20:54: footprint 30%
00:20:54 --> 00:20:56: by 2030 from 2005 levels.
00:20:56 --> 00:20:58: As you can see, that's been ratcheted up.
00:20:58 --> 00:21:00: Then it became 40, then it became 80.
00:21:00 --> 00:21:02: Now it's essentially carbon neutral by 2050,
00:21:02 --> 00:21:05: so in that course of that history,
00:21:05 --> 00:21:07: in 2009, a number of laws were passed in New

00:21:07 --> 00:21:10: York City under what they called the green are the greeter?

00:21:10 --> 00:21:10: Excuse me, the greener, greater buildings plan.

00:21:10 --> 00:21:13: I helped to work on that.

00:21:13 --> 00:21:16: The development of those laws.

00:21:16 --> 00:21:18: And that really paved the way and created the foundation for the collecting.

00:21:18 --> 00:21:22: The data that the city policy makers needed in order to build an emissions compliance law like local on 97.

00:21:22 --> 00:21:23: So it's really only because of both the energy data that's been collected from what's called local law 84, which is annual Energy Star benchmarking and the equipment level

00:21:23 --> 00:21:27: data which is collected by local law 87 where buildings have to do energy audits and.

00:21:27 --> 00:21:32: Energy and HVAC mechanical equipment.

00:21:32 --> 00:21:35: Uh, road maps and essentially equipment lists.

00:21:35 --> 00:21:38: That information was pivotal in being able to develop a law like local law 97.

00:21:38 --> 00:21:43: There have been a lot of other laws that are listed up here that have been kind of baby steps to getting building owners to think about these types of these ideas clearly local on 97 is really the major milestone that says this is performance based.

00:21:43 --> 00:21:47: We don't care how you get here,

00:21:47 --> 00:21:49: but you need to hit this certain emissions by a certain year.

00:21:49 --> 00:21:54: So just a quick aside to understand a little bit about the housing stock.

00:21:54 --> 00:21:57: This made that the building stock.

00:21:57 --> 00:22:01: This may come back to our just into our discussion a little bit,

00:22:01 --> 00:22:02: but to give you all a little bit of background NYC essentially,

00:22:02 --> 00:22:05: you know most of the buildings by count our multifamily buildings,

00:22:05 --> 00:22:07: but most of the you know the high rise buildings are office buildings and that's what you think of the New York City.

00:22:07 --> 00:22:10: But about 2/3 of the square footage in 2/3 of their missions actually come from residential and multifamily buildings.

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00:22:46 --> 00:22:50:

00:22:50 --> 00:22:53: So when you think about tackling carbon emissions across the

00:22:53 --> 00:22:54: city,

00:22:54 --> 00:22:58: we really have to tackle existing multifamily mid and high-rise

00:22:58 --> 00:23:03: buildings to reduce carbon emissions of the existing housing stock.

00:23:03 --> 00:23:07: These laws, local on 97 at the moment,

00:23:07 --> 00:23:12: only impacts buildings, 25,000 square feet and above.

00:23:12 --> 00:23:14: So the way local law 97 works just to get

00:23:14 --> 00:23:16: into the little weeds and give us a little bit

00:23:16 --> 00:23:18: of context for the discussion later.

00:23:18 --> 00:23:23: Local 97 essentially put in place carbon emissions limits per

00:23:23 --> 00:23:24: square foot.

00:23:24 --> 00:23:28: For based on various building type usages and essentially they

00:23:28 --> 00:23:31: did this by using leveraging all of that data they

00:23:31 --> 00:23:35: had collected over 10 years and striking these two lines,

00:23:35 --> 00:23:39: striking a 20th percentile line and striking and 80th percentile

00:23:39 --> 00:23:42: line based on these types of functions that they saw

00:23:42 --> 00:23:44: within the existing building stock.

00:23:44 --> 00:23:49: So roughly the first deadline essentially impacts only buildings that

00:23:49 --> 00:23:53: are the worst 20th percent of that type of building,

00:23:53 --> 00:23:56: and this next performance. Period beginning in 2030 hits the

00:23:57 --> 00:23:57: 80th percentile.

00:23:57 --> 00:24:00: So statistically speaking, if you're an average building,

00:24:00 --> 00:24:04: you will be fine under the first performance period,

00:24:04 --> 00:24:06: you will hit those limits,

00:24:06 --> 00:24:09: but by 2030 you'll need to make reductions and then

00:24:09 --> 00:24:13: beginning in 2035 they haven't announced yet what those targets

00:24:13 --> 00:24:14: will be,

00:24:14 --> 00:24:19: but the goal ultimately is carbon neutral by 2050.

00:24:19 --> 00:24:21: So I have another slide in the moment to kind

00:24:21 --> 00:24:24: of shows how you apply those limits to your buildings,

00:24:24 --> 00:24:26: but some of the rest of the structure of this

00:24:26 --> 00:24:26: law,

00:24:26 --> 00:24:29: in addition to the emissions limits per property type,

00:24:29 --> 00:24:31: are some other accommodations as you do when you get

00:24:31 --> 00:24:34: into the weeds of this within the building stock in

00:24:34 --> 00:24:34: your own city,

00:24:34 --> 00:24:38: there's nonprofits, there's schools, there's public housing.

00:24:38 --> 00:24:41: There's a lot of different types of buildings that they

00:24:41 --> 00:24:44: had to create some different kind of different landing paths
00:24:44 --> 00:24:47: for those various types of buildings you know,
00:24:47 --> 00:24:49: based on age based on ability to pay.
00:24:49 --> 00:24:50: Some of those other types of impacts,
00:24:50 --> 00:24:54: so there are some alternative compliance for certain types of
00:24:54 --> 00:24:58: buildings they are currently working on some adjustments
and variances
00:24:58 --> 00:25:01: depending on some of these heavier types of users.
00:25:01 --> 00:25:05: It's phone switching. You know some of these really did
00:25:05 --> 00:25:07: heavy data users and then the fine structure.
00:25:07 --> 00:25:13: As I mentioned, they also did create two new governance
00:25:13 --> 00:25:13: bodies.
00:25:13 --> 00:25:16: One is the new office that this now reports into.
00:25:16 --> 00:25:18: We call it the OBP office of Building Energy and
00:25:19 --> 00:25:22: Emissions Performance and then this Advisory Board which
is really
00:25:22 --> 00:25:25: running this whole comment period which is happening now.
00:25:25 --> 00:25:27: So just a little bit of nuts and bolts,
00:25:27 --> 00:25:30: and then I've got some kind of ideas here on
00:25:30 --> 00:25:33: kind of how are how we see the real estate
00:25:33 --> 00:25:36: industry attacking this and approaching this.
00:25:36 --> 00:25:38: That so in order to calculate your limit in a
00:25:38 --> 00:25:39: specific building,
00:25:39 --> 00:25:42: you essentially take the square footage of each of those
00:25:42 --> 00:25:44: types of spaces within your building and multiply it by
00:25:44 --> 00:25:45: the limit.
00:25:45 --> 00:25:50: So you essentially ultimately get this prorated limit for your
00:25:50 --> 00:25:50: building.
00:25:51 --> 00:25:53: If it's a mixed use building.
00:25:53 --> 00:25:55: And then the complicated part is then you also in
00:25:55 --> 00:25:57: order to understand your emissions.
00:25:57 --> 00:25:59: We've got a lot of questions people calling,
00:25:59 --> 00:26:01: saying. How do I measure the emissions from my building?
00:26:01 --> 00:26:03: Is it? Is there a meter that just tells me
00:26:04 --> 00:26:04: my emissions is?
00:26:04 --> 00:26:06: Do I go up to the roof and I hold
00:26:06 --> 00:26:09: something up there and I measure this emissions coming out
00:26:09 --> 00:26:10: of the building?
00:26:10 --> 00:26:12: No to either one of those?
00:26:12 --> 00:26:16: Essentially you take every utility that's being consumed at the
00:26:16 --> 00:26:19: building and you have to multiply it by a factor
00:26:19 --> 00:26:23: that converts it from its utility consumption into carbon carbon

00:26:23 --> 00:26:25: emissions, or CO2. Equivalent as it's called,

00:26:25 --> 00:26:29: so some of those are physical constants like oil and

00:26:29 --> 00:26:29: gas.

