BUILDINGS 2025-014 BULLETIN
OPERATIONAL

ISSUANCE DATE
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PURPOSE: This Bulletin clarifies the 'Host' emissions deduction for off-site energy storage and provides an alternate methodology for calculating the 'Off-taker' deduction for both off-site and on-site energy storage systems.

SUBJECT(S): Local Law 97, Emissions Deductions, Energy Storage Systems, On-site vs Off-site

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RELATED CODE SECTIONS & RESOURCES: AC §28-320, 1 RCNY §103-14

I. BACKGROUND

Local Law 97 of 2019 (LL97), as established in Article 320 of Title 28 of the NYC Administrative Code, defines energy storage systems as a type of Clean Distributed Energy Resource (CDER) in AC §28-320.1 and states in AC §28-320.3.6.3 that deductions from reported annual building emissions may be taken "for a clean distributed energy resource that stores electricity…based on the size of the [energy storage CDER] and its ability to reduce greenhouse gas emissions during designated peak periods".

This Bulletin clarifies an option that off-site storage systems may utilize to determine the GHG emissions deduction for off-site storage systems.

Depending on the specific characteristics of the CDER, a LL97 covered building may take either the Off-taker deduction or the Host deduction or both.

A. Definitions
1. *HOST* is the building where a CDER is physically installed.
2. *OFF-TAKER* is a building where the energy from said CDER is deployed.
3. *ON-SITE* means that the Host is the sole Off-taker.
4. *OFF-SITE* means there are multiple Off-takers that may or may not include the Host.

II. APPLICABILITY

Currently, 1 RCNY §103-14 only includes one method for off-site storage systems to calculate the energy storage Off-taker deduction: the Time of Use (TOU) electricity coefficient, as described in 1 RCNY §103-14(d)(3)(iii). This Bulletin clarifies the use of an alternate Off-taker deduction calculation that is simpler than TOU: the Total Emissions Spread (TES) methodology, as described in 1 RCNY §103-14(e)(2)(ii).

1 RCNY §103-14 also only describes how to calculate the Host deduction for on-site energy storage systems and for Hosts who subscribe to their own storage system in entirety. This Bulletin clarifies that an adjusted TES methodology may be used to calculate the deduction for off-site energy storage systems (whether that is a partial host subscription or purchasing from a different Host).

III. CALCULATIONS

The standard TES methodology is described in Equation 103-14.17 of 1 RCNY §103-14 as follows:

$$ESS = CAP * TES * Eff$$

Where:

ESS = The amount of GHG emissions that may be deducted from the annual emissions resulting from electricity consumption in tCO2e.

CAP = The rated capacity of the energy storage system in kWh.

TES = The total emissions spread, as determined by the Department, for the year preceding the reporting year.

Eff = Roundtrip efficiency, defined as 85% for calendar years 2024-2029.

This standard methodology is for Hosts and Hosts who "purchase"/subscribe to the whole capacity of the on-site storage system.

For those Off-Takers who are using either a portion of their hosted CDER, or are purchasing from an independent CDER, the adjusted TES methodology should be used to determine the applicable deduction.

The adjusted TES methodology considers the consumed energy from the host system rather than rated capacity of the system:

$$ESS = CON/365 * TES * Eff$$

Where:

ESS = Same as in Equation 103-14.17.

CON = The cumulative sum of consumed energy for the preceding reporting year of the subscribed energy system, in kWh, as measured by either a utility-grade meter or tracking software with an average accuracy of maximum ±2.0% error.

TES = Same as in Equation 103-14.17.

Eff = Same as in Equation 103-14.17.

IV. REPORTING

For all energy storage systems, the adjusted TES methodology may be used to calculate an Off-taker deduction in lieu of the TOU methodology described in 1 RCNY §103-14(d)(3)(vi)(c).

For all Hosted energy storage systems, the standard TES methodology may be used to calculate a Host deduction, and a complete On-Site subscription to the Hosted CDER.

Such deductions should be submitted as part of a covered building's LL97 annual emissions report along with supporting documentation.

ADDITIONAL RESOURCES

- *Article 320 Info Guide* containing TES equation and list of suggested supporting documentation:
  www.nyc.gov/assets/buildings/pdf/article_320_guide.pdf#page=106

- Reporting template for LL97 deductions calculations:
  www.nyc.gov/assets/buildings/excel/temp_alt_ticket.xlsm