



Funding Opportunity Announcement

FY 23 Community Solar LMI-PPA Grant Program

Program Description: This program provides funding to partially reimburse Community Solar Subscriber Organizations for added costs associated with making the Community Solar Pilot Program accessible to the LMI community. Given the large up-front costs associated with an ownership model, a PPA model (little or no up-front cost, pay monthly per kWh used) with sufficiently favorable financial terms will likely be more appealing to the LMI community. The grant amount is based upon a net present value formula, which takes into account the amount of energy subscribed to LMI households and the cost savings guaranteed over and above that of a specified base case over an assumed 20-year PPA period. A discount rate of 10% is used.

Type of Grant Program: Competitive – statewide with a single application window

Application Deadline: Friday, December 16, 2022, at 5:00 p.m.

Eligible Applicants: Applicants must be registered to do business in Maryland and must be in good standing. Applicants must be Community Solar Pilot Program Subscriber Organizations registered with the Maryland Public Service Commission (having a Subscriber Organization number) proposing projects in the following categories:

- LMI category (guarantee 10% of energy output to Low Income subscribers and an additional 20% of energy output to Low-or-Moderate Income subscribers), or
- SBO¹ category AND guarantee at least 51% of energy output to Low-and-Moderate Income subscribers.

Eligible Activities: Grantees will install and operate solar photovoltaic (PV) arrays under the Maryland Community Solar Pilot Program. Grantees are also responsible for subscribing at least the minimum amount of energy to LMI subscribers that is required by their allotted community solar capacity category in the Pilot Program.

¹ SBO stands for Small, Brownfield, and Others. It is one of 4 Community Solar Categories: Open, SBO, LMI, 50 kW or less

Program Budget: Approximately \$1,000,000. The funding is from the Strategic Energy Investment Fund (“SEIF”). Individual grants will not exceed \$500,000 for any given project.

Evaluation Criteria: MEA will rate each complete application based on the benefits of the project to LMI ratepayers. A sample of the Application Review Checklist can be found on the program website.

The primary evaluation criterion is the value calculated as the “Total Benefit to Subscribers.”² This factor is scaled by dividing it by 50,000.

Additional favorable evaluation criteria include:

- Leveraging quotient (total project cost divided by the total grant funding) divided by 10
- Use of building rooftops in cities and towns
- Pairing the array with a storage device (number of full hours of energy storage at full solar array rated output)
- Use of a waste landfill or land participating in the Maryland Department of the Environment (MDE) Voluntary Cleanup Program (VCP)
- Education of the public concerning the benefits of the project to the general public through a sign at the project site with updated numbers (e.g., clean energy generated, greenhouse reductions) display, dashboard or internet website.

The Review Team may, at its discretion, adjust the ranking to ensure a project is selected in each utility service territory before selecting additional projects in any one utility service territory.

Review Process: The MEA Program Manager will assemble a Review Team of at least 3 qualified program managers, energy specialists or other professionals. Individuals from outside MEA may be included at the Program Manager’s discretion. All team members will review each application using the Application Review Checklist. Projects are ranked from highest to lowest. Despite the ranking, the review team members may still recommend against an award. Any recommendation against an award will be discussed by all team members during an in-person (or virtual) meeting. A majority vote of the team members will be required to disqualify an application for cause. Any disqualification for cause will be documented in the award recommendation memo to the Director (MEA). The review team will recommend applications for funding based on the amount of funding available. The review team may, at its sole discretion, recommend one or more additional projects (in priority order) for funding if funding becomes available before the end of the fiscal year. The Program Manager will make recommendations to the Director, incorporating input from the

² “Total Benefit to Subscribers” is a calculated value from Cell B19 of the “Test Case” application Excel workbook.

Review Team. In the event of a disagreement, the dissenting concerns will be included in the recommendation memo to the director.

Award Formula: The award calculation includes the following variables: number of subscribers, size of LMI portion of the array (to the nearest kW), the assumed kWh-ac/kW-dc for the array, the cost of electricity for the utility service territory (\$/kWh), the first-year rate reduction below the CSEGS Credit Rate (percent), and the PPA escalation rate (%/year). The calculation is performed on the Application Worksheet (FY 23 LMI and SBO Categories).

