



Funding Opportunity Announcement

Fiscal Year 2026 Residential Energy Equity Program

Program Purpose

The Residential Energy Equity Program (Program), formerly the Energy Efficiency Equity and Solar Energy Equity Grant Program, is offered by the Maryland Energy Administration (MEA) to support the installation of cost-effective energy efficiency and solar technologies in the single family and multi-family homes of Marylanders experiencing moderate income and below.

The technologies will be offered in the form of two areas of interest (AOI). AOI1 is for energy efficiency scopes of work and can be utilized for renter-occupied and owner-occupied homes. AOI2 is for solar energy scopes of work and can be utilized for owner-occupied homes only.

Eligible Applicants

The following types of entities are eligible to receive funding:

- Local governments (cities, counties, and/or municipalities).
- Incorporated non-profit organizations registered in Maryland.

Program Beneficiaries

Qualifying projects under this Program must benefit Maryland residents experiencing low-to-moderate income (income qualifying). Low-to-moderate income is defined in the SEIF statute¹ and is detailed below in the Program Income Limits section of this Funding Opportunity Announcement (FOA). Residents cannot be charged for any costs associated with utilizing Program funding.

Program Grant Period

The grant period begins on the date listed in the grant agreement and the grant cycle is for two years. Awardees should not expect to be reimbursed for expenses incurred outside of the grant period. All projects must be completed by **September 1, 2028**, with all invoices and project reports submitted to MEA no later than **October 1, 2028**.

Program Type

- AOI1 - Competitive regionally. Regions are defined by the Program.
- AOI2 - Competitive statewide

¹ [https://energy.maryland.gov/pages/strategic-energy-investment-fund-\(seif\)-.aspx](https://energy.maryland.gov/pages/strategic-energy-investment-fund-(seif)-.aspx)

Total Program Budget

- AOI1 - \$17,246,905
- AOI2 - \$8,000,000.

Additional funding may become available before the program closes.

Application

Applicants may apply for one or both AOIs. Applicants may only apply for one category under AOI2. Download the application workbook from the Program website. Complete 1 workbook with a tab for each region you plan to service for AOI1. Regions are on the map in the Funding Guidelines section of this document. On the same workbook complete 1 tab for AOI2 and select the appropriate category. Follow the instructions in the Submission Instructions section of this FOA below.

- Applicants are encouraged to attend a program information session or reach out to MEA Program staff with questions prior to submitting. The date of the information session and a link to event are listed on the Program website.

Funding Guidelines

MEA grant programs are covered by general requirements that will be made part of the grant agreement between MEA and a grantee if an application is selected for an award. A copy of the General Provisions ² is available on MEA's website. MEA will reimburse each grantee in arrears for actual costs incurred after receiving all required invoicing materials and supporting documentation. These requirements will be more specifically defined in the grant agreement when awarded.

- AOI1
 - Of the total program budget for AOI1, approximately 25%, or \$4.3 million, is initially reserved for first time grant recipient³ applicants. The \$4.3 million first time grant recipient initial allocation is distributed regionally. These applicants may submit proposals for multiple regions. Awards for first time grant recipient applicants are capped at \$400,000 per award. The remaining program funding of \$12.9 million for AOI1 is distributed regionally. Grants are awarded per region, so an applicant successfully applying to multiple regions would have multiple awards.
 - If MEA does not receive sufficient funding requests for projects from first time grantees in each region, the excess funding will become available to returning applicants within the region, and then to returning applicants at large.
 - If the award totals for first time grant recipients exceed the first-time grant recipient set aside, MEA can consider using funding from the returning grantee allocation.

² <https://energy.maryland.gov/SiteAssets/Pages/all-incentives/General%20Provisions%20v3%202.11.22.pdf>

³ First time grant recipient is defined by the Program as an applicant who wins an FY26 award and has not received an award from the Program since FY2016 and does not have an active award with the Program.

- The minimum award amount is \$105,000 per award. A maximum award amount for applicants that have previously won an award has not been determined.
- To prioritize an equitable distribution across the State, Program funds are allocated to each Maryland region based on the number of households experiencing low-to-moderate income within the respective region (see Figure 1).