00:26:29 --> 00:26:33: Others are really based on factors out of your control,

00:26:33 --> 00:26:35: potentially as a building owner,

00:26:35 --> 00:26:38: which on the electricity front right now is based on

00:26:38 --> 00:26:41: the renewable content that is in the grid.

00:26:41 --> 00:26:45: So a more renewable, more renewable electricity grid will

00:26:45 --> 00:26:48: give

00:26:48 --> 00:26:49: you a lower carbon footprint for the same amount of

00:26:49 --> 00:26:51: energy used.

00:26:51 --> 00:26:52: And then ultimately, for here in New York City,

00:26:52 --> 00:26:54: the way this is written,

00:26:54 --> 00:26:56: you take your emissions. You see,

00:26:56 --> 00:26:58: if you're over or under that limit.

00:26:58 --> 00:26:59: And for every metric ton of carbon per year that

00:26:59 --> 00:27:02: you're over the limit,

00:27:02 --> 00:27:03: you have this \$268 fund.

00:27:03 --> 00:27:07: And then there are some adjustments.

00:27:07 --> 00:27:10: They did create some directions that allow for some

00:27:10 --> 00:27:12: purchase

00:27:12 --> 00:27:14: if you are over this limit and you are not

00:27:14 --> 00:27:18: able to reduce your energy usage,

00:27:18 --> 00:27:21: which drives emissions to get to these limits,

00:27:21 --> 00:27:22: there are some essentially some adjustments that you can

00:27:22 --> 00:27:26: make

00:27:26 --> 00:27:27: some off-site purchases at the moment you can purchase

00:27:27 --> 00:27:31: carbon

00:27:31 --> 00:27:32: offsets for up to 10%

00:27:32 --> 00:27:34: of your footprint, or you could potentially purchase these

00:27:34 --> 00:27:35: renewable

00:27:35 --> 00:27:37: energy certificates.

00:27:37 --> 00:27:40: At the moment there are no renewable energy certificates

00:27:40 --> 00:27:41: that

00:27:41 --> 00:27:44: meet the laws definition.

00:27:44 --> 00:27:45: In the market, so that's changing.

00:27:45 --> 00:27:49: We do see some coming.

00:27:49 --> 00:27:50: Potentially there was an announcement last week.

00:27:50 --> 00:27:51: We could talk more about to bring more renewable electricity

00:27:51 --> 00:27:52: into New York City,

00:27:52 --> 00:27:53: but at the moment these two pathways we really tell

00:27:53 --> 00:27:54: our building owner,

00:27:54 --> 00:27:55: clients wait and see. Don't don't consider these as part

00:27:55 --> 00:27:56: of your initial strategy.

00:27:50 --> 00:27:54: Let's try to drive down energy use as your primary strategy.

00:27:54 --> 00:27:54: An example here that just just bring this home for a specific building.

00:27:54 --> 00:27:57: This is an actual client of ours,

00:27:57 --> 00:27:59: 1.1 million square foot. Building an average energy intensity average

00:27:59 --> 00:28:01: carbon intensity is 30%

00:28:01 --> 00:28:06: below the first limit, but it's 30%

00:28:06 --> 00:28:07: above the second limit, resulting in about a \$400,000 annual fine.

00:28:07 --> 00:28:09: So if you put that into a savings calculator for upgrades,

00:28:09 --> 00:28:13: that really will accelerate your payback.

00:28:13 --> 00:28:14: If you start to include these the avoiding these files.

00:28:14 --> 00:28:17: So last couple slides here that this will go into effect in May of 2025 2020,

00:28:17 --> 00:28:18: four is actually the first year that will be measured against these limits.

00:28:18 --> 00:28:20: In 2025 you will submit and I will not read through everything on the right side here,

00:28:20 --> 00:28:24: but there are definitely some details within the law that are being worked out by committee currently and then the last two slides here are really just kind of my commentary and I may want to put this back to conversation and maybe we'll skip over some of this commentary,

00:28:24 --> 00:28:28: but the main one really here is.

00:28:28 --> 00:28:30: What this has meant in the real estate industry in New York is that every discussion of every intervention in the building always hinges and always touches on what the impact on the carbon emissions will be.

00:28:30 --> 00:28:33: It can be, you know,

00:28:33 --> 00:28:34: tenant renewals, end of life upgrades, cosmetic upgrades. Any of these discussions that you have in a building,

00:28:34 --> 00:28:37: new tenants moving in. What are we doing?

00:28:37 --> 00:28:39: Oh, let's update the lobby.

00:28:39 --> 00:28:42: What are we doing? We are always called in.

00:28:42 --> 00:28:45: Everyone always has to be part of that discussion to say how will this project impact the carbon emissions of the building and how will it.

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00:29:23 --> 00:29:25:

00:29:25 --> 00:29:28: How will we? Be approaching or not approaching those limits
00:29:28 --> 00:29:31: of local law 97 so I think I'll leave it
00:29:31 --> 00:29:31: there.
00:29:31 --> 00:29:33: I want to. I want to be able to get
00:29:33 --> 00:29:34: into our conversation,
00:29:34 --> 00:29:35: but as I said this,
00:29:35 --> 00:29:38: the result of this law really is that carbon emissions
00:29:38 --> 00:29:41: is now in the forefront of everybody's thinking when they're
00:29:41 --> 00:29:43: designing new buildings.
00:29:43 --> 00:29:45: When they're modifying existing buildings,
00:29:45 --> 00:29:47: and when they're when they're buying buildings,
00:29:47 --> 00:29:49: everyone is asking if you buy a building.
00:29:49 --> 00:29:50: How does it compare to these limits,
00:29:50 --> 00:29:51: and what does that mean for my?
00:29:51 --> 00:29:54: For my purchase price? So thank you,
00:29:54 --> 00:29:56: and I look forward to our conversation.
00:29:56 --> 00:29:59: So I will stop sharing and give it back to
00:29:59 --> 00:30:00: you.
00:30:00 --> 00:30:01: Sandra, thank you so
00:30:01 --> 00:30:03: much. Thank you so much.
00:30:03 --> 00:30:06: Chris fascinating. So I have a couple of questions for
00:30:06 --> 00:30:08: you and then I'm going to invite some thoughts and
00:30:08 --> 00:30:11: comments from our other panelists as well.
00:30:11 --> 00:30:14: And of course, we're inviting the audience to to weigh
00:30:14 --> 00:30:14: in.
00:30:14 --> 00:30:17: But Chris, I want to start with like we're really
00:30:17 --> 00:30:20: curious about how something like this gets implemented.
00:30:20 --> 00:30:23: And I I'm interested to know who were the Champions
00:30:23 --> 00:30:27: and what was the a-ha moment that actually enabled this.
00:30:27 --> 00:30:30: Poppin up in New York City because of course we
00:30:30 --> 00:30:35: want to create that same magical combination that if we
00:30:35 --> 00:30:37: can in other parts of North America.
00:30:38 --> 00:30:40: Uhm, it's a great question.
00:30:40 --> 00:30:41: There are a few pieces to this,
00:30:41 --> 00:30:44: some more cynical than others.
00:30:44 --> 00:30:47: One that the the the pathway we've been on in
00:30:47 --> 00:30:51: New York City with all the legislation that's been passed.
00:30:51 --> 00:30:52: You know, going back. Like I said,
00:30:52 --> 00:30:56: almost 15 years now. It was this unstoppable train,
00:30:56 --> 00:30:59: so there was no end and even building owners and
00:30:59 --> 00:31:01: we work with a lot of building owners,
00:31:01 --> 00:31:05: some who are very old school and potentially you know,