Partial awards: Partial awards are possible under the Program. Full grant awards are made among approved projects from highest to lowest rank. If insufficient funds are available to fully fund a project, the applicant will be given the opportunity to fulfill the grant obligations with the remaining budgeted funding. If the applicant agrees, then the project will be funded with the remaining funds. If the applicant does not agree, then the offer will be made to the next approved project in rank order until all funding has been expended or all remaining projects have rejected the offer.

Required Application Documents: The following documents are required as part of the application package:

- 1) Application Spreadsheet (including a completed Application Page, a Proposed Incentive Calculation Page, and the appropriate Utility rate calculation page).
- 2) Subscriber Organization Certificate of Good Standing from SDAT,
- 3) Subscriber Organization / Applicant IRS Form W-9,
- 4) Site plan, showing array location on the site,
- 5) Google Earth (or equivalent) map showing the location of the site with respect to the surrounding community,
- 6) PVWATTS, PVSYST (or equivalent) document showing expected energy production,
- 7) Proposed timeline (assuming the grant is issued on February 1, 2023),
- 8) Documentation showing the last 12 months of Residential Community Solar Energy Generation (CSEG) Credit Rate for the utility service territory (or equivalent for Potomac Edison service territory).
- 9) Evidence that the applicant will have control of the proposed site for at least 20 years after the solar system is expected to be complete.
- 10) Cover letter provided indicating guaranty of savings over 20 years and the form of incentive (i.e., base rate plus escalator or constant savings below CSEGS credit rate).

Submission Instructions: MEA encourages the use of electronic applications to streamline processing and reduce environmental impacts. If you cannot apply electronically, please contact MEA at least seven (7) days prior to the application deadline to identify an alternative method to submit the application.

The application spreadsheet and required documents should be submitted electronically to MEA via email to: solar.mea@maryland.gov.

If specifically authorized by MEA, an applicant should mail the supporting documents to:

Maryland Energy Administration
Attn: Community Solar LMI-PPA Grant Program
1800 Washington Blvd. Suite 755
Baltimore, MD 21230

Grant Program General Provisions: MEA grant programs are covered by general provisions that apply to all energy programs. A copy of the current General Provisions document is available on MEA's website at [\[insert hyperlink for Grant Agreement General Provisions Attachment A, version 3\]](#); the latest approved version of this document will be incorporated into all FY23 grant agreements issued by MEA.

In addition to the general provisions, MEA reserves the right to obligate some, all, or none of the FY23 Community Solar LMI-PPA Grant Program budget, based on the quality and eligibility of applications submitted to MEA.

Program-specific Requirements:

Definitions:

- Community Solar: A virtual net energy metering program authorized by §7-306.2 of the Public Utilities Article of the Maryland Code.
- Community Solar Capacity Category: Projects are issued capacity by the participating utility company in one of four categories: Open; Small/Brownfield/Other, LMI, and very small.
- Low Income: a subscriber whose gross annual household income is at or below 175 percent of the federal poverty level for the year of subscription or who is certified as eligible for any federal, state, or local assistance program that limits participation to households whose income is at or below 175 percent of the federal poverty limit:³
- Moderate Income: A subscriber whose gross annual household income is at or below 80 percent of the median income for Maryland for the year of subscription.⁴
- The implementation of Low-Income and Moderate-Income verification was further defined by PSC Letter Order dated February 14, 2020.⁵

Restrictions and Limitations:

- At least one person from the solar installation company, certified as a PV Installation Professional (PVIP) by the [North American Board of Certified Energy Practitioners \('NABCEP'\)](#), must be involved in the design and/or installation of the community solar array. Applicants will be

³ Code of Maryland Regulations 20.62.01.02.B (12)

⁴ Code of Maryland Regulations 20.62.01.02. B (13)

⁵ <https://webapp.psc.state.md.us/newIntranet/Content.cfm?ServerFilePath=%5C%5CColdfusion%5CLetterOrder%5CPosted%5C61459.doc>

required to provide the name and certification number of this individual(s).

