Wes Moore, Governor
Aruna Miller, Lt. Governor
Kelly Speakes-Backman, Director

Funding Opportunity Announcement (FOA) Residential Energy Equity

Type of Program:	Competitive Grant Program
Program Webpage:	FY27 Program Webpage URL
Issue Date:	07/01/2026
Modification Date:	N/A
Application Deadline:	**3:00 PM** ET Thursday, **October 1**, 2026 through the My MEA portal
Application Submission through My MEA:	MEA.maryland.gov
Anticipated Notification of Grant Award or Non-Award:	Winter 2026

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1. Program Purpose:
The Residential Energy Equity Program (Program), is offered by the Maryland Energy Administration (MEA) to support the installation of cost-effective energy efficiency, solar and storage technologies in the single family and multi-family households of Marylanders with low to moderate income.

2. Type of Grant Program
This grant program is offered statewide on a competitive basis.

3. Application Deadline:
3:00 PM ET Thursday, October 1, 2026

4. Program Description:
Applicants may apply for funding to deliver applicable technologies through three program Areas of Interest (AOIs).
AOI1 is for energy efficiency scopes of work and can be utilized for renter-occupied and owner-occupied homes.
AOI2 is for solar energy and energy storage scopes of work and can be utilized for owner-occupied homes only.
AOI3 is for energy efficient electric appliance installations in renter-occupied and owner-occupied homes.

Applicants may apply for one, two or all three AOIs.

5. Program General Provisions:
MEA will enter a grant agreement with the grantee that includes standard requirements referred to as "Program General Provisions". MEA provides a copy of these provisions ("General Provisions v3 2.11.22") on its website here[1], and is provided as Attachment A to this FOA.

6. Law and Regulations:
MEA grant programs funded by the Strategic Energy Investment Fund (SEIF) are subject to section 9-20B-05 of the State Government article and the regulations found in COMAR 14.26.02. To access these regulations, click here[2] and use the sidebar "Regulations by Title" to navigate to: 14 - Independent Agencies → 26 - MARYLAND ENERGY ADMINISTRATION → 02 - Maryland Strategic Energy Investment Program.

[1] Grant Agreement General Provisions
[2] Code of Maryland Regulationshttps://dsd.maryland.gov/Pages/COMARSearch.aspx

7. <u>Anticipated Program Budget:</u>
MEA anticipates up to $40,996,905 will be available from the Strategic Energy Investment Fund ("SEIF") for grants awarded under this Program. The total amount awarded may be more or less, depending on the funding sources, the amount available and restrictions on each funding source, and the number and quality of applications received.

The initial budget is anticipated to be:
AOI1 $33,396,905,
AOI2 $6,000,000 ($1,000,000 of which is for energy storage) and
AOI3 $1,600,000

See Section 10 "Eligible Activities" and Section 12 "Minimum Eligibility Requirements" below for the allowable uses of funding and restrictions on funding.

8. <u>Grant Amount:</u>
AOI1: To prioritize an equitable distribution across the State, Program funds are allocated to each Maryland region based on the number of households with low-to-moderate income within the respective region. See Figure 1.

AOI1 funding is competitive on a regional basis.
Successful applications in different regions will result in separate awards. The minimum award amount is $105,000 per award. A maximum award amount has not been determined.

AOI2: Program funds are competitive on a statewide basis. The minimum award amount is $30,000. The maximum award amount is $1,000,000. 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.

AOI3: The minimum grant amount is $32,000. A maximum award amount has not been determined.

Regardless of the calculated total grant amount, grant funds are disbursed as reimbursements in arrears and will be limited to eligible expenses with supporting evidence, such as receipts and invoices.

