



## Maryland Smart Energy Communities: Existing Communities Track Application Instructions

**NOTE – THIS APPLICATION IS ONLY FOR EXISTING MARYLAND SMART ENERGY COMMUNITIES**

*This application should only be used by communities already accepted into the Maryland Energy Administration’s Maryland Smart Energy Communities (MSEC) program who are now seeking additional MSEC funding. Communities not currently in the MSEC program who are interested in joining should complete the Maryland Smart Energy Communities application, New Communities Track available online at <http://energy.maryland.gov/govt/Pages/smartenergycommunities.aspx>. Table 1 provides a summary of the two MSEC funding tracks subject to funding availability.*

**Table 1. Summary of New and Existing MSEC Funding Tracks**

Funding Track	Description	Type and Availability of Funding Resources *subject to funding availability*	Timeline
New Community	Available to all incorporated towns, cities, and counties not yet accepted into the MSEC program. <u>All communities that apply for the program and meet the three deliverable requirements</u> (i.e. adoption of at least two of the three required energy goals and creation of the energy baselines and action plans) <u>will receive funding based on population size and funding availability</u> . Full grant funds are only made available when communities complete the deliverables specified by MEA.	<b><u>Up to \$2.5 million total is available, subject to funding availability</u></b> , to be divided between both existing and new MSEC communities. The \$2.5 million is allocated in the following manner: up to <u>\$600,000</u> for energy efficiency projects, up to <u>\$900,000</u> for renewable energy/transportation projects; and up to <u>\$1 million</u> for energy efficiency projects benefitting low to moderate-income populations.	Accepting applications until <b>January 26, 2016</b>
Existing Community	Available to all incorporated towns, cities, and counties previously accepted in MSEC Program Years FY 13, 14 or 15 who have completed all “New Community” deliverables. Funding for projects submitted under the existing community track will be awarded competitively based on funding availability in each energy funding area (energy efficiency, renewable energy/transportation, and low-to moderate income energy efficiency) and project characteristics. Projects will be evaluated based on their innovation, the expected energy impacts, and feasibility, among other criteria. Priority will be given to existing communities who adopt the third MSEC policy.		Accepting applications until <b>February 2, 2016</b>

To be officially accepted into the MSEC program, communities must complete all three deliverable requirements (i.e. adoption of at least two of the three required energy goals and creation of the energy baselines and action plans) in two of three energy funding areas. Communities currently in the “New Community” funding track under FY 15 are encouraged to apply under the FY 16 “Existing Community Track” as long as MSEC program deliverables are completed or on track to be completed.

Smart Energy Communities have voluntarily adopted a set of energy policies specified by MEA in at least two of three policy areas -- energy efficiency, renewable energy, or transportation petroleum reduction. A description of the MSEC policies can be found at <http://energy.maryland.gov/govt/Pages/smartenergycommunities.aspx> under the “Requirements” tab. Smart Energy Communities that are in good standing with the program are eligible to apply for additional fiscal year 2016 grant funding for energy-related projects

once at least two of three energy policies are adopted and related deliverables are complete. Funding will be awarded on a competitive basis, using the funding resources described in Table 1 and awards are subject to funding availability. To comply with funding requirements, energy efficiency projects, on an individual or aggregate basis, must be cost effective with a simple payback at least equal to the anticipated life of the equipment.

By participating in this program, Maryland Smart Energy Communities will be able to lower local government operating costs while also supporting local jobs and the Maryland economy.

### **Existing Communities Track – Application and Project Proposal**

The full application (this document) is due by **Tuesday, February 2, 2015** and requires sign-off from the individual with signatory authority for the Smart Energy Community (*i.e.*, local government) indicating that the Community intends to complete the project(s) proposed in the application. MEA can provide technical assistance through the University of Maryland Environmental Finance Center to help participants complete the application, if necessary. Applications must be submitted to **MSEC.MEA@maryland.gov**.

***The existing MSEC Community (i.e., accepted in the MSEC Program in FY 13, FY 14, or FY 15) must complete the application in its entirety before submitting it to MEA.***

***If an existing MSEC community would like to submit more than one project for consideration, it should complete the Application in the following manner:***

- 1. Complete a Project Proposal Form (pages 8-10 of the application packet) for each project, and,***
- 2. Complete and submit one copy of pages 5-7. The application must be signed by the authorized representative. Also, please provide a supplemental letter that ranks the multiple projects proposed based on community preference. Please include the estimated project cost and estimated energy benefits for each proposed project on a project-by-project basis, as well as the source of that information (e.g. energy audit, vendor quote, engineering estimate).***

All energy efficiency projects must be found to be cost effective, in aggregate or on an individual basis, with a simple payback at least equal to the expected life of the equipment.

