



Wes Moore, Governor
Aruna Miller, Lt. Governor
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Coming Soon

**FY26-Only Local Government Energy Modernization Program (L-GEM)
Anticipated Launch Summer 2025
One-Time \$60M Grant Opportunity for Local Governments**

Your Feedback Requested Today!

***Updated 6/13/2025 to reflect early feedback**

The Maryland Energy Administration has published this Notice of Intent (“NOI”) and Request for Information (“RFI”) to inform the design of the Local Government Energy Modernization Program (“L-GEM”) for fiscal year 2026. Please note, this program is subject to change. This document is not a guarantee of fund availability, nor is it a complete and full Funding Opportunity Announcement (“FOA”). Final program parameters and application instructions will be included in the FOA when announced in early fiscal year 2026.

NOTICE OF INTENT

SCOPE

The L-GEM Program is replacing the Maryland Smart Energy Communities (MSEC) Program for Fiscal Year 2026. L-GEM is a one-time opportunity for local governments to make increased investment in their building energy portfolio. Similar to MSEC, this program supports local governments as they engage in sustainable, long-term clean energy projects that lead to reduced energy usage and greenhouse gas emissions, increased cost savings, and robust clean energy and economic development.

This program specifically aims to reduce greenhouse gas emissions from the building sector which aligns with Maryland’s goal of achieving net-zero emissions by 2045. By empowering local governments to lead by example, the program aims to inspire community-wide engagement and provide residents and businesses with access to resources that help them adopt similar initiatives.

ANTICIPATED APPLICATION PERIOD: Summer 2025 - Winter 2025

ANTICIPATED FY26 BUDGET: \$64 million total: \$50 million anticipated for planning activities and renewable energy projects. \$10 million anticipated for energy efficiency projects. \$4 million anticipated for electrification projects.

ANTICIPATED TYPE OF GRANT PROGRAM: The L-GEM FY26 portfolio offers awards in four core Areas of Interest (AOI):

- **Area of Interest 1 (AOI1): Formula Block Grant:** A block grant is formula-based, flexible funding that is secured upfront and can be used over multiple years to support both planning and implementation of a variety of energy related projects (planning, energy efficiency, renewables,

and some electrification). This allows recipients to align the funding with local priorities and timelines. Counties are encouraged to apply for AOI1. Municipalities are not eligible for AOI1.

- **Areas of Interest 2, 3, & 4: Competitive Project Grants:** A competitive grant is project-specific funding awarded to local governments proposing individual projects for consideration. Each application is evaluated based on its merits with funding awarded to projects that best align with the program's goals and priorities based on the evaluation criteria. County and municipal governments may submit multiple applications with one application per project
 - **Area of Interest 2 (AOI2): Competitive Planning Project Grant:** Counties and municipal governments may submit one application per planning project. Planning projects may include Feasibility Studies, Energy Audits, Energy Planning, and Strategy Development.
 - **Area of Interest 3 (AOI3): Competitive Capital Project Grant (Not Including Electrification):** Counties and municipal governments may submit one application per energy efficiency or renewable construction project. Capital projects may include installation of Renewables (solar, geothermal, methane recapture, etc.), Building Envelope Measures (Weatherization, Insulation, etc.) and Efficient Equipment and Appliance Upgrades. Capital projects may not include electrification.
 - **Area of Interest 4 (AOI4): Competitive Capital Project Grant (Only Including Electrification):** Counties and municipal governments may submit one application per electrification project. Electrification is the process of replacing fossil fuel systems with electric systems.

In essence, AOI1 is a block grant, AOI2 is a competitive planning grant, AOI3 is a competitive capital grant (not including electrification), and AOI4 is a competitive capital grant (only including electrification).

AVAILABILITY

The Program FOA is expected to be announced in Summer 2025. Interested parties are encouraged to contact Program Manager Lacey Allor at msec.me@maryland.gov and to follow the Maryland Energy Administration on social media: [Facebook](#) | [X](#) | [LinkedIn](#).

ANTICIPATED ELIGIBLE APPLICANTS

- **Area of Interest 1 (AOI1): Formula Block grant:** Counties of Maryland and Baltimore City are eligible for and encouraged to apply to AOI1.
- **Area of Interest 2 (AOI2): Competitive Planning Project Grant:** Eligible applicants include all incorporated towns, cities, and counties of Maryland. Counties that apply for AOI1 are not eligible to apply for AOI2.
- **Area of Interest 3 (AOI3): Competitive Capital Project Grant (Not Including Electrification):** Eligible applicants include all incorporated towns, cities, and counties of Maryland. Counties that apply for AOI1 are not eligible to apply for AOI3.
- **Area of Interest 4 (AOI4): Competitive Capital Project Grant (Only Including Electrification)** Eligible applicants include all incorporated towns, cities, and counties of Maryland. Counties may apply for both AOI1 and AOI4.

REQUEST FOR INFORMATION

Contact and Submission: MEA kindly requests that responses to this RFI be submitted via <https://form.jotform.com/marylandenergy/L-GEM-RFI> by **June 30, 2025**. MEA may continue to receive comments after the deadline, but comments received by this date may be most impactful. Alternatively,

if you prefer, you may send your feedback to msec.mea@maryland.gov with “L-GEM RFI” in the subject line.

RFI Questions: Please provide your responses to some or all of the following questions, in as much detail as possible.

1. MEA anticipates offering counties the opportunity to secure a large formulaic block grant in FY26, with the flexibility to spend down the block grant over multiple years on a variety of clean energy projects.
 - a. What terms would make a block grant particularly attractive to pursue?
 - b. What terms would be outright deal-breakers?
2. Energy efficiency and clean energy projects ultimately save energy and money but require upfront planning and capital. MEA anticipates increasing the portion of cost covered by the grant funding and reducing the matching dollars required by the county. What budgetary limitations are you facing that MEA should be aware of? How do you evaluate the value of the investment? What is a reasonable simple payback period in years?
3. Are there any specific incentive structures, formulas, limitations, or restrictions MEA should consider or avoid?
4. For counties, is there any prospect to disperse funding to municipalities within your jurisdiction?
5. Which types of energy planning and energy improvement projects does your jurisdiction have need for (e.g., renewable energy deployment, energy efficiency retrofits, etc.)? If you have any specific examples of new construction or major building renovation projects on the horizon, please tell us if and how additional funding to pursue energy efficiency or clean energy measures could enable different decision-making by your jurisdiction.
6. How should MEA balance funding between planning activities (e.g., energy planning, feasibility studies, audits) and implementation projects (e.g., equipment installation, construction, retrofits)? Do you see a greater need in your jurisdiction for planning or implementation support?
7. What is the typical cost range your organization has encountered for conducting feasibility studies related to clean energy or energy efficiency projects?
8. Besides budget limitations, what other barriers and challenges are you facing that MEA should be aware of (i.e. Building Performance Standards, procurement process, technical assistance etc.)? How else can MEA tip the scale in favor of pursuing energy efficiency and clean energy projects?
9. How should MEA stay engaged with you going forward?
10. Are there any other questions you think MEA should have asked but did not in this RFI? If yes, please ask and answer those questions here.