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# Energy Efficiency Capital FY2025 Decarbonizing Schools Program

■ **\*\*\*THIS FOA IS FOR AREA OF INTEREST 2: ENERGY EFFICIENCY CAPITAL\*\*\***

**Area of Interest (AOI) Description:** The Maryland Energy Administration (MEA) is pleased to announce funding under AOI 2: Energy Efficiency Capital (“AOI 2”, “this AOI”) as part of the FY25 Decarbonizing Schools Program. This is a **competitive program** that provides Maryland’s Local Education Agencies (LEAs) with the opportunity to request funding for energy efficiency upgrades and repairs to school buildings. Funding will allow more Maryland LEAs to expand electrification efforts, reduce operating costs, and insert energy efficient equipment into permanent school buildings.. The Program’s overall intent is to facilitate the electrification of school buildings, enhance energy efficiency, reduce lifecycle costs of school buildings and to reduce Greenhouse Gas (GHG) emissions.

AOI 2 grants will be awarded to provide financial assistance to LEA’s seeking cost-savings through electrification-focused energy efficiency improvements to buildings, including weatherization, equipment maintenance, and electrification upgrades including boilers, chillers, and HVAC equipment.

**Eligible Applicants:** State of Maryland Local Education Agencies

**Type of Grant Program:** Statewide Competitive

**Application Deadline:** 3:00 P.M. EST, Friday, January 31, 2025

**Anticipated Funding:** A total of \$12,000,000 is anticipated to be available in FY25. A total of \$7,000,000 is anticipated to be available from the Strategic Energy Investment Fund (“SEIF”). A total of \$5,000,000 is anticipated to be available through the Governors Climate Action Plan funding. The amount awarded may be more or less, depending on the quantity and quality of applications received.

**Application URL:** <https://form.jotform.com/242915800399160>

## **PERIOD OF PERFORMANCE:**

Twenty four (24) months beginning with the date of the award. An extension for good cause may be requested by a grantee and must be justified with written documentation explaining the need for an extension. Extensions are allowed at the sole discretion of MEA.

## **AOI 2 SCOPE OF WORK**

Funds are available to complete a variety of *electrification-driven* energy efficiency projects in school buildings. Examples of eligible projects are summarized below:

- School building upgrades include, but are not limited to:
  - Mechanical systems electrification-driven energy efficiency projects
    - Heat Pump replacements of fossil fueled equipment and other HVAC improvements to non-fossil fueled equipment
    - Hot water, chilled water and steam system management and improvements that do not use fossil fuels or extend the service life of fossil fueled equipment
    - HVAC Replacement
  - Building Envelope measures
    - Insulation, windows, doors, air sealing, etc.
  - Building Controls
    - Building Automation Measures
    - Building Management Systems
- Lighting Upgrades
  - For lighting upgrade projects to be eligible, the applicant must provide a lighting schedule of the current wattage and types of lighting and the proposed type and wattage of the replacement equipment. **Only interior lighting projects** will be considered. Additionally, only the purchase cost of the lighting fixtures is eligible for funding. MEA **will not fund** any costs related to the consultation, design, or installation of lighting systems.
- Incremental Costs of New Construction
  - For new construction projects to be eligible, the project must be designed to improve efficiency above the levels required by the most current version of the energy code in Maryland. Additionally, only the incremental purchase cost of upgrading to a higher level of energy efficiency is reimbursable under the AOI.

**\*Location determination\***: Funding for FY25 Energy Efficiency prioritizes schools in specific census-tracts that meet specific criteria set by Maryland’s House Bill 550, in the 2023 Acts of Maryland and the 2024 ENOUGH Act. A list of approved census tracts can be found on the [MEA website](#) or referenced on the map below. If a potential applicant believes a school may serve a qualifying census tract but is not physically located itself in a qualifying census tract, please contact MEA **PRIOR** to applying to determine program eligibility. **If a school serves one or more qualifying census tract(s) but is not physically situated in a qualifying census tract itself, applicants must provide documentation showing that at least 50% plus one of the students enrolled in the school come from qualifying census tracts.**

**Grants will be given with preference to projects supporting these census tracts based on scoring criteria listed below.**

### **AOI2 BUDGET**

MEA will only reimburse for up to 75% of the total project cost (exclusive of Project Management and oversight costs). LEAs are expected to leverage or match the remaining 25% of project funds through Federal, Local and State incentives and budget.

### **AOI 2 DELIVERABLES**

The following deliverables are expected to be comprehensively prepared and submitted to

accurately record and document all activities conducted during the grant period:

- A grant implementation plan to include the following:
  - Identification of any key LEA staff position(s) relevant to overseeing activities required by the grant, as well as the role(s) of individuals, consultants, etc. who will be responsible for completing the grant-funded work;
  - Outline of the process, including a timeline, by May 1st, 2026; and
  - Explanation of how funding from this grant will be used to meet the scope and deliverables of this grant award.
- Final close-out report outlining progress, identification of next steps occurring after the grant performance period, and a summary of lessons learned and recommended best practices.
- Quarterly progress reports in concert with invoices submitted to MEA.

