

Funding Opportunity Announcement

Commercial, Industrial & Agricultural (CI&A)

FY23 Grant Program

Program Description: The Maryland Energy Administration (“MEA”) is offering the [Commercial, Industrial & Agricultural Fiscal Year 2023 Grant Program](#) (“CI&A FY23 Program” or “Program”) to Maryland commercial, industrial, farms, and other agricultural entities for the implementation of energy efficiency improvement projects to their facilities. Unlike in prior fiscal years when there was a separate program for energy efficiency upgrades in data centers, the CI&A Program will now be available for data centers as a type of commercial facility.

Under the CI&A FY23 Program, there are two areas of interest (AOI). AOI 1 is for the commercial and industrial sector while AOI 2 focuses on the agricultural sector. More information about AOI 1 and AOI 2 can be found below under “Eligible Applicants”.

Type of Grant Program: Non-competitive (first-come, first served to eligible projects)

Application Deadline: Applications are accepted on an ongoing basis until funding is fully awarded **or until February 15, 2023 at 5 P.M.**, whichever occurs first. Earlier application submittals are strongly encouraged in order to have the best chance of obtaining funding under the Program.

Program Budget: The CI&A Program budget in Fiscal Year 2023 is anticipated to be up to \$2,400,000.

Eligible Applicants: The following types of facilities can apply for an award under the Program:

AOI 1: Commercial, Industrial, and Non-profit Sector

- Businesses (registered corporations, LLPs, LLCs, GPs, etc.)
- Manufacturers & Industrial Entities
- Data Centers
 - Eligible data centers must have a data floor facility size of at least 1,000 square feet, and be able to identify, track, and monitor data facility Power Usage Effectiveness (PUE). PUE is the “ratio of the total amount of power used by a computer data center facility to the power delivered to computing equipment”.¹
- Nonprofit Organizations
- Private Schools (Pre-K, K - 12)
- Privately-owned Colleges and Universities
- Other types of commercial buildings may be eligible, determined by MEA on a case-by-case basis.

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<https://www.nrel.gov/computational-science/measuring-efficiency-pue.html#:~:text=PUE%20is%20the%20ratio%20of,center%20and%20dedicated%20mechanical%20room.>

AOI 2: Agricultural Sector

- Farms and Businesses in the Agricultural sector
- Other entities that fall within [North American Industry Classification System \(NAICS\) Code 11](#)

Ineligible Applicants:

- Public Schools (Public school systems are eligible to apply for low-interest loans for energy efficiency projects through [MEA's Jane E. Lawton Conservation Loan Program](#). Public school systems can also apply for grant funding through MEA's [Decarbonizing Public Schools Program](#).)
- Local Governments (Local government entities can participate in MEA's [Maryland Smart Energy Communities](#) program.)

Eligible Application Signatories: To be considered for a grant award, an application shall be signed by an authorized representative of the applicant (i.e., an individual having signatory authority for the applicant organization).

- Contractors shall not apply on behalf of clients.
- A representative of a property management organization must have the authority to make investment decisions for a property to be able to sign the application; otherwise, the application shall be signed by the property owner.

Eligible Activities:

The CI&A FY23 Program is available for projects that increase the energy efficiency of electric and non-electric fuel consumption of existing facilities, or dedicated spaces² within existing buildings.

Examples of possible energy efficiency measures that can be eligible under the Program include, but are not limited to, the following:

- Building insulation and envelope improvements
- Lighting and controls³
- Motors and variable frequency drives (VFDs)
- Heating, ventilation, and air conditioning (HVAC) upgrades
- Refrigeration
- Retro-commissioning or recommissioning
- Energy data analytics and operational changes to improve energy efficiency
- Data center server virtualization, server decommissioning and consolidation, airflow optimization, aisle containment, and uninterruptible power supply (UPS) upgrades
- Building Management Software (BMS)

Ineligible Activities:

- Projects that involve new construction, or a change in the overall functional use of the space (e.g., a renovation from a residential space to commercial space) are ineligible. For questions on this subject, please reach out to MEA using the contact information listed below.

