



Maryland
Energy
Administration

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

Funding Opportunity Announcement

Low-to-Moderate Income Energy Efficiency

Fiscal Year 2023 Grant Program

Program Description: Available to nonprofit organizations and local governments, the Maryland Energy Administration's (MEA) Low-to-Moderate Income Energy Efficiency Grant Program (Program) will again be offered competitively on a regional basis for State fiscal year 2023 (FY23). With a budget of \$16.5 million, the program is designed to support energy efficiency projects and activities for low-to-moderate income (LMI) Marylanders.

Program Type: Competitive within each region

Application Deadline: Thursday, December 1st, 2022, by 11:59 PM EDT

Overall Program Budget: \$16.5M anticipated to be available in FY23

Regional allocations: To ensure an equitable distribution across the State, Program funds are first allocated to each Maryland region based on the number of LMI households located within the respective region. Grants will then be awarded competitively within the applicant pool for each region. **Applicants wishing to apply for grants in multiple regions must submit a separate grant application for each region.**

The map below shows each region's anticipated allocation of funds, which together totals \$16.5 million for FY23. The map and funding allocation was updated for FY23 to reflect the updated income data from the U.S. Census Bureau.

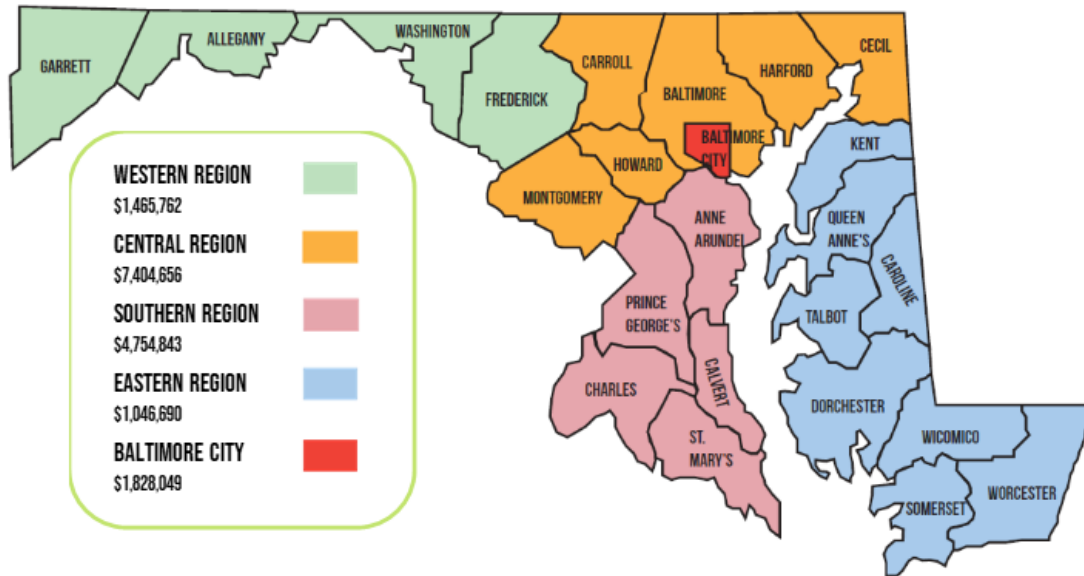


Figure 1: Initial Regional Allocations of FY23 Funding

Eligible Applicants: The following types of entities that run, or will run, a program serving low- or moderate-income Maryland residents are eligible to receive funding:

- Local governments (counties and/or municipalities)
- Incorporated non-profit organizations

Program Beneficiaries: Energy efficiency projects completed under this Program must benefit low- or moderate-income residents.