Please provide a complete Application, with detailed explanation of each of your proposed projects prior to submitting the Application to MEA. This will allow MEA to consider your Application in a timely fashion and to award funding in a more expeditious manner. MEA reserves the right to request additional information regarding project proposals, as necessary.

### **Funding Amounts**

MEA intends to include as many communities as possible under the existing community funding track, but reserves the right to limit the number of participants based on funding availability. Some, none, or all project requests submitted for consideration to the MSEC program may be funded. MEA reserves the right to partially fund projects.

### **Project Criteria**

MEA has up to \$2.5 million, subject to funding availability, which is available in FY16 projects for the fourth MSEC program cycle. Of this amount, up to \$1.6 million is allocated for cost effective energy efficiency projects and up to \$900,000 is allocated for renewable energy and/or transportation petroleum reduction projects. Of the \$1.6 million of energy efficiency funds, \$1 million can only be directed towards projects that benefit low to moderate-income residents. In general, priority will be given to projects completed on government-owned buildings, facilities, or vehicles that help the local government achieve the goals of the Maryland Smart Energy Communities program. These allocations will influence the types of projects that MEA can approve for funding. Please keep these funding allocations in mind as you develop a project proposal.

Local governments pursuing funding under the existing community track may receive funding for multiple types of projects (*i.e.*, energy efficiency, renewable energy/ transportation, or low-to-moderate income energy efficiency). Funding must be tracked separately by funding type.

**MEA will determine funding decisions (whether to fund a project and the amount of funding given to a project) based on the following criteria:**

- (a) Progress made towards meeting MSEC goals, including demonstration of effort and assistance needed (see request for updated baseline and progress update below),
- (b) Past experience and performance with MEA programs,
- (c) Evidence of the existing MSEC community's ability to complete the project in the time provided (e.g. commitment of staff time and other resources),
- (d) Project innovation,
- (e) Project feasibility,
- (f) Expected electricity savings, transportation petroleum reduction, and/or renewable energy generated as a result of the project,
- (g) Whether or not a project benefits a low to moderate-income population,
- (h) Population size,
- (i) Geographic diversity,
- (j) Whether or not the project is being completed on a government-owned building, facility, or vehicle,
- (k) Whether or not the project is occurring in a Priority Funding Area (PFA),
- (l) Adoption of the third energy policy, and
- (l) Energy efficiency measures, in aggregate or on an individual basis, must be cost effective with a simple payback at least equal to the anticipated life of the energy project(s) being installed.

**\* MEA is unlikely to approve energy efficiency projects that involve switching fuel sources.**

**\* A proposed project the only involves the replacement of a standard petroleum-fueled vehicle with a new, standard petroleum-fueled vehicle with improved gas efficiency is unlikely to be considered innovative by MEA.**

**\* An energy audit may be required to quantify the anticipated energy benefits of a proposed project.**

Please note that Question 24 of the Application requires communities to provide an updated energy consumption report in the style of their initial MSEC energy efficiency/renewable energy/transportation petroleum reduction baseline. For example, if your community selected 2013 as the baseline year for the energy efficiency goal, please provide a full year's worth of electricity consumption information for 2014. Communities that participated in FY 13 or FY 14 under the New Community Track and are seeking additional funding under the Existing Community Track must submit this updated energy report to qualify for additional funding under FY 16. Communities that are new to MSEC in round three (FY 15 funding, New Community Track) are not required to provide an updated energy report at this time. For assistance in putting together this updated energy report, technical assistance is available through the University of Maryland Environmental Finance Center. Contact Sean Williamson via email at [srw46@umd.edu](mailto:srw46@umd.edu).

Please note that Question 25 of the Application requires communities to list (by year) the energy code that they are currently enforcing and to provide documentation demonstrating adoption of the IECC code. Communities must have already adopted the 2015 International Energy Conservation Code (IECC) to receive additional MSEC funding. For questions about energy codes please contact Devan Willemsen via email at [devan.willemsen@maryland.gov](mailto:devan.willemsen@maryland.gov).

Priority for funding, which is subject to funding availability, will be given to communities that:

1. Commit to adopting a third policy (i.e., two of three have been adopted) and associated deliverables as a part of the proposed project;
2. Complete projects on government-owned buildings, facilities, or vehicles that help the local government achieve the goals of the Maryland Smart Energy Communities program, and,
3. Occur in Priority Funding Areas.

Priority Funding Areas are existing communities and places where local governments want State investment to support future growth. The following areas qualify as Priority Funding Areas:

- (a) Every municipality, as they existed in 1997;
- (b) Areas inside the Washington Beltway and the Baltimore Beltway
- (c) Areas already designated as enterprise zones, neighborhood revitalization areas, heritage areas, and existing industrial land.

