Maryland Energy Administration

Wes Moore, Governor
Aruna Miller, Lt. Governor
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Funding Opportunity Announcement (V.02)
Commercial & Industrial Fiscal Year 2026 Grant Program

Program Description:
The Maryland Energy Administration (MEA) is now receiving applications for its Fiscal Year 2026 Commercial & Industrial Grant Program (the "Program"). The Program draws its funding from the Strategic Energy Investment Program, established under State Government Article §9-20B-02, Annotated Code of Maryland.

The C&I Program grants are offered to accelerate investment in energy-efficient building technologies by defraying their installation cost. In addition to grant funding, building owners will also enjoy lower utility bills as their energy waste is reduced. Greenhouse gas (GHG) emissions are reduced proportionately with energy savings and with the displacement of fossil fuel-using equipment. MEA welcomes proposals that result in higher energy efficiency performance compared to existing assets or, for new construction, proposals that out-perform assets that meet only minimum prevailing energy codes or standards.

New this year: MEA is offering grants covering 100% of total project costs for qualified energy improvements made to non-governmental facilities with over 50% of their clientele defined as low income populations. See Appendix A for more information.

Type of Grant Program:
The FY26 C&I Program offers grants on a competitive basis to new or existing stationary facilities characterized by any of the following uses: commercial, office, retail, hospitality, institutional, multifamily residences with five or more units, research, laboratory, data centers, private elementary schools, college facilities, factories, material processing facilities, warehouses, or distribution centers. This program does not fund transportation equipment or the installation of solar panels or other measures intended to supplant traditional power and fuel inputs.

Application Deadline: 3:00 P.M. ET, Friday, January 30, 2026

Anticipated Funding:
The anticipated program budget for FY26 is **$8,400,000** with individual award values ranging from a minimum of $20,000 to a maximum of $500,000.

- AOI.1 will have an anticipated budget of $3,000,000
- AOI.2 will have an anticipated budget of $4,000,000
- AOI.3 will have an anticipated budget of $1,400,000

The total number of awards issued will depend on the quantity and quality of applications received. Awards are offered until funds are exhausted. MEA may, at its discretion, reallocate funding between AOIs as it deems necessary.

Areas of Interest:

Applications must conform to one of the following Areas of Interest (AOIs):

AOI.1: EXISTING FACILITIES (General Population) AOI.1 "existing facilities" are those that are already in use and will use the proposed energy improvements to continue the enterprise's same activities. "General Population" describes facilities that are occupied by (or serve) individuals of any income level.
AOI.2: EXISTING FACILITIES (Low Income Populations) AOI.2 "existing facilities" are those that are already in use and will use the proposed energy improvements to continue the enterprise's same activities. "Low Income populations" describes the individuals that comprise the majority, i.e., 50% or more, of people served by the subject facility. See Appendix D of this FOA for population definitions and Appendix A for parameters for facilities that meet this criterion.
AOI.3: NEW CONSTRUCTION "New construction" includes facilities being fabricated for the first time, facilities subject to substantial rehab that includes replacement of major mechanical systems, or existing structures repurposed after one year or more of vacancy.