Low- and Moderate-Income Limits

For the purposes of the FY23 Program application, low- and moderate-income households are defined as follows:

- Low-Income household - at or below 175% of the federal poverty level
- Moderate-Income household - greater than 175% of the federal poverty level, but at or below 85% of median income by county

Income limits for moderate-income households are determined based on the county in which the energy efficiency upgrades are occurring, rather than where the applicant organization is located. The income limits for “moderate-income” households for calendar year 2022 can be found on the Maryland Department of Housing and Community Development (DHCD) website.¹

¹ <https://dhcd.maryland.gov/HousingDevelopment/Documents/rhf/2022MDIncomeLimitsRents.pdf>

Income eligibility limits for “low-income” households, which is now defined as 175% of the federal poverty level, can be found in the following table:

Low Income Eligibility Limits² for Program Year FY23 <i>(Based on 175% of the Federal Poverty Level)</i>		
Household Size	Maximum Gross Monthly Income Standards	Maximum Gross Yearly Income Standards
1	\$1,982	\$23,784
2	\$2,670	\$32,040
3	\$3,359	\$40,308
4	\$4,047	\$48,564
5	\$4,735	\$56,820
6	\$5,424	\$65,088
7	\$6,112	\$73,344
8	\$6,800	\$81,600
For Each Additional Person, Add	\$688	\$8,256

Eligible Activities:

Program funding must be used for energy efficiency measures, including the purchase and installation of building materials and/or equipment.

All activities for each project selected for FY23 LMI Program grant funding should be able to be completed by **August 1, 2025**, with all invoices and project reports submitted to MEA no later than **September 1, 2025**.

² From Maryland Department of Human Services: <https://dhs.maryland.gov/office-of-home-energy-programs/how-do-you-apply/>

Energy Efficiency Projects

Proposed energy efficiency projects should fit one of the following categories. A sample scope of work is available for all project types.

- 1. Residential Whole Home/Building Retrofits:** A whole home/whole building upgrade consists of performing a [Building Performance Institute](#)³(BPI) energy audit on the residential home or building, and then installing cost-effective energy efficiency and weatherization measures. For residentially-metered buildings, an applicant should develop projects whose energy conservation measures (ECMs), in aggregate, have a simple payback that is 15 years or less. Examples of possible energy efficiency measures include, but are not limited to, LED light bulbs, ENERGY STAR® qualified appliance upgrades, insulation improvements, air sealing, etc. For more information, please see the existing [FY22 Whole Home Sample Scope of Work](#) document.
- 2. Whole Building Commercial Retrofits:** Like the residential retrofits noted above, an energy audit on a commercial building is first performed, followed by the installation of cost-effective energy efficiency and weatherization measures to achieve an aggregate simple payback of 20 years or less, based on the energy audit results. Examples of possible energy measures include LED light bulbs, control upgrades, insulation improvements, air sealing, etc. See the existing [FY22 Whole Building Commercial Retrofit Sample Scope of Work](#) for more details.
- 3. New Construction with Incremental Efficiency Upgrades:** To be eligible, a new construction project must be designed to improve efficiency to above the levels required by the most current version of the energy code in effect in Maryland. Additionally, only the incremental purchase cost of upgrading to a higher level of energy efficiency is reimbursable under the Program. See the existing [FY22 New Construction Sample Scope of Work](#) for more details.
- 4. Limited Upgrades to Existing Commercial/Residential Buildings:** This type of project on an existing building/home does not require an energy audit, but rather seeks to make limited cost-effective upgrades to improve the performance and efficiency of the home/building. When a single energy efficiency measure is proposed in this category, the individual measure should have a simple payback that is less than the anticipated equipment life. Where applicable, MEA will use the Northeast Energy Efficiency Partnership (NEEP) Mid-Atlantic Technical Reference Manual (TRM)⁴ resources to determine anticipated equipment life.

