



Maryland Smart Energy Communities: New Communities Track Application Instructions

NOTE – THIS APPLICATION IS ONLY FOR NEW MARYLAND SMART ENERGY COMMUNITIES

This application should only be used by communities who have not yet participated in the Maryland Energy Administration’s (MEA) Maryland Smart Energy Communities (MSEC) program. Communities currently accepted into the MSEC program that are interested in pursuing additional funding should complete the MSEC Existing Communities Track application available online at <http://energy.maryland.gov/govt/Pages/smartenergycommunities.aspx>. Table 1 provides a summary of the two MSEC funding tracks:

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 (i.e. adoption of at least two of the three required energy goals and creation of the energy baselines and action plans) 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.	<u>Up to \$2.5 million total is available, subject to funding availability,</u> 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 January 26, 2016
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), community size, and project characteristics. Projects will be evaluated based on their innovation, the expected energy impact, and feasibility, among other criteria. Priority will be given to existing communities who adopt the third MSEC policy.		Accepting applications until February 2, 2016

Program Overview

Local governments that participate in the Maryland Smart Energy Communities program must voluntarily adopt energy policies in at least two of three policy areas -- energy efficiency, renewable energy, or transportation petroleum reduction:

- **Energy Efficiency Policy-** Establish an energy consumption baseline and develop a plan with the goal of reducing electricity consumption of city/town or county-owned buildings by 15% within five (5) years of the baseline year.
- **Renewable Energy Policy-** Reduce conventional centralized electricity generation serving a local government’s buildings by meeting 20% of those buildings’ electricity demand with distributed, renewable energy generation by 2022.

- **Transportation Policy**- A local government must establish a petroleum consumption baseline for all local government vehicles, and put in place a comprehensive program designed to reduce the baseline by 20 percent within five (5) years of the baseline year.

In addition to adopting the energy policies, participating local governments must also commit to developing a baseline of current electricity and, if applicable, transportation fuel usage as well as an action plan to achieve each of the adopted energy goals within the required timeframes. Additional information about each energy policy, as well as the energy deliverables associated with each goal, can be found at <http://energy.maryland.gov/Govt/SmartEnergyCommunities>.

Subject to funding availability, MEA expects to make grant awards to all new communities that apply to the MSEC program and agree to meet the program requirements. The size of the grant award will be based on population size and funding availability. While a limited amount of grant funds can be used for costs associated with passing the energy policies and developing the required energy baselines and plans, the majority of the funding must be directed towards energy projects that directly contribute to the achievement of one or more of the MSEC energy policy goals. All program participants will be required to enter into a grant agreement with MEA. MEA will not reimburse for any costs expended prior to the grant agreement being fully executed by MEA and the local government. Additionally, in order to receive reimbursement from MEA, each local government will be required to get their energy projects approved by MEA prior to beginning construction, in order to ensure that the energy projects will directly contribute to the achievement of at least one MSEC energy policy goals.

Moving forward in future fiscal years, local governments that are in good standing with the program may be eligible to apply for additional grant funding, subject to availability that can be used for additional energy-related projects that aid in the achievement of the adopted energy goals. For a local government to be considered in good standing, the community must have adopted at least two of three energy policies and completed the required baselines and energy action plans.

New Communities Track – Application Deadline

The full application (this form) is due **January 26, 2016**, and requires sign-off from the town/city/county council or other governing body confirming that they intend to complete all MSEC program deliverables (i.e. adoption of at least two of the three required energy goals and creation of the energy baselines and action plans) by the established deadlines. MEA will provide technical assistance through the University of Maryland Environmental Finance Center to help participants complete the application. Applications must be submitted by the deadline to **MSEC.MEA@maryland.gov**.

MEA reserves the right to request additional information before accepting a local government into the program.

Grant Funding Amounts

In fiscal year 2016, MEA expects to provide grant awards to all new local governments applying to the MSEC program, subject to meeting the terms of the program and funding availability. While subject to change, MEA initially anticipates **eligible new communities** entering the MSEC program in fiscal year 2016 to receive no less than \$20,000.