Fig. 2A: COST BASIS AND AWARD VALUE ELEMENTS, AOI.1

See "Key Concept Definitions," Appendix D

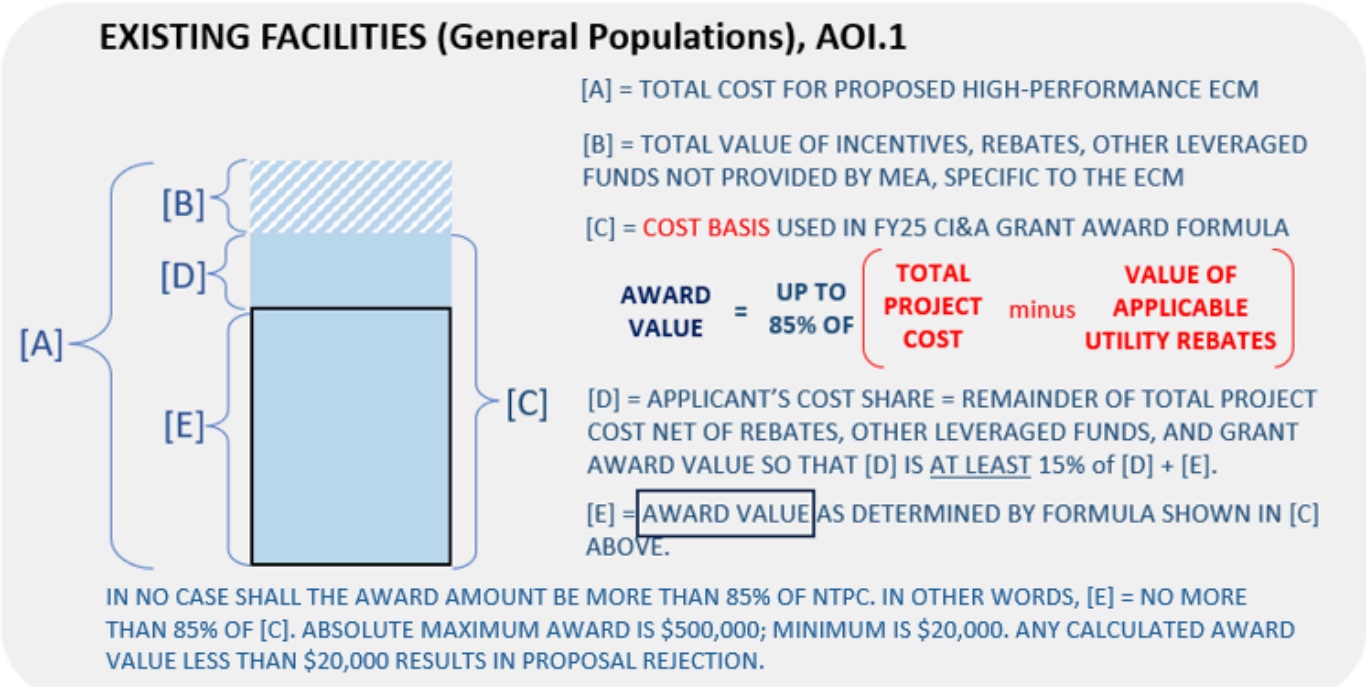


Fig. 2B: COST BASIS AND AWARD VALUE ELEMENTS, AOI.2
See Appendices A and D

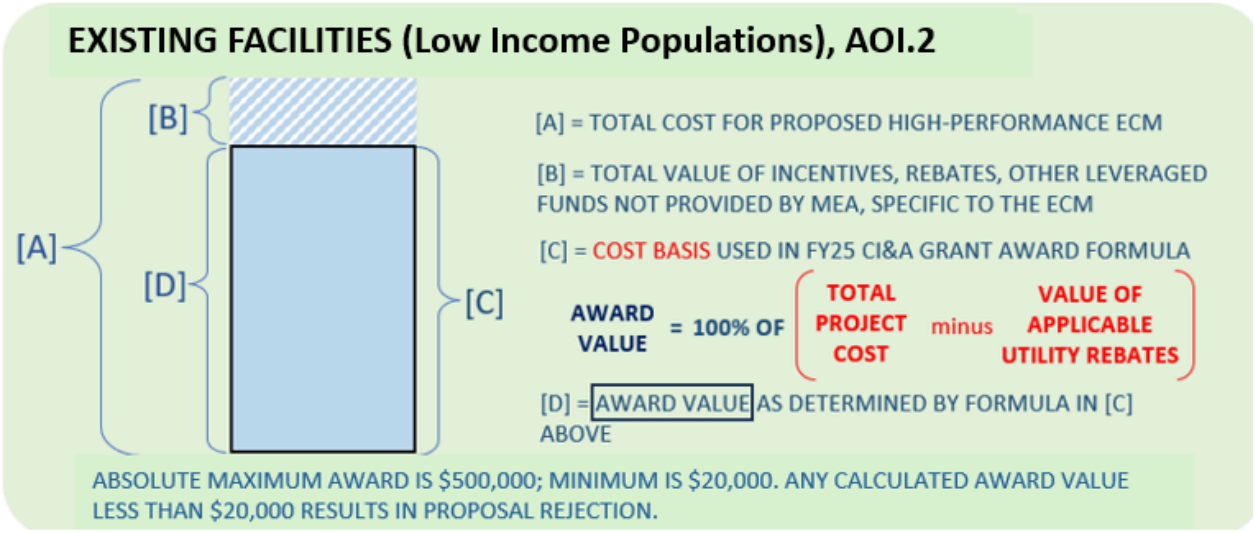
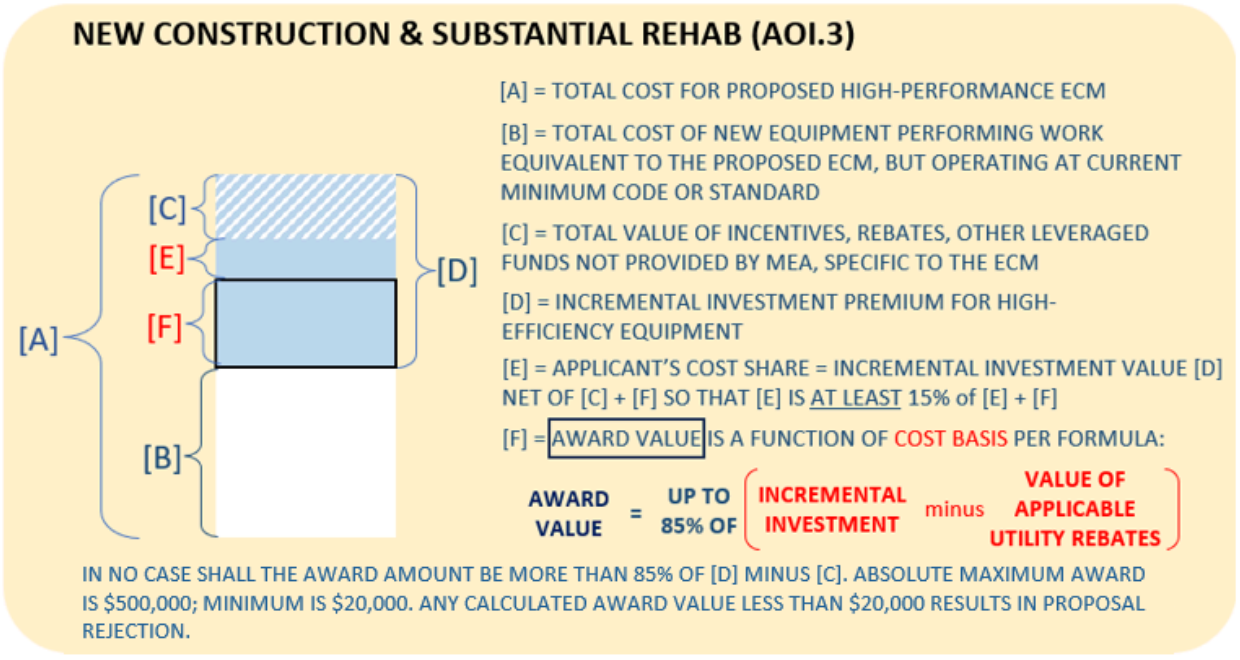