Examples of possible limited upgrades include, but are not limited to:

³ <https://www.bpihomeowner.org/home-energy-audit>

⁴ Depending on the measure, MEA will use versions 9 and 10 of the Mid-Atlantic TRM: See https://neep.org/sites/default/files/resources/Mid_Atlantic_TRM_V9_Final_clean_wUpdateSummary%20-%20CT%20FORMAT.pdf and <https://neep.org/sites/default/files/media-files/trmv10.pdf>

- HVAC replacement- Projects under this category may implement standalone HVAC replacements, if it can be demonstrated that weatherization has already been done within the past five (5) years.
- Lighting upgrades- Projects under this category may implement standalone lighting upgrades in commercial or residential buildings. The application should include a lighting schedule of the current wattage and types of lighting and the proposed type and wattage of the replacement equipment.
- Energy kits- Measures included in energy kits must provide cost effective energy savings without the need of an energy audit. Examples of energy kits could include installation of LED light bulbs, low-flow shower heads, smart power strips, etc.

Note: While energy audits may not be required under the limited upgrades category, applicants must still adhere to relevant safety testing protocols per the relevant industry standards (i.e., BPI combustion safety), if applicable, as required based on the energy measures being considered for implementation. See the existing [FY22 Limited Upgrades to Existing Commercial/Residential Buildings Sample Scope of Work](#) for additional information.

Maximum Costs per Home/Project

Maximum reimbursement caps for individual homes, or residential units, can be found below in parts 7 and 8 of the *Funding Provisions, Requirement, and Restrictions* section.

Cost Effective Energy Efficient Measures

Each proposed project should include cost-effective energy efficiency upgrades that serve low-to-moderate income Marylanders, based on the simple payback requirements outlined above. Simple payback is the time, in years, it will take to recover the initial investment in an efficiency measure through energy cost savings. The formula for simple payback is the total cost of the project divided by the anticipated annual energy savings, in dollars per year.

Note: When calculating the simple payback for a project, applicants should include all cost and savings associated with the installed energy measures. For leveraged or matching funds, costs associated with non-energy measures (e.g., administrative or indirect costs, leveraged funds, etc.) that do not result in energy savings should not be used in estimating the simple payback. For the purposes of this grant program, applicants should calculate simple payback as follows:

Simple Payback Calculation

$$\frac{\text{Total Project Cost (\$)}}{\text{Total Energy Savings (\$)}} = \text{Simple Payback (Years)}$$

Indirect Costs

A grantee may request reimbursement for indirect costs; however, please note that the total grant award amount will be all-inclusive to include any indirect costs. **The total amount of funding requested should reflect any indirect costs that the applicant anticipates requesting for reimbursement.** MEA will use the same definition of indirect costs provided in the Federal Electronic Code of Federal Regulations.⁵ In summary, indirect costs refer to facility and administrative costs that are “incurred for a common or joint purpose benefitting more than one cost objective.”

A grantee that is tax exempt under §501(c)(3), (4), or (6) of the Internal Revenue Code who has negotiated and received an indirect cost rate under a direct federal award, or from a non-federal entity based on the cost principles in Subpart E of OMB Uniform Guidance, will be allowed reimbursement of indirect costs as outlined in [§2-208\(b\)\(1\) of the State Finance and Procurement Article](#). Documentation of the negotiated indirect rate must be provided to MEA upon request. Indirect costs reimbursement for any other non-profit organization applicant without a negotiated indirect rate, or a local government grantee, will be capped at a maximum of 10% of the grant award.

Incidental Repairs

- For projects involving whole home/building energy retrofits, health and safety repairs that enable or support energy efficiency upgrades are capped at \$1,500 per home.
- For commercial buildings in which kitchen and bath facilities are shared among multiple residents, health and safety repairs that enable or support energy efficiency upgrades are capped at \$5,000 per building, after first receiving approval from MEA.

For the purposes of this Program, MEA defines a home as “a residential unit that operates with independent systems, including its own HVAC system and kitchen and bath facilities.” The cost of the health and safety repairs must be included in the maximum budget per home.