While MEA intends to provide grant awards to all new local governments interested in participating in MSEC, not all energy projects submitted for consideration by MEA may be approved. Some, none, or all project requests submitted for consideration to the MSEC program may be funded, based on how the project positively contributes to the achievement of the MSEC policy goals and the MSEC project criteria outlined below. MEA reserves the right to partially fund projects.

Project Criteria

Table 1 outlines the funding resources available to the MSEC program in fiscal year 2016. Within each funding category (i.e. energy efficiency, renewable energy/transportation, and low-to-moderate income energy efficiency), 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 funding constraints will influence the types of projects that local governments will be approved to complete.

Once all program deliverables have been completed, MSEC local governments will need to submit a project approval form to MEA, formally requesting approval of the identified energy project. The project approval form will be one of the documents

included in the grant agreement between MEA and the participating local government. Once the project approval form has been submitted, MEA will determine project approvals based on the following criteria:

- (a) Past experience and performance with MEA programs,
- (b) Evidence of the community's ability to complete the project in the time provided (e.g. commitment of staff time and other resources),
- (c) Project innovation,
- (d) Project feasibility,
- (e) Expected electricity savings, transportation petroleum reduction, and/or renewable energy generated as a result of the project,
- (f) Whether or not a project benefits a low to moderate-income population,
- (g) The size of the community,
- (h) Whether or not the project is being completed on a government-owned building, facility, or vehicle,
- (i) How the project will positively impact local government operating costs,
- (j) Whether or not the project is occurring in a Priority Funding Area (PFA), and
- (k) At a minimum, 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.**

***Please note that the energy efficiency goal is focused on electricity-reductions rather than overall energy efficiency improvements.**

In addition, priority will be given to projects that:

1. Focus on, or contain a component of, building energy efficiency.
2. Occur in Priority Funding Areas.

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>

Program Deadlines for New Communities

- | | |
|---------------------------|--|
| March 2016: | MSEC agreements sent to new communities for signature. |
| May 31, 2016: | Target date for all MSEC agreements to be fully executed. |
| November 15, 2016: | Deadline for (i) At least two of three required energy policies passed and (ii) energy baselines and energy action plans developed. |
| February 15, 2017: | Final submission date for MSEC project approval documents to MEA.
<u>To receive reimbursement from MEA, all MSEC projects must first be approved by MEA by this date.</u> |
| May 15, 2017: | Construction complete on all fiscal year 2016 MSEC energy-related projects. |
| June 15, 2017: | All invoices and reports submitted to MEA for energy-related projects funded by this grant. |

Additional Requirements

- Question 24 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 code. In FY 2016, communities must have adopted the 2015 International Energy Conservation Code (IECC) to receive additional MSEC funding. For questions about energy codes please contact Devan Willemsen at devan.willemsen@maryland.gov.
- Projects must comply with all applicable state and federal laws, regulations, and guidelines, including, but not limited to, following appropriate procurement policies, compliance with the National Historic Preservation Act of 1966, all applicable licenses, insurance, permits, environmental standards, etc.
- **All proposed energy projects must have written approval from MEA prior to the local government beginning any project work. Please be aware that execution of the grant agreement does not serve as an approval of a specific energy project. Instead, each specific energy project shall be reviewed on a case-by-case basis, once the MSEC community has met all of the required deliverables.**
- **Communities should not expect to receive funding support for energy projects already underway. Not all projects will be fully funded using MSEC funds.**

Questions about the application or MSEC program may be directed to:

Devan Willemsen, E: devan.willemsen@maryland.gov, T: 410-260-7539
Sean Williamson, E: srw46@umd.edu, T: 301-405-8259

Maryland Energy Administration – Maryland Smart Energy Communities
New Communities Application Form
(Boxes will expand as you type)

