



**Fiscal Year 2022 Funding Opportunity Announcement (FOA)  
Jane E. Lawton Conservation Loan Program**

**Program Description:** The Maryland Energy Administration (“MEA”) provides the Fiscal Year 2022 Jane E. Lawton Conservation Loan Program (“FY22 Lawton Program”) to Maryland Nonprofit Organizations, Local Governments, Maryland Businesses, and State Agencies for the implementation of cost-effective energy efficiency and energy conservation improvements for existing or to-be-constructed facilities.

**Program Regulations:** Regulations governing the Jane E. Lawton Loan Conservation Program are found [here](#). In the event of a conflict between the regulations and this FOA or other program documents, the regulations take precedence.

**Program Budget:** A total of \$2,175,000 in Lawton Loan funds are available in FY22. Funds will have restrictions during the first half of the fiscal year based on the type of borrower. During the first six months of FY22, \$1,200,000 of Lawton Loan funds will be set aside for State agencies. For the first three (3) months of FY22, \$220,000 of the remaining balance will be set aside for qualifying nonprofit organizations. After the three (3) month period, all remaining funds not restricted to State agencies will become available to all qualifying nonprofit organizations, businesses, and local governments. After the first six (6) months of FY22, the State agency restriction will be lifted and the entire remaining balance of Lawton Loan funds will be made available to all eligible parties on a first-come, first served basis.

**Type of Program:** The FY22 Lawton Loan Program is a first-come first serve loan program for qualifying borrowers subject to funding availability and funding restrictions described above.

**Interest Rate:** The interest rate for all non-state agencies is 1%. The interest rate for all local governments and their instrumentalities is 0%.

**Loan Amounts:** Loan amounts are based upon the type of project eligible for financing. For Maryland Businesses, Nonprofit Organizations, and Local Governments the loan amounts range from \$20,000 to \$400,000. MEA may consider loan amounts larger than \$400,000 on a case-by-case basis subject to available budget, forecasted funding availability, risk profile of the applicant, and energy savings potential.

- **Existing Facilities:** Up to 100% of the total project cost, less any applicable rebates, incentives, or other leveraged funding sources.
- **New Construction:** Up to 100% of the incremental cost of the energy conservation measures. “Incremental Cost” is defined as the difference between the cost of the energy

efficient equipment/fixtures and the standard, code-minimum equipment/fixtures that would otherwise be required to be installed. The standard, code-minimum equipment/fixtures used to calculate the incremental cost must be the same equipment/fixtures used to calculate the baseline energy consumption assumptions in new construction projects.

MEA may request additional backup documentation to further justify stated project costs, and/or alternative bids.

**Application Period:** July 1, 2021 - June 30, 2022, or until funding is exhausted, whichever comes first.

**Eligible Entities:**

- Nonprofit Organizations (includes hospitals and non-public schools)
- Local Government (includes public school systems and community colleges)
- Maryland Businesses (must be registered to do business with the State of Maryland)
- State agencies

**Ineligible Entity:**

- A business located in a residence is not eligible for a loan

**Facilities:** The FY22 Lawton Program is available for projects that increase the energy efficiency/improve the energy conservation of electric and non-electric fuel consumption of existing facilities or dedicated spaces\* within facilities. To-be-constructed facilities that propose to install above the code-minimum energy efficiency equipment, fixtures, and building materials that affect energy consumption are also eligible.

*\*A dedicated space is a partitioned space within an overall facility with a clearly distinguished purpose from the rest of the facility. If not separately metered for electricity/gas/etc, the Applicant organization must be able to distinguish and document post-project changes in energy consumption of the dedicated space from the overall facility.*

**Program Eligibility Requirements:** At minimum, each proposed project must meet the following requirements:

- The energy efficiency project will be installed at a facility owned or leased by the applicant organization.
- The energy efficiency project will be located within the State of Maryland.
- For Maryland nonprofit organizations, businesses, and local government applicants: each individual energy conservation measure (“ECM”)\*\* part of the project will achieve simple payback through the borrower’s reduced operating expenses within the ECM’s expected useful life. The simple payback is calculated as follows: *Total Cost of the Measure ÷ Annual Energy Cost Savings from the Measure.*
- For State agency applicants: The aggregate simple payback of the project does not exceed thirteen (13) years. The aggregate simple payback is calculated as follows: *Total*

*Cost of the Project ÷ Annual Energy Cost Savings from the Project.* The applicant must document that the anticipated energy cost savings over the loan period exceeds the total cost of the project.