### ***AOI 2 MINIMUM APPLICATION REQUIREMENTS***

The following requirements apply to each applicant to AOI 2. Each condition must be met for applications to be evaluated and considered for funding, no exceptions.

- Applications are submitted by the LEA
  - Third-parties may not submit an application on behalf of the LEA
- A signature applied to the application by an LEA officer with the authority to commit the LEA to execute the grant's requirements (e.g., Chair of the Board of Education, Chief Financial Officer, General Manager, etc.). This individual should have sufficient authority to identify, authorize, and provide the necessary resources to perform the following activities:
  - direct the energy efficiency upgrades described in this Program announcement and facilitate installation and oversight of construction,
- Consistent with the intent to develop capacity for ongoing efforts, applicants should identify an LEA staff person who will be responsible for overseeing the continuation of the activities outlined in this grant announcement after the end of the award's period of performance.
- Project Site Location(s): The names, addresses, grade level served, and gross square footage of each school building and the requested project type.
- Project Energy Impact: Each project must include engineering calculations demonstrating the amount of energy the project is expected to save annually. This amount shall be provided as kilowatt-hours for electricity, therms for natural gas, and gallons for heating oil.
- Budget: Each application must provide a simple budget outlining how the requested funds will be used. Applicants are encouraged, but not required, to use [MEA Schools Decarbonization Program AOI2 Budget template](#).

### ***AOI 2 COMPETITIVE APPLICATION CRITERIA***

Award selection will prioritize those LEAs that can show the greatest energy reduction and greenhouse gas savings per dollar spent per project. Should funding remain after awards have been made based on the above criteria, applications will then be considered based on the following criteria:

- Justification of how funds will be used to advance or expand activities consistent

- with the Scope of Work where electrification projects are prioritized; and,
- Demonstration of the need for additional capacity to implement energy efficiency measures; and,
- Amount and identification of funding leveraged from other funding sources; i.e. utility rebates, Federal programs, or other grant programs.

**REVIEW PROCESS:**

Applications will be reviewed by a team that may include individuals from MEA, IAC, and other entities with experience in energy, construction, and capital development. Applications will be reviewed using the evaluation criteria and priority factors outlined in this FOA.

**Evaluation Criteria:**

All Applicant’s projects will be evaluated individually based on the following criteria. The highest scoring proposals will be awarded, subject to the program’s funding availability. The highest final score possible is ten(10) divided by the project’s calculated value of dollars MEA spent per metric ton of carbon dioxide equivalent reduced (\$MEA/MTCO<sub>2e</sub>). For example a project that meets all the criteria below (i.e. scores a 10) and requests \$150,000 with a GHG reduction of 500 MTCO<sub>2e</sub> would have a final score of  $10 / (150,000/500) = 0.033$

Criteria	Requirement Type	Requirement/Criteria	Points
Administrative	Minimum	Application submitted by the LEA and signed by an LEA officer with sufficient authority	0-1
Administrative	Minimum	LEA staff person identified for ongoing oversight	0-1
Budget	Minimum	The application provides a simple budget outlining how the requested funds will be use	0-1
Project Site Locations	Minimum	LEA's proposal delivers a detailed description of the schools or infrastructure to be improved by the proposed project(s) and makes a strong, detailed, and well-supported case for the quantifiable and qualitative benefits that the project provides to the school. The proposal must explicitly detail why it is a good investment of State funding and articulate the outcomes the State can expect for its investment.	0-1
Project Energy Impact	Minimum	The proposal includes engineering calculations demonstrating the amount of energy the project is expected to save annually.	0-1
Project GHG Reduction Investment	Competitive	Each individual school project will be evaluated based on the MEA Dollar Award per Metric Ton of carbon dioxide equivalent.	\$MEA/MTCO <sub>2e</sub>

Justification of Funds	Competitive	The proposal includes a justification of how funds will be used to advance or expand activities consistent with the Scope of Work where electrification projects are prioritized.	0-1
Electrification Projects	Competitive	Projects that support the electrification of fossil fueled fired equipment are prioritized	0-1
Additional Capacity	Competitive	The proposal provides a demonstration of the need for additional capacity to implement energy efficiency measures	0-1
Leveraged Funds	Competitive	The proposal identifies and quantifies the amount of funding leveraged from other sources	0-1
Equity Focus	Competitive	Assessment of project's impact on overburdened or disadvantaged communities, with priority given to schools in such areas.	0-1

## **FUNDING**

A total of \$12,000,000 is anticipated to be available for AOI 2.

The amount awarded may vary depending on the quantity and quality of applications received.

Participation in MEA grant programs is voluntary. If selected for award and to ensure the secure transmission of grant funds, grantee 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. Grantee 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 X-10 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 may provide an exception to this requirement on a case-by-case basis, at the sole discretion of MEA.

### ***PARTIAL AWARDS:***

Partial awards may be awarded under this AOI, depending on the number of complete proposals received and associated total grant funds requested. Full grant awards will be made for approved projects, based on rankings of applications, in descending order from highest-to lowest, until grant funds are exhausted. If sufficient grant funds are not available to fully fund a project, the applicant will be given an option to accept partial funding, based on the ability to complete the project with partial grant funding. If the applicant declines, MEA will offer partial grant funding under this same structure to the next qualified applicant until all funding has been expended or all remaining projects have rejected the offer.

