



**Maryland**  
**Energy Administration**

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

## **Funding Opportunity Announcement**

### **Energy Efficiency Capital**

### **FY2026 Decarbonizing Schools Program**

**\*\*\*This FOA is for Area of Interest 2: Energy Efficiency Capital\*\*\***

#### **Program Purpose: Area of Interest 2**

This is the funding opportunity announcement for AOI 2: Energy Efficiency Capital (“AOI 2”, “this AOI”) as part of the FY26 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 and electrification 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 energy efficiency and electrification improvements to buildings, including weatherization, equipment maintenance, and electrification upgrades including boilers, chillers, and HVAC equipment.

**Type of Grant Program:** Competitive - Statewide

**Application Deadline:** 3:00 P.M. EST on Friday, November 21, 2025.

#### **Anticipated Funding**

A total of \$15,000,000 is anticipated to be available in FY26. A total of \$10,000,000 is anticipated to be available from the Strategic Energy Investment Fund (“SEIF”). Additionally, a total of \$5,000,000 is anticipated to be available through the Dedicated Purpose Account to advance the state’s Climate Plan. The amount awarded may be more or less, depending on the quantity and quality of applications received.

#### **Eligible Applicants**

State of Maryland Local Education Agencies.

**Application URL:** <https://form.jotform.com/251605585653159>

### **Period of Performance**

Expected period of performance: Twenty-four to twenty-seven (24-27) months, beginning with the effective date of the executed grant agreement. 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.

### **Eligible Activities**

Applicants are eligible to submit one or more applications. An application should represent only one project at a single location (i.e. HVAC replacement at an elementary school, building control upgrade at a high school, lighting replacement at a middle school). Each application submitted will be reviewed, evaluated, and awarded individually by the evaluation team. The review and ranking process will prioritize awarding one grant per eligible applicant. Additional awards may be made to applicants only if there is remaining budget after the initial awards.

Funds are available to complete a variety of electrification and energy efficiency activities in school buildings. Examples of eligible activities are summarized below:

- School building upgrades include, but are not limited to:
  - Electrification updates to mechanical systems
  - Replacing fossil-fueled HVAC, heat pumps, and other equipment with non-fossil fueled equipment
  - Improvements to hot water, chilled water, and steam systems to avoid fossil fuels
- Building envelope measures
  - Installation of insulation, replacement of windows and doors, air sealing, etc.
- Building controls
  - Integration of building automation measures
  - Integration of building management systems
- Lighting upgrades
  - **Note:** Applications for lighting upgrade activities will be deprioritized in this funding cycle. Should remaining funds exist after all other applications are scored and awarded first, applications for lighting upgrade activities will be scored and awarded using the criteria outlined in this FOA.
  - 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.
  - 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 activities to be eligible, the activities 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 this AOI.

### **Ineligible Activities**

- Activities that include fossil-fuel or other combustion technologies that produce greenhouse gas emissions are typically not eligible for funding. Limited exceptions may be considered where there is no other technically feasible technology or where a source can be demonstrated to be zero emission. You must contact the MEA Program Manager in writing if seeking funding for fossil-fuel technologies.

### **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 June 1st, 2027
  - 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.

### **Environmental Justice**

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 FY26 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. Funding for FY26 AOI2 Energy Efficiency prioritizes schools in specific census-tracts that meet specific criteria set by § 9-20B-05 of the State Government Article of the Annotated Code of Maryland. The school must be located in a census tract designated as “overburdened” or with an income at 80% or below of the median income for the State, which can be referenced using Maryland Department of Environment’s MDEnviroScreen Tool, in order to be prioritized under this AOI. This is one of the competitive evaluation criteria - not a minimum eligibility criterion.

A list of approved census tracts can be found on the [MEA website](#) or referenced on the [MDEnviroScreen Tool](#). Applications with project sites located in these census tracts will be awarded additional competitive evaluation points, based on scoring criteria listed on pages 7-8.

**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 in order to receive the competitive evaluation points.** 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 eligibility.

### **Direct Pay Incentives from the Federal Government**

Tax-exempt LEAs and governments may be eligible for substantial direct pay reimbursement towards the cost of the design, materials and installation of ground-source heat pumps, per the [federal Investment Tax Credit](#). The amount a project may be eligible for varies depending on the details of the project, location etc but may amount to 30 to 50% or more of a project's costs subject to IRS requirements. A full list of rules and regulations is listed on the IRS [website](#). While MEA cannot provide tax advice, we recommend LEAs discuss with their financial office and geothermal consultants.