To be eligible for LMI Program funding, health and safety repairs must fall into one of these four categories:

1. **Measures that enable the installation of an energy efficiency measure**, i.e. the repairs are a prerequisite to the successful installation of the energy efficiency measure. For example, repairing a hole in a roof that must be patched before installing insulation in the attic would qualify. Items such as repairing a broken step in a stairwell would not qualify, as this repair has no connection to an energy efficiency measure being installed.

⁵ Costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect (F&A) costs. Indirect (F&A) cost pools must be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived. 2 CFR 200.1 “Indirect (facilities & administrative (F&A)) costs”, available at [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-A/subject-group-ECFR2a6a0087862fd2c/section-200.1#p-200.1\(Indirect%20\(facilities%20&%20administrative%20\(F&A\)\)%20costs\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-A/subject-group-ECFR2a6a0087862fd2c/section-200.1#p-200.1(Indirect%20(facilities%20&%20administrative%20(F&A))%20costs)).

2. **Measures to install carbon monoxide (CO) monitors for homes with combustion appliances and/or an attached garage.**
3. **Measures to correct combustion appliance zone (CAZ) problems.**
4. **Measures to install mechanical ventilation measures required to comply with current building codes**, such as the installation of bathroom ventilation fans and controls and kitchen ventilation fans/hoods vented to the outdoors.

A grantee can pursue other sources of funding for health and safety repairs if the cost of those repairs exceeds the allowable reimbursable amount from MEA, or the repairs are not eligible for reimbursement under the program.

FY23 Update: Project-Related Training Assistance

Consistent with MEA's mission of providing affordable, reliable, and clean energy as well as to additionally support workforce development, MEA LMI program funding may be used for the cost to train energy efficiency workers supporting energy efficiency projects benefitting LMI Maryland residents in the FY23 grant cycle. Training may be included as part of a proposed project, but it cannot be the entire scope of the project proposal.

- Training requests must be disclosed at the time of the application submission for consideration, and only applications that are recommended for an award and have training included in the grant agreement scope of work shall be eligible for this funding. Training will be limited to new certifications, and not apply for recertifications. Trained personnel must be active on the proposed project(s), helping to enable energy efficiency upgrades benefitting low and moderate income Maryland residents.
- MEA can cover up to \$1,500 of training and exam fees per person, for grantees with a staff person that successfully completes one of the [Building Performance Institute \(BPI\) certifications](#) of equivalent on a case-by-case basis approved by MEA in advance. Other costs associated with training (i.e., travel costs) are not eligible for reimbursement.
 - MEA may consider covering the cost of training and examinations (up to \$1,500) for other third-party administered certifications that are similar in nature to BPI. Eligible applicants must describe the reason for such training at the time of the application submission and training requests will be reviewed separately as part of the application review process. Such certifications must cover some or all the following topic areas: energy auditing of residential or commercial buildings including economic analysis of upgrades, and combustion safety assessment and testing.

Technical Assessments, Licenses, Engineering, and Training

- A limited amount of grant funding may be requested for the costs of technical assessments, licenses, engineering, and/or training that support or enable energy efficiency. To be considered by MEA as an eligible cost, an applicant must include in its application a description of why such a use of grant funding would be necessary or beneficial to the proposed project.

- If an applicant is selected for award, any technical assessments, licenses, engineering, and/or training costs identified to be necessary or beneficial must be included in the grant's scope of work to be eligible for reimbursement.

Evaluation Criteria: MEA LMI Energy Efficiency Program grants are competitively awarded for energy efficiency projects that generate significant energy savings and pass on the benefits of the savings to Maryland's LMI residents. All submitted complete applications will be evaluated based on the review criteria established by the MEA LMI Program and outlined below.

For each region, the MEA review team will evaluate applications using the following evaluation criteria.