²A dedicated space is a partitioned space within an overall facility with a clearly distinguished purpose from the rest of the facility. If not separately metered for electricity/gas/etc., the Applicant organization must be able to provide detailed energy savings calculations and document consumption of the dedicated space from the overall energy charges of the building.

³Note that lighting paired with controls will be considered one measure under the CI&A FY23 Program. MEA will not provide funding for incandescent, fluorescent (CFL, T5, T8, etc.), or halogen lighting.

- Projects that involve the renovation of existing facilities that have non-operational energy systems, or functional energy systems for which previous operational consumption data is unavailable are ineligible.
- Renewable energy measures are not eligible for funding under the CI&A Program. Applicants employing renewable energy measures may be eligible for funding for these measures from MEA's [Commercial Clean Energy Grant Program](#).
- Fuel switching measures solely for cost savings are ineligible for funding under the CI&A Program. For the purposes of this Program, fuel switching for cost savings is switching from one energy fuel type to another solely for fuel cost reasons with little, negligible, or no net reduction in energy consumption.
- CI&A Grant Program funds cannot be provided for Combined Heat and Power ("CHP") systems. Applicants seeking incentive dollars for a CHP system should instead pursue MEA's [Combined Heat and Power Grant Program](#).
- This Program does not incentivize transportation fuel usage efficiency measures.

Eligibility Minimum Criteria: At minimum, each proposed project must meet the following requirements:

1. Reduce total facility energy (electricity and non-electric (thermal) energy) consumption by at least 20% for AOI 1 or 10% for AOI 2 of baseline consumption on a MMBTU/year basis. If applicable, an application must include both electricity and non-electric thermal energy consumption; it is not possible to submit an application focusing on just one type of energy in a multi-fuel building.
2. Be composed of at least two (2) significant energy conservation measures ("ECMs") that replace or improve existing equipment, technology, or building envelope/materials. To be considered a significant ECM, each measure shall represent at least 15% of the total project costs before the application of rebates, incentives, and other leveraged funds.
3. Be submitted for consideration on a complete application, including accurate energy savings estimates.
 - a. The entire application must be completed, and all required supporting documents must be submitted. Incomplete applications will not be considered for possible award until all missing information or documentation has been submitted to MEA. For any incomplete application, the application will enter the queue at the time that the complete application is received by MEA.
 - b. The Applicant Organization must support the anticipated energy savings of its project through sufficient backup documentation. The preferred method that most fully supports estimated energy savings is through a third-party energy audit of the facility/dedicated space. In order to be deemed eligible, the energy savings estimates must adequately and reasonably support the claimed energy savings.
 - i. While MEA will follow-up to clarify minor questions regarding energy savings estimate methodology, any energy savings estimates deemed to be missing or insufficient may result in an application being categorized as ineligible by MEA.
4. Must be cost-effective—where cost-effectiveness is defined as an overall aggregate simple payback of the energy efficiency measures before the application of rebates, incentives, and other leveraged funds of up to a maximum of twenty (20) years, depending on the type of energy measures being proposed. All measures must have a payback shorter than the expected lifetime of the installed equipment. MEA typically uses the [Northeast Energy Efficiency Partnerships \(NEEP\) Mid-Atlantic Technical Reference Manual⁴](#) to establish the anticipated life of equipment. While other resources may also be used, MEA reserves the right to determine acceptable payback periods.
5. MEA, working with MEA's technical assistance contractor, will review applicant energy savings assumptions and may choose to independently calculate savings benefits for the proposed project. Should MEA's energy savings estimate calculations vary from the applicant's estimates submitted with the application, MEA will use MEA-generated savings estimates to determine Program eligibility. In this circumstance, an Applicant may request a debriefing to understand the differences in energy savings methodology.