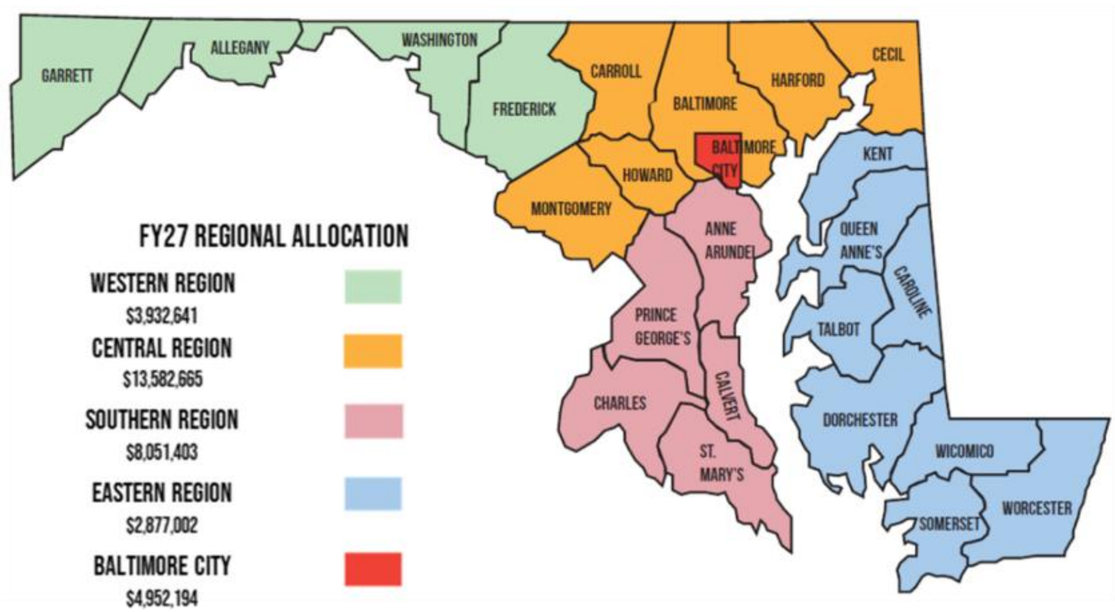

Figure 1: FY27 Regional Funding Allocations for Area of Interest 1

9. Eligible Applicants:
   - 9.1. The following types of entities are eligible to apply:
     - 9.1.1. Incorporated towns, cities, and counties of Maryland
     - 9.1.2. Incorporated Nonprofit entities
   - 9.2. See Section 10 “Eligible Activities” and Section 12 “Minimum Eligibility Requirements” below for the allowable use of funds and restrictions on funding.

10. Eligible Activities:
See additional requirements in Attachment C.

AOI1:
Program funding can be used for energy efficiency and electrification measures in Eligible Buildings as defined in Attachment C. Specific requirements for efficiency and electrification measures, listed in Attachment C, 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

(BPI)[3] certified energy auditor, and shall follow weatherization guidelines set forth in the Standard Work Specifications tool by the National Laboratory of the Rockies[4].

AOI2:
Program funding shall be used for solar photovoltaic (PV) systems and energy storage systems (ESS) 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 to be eligible for PV or ESS.
- Energy storage systems must be paired with an on-site PV system at the dwelling and designed to provide backup power in the event of a grid outage. Pre-existing PV systems already installed at the dwelling are only acceptable if they are less than 5 years old.
- A North American Board of Certified Energy Practitioners[5] ("NABCEP") certified PV Installation Professional ("PVIP") must be directly involved with the design or construction of the solar PV system. 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.
- A NABCEP certified Energy Storage Installation Professional (ESIP) must be directly involved with the design or construction of battery storage systems. Systems be listed and approved for safety.

Specific requirements for PV systems and energy storage systems, listed in Attachment C, must be met.

AOI3:
Program funding can be used for the installation and electrification of certain new major appliances in Eligible Buildings. Specific requirements for appliance upgrades listed in Attachment C must be met.

Additional requirements for Eligible Activities for all AOIs are listed in Attachment C.

[3] https://bpi.org/resources/certifications/all-certifications/
[4] https://sws.nlr.gov/
[5] https://www.nabcep.org/certifications/nabcep-board-certifications/

The Program funding covers 100% of the actual cost of installed eligible measures up to the maximum per home. Funding amounts are detailed in Attachment C. All measures must adhere to the applicable terms listed under Eligible Activities and in Attachment C 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.

