Frequently Asked Questions ("FAQs")
FY26 Local Government Energy Modernization (L-GEM)
Updated 11/24/2025

This document is provided as a **guidance document only**. The information in this document should not be construed as professional consultation. **This document does not override the eligibility requirements of the Program, posted on the Program webpage in a Funding Opportunity Announcement ("FOA").** Please direct any questions that cannot be answered by this FAQ Document to msec.mea@maryland.gov.

For full program details, explanation, and eligibility please see the Funding Opportunity Announcement on the program webpage.

Q: When is this program running?
> A: July 2025 - 5:00 PM EST December 5, 2025.

Q: Are applicants required to pay contractors first and then request reimbursement?
> A: Yes, L-GEM operates on a reimbursement basis. Applicants must cover project costs upfront, including contractor payments, and then submit invoices and required documentation to MEA for reimbursement once the project is complete.

Q: Can L-GEM funding support projects implemented in calendar year 2025?
> A: No. L-GEM funding cannot support projects that have started work in calendar year 2025, as grant agreements are not expected to be executed until Spring/Summer 2026. "Start work" generally refers to the beginning of construction, and no payments, deposits, or financial commitments may be made until the grant agreement is fully executed. Applicants may complete planning, design, or engineering activities and line up contractors in advance, but construction cannot begin until after the grant agreement is signed.

Q : What do applicants do if they can't provide funding for the project upfront?
> A: Applicants are encouraged to explore bridge financing options, such as internal budget reallocations, short-term loans, or partnerships with

third-party financiers, to manage cash flow until reimbursement is issued by MEA. Two resources available to local governments are the Jane E. Lawton Conservation Loan Program and financing options offered through the Maryland Clean Energy Center, both of which can help manage cash flow until reimbursement is issued by MEA.

Q: Are both new construction and retrofit projects eligible?

A: The eligibility really depends on the type of measures being proposed. Renewable energy measures—such as solar PV or geothermal systems—are often a great fit for new construction projects and can typically be funded without issue. Energy efficiency measures, however, are more commonly supported in retrofit projects, since new buildings are already required to meet current building codes. In cases where you can demonstrate that a proposed efficiency measure significantly exceeds code requirements and will result in substantial additional energy savings, and where the incremental funding is essential for the measure's implementation, it may be considered for support.

Q: What does the process look like for Area of Interest 1? May counties submit multiple projects? Must project-specific forms be submitted simultaneously, or may they be submitted on a rolling basis? What happens if a county wants to pursue additional projects down the road not listed in the initial application?

A: For AOI1, the initial application is intended to provide a high-level overview of the types of projects a county plans to pursue with L-GEM funding over the 36 month period. Applicants should request a specific funding amount and use the narrative section to justify that request. While detailed information on every potential project is not required—especially given the three-year scope—applicants are encouraged to include specific project details where available.

After the December 5th deadline, MEA will review all applications across AOIs and determine funding allocations. MEA will draft a grant agreement, anticipated to be finalized by Summer 2026.

Once the grant agreement is executed, counties must submit a separate form for each individual project for MEA's approval prior to implementation. This form is not yet available, but the AOI1 Funding Opportunity Announcement lists the specific metrics that will be asked for. These projects may be proposed and completed on a rolling basis throughout the 36 month period. Please note that counties may not receive reimbursement for projects that begin before grant agreements are issued. Upon completion of each project, the county

must submit both an invoice and a final report, after which MEA will release grant funds.

Counties are not strictly bound to the projects listed in their initial application. They may choose not to pursue certain projects or add new ones later, provided each project is submitted to MEA for review and approval before work begins.

Q: How should applications be handled if multiple departments from the same county are applying?

A: MEA will accept only one application per county under AOI1. We encourage counties to coordinate internally across departments to develop a single, consolidated application and, if possible, designate a primary point of contact to streamline communication.

Competitive AOIs (2, 3, and 4) may come from different departments and do not require this level of coordination; however, counties may not apply for both AOI1 and AOI-2/3.

Q: Does MEA provide a recommended list of vendors?

A: [The Maryland Clean Buildings Hub](#) is developing a systematic and equitable process for collecting vendor information for contractors and other energy service providers who conduct building decarbonization services in Maryland, such as benchmarking assistance, energy audits, decarbonization planning, energy service performance contracting, and more.

In the meantime, please visit [The Maryland Clean Buildings Hub website](#) for vendor lists provided by other entities.

Q: Since the L-GEM Program will fund $50M for renewable projects, $10M for energy efficiency projects, and $4M for electrification projects, should our application follow that same ratio of funding?

A: The $50M for renewables, $10M for energy efficiency, and $4M for electrification are the funding pools MEA must adhere to, but counties don't need to mirror those exact percentages in their applications. We recognize that each jurisdiction has different needs and opportunities- some may have a greater focus on energy efficiency, while others may be better suited for renewable or electrification projects.

We recommend using those percentages as a general guide rather than a requirement. Because the renewable funding pool is the largest, we do encourage applicants to consider renewable projects where feasible.

In your application, it's helpful to list a variety of potential energy efficiency and renewable projects even if some are lower priority. This gives MEA more flexibility in determining which measures can be funded under each category and ensures your county is well-positioned to take advantage of available funds. The 10% cost share can apply across all projects instead of each individual project. However, your cost share can never dip below 10%, so if you have a project with 0% cost share and another with 50% cost share, then the 50% cost share project must be invoiced first.

Q: Does the 10% cost share for AOI 1 have to be met for each individual project, or can it be fulfilled collectively across the overall grant?

The 10% cost share can apply across all projects instead of each individual project. However, your cost share can never dip below 10%, so if you have a project with 0% cost share and another with 50% cost share, then the 50% cost share project must be invoiced first.

Q: What kind of budget documentation is required?

For AOI1, formal budget documentation is not required; however, including a summary budget table within the narrative is recommended to help clarify project costs. For AOI2, AOI3, and AOI4, applicants should use the budget template provided on the program website.

Q: Can you bundle multiple measures into one application for AOI3?

Yes, applicants may bundle multiple energy efficiency measures into a single AOI3 application, or they may submit separate applications for individual projects. Both approaches are acceptable under the program, and each has potential advantages and drawbacks.

Q: Will MEA review applications on a rolling basis or only after the submission deadline?

The Environmental Finance Center (EFC) at the University of Maryland is the first place to go for application assistance, as they provide free grant writing support to select counties—primarily rural jurisdictions.

MEA staff will do our best to review draft applications prior to submission; however, we can't guarantee a review before the deadline since we expect a high volume of applications. If you would like feedback, please send your materials as early as possible to allow time for review.

Applications will otherwise be formally reviewed after the submission deadline.

Q: Is there a cost share requirement for third-party owned (TPO) solar systems?

No. Third-party owned systems do not require a cost share. MEA provides funding based on the system's capacity (measured in kW-DC), rather than the total project cost, because local governments do not incur the full installation cost under a TPO model.

Funding is issued on a per–kW-DC basis, and the incentive rate varies by Area of Interest (AOI). For example, under AOI 1, a 600 kW-DC rooftop solar system would be eligible for $1,000 per kW-DC, resulting in a total award of $600,000.