⁴ <https://neep.org/mid-atlantic-technical-reference-manual-trm-v10>.

6. If a proposed ECM is deemed by MEA to be unable to meet the cost-effectiveness requirement, MEA at its sole discretion may consider the remaining eligible ECMs for funding under the Program, assuming all other eligibility criteria are met.
7. Be located in an existing facility within the State of Maryland which is owned or leased by the Applicant organization;
8. Have a total cost, before the application of rebates, incentives, and other leveraged funds, of at least \$20,000.
9. If located within one of Maryland's five electric service territories (BGE, PEPCO, Potomac-Edison, Delmarva Power & Light, SMECO) that offer commercial EmPOWER utility rebates for energy efficiency measures, applicants must apply to the utility for the eligible rebates available for the proposed energy measures.
10. Project Feasibility - The proposed project must be reasonably able to be completed within eighteen (18) months of the execution of a Grant Agreement with MEA.

Note: To be eligible, an application must include an energy consumption baseline for the facilities or dedicated spaces proposed for upgrade. A baseline should comprise energy consumption data from the most recent twelve (12) consecutive months' utility bills. If necessary, historical energy usage information is often available to the account owner from the utility provider. Applicants must then estimate the energy savings generated by their projects (in kWh, therms, etc.) in relation to these baselines. **Projects that employ electricity and non-electricity ECMs will have their baseline consumptions converted to MMBTUs and aggregated for an overall energy usage baseline.** Baseline consumptions should be expressed in the following units:

- Electricity Measures: kilowatt-hours (kWh)
- Natural Gas Measures: therms
- Propane and Fuel/Heating Oil Measures: gallons (gal)
- Other Fuel Types: Please contact MEA to discuss other fuel types.

Review Process:

The MEA Program Manager will assemble a Program Review Team of at least three (3) MEA staff members. MEA may also utilize technical assistance contractor support to provide analysis at the Program Manager's discretion. All team members will review each complete application, including any analysis completed by MEA's technical assistance contractor. Any recommendation for an award will be discussed by all team members, either in person, via a virtual meeting, or via other electronic means. If the recommendation for a particular project is not unanimous, the recommendation of the Program Review Team will be based on the majority of the MEA Reviewers. The CI&A Program Manager will then make funding recommendations to the MEA Director, incorporating input from the Review Team.

If Program funding is exhausted, the MEA Program Review Team may recommend holding one or more additional eligible projects on a waitlist in case additional funding becomes available before the end of the current fiscal year. However, an application being placed on a waitlist is NOT a guarantee of funding. CI&A FY23 applications not funded by the end of fiscal year 2023 do not automatically rollover into a future fiscal year.

Award Formula:

Area of Interest (AOI) 1: Commercial & Industrial Entities

Award amounts will be calculated at rates based upon two (2) tiers of energy savings, within the confines of the available budget:

- Tier 1 – Corresponds to 20% - 30% reduction in overall energy usage (inclusive of both electricity and heating fuels).

- Incentive Level: Up to 30% of net total energy-related project cost (after the deduction of incentives, rebates, and other leveraged funds), or \$200,000, whichever is lower;
- Tier 2 – Corresponds to over 30% reduction in overall energy usage.
 - Incentive Level: Up to 50% of net total energy-related project cost (after the deduction of incentives, rebates, and other leveraged funds), or \$300,000, whichever is lower.

Area of Interest (AOI) 2: Agricultural Entities

Award amounts will be calculated at rates based upon two (2) tiers of energy savings, within the confines of the available budget:

- Tier 1 – Corresponds to 10% - 20% reduction in overall energy usage (inclusive of both electricity and heating fuels).
 - Incentive Level: Up to 30% of net total project cost (after the deduction of incentives, rebates, and other leveraged funds), or \$200,000, whichever is lower;
- Tier 2 – Corresponds to over 20% reduction in overall energy usage (inclusive of both electricity and heating fuels).
 - Incentive Level: Up to 50% of net total project cost (after the deduction of incentives, rebates, and other leveraged funds), or \$300,000, whichever is lower.