11. Ineligible Applicants and Activities:
    - 11.1. Ineligible applicants and ineligible activities under this FOA may be eligible for other incentive programs instead. To learn more:
        - 11.1.1. A copy of the General Notice of Intent for Fiscal Year 27 (FY27) Maryland Energy Administration Energy Programs is available on MEA's website here[6].
        - 11.1.2. A library of Maryland incentive programs for buildings is also available on the Maryland Clean Buildings Hub webpages here:
            - 11.1.2.1. Clean Buildings Hub homepage
            - 11.1.2.2. Clean Buildings Hub financial resources
    - 11.2. Specific ineligible applicants and ineligible activities under this FOA include but are not limited to:
        - 11.2.1. Under AOI2, installation of PV systems under these scenarios:
            - 11.2.1.1. The dwelling unit has not been weatherized and not scheduled for weatherization within 6 months.
            - 11.2.1.2. The building is a multi-family building with more than 4 dwelling units. (Applicants may seek funding sources by checking the MEA renewables webpage https://energy.maryland.gov/Pages/Renewables.aspx.)
        - 11.2.2. Commercial building scopes. Applicants should seek funding sources by checking the MEA Buildings webpage https://energy.maryland.gov/Pages/Buildings.aspx.
    - 11.3. MEA programs will not award grants to projects that violate or conflict with the Fossil Fuels Policy. For more information, please review the Fossil Fuel Policy provided as FOA Attachment B.

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12. Minimum Eligibility Requirements:
To be considered a complete application and to be evaluated as set forth in section 14 “Competitive Evaluation Criteria”, the following requirements must be met:

12.1. **Ability to Comply with General Provisions**: The General Provisions are provided as FOA Attachment A.

12.2. **Ability to Comply with Fossil Fuel Policy**: The Fossil Fuel Policy is provided as FOA Attachment B.

12.3. The applicant must have an established Employer Identification Number (“EIN”, sometimes referred to as a “taxpayer identification number,” or “TIN”) when the application is submitted.

12.4. **Compliance with Relevant Certifications, Licenses, and Requirements**: The Grantee shall be responsible for compliance with the following:

12.4.1. **Authority to Operate in Maryland**: All work performed on behalf of the Grantee pursuant to a Grant Agreement shall be carried out by the Grantee’s staff and contractors holding all necessary Maryland certifications and licenses. Any business or nonprofit organization operating in Maryland with which the Grantee contracts or partners to carry out the purposes of the Grant shall be registered and in good standing with the Maryland State Department of Assessments and Taxation[7], if applicable.

12.4.2. All work performed pursuant to a Grant shall comply with all applicable local, State, and federal building codes and other applicable laws and regulations.

12.4.3. All energy efficiency work must be based on findings from an energy audit performed by a Building Performance Institute (BPI) certified energy auditor, and shall follow weatherization guidelines set forth in the Standard Work Specifications tool by the National Laboratory of the Rockies.

12.4.4. A North American Board of Certified Energy Practitioners[8] (“NABCEP”) certified PV Installation Professional (“PVIP”) must be directly involved with the design or construction of the solar PV

[7] Maryland Department of Assessments and Taxation

[8] https://www.nabcep.org/certifications/nabcep-board-certifications/

system.

12.4.5. A NABCEP certified ESIP must be directly involved with the design or construction of battery storage systems. Systems must receive ESS certification.

12.5. **Nonprofit applicants only**: Ability to provide a letter from the Internal Revenue Service attesting to the tax-exempt status of the organization. If a letter from the Internal Revenue Service attesting to tax exempt status is not available, an applicant may provide alternative documentation for MEA to review on a case-by-case basis.

12.6. **Prior Expenses Restrictions**: MEA will not disburse grant funds for costs incurred prior to the Effective Date of the Grant Agreement unless MEA agrees otherwise in writing.

