



Larry Hogan, *Governor*
Boyd K. Rutherford, *Lt. Governor*
Mary Beth Tung, *Director*

Notice of Grant Availability

FY18 Maryland Smart Energy Communities Grant Program

The mission of the Maryland Smart Energy Communities (MSEC) program is to have local governments adopt policies and commit to them for the long term, leading to sustained energy savings and additional opportunities for renewable energy development.

Program Description:

Local governments that participate in the MSEC program must voluntarily adopt energy policies in at least two of three policy areas -- energy efficiency, renewable energy, or transportation petroleum reduction:

- **Energy Efficiency Policy** - Establish an energy consumption baseline and develop a plan with the goal of reducing electricity consumption of all city/town or county-owned buildings by 15% within five (5) years of the baseline year, on a gross square foot basis.
- **Renewable Energy Policy** - Reduce conventional centralized electricity generation serving a local government's buildings by meeting 20% of those buildings' electricity demand with distributed, renewable energy generation within five (5) years of the baseline year, on a gross square foot basis.
- **Transportation Policy** - A local government must establish a petroleum consumption baseline for all local government vehicles, and put in place a comprehensive program designed to reduce the baseline by 20 percent within five (5) years of the baseline year.

In addition to adopting the energy policies, participating local governments must also commit to developing: a baseline of current electricity and, if applicable, transportation fuel usage; and an action plan to achieve each of the adopted energy goals within the required timeframes. Additional information about each energy policy, as well as the energy deliverables associated with each goal can be found at: <http://energy.maryland.gov/govt/Pages/smartenergycommunities.aspx>.

Type of Grant Program: Competitive

Application Deadline: No later than 5:00 p.m. Eastern Time, **December 4, 2017**

Eligible Entities: All incorporated towns, cities, and counties of Maryland

Program Budget: **Up to \$900,000 total is available, subject to funding availability***, to be divided between both new MSEC communities ("Area of Interest 1" or "AOI 1") and existing communities ("Area of Interest 2" or "AOI 2"). The \$900,00 million is allocated in the following manner:

- up to \$450,000 for AOI 1- New Communities
- up to \$450,000 for AOI 2-Existing MSEC Communities

*** If MEA does not receive sufficient applications under one of the AOIs, MEA may elect to reallocate grant**

funds to the other AOI.

Funding Tracks:

AOI 1: New Community

Funds are available to all incorporated towns, cities, and counties not yet accepted into the MSEC program. All communities that apply for the program and commit to meeting the initial program deliverables (i.e., 1. adoption of at least two of the three required energy goals. 2. creation of the energy baselines, and 3. Development of energy action plans) will receive an award based on population size and funding availability. The full amount of the grant award is only made available when communities complete the deliverables specified by MEA. MSEC grant agreements will require participating new MSEC communities to submit selected energy projects to MEA for written approval to assure projects are cost-effective and eligible prior to project execution.

AOI 1 Projected Funding Levels:

While subject to the available funding levels outlined in the Program Budget section of this document, MEA currently anticipates being able to offer New Communities awards up to approximately the following amounts (based on population size from 2010 U.S Census):

Population Range	Proposed award amount
120,000+	\$75,000
60,000-120,000	\$65,000
30,000-59,999	\$55,000
15,000-29,999	\$45,000
5,000-14,999	\$35,000
0-4,999	\$25,000

The proposed award amounts outlined above are based on MEA’s historical experience with the MSEC program and are provided for planning purposes only. **Funding at the levels outlined above is not guaranteed.** Should MSEC participation levels be higher than currently anticipated by MEA, award amounts to new MSEC communities maybe reduced in order to provide each eligible community appropriate funding.

AOI 2: Existing Community

Funds are available to all incorporated towns, cities, and counties previously accepted in MSEC Program Years FY 13, 14, 15, 16 or 17 who have completed all “New Community” deliverables and are in good standing with the program. Funding for projects submitted under the existing community track will be awarded competitively based on funding availability, community size, and project characteristics. Projects will be evaluated based on their innovation, the expected energy impact, and feasibility, among other criteria as outlined below.

Application Evaluation Criteria:

MEA will assess qualifying applications for award based on the following Competitive evaluation criteria:

AOI I: New Communities

- a) Local government's capacity to pass energy policies within the given timeframe;
- b) Past experience and performance with other MEA programs;
- c) Local government's ability to commit staff to completing the project(s) in the time provided;
- d) Population size;
- e) Application Completeness.