Note: For the purposes of this program, indoor agricultural businesses will be considered under AOI 1 for commercial and industrial entities, and should therefore follow the appropriate AOI 1 application guidelines.

Partial awards

Partial awards may be awarded under the Program. If sufficient funds are not available to fully fund a project, the applicant will be given an option to accept partial funding, based on budget availability, for the project as originally submitted. If the applicant does not accept partial funding for the project, MEA will offer the remaining funding to the next eligible applicant in order of the date the complete application was received. MEA will follow this process until all funding has been expended, or until all remaining eligible applicants have rejected the offer.

Program Changes

Any update (e.g., extension of a deadline) or clarification about the Program, and any corrections to inadvertent errors in the Program information, will be available on the Program webpage. In addition, MEA will communicate clarifications and updates made after the application deadline directly to applicants or grantees, as applicable, by letter or email. The final grant amount for each Grantee is subject to any relevant statutory requirement applicable at that time.

Required Application Documents:

1. **MEA Application Package:** An Excel application form for the Program is located on the MEA [website](#). The application requires energy baseline information.
2. **Energy Savings Documentation:** Applicants must clearly document the proposed energy savings either through an energy audit or through savings estimate methodology outlined in the most recent version of the Mid-Atlantic Technical Reference Manual (“TRM”).
3. **EmPOWER Utility Rebate Application(s)/Letter of Intent:** Applicants located within one of Maryland’s five major electric utility service territories must apply or submit formal intent to apply to the incentives offered by their utilities for eligible ECMs. Applicants who have applied must include copies of their completed applications, and applicants who have not yet applied must submit a letter of intent to apply.

4. **Certificate of Status from the [Maryland State Department of Assessments and Taxation](#) (“SDAT”):**
Applicants must be in Good Standing with the State of Maryland at all times.
5. **W9:** An Internal Revenue Service (IRS) Request for Taxpayer Identification Number and Certification (W9) form is required from the entity applying for grant funds. Please note if selected for award, the applicant name on the grant agreement must match the name on the W9 form. Additionally, once the grant agreement has been signed and funds are encumbered, MEA will not be able to change the federal tax identification number associated with the award.

Submission Instructions:

The Application can be found on the [CI&A website](#).

Please save the completed Application Form with the following filename format: ORGANIZATION NAME_ CIA_ FY23_ APPLICATION. *For example, an Application for “Jane’s Kayak Company” would be saved as “JANES KAYAK COMPANY_ CIA_ FY23_ APPLICATION ”*

Next, send the completed Application and necessary supporting documentation to ci.mea@maryland.gov with the name of the Applicant Organization and “CI&A FY23 Application.” *For example: “Jane’s Kayak Company CI&A FY23 Application.”*

MEA is encouraging the use of electronic applications to streamline processing. If you cannot apply electronically, please contact ci.mea@maryland.gov or call 443-694-3358.

Grant Program General Provisions: MEA grant programs are covered by general provisions that apply to all energy programs. A copy of the General Provisions document is available on [MEA’s website](#); this document will be incorporated into all FY23 grant agreements issued by MEA.

In addition to the general provisions, the following provisions also apply to this Program:

- MEA will not reimburse any costs incurred by a Grantee for a project prior to execution of a Grant Agreement.
- Grant funds are disbursed on a reimbursement basis.
- Extensions to grant completion deadlines will only be granted with sufficient justification and solely at the discretion of MEA.
- While MEA anticipates using the full amount of allocated funds for this program, MEA reserves the right to obligate some, all, or none of the FY23 CI&A budget based on the eligibility of applications submitted.

Questions can be directed to ci.mea@maryland.gov or via phone at 443.694.3358.

Other Program of Possible Interest:

[Jane E. Lawton Conservation Loan Program](#): Low interest energy efficiency loans for eligible applicants.