Fig. 2C: COST BASIS AND AWARD VALUE ELEMENTS, AOI.3
**See Appendix D*



Eligible Investments:

Program funds are intended to defray the cost of improvements that enhance energy efficiency and displace fossil-fuel-consuming equipment in dedicated spaces[1] within buildings and stationary facilities. Eligible investments are those that allow facilities to reduce the energy consumption and expenses required to perform intended work, sustain occupant comfort, or meet safety or regulatory requirements. MEA will not reimburse a Grantee for costs incurred prior to the effective date of the grant agreement, except costs of energy audits that reflect the need for the ECM in the project scope.

Both existing and new construction facilities may be eligible. "New construction" includes facilities fabricated from the ground up, substantial rehab of existing facilities that are stripped down to the studs to allow reconfiguration with new mechanical systems, or existing facilities that are repurposed for new activities after a year or more of vacancy.

Examples of costs eligible for award under the Program include, but are not limited to, the following:

- Expenses directly attributable to the engineering, procurement, installation, and commissioning of electrical infrastructure upgrades in existing facilities to the extent that these are required to accommodate new, energy-saving, electrically-powered equipment. Such upgrades may include (but are not limited to) service panel expansion and transformer capacity reconfigurations. The costs of electrical infrastructure upgrades are reimbursable only if at least one energy conservation measure (ECM) is installed as part of the same grant proposal.
- The applicant's costs of obtaining an energy audit or similar report of energy improvement opportunities is eligible for reimbursement, but only if the recommended improvements are actually installed. Note that energy audits or project feasibility studies are the only reimbursable expenses that may be incurred prior to the effective date of a grant agreement. Expenses for energy audits or feasibility studies are reimbursable only if the recommended ECMs are installed. Reimbursement for these expenses for any one application will be $20,000 or the actual billed cost, whichever is less.
- Improvements to a building shell, including insulation, air-sealing, window film treatment, etc.
- Lighting and controls[2]: Lighting upgrades are eligible for grant awards in existing facilities or, in new construction, only when lighting upgrades are made along with other non-lighting upgrades.
- High-efficiency electric motors and variable frequency drives (VFDs)
- Heating, ventilation, and air conditioning (HVAC)
- Refrigeration systems
- Data center server virtualization, server decommissioning and consolidation, airflow optimization, aisle containment, and uninterruptible power supply (UPS) upgrades
- Energy-consuming manufacturing equipment that perform unique industrial process tasks
- Other technologies to be considered by MEA on a case-by-case basis

[1] A "dedicated space" is an area of specific functional purpose, clearly partitioned from the balance of a facility. If not separately metered for electricity/gas/etc., the dedicated space's energy savings calculations must be documented separately from the energy performance of the overall building.

[2] The Program will count lighting paired with controls as a single measure.

For facilities served by two or more types of energy: Any thermal (heating and/or cooling) energy consumption baseline measure must consider both electric and non-electric energy consumption. Proposed thermal energy equipment is considered eligible for award only if it displaces fossil-fueled equipment currently in use and contributes to net energy savings relative to the equipment that it replaces.