1. **Annual energy savings per dollar of MEA investment.** MEA is looking for projects that maximize potential energy savings. MEA will rank projects that maximize the anticipated energy savings per dollar of MEA investment more favorably than those that do not under this criterion. Applicants are encouraged to leverage all funds available to them including Utility EmPOWER Programs and the Department of Housing and Community Development's [Weatherization Assistance Program \(WAP\)](#)⁶ and [Maryland Limited Income Energy Efficiency Program \(LIEPP\)](#)⁷.

Please note that the review team will consider the accuracy of energy savings and cost information for the proposed project as part of this metric. The assumptions and methodology behind an applicant's energy and associated cost savings estimates should therefore be clearly and concisely explained. Questions that an applicant should ask while formulating these estimates include:

- How accurate are the estimates?
 - Are assumptions behind the numbers clearly stated in a manner allowing the review team to evaluate the project?
2. **Impact on Maryland's low-to-moderate income residents.** MEA is looking for projects that maximize the number of low-to-moderate income residents that can be served with Program grant funding. Direct and indirect benefits that will accrue to LMI Marylanders as a result of implementing the proposed project should be clearly explained and defensible.
 3. **Project Feasibility and Scope:** Projects must be feasible in scope while also falling within the Eligible Activities section of this FOA. An applicant should ensure the project application presents a clear, detailed description of project feasibility as part of the project's description.

⁶ <https://dhcd.maryland.gov/Residents/Pages/wap/Default.aspx>

⁷ <https://dhcd.maryland.gov/Residents/Pages/licep/default.aspx>

4. **Applicant's recent past performance complying with MEA LMI program requirements.** With regard to any past LMI grants awarded to an applicant, MEA will consider the execution of past projects under an MEA award (including the proposed number of home upgrades compared to the actual number of completed upgrades), expended award amounts, any extensions necessary to complete a project(s), accuracy and timeliness of reporting, the past project's ability to achieve economies of scale, the final simple payback of the past project(s), and the results of compliance monitoring (if applicable). (Applies only to grantees who have received MEA grants in the past five fiscal years)
5. **Method of delivery of energy products and services and whether the proposed method will provide the best value to the State of Maryland.** MEA is looking for projects that implement industry best practices and successful cost-effective energy conservation measures. Applicants shall clearly explain how their proposed measures will incorporate best practices.

In addition, MEA may factor in geographic diversity when evaluating grant applications.

Review Process: The MEA LMI Grant Program is a competitive program, which means that all applications will be reviewed against each other in the individual regions using the review criteria described above. Each application that MEA receives by the application deadline is reviewed in the application's entirety by all members of the LMI Grant Review Team. Once initial application reviews are completed by each review team member, the grant review team will meet to come to a consensus on which projects are recommended for funding based on initial individual findings.

Partial or Scaling of Awards: Partial awards are possible under the Program. Awards may be scaled either up or down in situations where there are requests for more funds than are available, or where funds available for a specific region are not fully depleted. For the purposes of the LMI Program, "scaling a project" means increasing or decreasing the number of homes, buildings, or weatherization/energy efficiency measures to be carried out as part of a grant awarded under the Program.

The process for awarding, and criteria for determining the amount of, partial grant awards (i.e., an award at an amount less than the applicant's original funding request) are as follows:

- The Review Team will first determine which application proposals are recommended for awards in a specific region based on the review criteria described in the Evaluation Criteria section. Then, the decision to issue a partial award will consist of the following criteria:
 1. Whether the application proposal is scalable;
 2. Whether the applicant has been recommended for awards in other regions under this Program;
 3. Project size and the requested award amount of applicant's proposal;
 4. Whether the project is feasible at a lower or higher funding amount;

5. Project type; and,
6. Any possible impact on energy efficiency workforce development.

Required Application Documents: Each applicant for the FY23 Program is required to submit the following:

1. **Complete and accurate FY23 Low-to-Moderate Income Grant Program Application.** A blank copy of this application form is available on the [MEA LMI Energy Efficiency Grant Program website](#).⁸ **If an entity is applying for more than one region, an application will need to be submitted for each region.**
2. **Energy Savings Estimate Supporting Documentation:** Applicants are also required to submit supporting documentation for the energy savings estimates indicated in their application. Applicants must submit one of the following:
 - A completed energy audit, or a sample energy audit indicative of the type of audit that will be completed on a home/building similar to the homes/buildings described in the project description.