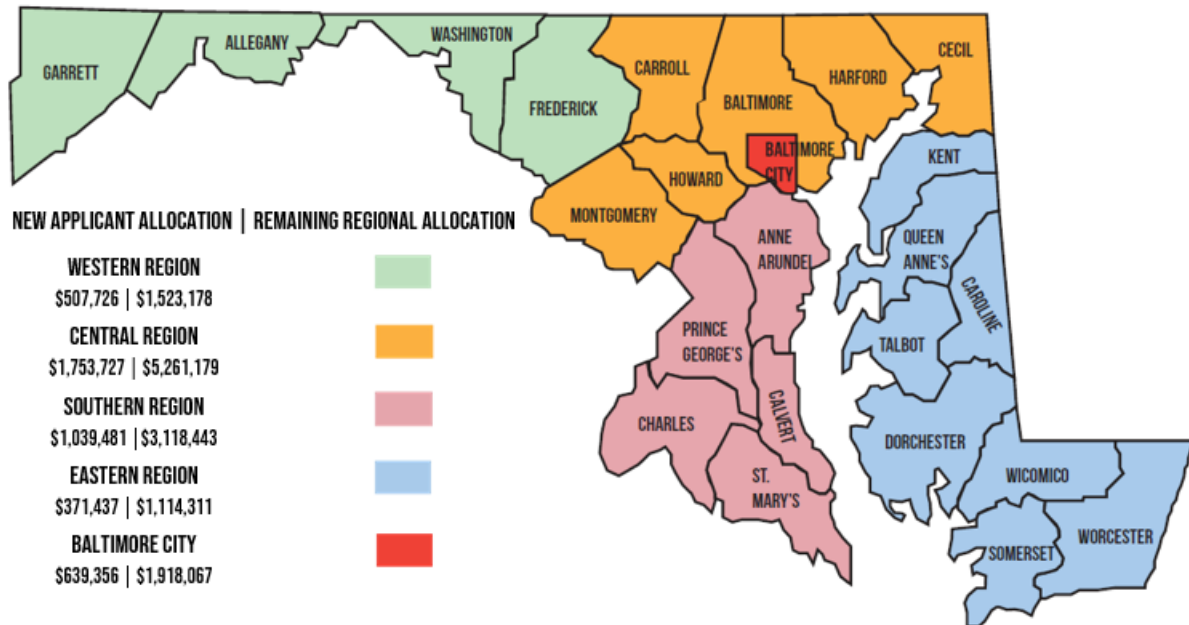


Figure 1 - Area of Interest 1 Regions and Allocations

- AOI2
 - The minimum award amount is \$30,000.
 - The maximum award amount is \$1,500,000. If MEA does not receive a sufficient number of qualifying applications for the available funds, MEA may opt to increase individual grant amounts awarded to successful applicants who have indicated they are capable of scaling up.
 - The Program intends to consider geographic diversity in determining awards.
 - The Program will consider funding each successful application in full; however, if oversubscribed, scaling is at the discretion of the Program.

Program Income Limits

AOI1 and AOI2 will both utilize the same income chart below, which is based on 80% of state median income⁴.

Size of Family Unit	Maximum Annual Household Income	250% of Federal Poverty Level (FPL)
1	\$72,950	
2	\$83,400	
3	\$93,800	
4	\$104,200	
5	\$112,550	
6	\$120,900	
7	\$129,250	
8	\$137,550	
9		\$151,300
10		\$165,050
Each additional Person		\$13,750

Cost Effective

For AOI1, Cost Effective is defined as a completed job that achieves a simple payback of 18 years or less. For AOI2, Cost Effective is defined as a simple payback of 20 years or less. The Program allows for calculating simple payback as the cumulative average of all jobs over the entire grant cycle. Simple payback (SPB) is the time, in years, it will take to recover the initial investment in an efficiency or renewable energy measure through energy cost savings. The formula for simple payback used in the application is the cost of the project divided by the anticipated annual energy savings, in dollars per year.

$$\text{Project Cost } \$ / \text{Total Annual Energy Savings } \$ = \text{Simple Payback (Years)}$$

⁴ The table is based on 80% of the HUD median family income for the state of Maryland and directly matches the income limits for the Department of Housing and Community Development's (DHCD) EmPower Maryland Limited Income Energy Efficiency Program (LIEEP).

Costs associated with non-energy measures (i.e., administrative or indirect costs, etc.) that do not result in energy savings should not be used in estimating the simple payback. If leveraged (non-MEA) funding will be used to implement efficiency measures (AOI1) or additional PV system capacity (AOI2), this portion of funding should be included in Project Costs, and the resulting savings should be included in Annual Energy Savings.

Eligible Buildings

A residential dwelling unit is defined as a single unit providing complete independent living facilities for one or more people, including permanent provisions for living, sleeping, eating, cooking, and sanitation. Dwelling units may be a single-family home (attached or detached) or part of a multifamily building. Dwelling units must include entry directly to a public street or public hallway.

Dwelling units occupied by residents meeting the Program Income Limits in the following building types are eligible under the Program:

- AOI1: single family and multifamily buildings. Residents may be renters or owners. Upgrades in multifamily buildings may also be applied to common spaces that serve the building residents (i.e., hallways, laundry rooms).
- AOI2: single family homes (must be owner-occupied and the primary residence) and multifamily buildings up to 4 dwelling units (at least one of the dwelling units must be owner-occupied). Dwelling units in multifamily buildings under AOI2 must have their own independent electrical meters.

Commercial buildings are not eligible under the Program, nor are the commercial spaces in mixed-use buildings.

Where the term “Eligible Buildings” is used in this FOA and other program documents, it refers to the specific criteria in this section.

Eligible Activities

AOI1

Program funding can be used for energy efficiency and electrification⁵ measures in Eligible Buildings. Specific requirements for efficiency and electrification measures, listed in Appendix A, must be met. Such measures must be cost effective on a whole home/building basis, based on findings from an energy audit performed by a [Building Performance Institute](https://www.bpihomeowner.org/home-energy-audit)⁶ (BPI) certified energy auditor, and shall follow

⁵ Electrification is defined by the Program as converting fossil fuel-fired appliances to electric appliances, and HVAC or domestic water heating water (DWH) equipment to electric heat pump-based systems or upgrading electric resistance-based HVAC or DWH systems to electric heat pump-based systems.

⁶ <https://www.bpihomeowner.org/home-energy-audit>

weatherization guidelines set forth in the Standard Work Specifications tool⁷ by the National Renewable Energy Laboratory.

There are two exceptions to the requirement to conduct an energy audit. (See Appendix A):

1. Limited Upgrade projects where only 1 or 2 measures will be implemented. These projects implement only 1 or 2 efficiency measures. Typical upgrades may include lighting and appliance upgrades. While an audit is not required, grantees must conduct all necessary health and safety testing (including combustion safety tests) per BPI Standards based on the efficiency measures being implemented.
2. New Construction or Substantial Rehab projects. Substantial rehab projects are defined as projects in which the work area exceeds 50% of the home's/building's aggregate floor area and where exterior wall framing cavities (where present) are exposed. For these project types Program funding may be used to offset the **incremental** cost of upgrading building components to an efficiency level beyond the current energy code in effect in Maryland. The eligible measures and the corresponding funding amounts are listed in Appendix A. This table in the appendix must be completed as part of the submission for applicants with this project type.