Ineligible Investments:

Specific examples investments not eligible for grant reimbursement include:

- Motor vehicles, non-stationary equipment, and all other non-energy, real property investments.
- Solar panels and any other renewable energy applications intended to supplant traditional utility-supplied power and other fuel commodities are funded through MEA's Commercial Solar Grant Program.
- Building automation systems and building re- or retro-commissioning solutions. Extra evaluation points will be awarded to FY26 C&I applications indicating that the facility owner has secured (or has pending) a utility rebate for these measures.
- Mechanical insulation materials are funded through MEA's Mechanical Insulation Grant Program.
- Repairs or upgrades to governmental buildings. Governmental upgrades are funded through the Local Government Energy Modernization Program.
- Repairs of existing equipment.
- Procurement of surplus fixtures or equipment to create inventories for future use.
- Projects that install or result in significant life extension of fossil fuel-fired systems, beyond basic health and safety repairs or efforts that enhance efficiency are NOT eligible for grants. Please see MEA's Fossil Fuel Policy (see Appendix C). Note: Limited exceptions may be considered where there is no other technically feasible technology or where an energy source can be demonstrated to be zero-emission. In no case can proposed fossil fuel applications be justified simply by operating or capital cost savings. Nor does "high cost" to procure or operate constitute a valid waiver to MEA's Fossil Fuel Policy.
- In no case will grants be issued to refinance a scope of work that is already underway or completed.[3]

Exemptions to MEA's Fossil Fuel Policy (Appendix C): All exemption requests will be in writing and provide a clear 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.

[3] "Already underway" is a qualification pertaining to any energy-related scope of work proposed in an FY26 C&I grant application. An energy-related scope is distinct from the balance of facility construction elements such as site preparation, structural fabrication, interior fittings and decoration, etc. An energy-related scope of work can still be eligible for an FY26 C&I grant when non-energy construction elements are "already underway," as long as procurement commitments for the grant-related scope do not pre-date ratification of the FY26 C&I grant agreement.

Eligible Applicants:

Applicants must be registered to do business in Maryland and be in good standing. Entities eligible to apply for grants are businesses entities (registered corporations, LLPs, LLCs, GPs, etc.) or non-profits. *Note that other terms of eligibility exclusive to AOI.2 are provided in Appendix A.* The balance of eligible applicants are:

- entities that own the subject facility in which the proposed activities are to be located; or
- 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.
- Manufacturing or industrial production/distribution/warehousing
- Data center operations
- Office, commercial, service, hospitality, or retail operations
- Private school (Pre-K, K-12) education and administration
- Private college and university education, administration, and recreation facilities
- Multifamily residential buildings containing five or more units
- Other types of non-residential buildings may be eligible, determined by MEA on a case-by-case basis.

Ineligible Applicants include, but are not limited, to the following:

- Federal agencies or facilities owned by the U.S. General Services Administration.
- K-12 Public schools that are funded through MEA's Decarbonizing Public Schools Program.
- Local governments that are funded through MEA's Local Government Energy Modernization (L-GEM) program and/or the Jane E. Lawton Conservation Loan Program.
- Single-family homes or residential structures containing four or fewer dwelling units should explore rebates offered by local energy utility companies.
- Any enterprise located in a residential dwelling or a building served by one or more residential utility meters.
- Mechanical insulation investments are not eligible for FY26 C&I grant awards. However, MEA offers the FY26 Mechanical Insulation Grant Program specifically for this purpose.

Scope of Work:

FY26 C&I program applications are required to include a single document ("scope of work") that consolidates the description of all investments included in the application for a grant award. A collection of vendor bids does not constitute a "scope of work." A proper scope of work itemizes all proposed equipment by type, model number, number of units/fixtures, hours of operation, energy capacity, and annual energy consumption. Grant applicants are expected to construct 100% of the scope of work

described in their proposals. If for any reason the applicant chooses to rescind one or more ECMs from their proposed scope of work, the value of their award is adjusted downward accordingly.

Determination of Application Scores and Award Values:

All applications will be evaluated and scored for quality and accuracy of documentation. MEA will award grants in ranked order, regardless of AOI, by score until the program budget is exhausted. Score tie-breakers, if needed, will be determined by a cost-effectiveness ratio (grant dollars per volume of proposed GHG reduction). MEA provides scoring templates for each Area of Interest: AOI.1, AOI.2, and AOI.3. Each template is used to generate an application score on a range from 0 to 150. MEA will evaluate and score each application as it is received. Ranking of applications by score begins immediately after the application deadline has passed.

MEA will apply higher scores to proposals that include documentation that (1) quantify energy performance improvements superior to prevailing standard energy performance levels defined by current energy/building codes, and (2) provide clear and completed documentation of project costs. Proposals that provide vague descriptions or poorly-documented project costs will be adversely scored, thus ranking low in the sequence of awards being issued. When installing new industrial process equipment, the applicant is required to provide a technical analysis showing the proposed technology's energy efficiency performance compared to that of conventional alternatives.

Total Project Costs and Award Valuation:

Awarded grants provide an "up to" or "not to exceed" dollar figure. The value of disbursed grant funds is a function of the incurred cost basis as documented in paid vendor invoices. Paid vendor invoices serve as back-up to the grantee's invoice to MEA requesting disbursement of grant funds after project completion. Also:

- The lowest gross total project cost (all ECMs combined in a proposal) that MEA will consider for a grant award is $100,000.
- In no case shall an award exceed $500,000.
- MEA reserves the right to reject an application if its calculated award value is less than $20,000.

