

Commercial and Industrial Grant Program

Frequently Asked Questions

If you have specific questions about your proposed project that are not answered within this document, you may submit them with a brief explanation to ci.mea@maryland.gov. MEA may provide limited assistance based on the complexity or distinctiveness of a project.

Grant Design

1. What is the program timeline?

- **September 30, 2016 – February 28, 2017:** Program open for applications.

Applications will be reviewed on receipt, and applicants will generally be notified of the status of their applications six weeks after submission. Successful applicants usually receive a fully executed Grant Agreement and authorization to begin project work approximately ten weeks after application submission.

- **February 28, 2017:** Application period closes
- **May 1, 2018:** All measures are installed
- June 1, 2018, or within 60 days of project completion, whichever is earlier: Final invoices are due to MEA

2. What size project is eligible for a grant?

The project must cost at least \$40,000 in order to qualify. There is no limit on project size, although the grant is capped at \$500,000 per owner or parent company. An owner or parent company may receive only one grant award in the FY2017 grant program cycle.

3. How is the grant structured and how much money should I plan on spending out of pocket?

MEA grants are designed to reimburse up to 50% of the net customer cost after other incentives and grants have been received.

For example: **Total project cost: \$50,000**

Utility incentives received:	\$10,000
Customer net cost:	$\$50,000 - \$10,000 = \$40,000$
MEA grant (assumes a 50% grant)	$= \$40,000 \times 50\% = \$20,000$

Prior to grant payment, a representative from MEA will conduct a post-installation site visit to verify project completion and operation. The grantee may then submit an invoice requesting payment for the grant with the appropriate documentation including all paid invoices or a completed contract with \$0 balance.

4. What facilities are eligible? Any commercial, industrial, or non-profit enterprise is eligible. Examples include senior living facilities, hotels, supermarkets, office buildings, retail facilities, manufacturing facilities, office areas attached to industrial plants, and restaurants. Public and municipally owned buildings or facilities owned by incorporated local governments are not eligible for the C&I Grant Program but may qualify for the Maryland Smart Energy Communities Program.

5. What is the process in awarding grants?

MEA will rank applications and make one of three determinations:

- Approve the project;
- Place the project on a waiting list; or
- Reject the application due to funding limitations or other programmatic constraints.

MEA will inform each applicant of the project's selection status. If an application is selected for a grant, MEA will send a conditional approval letter with the specific grant amount that has been reserved for the project and Terms and Conditions specific to each grantee.

All grant awards are expressly contingent upon execution of the Grant Agreement and completion of the project in accordance with all program requirements.

Program Requirements

6. What are the energy savings requirements for eligible projects?

The C&I Grant Program provides funding for projects that aim to reduce electricity with a whole building approach. A successful applicant will propose multiple energy efficiency measures that achieve a minimum of 15% aggregate annual electricity use reduction for a whole building or treated space within a building (see explanation below for further details).

7. Which areas within a larger building are eligible for grants?

Certain treated spaces that are not free-standing will be considered for this program. These include a treated space that has its own electric meter, or a treated space that has a discrete purpose (e.g., office space, retail store, etc.) that distinguishes it from the rest of the building.

For facilities with annual energy consumption heavily weighted to manufacturing and process loads, MEA may consider a modified definition of treated spaces that isolates discrete manufacturing or other functions. In order to be considered, the project must involve a manufacturing facility including such industries as plastics and packaging, chemicals, petrochemicals, metals, paper and pulp, transportation, biotechnology, pharmaceutical, food and beverage, mining and mineral processing, general manufacturing, equipment manufacturers, or data centers.

8. How do I calculate the electricity reduction percentage for improvements to centralized building systems?

For any building system where the energy-using equipment is centralized but the points of use are spread throughout the facility, the 15% electricity reduction must be achieved for the entire building or treated space. As an example, if a chilled water system resides in a utility room and the chilled water is distributed through an entire building, the 15% electricity reduction must be achieved for the entire building/treated space, not just the utility room where the chilled water system resides.

9. Which kinds of energy conservation measures are eligible?

Examples of eligible energy efficiency measures are outlined in the Notice of Grant Availability. Replacement of failed equipment or equipment nearing the end of average useful life is not considered an energy efficiency measure.

Specifications for individual electricity efficiency measures must exceed the minimum energy code requirements. See the MEA guidance on Maryland's energy code requirements. The proposed equipment must not only meet Maryland's energy code requirements but also the minimum efficiency requirements and standards set by the local utility's rebate program. Fluorescent lighting must be listed on the Consortium for Energy Efficiency (CEE) product list or must meet CEE standards. LED replacements must be listed on the Design Lights Consortium or ENERGY STAR® Qualified Products list. HVAC equipment must meet or exceed the minimum SEER/EER/IEER outlined by your local utility's rebate program and comply with the current IECC code.

MEA recognizes that improved system operations can be helpful in achieving energy saving targets. While applications that include operational components as well as traditional technology upgrades are welcome, applicants should be aware that electricity savings from operational changes may be more difficult to quantify than savings from technology upgrades. The burden of proof for the percentage of electricity savings achieved by operational changes rests with the applicant. MEA strongly encourages applicants to provide credible, third-party analysis or documentation to validate estimates of energy savings attributed to operational changes.

10. What if I plan to propose measures at multiple facilities?

Part One of the Application must be submitted once by the business owner or parent company. A separate Part Two of the Application is needed for each site with a unique address. The Multi-Site Addendum must be included for any application with projects located at two or more addresses. The 15% electricity use reduction is required for each *site*.

