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FY26 COMMERCIAL AND INDUSTRIAL (C&I) GRANT PROGRAM FREQUENTLY ASKED QUESTIONS (FAQ)

As of December 31, 2025

This document is subject to periodic updates as needed

Q: Will MEA accept applications in which lighting performance is described by density measures rather than annual kilowatt-hours consumed? | **A:** No. Lighting density measures alone are insufficient descriptors of energy consumption, given MEA's need to compile and compare annual electricity consumption totals across different equipment types.

Q: Is onsite solar generation equipment eligible for MEA's FY26 C&I grant program? | **A:** No. The C&I program supports the efficiency upgrade of energy consuming equipment. Solar technology is different in that it displaces utility-supplier power. Please see MEA's [Commercial Solar Grant Program](#).

Q: Are building automation systems or controls eligible for reimbursement under the FY26 C&I grant program? | **A:** No. However, additional score points are awarded to any C&I grant application that includes evidence that the applicant has at least applied for a utility rebate for a specific BAS/controls investment.

Q: Is the cost of repointing bricks to arrest water infiltration considered eligible for grant reimbursement? | **A:** No, the program supports only energy efficiency upgrades that cause a measurable reduction in greenhouse gas emissions (GHGs).

Q: Will program grants defray the cost of extending a facility's air conditioning (AC) distribution system? | **A:** No, the program can only support the upgrade of AC air handler and compressor units. Extending ductwork while retaining the original AC capacity will probably diminish cooling results across the entire distribution system. To compensate, the facility may choose to run the existing AC unit longer at a higher power setting - causing an increase in energy consumption.

Q: Are heat pumps that utilize gas-fired back-up for heating purposes eligible for a grant? | **A:** No, because this would not comport with MEA's Fossil Fuel Policy (see Appendix C of the [Funding Opportunity Announcement](#)).

Q: Can a 501(c)(3) nonprofit organization apply directly or must we partner with the county or another entity? | **A:** The key here is that the entity that owns the property and pays the utility bills is the eligible applicant. As long as those conditions are met, an applicant CAN be a non-profit.

Q: Is a facility addition to a facility owned by a non-profit entity that provides services to populations experiencing low income eligible for a FY26 C&I grant? | A: Yes, assuming that all other technical eligible criteria are met. MEA will recognize a scope fitting this condition as an AOI.2 proposal. However, applicants are asked to complete those sections of the application reserved for new construction/rehab.

Q: Are outdoor athletic field lighting systems (fixtures, poles, wiring, and controls) considered eligible under the lighting/electrical improvement categories? | A: Yes. The lighting fixtures must be owned by the property owner, not the local utility. However, please be aware that a proposal in which ancillary costs exceed the costs of the fixtures themselves won't score well.

Q: Is this a reimbursement based grant requiring pre-approval before any purchases or installation? | A: Yes. To clarify: any procurement commitment made by a grantee PRIOR to the ratification date of their FY26 C&I grant agreement is NOT eligible for reimbursement. In other words, the grant agreement must be in-force before any such procurement is achieved. A successful grant application is one that includes solid documentation of the proposed scope of work, including costs, all preferably in the form of a vendor's bid/proposal.

Q: Does the program require matching funds or cost share contributions from the applicant? | A: Grant values are "pay for performance." In short, applicants seeking grants that conform with AOI.1 or AOI.3 should expect to provide a cost share. This is explained in the FOA. The grant value provided is a proportion of the project's cost basis, and varies with the relative annual savings provided by the proposed equipment. The FOA describes the tiers of grant value corresponding to relative energy savings. The second video also covers this subject.

Q: Can engineering assessments or photometric design work be included as eligible project expenses? | A: Yes, but please be aware that MEA may reimburse a grantee up to \$20,000 for the cost of an energy audit or feasibility study conducted prior to ratification of the grant agreement, but this expense is reimbursable only if the audit/study recommendations are actually implemented. In other words, MEA cannot issue a grant just to pay for the grant/study.

