

**LOCAL LAWS
OF
THE CITY OF NEW YORK
FOR THE YEAR 2001**

No. 44

Introduced by Council Members Spigner, Berman, Malave-Dilan, Eisland, Fisher, Freed, Koslowitz, Marshall, McCaffrey, Michels, Miller, Nelson, Povman, Quinn, Warden, Wooten, Golden and Stabile; also Council Members Carrion, Dear, Harrison, Leffler and O'Donovan

A LOCAL LAW

To amend the administrative code of the city of New York, in relation to granting J-51 tax benefits for the installation of submetering systems for cooperatives and condominiums.

Be it enacted by the Council as follows:

Section 1. Legislative findings and intent. The Council finds that the mechanisms available for conserving energy have changed in the last decade. In the past, conservation efforts consisted of trying to reduce the amount of energy used. Toward this end we provided tax benefits to master metered buildings, buildings where there was a single meter for the whole building, to install separate meters for each unit, called submetering, thus encouraging individuals to become conscience of their energy use and reduce their electrical consumption. Recently, discussions of energy conservation have changed from exclusively trying to reduce overall use, to also trying to shift use patterns from peak use to off-peak use. This reduction is a valuable energy conservation measure in that by reducing peak consumption the worst energy plants can eventually be retired and the most expensive and dirty energy can be avoided. An effective tool in the reduction in peak use is a pricing tool based on charging the most for electricity used during peak periods. Buildings that are master metered, where there is one meter for the entire building for which a utility company bills the building, pay for their electricity based on this model of billing, by time of use. In buildings where each apartment is separately metered and billed by the utility, called direct metering, the price is based exclusively on the overall amount of electricity used, not when it is used. The Council finds that changing from a system of direct metering, to a system where the electricity is charged based on time of use (demand) is a useful conversion for the purposes of conservation where strong tenant organizations are in place to monitor demand, educate and work with tenants to reduce demand during peak periods. Toward this end, the Council further finds that the City has a compelling interest in supporting buildings with strong tenant organizations to convert to submetered systems. For the purposes of this section the Council finds that cooperatives and condominiums have the greatest likelihood of having the type of tenant organizations that would allow them to utilize this new technology to reduce peak demand.

§2. Paragraph 6 of subdivision b of section 11-243 of the administrative code of the city of New York is hereby amended to read as follows:

(6) alterations or improvements to an otherwise eligible building or structure commenced after January first, nineteen hundred eighty designed to conserve the use of fuel, electricity or other energy sources *or to reduce demand for electricity*, including the installation of meters for purposes of measuring the amount of electricity consumed for each dwelling unit, *and conversions of direct metering to a system that includes a master meter and submeters in any cooperative, condominium, or housing development fund company organized under article eleven of the private housing finance law*; or

§3. This local shall take effect immediately.

THE CITY OF NEW YORK, OFFICE OF THE CITY CLERK, s.s.:

I hereby certify that the foregoing is a true copy of a local law of the City of New York, passed by the Council on June 28, 2001, and approved by the Mayor on July 16, 2001.

RAYMOND C. TEATUM, First Deputy and Acting City Clerk.

CERTIFICATION PURSUANT TO MUNICIPAL HOME RULE LAW §27

Pursuant to the provisions of Municipal Home Rule Law §27, I hereby certify that the enclosed Local Law (Local Law 44 of 2001, Council Int. No. 802) contains the correct text and:

Received the following vote at the meeting of the New York City Council on June 28, 2001: 44 for, 0 against, 0 not voting.

Was signed by the Mayor on July 16, 2001.

Was returned to the City Clerk on July 16, 2001.

JEFFREY D. FRIEDLANDER, Acting Corporation Counsel