



Wes Moore, Governor
Aruna Miller, Lt. Governor
Paul G. Pinsky, Director

Energy Efficiency Capital FY2024 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 FY24 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 reduce operating costs, and insert energy efficient equipment into buildings and classrooms. The Program’s overall intent is to enhance energy efficiency and reduce lifecycle costs of school facilities, while reducing GHG emissions, on a portfolio-wide basis.

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 as well as advanced controls for each of these measures.

Type of Grant Program: Competitive - statewide

Application Deadline: 3:00 P.M. EST, Friday, March 15, 2024.

Anticipated Funding: A total of \$5,000,000 is anticipated to be available. The amount awarded may be more or less, depending on the quantity and quality of applications received.

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

- Building Upgrades to include, but are not limited to:
 - HVAC Replacement
 - Lighting Upgrades with LED lighting and controls: The application should include a lighting schedule of the current wattage and types of lighting and the proposed type and wattage of the replacement equipment.
 - Heat Pump replacements of fossil fueled equipment and other HVAC improvements

- o to non-fossil fueled equipment
- o Building Envelope measures (insulation, windows, doors, air sealing etc)
- o Building automation measures
- o Building management systems
- o 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
- Incremental Costs of New Construction
 - o 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.

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:
 - o 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;
 - o Outline of the process, including a timeline, by May 1st, 2025.
 - o 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

- 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:
 - o 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.

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. 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; and,
- Demonstration of the need for additional capacity to implement energy efficiency measures.

FUNDING

A total of \$5,000,000 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.

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.

PARTIAL AWARDS:

In general, partial awards are not anticipated under this program. Awards will be distributed until funds are exhausted. In the case where the remaining funds are insufficient to fully fund an additional qualified project, a partial award may be offered.

EQUITABLE FUNDING ACKNOWLEDGMENT AND APPROACH:

MEA recognizes that EAs across Maryland are diverse in their needs, priorities, and financial constraints. Understanding this variability, it is a fundamental objective of the FY24 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 FY24 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 email to 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, March 15, 2024.** 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 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 FY24 [MEA Decarbonizing Public Schools Program webpage](#) or contact:

Ryan Kmetz

Program Manager, Schools Decarbonization Program

ryan.kmetz@maryland.gov