



Funding Opportunity Announcement Low Income Solar Grant Program FY2023 Grant Program

Program Description: During Fiscal Year 2023 (FY23), the Maryland Energy Administration (MEA) will offer grant funding for the design and installation of solar energy systems for a limited number of Low Income single family homes that have received an energy audit and weatherization-type energy efficiency upgrades as part of MEA's Low-to-Moderate Income Energy Efficiency Grant Program. The Low Income Solar Grant Program will make available up to 100% of the cost for the design and installation of a solar photovoltaic (PV) system with a funding cap of \$25,000 per home.

Through this pilot program, MEA aims to gain insight into best practices for deploying solar energy to low-income residential households as outlined in §9-20B-05(i) of the State Government article.

Type of Grant Program: Competitive

Application Deadline: Tuesday November 15, 2022, at 5:00pm EST

Eligible Applicants: Non-profit organizations and local governments that have received an award from MEA's FY18 – FY23 [Low-to-Moderate Income Energy Efficiency Grant Program](#).

Eligible Activities: The installation of solar PV systems for the benefit of low income residential households and sized to produce less than or equal to 100% of the homeowner's estimated annual energy use. Each solar photovoltaic system funded through this pilot program must range in size from 1 kilowatt (kW) to 10 kW. The grant funds must be used for the purchase of a system to benefit the low income household and not to facilitate a power purchase agreement. For a roof-mounted system, the roof structure of the house must be favorable for solar, as determined by the grantee's solar contractor. A roof-mounted solar installation may include limited roof repair and replacement in the vicinity of the solar array, structural support of the roof (as needed), and mold remediation in areas needed to support the installation of the array and supporting equipment. If a roof-mounted structure is not favorable for a home, a ground mounted system may be considered for the benefit of a low income household.

MEA anticipates that most of the solar installations funded will be roof-mounted systems.

Program Budget: Approximately \$1,000,000. The funding is from the Strategic Energy Investment Fund (SEIF). The actual amount available may be more or less, depending on the eligibility and quality of applications submitted to MEA.

Award Formula: MEA anticipates awarding at least five (5) grants, with a grant award of up to \$200,000 per awardee, inclusive of all direct and indirect costs. MEA will provide up to \$25,000 for each solar PV system installation to benefit a low-income household. If MEA does not receive sufficient qualified applications for the available funds, MEA may opt to increase individual grant amounts awarded to successful applicants.

Evaluation Criteria: MEA will evaluate each application on the following criteria:

- Leveraging factor (percentage of MEA grant funding/total cost of the solar project), MEA will consider an applicant's ability to leverage other funding to expand program activities.
- Number of energy-efficient home upgrades applicant has completed as part of MEA's Low and Moderate

Income (LMI) Energy Efficiency Grant Program. A higher rating will be given for a higher throughput as more potential renewable energy deployment to serve low income residential households.

- Applicant's past performance in the LMI Energy Efficiency Grant Program and the Low Income Solar Program.
- Number and approximate sizing identified in the application and the cost for completing the installation of the solar system identified.
- Identification of one or more solar installers with which the applicant has either contracted with, or are committed to contracting with in the future, on one or more individual project(s). Note: Each solar installer identified must provide a current employee on staff with current North American Board of Certified Energy Practitioners (NABCEP) PV Installation Professional (PVIP) Certification.
- Identification of one or more roofing company(ies) with which the applicant has either contracted with, or are committed to contracting with, on one or more individual project(s).
- Innovative delivery or project design, based on the applicant's narrative, will be given a higher rating.

Geographic diversity may be used as a deciding factor when evaluating grant applications.

Partial awards: MEA may award grants for less than the original funding request submitted in the application. Full grant awards will be made for approved projects, based on ranking, from highest to lowest, until sufficient funds are not available to fully fund another subsequent application. The applicant submitting the subsequent application will be given an option to accept partial funding, based on funding availability. If the applicant submitting the subsequent application will be given an option to accept partial funding, based on funding availability. If the applicant agrees, MEA will provide a partial grant award with remaining Program funds. If the applicant does not accept partial funding for the project, MEA will offer partial funding for an approved project to the remaining unfunded applicants in order of ranking (highest to lowest). MEA will follow this process until all funding has been expended or all remaining projects have rejected a partial funding grant award.

For partial grant award amounts, MEA will scale down the grant award amounts in \$25,000 increments (i.e., reduce the total number of solar installations whose costs will be reimbursable under a grant award). MEA will use the following criteria to determine the amount of a partial grant award.

- Scalability of the applicant's proposal
- Project size and requested amount in the application
- Impact on workforce development

Income Limits for Eligible Households: Funds must be used to fund solar projects that benefit low income Marylanders. "Low income" is defined as household income at or below 175% of the federal poverty level. These limits can be found on the Maryland Department of Human Services Office of Home Energy Program' [webpage](#). Each grantee is responsible for verifying, documenting, and retaining income verification that program participants and/or beneficiaries comply with the established income limits.

Eligibility Requirements for each Participating Home:

- Must have received, or is receiving, a whole home energy efficiency upgrade as part of MEA's Low and Moderate Income (LMI) Energy Efficiency Grant Program.
- Must be a primary residence, single family residential home.
- Single family homeowners must meet income requirements.
- Must be located in Maryland.
- Must be on a residential electricity tariff.

Reimbursable Project Costs. MEA will reimburse up to \$25,000 for each solar PV system installation.

