

Thank you for the opportunity to submit testimony on HB 49. On behalf of my housing community, Grosvenor Park III Condominium, I urge you to adopt amendments to HB 49 that would:

1. Permit buildings subject to county BEPS requirements to meet county requirements in lieu of state BEPS requirements.
2. Create an alternative path for condos that are unable to meet state requirements for technical reasons or due to unreasonable cost.
3. Expand the definition of financial distress conditions in a way that acknowledges the financial impact on condominiums of state mandates such as BEPS and reserve study funding requirements.
4. Set reasonable caps on site EUI and GHG reduction requirements to ease the cost and burden on building owners.

These amendments would help to address the central problem that Grosvenor Park III faces in meeting the state BEPS: our 1960s-era, gas-heated high-rise building of 413 units is simply unable to meet these standards, even though we support the goals and have attempted to meet them. If the projected fines for failing to meet these targets are levied against us, GP III residents, many of whom are of modest means and on fixed incomes, will face huge increases in their already high monthly fees. Amid rising costs for insurance, energy and building maintenance, these additional burdens threaten our continued existence as a condominium.

An environmentally conscious community, GP III has been reducing its energy use over the years as we maintain our building. We have, for example, replaced old boilers and other equipment with higher-efficiency models. We have upgraded our elevators and chillers to be more energy-efficient, redid our HVAC systems, and installed LED lights throughout the building. In other words, we have been proactively reducing our carbon footprint in every way available to us for years. As a result, in 2022, we had a 52.4 EUI and ranked in the 89th percentile for energy efficiency in EPA ratings. Achieving further reductions would come at enormous cost and pose overwhelming technical challenges.

In 2023, after employing every obvious method of reducing our EUI, we hired, with financial support from Montgomery County Green Bank, an engineering firm, Prime Partners Engineering (PPE), to study the feasibility of electrifying services that now run on gas. Their report, completed in February 2024, found that we have no realistic options for meeting the BEPS requirements or eliminating fossil fuels.

Specifically, PPE looked at three different approaches to reducing our reliance on fossil fuels:

1. The greatest impact would come from replacing gas boilers with electric ones. However, the difficulties in doing this in our building are virtually insurmountable. The preferred replacement would require quadrupling our electrical capacity, an upgrade so costly that PPE eliminated it as a reasonable option without even providing us with a cost estimate. An alternative that requires a less substantial increase in electrical capacity would cost

between \$5-\$8 million, displace residents for weeks, and fill a space the size of a tennis court, space that is not available in our building. A last option, not covered in the PPE report, would use a combination of electric boilers, heat pumps, and other equipment. This would require new plumbing systems as well as electrical systems and major renovations to the walls and other infrastructure. We would essentially be gutting the building at unfathomable expense and displacing residents for an unknown number of months. We estimate the ultimate cost would exceed the insured value of the building.

2. We would even need increased electrical capacity to do a more modest conversion of gas stoves to electric ones. This upgrade would also cost between \$5 million-\$8 million and displace residents for up to 4 weeks. After this expense and disruption, we would still fall far short of the BEPS.
3. At less expense (around \$1 million) but with the same disruption for residents, we could replace our current electrical system and at the same time redistribute power so we could electrify Laundry Room clothes dryers that now run on gas. Again, the impact on our progress in meeting BEPS goals would be minimal.

In short, since we cannot electrify our heating/hot water systems, we have no means of meeting BEPS requirements with current technology. Moreover, these findings will apply to a number of high-rise condos of our vintage. The state, then, is singling out one group of citizens, people who have chosen the low-carbon footprint lifestyle of condo living, setting impossibly high targets for them, and penalizing them for being unable to meet these unreasonable—in fact, unachievable—requirements. Meanwhile those living in other types of housing bear none of the burden of the government's efforts to respond to climate change. Condos such as GP III, with shared walls need less energy for heating and cooling, use almost 65% less energy per household than single family detached houses (source: U.S. Energy Information Agency). And within this type of maximally efficient housing, GP III is near the top, with its EPA-rated 89th percentile of condominiums, as noted above. It is clearly unfair to ask us to pay very heavy fees for our inability to meet challenging standards while residents in single family homes continue to use more energy without any penalty. The amendments listed above would at least somewhat lessen the impact of this injustice on our residents.

Thank you for your attention and for this opportunity to share the views of Grosvenor Park III. State BEPS requirements pose an existential threat to our continuing existence as a condominium that provides moderate income housing for approximately 750 Maryland residents. We urge you to support these reasonable amendments that will result in progress towards meeting climate goal while not bankrupting the citizens our state government serves.