



## Notice of Grant Availability for the FY21 Community Solar LMI PPA Grant Program (Grant Program)

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<b>Program Name:</b>	FY 21 Community Solar LMI PPA Grant Program
<b>Program Purpose:</b>	This program provides funding to partially reimburse Subscriber Organizations for added costs associated with making the Community Solar Program accessible to the LMI community by providing sufficiently favorable financial terms in their PPA contracts to attract LMI households. Given the large up-front costs associated with an ownership model, a PPA model (little or no up-front cost, pay monthly per kWh used) should have much greater results in appealing to the LMI community.
<b>Program Goal:</b>	To increase the participation of LMI households in the Community Solar Pilot Program by encouraging Subscriber Organizations to provide greater cost savings to LMI subscribers than would otherwise be offered.
<b>Program Budget:</b>	Up to \$669,721 in fiscal year 2021 (July 1, 2020 – June 30, 2021), subject to funding availability. Grant funding may be encumbered during the fiscal year only, however, encumbered funding may be spent past the end of the fiscal year.
<b>Grant Award Amount:</b>	Individual grant awards will be based on a calculation of the sum of the validation incentive and the subscription incentive. Grants exceeding \$500,000 are not expected. MEA will only finalize and distribute grant funding to a grantee after the project is producing creditable energy to LMI subscribers.
<b>Eligible Applicants:</b>	Community Solar Pilot Program Subscriber Organizations with capacity assigned in the LMI Category (or “Small/Brownfield/Other” category but providing at least 51% of their energy to LMI subscribers) are eligible to apply for LMI-PPA Grants.
<b>Application Deadline:</b>	To be included as part of the initial consideration, MEA must receive an application by January 5, 2021.
<b>Type of Grant Program:</b>	Competitive:
<b>Number of Grants:</b>	MEA may fund zero, one, or multiple grants.
<b>Proposal Content:</b>	To be considered for an award, the application must be complete, which includes providing all information required on the “Application” worksheet and either the Test Case or the Step-Down Case worksheets.. In addition, all documents required by the application must be provided.

Information required on the Application worksheet includes subscriber organization name, identification number and contact information; data on the solar array; an identification of the form of subscription; and information concerning the verification of the LMI subscriber.

Information required for the “Test Case” worksheet includes the utility Standard Offer Service (SOS) rate for residential use, inputs for the number of years of the subscriber agreement, and the size of the LMI portion of the array. In addition, the community solar subscription cost of electricity is entered as a percentage savings below the current SOS rate plus an annual escalation rate, or the rate can be individually entered for each of the first 20 years.

Information required for the “Step-Down Case” worksheet includes inputs for the utility SOS rate for residential use and the size of the LMI portion of the array. In addition, the step-down period (number of years to step the subscription rate to zero), and the year zero (first year) rate reduction below the utility SOS rate. Alternatively, the subscription rate can be entered individually for each of the 20 years of the assumed contract term.

**Application Evaluation Criteria:** MEA will rate each complete application based on the value of the project to the LMI population, which is calculated as the “Total incentive to Subscriber Organization.” Applications received by MEA before January 5, 2021 will be prioritized for grant award based on its ranking (highest ranking to lowest ranking).

**Definitions:**

- Community Solar: A virtual net energy metering program authorized by §7-306.2 of the Public Utilities Article of the Maryland Code.
- Low Income: a subscriber whose gross annual household income is at or below 175 percent of the federal poverty level for the year of subscription or who is certified as eligible for any federal, state, or local assistance program that limits participation to households whose income is at or below 175 percent of the federal poverty limit:<sup>1</sup>
- Moderate Income: A subscriber whose gross annual household income is at or below 80 percent of the median income for Maryland for the year of subscription.<sup>2</sup>
- The implementation of Low Income and Moderate Income was further defined by PSC Letter Order dated February 14, 2020.<sup>3</sup>

**Restrictions and Limitations:**

- Applicants must submit an IRS Form W9 with their application.
- To receive grant funding for a project, the successful applicant must enter into a Grant Agreement with MEA by March 1, 2021 unless an extension is given in writing by MEA.
- At least one person certified as a Solar PV Installer by the [North American Board of Certified Energy Practitioners \('NABCEP'\)](#) must be involved in the design and/or installation of the community solar array. Applicants will be required to provide the name and certification number of this individual(s).
- A grantee must be in good standing in the State of Maryland. For Certificate of Status information please see the Maryland State Department of Assessments and Taxation webpage.
- An authorized representative of the subscription organization must sign the grant

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<sup>1</sup> Code of Maryland Regulations 20.62.01.02.B (12)

<sup>2</sup> Code of Maryland Regulations 20.62.01.02. B (13)

<sup>3</sup> <https://webapp.psc.state.md.us/newIntranet/Content.cfm?ServerFilePath=%5C%5CColdfusion%5CLetterOrder%5CPosted%5C61459.doc>

application and is responsible for submitting to MEA all reporting documents, including invoices.

