



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

Notice of Grant Availability

FY19 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 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, as well as 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.aspxh>.

Type of Grant Program:	Competitive
Application Deadline:	No later than 5:00 p.m. Eastern Time, October 10, 2018
Eligible Entities:	All incorporated towns, cities, and counties of Maryland
Program Budget:	<u>Up to \$500,000 total is available for energy-efficiency projects only, subject to funding availability.</u> Funding is to be divided between both existing and new MSEC communities. Type and Availability of Funding Resources subject to funding availability*



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Funding Tracks:

New Community

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 three deliverable requirements (i.e. adoption of at least two of the three required energy goals and creation of the energy baselines and action plans) will receive funding based on population size and funding availability. Full grant funds are only made available when communities complete the deliverables specified by MEA. Communities must also receive approval from MEA prior to spending grant funds on cost-effective, eligible projects.

Existing Community

Available to all incorporated towns, cities, and counties previously accepted in MSEC Program Years FY13-FY18, 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 in the energy efficiency funding area, community size, and project characteristics. Projects will be evaluated based on their innovation, the expected energy impact, and feasibility, among other criteria.

Application Evaluation Criteria:

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

New Communities

- a) Local government’s capacity to pass 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.

New Communities can expect to be awarded the following amount 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



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) How innovative a proposed project is;
- e) Energy efficiency measures, in aggregate or on an individual basis, must be cost effective with a simple payback at least equal to the anticipated life of the energy project(s) being installed;
- f) Expected electricity saving as a result of the project;
- g) Application completeness.

Project Evaluation Criteria (Existing Communities only):

Energy Efficiency

1. Awards will be capped at a max \$50k per proposed project
2. Applicant shall contribute at min. 20% cost-share of total project cost (per project)
3. ALL energy efficiency projects shall be cost-effective with a simple payback that is less than the expected lifetime of the equipment
5. All energy savings must have supporting documentation/number/sources, easy able to follow
6. Community Cost-share must be detailed, e.g., all in-kind, equipment, labor/install info must be clearly defined
7. Utility incentives will not count towards 20% cost-share

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 10, 2019, unless an extension is given in writing by MEA.
- A grant award will not be made for any project that starts construction prior to the effective date of the Grant Agreement with 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 ensure 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 2019 *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
- 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 2019, communities must have adopted the 2015 International Energy Conservation Code (IECC) to receive additional MSEC funding.

Program Deadlines for Communities if Awarded

January 10, 2019: Target date for all MSEC agreements to be sent to communities for signature.

April 10, 2019: Target date for all MSEC agreements to be fully executed.

September 10, 2019: Deadline for (i) At least two of three required energy policies passed and
(ii) energy baselines and energy action plans developed.

April 10, 2019: 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.

November 10, 2020: Construction complete on all fiscal year 2017 MSEC energy-related projects.

December 10, 2020: 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, Program Manager at msec.mea@maryland.gov or 410-537-4074



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