00:31:05 --> 00:31:07: on the wrong side of some of these topics.
 00:31:07 --> 00:31:10: They knew this wasn't. Stop over train so when when
 00:31:10 --> 00:31:12: they looked at and I have it does go back
 00:31:12 --> 00:31:15: somewhat to politics when they looked at the politics in
 00:31:15 --> 00:31:18: New York in both in the city and the state,
 00:31:18 --> 00:31:22: there's really no chance that that even if somehow the
 00:31:22 --> 00:31:26: lobbying effort could kind of diminish or delay and immediate
 00:31:26 --> 00:31:29: effort to make these changes,
 00:31:29 --> 00:31:30: that it was never there was going to come back
 00:31:30 --> 00:31:30: again,
 00:31:30 --> 00:31:32: but it was. There's no way this was going away
 00:31:32 --> 00:31:32: forever.
 00:31:32 --> 00:31:34: So that's the cynical side of it,
 00:31:34 --> 00:31:36: which is like even even some of those folks who
 00:31:36 --> 00:31:36: said,
 00:31:36 --> 00:31:37: hey, can we avoid this?
 00:31:37 --> 00:31:39: They said there's no way.
 00:31:39 --> 00:31:40: We can avoid this forever,
 00:31:40 --> 00:31:43: so, but so that brought them to the table because
 00:31:43 --> 00:31:45: they couldn't just be the the you know,
 00:31:45 --> 00:31:48: the party of no, they actually said OK,
 00:31:48 --> 00:31:50: let's roll up our sleeves and let's let's discuss how
 00:31:50 --> 00:31:52: to make this better because there's no way it's going
 00:31:52 --> 00:31:53: to go away.
 00:31:53 --> 00:31:56: So I think that that tidal wave of energy and
 00:31:56 --> 00:31:56: like I said,
 00:31:56 --> 00:31:59: this unstoppable train meant that they had to get on
 00:31:59 --> 00:32:01: it or they were just going to get run over.
 00:32:01 --> 00:32:03: So it's great man, I like that one,
 00:32:03 --> 00:32:03: but
 00:32:03 --> 00:32:06: can you? Sorry, I just want to know who was
 00:32:06 --> 00:32:07: driving the train
 00:32:07 --> 00:32:10: driving the train. There are a lot of nonprofits.
 00:32:10 --> 00:32:14: There are a lot of sustainability groups in New York
 00:32:14 --> 00:32:17: City that advocate for energy advocate for the environment.
 00:32:17 --> 00:32:19: Some specifically in real estate.
 00:32:19 --> 00:32:22: Some more broadly outside of real estate,
 00:32:22 --> 00:32:25: there's EDF. There's NRDC there's ULI is Urban Green
 00:32:25 --> 00:32:30: Council,
 00:32:25 --> 00:32:30: there's building energy exchange. There's a number of
 00:32:30 --> 00:32:33: groups that
 00:32:30 --> 00:32:33: have really gotten a lot of support.

00:32:33 --> 00:32:34: From a lot of the private enterprise,
00:32:34 --> 00:32:38: right, there is definitely a private sector.
00:32:38 --> 00:32:42: Leaders who know that we need to do this so
00:32:42 --> 00:32:46: they're really championing those groups to lobby to discuss.
00:32:46 --> 00:32:49: To bring this to the forefront of the discussion so
00:32:49 --> 00:32:51: that policymakers know that it is a priority.
00:32:51 --> 00:32:54: So it's kind of it's both private and public sector.
00:32:54 --> 00:32:55: I would say both together
00:32:56 --> 00:33:00: great. OK, thanks. I'm gonna actually ask Kirk question on
00:33:00 --> 00:33:01: this front.
00:33:01 --> 00:33:06: So Kirk. You've you've led the design and delivery of,
00:33:06 --> 00:33:10: you know, millions and millions of dollars worth of green
00:33:10 --> 00:33:13: incentive and market transformation projects across Canada.
00:33:13 --> 00:33:16: You know the Canadian marketplace really well.
00:33:16 --> 00:33:19: So when you listen to.
00:33:19 --> 00:33:24: Chris is presentation and and with your knowledge of this
00:33:24 --> 00:33:25: program.
00:33:25 --> 00:33:29: How you know, does the building inventory differ a lot
00:33:29 --> 00:33:32: in New York compared to Toronto,
00:33:32 --> 00:33:36: and what are the takeaways and the learnings that we
00:33:36 --> 00:33:40: can take from New York City's experience and apply them
00:33:40 --> 00:33:41: in Toronto?
00:33:41 --> 00:33:47: Any thoughts on that? I think you're on mute.
00:33:49 --> 00:33:50: Great, great points,
00:33:50 --> 00:33:54: that's better, that's better. Great question.
00:33:54 --> 00:33:59: The landscape between Toronto and New York City and in
00:33:59 --> 00:33:59: fact,
00:33:59 --> 00:34:03: in fact, the Greater Golden Horseshoe area is similar on
00:34:03 --> 00:34:05: the commercial side,
00:34:05 --> 00:34:07: but on the large volume of buildings.
00:34:07 --> 00:34:09: The large number of buildings there.
00:34:09 --> 00:34:11: It's both in cases they're multi res,
00:34:11 --> 00:34:13: but the multi res side.
00:34:13 --> 00:34:17: There's a lot of low rise pre war buildings so
00:34:17 --> 00:34:21: when you look at how these cities compare there's a
00:34:21 --> 00:34:25: big demographic of real estate with Taz.
00:34:25 --> 00:34:28: Very poor efficiency and fuel and things like that and
00:34:28 --> 00:34:31: we don't have that issue in in Toronto,
00:34:31 --> 00:34:33: so we're ahead on the technical side.
00:34:33 --> 00:34:35: So there's basically three areas,
00:34:35 --> 00:34:38: technical, financial and capacity building.
00:34:38 --> 00:34:41: Number one is the actual inventory is different when you

00:34:41 --> 00:34:44: go to a mid rise and high-rise situation.

00:34:44 --> 00:34:47: Particularly on the multifamily, they're very similar in terms of

00:34:47 --> 00:34:49: stock and style etc etc.

00:34:49 --> 00:34:51: A lot of post war buildings and a lot of

00:34:51 --> 00:34:52: work being done on that.

00:34:52 --> 00:34:55: The second thing from a technology standpoint.

00:34:55 --> 00:34:56: Is or a technical standpoint?

00:34:56 --> 00:34:59: Is that the fuel sources they're using?

00:34:59 --> 00:35:03: Steam and fuel oil as opposed to gas and hot

00:35:03 --> 00:35:04: water,

00:35:04 --> 00:35:07: and that is important because our big solution is heat

00:35:07 --> 00:35:10: pump on electrification and they have an extra step that

00:35:11 --> 00:35:13: they need to do that us in Toronto don't.

00:35:13 --> 00:35:15: So there's a benefit to us there,

00:35:15 --> 00:35:18: right? The third thing that I would say is it's

00:35:18 --> 00:35:20: not so so much technical,

00:35:20 --> 00:35:21: but it is a logistic issue.

00:35:21 --> 00:35:23: And now it's feeding into the financial part of the

00:35:23 --> 00:35:24: equation,

00:35:24 --> 00:35:26: which is the majority of New Yorkers.

00:35:26 --> 00:35:29: Don't pay for their utilities right?