Note that parent companies with multiple site project proposals should submit all proposals as part of a single application.

11. Where can I apply for utility incentives?

Eligible applicants that are located within a utility service territory with an EmPOWER Incentive program must apply for funding from that program. If the building you wish to upgrade is not eligible for utility incentives because it is located outside the service territory of any of the five EmPOWER Maryland utilities, the project may still be eligible for the MEA C&I Grant Program.

If you receive notification from your utility program that a deadline precludes you from participating in the MEA C&I Grant Program, please forward the written documentation to ci.mea@maryland.gov with the original utility application.

12. If I apply to a utility program and the project doesn't meet the utility program requirements, can the project still qualify for a grant if it is estimated to achieve 15% or more electricity savings?

There are cases where effective projects will not satisfy all utility program requirements but will, nonetheless, meet the minimum electricity saving goal. MEA will evaluate such applications on a case by case basis. Note that the proposed equipment to be installed must meet not only Maryland's energy code requirements, but also the minimum *efficiency* requirements and standards set by the local utility's rebate program.

13. If the utility approves a project, can we begin the project right away or must we wait until grant approval to begin the project?

MEA grant applicants may not begin work on the project, including ordering or purchasing materials, until after a Grant Agreement with MEA has been executed. Once your utility approves the project, submit the original application and approval letter to ci.mea@maryland.gov.

14. What is required to "showcase" a project?

MEA develops project case studies to share with other businesses and the public to demonstrate how energy efficiency can save money and reduce electricity usage. To develop these case studies, MEA may share information that includes such project details as:

- Business name and location
- Business and building type
- Project development process
- Energy conservation measures
- Project costs
- Leveraged funds
- Energy and financial savings
- Simple payback

Subject to the Maryland Public Information Act and any other applicable law, MEA and its representatives will not divulge any confidential information or trade secrets. Grantees may review and approve any photos or video taken of their facility.

15. Who qualifies as authorized signatory for the application?

The authorized signatory is the building owner or the legal representative of the building owner. The application must include owner information that matches their IRS W9 form. Tenants, for instance, are not normally authorized signatories although tenant-occupied spaces might be eligible for grants under this program.

16. How will I know if program Terms and Conditions are changed?

MEA will post any changes on our website.

17. Are applications related to new construction eligible?

No, new construction is not eligible for this program.

18. Are renewable energy projects eligible?

No, renewable energy projects that generate electricity are not eligible. Only measures that reduce electricity use through energy efficiency are eligible.

19. Can a contractor complete an application on behalf of a Maryland customer?

The application must be signed and submitted by the owner. However, a contractor may assist with completing the paperwork and preparing the submission.

Evaluation Criteria

The following provides further explanation of factors MEA will use in evaluating grant applications for projects that satisfy the above program requirements.

20. How does MEA define innovative technology or approaches?

This term refers to technologies or approaches that are novel and can be credibly estimated to achieve 15% electricity savings or more when packaged with other measures but do not presently qualify for utility incentives.

21. How does MEA evaluate project feasibility?

The applicant must submit a bid from a qualified contractor with the application which includes a timeline showing the project can be completed by May 1, 2018.

22. How do I quantify energy savings?

MEA will show preference to projects that include a full energy audit report. However, an applicant may still be successful if the application includes the minimum information outlined below.

- **A description of the existing system or equipment that will be modified.** This should include a basic description of the facility and its function, square feet of the building(s), type and model of equipment to be replaced, location of affected equipment, and typical facility operating hours.
- **A description of the proposed project.** Attach bid(s) from a contractor for installed cost of measures and, if available, manufacturer data sheets. Depending on the measure, this includes:
 - The efficiency rating of the measures you wish to replace
 - The efficiency rating of the measures you are proposing
 - Operational hours – both before and after the proposed upgrade
 - Number and type of units that are being replaced, and the number and type of upgraded units
- **Detailed project cost and energy savings estimates.** Clearly itemize all costs and assure that project costs include both material and labor. Appropriate documentation will include all math and assumptions, provide sources of projected savings, and enable MEA to properly evaluate the estimates. MEA reserves the right to request additional bids if the installation costs appear disproportionately high.

23. How do you calculate simple payback?

“Simple payback” is a calculation of the time it will take to recover the cost of the investment without incentives. It is determined by dividing total project cost by the annual energy savings in dollars. For example: a \$50,000 project saving 400,000 kWh per year at \$0.10 per kWh has a simple payback of 1.25 years ($\$50,000/\$40,000 = 1.25$ years).

24. What if I don't have one year's worth of utility bills?

If you do not have these records, your utility history can be obtained from your utility provider.

25. What does “accuracy” mean when it comes to preparing my application?

As a supplement to the guidance offered in the Notice of Grant Availability, we offer here some examples of the threshold for complete, accurate data for some key application questions. The application should be a summary of information included with the full submission.

Part 2, Section C, Question 5: Proposed Project Type Description

Weak: Description of lighting replacement (100 12-watt LEDs).

Accurate: Description of lighting replacement PLUS make and model number and a specification sheet from the manufacturer.

Part 2, Section E: Estimated Project Costs and Savings

Weak: Statement of project cost and savings with no or minimal documentation.

Accurate: A recent energy audit report that fully documents energy use, identifies best options for energy efficiency improvements, and includes cost estimates with at least one contractor quote inclusive of equipment and labor. If equipment costs were pulled from a catalog or web site, a citation of the source is included for easy validation.