

FY18 Commercial & Industrial Grant Program and FY18 Jane E. Lawton Conservation Loan Program

Overview & Requirements Webinar

September 27, 2017

Brandon Bowser, Commercial & Industrial Program Manager

MEA Technical Assistance Contractors:

Maureen McNulty, CSRA

Rami Soppa, GreenEcoSavers



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Agenda

- Commercial & Industrial Grant Program
 - Overview
 - Preparing a Competitive Application
 - Evaluation Criteria
- Jane E. Lawton Conservation Loan Program
 - Overview
 - Program Requirements and Eligibility
- Q&A



COMMERCIAL & INDUSTRIAL (C&I) GRANT PROGRAM



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C&I Grant Program Overview

- Open to business and nonprofit enterprises in Maryland's commercial & industrial sectors
- Provides grants for funding energy efficiency improvements that will result in at least a 15% reduction of electricity consumption
- Grants are calculated in tiers based upon estimate of electricity saved
- FY18 program is competitive

C&I Program Eligible Entities

- Businesses and nonprofits in Maryland's commercial & industrial sectors
 - E.g., senior living facilities, hotels, supermarkets, office buildings, retail facilities, office areas associated with industrial plants, and restaurants
- Data centers not eligible, but may qualify for funding under MEA's [Data Center Energy Efficiency Grant Program](#)
- Publicly and municipally-owned facilities not eligible, but may qualify for funding under MEA's [Maryland Smart Energy Communities Program](#)
- Agricultural entities are eligible, but are encouraged to first explore MEA's [Kathleen A.P. Mathias Agriculture Energy Efficiency Grant Program](#)



C&I Program Facility Requirements

- Buildings must be located in Maryland
- Projects must improve whole building or dedicated space
 - An area/space that has its own meter
 - An area/space with a purpose distinct from the surrounding space
 - Manufacturing facilities may have a unique definition of dedicated space
- Eligible electricity efficiency measures
 - Technology upgrades
 - Operational changes (when combined with technology upgrades)
 - **Renewable energy measures are not eligible for the C&I Program.**

C&I Program Eligible Project Measures

Technology Upgrades

- Lighting & Controls (counts as one measure)
- Motors and variable frequency drives
- Heating, ventilation and air conditioning (HVAC)
- Refrigeration
- Building insulation and envelope
- Other electric-only projects

Operational Changes

- Staff training and credentialing
- Re- or retro-commissioning
- Energy data analytics
- Strategic energy management or ISO 150001 implementation

Operational changes must be combined with technology upgrades and result in *measurable* energy savings

C&I Program Additional Requirements

- **Equipment may not be purchased, ordered, or installed** prior to the execution of a grant agreement with MEA
- Project must reduce facility/treated space electricity consumption by at least 15%
- Project must cost at least \$20,000 before the deduction of incentives (utility rebates, grants, private donations, etc.)
- Technology specifications must exceed the minimum energy code for that measure
- If the utility provider offers an incentive program for the project measures, applicants must apply
- Grantees are responsible for project costs – all grants are provided after the entire project is completed
- Allow MEA to showcase successful projects
- Allow MEA access to conduct an energy audit (if required), and to measure and verify savings



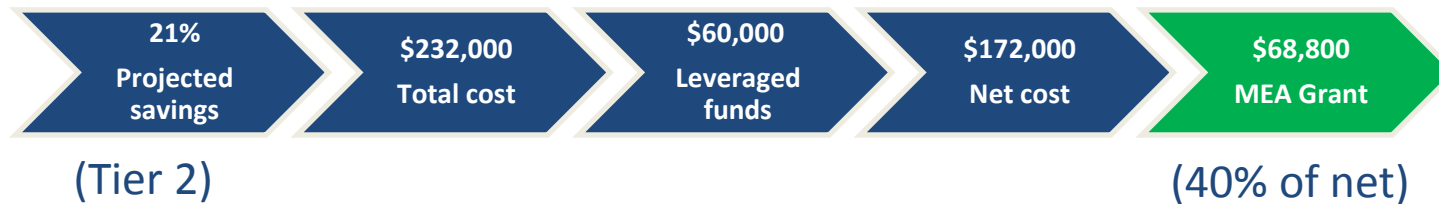
C&I Program Incentive Amounts

- Awards will be offered in three (3) tiers of electricity savings

TIER	ELECTRICITY SAVINGS	AWARD AMOUNT
1	15% - 20%	30% (up to \$125,000)
2	20.1% - 25%	40% (up to \$150,000)
3	25.1%+	50% (up to \$175,000)

- Award amounts cover net total project cost—*after* the deduction of incentives, rebates, and other leveraged funds

- Example:**



C&I Program Application Review Criteria

Applicants will compete *within each tier*.