00:35:29 --> 00:35:33: As opposed to the majority of apartment dwellers in private

00:35:33 --> 00:35:35: rental and condos etc in the City of Toronto and

00:35:36 --> 00:35:37: especially in the commercial.

00:35:37 --> 00:35:40: They all pay for their utilities by and large so

00:35:40 --> 00:35:43: it really changes the split incentive conversation.

00:35:43 --> 00:35:47: I'll quickly go through the rest of the financials and

00:35:47 --> 00:35:49: that is that there is some.

00:35:49 --> 00:35:53: There's different rent control policies within both

00:35:53 --> 00:35:56: environments and both

00:35:56 --> 00:35:57: create some distortive regulatory issues where there's a.

00:35:57 --> 00:36:01: There's a maximum that you can.

00:36:01 --> 00:36:03: Invest in in a retrofit before you can't recover that

00:36:03 --> 00:36:05: out of rent increases.

00:36:05 --> 00:36:08: And even if there's affordability issues,

00:36:08 --> 00:36:08: you want to make sure that those are addressed as

00:36:08 --> 00:36:12: well,

00:36:12 --> 00:36:16: right? So there's a lot of opportunities on the financial

00:36:16 --> 00:36:18: business case for valuation improvements.

00:36:18 --> 00:36:21: The markets are very hot in Toronto,

00:36:21 --> 00:36:25: and there's a lot of transactions that are happening.

00:36:25 --> 00:36:25: We're in a state where we have intergenerational wealth,

00:36:25 --> 00:36:28: right? That is getting out of the real estate.
 00:36:28 --> 00:36:31: Games, so there's a lot of sales being done from
 00:36:32 --> 00:36:35: families into REITs or larger institutional investors,
 00:36:35 --> 00:36:39: and so at those times assailing capitalization,
 00:36:39 --> 00:36:41: there's some real opportunities there.
 00:36:41 --> 00:36:43: The last thing else talk about is on the capacity
 00:36:43 --> 00:36:44: building side,
 00:36:44 --> 00:36:47: and. Taft has done some really great work on the
 00:36:47 --> 00:36:48: accelerator side.
 00:36:48 --> 00:36:50: They've put in the resources,
 00:36:50 --> 00:36:51: the capacity building and the financing.
 00:36:51 --> 00:36:53: The city's done a lot as well,
 00:36:53 --> 00:36:57: but New York has a green Bank that is operational.
 00:36:57 --> 00:37:00: They have one that is conducive for energy services and
 00:37:00 --> 00:37:03: service agreements and PP as especially 'cause we have a
 00:37:03 --> 00:37:05: lot of opportunities on district.
 00:37:05 --> 00:37:10: So there's some financing supports that aren't in Canada yet,
 00:37:10 --> 00:37:12: and specially in Toronto that we could build in.
 00:37:12 --> 00:37:17: Secondly, I would say there is things like BX.
 00:37:17 --> 00:37:20: And capacity building institutions that we don't have yet that
 00:37:20 --> 00:37:25: provide centers of communication and recourse for owners
 that are
 00:37:25 --> 00:37:27: interested in doing this work.
 00:37:27 --> 00:37:28: To be able to get up to speed on that.
 00:37:28 --> 00:37:31: So those are places where we are different and what
 00:37:31 --> 00:37:33: we can and can't pull from.
 00:37:33 --> 00:37:37: Well, thanks, well I'm actually gonna pull the thread on
 00:37:37 --> 00:37:40: the financing and turn it over to Julia.
 00:37:40 --> 00:37:44: So Julia, you know we just heard her talk about
 00:37:44 --> 00:37:47: a number of the areas where in New York and
 00:37:47 --> 00:37:52: Toronto are quite different and thinking about the
 financing
 00:37:52 --> 00:37:56: side as we know, deep retrofits have the opportunity for
 00:37:56 --> 00:37:59: return on investment up to a point and but they
 00:37:59 --> 00:38:01: obviously require capital.
 00:38:01 --> 00:38:03: And Taft has a ton of experience.
 00:38:03 --> 00:38:08: In helping a fund. Projects fund demonstrations move the
 needle
 00:38:08 --> 00:38:12: to enable building retrofits and decarbonization,
 00:38:12 --> 00:38:15: so I actually have a double barrel question for you
 00:38:15 --> 00:38:16: is number one is,
 00:38:16 --> 00:38:20: where do you see the rule of the governments at
 00:38:20 --> 00:38:24: different levels and enabling all this and number two?

00:38:24 --> 00:38:28: Is there anything on your wish list for the City
00:38:28 --> 00:38:32: of Toronto that would help make task role and the
00:38:32 --> 00:38:37: whole ecosystem of financing this stuff work more smoothly?
00:38:37 --> 00:38:37: Hey,
00:38:38 --> 00:38:41: thanks Sandra and thanks Chris for that presentation
because we
00:38:42 --> 00:38:44: always look for inspiration and best practice.
00:38:44 --> 00:38:48: You know how we can sort of let you fail
00:38:48 --> 00:38:53: fast so that we can go faster and really definitely
00:38:53 --> 00:38:58: see a requirement and a carbon focus requirement as a
00:38:58 --> 00:39:01: key driver. Our profile is a little bit different as
00:39:01 --> 00:39:05: Kirk was saying and from the admissions perspective
buildings are
00:39:05 --> 00:39:05: about 50%
00:39:05 --> 00:39:07: we I think we would probably have more industry.
00:39:07 --> 00:39:10: Then New York City? Uhm,
00:39:10 --> 00:39:12: yeah, so that's the balance is out,
00:39:12 --> 00:39:16: but still it's it's half and UM,
00:39:16 --> 00:39:19: and that and we we really need to get some
00:39:19 --> 00:39:24: drivers that are actually going to really focus the mind
00:39:24 --> 00:39:28: and focus the the activity on reducing carbon in that
00:39:28 --> 00:39:31: space. And right now we have just like and it's
00:39:32 --> 00:39:32: great.
00:39:32 --> 00:39:35: We you know we incubated and and see if Toronto
00:39:35 --> 00:39:38: and and the province actually moved ahead with the.
00:39:38 --> 00:39:41: Energy and water reporting requirement,
00:39:41 --> 00:39:43: but that's truly just information,
00:39:43 --> 00:39:45: it's energy and you can do a multiplier or get
00:39:45 --> 00:39:46: the coefficient.
00:39:46 --> 00:39:50: So it's very it's. It's a good solid base for
00:39:50 --> 00:39:54: us that that gives us some intelligence about where our
00:39:54 --> 00:39:58: carbon is and we can build on this and use
00:39:58 --> 00:40:03: it to you know to actually make some smart interventions.
00:40:03 --> 00:40:06: And you know, like building on this analysis that that
00:40:06 --> 00:40:09: Kirk was indicating of what kinds of buildings?
00:40:09 --> 00:40:10: Where is the carbon like?
00:40:10 --> 00:40:13: Let's use a follow the carbon approach and and just
00:40:13 --> 00:40:14: start.
00:40:14 --> 00:40:17: You know, moving strategically and the real opportunity here
is
00:40:17 --> 00:40:20: the multiple benefits and so I will get to your
00:40:20 --> 00:40:22: point about the financing.
00:40:22 --> 00:40:26: You know we there, there's jobs available in retrofitting and

00:40:26 --> 00:40:27: their local jobs.

00:40:27 --> 00:40:29: They're not jobs, and you know any other place.

00:40:29 --> 00:40:32: They're right here, they're savings,

00:40:32 --> 00:40:34: you know, at the at the utility,

00:40:34 --> 00:40:37: and at the consumer level there's healthier buildings.