A map of Priority Funding Areas, including a search by address feature, can be found on the Maryland Department of Planning (MDP) website at: <http://www.mdp.state.md.us/OurProducts/pfamap.shtml>

Projects must comply with all applicable state and federal laws, regulations, and guidelines, including, but not limited to, State and local procurement policies, compliance with the National Historic Preservation Act of 1966, and all applicable licenses, insurance, permits, environmental standards, etc.

**Program Deadlines for Existing Communities**

- April 2016:** Target date to send agreements to existing communities selected for a fiscal year 2016 award
- May 31, 2016:** Deadline for fully executing grant agreement
- November 15, 2016:** Deadline for providing deliverables related to a third energy policy (if applicable); last date for submitting possible project modification and/or additional project requests for MEA's consideration.
- May 15, 2017:** Energy-related projects funded by this grant complete (construction complete).
- June 15, 2017:** All invoices and reports submitted to MEA for energy-related projects funded by this grant.

**NO PROJECT WILL BE CONSIDERED UNTIL MEA RECEIVES A COMPLETE APPLICATION.**

**Prior to beginning any work on a project through the fiscal year 2016 Maryland Smart Energy Communities program, the Existing MSEC Community must have a fully executed fiscal year 2016 Grant Agreement and have written approval from MEA on the completed "Project Approval Form," which is Attachment C to the Grant Agreement. Please note that the execution of a grant agreement does not qualify as project approval. Projects that have begun work prior to such MEA approval will not be funded. Some proposed projects may require participant cost share, or other funding prior, to acceptance of the Application for Funding.**

**Maryland Energy Administration – Maryland Smart Energy Communities**  
**Existing Communities**  
**Application For Funding**  
*\* subject to funding availability\**  
 (Boxes will expand as you type)

**1. Name of Local Government**

\_\_\_\_\_

**2. Intent**

If awarded funding, we intend to complete the proposed project below by May 15, 2017.

**Optional:** We intend to adopt a third MSEC energy policy goal and complete a baseline and action plan associated with meeting that policy goal by November 15, 2016. Our third policy goal is (please list).

\_\_\_\_\_

**Signature of Authorized Representative:** \_\_\_\_\_ **Date:** \_\_\_\_\_

<b>3. Authorized Representative</b> (the individual with signature authority for the applicant organization)	<b>4. Title of Authorized Representative</b>	<b>5. Phone Number of Authorized Representative</b>	<b>6. Email Address of Authorized Representative</b>
<b>7. Application Contact Person</b> (the individual completing the application)	<b>8. Title of Application Contact Person</b>	<b>9. Phone Number of Application Contact Person</b>	<b>10. Email Address of Application Contact Person</b>
<b>11. Project Manager</b> (the individual who will be managing the project on a day-to-day basis)	<b>12. Title of Project Manager</b>	<b>13. Phone Number of Project Manager</b>	<b>14. Email Address of Project Manager</b>
<b>15. Legal Contact</b> (the individual who is responsible for legal review)	<b>16. Title of Counsel</b>	<b>17. Phone Number of Legal Counsel</b>	<b>18. Email Address of Legal Counsel</b>

<b>19. Application Submittal Date</b>			
<b>20. Applicant Street Address.</b> Please include PO Box number if applicable.			

**Progress Toward MSEC Goals and Other Energy Best Practices**

<b>21. Please provide an update on all MSEC goals adopted by your community, including whether or not the goal has been met and the outlook for meeting the goals.</b>
<p>Energy Efficiency Goal (A 15% reduction in kWh/gross square feet within 5 years of the baseline year):</p> <p>Renewable Energy Goal (20% of electricity consumed by the community will come from renewable energy sources by 2022):</p> <p>Transportation Petroleum Reduction Goal (A 20% reduction in on-road gasoline and diesel consumption within 5 years of the baseline year):</p>
<b>22. Please summarize energy related projects, initiatives, and other related work that has been completed by your community since becoming a Maryland Smart Energy Community, including whether project funding has come from sources other than MEA (e.g., Private Foundations, other Federal/State grants, General Funding).</b>
<b>23. Please describe the system you are currently using to track energy consumption and renewable energy generation and whether or not it is suitable for monitoring progress toward your community's MSEC goals.</b>

**24. Please submit an updated energy consumption report in the style of your initial energy consumption, renewable energy, and/or transportation petroleum consumption baseline.** For example, if your community selected 2013 as the baseline year for the energy efficiency goal, we expect to see a full year's worth of electricity consumption information for 2014. **Communities that participated in FY 13 or FY 14 under the New Community Track and are seeking additional funding under the Existing Community Track must submit this updated energy report to qualify for additional funding under FY 16. Communities that are new to MSEC in round three (FY 15 funding, New Community Track) are not required to provide an updated energy report at this time.** For assistance in putting together this updated energy report, technical assistance is available through the University of Maryland Environmental Finance Center. Email Sean Williamson at [srw46@umd.edu](mailto:srw46@umd.edu). *Submit as an Appendix to the application (XLS, PDF, DOC format).*

**25. Energy codes- What year of the International Energy Conservation Code (IECC) is being enforced by your community?** Please provide a web link or a copy of the authorizing resolution or ordinance.