Individual award values are a function of the proposed scope of work's cost basis, and the annual percentage reduction of GHG tons emissions attributable to the scope of work (see Table 1). *Awards for AOI.2, benefitting Low Income populations, will be the Lesser of 100% of NTPC or $500,000*:

Table 1: FY26 Commercial & Industrial Grant Valuation Formula

AOI.1 AND AOI.3					
TIERS	PROPOSED ANNUAL GHG REDUCTIONS FROM BASELINE		AWARD AMOUNT IS THE LESSER OF		
	FROM	*UP TO*	*CAP FOR TIER*	*or*	*PCT. OF COST BASIS [1]*
1	20%	30%	$200,000	or	30%
2	>30%	50%	$300,000	or	50%
3	>50%	75%	$400,000	or	75%
4	>75%		$500,000	or	85%
AOI.2					
Award value = the LESSER of (1) 100% of NTPC*, with documentation of utility rebate, or $500,000					

[1]	"Cost Basis " = the fundamental proposal value from which award percentages are calculated
a.	Cost basis for existing facility proposals (AOI.1 or AOI.2) = Net Total Project Cost, or sum of all relevant project costs minus the value of any secured utility rebate(s)
b.	Cost basis for new construction or substantial rehab facilities (AOI.3) = the proposed energy-efficient equipment's incremental cost premium relative to the cost of alternative selections that meet only minimum energy performance codes or standards
[2]	Any award value computation resulting in a dollar figure less than $10,000 will result in a rejected application. Entities may submit one application each for multiple sites, but total available FY26 awards are capped at $2 million per entity.
NOTE that the minimum calculated grant value eligible for award is $20,000. If the calculated grant amount is under $20,000, MEA reserves the right to not award a grant. This is due to the level of effort that grant administration entails for all signatories.	

In order to receive a disbursement of grant funds, grantees (for AOI.1 and AOI.3 projects) are required to contribute a cost match equal to the cost basis minus the calculated grant award value. Due to fixed values of State program appropriations, award values cannot be retroactively adjusted upward due to any escalation of project costs. If a grantee wishes for any reason to (1) remove one or more ECMs from their codified scope of work, or (2) substitute any item in the scope with an alternative of lesser efficiency, the value of their potential grant value disbursement may be reduced accordingly. In no case will MEA disburse funds for fossil fuel-using equipment that the grantee wishes to substitute for an electric version as codified in the original scope of work. Any change to grant scope is subject to MEA approval.

MEA provides two FY26 program scoring templates: one for AOI.1 and AOI.2, and another for AOI.3. Each template is used to generate an application score on a range from 0 to 150. Each application will be scored by MEA for quality of documentation. Scores determine the order in which grants will be awarded per AOI.

Review Process:

Applications will be reviewed by a team of MEA programs staff and technical assistance contractors, using the evaluation criteria and scoring templates available as spreadsheet files to be downloaded from

the program's webpage.

Partial Awards:
If remaining program funds are insufficient to fully fund an additional qualified proposal in its entirety, a partial award will be offered to the applicant based on budget availability. If the partial award is not accepted, MEA will offer the residual funding to the next lower-scored applicant in the sequence.

Application Checklist:
The FY26 C&I grant application includes a checklist on its "Signature" tab. This checklist consolidates all application requirements in one place. This is done to facilitate the signatory's distribution of the grant terms and conditions to the parties responsible for project procurement and construction. **MEA strongly recommends that grantees share this Funding Opportunity Announcement with these responsible parties.**

Grant Program General Provisions:
MEA grant programs, including pilot programs, are covered by standardized General Provisions. The General Provisions are available for review on MEA's website. These General Provisions are incorporated into all MEA FY26 Grant Agreements.

Submission Instructions:
Once complete, application packages must be submitted to MEA electronically via email to **ci.mea@maryland.gov. All documents must be submitted no later than 3:00 P.M. ET, Friday, January 30, 2026.** MEA will not accept any applications after this deadline under any circumstances, and all documents received by the deadline will constitute the entire submission.

Contact Information:
For more information or assistance, please visit MEA's Commercial & Industrial Program webpage or contact: Christopher Russell, Program Manager, ci.mea@maryland.gov

Appendix A
LOW INCOME POPULATIONS

The FY26 Commercial & Industrial program's Area of Interest 2 (AOI.2) offers grants covering 100% of documented total project costs for qualified energy improvements made to non-profit, non-governmental facilities with over 50% of their clientele defined as a "low income population." "Low Income" is defined as living at or below 80% of the HUD median family income for the State of Maryland. The applicant must document that it meets the criteria presented in this Appendix A.