- The Grantee/ Subscriber Organization is responsible for submitting all reporting documents, including invoices, to MEA.
- Only one MEA grant may be awarded per project.
- The Grantee/ Subscriber Organization must provide sufficient guarantees that the agreed upon terms of the Grant Agreement will not be changed in a manner that would disadvantage the LMI subscriber over the 20-year period covered by this grant. These subscription limitations must be included as mandatory requirements in any future agreements of sale or change in control or ownership of the solar array to another subscriber organization.
- The subscription must be structured in a PPA model (little to no up-front cost to the subscriber: the subscriber pays the subscriber organization for energy credited to his/her electric bill on a \$/kWh basis).
- The project must produce creditable power by three years and one month from the effective date of the Grant Agreement. (Creditable power is power provided to the electric utility that is used to compute the subscriber's monthly energy bill).
- Grantee/ the Subscriber Organization must provide a count of LMI subscribers to the Maryland Energy Administration with the submittal of the Completion Report and no later than three years and one month from the Grant Agreement's effective date. The count of LMI Subscribers must include a detailed explanation of how LMI subscribers were certified to their LMI category. If a third party provided the certification, the grantee must provide a detailed explanation of how the third party conducted the verification. MEA may request a list of LMI subscribers, their income category, and the subscription capacity (kW)
- The project must be part of the Community Solar Pilot Program; each grantee must have a subscriber number issued by the Maryland Public Service Commission and comply with the implementing Code of Maryland Regulations 20.62.01.01 through 20.62.05.20.
- The project must have capacity allotted to it by the electric utility under the LMI category, or it must be in the "Small/Brownfield/Other" category and provide more than 51% of its energy credits to subscribers certified as "LMI".
- A Maryland Historical Trust review must be completed without an adverse finding before grant funding will be paid.
- Solar systems smaller than 10 kW will not be considered.
- The solar system must meet minimum system requirements as specified in IEEE 1547 and the National Electric Code.
- Each component of the solar systems must be listed or labeled by a recognized national testing laboratory.

Grant Funding and Payment:

- Upon receipt of grant agreement signed by both the grantee and MEA, MEA will encumber (set aside) funds.
- Grant funds will be distributed after the project is producing creditable power to subscribers. The Subscriber Organization will inform MEA when the project is complete (all zoning requirements met, all permit inspections passed and permits closed, all commissioning tests

satisfactorily completed, and permission to operate received from the utility). MEA may then conduct a site visit or provide direction on how to conduct a virtual site visit or equivalent.

- Upon completion of the site visit or equivalent, MEA and the Subscriber Organization will recalculate the final grant amount based on the actual capacity of the project (kW-dc), the actual percentage of energy provided to LMI subscribers, and the actual payments for potential subscriber income verification. The Grantee/ Subscriber Organization will submit a Final Invoice and Completion Report using these numbers (not to exceed the total amount authorized in the grant agreement). Upon receipt of a complete and accurate invoice and completion report, MEA will submit the request for payment of grant funds.
- The Grantee name and Grantee Tax ID number cannot be changed until the grant funds have been distributed to the Grantee.

Solar Renewable Energy Credits (SRECs): Projects must register for and receive Solar Renewable Energy Certificates (SRECs). Grantees will be required to verify the successful registration of projects with the Maryland Public Service Commission and with PJM Interconnection. For information concerning SREC registration, consult the PJM EIS website at <https://www.pjm-eis.com/>

Program Changes: Any update (e.g, extension of a deadline) or clarification about the Program and any corrections to inadvertent errors in the Program information will be available on the Community Solar LMI-PPA Grant Program webpage. In addition, MEA will communicate clarifications and updates made after the application deadline directly to applicants or grantees, as applicable, by letter and/or e-mail.

The final grant amount for each Grantee will be made after review of all proposals received and is subject to funding availability for the Program and any relevant statutory requirement applicable at that time.

Questions can be directed to:

David Comis, Energy Program Manager
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410-537-4064 (w)

Effective Date: July 1, 2022

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