1. Name of Local Government
2. Intent
<p><input type="checkbox"/> We intend to pass two of the three policy goals* by November 15, 2016, making us eligible for project funding. If so, please select 2 of 3 policies, below:</p> <p><input type="checkbox"/> Energy efficiency: Establish an electricity consumption baseline and develop a plan to reduce per-square foot electricity consumption of local government-owned buildings by 15% within five years of the baseline year.</p> <p><input type="checkbox"/> Renewable Energy: Reduce conventional centralized electricity generation serving local government-owned buildings by meeting 20% of those buildings' electricity demand with distributed, renewable energy generation by 2022.</p> <p><input type="checkbox"/> Transportation Petroleum Reduction: Establish a petroleum consumption baseline for all local government vehicles, and put in place a plan to reduce petroleum consumption by 20 % within five years of the baseline year.</p> <p><input type="checkbox"/> We understand that in addition to the policy goals, our community must complete an energy baseline and develop an action plan for achieving the goals before we can receive full project funding. We intend to put a good faith effort towards completing all three deliverables and by November 15, 2016.</p> <p><input type="checkbox"/> We understand that energy-related projects funded by this grant must be completed by May 15, 2017 and invoiced by June 15, 2017. We intend to spend the grant funds within the timeframe provided.</p> <p><input type="checkbox"/> We would like to be considered for low-to-moderate income grant funding under the MSEC program. <i>Please select only if you have an energy efficiency project that serves low-to-moderate income residents.</i></p> <p>* Local governments can formally commit to the above energy goals by ordinance, resolution, executive order, or similar policy mechanism (as appropriate). Descriptions of the policy goals can be found at http://energy.maryland.gov/govt/Pages/smartenergycommunities.aspx.</p> <p>OR</p> <p><input type="checkbox"/> We do not intend to pass two of the three policy goals during calendar year 2016, but we are interested in getting started with technical assistance from MEA. We understand we will not be eligible for project funding in the first round of the program, but may be eligible for funding in future years.</p> <p>Signature of Authorized Representative: _____ Date: _____</p>

3. Authorized Representative (the individual with signature authority for the applicant organization)	4. Title of Authorized Representative	5. Phone Number of Authorized Representative	6. Email Address of Authorized Representative
7. Application Contact Person (the individual completing the application)	8. Title of Application Contact Person	9. Phone Number of Application Contact Person	10. Email Address of Application Contact Person
11. Project Manager (the individual who will be managing the passing of the policies and the development of the energy baselines and action plans on a day-to-day basis)	12. Title of Project Manager	13. Phone Number of Project Manager	14. Email Address of Project Manager
15. Legal Contact (the individual who is responsible for legal review)	16. Title of Counsel	17. Phone Number of Legal Counsel	18. Email Address of Legal Counsel
19. Application Submittal Date			
20. Applicant Street Address. Please include PO Box number if applicable.			
21. Please describe the number and type of staff you will commit to working on passing the policies, developing the energy baselines and action plans, and eventually running the energy grant project(s). <i>(Boxes will expand as you type).</i>			
22. Provide a detailed description of how policies are passed in your local government, including key points of approval needed and approximately how long it takes from start to finish. This should be consistent with the procedures outlined in your local charter.			
23. Energy/Sustainability Initiatives: List any ongoing energy-related or sustainability initiatives taking place in your local government, such as ENERGY STAR ratings, EPA Community Challenge participation, DHCD Sustainable Communities participation, Sustainable Maryland Certified participation, etc.			

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

Timeline and Assistance

This Section is Mandatory.

25. Provide a monthly schedule that includes detailed information on the following:
 (a) Working the policies through each step of the legislative process in your municipality/county;
 (b) Completing the baseline electricity consumption;
 (c) Developing the electricity reduction plan and/or renewable energy action plan and/or transportation petroleum reduction plan;
 and,
 (d) MEA approval of a specific project
 Please refer to the Policy Guidance Documents on the [MEA website](#) to ensure that you fully understand the deliverables.

Month	Key Milestones
March 2016	Expected notification of grant award, Grant award available for signature
November 15, 2016	Deadline for deliverables completion to access MSEC project funding
May 15, 2017	Approved project must be completed by this date.

26. Assistance from MEA: MEA can provide MSEC participants with a limited amount of technical assistance related to the achievement of the MSEC goals. What form of technical assistance would be most useful for your municipality as you work on the three deliverables for each of the goals? Technical assistance may be used to: collect and organize community energy information, compile baselines, create plans, develop an energy advisory committee, formulate a workable timeline, review policies for adherence to the program, and assist with energy project ideas, among other activities. Technical assistance may not be used for advocacy or lobbying activities.

