

New York State's Green Building Tax Credit

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History of Green Building Tax Credit

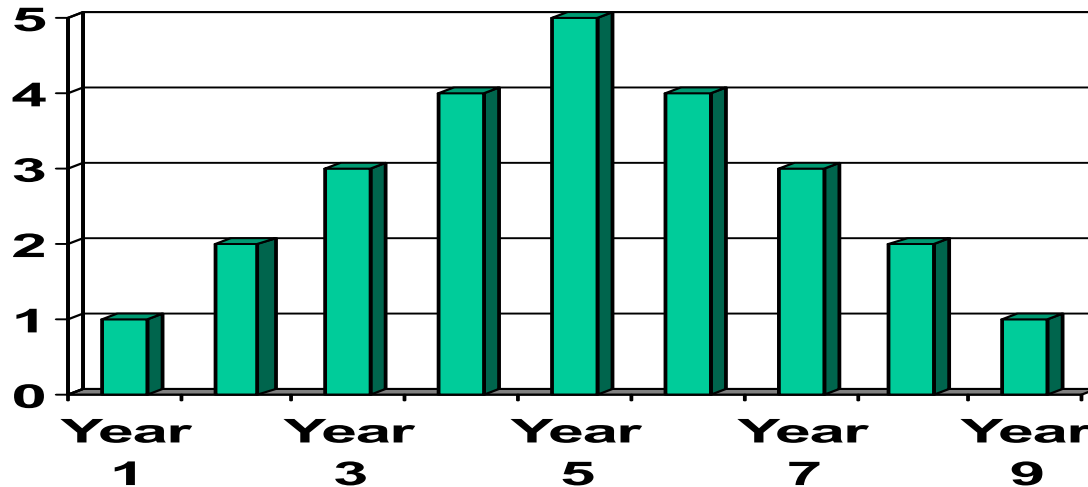
- Income tax credit to promote green design and maintenance practices
- 1995: Asher Derman, Barry Dimson, Richard Farren, Bob Fox, Ashok Gupta, Val Lehr, Dan Tishman, Adrian Tuluca
- Real Estate industry, environmentalists, architects, engineers, business people, government
- NRDC/REBNY
- To Legislature in 1998 and 1999

History of Green Building Tax Credit

- Tradable credits
- No cap
- Erika & Bill V.
- Legislation passed May 15, 2000
- Regulations promulgated May 22, 2002
- Applications accepted September 30, 2002

What It Is

- \$25 million income tax credit
- Program life of nine years
- Tax credit for applicant spread out equally over five years
- “High but commercially reasonable standards”



Eligible Building Types

- Multiple dwelling (permanent and transient occupancy, seniors, adult residential care)
- Business
- Mercantile (display and sale of goods, wares, merchandise)
- Assembly (amusement, civic, dining, patriotic, political, religious, social, sports)
- Institutional

Where The Money Is

- Base building: 5% of allowable costs, up to \$7.50/sf
- Tenant space: 5% of allowable costs, up to \$3.75/sf
- Whole building: 7% of allowable costs, up to \$10.50/ sf (base building) & \$5.25 (tenant space)
- Economic Development Zone: additional 1% for each category

Where More Money Is

Fuel cells

- 30% of installed cost
- Cap of \$1,000/kW of DC-rated capacity

- Photovoltaics

- 100% of incremental cost of BIPV
- 25% of cost of non-BIPV
- Cap of \$3/W of DC-rated capacity

- Refrigerants

- 10% of equipment cost
- Non-ozone depleting or R-123 for two years

Basic Criteria

- Energy
- Indoor Air Quality
- Materials
- Commissioning
- Water conservation
- Appliances

Sources of Regulations

- Existing standards:
 - ASHRAE
 - CA DOH
 - CMHC
 - Green Seal
 - NADCA
 - NY Energy Law
 - UL
 - ASTM
 - CARB, BAARB, SCAQM
 - CRI
 - IARC
 - NFPA
 - SMACNA
 - USEPA

Differences with LEED

- Prescriptive requirements
- Energy performance: Btu vs. cost; specific target
- IAQ management plan during construction
- IAQ measurements
- IAQ management plan for O&M

Differences with LEED, cont'd

- Commissioning (base building mechanical components, IAQ systems that affect mechanical ventilation, e.g.: monitoring systems)
- Compliance certified by architect or engineer
- Record Keeping (e.g.: energy usage, IAQ test results, PV and fuel cell performance)

Process for developing proposed draft regulations

- RFP for contractor selection
- Advisory Committee: public and private sector, upstate and downstate representation
- Consensus of Advisory Committee not required
- Monthly meetings to review contractor submittals
- Meetings open to public; participation pre-approved
- Advisory Committee liaised with interested parties throughout state

Firsts

- First Green Building Tax Credit in country
- First time regulations developed by multiple agencies using processes described in this presentation
- One of first times regulations developed with input from affected parties

Ancillary Impacts

- Use of legislation by other states
- Executive Order 111: Green and Clean State Buildings and Vehicles
- Redevelopment of World Trade Center
- Commissioning specifications for DASNY, NYCTA, SUCF et al.
- LEED products
- Green Guide For Health Care: www.gghc.org

Greatest Challenges

- Time
- Energy modeling
- IAQ measurements
- Queuing
- Refrigerants
- Consistent standards (eg: ASTM ratings)
- RFCI lawsuit

Opportunities for Improvement (identified by Advisory Committee et al.)

- Increase available funding
- Eliminate IAQ testing; retain IAQ Management Plan for O&M
- Broaden eligible building sizes and types
- Eliminate incentive for green refrigerants
- More detail and training for certifications
- Monitor long-term performance of buildings

Current Status

- Regulations promulgated 5/22/02
- Applications accepted beginning 9/30/02
- \$25 million committed 12/31/04
- Additional \$25 million provided in '05-'06 budget
- Regulations for energy, appliances, and materials reviewed and updated every two years
- Recommendation re establishment of permanent Green Building Tax Credit
- For more info: www.nyserda.org, search on Green Buildings