- Only one MEA grant may be awarded per project.
- The subscriber organization must provide sufficient guarantees that the agreed upon terms of the LMI agreement will not be changed in a manner that would disadvantage the LMI subscriber over the 20-year period covered by this grant. These subscription limitations must be included as mandatory requirements in any future agreements of sale or change in control or ownership of the solar array to another subscription organization.
- The subscription must be structured in a PPA model (little to no up-front cost to the subscriber: the subscriber pays the subscriber organization for energy credited to his/her electric bill on a \$/kWh basis).
- A Project must produce creditable power by **three years and one month from the date of the agreement**. (Creditable power is power provided to the electric utility which is used to compute the subscriber's monthly energy bill).
- Grantee/ the Subscription Organization must provide a count of LMI subscribers to the Maryland Energy Administration with **the submittal of the Completion Report but no later than three years and one month from the date of the agreement**, which shall include a detailed explanation of how LMI subscribers were certified to their LMI category. Please note that if a third party provided the certification, the grantee must provide a detailed explanation of how the 3rd party conducted the verification.
- The project must be part of the Community Solar Pilot Program; each grantee must have a subscriber number issued by the Maryland Public Service Commission.
- The project must have capacity allotted to it under the LMI category of the Maryland Community Solar Pilot Program, or be in the "Small/Brownfield/Other" category and provide more than 51% of its energy credits to members certified as LMI.
- The project must meet requirements of the Maryland Historic Trust. Only projects that have no adverse effects on historic property will be funded.

#### Grant Process:

- A Community Solar Subscriber Organization with an eligible project submits an application for the Community Solar LMI-PPA Grant. The application consists an application spreadsheet with the contract terms and subscription rates for the next 20 years, as well as all required documents.
- After reviewing eligibility of the Subscriber Organization and the project, MEA will review the application and negotiate assurances regarding the protection of the terms to the LMI community over the next 20 years.
- Any Community Solar LMI project that fails to apply for AND complete the Grant Agreement by March 1, 2021 may be deemed ineligible for FY 21 funding. There is no guarantee of FY 22 funding.
- MEA will then forward the subscriber organization a grant agreement for their review and signature.
- Upon receipt of grant agreement signed by both the grantee and MEA, MEA will encumber (set aside) funds.
- Grants will be paid after the project is online and producing creditable power to subscribers. The Subscriber Organization will submit a Completion Report, which will act as an invoice. Upon receipt of a complete and accurate invoice, MEA will pay the grant.

#### Timeline

- Grant application window opens – September 15, 2020
- Initial Application Deadline – January 5, 2021.

- Grant Agreement Signature Deadline – March 1, 2021
- Construction and Commissioning Deadline – As determined by the PSC and the utility, but not later than three years from the date of the grant agreement
- Final Inspection and Document Submission Deadline – Within 10 days of project commissioning, but no later than three years and one month from the date of the grant agreement
- Note: MEA may extend one or more deadlines to all participants, or on a case by case basis. Such an extension will be in writing, or by changing the MEA website.

### **Additional Information**

#### **Historic Review**

Grant funds may not be used to support a Community Solar Pilot Program project that is found to adversely affect historic buildings or historic districts by the Maryland Historical Trust. A Grantee must either verify that a Maryland Historical Trust review has been successfully conducted for the solar array site (and provide the results to MEA), or submit the site information to MEA to ensure review by the Maryland Historical Trust. A review must be completed before grant funding may be used to support a project.

#### **NABCEP**

At least one person certified as a Solar PV Installer by the [North American Board of Certified Energy Practitioners \('NABCEP'\)](#) must be involved in the design and/or installation of the community solar array. Grantees will be required to provide the name and certification number of this individual(s).

#### **Solar Renewable Energy Credits (SRECs)**

Grant funds may not be used to support a Community Solar project unless it is registered for, and receives Solar Renewable Energy Certificates (SRECs). Grantees will be required to verify the successful registration of projects with the Maryland Public Service Commission and with PJM Interconnection. For information concerning SREC registration, consult the PJM EIS website at <https://www.pjm-eis.com/>

#### **Calculations**

*Community Solar for the LMI Community-FY 21* (available on the MEA Community Solar LMI-PPA website) discusses the needs of the LMI community and describes how the Validation and the Subscription incentives are designed to address this need.

#### **Program Changes**

MEA reserves the right to modify or change the LMI-PPA Program at any time as needed for legal, financial or programmatic reasons.

#### **American Manufactured Goods**

If the applicant is a unit of State or local government, to receive a grant the applicant must comply with §§ 14-416 and 17-303 of the State Finance and Procurement Article. Applicants affected by those provisions should take them into account when developing FY21 applications to SEIF-funded programs.

## **Project Location**

To receive a grant the applicant must comply with §§ 9-20B-05 of the State Government Article, which requires that at least 80% of workers participating in a project or program that receives money from the SEIF must reside within 50 miles of the project or program. As the Community Solar LMI-PPA Program is a statewide program, MEA will determine compliance based on whether at least 80% of worksite workers reside in Maryland, or within 50 miles of Maryland's borders

## **Contact**

For more information or assistance, please contact:

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***Version 5.0 August 27, 2020***