- **Direct Costs**
 - Costs associated with initial project review are reimbursable as a direct cost and considered part of the overall solar system cost.
 - Costs directly associated with assessing the site’s solar potential Submission of an individual installation proposal to MEA (designing, permitting, installing, and commissioning the solar system.)
 - Of the allowable budget per home (approximately \$25,000), no more than 20% (approximately up to \$5,000) can be used for strengthening, repairing, or replacing the roof (if necessary for solar installation), and remediating mold in areas where access is required for solar installation (as necessary).
- **Indirect and Administrative Costs:**
 - Only Grantees not requesting indirect costs under CFR section 200.56 (addressed under “Grant Funding and Payment” below) may request Administrative costs at a rate of 10% of total project cost.
 - “Administrative costs” are defined as non-energy related costs required to execute the proposed energy project. Examples include, but are not limited to, a portion of rent, office staff, office supplies, mileage, or utility bills necessary for the successful administration of grant funds
 - “Indirect costs” are costs shared across multiple projects. Consistent with §2–208 of the State Finance and Procurement Article, a non-profit organization that is providing services funded with State funds can request reimbursement of indirect costs: “(1) at the same rate the nonprofit organization has negotiated and received: (i) for indirect costs under a direct federal award; ii) from a non federal entity based on the cost principles in Subpart E of OMB Uniform Guidance; or (2) if the nonprofit organization has not negotiated and received an indirect cost rate described in item (1) of this subsection, at a rate of at least 10% of the costs that would be considered modified total direct costs under OMB Uniform Guidance.”

Grant Funding and Payment:

- Total invoicing per home/location may not exceed \$25,000 per location.
- MEA will consider a grantee’s requests for reimbursements (including invoices) on a house-by-house basis but only after the grantee has obtained Permission to Operate (PTO) and passed all permitting inspections required by the Authority Having Jurisdiction for that house/location.
- MEA will reimburse a grantee in arrears for actual costs incurred after receiving all required supporting documentation. The required documentation will be outlined in the grant agreement.
- MEA will not reimburse a grantee for any costs incurred prior to the execution of the grant agreement.

Review Process: The MEA Program Manager will assemble a Grant Review Team of at least 3 qualified program managers, energy specialists or other professionals, including individuals from outside MEA, at the Program Manager’s discretion. Initially, each Grant Review Team member will conduct an individual review of the complete applications using the evaluation criteria. Then, the grant review team will meet collectively to discuss their initial reviews, decide on a final ranking for each application and come to a consensus on recommendations for funding.

Required Application Documents:

- Fully completed FY23 Low Income Solar Grant Program Application
- IRS W9 Tax Form for the applicant organization
- Proof of incorporation and non-profit status for the applicant organization (For Non-Profits Only)

Submission Instructions: MEA encourages the use of electronic applications to streamline processing and reduce environmental impacts. If you cannot apply electronically, please contact the MEA Program Manager no less than seven (7) business days prior to the grant deadline to determine an alternative method to the application.

Unless the Applicant has contacted MEA regarding an alternative method, applications must be submitted electronically to MEA at solar.mea@maryland.gov.

Grant Program General Provisions: 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 General Provisions document is available on MEA's website at <https://energy.maryland.gov/SiteAssets/Pages/all-incentives/Grant%20Agreement%20General%20Provisions.v.2.pdf>; this document will be incorporated into each FY23 grant agreement issued by MEA.

Program-Specific Provisions

In addition to the general provisions, the following funding qualifications apply to this Program:

- Solar Renewable Energy Certificate (SREC): Each grantee must instruct the low income residential homeowner how to register their solar system with the Maryland Public Service Commission to receive their SRECs.
- "Indirect Costs": MEA will use the definition of indirect costs provided in OMB Uniform Guidance, 2 CFR § 200.56.

"Indirect (F&A) costs means those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefited, 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."
- Restrictions and Limitations: When a city, county or state government entity is a grantee (the site owner, site operator or system owner), the government entity will be required to attest to its compliance with Sections 14-416 and 17-303 of the State Finance and Procurement Article (as applicable) and MEA will only provide grant funds directly to the government entity and not to any other grantee.
- At least one person certified as a Solar PV Installation Professional by NABCEP must be involved in the design and/or installation of the community solar array. Each applicant will be required to provide the name and certification number of this individual(s).
- Copy of the Maryland State Department of Assessments and Taxation (SDAT) Certificate of Good Standing for each non-governmental system owner and each solar installer must be in good standing in the State of Maryland. For a Good Standing Certificate, please see the website for the Comptroller of Maryland, or visit the State Department of Assessment and Taxation (SDAT) website for proof of good standing. A copy of good standing or a screenshot from SDAT showing good standing is acceptable.
- A residential home obtaining a solar installation as part of the Program is ineligible for a rebate under the MEA's Clean Energy Rebate Program.
- Each Grantee will be given up to 18 months, from time of grant ratification to complete all solar system installations included in the Grantee's Project.
- Grant extension requests are addressed in Attachment A, the General Grant Provision.
- For each proposed home, a Maryland Historical Trust review must be completed without an adverse finding prior to being approved for funding under this program. The project must not have an adverse effect on a historic building or a historic district, as determined by the Maryland Historical Trust. (See Grant Agreement General Provisions).
- Each component (i.e. inverter, panels, etc) of a solar system used under this Program must be listed or

labeled by a recognized national testing laboratory.

Grant Funding and Payment:

- Grant funds are released in arrears.
- Grants funds for each low income solar installation will be eligible for disbursement only after the solar system installation receives permission to operate from the local utility or documentation of “passed” inspection, as required by the authority having jurisdiction.
- Payment for a low income solar installation will be available after MEA reviews and approves the Completion Certificate, Attestation and Invoice for that installation.

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 Low Income Solar 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:

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Last Modified: September 13, 2022