12.7. **Duplicate Funding Restrictions**: An applicant cannot receive more than one MEA incentive for the same project scope at the same location.

12.7.1. A resident receiving work program funding cannot receive funding from both this program and MEA FY27 Maryland Solar Access Program for solar scopes of work.

12.7.2. A resident receiving work through program funding cannot receive funding from both this program and the MEA Residential and Commercial Energy Storage Program for battery storage scopes of work.

12.8. **Ability to Enter into a Grant Agreement**: Each applicant awarded a grant under the Program must enter into a formal Grant Agreement with MEA, before requesting payment of any grant funds.

12.9. **Grant Implementation Period**: Any project funded under the Program must complete the project, including all milestones and required reporting documents, within approximately 36 months of an executed grant agreement.

12.10. If MEA determines that any activity undertaken violates or conflicts with the Grant Agreement, MEA may rescind the Grant or take any other appropriate action, as determined by MEA.

12.11. **Applicant requesting a grant greater than $1,000,000 only**: The applicant must be able to provide, if asked, the most recent two years audited, reviewed or compiled financial statements.

12.12. **Project Narrative**: The applicant must be able to provide a Project Narrative as described in Section 13 “Required Application Documents”.

12.13. **Implementation TimeLine**: The applicant must be able to provide an Implementation Timeline as described in Section 13 “Required Application Documents”.

13. <u>Required Application Documents:</u>

To be considered complete, an application must include the following documents. Failure to submit any of the required documents may result in the application being considered incomplete. MEA will not consider applications it deems incomplete. Each application to the Program must include the following:

13.1. **Application:** Applicant must provide a complete and accurate application.

13.2. **Self-Verification of Minimum Eligibility**:

13.2.1. The applicant’s authorized representative must sign an attestation of the following:

13.2.1.1. I have reviewed the General Provisions.

13.2.1.2. I have reviewed the Fossil Fuel Policy.

13.2.1.3. I have reviewed all requirements of this program, as specified in this Funding Opportunity Announcement.

13.2.1.4. To the best of my knowledge, all information provided in this application is complete, accurate, and true, and all work performed pursuant to a Grant shall comply with the terms and conditions of the Program, the General Provisions, the Fossil Fuel Policy, and all applicable local, state, and federal laws, regulations, and building codes.

13.2.2. MEA may request documentation confirming the authorized representative.

13.3. **IRS Form W9**: The applicant must provide a complete, accurate, and signed IRS Form W9 for the entity that will be executing the grant. The IRS Form W9 organization name, address, and employer identification number (“EIN”, sometimes referred to as a “Taxpayer Identification Number,” or “TIN”) will be used to execute a grant agreement, if the project is selected for a grant. The applicant's name and address provided on the IRS Form W-9 and on the application must match, and the address must be the billing address (rather than the project installation address or mailing address, if different). A blank copy of the most recent IRS Form W9 can be found on the IRS Form W9 webpage[9].

13.4. **Certificate of Good Standing:** The applicant must provide documentation demonstrating that any business or nonprofit organization operating in Maryland with which the applicant will contract or partner to carry out the purposes of the Grant is registered and in good standing with the Maryland State Department of Assessments and Taxation[10], if applicable. Instructions on how to obtain a Certificate of Good Standing are available on SDAT's website.

13.5. **Nonprofit applicants only**: Applicants must provide a letter from the Internal Revenue Service attesting to the tax exempt status of the organization. If a letter from the Internal Revenue Service attesting to tax exempt status is not available, an applicant may provide alternative documentation for MEA to review on a case-by-case basis.

13.6. **Applicant requesting a grant greater than $1,000,000 only**: The applicant may be asked to provide the most recent two years audited, reviewed or compiled financial statements. An electronic link to audited financials, such as a copy of a single line audit, may be provided in lieu of a hard copy.

13.7. **Project Narrative**: Download the program application workbook from the Program webpage and complete all sections. The workbook includes sections on project description, timeline, funding request, counties to be served, procurement policies, cost effectiveness, greenhouse gas emission reductions, and project scalability.