Potential projects that do not meet the criteria for Limited Upgrades or New Construction/Substantial Rehabs and are unable to conduct an energy audit due to on-site safety concerns may still propose a whole house retrofit project. Such applications must clearly explain the safety concerns that prevent an audit and establish how the proposed work would still be cost effective and address combustion safety risks.

Eligible activities may also include “enabling repairs.” Enabling repairs under AOI1 are incidental repairs, health and safety repairs, or upgrades to electrical infrastructure that directly enable a project to be successfully completed. These repairs must directly relate to the weatherization or electrification measures being installed.

AOI2

Program funding shall be used for solar photovoltaic systems installed on Eligible Buildings. All projects under this area of interest must also adhere to the following terms:

- Dwelling units must have received weatherization work resulting from an energy audit by a BPI certified individual within the last 5 years or will receive weatherization within 6 months of installation.
- A North American Board of Certified Energy Practitioners (“NABCEP”) certified PV Installation Professional (“PVIP”) must be directly involved with the design or construction of the solar PV system.

⁷ <https://sws.nrel.gov/>

- Solar photovoltaic (PV) systems have a capacity from 3 kW to 15 kW of direct current and are sized to provide 95% or less of projected annual electrical needs for the dwelling unit.
- Solar PV systems may be roof-mounted systems or ground-mounted systems.
- Enabling repairs are an eligible project activity under this area of interest. Enabling repairs under AOI2 are repairs that enable successful installation of solar panels. This can include and is not limited to roof repairs, electrical repairs, and health and safety repairs.
- Projects must conform to either Category 1 or Category 2 as defined below:

Category 1: Direct Ownership

- a. Grantee is responsible for design, installation, and commissioning; homeowners will own the panels outright and retain rights to the solar renewable energy credits (RECs).
- b. Grantees must abide by and provide a copy of the Consumer Protection Plan (Plan) to residents. A link to the Plan is on the Program webpage.

Category 2: Zero Cost Power Purchase Agreement

- a. Grantee will own the system and provide power from the PV system to the homeowner at no charge through a 20-year prepaid power purchase agreement (PPA).
- b. Funding shall be used to prepay for the entire 20-year PPA. There shall be no other payment obligation for the homeowner.
- c. Grantee is responsible for design, installation, and commissioning of the system.
- d. Grantee will consult a tax professional and will apply for elective payments from a) the federal Solar Investment Tax Credit Program and b) the federal Low-Income Communities Bonus Credit Program under section 48(e) of the Internal Revenue Code. The Grantee shall deposit all proceeds from these elective payments into a separate solar operation and maintenance Reserve Account.
- e. The Grantee shall sell any Solar Renewable Energy Credits (RECs) generated by the solar systems and deposit proceeds into the Reserve Account.
- f. Grantee is responsible for insurance and maintenance for the duration of the agreement, paid for through the Reserve Account.
- g. The Reserve Account will be used for insurance, operations, and maintenance of the solar systems developed with the Grant Funds. It is permissible to use the Reserve Account to develop additional solar systems to benefit eligible households.
- h. The Grantee will provide the homeowner with a summary of (1) the homeowner's rights and obligations under the Lease and (2) the Grantee's rights and obligations under the Lease. The Grantee must provide MEA with a written and signed attestation that the homeowner is aware of all rights and obligations under the Lease as a part of invoice reporting. Grantee must convey to the homeowner in writing that they will still receive a utility bill.

Additional requirements for Eligible Activities are listed in Appendix A.

Eligible Project Costs

The Program funding covers 100% of the actual cost of installed eligible measures up to the maximum per home. Funding amounts are detailed below. All measures must adhere to the applicable terms listed under Eligible Activities and Appendix A for costs (materials, installation) to be eligible for reimbursement. MEA reserves the right to deny reimbursements if project reporting and invoice documentation is insufficient, or if a program quality assurance review discloses that project terms were not met.

Area of Interest 1

- A maximum of \$21,000 per residence, inclusive of direct and indirect costs, as follows: Up to \$8,500 for weatherization measures not involving electrification of domestic water heaters and HVAC equipment. Up to the maximum of \$21,000 for projects that include electrification of domestic water heaters and HVAC equipment.
- The maximum reimbursement level is inclusive of a maximum of \$5,000 for enabling repairs, as defined above in the Eligible Activities section.

Area of Interest 2

- A maximum \$30,000 per home for solar system design, installation, and commissioning, inclusive of direct and indirect costs.
- Up to \$7,500 of the \$30,000 allowance per home may be utilized for enabling repairs, as defined above in the Eligible Activities section.
- MEA will consider each grantee's request for reimbursement only after the grantee has obtained permission to operate ("PTO") for the solar PV system from the local electric utility and has passed all permitting inspections required by the authority having jurisdiction.

Grant Administration and Indirect Costs

If an applicant is selected for a grant under the FY26 Residential Energy Equity Program, MEA will allow a grantee to claim up to 15% of the total Grant Amount for Grant Administration Costs and reimbursable Indirect Costs combined.

Indirect Costs are reimbursable as indicated below in the paragraph titled "Implementation of Indirect Costs" below and may only be billed in proportion to the Direct Costs for which reimbursement has been sought at the time of billing.

