



Funding Opportunity Announcement

Maryland Smart Energy Communities FY22 Grant Program

Program Description: The Maryland Smart Energy Communities (MSEC) program supports local governments as they voluntarily adopt energy policies (and commit to them for the long term) leading to sustained reduction in energy usage, cost savings, and opportunities for renewable energy development.

Type of Grant Program: For existing MSEC communities, awards are competitively selected. For communities applying for the first time, awards are prioritized for inclusion in order to help those communities get started in the MSEC program (as long as their applications and supporting documents are complete, accurate, and consistent with the evaluation criteria).

Application Deadline: No later than 5:00 p.m. Eastern Time, November 12, 2021

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

Eligible Activities: MSEC funding is available for projects that involve energy efficiency, Tier 1 renewable energy, and/or transportation fuel reduction. Funding is available only for projects located at government-owned buildings or facilities, or related to government-owned vehicles.

- Examples of Tier 1 renewable energy projects include solar (photovoltaic and heated water), wind, and geothermal¹.
- For transportation-related projects, MEA will give priority consideration to providing support for the incremental costs associated with purchasing electric vehicles (EVs), or vehicles that leverage other alternative transportation fuels. The program will also consider other municipal vehicles, such as: electric utility vehicles, refuse trucks, police vehicles, or transit buses. Note: with the purchase of any electric vehicle, the community must retire a similar gas-powered vehicle (GPV). Further, the program will also consider funding assistance for projects involving the installation of EV charging equipment and/or stations.

Program Budget: MEA anticipates that up to \$1,030,000 total will be available as follows: up to \$585,000 for energy efficiency projects, up to \$347,500 for Tier 1 renewable energy projects, and up to \$97,500 for transportation petroleum-reduction projects.

¹ All Tier 1 renewable sources can be found in the Maryland Public Utilities Article, §7-701.

Evaluation Criteria:

For New Community Funding:

Any incorporated town, city or county not yet participating in the MSEC program is eligible to participate. Any community that applies to the program and commits to meeting the three deliverable requirements (i.e., 1) formal adoption of at least two of the three required energy policies, 2) creation of energy baseline, and 3) establishing an energy action plan) may subsequently be eligible to receive Program funding, subject to availability of funds at that time. The grant award is only made available after a community completes the deliverables noted above. To be reimbursed under the Program for eligible costs, a participating community must receive approval from MEA prior to spending funds on an eligible project.

Each New Community MUST adopt the energy efficiency goal as one of its two initial energy policies, unless it can document to MEA substantial prior energy efficiency improvements.

New Community Application Evaluation Criteria:

- a) Applicant's capacity to pass policies within the given timeframe;
- b) Past experience with other MEA programs, if applicable;
- c) Ability to commit staff to completing the project/s in the time provided;
- d) Likelihood that the potential projects listed in the application will be able to have a payback period lower than the system life; and,
- e) Application completeness.

The number, size and types of awards granted in FY22 ultimately will depend on the number and quality of applications received. All applications received by the deadline will be considered. In previous years, New Communities have received awards ranging from \$12,500 to \$75,000; however, the relative award size is subject to change in FY22 depending on the number, type and scope of all applications received for the MSEC program.

For Existing Community Funding:

Any incorporated town, city, or county previously engaged in MSEC Program Years FY13-FY21 that have completed all "New Community" deliverables and have met all previous MSEC grant agreement requirements are eligible to apply for funding. Funding for projects submitted under the Existing Community track will be awarded competitively.

Details:

- **Existing Communities awards for energy efficiency or renewable energy projects are capped at \$55,000 per proposed project.** An applicant may apply for funding of more than one energy project, and/or type of project (e.g., a solar PV project and a charging station for electric vehicles (EVs)), or more than one measure per project (e.g., a lighting measure and an HVAC measure in one building energy efficiency project). However, the applicant must submit a separate application for each project and/or each measure per project and have policies in place related to each type of project for which they are applying.

- An application must provide for a cost share by the applicant of at least 15% of the total project cost. Rebates, other grants, etc. can be used by the grantee to meet the 15% match requirement.
- Funding for any specific project and/or measure is not guaranteed. MEA may opt to fund one, some, or none of the proposed energy measures.
- **New in FY22:** It is strongly recommended that applications for support of solar pv systems include basic information on system siting and output derived from the NREL/solar estimation web site, PVWatts Calculator (see <https://pvwatts.nrel.gov/>). It is strongly recommended that applications for support of EV purchase include basic mileage, consumption and emissions data derived from the DOE's Alternative Fuels Data Center (see <https://afdc.energy.gov/>).
- **MSEC grants for EVs with EPA-rated all-electric range of 0-199 miles per charge will receive awards of 100% of incremental purchase costs, up to \$3,750 per vehicle. EVs with EPA-rated all-electric range of 200+ miles per charge will receive awards of 100% of incremental purchase costs, up to \$7,500 per vehicle.** Incremental costs are defined as the difference in price between a new EV and a new, comparable, petroleum-powered vehicle. Proof of actual vehicle pricing is required as part of the application.
- **MSEC grants for electric vehicle supply equipment (EVSE) (e.g., charging stations) will be capped at 60% of total cost (equipment + installation) and up to \$6,000 per charger.** Also, the EVSE is limited to projects whose use is exclusively for government-owned vehicles.
- MSEC electric vehicle awards are included in the Program specifically to replace a petroleum-powered vehicle currently used by the community with a light-duty all-electric vehicle (EV). Retirement of an existing petroleum-powered vehicle is required. It is allowable for a retired vehicle to be used for a non-transportation purpose, such as for a "decoy" police vehicle, road-side speed control systems, vehicle fire suppression training, or occupant extraction training.