Or

 - A completed “FY23 Savings Estimates and Assumptions Worksheet”. This worksheet is available on the [MEA LMI Energy Efficiency Grant Program website](#).
 - This document is an example of a tool that can be used to estimate energy savings for commercial building and other specific energy efficiency measures.

Or

 - Other supporting documentation that meets the requirements outlined in Section III of the FY23 LMI Grant Program Application Form.

Note: An applicant should only submit an audit, worksheet or other supporting documentation based on a sample home/building. An applicant proposing multiple homes/buildings can use the sample of one home/building to scale their estimates based on the number of homes/buildings in the proposed project.
3. **A complete, current, and accurate copy of the applicant’s IRS Form W-9 (Request for Taxpayer Identification Number and Certification).**
4. **Supporting documentation for awarded, or applied for, utility and non-utility funding programs.** Examples include, but are not limited to, award letters, award agreements, and memorandums of understanding (MOUs).

⁸ <https://energy.maryland.gov/govt/Pages/CleanEnergyLMI.aspx>

5. **A detailed project timeline** that includes, at a minimum, estimated dates for project start-up, contractor selection, construction/project milestones, completed project scope, and final invoicing and reporting to MEA.
6. **For Non-Profits Only:** Proof of incorporation and non-profit status of the applicant organization.
7. **For Non-Profits Only (If Applicable):** A completed Conflict of Interest Disclosure Form.
 - If a relationship that could be characterized as being closely affiliated exists between a non-profit organization and its contractor that will be performing work funded by the Program, the applicant must complete the Conflict of Interest disclosure form and attach a copy of your organization's Conflict of Interest Policy.
 - **Note:** Upon MEA's request, an applicant must provide additional information about the closely- affiliated relationship, including a statement from the applicant's board attesting that the relationship has been reviewed by the board and found to be consistent with the non-profit organization's Conflict of Interest policy.

Submission Instructions: MEA is encouraging the use of electronic applications to streamline processing and reduce environmental impacts. If an applicant is unable to apply electronically, please contact MEA at 410-537-4068 no later than ten (10) business days prior to the grant deadline to determine an alternative method to submit an MEA LMI application. Applications must be submitted no later than **Thursday, December 1st, 2022, by 11:59 P.M.** Eastern Daylight Time. Unless an applicant has contacted MEA regarding an alternative method, an application must be submitted electronically to MEA's LMI Program technical assistance contractor at MEALMI@newportpartnersllc.com.

Guidance for Submission

1. Unless the Applicant has contacted MEA regarding an alternative application method, email application and all supporting documents to MEALMI@newportpartnersllc.com.
2. Each file should be saved in PDF or DOCX format and be less than 10 MB in size. Any file more than 10 MB may not be reliably delivered.
3. Please include the name of the applicable region in the email's subject line, followed by the applicant organization's name (for example: "Western Region - Bright Start Foundation").
4. If an application is submitted in parts, please number each email submission (i.e., Part 1 of 3, Part 2 of 3, etc.) so that MEA can verify that the entire application is received.
5. **Please be sure to not include any personally identifiable information (PII) in the application.** Examples of PII include homeowner names, social security numbers, and phone numbers.

