

## Fiscal Year 2024 Commercial, Industrial & Agricultural Grant Program

## **Frequently Asked Questions**

#### **ABOUT THE PROGRAM:**

The Commercial, Industrial & Agricultural Fiscal Year 2024 Grant Program ("CI&A FY24 Program" or "Program") incentivizes investments that reduce energy waste and, where applicable, displace fossil-fuel use in Maryland-based commercial, industrial, and agricultural facilities. For manufacturing and agricultural activities, eligible investments represent equipment that consumes less energy to perform intended work, thus reducing costs per unit or per hour, both currently and as production levels grow. Similarly, energy improvements to commercial, institutional, office, and multifamily facilities reduce the volume of energy needed to sustain occupant comfort and to meet safety or regulatory requirements. Greenhouse gas emissions are reduced proportionately with energy savings and with the displacement of equipment dependent on fossil fuels.

#### FREQUENTLY ASKED QUESTIONS:

Are applicants required to secure utility rebates prior to submitting an FY24 CI&A application? Applicants are encouraged to demonstrate that they have at least applied for a utility rebate, if such rebates are available in the electricity provider's service territory in which the proposed project is to be located.

Is my facility (or farm) a good candidate for a CI&A grant? Farms are eligible, as long as they meet all other criteria as presented in the FY24 CI&A program's <u>Funding Opportunity Announcement</u>.

Do fossil fuel savings count toward qualified energy savings, or just electricity? Fossil fuel savings may be factored into a grant proposal only if the same project provides electricity savings as well. Are monitoring-based commissioning (MBCx), building automation systems (BAS), or programmable logic control (PLC) system projects eligible for award?

Yes, these systems are eligible for a grant award, but only if bundled in the same proposal with one or more additional energy conservation measures (ECMs) that demonstrate enough cash flow from energy savings that they pay for themselves AND for the MBCx/BAS/PLC installation, all within the Program's 20-years-or-less simple payback criterion. To satisfy all the policy prescriptions, the proposed bundle of ECMs must reduce energy consumption AND feature a fossil-fuel to electricity conversion.

Are solar power installations eligible for a CI&A grant?

No. Entities seeking to install solar panels or ground-source heat pumps for onsite power generation purposes should consider MEA's <u>Commercial Clean Energy Rebate Program</u>.

How can I determine what energy improvements are needed by my facility?

- (1) The best and most reliable way to determine potential energy improvements is to obtain a facility-wide energy audit performed by an independent, licensed professional engineer.
- (2) An audit or feasibility study performed by the vendor who sells the recommended equipment is acceptable, but be aware of the potential for commercial bias.
- (3) Industrial/manufacturing applicants can generate their own energy audit for free, if they invest the time needed to complete the <u>Plant Energy Profiler (PEP) spreadsheet</u> developed by Oak Ridge National Labs.
- (4) While it is not sufficient documentation by itself, a free listing of most likely energy improvements for manufacturing facilities can be generated from the U.S. Department of Energy's Industrial Assessment Center online database of energy audits. This web-based tool allows users to qualify searches to generate results specific to an industry, state, size of facility, and other descriptive variables.
- (5) Commercial/institutional building owners may perform their own free, online energy audit by using the U.S. Department of Energy's online <u>Building Energy Score Audit Template</u>.
- (6) Do-it-yourself, free, online <u>energy audit tools for SOME</u> <u>agricultural activities</u> are provided by the University of Louisiana at Lafayette.

Are federal agencies eligible to receive CI&A grants?

Not if the agency owns the property in which the proposed scope of work is to be applied. However, if the agency leases its space from a non-governmental entity, the owner is eligible to apply for a grant..

Can a vendor or consultant facilitate the application process?

Vendors and consulting engineers routinely help their clients in assembling a grant application. NOTE that grants are awarded to the owner of the facility in question, and that owner must sign the application as well as the grant agreement.