AOI-II: Existing Communities

- a) Progress made towards meeting MSEC goals, including demonstration of effort and assistance needed;
- b) Past experience and performance with other MEA programs;
- c) Local government's ability to commit staff to completing the project (s) in the time provided;
- d) Innovativeness of proposed project(s);
- e) Expected electricity savings, transportation petroleum reductions, and/or renewable energy generated as a result of the project, calculated on a simple payback basis;
- f) Application completeness.

MEA reserves the right to select projects to ensure geographical and technology diversity.

Project Requirements and Restrictions (AOI 2- Existing Communities only):

Energy Efficiency

1. Awards will be capped at a maximum of \$50k per proposed project.
2. Applicant must contribute a minimum 20% cost-share of total project cost.
3. All energy efficiency projects must be cost-effective with a simple payback that is less than the expected lifetime of the equipment. If applying and awarded for multiple energy efficiency projects, the aggregate simple payback for all projects must be 15 years or less.
5. All energy savings estimates must have supporting documentation, assumptions, and sources clearly listed.
6. The proposed community cost-share must be detailed with all in-kind, equipment, labor/installation information clearly defined.

Renewable Energy

1. Awards will be capped at a maximum \$50k per proposed project.

2. Applicant must contribute a minimum 20% cost-share of total project cost (per project).
3. All energy savings must have supporting documentation, assumptions, and sources clearly listed.
4. The proposed community cost-share must be detailed with all in-kind, equipment, labor/installation information clearly defined.

Transportation

1. Awards will be capped at a maximum of \$50k per proposed project. Please note that the award cap is \$10 k for a project, for a to purchase a light-duty electric plug-in hybrid, all electric vehicle, or low-speed, neighborhood electric vehicle. In addition, applicant will be required to contribute a minimum of 20% cost-share of total project cost (per project).
2. All energy savings must have supporting documentation, assumptions, and sources clearly listed.
3. The proposed community cost-share must be detailed with all in-kind, equipment, labor/installation information clearly defined.

Funding Requirements & Restrictions

- Subject to funding availability, MEA expects to make grant awards to all New Communities that apply to the MSEC program and agree to meet the program requirements. The size of the grant award will be based on community population size and funding availability.
- To receive grant funding for a project, the successful applicant must enter into a Grant Agreement with MEA by April 30, 2017, unless an extension is given in writing by MEA.
- Prior to the start of construction, all projects selected for grant award must be reviewed by the Maryland Historic Trust (MHT) or the qualified historical preservation expert on MEA's staff to assure that no historical property will be adversely impacted. MEA may require the Grantee to provide additional information concerning the proposed project site, in order to enable the historic preservation review. Any project identified to cause adverse impacts on historical properties shall not be eligible for grant funding under this Program.
- MEA will not reimburse for any costs expended prior to the grant agreement being fully executed by MEA and the local government. Additionally, in order to receive reimbursement from MEA, each local government is required to get their energy projects approved by MEA in writing prior to beginning construction, in order to ensure that the energy projects will directly contribute to the achievement of at least one MSEC energy policy goal.
- MEA reserves the right to obligate all or none of the Fiscal Year 2018 *Maryland Smart Energy Communities Grant Program budget*, based on the quality and eligibility of applications submitted to MEA.
- MEA is unlikely to approve energy efficiency projects that involve switching fuel sources.

- Projects must be completed on government-owned buildings or vehicles.
- Projects must comply with all applicable state and federal laws, regulations, and guidelines, including, but not limited to, following appropriate procurement policies, compliance with the National Historic Preservation Act of 1966, all applicable licenses, insurance, permits, environmental standards, etc.
- The application requires communities to list (by year) the energy code that they are currently enforcing and to provide documentation demonstrating adoption of the code. In FY 2018, communities must have adopted the 2015 International Energy Conservation Code (IECC) to receive additional MSEC funding.

Program Deadlines for Communities if Awarded

- January 10, 2018:** Target date for all MSEC awards to be announced.
- February 12, 2018:** Target date for all MSEC agreements to be sent to communities for signature.
- April 10, 2018:** Target date for all MSEC agreements to be fully executed.
- September 10, 2018:** Deadline for (i) At least two of three required energy policies passed and
(ii) energy baselines and energy action plans developed.
- December 10, 2018:** Final submission date for MSEC project approval documents to MEA.
To receive reimbursement from MEA, all MSEC projects must first be approved by MEA in writing by this date.
- May 10, 2019:** Construction complete on all fiscal year 2017 MSEC energy-related projects.
- June 10, 2019:** All invoices and reports submitted to MEA for energy-related projects funded by this grant.

For more information or assistance, please visit www.energy.maryland.gov or contact:

Caitlin Madera, MEA's MSEC Program Manager, at msec.mea@maryland.gov or 410-537-4074