Q: Will MEA issue two separate grants for one proposal, such that one grant covers the cost of an energy audit or feasibility study, while the other defrays the project's installation cost? | A: No. One grant agreement would serve both purposes.

Q: Beyond the technical energy documentation, should we plan to provide ownership/lease documentation, W-9, IRS 501(c)(3) letter, and recent utility bills? | A: Yes, please.

Q: Are there prevailing wage, MBE/WBE, buy America, or environmental review requirements we should prepare for? | A: For a complete explanation of procurement (and other) grantee responsibilities, please see the State's General Provisions.

Q: Can MEA confirm that the program's FY26 budget is still \$8.4 million? | A: That figure is correct.

Q: Please explain the eligibility of building automation systems and controls for grant funding. | **A:** On one hand, our C&I grant funds cannot be applied to BAS/controls installation, because such technology is easily (and often) bypassed in facilities that fail to maintain the appropriate human resource complement needed to operate the system. On the other hand, when a C&I proposal includes a BAS/controls system in its scope of work AND includes evidence that a utility rebate is at least pending for the same, MEA will award additional points to that application's score. MEA makes no distinction between (1) installation of controls vs. (2) optimization of existing controls when performing its evaluation.

Q: We are seeking grant funding to advance an innovative energy solution from the proof-of-concept stage to commercialization. Can this be supported by the C&I grant program? | **A:** Please understand that eligible grant recipients are limited to entities that are seeking to improve the energy efficiency of Maryland-based facilities. Unfortunately, it would be inappropriate use of State funds to underwrite the cost of solutions development, especially when those solutions will accrue to facilities outside the state of Maryland.

Q: How can the C&I Grant Program support electrification of lower-temperature manufacturing and industrial processes? | **A:** In short, the C&I grant program can support innovative industrial technology solutions within certain parameters: (1) Anything that is fossil-fuel fired is not eligible for funding; (2) the energy performance of proposed equipment must exceed minimum (baseline) codes or standards; and (3) applicants are required to quantify energy consumption for both baseline and proposed energy performance.

Q: Can an applicant propose a bundle of energy improvements distributed across multiple buildings? | **A:** Yes, under certain conditions:

- all properties identified in the proposal must be owned by the same entity;
- Whereas the program's [FY26 C&I application template](#) is designed to collect data for one building. Applicants with multiple-building scopes of work are encouraged to draft one customized scope document that represents all of their buildings at once. NOTE that any custom draft MUST present, for each building, the same data that's requested in the application template in tabs 2-5, and 14, plus the data requested on tabs 6-13 as needed when any of these are applicable to the proposed scope of work. PLEASE condense - to the extent practical - the data for multiple buildings into single tables. Use of live (editable) XLSX spreadsheets are preferred for the presentation of tabled data.

Q: Are the costs of system design eligible for funding? | **A:** Yes, within certain limits. Please refer to page 4 of the [Funding Opportunity Announcement](#) for details. Under no circumstances will MEA issue grant funding to pay for audit/assessment/feasibility or design studies if the grant applicant fails to implement the proposed improvements.

Q: Should the budget for proposed scopes of work reflect labor rates prescribed by union or prevailing standards? | **A:** Proposed project budgets are not required to reflect any prescribed labor/wage rate. For definitive direction on this and other contractual considerations, please refer to the State of Maryland's current [General Provisions](#) summary.

Q: When BAS controls are not incentivized by the utility company, how is this handled by the FY26 C&I grant program? | **A:** To best understand this, please see the scoring templates for [AOI.1](#) (existing buildings) or [AOI.3](#) (new construction), as applicable to your situation. Facilities located in utility service territories that do not offer rebates automatically get full points for that criterion in the C&I grant application evaluation. In other words, there is no handicap accruing to applicants with facilities without access to utility rebates.

Q: Are energy storage systems (ESS) eligible for grant funding? | **A:** No. By virtue of statute and appropriations, MEA maintains grant funding streams for energy efficiency separate from renewable energy applications. The C&I grant program supports *energy efficiency* investments. ESS is a technology (usually) ancillary to lighting systems that are ultimately powered by on-site solar power generation capacity, which is designated as a “renewable” technology. Please see MEA’s [Commercial Solar Grant Program](#).