Award Selection Criteria:

- Awards are subject to availability of funding, and applications meeting the criteria below are considered for award on a competitive basis.
- As energy savings are the most important criteria, the metrics used include:
 - a. Simple Payback (Total Project Cost / Annual \$ Savings) with total project costs being inclusive of MEA incentives and/or other rebates.
 - b. Applicant's Cost Share Percentage (minimum is 15%; a higher applicant share is preferred)
 - c. Lifetime reduction of kWh (or MMBTUs) per MEA \$ spent (or gallons per MEA \$ spent for Transportation)
- Past compliance with grant terms, conditions, provisions and other performance requirements, if applicable
- Accuracy and completeness of application
- Innovativeness of energy reduction measures

Partial awards:

Partial awards are possible under the MSEC Program and could be made under the following condition:

- If the number of worthy applications and their funding requests exceeds the total amount of program funding available.
- In cases where funding limitations prohibit a full award, or where a proposal includes elements not consistent with the good investment of state funds and achievement of the program's goals or criteria, the award may be reduced to separate these elements without compromising the awards overall ranking compared to other awards.
- In this situation, the review team as part of its recommendations memo will briefly outline the following:
 - The weaknesses and strengths of the application that may be partially funded and why components of the proposal are not recommended for funding.
 - Methodology for downscaling the recommendations (e.g., geography, number of beneficiaries, energy savings from a specific component)
 - Amount of award reduced.

Review Process:

The review process for MSEC applications includes the following procedures:

- A review team is comprised of MEA staff and may include an outside technical consultant.
- The MSEC program manager produces an application score sheet that includes a list of all applicants, a scoring rubric, and the assessment criteria (that are also published in the application form) for assessing each proposal. Copies of all applications and a copy of the score sheet are distributed to each member of the Review Team.
- Each Review Team member independently assesses the applications according to the established criteria and scoring rubric, and then submits the score sheets to the Program Manager for tabulation. The Review Team then meets as a group to discuss their assessments and to make recommendations for funding support.
 - The Program Manager and Review Team members maintain records of all score sheets and decisions made during this review process.

Required Application Documents:

Existing MSEC communities must fill out an Existing Community application (found [here](#)); new communities must fill out a New Community application (found [here](#)). Applicants should take care to follow all instructions in the application forms.

Each applicant may submit energy data pertaining to their proposed project(s) as separate documents or spreadsheets.

Submission Instructions:

The complete application is **due no later than November 12, 2021** and requires authorization from the individual with signatory authority for the community (i.e., local government) indicating that the community intends to complete the project(s) proposed in the application.

Electronic Communication: Electronic communication provides the fastest and most efficient method of interacting with MEA; therefore, MEA intends to use electronic communication as the primary way to

communicate with each applicant. If you do not agree to using electronic communication, you must indicate your decision to opt out in the space provided on the application.

Please submit applications via email to MSEC.MEA@maryland.gov, or if email is not available, mail to this address:

Maryland Energy Administration
Attn: MSEC Program – FY22 Application
1800 Washington Boulevard, Suite 755
Baltimore, MD 21230

Guidelines for Submission: please follow these steps for successful electronic application submission:

- Upon completing this application, go to the File menu and select "Save As".
- Rename the file using the following naming convention: "FY22MSEC_Community Name_MMDDYY". For example, an application submitted by ABC County on October 10, 2021 would look like this: "FY22MSEC_ABCCounty_101021."
- Once the file has been saved and renamed, email it as an attachment to MSEC.MEA@maryland.gov using the subject line "FY22 MSEC Grant Application_CommunityName."
- Email transmissions may be limited by file size. If the application files are too large for a single transmission, please number your transmissions consecutively on the subject line (e.g., "FY22MSEC Grant Application_CommunityName - Part 1").

A confirmation email should be sent to you within two business days of your submission. If you do not receive a confirmation email within 48 hours, please contact the MSEC Program Manager at msec.mea@maryland.gov.

If an existing MSEC community would like to submit more than one project for consideration, complete the Application in the following manner:

- Complete a Project Proposal Form (Section C) for **each** project;
- Complete and submit **only one copy** of Sections A, B and D.
- Provide a supplemental letter that ranks the multiple projects proposed based on preference.
- Include the estimated project cost and estimated energy benefits for each proposed project on a project-by-project basis, as well as the source of that information (e.g., energy audit, vendor quote, engineering estimate).