**26. Provide any other pertinent information that the MEA evaluation team should know about your community's pursuit of the MSEC energy goals.**

## **PROJECT PROPOSAL FORM**

*\*Project funding subject to availability\**

***A separate Project Proposal Form must be submitted for each Proposed Project.***

**A. Please classify your project as one of the following:**

- A project that will reduce petroleum consumption associated with our local government fleet.
  
- A project that will cost effectively reduce electricity consumption in government-owned buildings.
  - Our electricity reduction project will primarily serve a low-to-moderate income population. *Please contact Sean Williamson at [srw46@umd.edu](mailto:srw46@umd.edu) if unsure about whether your project will qualify or not. Up to \$1M is available specifically for energy efficiency projects that benefit low-to-moderate income Marylanders.*
  
- A project that will increase renewable energy generation for the local government.

**B. State your project name.**

**C. Describe your project (400 words or less). What energy measures are you proposing to install/implement? On what buildings or facilities are you proposing to install/implement the energy measure(s)?**

**D. Describe why your project might be considered innovative.**

**E. Please describe how the financial benefits of the proposed project will positively impact the town/city/county (e.g. lower operating costs). Will the proposed project have any impact on local businesses (e.g. job activity through the installation of the solar panels)?**

**F. Provide a detailed timeline for how you plan to complete the energy project by May 15, 2017 (MEA expects to distribute all Grant Agreements for signature in April 2016)**

Milestone	Description
<b>1 – Date:</b>	
<b>2 – Date:</b>	
<b>3 – Date:</b>	
<b>4 – Date:</b>	
<b>5 – Date:</b>	

**G. Please provide an estimate of your project’s energy impact addressing all relevant categories:**

- **Energy efficiency:** please estimate anticipated annual electricity savings (kWh).
- **Transportation:** please estimate annual gallons of gasoline equivalent (GGE) reduced.
- **Renewable energy:** please estimate annual electricity generation (kWh) and the type of technology deployed
- **Other relevant energy savings** such as building fuel reductions (e.g., Therms).

**Please explain all calculations and include sources.** Please be sure to include the price that your community is paying for electricity (\$/kWh), natural gas, and gasoline (\$/gallon), as this information will be used to calculate cost effectiveness.

For energy efficiency projects, MEA recommends that local governments leverage an energy audit or use the formulas contained in the Northeast Energy Efficiency Partnership (NEEP) Technical Resource Manual.

All energy efficiency projects must be found to be cost effective, in aggregate or on an individual basis, with a simple payback at least equal to the expected life of the equipment.

**H. Please complete the estimated project budget table below. A minimum of 70% of the funds must go towards direct costs associated with an energy project. Up to 30% of funds will be allowed for pre-project expenses, 10% of which may be used for administrative costs (e.g., staff time). Pre-project expenses include expenses for project design, feasibility studies, and energy audits. Leveraged funds are encouraged and may be required for funding of some proposed projects. If your community is proposing multiple projects, please remember to submit a separate Project Proposal Form for each project. The following chart should only summarize funding details for the specific project for which that Project Proposal Form describes.**

	Requested MSEC Contribution	Community Contribution	Other Contribution or Incentives	Total Category Cost

<b>Administrative and Indirect Costs</b> <i>(Maximum of 30% of MSEC funds)</i>				
<b>Direct Project Costs</b> <i>(Includes direct labor, material and capital costs – Minimum of 70% of MSEC funds)</i>				
<b>Total Contribution/ Total Project Cost</b>				

**I. Please describe any other relevant information related to the project or community that should be taken into consideration by the MEA evaluation team.**

Requirements:

1. If selected for award under this program, participating local governments will be required to successfully enter into a grant agreement with the Maryland Energy Administration (MEA).
2. Prior to execution of the grant award, local governments will be required to provide MEA with their federal tax identification number.

**Return this application no later than February 2, 2016 to:**  
[\*\*MSEC.MEA@maryland.gov\*\*](mailto:MSEC.MEA@maryland.gov)