For the FY26 Residential Energy Equity Program, the following definitions shall be used:

- Direct Costs: Incurred costs for which the Grantee seeks reimbursement from MEA for:
 - the energy equipment being installed in or on a home or building, as well as any necessary labor and supplies to install the energy measures.
 - energy auditing, required permitting and required inspections.
 - Enabling repairs under AOI1 are incidental repairs, health and safety repairs, or upgrades to electrical infrastructure that directly enable a project to be successfully completed. These repairs must directly relate to weatherization or electrification measures being installed. Enabling repairs under AOI2 are repairs that enable successful installation of the solar panels. This can include and is not limited to roof repairs, electrical repairs, and health and safety repairs.
- Grant Administration Costs.
 - Salaries and wages for personnel managing the project and/or conducting outreach and recruitment of participants, or supplies purchased to administer the grant (e.g., flyers advertising the program).
- Indirect Costs: MEA uses the definition of indirect costs provided in the Federal Electronic Code of Federal Regulations (i.e., Indirect costs are costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect (F&A) costs. Indirect (F&A) cost pools must be distributed to benefit cost objectives on a basis that will produce an equitable result in consideration of relative benefits derived).
 - For the FY26 Program, examples of allowable indirect costs include portions of the cost of the Grantee's rent, utilities, and/or administrative staff time.

Grantees will be required to provide MEA with documentation, such as timesheets or other records, to justify the amount of Grant Administration Costs and Indirect Costs being requested for reimbursement under a grant.

Implementation of Indirect Costs:

- A grantee that is tax exempt under §501(c)(3), (4), or (6) of the Internal Revenue Code who has negotiated and received an indirect cost rate under a direct federal grant, or from a non-federal entity based on the cost principles in Subpart E of OMB Uniform Guidance, will be allowed reimbursement of indirect costs as outlined in § 2-208(b)(1) of the State Finance and Procurement Article at the negotiated indirect rate.
- Documentation of a negotiated indirect rate must be provided to MEA upon request, prior to execution of the Grant Agreement.

- If a grantee that is tax exempt under §501(c)(3), (4), or (6) of the Internal Revenue Code who has negotiated and received an indirect cost rate under a direct federal grant that is greater than the percentage indicated in this section above, then the grantee will be allowed reimbursement at the federally negotiated rate. In this situation, no Grant Administration Costs would be reimbursable.
- Indirect cost reimbursement for any other non-profit organization applicant without a negotiated indirect rate, or a local government grantee, will be capped at a maximum of 10% of the grant.
- Prior to the execution of the Grant Agreement, a successful applicant must identify the percentage of indirect costs that it will claim, and it will be in the terms of the Grant Agreement.

Example: A nonprofit organization has a federally negotiated indirect rate of 12%. With the total amount of indirect costs and Grant Administration Costs capped at 15% of the total grant, the grantee could opt to:

- Claim the full 12% federally negotiated indirect rate of 12%, and up to 3% for Grant Administration
 - Claim a lower indirect rate, less than 12%, in order to prioritize a higher percentage of the grant for Grant Administration Costs (e.g., 5% indirect and 10% for grant administration)
 - Claim no indirect cost and use up to 15% of the grant for the Grant Administration Costs.
- However, a nonprofit organization may not claim indirect costs at a higher percentage than either the nonprofit organization's negotiated indirect rate, or the 10% default indirect rate.

Unspent administrative and indirect funds can be used for project costs; however, unused project costs cannot be used for additional administrative and indirect costs over the allowable 15%.

Grantees may incur and bill allowable administrative costs at the start of the grant period; however, MEA strongly encourages applicants to plan and pace administrative expenditures in proportion to project progress.

MEA will apply the 15% cap cumulatively over the entire grant period. If administrative expenses billed exceed this proportion before substantial project activity (e.g., homeowner services) has begun, MEA reserves the right to withhold reimbursement until costs are balanced against actual project implementation.

Project-Related Training Assistance

Consistent with MEA's mission of promoting affordable, reliable, and clean energy, and support for workforce development, a limited amount of FY26 program funding may be used for the cost to train and certify energy efficiency and solar workers directly supporting the executed grant agreement. Training

may be included as part of a proposed project, but it cannot be the entire scope of the project proposal. MEA will cover up to a maximum of \$6,000 of training assistance per grant award. This is limited to grantees with a staff person that successfully completes one of the Building Performance Institute (BPI) or North American Board of Certified Energy Practitioners (“NABCEP”) certified PV Installation Professional (“PVIP”) certifications, or equivalent, and relevant certification that is approved by the Program in advance and on a case-by-case basis. Other costs associated with training (i.e., travel costs) are not eligible for reimbursement without prior approval by the MEA Program Manager.

Competitive Evaluation Criteria

All submitted applications will be evaluated based on the review criteria established by the Program as outlined below. The Program will thoroughly scrutinize calculations throughout the application. The Program Manager(s) will conduct an application walkthrough webinar 1 month after the release of the Funding Opportunity Announcement. MEA reserves the right to factor in applicant’s geographic reach when evaluating grant applications.

Criteria 1: Project Feasibility and Scope. The project narrative should clearly describe the project, its scope, and demonstrate a feasible approach to accomplishing the work. The narrative should demonstrate in detail the applicant’s ability to complete the scope of work, while also showing that the work scope falls within the Eligible Activities section of this FOA. An applicant should ensure the project application presents a clear, detailed description of project feasibility. Demonstrating that specific project sites have been identified within the application helps to demonstrate project feasibility.

Criteria 2: Cost Effectiveness of MEA investment.