00:40:37 --> 00:40:41: There's multiple benefits. Come and there's an opportunity to involve

00:40:41 --> 00:40:43: a whole range of other players,

00:40:43 --> 00:40:48: and including players that have capital and want to invest

00:40:48 --> 00:40:50: it in with impact,

00:40:50 --> 00:40:53: and there's no better impact,

00:40:53 --> 00:40:56: you know, and everybody's talking about impact investing.

00:40:56 --> 00:41:00: There's no better impact with a return on investment investment

00:41:00 --> 00:41:05: with a return on investment and impact than than energy

00:41:05 --> 00:41:05: efficiency.

00:41:05 --> 00:41:08: It pays. It doesn't cost it pays,

00:41:08 --> 00:41:10: and so. The real champ.

00:41:10 --> 00:41:14: The real trick, as you were saying,

00:41:14 --> 00:41:16: and we have a lot of experience with this,

00:41:16 --> 00:41:20: is to structure appropriately to identify who the owners are

00:41:20 --> 00:41:22: and what their what,

00:41:22 --> 00:41:26: their opportunity for reduction is to try to do it

00:41:26 --> 00:41:29: now rather than sort of in the future and sort

00:41:29 --> 00:41:34: of disaggregate the savings so you know to optimize their

00:41:34 --> 00:41:37: savings and you know, and there's nothing that focuses the

00:41:37 --> 00:41:38: mind more than a fine,

00:41:38 --> 00:41:40: so you know, looking to the future.

00:41:40 --> 00:41:42: And saying, you know what's it?

00:41:42 --> 00:41:44: Not what's going to happen in?

00:41:44 --> 00:41:47: You know, 18 months, which is the usual sort of

00:41:47 --> 00:41:48: business mentality?

00:41:48 --> 00:41:50: What's going to happen in the first period?

00:41:50 --> 00:41:52: The second period? The third period?

00:41:52 --> 00:41:55: So that I can mitigate my risk financial risk and

00:41:56 --> 00:42:01: and then structure investment opportunities based on availability of the

00:42:01 --> 00:42:04: owners capital or third party capital?

00:42:04 --> 00:42:07: We have utilities. We have the Canon Infrastructure Bank.

00:42:07 --> 00:42:10: We've got so many players with capital.

00:42:10 --> 00:42:14: Looking to invest that what's missing and this is what

00:42:14 --> 00:42:15: Kirk was referring to.

00:42:15 --> 00:42:19: Taft Retrofit accelerator is that concierge?

00:42:19 --> 00:42:21: And that's when I'm curious about Christmas.

00:42:21 --> 00:42:25: In terms of you know who's playing that concierge role?

00:42:25 --> 00:42:27: What can we learn from that experience?

00:42:27 --> 00:42:30: We've certainly shocked the world and in in terms of

00:42:30 --> 00:42:32: structuring the the retrofit accelerator,

00:42:32 --> 00:42:37: because that capacity that pulling together and stacking all of

00:42:37 --> 00:42:41: the financing and keeping the eye on the carbon.

00:42:41 --> 00:42:45: And the social as well as environmental and financial benefits

00:42:45 --> 00:42:45: is,

00:42:45 --> 00:42:49: you know, that's our opportunity that we shouldn't be squandering.

00:42:50 --> 00:42:53: OK, uhm. Thanks very much for that,

00:42:53 --> 00:42:57: Julia. Uhm, I guess some you know.

00:42:57 --> 00:43:00: I'm thinking now I'd like to.

00:43:00 --> 00:43:04: I'd like to put a question to Stewart.

00:43:04 --> 00:43:08: Stuart, when you think about the City of Toronto's strategy

00:43:08 --> 00:43:08: for,

00:43:08 --> 00:43:13: you know, net zero existing buildings which were very interested

00:43:13 --> 00:43:14: in at the bank.

00:43:14 --> 00:43:20: Actually, because a lot of people think that financed emissions

00:43:20 --> 00:43:25: in banking or all about our financing oil and gas,

00:43:25 --> 00:43:30: which is completely untrue. It's actually housing and buildings.

00:43:30 --> 00:43:33: So yeah, I don't see the protests in St telling

00:43:33 --> 00:43:34: us we should.

00:43:34 --> 00:43:39: Start financing peoples homes but it is the biggest part

00:43:39 --> 00:43:39: of them.

00:43:39 --> 00:43:44: In many cases that financed emissions for UM for banks

00:43:44 --> 00:43:46: and it's really challenging.

00:43:46 --> 00:43:51: So I was wondering about in the City of Toronto's

00:43:51 --> 00:43:53: net zero strategy.

00:43:53 --> 00:43:56: You know one of the top action items that I

00:43:56 --> 00:44:01: found really interesting was requiring annual energy and emissions performance

00:44:01 --> 00:44:02: reporting,

00:44:02 --> 00:44:05: and public disclosures, and it sounds to me like all

00:44:05 --> 00:44:06: of these strategies,

00:44:06 --> 00:44:10: including New York cities and certainly Taft,

00:44:10 --> 00:44:13: helping move the needle in Toronto.

00:44:13 --> 00:44:18: They all start with having good information characterizing the

problem.

00:44:18 --> 00:44:21: So just how hard is that kind of be to

00:44:21 --> 00:44:23: accomplish in Toronto?

00:44:23 --> 00:44:25: And are there lessons that we can learn from the

00:44:25 --> 00:44:26: way it unfolded

00:44:26 --> 00:44:27: in New York City?

00:44:28 --> 00:44:30: Sure, thank you very much for the question and again

00:44:30 --> 00:44:33: we would love to talk to you about the building's

00:44:33 --> 00:44:33: peace.

00:44:33 --> 00:44:36: 'cause we we see this huge opportunity there.

00:44:36 --> 00:44:38: You know Chris was saying,

00:44:38 --> 00:44:40: you know, we we compare with Washington DC.

00:44:40 --> 00:44:42: I think we also like to compare with Vancouver,

00:44:42 --> 00:44:45: BC but also look at regions across the GTA and

00:44:45 --> 00:44:48: there's a lot of music policies that are doing great

00:44:48 --> 00:44:51: work in this space and really moving the needle.

00:44:51 --> 00:44:54: But that that you know,

00:44:54 --> 00:44:57: we're we're the strategy got adopted in July and we're

00:44:57 --> 00:44:59: in the weeds of the implementation,

00:44:59 --> 00:45:02: planning and considerations now. And you really hit the

hammer

00:45:02 --> 00:45:04: on the head in that sense,

00:45:04 --> 00:45:07: and that data is really fundamental to this.

00:45:07 --> 00:45:09: And so, as Julie was saying,

00:45:09 --> 00:45:12: about 55% of emissions come from buildings,

00:45:12 --> 00:45:14: in particular close to 60%

00:45:14 --> 00:45:17: of that. 50% is coming from homes at 31%

00:45:18 --> 00:45:21: of the makeup and multi units at about 29%.

00:45:21 --> 00:45:25: And you know, we're lucky in the sense that we've

00:45:25 --> 00:45:25: had.

00:45:25 --> 00:45:28: We have had EWR be in the market,

00:45:28 --> 00:45:29: but that is again targeted,

00:45:29 --> 00:45:34: a relatively small subsection of buildings over the last little

00:45:34 --> 00:45:34: bit,

00:45:34 --> 00:45:38: and that the. The window is getting smaller,

00:45:38 --> 00:45:40: so we're getting more and more buildings recording so that

00:45:40 --> 00:45:41: that's good.

00:45:41 --> 00:45:44: There's progress there, but I think we really need to

00:45:44 --> 00:45:47: rapidly accelerate and get as much information as we can,

00:45:47 --> 00:45:49: and So what. Our strategy is basically saying is that

00:45:49 --> 00:45:52: we want to roll this out to a smaller subset

00:45:52 --> 00:45:52: of buildings.

00:45:52 --> 00:45:56: You know 25,000 square feet and above as soon as possible.

