

Steam and Hot Water Boiler Plant Renovation
Update on Progress as of July 1, 2011
26 Lewis Street

Overview of the Project

The Board of Directors of East River Housing Corporation has embarked on a project to modernize and upgrade the heat and hot water boiler plant located at the above address.

East River Housing Corporation owns and operates the boiler plant. Burning Number 6 fuel oil, we produce steam used for heating and hot water for East River, Hillman and Amalgamated Cooperatives. Fuel costs, labor and operating expense, and on-going maintenance are shared on a proportionate basis by the three Cooperatives based upon the square footage of each Coop. The proportions were agreed to when the plant was originally commissioned and has served all three Coops well over the years.

The boilers are over fifty years old. Although they have been diligently maintained, they are not as efficient as we would wish. Number 6 fuel oil is the dirtiest burning fuel available. The City of New York is on the verge of passing legislation to phase out the burning of Number 6 in favor of Number 2 and/or natural gas. There is a ready supply of gas in this country and its price has, to date, resisted the fluctuations of oil.

Progress for Various Project Components

Chimney

One of the first requirements for this project was to inspect our existing chimney and determine its condition. The chimney is 8 feet by 8 feet and 21 floors high. This inspection is required by the City of New York Department of Buildings before conversion can occur. The inspection required turning off the boilers, waiting for the chimney to cool down, and then passing a camera down the chimney, inspecting the chimney from the inside. As a result of this inspection, our chimney was determined to be in excellent condition, meeting required specifications, and not requiring any maintenance work.

Asbestos Abatement, Boiler Demolition, and Rubbish Removal

We issued two Requests for Bid – one for the Asbestos Abatement, and one for the Boiler Demolition and Rubbish Removal of a previously decommissioned boiler. Eight companies bid on the Asbestos and seven companies bid on the Demolition/Rubbish

Removal. Proposals were reviewed, references verified, vendor insurance was verified, and two vendors selected. In both cases, the vendors selected were the lowest cost bid. Contracts were drafted, negotiated, reviewed, and signed. Some work has begun and all necessary legal permits have been filed for and will trigger the next round of work activities to complete this phase of the project.

Conversion of Boilers

We are able to continue to use two of our current boilers by upgrading them and replacing the burner tips. We do need to purchase an additional boiler. This phase of the project will entail the vendor to upgrade the entire boiler plant, replacing fifty-year-old valves and gauges with more modern, state-of-the-art, efficient control and safety mechanisms. A Request for Bid has been developed and issued to cover this work. Walkthroughs of the site were held with ten potential vendors. Bids are expected mid-July.

Emissions Reductions

The preliminary estimates on emissions reductions have been further revised and are actually more favorable than originally estimated. At this time, these are the estimates:

	Current (2010) Emissions	Projected Maximum Emissions	% Decrease
NOx (smog precursor)	90,065 lb/yr	24,692 lb/yr	73%
Fine Particulate Matter	9,997 lb/yr	2,920 lb/yr	71%
Greenhouse gas (as CO2e)	50,940,010 lb/yr	37,054,447 lb/yr	27%

For Greenhouse gases, this nearly 7,000 ton reduction in emissions is equivalent to taking over 4,600 cars off the road.

We will continue to inform all Cooperators as to the project’s progress and status.

Leonard Greher – President East River Housing Corporation	Aaron From – President Hillman Housing Corporation	Abraham Bragin – President Amalgamated Dwellings Inc.
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