Simple payback is the time, in years, it will take to recover the initial investment in an efficiency measure through energy cost savings. The formula for simple payback used in the application is the cost of the project divided by the anticipated annual energy savings, in dollars per year.

$$\text{Project Cost \$} / \text{Total Annual Energy Savings \$} = \text{Simple Payback (Years)}$$

Costs associated with non-energy measures (i.e., administrative, or indirect costs, etc.) that do not result in energy savings should not be used in estimating the simple payback. If leveraged (non-MEA) funding will be used to implement efficiency measures (AOI1) or additional PV system capacity (AOI2), this portion of funding should be included in Project Costs and the resulting savings should be included in Annual Energy Savings.

Criteria 3: Past performance in complying with the Program requirements (if applicable).

Regarding any prior awards made to an applicant under the prior Low-to-Moderate Income Energy Efficiency/Energy Efficiency Equity Grant Program and Solar Energy Equity Program, MEA will consider the execution of past projects under an MEA award. Past performance under either program area will be considered for applicants to this FOA. This consideration will include the completed number of upgraded buildings as compared to the proposed number of buildings, the cost effectiveness in aggregate over the grant period, expended award amounts, any extensions necessary to complete a project(s), accuracy and timeliness of reporting, and the results of compliance monitoring (if applicable). This criterion applies only to organizations who have received MEA grants in the past two fiscal years.

Criteria 4: Annual greenhouse gas reductions per dollar of MEA investment. MEA will assess the estimated greenhouse gas reductions per MEA dollar invested.

To standardize the estimation of GHG emission reductions, applicants must complete GHG reduction calculations in the application workbook. Applicants must enter the estimated energy savings for the entire project (not just a single house) in the workbook. Project-level energy savings must be entered in the following units:

- Electricity savings in units of kWh
- Natural gas savings in units of therms
- Propane savings in units of gallons
- Heating oil savings in units of gallons

Criteria 5: Selection of contractors. Area of Interest 2 applications demonstrating that the applicant has engaged solar PV, roofing, and mold remediation contractors for the project at the application stage will receive credit for these arrangements in the review process. As stated in the Additional Requirements section below, applicants that receive an award will be required to demonstrate proof of contractor engagement within 30 days of award notification. This helps to ensure timely deployment of the Program at the Grantee level.

Required Application Documents Checklist

- Completed combined AOI application workbook (instructions are contained in the workbook on the Program website.)
- W-9 form: If selected for an award, this is the name and address that will be listed on the grant agreement and the name of the entity to which reimbursement payments will be made. There is a separate section for grant management contact information.
- Official letter of good standing from the [Maryland Business Express website](#)
- For non-profit organizations: [IRS determination letter](#) showing proof of non-profit status
- Sample energy audit report or energy savings estimate and/or sample solar system design report based on the intended project type. Sample reports are the minimum requirement. If an applicant has actual reports for proposed buildings, it would be preferred.
- Conflict of interest form if applicable

- Proof of leveraged funds that are awarded, or applied for, ie: utility, non-utility, and matching funding programs, if applicable. Examples include, but are not limited to, award letters, award agreements, and memorandums of understanding (MOUs)
- Letters of support are encouraged and not required
- Documentation of a negotiated indirect rate, if applicable

Review Process

As this is a competitive program, all applications will be reviewed in comparison to one another using the review criteria described above. The program manager(s) will assemble a Grant Review Team of at least 3 qualified MEA program managers, energy specialists or other professionals with relevant experience that may include individuals from outside MEA at the program managers' discretion.

For AOI1 applications are considered competitively within the defined regions. AOI2 applications are considered competitively statewide. Each application that MEA receives is reviewed in its entirety by all members of a grant review team. Once initial reviews are completed by each team member, the grant review team will meet to come to a consensus on which projects will be recommended for funding. MEA reserves the right to consider applications as submitted with or without requests for additional information based on volume of applications received. If additional information is requested a response from the applicant is expected within 72 hours of the request being sent.

Partial or Scaling of Awards

Partial awards are possible under the Program. Awards may be scaled either down in the case where there are more requests for funds than available funding, or up in the case where funds available for a specific region are not fully depleted (for AOI1). For the purposes of the Program, "scaling a project" means increasing or decreasing the number of homes and buildings being served, or measures installed as part of a grant awarded under the Program. The considerations for awarding a partial grant award are as follows:

- Whether the proposed project is still feasible if scaled.
- Whether the applicant has been recommended for awards in other regions under this Program (for AOI1).
- Project size.
- Project type.
- Any possible regional impact on energy equity.

Additional Requirements

1. All energy efficiency projects funded through the Program must comply with the relevant provisions of the current version of the International Energy Conservation Code being enforced in Maryland