In no case will a facility served by a residential utility meter be eligible for an AOI.2 grant. In addition to meeting all eligibility criteria stated above, the campus, building, or dedicated space ("subject facility") identified in the AOI.2 grant application must meet as many of the following criteria as possible:

- The primary purpose of the subject facility is to provide activities and services designed to benefit individuals experiencing low income. In other words, if the applicant could conduct operations in an existing subject facility with less than 50% of its clientele characterized as "low income," the application should be submitted under AOI.1 instead of AOI.2;
- The majority (more than 50%)[4] of the subject facility's energy consumption should be dedicated to areas in which activities and services are conducted for the benefit of individuals experiencing low income;
- The applicant should demonstrate that its services to low income populations represent the majority (over 50%)[5] of the subject facility's operating hours; it must demonstrate that they serve a low income population; and
- Applicant must demonstrate that they provide a direct benefit to the public.

TEST FOR AOI.2 ELIGIBILITY: Consider the subject facility's purpose. Would its mission, scope of operations, operating hours, and annual energy consumption needs remain the same if persons experiencing low income represented anything less than 50% of the facility's annual clientele? *If the answer is "yes," the facility is not AOI.2-eligible, but may be eligible under AOI.1.*

A sample of potentially eligible facilities includes:

- Shelters and transitional housing facilities
- Food banks, pantries, soup kitchens, community fridges
- Free or low-cost health clinics
- (non-profit) mental health centers
- Education, workforce development, and youth mentorship facilities
- Legal aid and advocacy centers
- Faith-based and community outreach centers
- Youth and community centers
- Other facilities may be considered on a case by case basis.

Applications for AOI.2 awards applicants must meet all other program eligibility criteria pertaining to facility ownership, configuration and technology selection as presented in this Funding Opportunity Announcement.

[4] The Program poses no quantitative threshold for determining the minimum proportion of square footage or operating hours dedicated to serving populations experiencing low income. AOI.2 applications will be scored (in part) for the quality of documentation describing the square footage and operating hours claimed by the applicant. Otherwise, scoring of AOI.2 applications will be held to the same standard as the FY26 C&I program's other Areas of Interest.

[5] Same as Footnote 4.

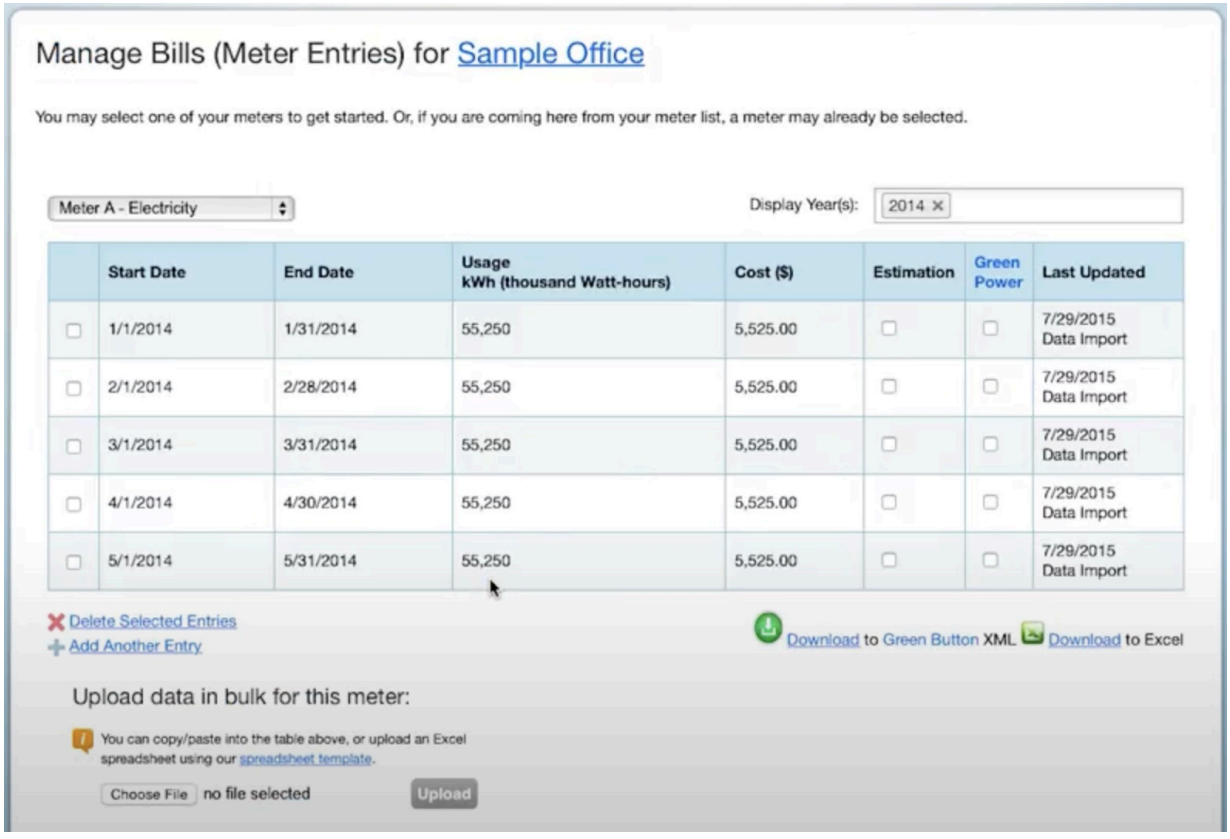
Appendix B
OPTIONAL USE OF U.S. EPA ENERGY STAR PORTFOLIO MANAGER