00:45:56 --> 00:45:57:

00:45:57 --> 00:45:59: That is because that's fundamental,

00:45:59 --> 00:46:03: so we cannot do the oldest remake commissioning work.

00:46:03 --> 00:46:04: We cannot do performance targets.

00:46:04 --> 00:46:08: We're really without that data and that fundamental and the

00:46:08 --> 00:46:11: other part of this is home energy labeling reporting.

00:46:11 --> 00:46:14: So there's more than 400,000 homes in the city,

00:46:14 --> 00:46:16: and so that's the next sort of target area in

00:46:16 --> 00:46:16: terms of that,

00:46:16 --> 00:46:18: data is getting that home data,

00:46:18 --> 00:46:21: and really, in that case we really need to work

00:46:21 --> 00:46:25: quite closely with the federal government to get that information.

00:46:25 --> 00:46:27: So I I think that's really key and I you

00:46:28 --> 00:46:29: know a couple of people mentioned,

00:46:29 --> 00:46:31: you know, I think we need to say where we're

00:46:31 --> 00:46:34: going and so that's what the strategy was really about.

00:46:34 --> 00:46:37: Articulating is that in the next few years this is

00:46:37 --> 00:46:39: this we're in transition.

00:46:39 --> 00:46:41: We're going to encourage. We're gonna ask people to do

00:46:41 --> 00:46:42: this voluntarily,

00:46:42 --> 00:46:45: but in 2025 we're going to start to do these

00:46:45 --> 00:46:47: things in a mandatory way so you know,

00:46:47 --> 00:46:49: this is a public document.

00:46:49 --> 00:46:51: You know this is a public discourse we're having.

00:46:51 --> 00:46:53: We really want to get it out there.

00:46:53 --> 00:46:57: That this is coming. Think what you know what's really

00:46:57 --> 00:47:00: exciting about New York and Julie alluded to this too,

00:47:00 --> 00:47:03: is you know New York being ahead.

00:47:03 --> 00:47:04: Having done this for 10 years,

00:47:04 --> 00:47:07: we will definitely be knocking on know New York store.

00:47:07 --> 00:47:10: Whether it's through C40 or or other organizations.

00:47:10 --> 00:47:13: Select where did things go right and where did they

00:47:13 --> 00:47:13: go wrong?

00:47:13 --> 00:47:16: Because I think that's going to be a real challenge.

00:47:16 --> 00:47:20: Is is articulating the value for this and as I

00:47:20 --> 00:47:20: said,

00:47:20 --> 00:47:22: I think there's different types of building owners,

00:47:22 --> 00:47:24: right? There's building owners who are our own lots of

00:47:25 --> 00:47:25: buildings.

00:47:25 --> 00:47:28: They have energy managers. Been really savvy about how to

00:47:28 --> 00:47:31: do this and then this building owners that don't.

00:47:31 --> 00:47:32: This is going to come as a shock and a

00:47:32 --> 00:47:34: surprise and we don't want that too.

00:47:34 --> 00:47:38: So I think really, really critical.

00:47:38 --> 00:47:42: Critical engagement with these building owners is is going to

00:47:42 --> 00:47:44: be key and I think for the city.

00:47:44 --> 00:47:46: The other thing is we don't want unintended consequences,

00:47:46 --> 00:47:49: right? So I think we really need to think carefully

00:47:49 --> 00:47:51: about the equity impacts of these policies,

00:47:51 --> 00:47:56: in particular on multi unit residential properties,

00:47:56 --> 00:47:59: single family homes with a makeup that is already stretched

00:47:59 --> 00:48:01: giving our housing conditions.

00:48:01 --> 00:48:04: So how can we make sure that yes with decarbonizing

00:48:04 --> 00:48:06: but we're not forcing people out of their homes and

00:48:06 --> 00:48:08: so that's a key focus for the work going.

00:48:08 --> 00:48:12: Forward as well as understanding the equity impacts on on

00:48:12 --> 00:48:16: key building types and owners and tenants and residents as

00:48:16 --> 00:48:16: well.

00:48:18 --> 00:48:21: Yeah, you don't want to solve one problem obviously and

00:48:21 --> 00:48:23: create another problem that's so that's the whole.

00:48:23 --> 00:48:27: I guess the whole reason why sustainability is a thing.

00:48:27 --> 00:48:29: It's you've got to make sure you're keeping an eye

00:48:29 --> 00:48:32: at all the pillars of sustainability and not pushing so

00:48:32 --> 00:48:34: hard on one that you're you're playing whack a mole

00:48:34 --> 00:48:37: with the creating a host of other problems.

00:48:37 --> 00:48:41: I'm Chris. I'm gonna ask you come so when Stewart

00:48:41 --> 00:48:43: knocks on your door to say,

00:48:43 --> 00:48:46: uh, OK, you did this in New York City.

00:48:46 --> 00:48:50: It's 2025. We have to start moving to make this

00:48:50 --> 00:48:50: mandatory.

00:48:50 --> 00:48:54: Please Chris tell us which he would do differently now

00:48:54 --> 00:48:56: that you know what you know.

00:48:56 --> 00:48:59: What have you learned and what would you tell us

00:48:59 --> 00:49:01: to some of the things that are must do's and

00:49:02 --> 00:49:04: some of the things that are must not do so.

00:49:04 --> 00:49:06: If you had to sum up a couple in each

00:49:06 --> 00:49:07: column,

00:49:07 --> 00:49:08: what would you tell Stewart?

00:49:09 --> 00:49:12: First, I'd say, do you have a week so that

00:49:13 --> 00:49:14: we could sit down?

00:49:14 --> 00:49:16: So no, it's been really interesting,

00:49:16 --> 00:49:17: you know. And like I said,

00:49:17 --> 00:49:19: we we work with the city policymakers,
00:49:19 --> 00:49:21: but we also work a lot with the private sector
00:49:21 --> 00:49:24: who has to navigate these things so we actually get
00:49:24 --> 00:49:25: to see both sides of it.
00:49:25 --> 00:49:27: Some of the policymakers don't get the feedback if you're
00:49:27 --> 00:49:28: just a policymaker,
00:49:28 --> 00:49:31: you don't see how people try to comply with these,
00:49:31 --> 00:49:32: so we get to play kind of both roles there,
00:49:32 --> 00:49:36: which is great. There are a few things I would
00:49:36 --> 00:49:37: say.
00:49:37 --> 00:49:40: One is coordination and bringing all the right stakeholders to
00:49:40 --> 00:49:40: the table.
00:49:40 --> 00:49:44: I think like you mentioned Stuart that being public about
00:49:44 --> 00:49:45: where you're going.
00:49:45 --> 00:49:47: What is that broader goal you do need?
00:49:47 --> 00:49:48: As I mentioned the beginning,
00:49:48 --> 00:49:52: you'd need all these stakeholders to understand their part.
00:49:52 --> 00:49:56: You need to speak to the utilities you have to
00:49:56 --> 00:49:58: speak to building owners.
00:49:58 --> 00:49:59: All of them have a lot,
00:49:59 --> 00:50:00: a lot of impact on this,
00:50:00 --> 00:50:03: so if you you know if you don't know what
00:50:03 --> 00:50:06: the utilities direction is or what they're planning,
00:50:06 --> 00:50:09: you could be talking about one initiative and at the
00:50:09 --> 00:50:10: same time they're out.
00:50:10 --> 00:50:12: You know, asking for a new rate case to go
00:50:12 --> 00:50:16: increase infrastructure in a certain area that totally doesn't
00:50:16 --> 00:50:18: align
00:50:18 --> 00:50:21: with you know what what you've said this.
00:50:21 --> 00:50:22: This broader mission is so one is getting all the
00:50:22 --> 00:50:26: right people to the table.
00:50:26 --> 00:50:27: Other I would say is what 11 missing link that
00:50:27 --> 00:50:29: we have in our law,
00:50:29 --> 00:50:34: which is the energy audit law,
00:50:34 --> 00:50:37: local law 87, which is does require commissioning of
00:50:37 --> 00:50:42: systems,
00:50:42 --> 00:50:44: does require inventorying of mechanical systems.
00:50:44 --> 00:50:49: It excludes tenant equipment, which is just a gaping hole
00:50:49 --> 00:50:50: in all of our analysis.
00:50:50 --> 00:50:52: So when we're looking to analyze citywide opportunities for
00:50:52 --> 00:50:55: energy
00:50:55 --> 00:50:58: reduction,
00:50:58 --> 00:51:00: you know. Even in the office.