What is the Empower Utility Rebate Application/Letter of Intent? Can you explain this in more detail? Rebates are administered by investor-owned utilities (IOUs), such as BGE, Delmarva, PEPCO, and Potomac Edison. Each utility has its own program portfolio and administrative approach. Their websites explain what they offer and how they work. I can say that the overall process for obtaining rebates looks like this: (1) assemble your scope of work; (2) look at what your utility offers in the way of rebates, so you might prioritize the measures that correspond to utility incentives; (3) apply to the utility for the rebate(s) per the utility's instructions; (4) apply to MEA for the CI&A grant BEFORE making a commitment for purchasing the equipment; (5) only after MEA issues notification of a successful CI&A grant award, THEN make the equipment purchase commitment; (6) after installation is complete, follow the utility's instructions for claiming the rebate, if the rebate was in fact approved. At the same time, submit your invoice for CI&A grant funds disbursement per the directions provided in the Funding Opportunity Announcement provided on the program webpage.

If a prospective grant applicant has already gotten approval for a utility rebate, can the applicant come back and apply for a CI&A grant after the fact? (project is already complete and paid for)

You can obtain a letter from the utility stating that you are approved for a rebate, THEN apply for a Cl&A grant. Once you get a grant agreement from MEA, THEN you can make a procurement obligation. **IMPORTANT: MEA cannot issue a grant for a scope of work that was already procured prior to the date of the grant application.** 

Can you discuss electricity vs natural gas savings? Must this be all electricity? Contrast with AOI.2.?

Because of policy direction given to MEA, grant awards per AOI.1 are intended to support measures that result in (1) improved energy efficiency, while (2) displacing fossil fuels. Grants will also incentivize installation of new electric equipment that replaces old electric equipment of lesser efficiency. AOI.2 recognizes that there are sometimes fossil-fuel applications for which an electric alternative is not available or practical. The Funding Opportunity Announcement (FOA) found on the <u>program webpage</u> explains this in detail: in the FOA, see p. 2 and Table 2 on p. 7.

If you've had a grant in past years, can you apply on this round?

Yes!

Can you combine this award with other funding sources?

Yes you can. Other sources may include utility rebates or <u>Jane E. Lawton Conservation loans</u>. Don't forget to read that program's Funding Opportunity Announcement as well!

### **ELIGIBILITY CHECKLIST**

# For all FY 2024 Commercial, Industrial & Agricultural Grant Applicants Maryland Energy Administration (MEA)

## If the answer is "yes" to ALL of the following criteria, then a grant proposal is eligible for consideration.

(Parenthetical references below refer the reader to the corresponding page of the Program's <u>Funding Opportunity Announcement</u> (FOA)

The applicant will use the grant funds to defray the cost of making energy improvements to a qualified building located in the State of Maryland. (p. 1)
The proposed equipment installations or improvements WILL NOT result in expanded or prolonged use of fossil fuels at the site, even if the solution involves more efficient use of fossil fuels (p. 1) Note limited exceptions (p. 7)
The proposal is presented using the <u>application format</u> prescribed by MEA and is submitted in a complete, accurate, and timely manner. (p. 1, p. 8)
The proposal conforms with one of the three Areas of Interest (AOIs) as described in the $FOA$ (p. 2)
No purchase order or other procurement commitment for the proposed scope of work was put in force prior to the date of MEA's notice that a grant has been awarded to the applicant. (p. 11)
The applicant is one of the prescribed entity types (p. 2)
The signatory for the application has signatory authority for the property where the scope of work is to be implemented (p. 3)
The proposed scope of work conforms with the list of "eligible activities" (p. 3)
The application is accompanied by a proper energy analysis or feasibility study that clearly identifies the equipment to be installed and its energy performance relative to the equipment it replaces or compared to alternative equipment that meets only basis energy/building standards or codes (p. 4, P. 8)

The proposed scope of work contains at least TWO (2) significant energy conservation measures (ECMs) (p. 4, p. 9)
The cost of each proposed significant ECM represents at least 15% of the project's total gross cost (p. 4)
The gross total project cost for the proposed scope of work is at least \$50,000 (p. 7, Table 2)
Each individual ECM is cost-effective as demonstrated by an investment simple payback of 20 years or less. (p. 5)
Show that the applicant has at least applied for a utility company rebate to support the scope of work proposed to MEA.
Indicate that the proposed project will be completed within 18 months of the ratification date of the MEA grant agreement.