Grant applicants are encouraged, **but not required**, to establish an account for their subject facility on the US EPA's ENERGY STAR Portfolio Manager (PM) platform. When analyzing energy performance across multiple facilities, or when comparing a single facility's year-over-year performance, PM is a useful tool for benchmarking energy consumption and for prioritizing investments for potential improvements. Please visit US EPA's ENERGY STAR Portfolio Manager website for complete instructions for establishing a PM account at no cost.

FY26 C&I grants are scored for quality (see score templates available for download from the program's webpage). Applications for AOI.1 or AOI.3 that include an exhibit showing that at least 12 months of the subject facility's utility bill history is established in a PM account will be awarded extra points. No points are subtracted for NOT having a PM account. Utility bill histories are irrelevant to AOI.3 (new construction), so the scoring template for these are adjusted to avoid a scoring handicap.

Applicants wishing to demonstrate their creation of a PM account for the subject facility can simply make a screenshot of the PM page showing their 12-month utility bill summary. Multiple screenshots may be required to capture all 12 months. Please submit the screenshot(s) in a PDF file. Screenshots should be submitted in addition to copies of utility bills for the same period. A sample image is shown in Fig. A1:

Fig. A1: Screenshot Image of Utility Bill Data on U.S. EPA's Portfolio Manager



Appendix C
MEA FOSSIL FUEL POLICY

Each project that receives financial support from MEA must adhere to this MEA Fossil Fuel Policy:

1. Projects that include fossil-fuel or other combustion technologies that produce greenhouse gas emissions are typically not eligible for funding. *See Paragraph (3) below.*

2. 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.

3. While allowable projects include those that implement basic health and safety improvements or efforts that enhance efficiency but do not extend the life of gas system- or fossil fueled-fired equipment, projects must be part of a scope of work that proposes other energy efficiency improvements so that the proposal in aggregate reduces or eliminates fossil fuel use. In the context of the FY26 C&I program, this situation applies primarily, but not exclusively, to multifamily residential energy efficiency projects. Eligible measures for multifamily residential project funding include minor repairs to existing fossil fuel equipment (e.g., HVAC, water heating, etc.) that remedy health and safety related issues, or reduce energy usage and greenhouse gas emissions, as long as the upgrades do not significantly extend the anticipated life of the equipment.

4. 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, and
- 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.

Operating and capital costs alone will not be considered justification for any exemption. Exemptions will not be approved purely on cost saving opportunities alone.

Limited exemptions will be provided for (1) new construction of combined heat & power installations, or (2) existing equipment upgrades with circumstances where electrification and other zero emission technologies are technically infeasible given the current state of readily-available technologies. Possible examples in the context of the FY26 Commercial, Industrial & Agricultural Program include (1) manufacturing processes that require large quantities of thermal energy that cannot be met with

electrification or other technologies; and (2) uses where the infrastructure needed to implement electrification technologies is not feasible or requires upgrades and improvements beyond the applicant's immediate control (e.g., upgrades to the utility grid).

Any application being submitted to MEA for funding consideration that involves fossil fuel technologies, including natural gas, shall be accompanied by a thorough technical justification or study indicating how electrification and/or zero emission technologies could not fulfill the anticipated functional need. To be considered for MEA funding, any project that proposes consumption of natural gas or other fossil fuels must demonstrate consideration of all practical mitigation efforts to offset the project's greenhouse gas and other environmental impacts of natural gas or other fossil fuels consumed by the proposed project. No exemptions will be granted for projects based solely on economic justifications.

No fossil fuel fired replacement or significant service life extension measures will be applicable to any cost matches or in kind requirements of any grant application or award.

Version 1.0 Initial Version 10/16/2023

Appendix D

KEY CONCEPT DEFINITIONS

"Annual energy savings" describes the anticipated reduction of energy consumed over the course of 12 consecutive months. The baseline for calculating the percent energy reduction resulting from proposed improvements will be relative to (1) 12 recent months' energy consumption by assets currently in place, or (2) for new construction, the modeled annual energy consumption of currently-available assets or equipment that meet only minimum prevailing energy efficiency codes or standards specific to the Maryland location of the proposed scope of work. When calculating percent annual energy reduction, applicants may use the manner they find most convenient: (1) energy savings specific to the equipment in a grant application's scope of work, or (2) for the facility as a whole as derived from utility bill data.