CRITERIA	WHAT ARE WE LOOKING FOR?
Amount of Energy Savings (Electricity)	Higher savings
Amount of Leveraged Funding (rebates, grants, etc.)*	More funding
Number of energy conservation measures (at least 2)	Deeper retrofits
Cost Effectiveness (simple payback <u>cannot</u> exceed 10 years)	Faster paybacks
Project Feasibility (must be completed by February 1, 2019)	Work scope appropriate to timeframe

* **Application for funding required** for applicants in the [five major electric service territories](#)



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C&I Program Application Requirements

Applications are due November 14, 2017 (5:00 P.M. EST)

Application Components

- Part 1
- Part 2 (for each project site)
- Multi-site Addendum, if applicable
- Utility Addendum

See the [C&I Program webpage](#) under the “How to Apply” Section for forms.

Required Supporting Documentation

- 12 months of utility bills
- A bid for the installed cost of the work
- A monthly project plan
- A current Maryland Certificate of Status (Maryland State Department of Assessments and Taxation)

Preferred but not required

- Recent energy audit report
- Demonstration of leveraged funds



C&I Program Application Submission

Application Submission Options

Online submission (strongly encouraged)

- Submit all documents to MEACIProgram@sra.com
- See Application Part 1 for more details
- Applicants will receive a confirmation email

Hard copies (mailed or hand-delivered)

Send to:
Maryland Energy Administration
Attn: C&I Program – Applications
1800 Washington Blvd. Suite 755
Baltimore, MD 21230

All application materials must be received by MEA by 5:00 P.M. EST on Tuesday, November 14, 2017. No exceptions will be granted.



Questions?

**Stay tuned for Part 2!
Learn how the Lawton Loan Program
can help you finance your C&I projects.**

C&I Grant Program:

<http://energy.maryland.gov/business/Pages/incentives/empowermdcigp.aspx>



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JANE E. LAWTON CONSERVATION LOAN PROGRAM

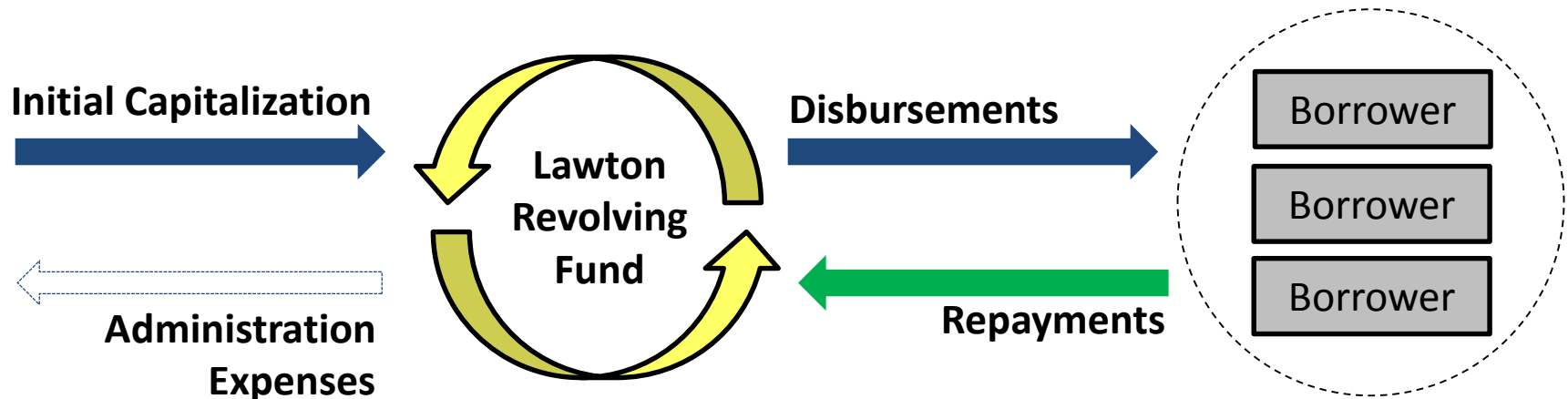


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Lawton Loan Program Overview

- A revolving fund – an original investment that has been recycled over time for many borrowers.



- Interest charges and fees sustain the Program over time.

Lawton Loan Program Background

- Provides low-interest loans for energy efficiency and conservation improvements to structures located within the State of Maryland.
 - FY18 interest rate is 2.00% per annum
- Maryland businesses, nonprofit organizations, and local governments may apply.
- Addresses up-front costs associated with energy efficiency investments and provides funding on a shared-cost basis.
 - Complements local, State, and utility programs
 - Revolving funding ensures future program sustainability

Entities Eligible for Lawton Loans

- **Businesses**

- Maryland corporations
- Other corporations registered to do business in Maryland

- **Nonprofit Organizations**

- Foundations
- Private Schools
- Hospitals

- **Local Governments**

- Counties
- Municipalities
- Boards of Education
- Special Districts

State agencies may be eligible for funding through MEA's [State Agency Loan Program \("SALP"\)](#).