00:50:52 --> 00:50:54: So in multifamily it's almost all you know it's all
 00:50:55 --> 00:50:55: tenant,
 00:50:55 --> 00:50:57: right? You maybe have a boiler common,
 00:50:57 --> 00:50:59: but the rest of the energy is all tenant,
 00:50:59 --> 00:51:01: so that could be 80%
 00:51:01 --> 00:51:05: tenant. And then in commercial buildings maybe it's fifty
 6070%
 00:51:05 --> 00:51:08: tenant, which just means you're missing all of the road
 00:51:08 --> 00:51:12: map you need in order to find those opportunities for
 00:51:12 --> 00:51:12: savings.
 00:51:12 --> 00:51:14: So like we atco green,
 00:51:14 --> 00:51:16: we do a lot of energy audits of buildings for
 00:51:16 --> 00:51:16: local law.
 00:51:16 --> 00:51:19: 87 were always pushing the owners.
 00:51:19 --> 00:51:21: The law only requires common area based building.
 00:51:21 --> 00:51:24: System analysis, but we also think we should analyze the
 00:51:24 --> 00:51:28: tenant systems because ultimately when you look back at
 that
 00:51:28 --> 00:51:28: report,
 00:51:28 --> 00:51:31: and I've analyzed a lot of that city level data
 00:51:32 --> 00:51:35: so the city gets this inventory of every building,
 00:51:35 --> 00:51:37: it has an inventory, but only of the common systems.
 00:51:37 --> 00:51:39: It doesn't have an inventory of the tenant system,
 00:51:39 --> 00:51:43: so when we're trying to develop citywide policies that can
 00:51:43 --> 00:51:48: have the largest impact for major reductions were missing,
 00:51:48 --> 00:51:50: you know how many buildings have window air conditioners?
 00:51:50 --> 00:51:53: How many buildings have? All of those tenant controlled
 systems
 00:51:53 --> 00:51:54: we have.
 00:51:54 --> 00:51:56: We're totally flying blind, so one I would say in
 00:51:56 --> 00:52:00: that sense make sure you're collecting all the data you're
 00:52:00 --> 00:52:03: going to need and its whole building in order to
 00:52:03 --> 00:52:06: drive that, that to find those opportunities for savings so
 00:52:06 --> 00:52:09: that that's a really big piece of it,
 00:52:09 --> 00:52:10: because like you said, Julia,
 00:52:10 --> 00:52:14: the data collection process of benchmarking this and getting
 that
 00:52:14 --> 00:52:18: information in that will be the foundation of your plans,
 00:52:18 --> 00:52:20: because that's where you're starting.
 00:52:20 --> 00:52:21: So I would say you know.
 00:52:21 --> 00:52:23: That's probably the main one.
 00:52:23 --> 00:52:24: Those two are the main ones you know.
 00:52:24 --> 00:52:28: Collaborating in right? People to the table and making sure

00:52:28 --> 00:52:30: you're collecting all that right data.

00:52:30 --> 00:52:32: Those those to me and also I would say and

00:52:32 --> 00:52:34: we've tried it in New York,

00:52:34 --> 00:52:37: even though this law doesn't go into effect until 2025

00:52:37 --> 00:52:41: is get building owners to start measuring that that energy

00:52:41 --> 00:52:42: usage.

00:52:42 --> 00:52:44: It sounds like Kurt, what you're saying is that there's

00:52:44 --> 00:52:46: more direct payment of utility bills.

00:52:46 --> 00:52:49: There's more visibility. I was listening to a podcast yesterday,

00:52:49 --> 00:52:53: said homeowners spend 8 minutes a year thinking about their

00:52:53 --> 00:52:54: utilities.

00:52:54 --> 00:52:56: 8 minutes for the whole year.

00:52:56 --> 00:52:59: Thinking about the utilities so they have no idea what

00:52:59 --> 00:53:00: they used.

00:53:00 --> 00:53:01: I have no idea what they spend,

00:53:01 --> 00:53:03: it's just you know your bill comes in.

00:53:03 --> 00:53:07: It gets paid so that the the homeowner side of

00:53:07 --> 00:53:11: things and getting awareness I would say is another piece

00:53:11 --> 00:53:15: and the last piece I'll say is that that that.

00:53:15 --> 00:53:18: The peer pressure that's that's as part of this,

00:53:18 --> 00:53:20: I've been surprised it's actually interesting,

00:53:20 --> 00:53:23: little tidbit that there's there's two laws right now that

00:53:23 --> 00:53:26: we're that we're talking to clients about one.

00:53:26 --> 00:53:27: Is this carbon emissions law,

00:53:27 --> 00:53:30: which could have huge penalties come in 2025.

00:53:30 --> 00:53:32: The other is a law that makes you put a

00:53:32 --> 00:53:34: letter grade for energy on your front door,

00:53:34 --> 00:53:38: which has no no penalties for having a bad grade.

00:53:38 --> 00:53:39: It's just on your front door.

00:53:39 --> 00:53:43: Clients are more worried about that letter grade on their

00:53:43 --> 00:53:46: front door than a potential \$1,000,000 fine.

00:53:46 --> 00:53:50: In 2025, because that peer pressure of the CEO,

00:53:50 --> 00:53:52: the penthouse owner in it,

00:53:52 --> 00:53:53: this is multi family also,

00:53:53 --> 00:53:56: right? So it's the penthouse owner and the brand new

00:53:56 --> 00:53:56: condo.