13.8. **Implementation Timeline**: The applicant must provide an implementation timeline that aligns with the grant period, including all project milestones and required reporting.

13.9. **Letters of Support**: Letters of support from partners are encouraged but

9 About Form W-9, Request for Taxpayer Identification Number and Certification | Internal Revenue Service
10 Maryland Department of Assessments and Taxation

not required.

13.10. **Sample Assessment:** Energy audit/savings estimate for AOI1 and AOI3 and/or sample solar system or storage system design report for AOI2 based on the intended project type.

13.11. **Conflict of interest form:** if applicable

13.12. **Proof of leveraged funds:** if applicable; i.e.: utility, non-utility, and matching funding programs

13.13. **Documentation of a negotiated indirect rate:** if applicable

14. Competitive Evaluation Criteria:

14.1. The Evaluation Team will competitively evaluate each application meeting the Minimum Eligibility Requirements of this FOA using the following criteria ("Competitive Evaluation Criteria"). MEA will base grant selections on the ranking of applications from highest score to lowest score, subject to Program funding availability.

14.1.1. To ensure an equitable distribution of funds across geographic regions, MEA may not select an application for a grant despite its ranking, and the application ranked next may be selected instead.

Application Component	Description	Required or Competitive	Points	Weight
Criterion #1	Project Feasibility and Scope	Competitive	0-2	30
Criterion #2	Cost Effectiveness Maximize investment of MEA $	Competitive	0-2	15
Criterion #3	Past performance in complying with the Program requirements (if applicable)	Competitive	0-2	15
Criterion #4	Annual greenhouse gas reductions per dollar of MEA investment	Competitive	0-2	15

Criterion #5 (AOI2 only)	Selection of contractors.	Competitive	0-2	5
Geographic Reach	Regionally	Competitive	0-2	5
Application complete		Required	0-1	5
Required docs		Required	0-1	5
Timeline	Ability to complete work by grant's end	Required	0-1	5
Total				**100**

15. Review Process:

15.1. MEA will evaluate each application package. The evaluation includes review steps described below.

15.1.1. Program Staff Eligibility Review: The MEA Program Staff reviews the application for eligibility according to Section 12 "Minimum Eligibility Requirements" listed in this FOA. MEA Program Staff may request additional information. An application that does not meet the Minimum Eligibility Requirements will be rejected from grant consideration and the applicant will be notified.

15.1.2. Evaluation Team Member Individual Review: The Evaluation Team will be made up of MEA staff or other individuals. Each Evaluation Team member reviews and scores each application according to the Competitive Evaluation Criteria established in this FOA.

15.1.3. Evaluation Team Group Review and Grant Recommendations: The Evaluation Team convenes for a group review of their scores and makes grant recommendations.

16. Full, Partial, and Augmented Grants:

16.1. A fully funded grant is a grant amount offered that is the amount calculated when the formula described in section 8 “Grant Amount” is applied. The following stipulations apply to fully funded grants:

16.1.1. The funding formula must be applied correctly; if the applicant applied it incorrectly, it will be adjusted.

16.1.2. Funding will be awarded only for eligible measures; ineligible measures will not be funded.

16.2. A partially funded grant is a grant amount offered that is less than the amount calculated when the formula described in section 8 “Grant Amount” is applied. Partial grants are possible under this Program. The following are possible reasons for giving partial grants:

16.2.1. If the program fund balance is insufficient to offer a fully funded grant, there may be one grant that is offered the remaining budget, until grant funds are exhausted.

16.2.2. If funding amount and project outcomes can be scaled down at a proportional rate, one or more grants may be offered partial funding.

16.2.3. There may be additional reasons, at MEA's discretion.

16.3. An augmented grant is a grant amount offered that is greater than the amount calculated when the formula described in section 8 “Grant Amount” is applied. Augmented grants are possible under this program. The following are possible reasons for offering augmented grants:

16.3.1. If funding amount and project outcomes can be scaled up at a proportional rate, one or more grants may be offered augmented funding.