2. All work performed pursuant to the Grant shall comply with all applicable local, State, and federal building codes and standards, and other applicable requirements.
3. Awardees must provide proper certifications, licenses, and insurances for parties working on the projects within 30 days of an executed grant agreement. Awardees must update MEA accordingly when involved parties change. All work must be completed by contractors and/or staff holding all necessary certifications and licenses to work in Maryland.
4. Awardees are required to provide a certificate of insurance, naming Maryland Energy Administration as the additionally insured within 30 days of an executed grant agreement.
5. Awardees under AOI2 must demonstrate proof of solar PV contractor commitment to the project within 30 days of award notification.
6. MEA encourages applicants to focus on residential households that are ineligible for assistance through the Weatherization Assistance Program (WAP) or the EmPOWER Maryland Limited Income Energy Efficiency Program (LIEEP) run by the Department of Housing and Community Development (DHCD) whenever and wherever possible.
7. Homes will need to be reviewed by Historic Trust Preservation specialists. MEA will provide a Historical Trust Preservation waiver for the scope of work for AOI1. Under AOI2 grantees must provide project addresses to MEA, who will assist with the review process.
8. Awardees under AOI1 must assess properties for their potential for a solar PV installation and indicate this potential within the Monthly Reporting Attachment. See Appendix A for more detail.
9. Awardees under AOI2 Category 2 must provide to MEA a sample Power Purchase Agreement document within 30 days of award notification.
10. Upon request by MEA, Grantee shall provide a list of all homes, buildings, and residences upgraded using funds from this Grant.
11. Requests for amendments to an executed grant agreement must be submitted through the link on the Program webpage.
12. If selected for award and to ensure the secure transmission of grant funds, grant recipients of MEA funding are generally required to receive electronic payments from the State of Maryland. Electronic payments are set up through the State of Maryland's Comptroller's Office. Grantees must fill out and submit the "ACH/Direct Deposit Authorization for Vendor Payments Form X-10" to the Comptroller's Office via the submission methods outlined on the form. ACH/Direct Deposit Authorization for Vendor Payment Form X-10 should **not** be sent to MEA. Failure to submit ACH/Direct Deposit Authorization Form X-10 may result in award reimbursement being delayed. If an applicant is unable to receive ACH/Direct Deposit payments, MEA reserves the right to provide an exception to this requirement on a case-by-case basis, at the sole discretion of MEA.
13. Reporting and invoicing are required monthly. Reporting must be submitted using the Monthly Reporting Attachment (MRA) template provided by the Program. Reporting is due by the 10th of the following month in all cases regardless of the extent of work completed or costs incurred.

Submission Instructions

MEA encourages the use of emailed applications to streamline processing and reduce environmental impacts. If an applicant is unable to apply electronically, please contact MEA at 410-537-3072 no later

than ten (10) business days prior to the application submission deadline to determine an alternative method to submit an MEA Program application.

Applications must be submitted no later than **December 18, 2025, by 3:00 P.M. EST.**

Guidance for Submission:

1. Unless the Applicant has contacted MEA regarding an alternative application method, email application and all supporting documents to residentialenergy.mea@maryland.gov.
2. The application form should be saved as an XLS file. All supporting documents should be saved in PDF or DOCX format and be less than 10 MB in size. Any file more than 10 MB may not be reliably delivered.
3. Please include the name of the applicable fiscal year in the email's subject line, followed by the applicant organization's name (for example: "FY26 - XYZ Foundation").
4. If an application is submitted in parts, please number each email submission (i.e., Part 1 of 3, Part 2 of 3, etc.) so that MEA can verify that the entire application is received.
5. Please be sure to omit any personally identifiable information (PII) in the application. Examples of PII include homeowner names, social security numbers, and phone numbers.
6. The application must be signed by an authorized signatory from the Applicant Organization, even if the application is being submitted by a representative from outside of the Applicant Organization.
7. Each applicant will receive an email from MEA confirming receipt of their application. If an applicant does not receive an email confirming the submission within one (1) business day of submission, it is the applicant's responsibility to contact one of the Program Managers, Angel Saules (angel.saules@maryland.gov) to ensure that their application was successfully sent from the applicant's organization's email system and received by the MEA Program team.

Questions

Questions can be directed to Program Manager:

- Angel Saules, angel.saules@maryland.gov, (443) 814-0368

Appendix A – Minimum Requirements for Measures

Area of Interest 1

These provisions apply to all project types under AOI1:

- All building shell improvements shall be completed by a BPI-certified contractor or supervised by a BPI-certified auditor.
- Projects may not replace fossil fuel-powered equipment with new fossil fuel-powered equipment.
- Repairs to existing fossil fuel-powered HVAC and water heating equipment are eligible if the repairs improve safety or improve the system's efficiency.
- A dwelling unit may only receive upgrades funded by the Program **once** unless a special request is made and an exception is granted by the Program. Exceptions are at the discretion of the program.
- For projects that involve fuel switching, grantees must inform participating households of the post-retrofit energy and cost implications of fuel switching. Projects involving fuel switching must result in a post-retrofit net energy cost savings for the resident, based on current energy prices.
- For retrofits to multi-family buildings, the energy cost burden must not shift from the building operator to the occupants unless there is an overall net energy cost reduction for the occupants. This outcome must be documented using current energy rates.
- Grantees shall ensure that any dwelling unit receiving energy efficiency upgrades and weatherization services under the Grant has not received the same energy efficiency upgrades or the same weatherization measures proposed in the Grant through another program.
- Grantees must accurately complete and submit the Monthly Reporting Attachment. For projects involving HVAC replacements, reporting must include Manual J heating/cooling load calculations or equivalent.
- Grantees are required to conduct a preliminary solar screening at each project site where work is conducted under AOI1. This screening will account for the home's roof orientation, pitch, shading conditions, and general roof condition and age. This information will be included in the Monthly Reporting template that grantees submit to MEA.
- Grantees should take photo documentation (geotagged and time-stamped) of major efficiency upgrades at project sites. These include all HVAC system installations and water heating installations. Grantees must provide these photos to MEA upon request.

Whole House/Building Upgrade Projects

Projects must include the installation of cost-effective energy efficiency and weatherization measures for dwelling units in Eligible Buildings. Such measures must be cost effective (SPB \leq 18 years) on a whole home/building basis, based on findings from an energy audit performed by a [Building Performance Institute](#) (BPI) certified energy auditor in accordance with the most recent editions of BPI Standard 1100 (Home Energy Auditing Standard) and BPI Standard 1200 (Standard Practice for Basic Analysis of Buildings). In order to educate building occupants on the audit and upgrade process, the Auditor or

Grantee shall clearly explain test results, recommended measures, and observations, including combustion safety, indoor air quality, mechanical ventilation, utility bill analysis, insulation, air sealing, health and safety recommendations/concerns, and other matters as necessary.