00:53:56 --> 00:54:00: It's the CEO of a financial institution who walks into

00:54:00 --> 00:54:03: their Class A office that they're spending 150 bucks,

00:54:03 --> 00:54:06: a square foot on, and it says energy grade D

00:54:06 --> 00:54:09: on the front door they call the owner that they

00:54:09 --> 00:54:11: call the CEO of the of the landlord and say

00:54:11 --> 00:54:14: what in the world? Why do I have a D?
 00:54:14 --> 00:54:16: You said this was a Class A building.
 00:54:16 --> 00:54:18: That they're more concerned with those letter grades than they
 00:54:18 --> 00:54:19: are about these emissions limits,
 00:54:19 --> 00:54:23: so I would say never underestimate the competitive spirit.
 00:54:23 --> 00:54:24: Again, this is a New York thing,
 00:54:24 --> 00:54:25: but I presume it works in real estate.
 00:54:25 --> 00:54:30: Most places. Never underestimate the competitive spirit and that kind
 00:54:30 --> 00:54:32: of peer communication around these things.
 00:54:32 --> 00:54:35: So doing this behind closed doors,
 00:54:35 --> 00:54:38: it will have much less effectiveness than doing it out
 00:54:38 --> 00:54:39: in the open.
 00:54:39 --> 00:54:40: With that kind of peer pressure.
 00:54:42 --> 00:54:43: I just jump in on something.
 00:54:43 --> 00:54:46: Yeah please. 'cause utilities
 00:54:46 --> 00:54:48: you know and this sort of eight minutes is an
 00:54:48 --> 00:54:49: interesting statistic.
 00:54:49 --> 00:54:51: I mean, not only do people spend very little time
 00:54:51 --> 00:54:52: thinking about it,
 00:54:52 --> 00:54:56: they actually don't know what's in their utilities and and
 00:54:56 --> 00:54:59: we have a particular situation like it.
 00:54:59 --> 00:55:03: You know, I look at the the transformed to plan
 00:55:03 --> 00:55:08: and any any plan for decarbonizing in cities and decarbonizing
 00:55:08 --> 00:55:11: buildings is includes electrification,
 00:55:11 --> 00:55:13: right? This is. In every city,
 00:55:13 --> 00:55:16: in every jurisdiction, so you know,
 00:55:16 --> 00:55:21: moving from gas, heating or oil like fossil fuels to
 00:55:21 --> 00:55:22: electricity,
 00:55:22 --> 00:55:26: because we can make zero carbon electrons and and so
 00:55:26 --> 00:55:30: the carbon intensity of the grid is a really key
 00:55:31 --> 00:55:36: factor that will allow or undermine building owners ability to
 00:55:36 --> 00:55:40: meet those targets. And so obviously you know we're New
 00:55:40 --> 00:55:42: York City and operates,
 00:55:42 --> 00:55:44: I presume within the New York State.
 00:55:44 --> 00:55:47: Electric grid and in fact you know even a broader
 00:55:47 --> 00:55:49: North American grid.
 00:55:49 --> 00:55:53: There's Quebec Hydro now going to go to New York
 00:55:53 --> 00:55:57: City and and we have a situation where the forecast
 00:55:57 --> 00:56:02: is for the carbon intensity of the grid to increase
 00:56:02 --> 00:56:04: by like 4 to 500%

00:56:04 --> 00:56:08: because gas fired generation is increasing.

00:56:08 --> 00:56:09: I mean, we phased out coal.

00:56:09 --> 00:56:10: We made some great gains,

00:56:10 --> 00:56:12: but now we're going in the opposite direction.

00:56:12 --> 00:56:14: So I'm curious how this is.

00:56:15 --> 00:56:19: Playing into the situation in New York City and and

00:56:19 --> 00:56:23: that you know the real estate sector's response to to

00:56:24 --> 00:56:27: you know what they buy from the grid.

00:56:27 --> 00:56:29: Like do they have control or do they have a

00:56:29 --> 00:56:29: say?

00:56:31 --> 00:56:33: Chris, I'm gonna give you one minute to answer,

00:56:33 --> 00:56:35: one minute to answer, and then we're going to have

00:56:35 --> 00:56:38: to turn it back over to Richard because we're actually

00:56:38 --> 00:56:39: going to have to wrap things up.

00:56:40 --> 00:56:41: So what I will say,

00:56:41 --> 00:56:43: and this sort of quick two part answer that what

00:56:43 --> 00:56:44: I will say is that yes,

00:56:44 --> 00:56:47: that piece I said originally coordination with the utility must

00:56:47 --> 00:56:48: be a part of this,

00:56:48 --> 00:56:49: especially if you're talking about emissions.

00:56:49 --> 00:56:50: If a law was based on,

00:56:50 --> 00:56:53: say, EU energy use intensity,

00:56:53 --> 00:56:54: it could just be within the building,

00:56:54 --> 00:56:57: but if you know you have to have coordination with

00:56:57 --> 00:56:59: the utility currently there was a lot of discussion to

00:56:59 --> 00:57:01: pin down what those emissions.

00:57:01 --> 00:57:04: Factors will be what that renewable content will be and

00:57:04 --> 00:57:07: the other I'll say is that it has broadened their

00:57:07 --> 00:57:10: horizons of our building owner clients to not just think

00:57:10 --> 00:57:11: about what they're doing with in the building,

00:57:11 --> 00:57:14: but how they impact the broader context of where they're

00:57:14 --> 00:57:15: buying that energy.

00:57:15 --> 00:57:16: So in that sense, it's good.

00:57:16 --> 00:57:19: It's broadened their exposure, but it has made them

00:57:19 --> 00:57:21: accountable

00:57:21 --> 00:57:23: for some things that are outside of their immediate control,

00:57:23 --> 00:57:25: so it is a huge part of this puzzle.

00:57:25 --> 00:57:28: Thank you so much. Come I have a million more

00:57:28 --> 00:57:31: questions and in my mind and I'm sure that the

00:57:31 --> 00:57:36: other panelists would love to pepper each other with

00:57:36 --> 00:57:39: questions,

00:57:36 --> 00:57:39: but we are essentially out of time and so I

00:57:39 --> 00:57:42: want to say thank you to everyone for that.

00:57:42 --> 00:57:44: And I want to turn it back over to Richard

00:57:44 --> 00:57:46: for some wrap up remarks.

00:57:46 --> 00:57:52: Thank you Sandra. That was brilliantly executed discussion and to

00:57:52 --> 00:57:55: the point about having a million more questions.

00:57:55 --> 00:57:57: That's what we're here for.

00:57:57 --> 00:58:01: We are going to be unpacking these these many,

00:58:01 --> 00:58:05: many questions and we just really applaud the leadership of

00:58:05 --> 00:58:10: of New York City and other US jurisdictions for setting

00:58:10 --> 00:58:13: up a very nice high bar for the work that

00:58:13 --> 00:58:16: that is is being done here in Toronto.

00:58:16 --> 00:58:18: And there's some incredible leadership here as well.

00:58:18 --> 00:58:23: Led by the city led by by Taft and others.

00:58:23 --> 00:58:26: And so we're going to.

00:58:26 --> 00:58:30: Our audience here can expect us to be unpacking those

00:58:30 --> 00:58:33: very questions in the coming weeks in fact,

00:58:33 --> 00:58:35: and and obviously into the long term.

00:58:35 --> 00:58:40: We've talked to Stuart about that and we're looking forward

00:58:40 --> 00:58:45: to really digging into Toronto's July legislation that that that

00:58:45 --> 00:58:51: really dictates a very interesting future shift for both existing

00:58:51 --> 00:58:54: future and existing buildings. You see on the slide here

00:58:54 --> 00:58:56: a number of other slides that are.

00:58:56 --> 00:58:59: There are other other events that are coming and hopefully

00:58:59 --> 00:59:02: you'll have a chance to talk into to these as

00:59:02 --> 00:59:03: well.

00:59:03 --> 00:59:06: We always have a large variety of programs.

00:59:06 --> 00:59:10: The annual trends program is a must attend for everybody.

00:59:10 --> 00:59:14: Very, very interesting report that will be revealed in two

00:59:14 --> 00:59:18: weeks time and and and discuss later that week.

00:59:18 --> 00:59:20: The geography of jobs is fascinating.

00:59:20 --> 00:59:24: Program are Curtner Urban leadership program is still taking

00:59:24 --> 00:59:26: applications

00:59:26 --> 00:59:28: for mid career professionals.

00:59:28 --> 00:59:31: This is that six year really,

00:59:31 --> 00:59:32: really popular program. If you are a mid career professional

00:59:32 --> 00:59:36: or know some,

00:59:36 --> 00:59:39: please join this program. I'm now at time.

00:59:39 --> 00:59:43: So with that I have to thank Christopher so much

00:59:43 --> 00:59:46: for doing this Sandra for leading their conversation.

00:59:46 --> 00:59:48: Kirk Julia Stewart. Thank you and have a great week

00:59:48 --> 00:59:48: and will talk to you very soon.

00:59:48 --> 00:59:48: Bye bye.
00:59:49 --> 00:59:51: Thank you all. Thanks
00:59:51 --> 00:59:53: very much. Who's pleasure? Bye bye.
00:59:54 --> 00:59:56: Thanks everybody by day
00:59:56 --> 00:59:57: later.

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