Grant Program General Provisions:

MEA grant programs are covered by general provisions that apply to all energy programs. A copy of the General Provisions document is available on MEA's website [here](#); this document will be incorporated into all FY22 grant agreements issued by MEA.

In addition to the general provisions, the following funding qualification applies to this program:

- MEA reserves the right to obligate all or none of the MSEC FY22 budget, based on the quality and eligibility of applications submitted to MEA.
- To be considered for an MSEC award, a project/ measure should result in a simple payback

lower than the total costs anticipated for the life of the project or measure.

- An MSEC community may be able to use funds from the Jane E. Lawton Conservation Loan Program to supplement its MSEC funding for energy efficiency project. Prospective recipients must apply separately to the Lawton program for additional funding and are not guaranteed to be awarded funds from that program. See this web site for more information: (<https://energy.maryland.gov/Govt/pages/janeelawton.aspx>).
- Subject to funding availability, MEA expects to make grant awards to each eligible community applying to the MSEC program as a New Community, which agrees to meet the program requirements. The size of the grant awards to Existing Communities, therefore, will be based on the remainder of funds after these awards.
- To receive grant funding for a project, the grantee must enter into a Grant Agreement with MEA.
- Prior to start of construction, each project selected for an award must be reviewed by the Maryland Historic Trust (MHT), or the qualified historical preservation expert on MEA's staff, to assure that any historic property will not be adversely affected. MEA may require the Grantee to provide additional information concerning the proposed project site to enable a proper historic preservation review. Any project deemed 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 applicant. Additionally, in order to receive reimbursement from MEA, each applicant is required to get its energy project 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.
- MSEC Grants are awarded for funding from three separate budget categories, energy efficiency, renewable energy, or transportation. While an applicant may receive funding from more than one of these categories, the funds are NOT interchangeable.
- MEA will not typically fund energy efficiency projects that involve switching fuel sources. However, projects that involve switching fuel sources from fossil-based to clean-based (e.g., bio or hydrogen) will be considered.
- Only a project on government-owned buildings or facilities, or related to government-owned vehicles, is eligible for MSEC grant funding.
- 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 Maryland Code Ann., Section 9-20B-05(m)(1) of the State Government Article requires any new loan or grant funded by the Strategic Energy Investment Fund (SEIF) to a unit of State or local government to comply with §14-416 and §17-303 of the State Finance and Procurement Article. Applicants affected by this requirement should take this into account when developing FY21 applications to SEIF-funded programs, including MSEC. FY21 SEIF-funded grant agreements will contain a section outlining the American Manufactured Goods requirements with which impacted grantees will be required to comply and a government entity grantee will be required to attest to its compliance with Sections 14-416 and 17-303 of the State Finance and Procurement Article (as applicable).

- The Maryland Code Ann., Section 9-20B-05(m)(2) of State Government Article requires at least 80% of a Grantee's workers that are participating in a SEIF-funded project or program to reside within 50 miles of the project or program. As the SEIF funds a statewide program, MEA will determine compliance based on whether at least 80% of Grantee's workers participating in a SEIF-funded project reside in Maryland, or within 50 miles of Maryland's borders. Applicants should take this new requirement into account when developing FY21 applications to SEIF-funded programs, to include the MSEC program. FY21 SEIF-funded grant agreements will contain a section further outlining this requirement, including any documentation of compliance that will be required before grant funds are disbursed.
- MEA will request that each Grantee agree to give MEA reasonable advance notice of, and an opportunity to potentially participate in, any Grantee-organized ribbon-cuttings or other public events highlighting the MSEC-funded project.
- The application requires a community to list (by year) the energy code that it is currently enforcing and to provide documentation demonstrating adoption of the code. To be eligible for an FY21 MSEC Program grant funding, a community must follow the 2018 International Energy Conservation Code (IECC). If an applicant itself has not adopted the IECC but, instead, follows the IECC of another entity (e.g., a municipal government adhering to a county government's codes), it must include an explanation in its application.

MSEC FY22 Program Deadlines

November 12, 2021: Applications due to MEA by 5:00 p.m. Eastern time. Applications can be submitted by email (preferred) or by mail.

- Emailed applications should be sent to msec.mea@maryland.gov.
- Mailed applications should be directed to:
 Maryland Energy Administration
 Attn: Maryland Smart Energy Communities
 1800 Washington Blvd, Suite 755
 Baltimore, MD 21230

Spring 2022: MSEC agreements must be fully executed with MEA.

September 2022: Deadline for Existing Communities (only) to complete final submission of project development documents to MEA.
To receive project approval from MEA, all MSEC grantees must first submit a Project Development form (Attachment A) to MEA in writing by this date.

September 2022: For New MSEC communities only, this is the deadline for having:
 (i) At least two of three required energy policies passed;
 (ii) Energy baselines and energy action plans developed.

October 27, 2023: Date by which construction must be completed on all MSEC FY22 projects.

November 30, 2023: Deadline for all final reports, invoices and reimbursement requests to be submitted to MEA for projects funded by this grant.

Questions? Please contact Briggs Cunningham, MSEC Program Manager, at msec.mea@maryland.gov or 410-537-4070