Each applicant will receive an email from MEA's Technical Assistance Team confirming receipt of their application. **If you do not receive an email confirming your submission within one (1) business day of submission, it is your responsibility as an applicant to contact Sam Bowles (sbowles@newportventures.net) to ensure that your application was successfully sent from your organization's email system and received by the LMI team.**

Funding Provisions, Requirement, and Restrictions: MEA grant programs are covered by general requirements that will be made part of the grant agreement between MEA and a grantee. A copy of the current [Grant General Provisions \(Version 3\)](#) is available on [MEA's website](#); these General Provisions will be incorporated into each FY23 grant agreement issued by MEA.⁹

In addition to the general provisions, the following provisions, requirements, and restrictions apply to this program:

1. All projects funded through the Program must comply with the relevant provisions of the current version of the International Energy Conservation Code being enforced in Maryland.
2. All work must be completed by contractors and/or staff holding all necessary certifications and licenses to work in Maryland. Permits shall be obtained timely, when required. Additionally, all work performed pursuant to the Grant shall comply with all applicable local, State, and federal building codes and other applicable requirements.
3. MEA will consider fuel switching as an energy efficiency measure if it can be shown to be cost effective and to result in a net reduction in overall energy usage or emissions reduction.
4. MEA encourages all applicants to focus on residential households that are ineligible for assistance through the [Weatherization Assistance Program](#)¹⁰ (WAP) or the [EmPOWER Maryland Limited Income Energy Efficiency Program](#)¹¹ (LIEEP) run by the Department of Housing and Community Development (DHCD) whenever and wherever possible.
5. Low-income residents cannot be charged for participation in any program that receives Strategic Energy Investment Fund (SEIF) funding. This prohibition against charging for low-income participation applies to any project receiving grant funds through the Program.
6. **Renewable energy technologies are not eligible to receive funding from the LMI Energy Efficiency Grant Program.** See the MEA website for information on programs that provide [commercial](#) and [residential](#) renewable energy incentives.
 - For those who wish to pursue renewable energy photovoltaic (solar) panels on low-income homes, see the MEA [Low-Income Solar Grant Program Application](#)

⁹ <https://energy.maryland.gov/SiteAssets/Pages/all-incentives/General%20Provisions%20v3%202.11.22.pdf>

¹⁰ <https://dhcd.maryland.gov/Residents/Pages/wap/Default.aspx>

¹¹ <https://dhcd.maryland.gov/Residents/Pages/lieep/default.aspx>

[and Instructions](#) to learn eligibility for projects implemented by nonprofit organizations and local governments that provide solar renewable energy generation on low income Maryland homes. **This is a separate application from the MEA LMI Energy Efficiency Grant Program.**

7. For Whole Home/Building Residential Retrofit projects not involving an HVAC upgrade, no more than \$7,000 per home energy retrofit is reimbursable under the Program. For home energy retrofits incorporating an HVAC upgrade, the maximum reimbursable cost per home under the Program for a home energy retrofit with HVAC is \$12,000. All health and safety costs, which are capped at up to \$1,500 per home, are included in the overall cost and count towards the reimbursable MEA limits.
 - HVAC upgrades are only allowed in homes that have been weatherized within the past five years and can provide proof of weatherization; or propose weatherization as part of the project.
8. For appliance replacements in existing homes or buildings, only ENERGY STAR® qualified appliances qualify under the Program.
 - Refrigerator replacements: The maximum reimbursable cost per ENERGY STAR® qualified refrigerator is \$1,000 under the Program.
 - Water heater replacements: ENERGY STAR® qualified heat pump water heaters and ENERGY STAR® natural gas water heater replacements are eligible under the Program.
9. If insufficient eligible applications are received in a region, funding may be reallocated to eligible projects in other regions.
10. If an applicant is selected for a grant award, the award will be issued to the name, address, and federal tax identification number provided on the W-9 form. **Once a grant award has been fully executed between MEA and the applicant, the grant award cannot be reassigned to a new entity with a different federal tax identification number.**

Questions can be directed to Dean Fisher, dean.fisher@maryland.gov, (410) 537-4068, or Sam Bowles, sbowles@newportventures.net, 301-889-0017