



**Fiscal Year 2021 Notice of Availability  
Jane E. Lawton Conservation Loan Program**

**New Changes:**

- 1% interest rate for all non-state agencies
- 0% interest rate for all local governments and their instrumentalities
- New Applications
- Microloans for cost-effective energy efficiency upgrades up to \$40,000 with a maximum term length of five years.
- Loan amounts will be capped at \$200,000 for Maryland Businesses, Nonprofit Organizations, and Local Governments

**Program Description:** The Maryland Energy Administration (“MEA”) provides the Fiscal Year 2021 Jane E. Lawton Conservation Loan Program (“FY21 Lawton Program”) to Maryland Nonprofit Organization, Local Governments, Maryland Businesses, and State Agencies for the implementation of cost-effective energy efficiency and conservation improvements for existing or to-be-constructed facilities.

**Program Budget:** A total of \$2,050,000 Lawton Loan funds are available in FY21. Those funds will be divided during the first half of the fiscal year, based on the type of borrower. During the first half of the fiscal year, State Agencies have access to \$1,200,000 set-aside. The remaining \$850,000 is reserved for qualifying non-profits, local governments, and qualified Maryland Businesses, with \$205,000 reserved exclusively for qualifying non-profit organizations for the first three months of the fiscal year. After the first three months, the non-profit organization set-aside is lifted; similarly, after the first six months of the fiscal year the set-aside for State Agencies is also lifted and qualifying applicants from all sectors may apply for any remaining FY21 Lawton loan funds.

**Type of Program:** The FY21 Lawton Loan Program is a first-come first serve loan program for qualifying borrowers subject to funding availability.

**Loan Amounts:** Loan amounts are based upon the type of project, where “project” refers to the eligible energy efficiency measure for which an application has been submitted to the FY21 Lawton Loan Program.

- Existing Facilities: Up to 100% of the total project cost, less any applicable rebates, incentives, or other leveraged funding sourced.
- 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 should be the same equipment/fixtures used to calculate the baseline energy consumption assumptions in new construction projects.

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

**Application Period:** The FY21 Lawton Program is on a first-come first served basis. The Program opens July 1, 2020 and closes June 30, 2021 or when funding is exhausted.

**Eligible Entities:**

- Nonprofit Organizations (includes hospitals and 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

**Facilities:** The FY21 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 may also be eligible.

NOTE: 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 service and document post project change 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 on or in a facility owned or leased by the applicant organization
- The energy efficiency project will be located within the State of Maryland
- For Maryland non profit organizations, businesses, and local jurisdiction applicants, Each individual ECM will pay for itself through the borrower's reduced operating expenses within the ECM's expected useful life. For state agency applicants, the aggregate simple payback does not exceed 13 years. The borrower must document that the anticipated energy cost savings over the loan period exceeds the total cost of the project.

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 the past months is available from the utility provider
- To-be-constructed facilities: 12 consecutive months' projected energy usage assuming the installation of energy code-minimum equipment, technology, building materials, etc.

Applicants must then base the savings generated by their 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

### **Program Supporting Documentation:**

- Energy savings calculations or estimates for all proposed energy measures being submitted for potential Lawton loan funding. (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 detailing organizational structure (bylaws, operating agreement, stockholder agreements, etc. as applicable)
- Three Years of Financial Statements (Balance Sheets and Income Statements) (businesses and nonprofit organizations only) MEA requests certified financial statements. The applicant should provide an explanation if certified financial statements are not available.
- 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)
- 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 of principals
- 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 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\*:**

- Loans up to \$9,999
  - MEA Review
  - Technical Review
  - Dun & Bradstreet Report Review by MEA
  - Personal Guarantees from individual stakeholders or majority stakeholders
  - Security on installed equipment
- Loans from \$10,000 to \$74,999
  - MEA Review
  - Technical Review
  - Dun & Bradstreet review
  - Credit worthiness review
  - Personal Guarantees from individual stakeholders or majority stakeholders
  - Security on installed equipment
- Loans from \$75,000 to \$200,000
  - MEA Review
  - Technical Review
  - Credit Worthiness Review
  - Personal Guarantees from individual stakeholders or majority stakeholders
  - Additional security as determined by MEA, which may include a mortgage lien, letter of credit, and certificate of deposit

\*Subject to change on a case by case basis

**Anticipated Application Submittal Timeline:**

Timeline is provided for planning purposes. Please note that if MEA needs additional documentation or if other concerns arise during the review process, evaluation of a loan application may be delayed. Note that loans are not guaranteed, and applications may be rejected at MEA’s discretion. Applications will be evaluated pursuant to Lawton loan regulations found in COMAR 14.26.01.

- Borrower Submits application to MEA
- MEA Program Manager reviews the application for accuracy and completeness
  - Three to Seven day turnaround time
- MEA sends application packet to MEA’s Technical Contractor for energy savings verification
  - Up to two weeks
- MEA receives energy savings numbers from MEA’s Technical contractor and then send off for the credit worthiness check
  - Up to 2 weeks

- MEA receives recommendation for credit worthiness and starts drafting a commitment letter for approval and routes internally.
  - Up to 2 weeks
- Once MEA and the borrower have both signed the commitment letter. MEA will begin drafting Loan documents and route internally.
  - Up to 4 weeks.
- Once MEA and the borrower have signed the loan documents. The Loan is now executed

**Additional Information:** Program policies and guidelines are subject to change during the year. Applicants should review the [Lawton website](#) for current policies and guidelines when preparing a Lawton loan application. For more information or assistance, please visit the FY21 Lawton Loan webpage or send an email to [Lawton.MEA@maryland.gov](mailto:Lawton.MEA@maryland.gov). Alternatively, contact David Giusti at (410) 913-2387.