Energy Efficiency

This section is mandatory if you are pursuing the energy efficiency policy.

<p>27. How many public buildings are owned by your local government (including water and sewage treatment facilities, but excluding school buildings)?</p>	<p>28. Are there any additional public facilities, which the community rents/leases AND pays electrical utilities for? Please list the properties.</p>	<p>29. Do you track public building energy consumption using ENERGY STAR Portfolio Manager, or an equivalent method? If yes, please note how many buildings are currently tracked.</p>
		<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, how many buildings are tracked?</p>
<p>30. How many energy audits have been performed on buildings owned by your community since 2010? Please list all buildings that have received an energy audit and to what extent the recommendations have been implemented.</p>		
<p>31. (a) Please provide the name and contact information of the person responsible for keeping electricity consumption records and/or utility bills.</p>		
<p>31. (b) Please list each of the energy utility companies servicing your local government (i.e., all utilities that send regular invoices).</p>		
<p>32. Describe, in detail, all existing policies related to energy efficiency. Include links to or copies of existing policies, resolutions, ordinances, laws, etc.</p>		

Renewable Energy

This section is mandatory if you are pursuing the renewable energy policy.

33. Describe in detail, all existing policies related to renewable energy. Include links to or copies of existing policies, resolutions, ordinances, laws, etc.

--

34. Are there any renewable energy technologies currently installed on your local government facilities? If so, please describe what types (e.g. solar, wind, geothermal, biomass) and their capacities (e.g. kilowatts of installed solar).

--

Transportation

This section is mandatory if you are pursuing the transportation petroleum reduction policy.

35. Describe, in detail, all existing policies related to transportation petroleum reduction. Include links to or copies of existing policies, resolutions, ordinances, laws.

--

36. Describe your fleet in general (vehicle numbers, type of use, etc.). Are all vehicles owned by the municipality or do you have contracted vehicles/services?

--

37. Please provide the name and contact information of the person responsible for keeping transportation fuel records.

--

Potential MSEC Project Ideas

This Section is Mandatory.

38. MEA's funding must be used for energy efficiency, renewable energy, or transportation petroleum reduction projects. The program budget is up to \$2.5 million available for fiscal year 2016. Of this, up to \$1.6 million must be used for energy efficiency projects (of which \$1 million is reserved for energy efficiency projects benefitting low-to-moderate income Marylanders) and up to \$900,000 must be used for renewable energy and/or transportation petroleum reduction projects. What type of projects do you eventually intend to pursue with your grant funding? This will help MEA properly allocate funding.

- A project focusing on cost effective energy efficiency (i.e., a lighting upgrade, adding insulation, etc.)
 - Will any or all of your energy efficiency projects benefit low-to-moderate income Marylanders? [If so, your local government may be eligible for a larger grant award leveraging funding from the allocation for low-to-moderate income Marylanders.]
- A project focusing on renewable energy/transportation petroleum reduction (i.e., adding solar panels to your roof)

39. Potential Project Ideas: Please provide a list of potential projects that you may wish to pursue through this program. This list is not binding, but will help MEA have an idea of the types of projects needed by municipalities. Please ensure that your project ideas are consistent with the type of project you've indicated in question 39. Please note: All projects must be approved by MEA prior to spending grant funds. A minimum of 70% of the funds must go towards direct costs associated with an energy project, but communities will be allowed to spend up to 30% of funds on indirect costs including: project design, feasibility studies, and energy audits. Depending on the complexity of the project(s) being pursued, an energy audit may be required prior to project(s) approval in order to accurately quantify the projected energy benefits associated with a project. Communities should factor in the potential cost of an energy audit when planning potential projects. The MSEC program team is available to provide guidance on the types of projects that will likely require an energy audit to quantify energy savings.

If your proposed energy efficiency project will benefit low-to-moderate income Marylanders, please clearly identify this information in the list below.

Please remember that all energy efficiency projects must be cost effective, in aggregate or on an individual basis, with a simple payback at least equal to the anticipated life of the energy project(s) being installed.

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 grant award, local governments will be required to provide MEA with their federal tax identification number.

Return this application no later than January 26, 2016 to:
MSEC.MEA@maryland.gov