Local governments, nonprofit organizations, and businesses may be eligible for grants for certain renewable energy projects through MEA's [Commercial Clean Energy Grant Program \("CEGP"\)](#).

Residents may be eligible for [grants](#) for certain renewable projects or [rebates](#) and [loans](#) for certain energy efficiency improvements.

Energy Projects Eligible for Lawton Loan Financing

- One or more improvements or modifications that enhance energy efficiency and reduce the operating expenses of a structure located in Maryland.
- Eligible projects must reduce energy consumption/increase energy conservation of the structure.
- Eligible projects must possess a simple payback of 10 or fewer years.

$$\text{Simple Payback} = \frac{\text{Total Proposed Project Cost}}{\text{Total Annual Anticipated Energy Cost Savings}}$$

- **Anticipated energy cost savings** are the expected reductions in annual operating expenses resulting from the installation, operation, and maintenance of a project.

FY18 Lawton Loan Program Terms

- Total Program budget of \$850,000
- 2.00% annual interest rate
- Applications will be accepted until the funding is exhausted or June 30, 2018, whichever comes first.
 - \$170,000 of the total Program budget will be reserved for nonprofit organizations until November 30, 2017.
 - Beginning December 1, 2017, all available funding will be loaned on a first-come, first-served basis with special emphasis given to projects that will generate greater energy savings.
 - Commitments will be issued beginning November 1, 2017.
 - Closings will be scheduled beginning December 1, 2017.

Lawton Loan Program Application Requirements

- **All applicants must submit a completed application packet and all required supporting documents.**
- **Completed applications must include:**
 - Total proposed project costs
 - Total annual anticipated energy savings, certified by a qualified engineer
 - Annual cost savings estimates
 - List of other leveraged funds (e.g. utility rebates, grants, etc.)
 - Financial information to determine creditworthiness
 - Certificate of Good Standing from the [Maryland State Department of Assessments and Taxation \("SDAT"\)](#).
- **The application packet can be found on the Lawton Loan website at <http://energy.maryland.gov/govt/Pages/janeelawton.aspx> under the "How to Apply" section.**

Lawton Loan

Application Process and Timeline

← Day 1

← Time ←

Day 120 ←

- 1) Applicant submits a complete application package either electronically or by mail to MEA
- 2) MEA conducts three (3) reviews on each application (± 45 days)
 - Internal review to determine feasibility
 - Review by expert technical consultant to verify proposed energy savings
 - Review by State agency partner to evaluate creditworthiness of borrower and identify sources of collateral
- 3) Based upon the results of the reviews, MEA offers a conditional commitment for financing (± 15 days)
- 4) Loan documents are negotiated (± 45 days)
- 5) MEA and Borrower set a closing date



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Lawton Loan Application Submission

Application Submission Options

Online submission (strongly encouraged)

- Submit all documents to ci.mea@Maryland.gov.
- More detailed instructions provided in Application packet.
- Applicants will receive a confirmation email within 24 hours of submission.

Hard copies (mailed or hand-delivered)

Send to:
Maryland Energy Administration
Attn: Lawton Loan Program – Application
1800 Washington Blvd. Suite 755
Baltimore, MD 21230

Applications for the FY18 Program will be accepted until funding is exhausted or June 30, 2018, whichever comes first.



Past Successful Projects Financed with Lawton Loans

- In FY2012, a business borrowed \$68,000 to replace a heating system and implement lighting upgrades.
 - Annual electricity savings will be about 105,000 kilowatt-hours (kWh) and natural gas savings will be almost 4,700 therms.
 - Annual cost savings will be nearly \$18,000.
- In FY2013, a non-profit museum borrowed \$180,000 for new heating and cooling equipment and LED lighting.
 - Annual electricity savings will be over 210,000 kWh.
 - Annual cost savings will be almost \$30,000.
- In FY2014, a condominium association borrowed \$260,000 for new energy efficiency equipment.
 - Annual electricity use will be reduced by nearly 365,000 kWh.
 - Annual energy cost savings will be over \$35,000.
- In FY2015, a manufacturing facility borrowed \$342,640 for new energy efficiency equipment.
 - Annual electricity use will be reduced by nearly 491,030 kWh.
 - Annual energy cost savings will be over \$56,083



Questions?

For more information, visit MEA's website:

- C&I Grant Program:
<http://energy.maryland.gov/business/Pages/incentives/empowermdcigp.aspx>
- Lawton Loan Program:
<http://energy.maryland.gov/govt/Pages/janeelawton.aspx>



Thank you!

MEA Contact Information

Brandon Bowser
Program Manager
(410) 537-4084

brandon.bowser@maryland.gov



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