



HB 0101 - SUPPORT

Tom Deyo
Montgomery County Green Bank
tdeyo@mcgreenbank.org 240-453-9000

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Condominiums - Common Elements - Clean Energy Equipment

Environment and Transportation Committee
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Dear Chair Barve, Vice Chair Stein, and Members of the Environment and Transportation Committee:

Hello. I am Tom Deyo, CEO of the Montgomery County Green Bank. I am here to request your favorable support for HB 0101. HB 0101 bill recognizes the importance of helping all homeowners across the state reach clean energy goals and the state to meet climate response needs and to support clean energy jobs.

Montgomery County, MD established the green bank by resolution in 2015 and it uses the capital provided by the County and others in partnership with the private sector to generate more financing for clean energy projects and to achieve more clean energy jobs. The Montgomery County Green Bank’s financing helps businesses and homeowners save money on their energy bills through these partnerships through the creation of more affordable and accessible loan products. The Montgomery County Green Bank is a tool to help the County achieve its goal to reduce its greenhouse gas emissions and increase resiliency of businesses and residential properties.

The Montgomery County Green Bank is supportive of House Bill 0101 as the bill addresses a key obstacle to delivering solar PV on condominiums across the state. Based on the Montgomery County Green Bank’s direct experiences with several condominiums in Montgomery County, the Montgomery County Green Bank believes that HB101’s focus on a more efficient and financially less burdensome procedure for condominiums to approve and install solar PV and other clean energy equipment on their properties can immediately unleash significant solar PV and other clean energy opportunities for condominiums throughout the state.

Through HB 0101, condominium Boards can be allowed to proceed in a dutiful fashion to approve installation of leasehold clean energy equipment on their properties in a similar structured, efficient and cost effective way as to how these boards approve installation for other leasehold utility and communication activities. With HB101, action can be taken more expeditiously at the condominium to allow solar PV and other clean energy projects to proceed by reducing the approval burden of these volunteer boards for the owner and mortgage holder approvals, the latter of which is both a financial and logistical burden for the condominium associations.

The Montgomery County Green Bank has been engaged with a dozen condominiums in Montgomery County in the last 3 years to support solar PV installations as leasehold activities. For these properties the Montgomery County Green Bank has supported the condominium Boards and solar PV developers to develop designs and provide favorable funding options to make projects work as leasehold projects that deliver a no out-of-pocket solution to the condominiums and lower utility costs to the property. These solar PV projects create value for the property, reduce the owner's costs for electricity, and lower the property's greenhouse gas emissions. The projects are designed by professional solar and clean energy professionals and must meet local permitting requirements to work on the property and meet local building codes, including the installation method on the roof, if applicable.

These projects that the Montgomery County Green Bank has been involved in have been reviewed by the condominium Boards and reached the place of decision-making. However, most of these projects have stalled because the Boards have faced the project approval requirements related to the existing condominium law for these type installations. These requirements include a greater than 60 percent level of approval by both owners and mortgage holders for these leasehold improvements. Such approval requirements are not feasible for these volunteer Boards of varying skillsets to undertake, particularly in finding the dozens to hundreds of names and addresses of all of the mortgage holders and then sending a certified notice to each and awaiting responses.

HB 0101 seeks to address the approval requirement obstacle of the current condominium law, a requirement that is inconsistent with approval requirements in the condominium law for other utility-styled leasehold improvements. HB 0101 simply seeks to align the approvals for solar PV and clean energy utility-styled leasehold improvements with that required of other similar utility-styled improvements that allow for Board-level approval under diligent Board procedures. The proposed change of HB 0101 still maintains a specific and consistent rigor to other Board level approvals to accomplish oversight, due diligence, and public decision-making by the appointed Board of the condominium while also removing the logistical and financial burden of finding the dozens of mortgage holders to send a certified notice.

In conclusion, the Montgomery County Green Bank believes that HB 0101 will make solar PV a much more feasible activity for condominiums throughout the state, generating savings to homeowners and reducing energy consumption.

Just in Montgomery County alone there are over 200 condominiums with more than 42,000 homeowner units. Many of these properties and homeowners could benefit from this change. The Montgomery County Green Bank has a specific focus on these properties and with passage of HB 0101 would engage with these properties and their Boards to discuss solar PV options for the properties.

The Montgomery County Green Bank urges a favorable report on HB 0101.