The audit, installation of efficiency measures, and post installation diagnostics shall be performed consistent with the requirements of BPI Standards 1100 and 1200 and any failures addressed.

The following energy efficiency measures are eligible for reimbursement under the Grant when identified as necessary and cost effective in the applicable energy audit report and meeting applicable requirements as listed.

- Projects shall include weatherization of the building shell based upon audit recommendations, unless it can be demonstrated that the dwelling has been weatherized within the last 5 years.
- Air sealing and insulation upgrades
 - Attic insulation shall be upgraded to minimum R60, where possible, following best practices and allowing for space constraints. If R60 is not feasible due to space constraints, adding insulation to achieve a lower R value is acceptable.
 - Air sealing work shall be performed consistent with BPI Standard 1200 to quantify infiltration reduction and assess/correct any health and safety issues.
- HVAC Replacements, Repairs, and Duct Improvements
 - HVAC replacements may only occur in homes that have been weatherized within the last 5 years
 - New HVAC equipment must be ENERGY STAR certified or have equivalent or more efficient specifications.
 - Packaged Terminal Air Conditioner (PTAC) unit replacements (currently not an ENERGY STAR product category) shall have an EER rating meeting the following minimum levels:

Capacity (Btu/hr.)	Minimum EER
8,000 or less	11.8
8,001 – 10,500	11.4
10,501 – 13,500	10.7
13,501 or more	10.0

If these EER levels cannot be met due to the size of a replacement PTAC or PTHP, then the EER must be at least 10% greater than the 2021 IECC minimum value for replacements

- Dual fuel systems are eligible if a new heat pump is being added to provide space heating in tandem with an existing fossil fuel-powered furnace or boiler which only will provide back-up (secondary) heating. The new heat pump must be sized to meet 100% of the home's heating load.

- HVAC replacements projects must conduct a Manual J heating/cooling load calculations (or equivalent) and use Manual S (or equivalent) to properly select the new equipment based on the post-weatherization design loads for the home. These values are required in project reporting.
- Piping for refrigerant vapor (suction) lines shall be insulated to R-3 minimum. Piping insulation exposed to weather shall be protected from damage, including that caused by sunlight, moisture, equipment maintenance, and wind.
- Installation of new, fossil fuel-powered HVAC equipment with MEA funding is prohibited
- HVAC tune-ups are eligible but may not exceed \$325 per home. If replacement parts are required for simple HVAC system repairs to restore the HVAC system to a proper operating condition that improves system efficiency, up to an additional \$625 may be spent on parts for this purpose. The overall limit for a qualifying tune-up and repair project is \$950.
- Repairs to existing fossil fuel-powered HVAC equipment are eligible if the repairs improve safety or improve the system's efficiency. The cost limits in the prior bullet apply.
- HVAC filter replacements are eligible. New filters should have a pressure drop designed to work with the existing blower's static pressure.
- Duct System Sealing and Insulating
 - Duct sealing and/or insulating ducts in unconditioned spaces are eligible measures.
 - Duct sealing work shall include duct blaster leakage tests performed before and after completion of duct sealing.
 - Ducts that leak to unconditioned spaces or outdoors or affect health and safety shall be sealed with mastic or aerosol spray duct sealant and/or repaired.
 - Accessible supply and return ducts in an unconditioned attic shall be insulated to a minimum of R-8 (where \geq 3-inch diameter) and R-6 (where $<$ 3-inch diameter).
- Water Heater Replacements and System Improvements
 - New water heaters must be ENERGY STAR certified or have equivalent or more efficient specifications.
 - Installation of new, fossil fuel-powered water heating equipment with MEA funding is prohibited.
 - Repairs to existing fossil fuel-powered water heating equipment are eligible if the repairs improve safety or improve the system's efficiency.
 - Hot water pipe insulation (R-3 min.) is eligible
 - Low flow showerheads and faucet aerator installations are eligible. Showerheads and aerators must be WaterSense-certified or have equivalent specifications.
- Appliance Replacements
 - Appliances being replaced must be at least **20** years old and must have been functional within the last year.
 - Appliances installed as replacements must be ENERGY STAR certified or have equivalent efficiency specifications. Eligible appliance types are refrigerators, clothes washers, electric clothes dryers, dishwashers, window air conditioners, freezers, and dehumidifiers.

- For refrigerators and freezers, the maximum reimbursement per unit is \$1,200.
- Fuel switching of appliances from a fossil fuel-powered unit to an electric unit (e.g., stove or oven replacement) is permitted.
- Installation of new fossil fuel-powered appliances with MEA funding is prohibited.
- Lighting
 - Up to twelve (12) LEDs maximum per home may be installed using MEA funding.
 - CFL installation is prohibited.
 - T12 replacements (with LED, T8, or T5) are eligible
- Window repairs, replacements, and upgrades (i.e., interior storms) are an allowable expense as a part of a larger scope of work.
- Enabling Repairs
 - Enabling Repairs are eligible. Enabling Repairs under AOI1 are incidental repairs, health and safety repairs, or upgrades to electrical infrastructure that directly enable a project to be successfully completed. These repairs must directly relate to weatherization or electrification measures being installed.
 - Enabling repairs may include electric infrastructure upgrades necessary to support the installation of a new heat pump, heat pump water heater, or electric appliance.
- Additional Energy Efficiency Measures
 - Additional energy efficiency measures may be approved on a case by case at the discretion of the Program.
 - Approval for any additional energy measure shall be in writing by the assigned program manager.