"Baseline performance" is the volume of energy consumed on an annual basis by a building, dedicated space within a building, or a specific piece of energy-using equipment. For existing facilities, the baseline is a measure of the building or equipment currently in place. For new construction, the baseline is the calculated consumption modeled with prevailing building/energy code prescriptions for minimum energy efficiency performance. A successful C&I grant application for new construction will include evidence that the proposed investment will result in annual energy performance that exceeds prevailing minimum standards for equipment or materials currently available.

"Cost basis" is 75% of net total project cost (NTPC; see definition below) of all proposed ECMs that meet eligibility requirements. In existing facilities, the cost basis of an eligible ECM is derived from the cost to acquire and install one or more energy-related assets, net of any utility rebates. For new construction, the cost basis of an eligible ECM is limited to the incremental cost premium (net of any utility rebates) for high-efficiency assets relative to the cost of alternative asset selections that meet only minimum energy efficiency performance codes or standards. See Fig. 2A, p. 4 and Fig. 2B, p.5.

"ECM or "Energy conservation measure" describes any distinct, cost-effective investment that improves the energy performance of a building, its mechanical systems, or its stationary production/process equipment, thereby requiring less energy than what would be consumed by alternative technologies that meet only the prevailing minimum energy/building codes or equipment standards. All proposed ECMs must perform at energy-saving levels superior to alternatives that meet minimum codes or standards. If a scope of work proposes an ECM that is deemed by MEA to exhibit insufficient cost effectiveness, MEA at its sole discretion may disallow that ECM from the proposed scope of work, so that remaining ECMs are considered for funding under the Program, assuming all other eligibility criteria are met.

"Energy efficiency" is the consequence of technologies that allow facilities to attain desired levels of productivity, comfort or safety by consuming less energy than what is required by existing or minimum performance standard equipment. Energy efficiency should not be confused with "renewable energy," which describes technologies that offset traditional deliveries of fossil fuels or utility-generated electricity. Renewable energy investments are not supported by the FY26 C&I program. Interested parties are encouraged to pursue MEA's renewable energy support programs.

"High performance" describes the superior energy-saving potential provided by an ECM that performs a given level of work using less energy than the prescribed minimum that prevails in current building/energy codes or standards as of MEA's closing date for submitting applications to the FY26 C&I

Program. Applicants are encouraged to refer to building/energy codes currently enforced by the jurisdiction in which the proposed project is located.

"Incremental investment" describes the proposed total installed cost of a high-performance ECM, net of any rebates, incentives or other leveraged funding, minus the installed cost of an alternative investment that would perform the same work while consuming no less energy than the volume prescribed by prevailing building/energy codes or standards. (See Fig. 2C)

"Low Income populations" are individuals that experience income at or below 80% of the HUD median family income for the State of Maryland. See Appendix A for more information.

"Maximum award amount" is the upper limit, or "cap," on the value of any single grant award. Each FY26 C&I award value will be proportional to its score result. Award values are a "not-to-exceed" dollar figure. Actual payout of grant funds will be in arrears and will be a function of actual documented project expenses. Under no circumstances will an award exceed a proposal's cost basis. In no case shall any award exceed $500,000.

"Net total project cost (NTPC)" For existing facilities (AOI.1 and AOI.2), this is the gross total project cost minus the sum of any utility rebates applied to the same scope of work. For new construction or substantial rehab facilities (AOI.3), The NTPC from which a cost basis for grant valuation is determined is the incremental cost of any high-efficiency equipment relative to the cost of alternative equipment with energy performance that meets only minimum codes and standards.

"Score points" are the summation of several numerical criteria, each judged solely by MEA, that represent the quality and completeness of an application. Two scoring templates are provided, one for Area of Interest (AOI.1 and AOI.2; see p. 2), and a second for AOI.3. Applicants are encouraged to review the template specific to their proposal's AOI to become familiar with scoring criteria so that they can compile their best possible application.

"Total project cost" refers to the sum of all investment outlays needed to acquire, install, and commission one or more proposed energy improvements in their entirety. The costs of energy audits, feasibility studies, and electrical infrastructure upgrades may be eligible for inclusion in total project cost, but only if the recommended ECMs are actually installed. See Figs. 2A & 2B.

- FOR EXISTING FACILITIES (AOI.1 & AOI.2): "total project cost" is the cumulative cost of acquisition, installation and commissioning of an eligible asset or project.
- FOR NEW CONSTRUCTION/REHAB (AOI.3): "total project cost" is the incremental cost of acquisition, installation, and commissioning of high-efficiency assets relative to the cost of alternative assets that meet only minimum energy performance codes or standards.

"Utility rebates" are incentives issued by electric utility companies through the State's EmPOWER program to encourage rate-payer investment in clean, efficient technologies. Utility rebates should not be confused with this FY26 Commercial & Industrial grant program. Utility rebates and MEA grant awards are determined independently of each other. However, MEA will, at its discretion, coordinate with the relevant utility's EmPOWER implementers to verify the status of pending rebates pertinent to an applicant's scope of work.