MEA will evaluate and award applications for ground source heat pumps regardless of the availability and eligibility of the tax credit. Applicants may request the full project costs from MEA, however, if a grantee claims the federal tax credit for a project awarded under this Program, the remaining, unused grant funds can be used to support additional eligible activities of the applicant's choice, with MEA approval.

### **AOI 2 Minimum Application Requirements**

The following requirements apply to each application for 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 applicant 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 activities and access the necessary resources to implement the grant agreement.
- 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.
- Budget: Each application must provide a simple budget outlining how the requested funds will be used. Applicants are encouraged, but not required, to use the MEA [Schools Decarbonization Program Budget template](#).
- Site Location: The names, addresses, grade levels served, and gross square footage of the school building and the requested activity type.
- Project Energy Impact: Each application must include engineering calculations demonstrating the amount of energy and cost avoidance the project is expected to save annually and over the lifetime of the technology.
  - This amount shall be provided as kilowatt-hours for electricity, therms for natural gas, and gallons for heating oil.

## **AOI 2 Competitive Application Criteria**

Award selection will prioritize applications that show the greatest value of metric tons of carbon dioxide equivalents avoided over the lifetime of the technology per MEA dollar requested. Additionally, applications for activities that support the electrification of fossil-fueled fired equipment will be prioritized.

Applications will be considered based on all of the evaluation criteria outlined on pages 6-7.

## **AOI2 Funding**

A total of \$15,000,000 is anticipated to be available for AOI 2. The amount awarded may vary depending on the quantity and quality of applications received.

Applicants may submit one or more applications for the aforementioned eligible implementation activities. An application should represent only one project at a single location (i.e. HVAC replacement at an elementary school, building control upgrade at a high school, lighting replacement at a middle school).

The minimum funding request per application is \$50,000. The maximum funding request per application is \$3,000,000.

MEA will only reimburse for **up to 75% of the total activity's cost** (exclusive of project management and oversight costs). Applicants are expected to leverage or match the remaining 25% of funds through federal, local and state incentives and budget.

## **Review Process**

The review of applications will follow a structured, multi-stage process:

1. The program manager will first review each application for eligibility, ensuring it meets the minimum criteria outlined in the FOA
2. Each member of the evaluation team will independently score the application based on the specified competitive criteria
3. The evaluation team will then compile individual scores, finalize overall scores, rank all applications accordingly, and make final recommendations for funding

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. The review process will be guided by the evaluation criteria and priority factors outlined in this FOA. The final grant amount for each application will be made after review of all proposals received and is subject to funding availability for the Program and any relevant statutory requirement applicable at that time.

## **Evaluation and Ranking Methodology**

All applications will be evaluated individually based on the following criteria. Applications for lighting upgrade activities will be deprioritized in this funding cycle. Should remaining funds exist after all other applications are scored and awarded first, applications for lighting upgrade activities will be scored and awarded using the criteria outlined in this FOA.

The highest scoring applications will be awarded, subject to the program's funding availability. All evaluation criteria will be considered concurrently, with metric tons of carbon dioxide equivalents avoided over the lifetime of the technology per MEA dollar requested having the most weight. To score fairly and consistently across all applications, values for the Project GHG Reduction Investment will be normalized on a 0-1 scale, where higher GHG reductions per dollar receive higher scores.

The highest final score possible is 14 and is calculated as follows:

<b>Criteria</b>	<b>Requirement Type</b>	<b>Requirement/Criteria</b>	<b>Points</b>	<b>Weight (%)</b>
Administrative	Minimum	Application submitted by the LEA and signed by an LEA officer with sufficient authority	N/A	
Administrative	Minimum	LEA staff person identified for ongoing oversight	N/A	
Budget	Minimum	The application provides a simple budget outlining how the requested funds will be use	N/A	
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.	N/A	
Project Energy Impact	Minimum	The proposal includes engineering calculations demonstrating the amount of energy the project is expected to save annually.	N/A	
Project GHG Reduction Investment	Competitive	Each individual school project will be evaluated based on the metric tons of carbon dioxide equivalents avoided over the lifetime of the technology per MEA dollar requested. This value cannot be negligible in order for the application to be eligible for award.	MTCO <sub>2</sub> e/\$ MEA	40%
Electrification Projects	Competitive	Activities that support the electrification of fossil fuel fired equipment are prioritized	0 or 1	10%