16.3.2. There may be additional reasons, at MEA’s discretion.

17. Payment and Reporting:
The following requirements apply to each grantee:

17.1. Electronic Payments: Participation in MEA grant programs is voluntary. To ensure the secure transmission of grant funds, each grantee is required to receive electronic payments from the State of Maryland. Electronic payments are set up through the State of Maryland’s Comptroller’s Office. Each grantee must fill out and submit the “ACH/Direct Deposit Authorization for Vendor Payments Form X-10”[11] to the Comptroller’s

[11] Maryland Comptroller GAD X-10 Form

Office via the submission methods outlined in the X-10 form. ACH/Direct Deposit Authorization for Vendor Payment Form X-10 cannot be sent to MEA. Failure to submit ACH/Direct Deposit Authorization Form X-10 may result in payment being delayed. If an applicant is unable to receive ACH/Direct Deposit payments, MEA may make an exception to this requirement on a case-by-case basis.

17.2. Reporting and Invoicing: Each grantee must ensure timely and current compliance with the Program's reporting and invoicing requirements. The Program reporting requirements will be specified in the grant agreement.

18. Application Submission Instructions:

18.1. Review the program webpage. Download and complete the program application excel workbook. Gather the required documents from Section 13 of this FOA.

18.2. To apply you must use the My MEA:

18.2.1. Navigate to the My MEA Portal here[12] and select 'Login' on the top right of the page.

18.2.2. Create an account by following the instructions on the page.

18.2.2.1. Complete the questions using your institution's information.

18.2.2.2. You will need to verify your account via email.

18.2.3. On the My MEA home page, click the FY27 Residential Energy Equity Program i.e.

18.2.4. Review the information on the page and select "Apply' when ready.

18.2.4.1. Complete the application with the required information. An application can be saved for later.

18.2.4.2. Upload all the required documents.

18.2.5. Applicants can track application status in the portal and may receive update emails as necessary.

[12] Apply for a program at mea.maryland.gov

19. Questions:
    Applicants can direct questions not answered by this FOA to MEA by sending an email to ResidentialEnergy.mea@maryland.gov. You can also call MEA's main phone line at 410.537.4000.

20. Attachments:
    20.1. Attachment A: MEA General Provisions
    20.2. Attachment B: MEA's Fossil Fuel Policy
    20.3. Attachment C: Additional Requirements
    20.4. Attachment D: Sample Monthly Reporting Attachment

Attachment C: Additional Requirements

Qualifying Resident Income Limits:

Size of Family Unit	Maximum Household Income
1	$85,620
2	$97,810
3	$110,060
4	$124,800
5	$146,320
6	$167,840
7	$189,360
8	$210,880
Each Additional Person	Add $13,450

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 (specific to each Area of Interest) are eligible under the Program:

1. 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).

2. 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.

3. AOI3: single family and multifamily buildings. Residents may be renters or owners. Appliance replacements are permitted within dwelling units, and may also cover common space appliances if specific criteria are met.

Eligible Activities:

AOI1: Program funding can be used for energy efficiency and electrification measures in Eligible Buildings. Specific requirements for efficiency and electrification measures 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 (BPI) certified energy auditor, and shall follow weatherization guidelines set forth in the Standard Work Specifications tool by the National Renewable Energy Laboratory. There are two exceptions to the requirement to conduct an energy audit:

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 reimbursement amounts table below 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.
- 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 or ESS. This can include and is not limited to roof repairs, electrical repairs and upgrades, and health and safety repairs.
- Projects must conform to either Category 1 or Category 2 as defined below. An application must select only one of these categories:

  Category 1: Direct Ownership

  1. Grantee is responsible for design, installation, and commissioning; homeowners will own the panels outright and retain rights to the solar renewable energy credits (RECs).
  2. 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

1. 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).
2. Funding shall be used to prepay for the entire 20-year PPA. There shall be no other payment obligation for the homeowner.
3. Grantee is responsible for design, installation, and commissioning of the system.
4. 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.
5. The Grantee shall sell any Solar Renewable Energy Credits (RECs) generated by the solar systems and deposit proceeds into the Reserve Account.
6. Grantee is responsible for insurance and maintenance for the duration of the agreement, paid for through the Reserve Account.
7. 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.
8. 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

- Energy storage systems must be designed to provide backup power to the dwelling unit during a grid outage. Energy storage systems must be paired with an on-site PV system at the dwelling. Pre-existing PV systems already installed at the dwelling are only acceptable if they are less than 5 years old.