Q: If we installed a new energy efficient chiller and went through our utility EmPOWER program for a custom rebate with M&V, could we get additional grant money now also? Are we too late at this point? | **A:** The key word in this question is “installed.” If something has already been installed, then procurement has already been achieved. Policy establishes MEA’s C&I grant program as an incentive program, which means grants are issued to entities that have not already made a purchase commitment. Stated differently, the grant program does not re-finance previously-acquired assets.

Q: We rent our industrial facility. Are we, as renters, eligible for a C&I grant to upgrade our machine shop, chillers, and other process equipment? | **A:** Pending further interpretation by MEA’s Attorneys General’s office specific to your situation, the [following](#) language is found on page 6 of the FY26 C&I program’s [Funding Opportunity Announcement](#): [Entities representing rented or leased facilities must include a letter of concurrence signed by the property owner stating that:](#)

- (1) The property owner permits the grantee to install the proposed upgrades
- (2) The property owner agrees to ensure that these upgrades to the subject property remain in place and operational for the balance of the equipment’s economic life, regardless of lessee turnover. Additionally, the performance analysis must demonstrate that payback on investment for the proposed improvements is shorter than the balance of term for the lease currently in force. Note: For a grantee that is leasing property, the grant agreement will require the grantee to return grant funds to MEA if the requirements in (1) and (2), above, are not met.

The key here is to provide assurance that the assets financed by grant funds will remain in place for at least as long as their economic lives. What are the odds that the assets funded by a FY26 grant could be up-rooted and moved to another state (or country)?

Q: Are sensor systems for monitoring motors/pumps/machines etc. considered eligible technologies? | **A:** If these motor drives are integral to the daily operation of an industrial or manufacturing process, such that production would cease without the operation of these drives, then sensor, monitoring, or control systems are eligible for grant finance.

Q: Is an infusion pharmacy built to USP 800 standard eligible for grant funding? | **A:** The FY26 C&I grant program is not designed to finance site development or structural fabrication. What can be financed is a scope of work consisting of one or more pieces of equipment or materials that demonstrate energy efficiency performance that exceeds minimum standard codes. Please see pp. 4-5 of the [Funding Opportunity Announcement](#).

Q: How are energy “savings” calculated in new construction? | **A:** All volumetric energy calculations should be demonstrated on an annual basis. “Energy Savings” for any single energy conservation measure (ECM) is the difference between (1) annual energy consumption by that activity if performed by equipment operating at minimum codes or standards versus (2) annual energy consumption for alternative equipment that exceeds minimum standards

Q: What are motor drives? | **A:** The term “motor drives” refers to the family of electric-powered devices that convert electrical energy into mechanical energy, usually through rotational motion. Motor drives serve commercial & industrial building sector applications such as fans, blowers, pumps, air compressors, belt drives, and other conveyors.

Q: What is the period of GHG reduction? How should businesses show GHG reduction? | **A:** We do not ask applicants to quantify their proposed GHG reductions. Instead, applications for existing facilities should include a recent, consecutive 12-month history of energy consumption. For new construction facilities, applicants are asked to model their annual energy consumption. Please see “annual energy savings,” Appendix D, page 14 of the [Funding Opportunity Announcement](#) as well as the scoring templates for [existing facilities](#) and [new construction facilities](#).

Q: Under what circumstances are building automation systems/controls considered eligible for grant reimbursement? | **A:**

- **INELIGIBLE SYSTEMS.** Systems which, at the whim of the facility manager, can be by-passed or overridden while allowing the prime mover (see 1/ below) to continue operations under manual control.
- **ELIGIBLE SYSTEMS.** Those systems/controls upon which the prime movers' intended service would not be deliverable without the system/controls in operation. It is this second scenario in which the system/controls would be eligible for grant reimbursement.

1/ A “prime mover” is any equipment that provides the actual service of heating (such as a furnace or boiler), cooling (such as an air conditioner or chiller), or process work in industrial settings.