*\*\*An energy conservation measure (“ECM”) is a single measure of the overall project. E.g. an LED lighting retrofit, HVAC recommissioning, weatherization, etc.*

Calculating Energy Consumption Baseline: Eligible projects must establish an energy consumption baseline for the facilities or dedicated spaces proposed for upgrade. A baseline is considered:

- Existing Facilities: Consumption data from the most recent 12 consecutive months’ utility bills. Consumption information for past months is available from the utility.
- To-be-constructed facilities: 12 consecutive months’ projected energy usage assuming the installation of energy code-minimum equipment, technology, building materials, etc. If an energy analysis or model was prepared with the planned submission for building permits, this should be provided as part of your application.

Applicants must then base the savings generated by their proposed projects from these baselines. Baseline consumption should be expressed in the the following units:

- Electricity Measures: kilowatt-hours (kWh)
- Natural Gas Measures: therms
- Propane and Fuel/Heating Oil Measures: gallons (gal)
- Other Types: Contact MEA for guidance.

#### **Program Supporting Documentation:**

- Energy savings calculations or estimates for all proposed ECMs for which Lawton loan funding is requested. Please include the source of the calculations and clearly state all assumptions.

The following documents, based upon applicant organization type, are required as part of the application package for all potential borrowers, with the exception of State agencies.

- Articles of Incorporation, Articles of Organization, and other organizational documents, as applicable
- Documents regarding and identifying any other outstanding loans the Borrower has taken out or will take out within the next year
- Documents detailing organizational structure (e.g. bylaws, operating agreement, stockholder agreements, etc. as applicable)
- Five Years of Financial Statements (Balance Sheets and Income Statements) (businesses and nonprofit organizations only. MEA may make exceptions for organizations with less than a 5 year operational history. ) MEA requests certified financial statements. The

applicant should provide an explanation if certified financial statements are not available. If you are unable to provide certified financial statements please provide bank statements.

- W-9 Form
- IRS Form 990 or Form 990-EZ (nonprofit organizations only)
- Roster of Board Directors (nonprofit organizations and Maryland businesses)
- General information on services provided or goods produced (businesses only)
- Current (not older than 3 months) Certificate of Good Standing from the State Dept. of Assessments and Taxation (businesses only and nonprofit organizations; see page 12 of this packet for instructions)
- Project Timeline: A detailed project timeline establishing milestones.
- Lawton Loan Request Amount. (Please provide the amount of funding the applicant organization is requesting from the Lawton Loan Program.)
- Real property Appraisal
- Certified Personal Financial Statements
- Application Organization Contribution to Project (The Lawton Loan Program requires that borrowers make a contribution toward the energy efficiency project funded by the Lawton Loan. This can be, at minimum, the \$250.00 application fee for business, non-profits, and local jurisdictions. State agencies are exempt from the \$250.00 application fee, and are instead required to pay a one-time administrative fee equal to one percent of the initial loan balance. This fee is added to the first annual loan payment.)

### **Risk and Security:**

All non-state agency applications will go through a general eligibility and completeness review, followed by a technical engineer-type review, and a credit worthiness review which includes a Dun & Bradstreet report review. Depending on the type of business entity, loan type, overall entity risk profile and loan size, MEA may require one or more of the following as a condition of the loan:

- Personal Guarantees from individual stakeholders or majority stakeholders
- Security on installed equipment, which may include MEA being a first lien holder on the equipment
- Legal Counsel Opinion Letter assuring the borrower's legal capacity to enter into the loan and substantiating the legal premises stated in the financing documents
- Pledge of condominium association fees
- Letter of Credit
- Certificate of Deposit
- Lien on real property where the equipment is located- with MEA having primacy on any liens on specific assets financed by the program
- Additional collateral or security as determined by MEA.

### **Anticipated Application Submittal Timeline:**

MEA will make best efforts to process applications as quickly as possible, applications that are complete and have well defined energy savings calculations will receive the most rapid turnaround, applicants are encouraged to contact MEA before applying to clarify requirements to ensure the most efficient review.

Please note that if MEA requires additional documentation or if any other concerns arise during the review process, evaluation of a loan application may be delayed. Applications will be evaluated pursuant to this FOA and Lawton Loan regulations found in COMAR 14.26.01, and approval is not guaranteed. After closing of a loan, MEA may allow loan funds to be applied to expenses that were incurred after execution of the commitment letter but prior to closing. However, expenses incurred prior to closing are at the borrower's sole risk.

**Additional Information:** Program terms, conditions, and requirements are subject to change throughout the fiscal year at the discretion of MEA. Applicants should review the [Lawton website](#)<sup>1</sup> for current policies and guidelines when preparing a Lawton Loan application. For more information or assistance, please visit the FY22 Lawton Loan webpage or send an email to [Lawton.MEA@maryland.gov](mailto:Lawton.MEA@maryland.gov). Alternatively, contact the Program Managers directly as follows:

- Nonprofit organizations, businesses, and local governments: David Giusti, (410) 913-2387
- State agencies: Christopher Russell, (443) 908-1767

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<sup>1</sup> <https://energy.maryland.gov/govt/pages/janeelawton.aspx>