## ***EQUITABLE FUNDING ACKNOWLEDGMENT AND APPROACH:***

MEA recognizes that LEAs across Maryland are diverse in their needs, priorities, and financial constraints. Understanding this variability, it is a fundamental objective of the FY25 Decarbonizing Public Schools Program to provide equitable funding opportunities to all LEAs within the state, regardless of their circumstances.

To this end, MEA is committed to ensuring that the allocation of funds under the Decarbonizing Public Schools Program helps address equitable access to clean energy and more sustainable schools. To effectively support communities in Maryland that are disproportionately affected by environmental harms, MEA prioritizes equity. This is particularly relevant in the context of delivering benefits from numerous environmental programs. In Maryland, an 'Overburdened Community' is defined as any census tract where at least three environmental health indicators are above the 75th percentile statewide, in accordance with the criteria established by Maryland's 2022 SB0528. MEA aims to use such designations to help guide policy and allocation decisions to promote health and sustainability.

## ***GRANT PROGRAM SPECIFIC PROVISIONS:***

Projects that include fossil-fuel or other combustion technologies that produce greenhouse gas emissions are typically not eligible for funding.

- Specific examples of projects that would not be eligible for funding under the Program include:
  - Efforts that expand the use of fossil fuel or natural gas technologies, except where meeting one of the exemptions or those efforts are technically infeasible;
  - Expansion of infrastructure that results in an expansion of fossil fuel delivery volume;
  - New installations of fossil fuel or natural gas fired technologies;
  - Projects that result in significant life extension of fossil fuel fired systems, beyond basic health and safety repairs or efforts that enhance efficiency but do not extend the gas system/or fossil fueled fired equipment life. Note: Limited exceptions may be considered where there is no other technically feasible technology or where a source can be demonstrated to be zero emission. Any applications for projects involving fossil fuel should provide evidence that a technical analysis of why electrified or other zero emission alternatives cannot be implemented, this analysis should not be on the basis of operating or capital costs alone.
- While basic health and safety repairs or efforts that enhance efficiency but do not extend the gas system/or fossil fueled fired equipment life are allowable, projects must be part of a project that includes other energy efficiency improvements that reduce or eliminate fossil fuel use.

Exemptions: All exemption requests will be in writing and provide a thorough technical analysis of why electrification and other zero emission technologies cannot be applied from a technical perspective and consider the following:

- Currently available commercialized technologies,
- Ability of locationally specific existing utility infrastructure to support non-fossil fuel

- applications,
- Thorough evaluation of alternatives,
- Mitigation efforts to offset the greenhouse gas emissions of fossil fuel use,
- A description of any efforts to make infrastructure ready for future technologies, such as green hydrogen, or phase out fossil fueled technology in the future, and
- Statutorily directed activities.

Operating and capital costs alone will not be considered justification for any exemption and exemptions will not be approved purely on cost saving opportunities alone.

### **GRANT PROGRAM GENERAL PROVISIONS:**

MEA grant programs, including pilot programs, are covered by general requirements (“General Provisions”) that will be made part of the grant agreement between MEA and a grantee. The General Provisions are available for review on [MEA’s website](#). These General Provisions, Version 3.0, are incorporated into all MEA FY25 Grant Agreements. In addition to the General Provisions, the following funding qualifications apply to the program:

- Funds may be used for physical construction activities, the purchase of materials, or equipment.
- Funds must be used for additional capacity and may not be used to supplant existing activities, including staffing, systems, and other efforts already implemented or contracted for previously. In the review of grant activities for a grant awardee, MEA may request documentation to demonstrate that activities are unique and distinct from an LEA’s baseline activities.
- Funding may not be used for staffing under this AOI
- Funding may not be used for activities already completed but may be used to supplement or expand on those activities.
- An LEA applying solely for NZE must demonstrate that it has already incorporated energy data collection and analysis into its facility management and capital planning efforts.
- MEA grant funds cannot be used to offset costs that were incurred prior to the execution of a grant agreement by MEA.

### **SUBMISSION INSTRUCTIONS:**

Once complete, application packages should be submitted to MEA via the online electronic application at <https://form.jotform.com/242915800399160> or the PDF version via email to [Schools.MEA@Maryland.gov](mailto:Schools.MEA@Maryland.gov). Applications submitted to the direct email inbox(es) of MEA employees will not be considered. **All documents must be submitted no later than 3:00 P.M. EST on Friday, January 31, 2025.** MEA will not accept any application packages after this deadline under any circumstances, and all documents received by the deadline will constitute the entire submission. If electronic submission is not possible, an Applicant should contact MEA via email at [Schools.MEA@Maryland.gov](mailto:Schools.MEA@Maryland.gov) or by calling Program Manager Ryan Kmetz at 443-537-8006 no fewer than fourteen (14) days prior to the deadline to arrange an alternative method of submission.

**CONTACT INFORMATION:**

For more information or assistance, please visit the FY25 [MEA Decarbonizing Public Schools Program webpage](#) or contact:

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