Justification of Funds	Competitive	The application includes a justification of how funds will be used to advance or expand activities consistent with the Scope of Work where electrification and energy efficiency projects are prioritized.	1-5	15%
Additional Capacity	Competitive	The application provides a demonstration of the need for additional capacity to implement electrification and energy efficiency measures	1-5	15%
Leveraged Funds	Competitive	The proposal identifies and quantifies the amount of funding leveraged from other sources	0 or 1	10%
Environmental Justice	Competitive	The application indicates the project site located in a census-tract with an income at or below 80% of the median income for the State, or in an overburdened community.	0 or 1	10%

### **Partial Awards**

In general, partial awards are 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 application, a partial award will be offered to the applicant based on budget availability.

### **Electronic Payments**

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. Grantees must fill out and submit the "ACH/Direct Deposit Authorization for Vendor Payments Form X-10" to the Comptroller's Office via the submission methods outlined on the 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.

### **Grant Program General Provisions**

MEA grant programs are covered by general provisions that apply to all of its grant programs, the most current version of these General Provisions is [General Provisions v3 2.11.22](#). The latest approved version of this document will be incorporated into all FY2026 grant agreements issued by MEA.

### **Submission Instructions**

**All documents must be submitted no later than 3:00 P.M. EST on Friday, November 21, 2025.**

Once complete, application packages should be submitted to MEA via the online electronic application at <https://form.jotform.com/251605585653159> 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. 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 Kristen Keim at 443-571-6976 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 FY26 [MEA Decarbonizing Public Schools Program webpage](#) or contact:

Kristen Keim  
Program Manager, Schools Decarbonization Program  
[schools.mea@maryland.gov](mailto:schools.mea@maryland.gov)



# Attachment A: Example Calculations

## AOI 2: Energy Efficiency Capital

Below are two hypothetical applications (A and B) with raw values for the given criteria.

### Step 1: Apply Values

Table A: Example Applications

Application	Project GHG Reduction Investment (MTCO <sub>2</sub> e/\$)	Electrification Projects (0-1)	Justification of Funds (1-5)	Additional Capacity (1-5)	Leveraged Funds (0-1)	Environmental Justice (0-1)
A	685 MTCO <sub>2</sub> e/\$250,000 = 0.00274	0	2	2	0	1
B	3070 MTCO <sub>2</sub> e/\$1,000,000 = 0.00307	1	4	4	1	0

### Step 2: Normalize the Calculated Values

- Project GHG Reduction Investment: Min = 326, Max = 365
  - Normalized Value = (Value - Min) / (Max - Min)**

Table B: Normalization

Application	Normalized Project GHG Reduction Investment Score
A	$(0.00274 - 0.00274) / (0.00307 - 0.00274) = 0$
B	$(0.00307 - 0.00274) / (0.00307 - 0.00274) = 1$

### Step 3: Apply Weights

Table B: Weighting Factors

Application	Project GHG Reduction Investment (40%)	Electrification Projects (10%)	Justification of Funds (15%)	Additional Capacity (15%)	Leveraged Funds (10%)	Environmental Justice (10%)
A	$0 * 40\% = 0$	$0 * 10\% = 0$	$2 * 15\% = 0.3$	$2 * 15\% = 0.3$	$0 * 10\% = 0$	$1 * 10\% = 0.1$
B	$1 * 40\% = 0.4$	$1 * 10\% = 0.1$	$4 * 15\% = 0.6$	$4 * 15\% = 0.6$	$1 * 10\% = 0.1$	$0 * 10\% = 0$

## Step 3: Sum the Weighted Scores

Application	Total Weighted Score
A	$0 + 0 + 0.3 + 0.3 + 0 + 0.1 = 0.7$
B	$0.4 + 0.1 + 0.6 + 0.6 + 0.1 + 0 = 1.8$

Results: In the above example, Application B would be more competitive than Application A. Application B would receive funding first based on its higher final score.