AOI3: Program funding shall be used for the installation and electrification of major appliances in Eligible Buildings. No energy audit is required; however, grantees must conduct all necessary health and safety testing (including combustion safety tests) per BPI Standards based on the appliance replacements being implemented.

- Appliances must be 20 years old or older and be the appliance that is of primary use.
- Appliances eligible for upgrade are refrigerators, ovens/stoves, built-in microwaves, dishwashers, washing machines, and clothes dryers.

- Installed appliances must be Energy Star or equivalent efficiency (documentation required).
- Enabling measures for safe electrification are allowed.
- Old appliances that were removed must be hauled away.

Eligible Project Costs:

AOI1:

- 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.

AOI2:

- A maximum $30,000 per home for PV system design, installation, and commissioning, inclusive of direct and indirect costs.
- A maximum of $25,000 per home for ESS design, installation, and commissioning inclusive of direct and indirect costs.
- Up to $7,500 of the maximum 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.

AOI3:

- A maximum of $3200 per home for a kitchen appliance package
- A maximum of $1500 per home for a washing machine and clothes dryer package
- A $300 allowance is available to cap gas lines for electrification of ovens/stoves and dryers.

For the FY27 Residential Energy Equity Program, the following definitions shall be used:

Cost Effective:

For AOI1 and AOI3, 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.

Project Cost $/Total Annual Energy Savings $ = 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.

Grant Administration Cost:
For the FY27 program, MEA will allow a grantee to claim up to 15% of the awarded grant amount for grant administration costs and indirect costs combined.

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).

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.

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 FY27 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 FY27 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) certifications or North American Board of Certified Energy Practitioners ("NABCEP") certified PV Installation Professional ("PVIP") or Energy Storage Installation Professional ("ESIP") 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.

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 the Minimum Requirements for Measures section below 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. Awardees under AOI1 and/or AOI2 must refer households that are not a good candidate for solar on their property to a community solar provider utilizing the information from the MEA Maryland Community Solar webpage.
11. Upon request by MEA, Grantee shall provide a list of all homes, buildings, and residences upgraded using funds from this Grant.

12. Requests for amendments to an executed grant agreement must be submitted through the link on the Program webpage.
13. Reporting and invoicing are required monthly. For AOI1, reporting must be submitted using the Monthly Reporting Attachment (MRA) template provided by the Program. For AOI2 reporting must be submitted through a web-based form MEA will distribute to grantees. Reporting is due by the 10th of the following month in all cases regardless of the extent of work completed or costs incurred.

Minimum Requirements for Measures

Area of Interest 1

These provisions apply to all project types under AOI1:

- Installed measures shall follow weatherization guidelines set forth in the Standard Work Specifications tool[7] by the National Laboratory of the Rockies.
- All building shell improvements shall be completed by a BPI-certified contractor or supervised by a BPI-certified auditor.
- Upgrades in multifamily buildings may also be applied to common spaces that serve the building residents (i.e., hallways, laundry rooms).
- 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 ≤ 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 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 2024 IECC minimum value for replacements

- Dual fuel applications 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 design heating load. The existing furnace/boiler must be less than 10 years old and in good working order.
- 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 ≥ 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, built-in microwaves, clothes washers, electric clothes dryers, dishwashers, window air conditioners, freezers, and dehumidifiers.
  - For refrigerators, the maximum reimbursement per unit is $1,200.
  - Fuel switching of appliances from a fossil fuel-power 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 MEA.
    - MEA approval for any additional energy measure shall be in writing by the assigned MEA program manager.