Limited Upgrade Projects

Such measures must be cost effective. When a single measure is being installed, the SPB must be less than 18 years and less than the expected life of the product or measure being installed. Where applicable, MEA will use the Northeast Energy Efficiency Partnership (NEEP) Mid-Atlantic Technical Reference Manual (TRM) resources to determine anticipated equipment life.

The measures installed in a Limited Upgrade project must adhere to the applicable measure requirements listed in the prior section of this appendix for Whole House/Building Upgrade projects. For example, if a Limited Upgrade project will implement lighting replacements, then a limit of 12 LEDs per house applies and CFL installations are prohibited.

There is one provision for appliance replacements that differs from the measure requirements for Whole House/Building Upgrade projects. Appliances being replaced must be at least **25** years old and must have been functional within the last year.

New Construction or Substantial Rehab Projects

For these project types Program funding may be used to offset the *incremental* cost of upgrading building components to an efficiency level beyond the current energy code in effect in Maryland. The eligible

measures and the corresponding funding amount are listed in the table below. Applicants proposing these project types must complete this table as part of their submission.

Energy audits are not required for this project type. Estimates of energy savings or simple payback calculations are not required for this project type.

Other requirements for new construction and substantial rehab projects include the following:

- New construction projects receiving MEA funding must use exclusively electric systems for space heating, water heating, and appliances.
- Substantial rehab projects are defined as projects in which the work area exceeds 50% of the home's / building's aggregate floor area and where exterior wall framing cavities (where present) are exposed.

Table: Eligible Measures and Reimbursement Amounts for New Construction and Substantial Rehab Projects					
Efficiency Upgrade	Baseline Efficiency Level	Upgraded Efficiency Level	Incremental Cost Allowance	Reimbursement Amount (<i>to be completed by applicant</i>)	Additional Requirements
Whole House Energy Performance using the Energy Rating Index (ERI)					
Improved Energy Rating Index (ERI)	ERI: 51	ERI value for the as-built home less than 51.	<p>\$675 per ERI point below 51.</p> <p>Maximum allowance per house is \$4050 (for an ERI of 45).</p>	$51 - \text{_____ (Project ERI)} * \$675 =$	<p>This cost allowance may not be combined with any others in this table. ERI must be modeled using RESNET accredited software by an accredited rater, confirmed with on-site testing, and registered as a confirmed rating. The ERI scores used to qualify for this incentive must not include the impact of renewable energy.</p>
Mechanical System Upgrades					
HPWH	2.15 UEF HPWH	ENERGY STAR Certified HPWH, and/or UEF value ≥ 3.30 .	\$1,170 per unit	$\text{_____ (# Qualifying HPWHs)} * \$1,170 =$	
High Efficiency	8.5 HSPF2,	≥ 9.5 HSPF2	\$425 per unit	$\text{_____ (# Qualifying HPs)} * \$425 =$	

Table: Eligible Measures and Reimbursement Amounts for New Construction and Substantial Rehab Projects					
Efficiency Upgrade	Baseline Efficiency Level	Upgraded Efficiency Level	Incremental Cost Allowance	Reimbursement Amount (to be completed by applicant)	Additional Requirements
Heat Pump (ducted & ductless)	15.2 SEER2	≥16.0 SEER2 (CEE Tier 2)			
Appliances					
Washing Machine	Non-ENERGY STAR Qualified	ENERGY STAR Qualified (or equivalent product specs)	\$160 per unit	_____(# Qualifying Units) * \$160 =	
Clothes Dryer	Non-ENERGY STAR Qualified	ENERGY STAR Qualified (or equivalent specs)	\$100 per unit	_____(# Qualifying Units) * \$100 =	
Ceiling Fans	Non-ENERGY STAR Qualified	ENERGY STAR Qualified (or equivalent specs)	\$40 per unit	_____(# Qualifying Units) * \$40 =	
Refrigerator	Non-ENERGY STAR Qualified	ENERGY STAR Qualified	\$45 per unit	_____(# Qualifying Units) * \$45 =	
Building Envelope					
For new construction projects no cost allowance is available for envelope upgrades. For substantial rehabilitation projects, MEA will consider above-code insulation levels on a project by project basis.					

Area of Interest 2

The following provisions apply to all projects under Area of Interest 2.

- Grantees must generate a projection of a home's expected household electricity consumption post-PV installation.
- All solar installation projects must include wildlife barriers. Photo documentation of the wildlife barrier installation must be included as back-up to the reimbursement invoice. Grantees that deem there is no risk of wildlife incursion or damage must attest to this in a waiver request, if they wish to exclude the installation of a wildlife barrier for a project site. Waiver requests must

be signed by the solar installation contractor and the grantee, and will be considered on a case-by-case basis by MEA. Solar installations that fail to install wildlife barriers and have not been granted a waiver will not have costs reimbursed by MEA until the wildlife barrier is installed.

- PV systems (both roof-mounted and ground-mounted) must meet all applicable codes and standards including electrical, building, and fire safety, in addition to zoning and utility requirements.
- Grantees must provide MEA with a site plan and system design documents showing PV system layout, wiring pathways, tie-in location, and system specifications within project reporting.
- Grantees must collect photo documentation (geotagged and time-stamped) of PV system installations at project sites. Photos should capture the panels and other system components, and will be required in project reporting.
- MEA publishes a Consumer Protection Plan on the program webpage. Grantees are responsible for providing the link to the Consumer Protection to their customers.