<u>Limited Upgrade Projects</u>
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 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 attachment 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.

<u>New Construction or Substantial Rehab Projects</u>
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 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 *(to be completed by applicant)***	**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.	$675 per ERI point below 51. Maximum allowance per house is $4050 (for an ERI of 45).	51 - _____ (Project ERI) * $675 =	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.
Mechanical System Upgrades					
HPWH	2.15 UEF HPWH	ENERGY STAR Certified HPWH, and/or UEF value ≥ 3.30.	$1,170 per unit	_______(# Qualifying HPWHs) * $1,170 =	
High Efficiency Heat Pump (ducted & ductless)	8.5 HSPF2, 15.2 SEER2	≥ 9.5 HSPF2 ≥16.0 SEER2 (CEE Tier 2)	$425 per unit	_______(# Qualifying HPs) * $425 =	
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

<u>Photovoltaic Systems</u>

- Solar photovoltaic systems must have a capacity from 3 kW to 15 kW of direct current and be sized to provide 95% or less of projected electrical needs for the dwelling unit.
- If the system design includes North facing panels, please explain why at time of Maryland Historical Trust review submission.
- Grantees must provide a 12-month electric utility bill history or a 1-year summary including total electric consumption, for homes receiving PV systems installations, prior to invoicing.
- 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.
- Enabling repairs are an eligible project activity under this area of interest. 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.
- MEA publishes a Consumer Protection Plan. Grantees and solar installers must provide a public link to the Consumer Protection Plan on their websites which is available to their customers.

Battery Energy Storage Systems (BESS)

- BESS systems must be integrated with on-site PV systems. Existing PV systems, if used, must be less than 5 years old.
- BESS systems must be designed for resilience and able to island when a power outage occurs. Systems must be designed to maintain critical household functions during outages, including refrigeration for food and medication preservation, communications, operation of common residential medical devices, and the ability to maintain a safe and habitable conditioned space for occupants.
- BESS must be permanently installed, grid connected, and behind the meter.
- BESS systems must meet all applicable codes and standards including electrical, building, and fire safety, in addition to zoning and utility requirements.
- Grantees must provide a fully executed copy of the utility interconnection agreement between the utility and applicant, as well as documentation from the utility that gives the BESS permission to operate.
- BESS systems must include a minimum battery manufacturer warranty period of 10 years and a minimum warranted battery capacity retention of 70% at 10 years.
- BESS systems must include remote monitoring capabilities sufficient to identify system faults, performance degradation, and communication failures.
- Prior to incentive payment, the installer must commission the BESS system and document successful operation. Commissioning shall verify: (1) proper installation in accordance with manufacturer specifications and applicable electrical codes; (2) successful battery charging and discharging; (3) operation of monitoring and communications systems; (4) successful transition to backup power operation during a simulated utility outage; and (5) successful operation of all designated critical load circuits while in backup power mode. For systems paired with solar PV, commissioning must verify proper interaction between the PV system and BESS system during both grid-connected and islanded operation. Grantee must attest that commissioning has been successfully completed in the invoicing process.

Area of Interest 3
The following provisions apply to all projects under Area of Interest 3.

- Projects must include the installation of cost-effective appliance measures in Eligible Buildings. Such measures must be cost effective (SPB ≤ 18 years) on a whole home/building basis.

- Appliances installed as replacements must be ENERGY STAR certified or have equivalent efficiency specifications. Eligible appliance types are refrigerators, built-in microwaves, dishwashers, clothes washers, and clothes dryers.
- Fuel switching of appliances from a fossil fuel-power unit to an electric unit (e.g., stove or oven replacement) is permitted.
- 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 appliance retrofits in 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 must accurately complete and submit the Monthly Reporting Attachment.
- Grantees should take photo documentation (geotagged and time-stamped) of appliance replacements at project sites. Grantees must provide these photos to MEA upon request.