



Maryland Solar Access Program

Guidance on Calculating Costs

Effective Date: March 18, 2025

The [Maryland Solar Access Program](#)¹ (“MSAP”, “the Program”) provides grants for the installation of solar energy generating systems on the homes of Maryland residents meeting certain income requirements. The Brighter Tomorrow Act of 2024 (Chapter 595, 2024 Acts of Maryland) requires that the Maryland Energy Administration (“MEA”), the Maryland state agency responsible for running MSAP, guarantee minimum benefits to each consumer that participates in the Program. **This document provides guidance that helps solar contractors determine the total cost of the solar PV system for the purpose of calculating the minimum financial benefit to the customer.** Instructions on performing the minimum benefits calculations can be found [here](#)².

Separating Total Cost of Solar from Non-Solar Contract Costs

MEA understands that it is common for contractors working in the residential solar PV industry to offer additional services that may or may not be directly related to the installation of the solar PV system as part of an overall contract to perform work at the residence. **Examples of non-solar costs that should be excluded from the MSAP calculations may include, but are not limited to, non-solar roof replacements or repairs, the installation of battery energy storage systems, the installation of electric vehicle (EV) charging equipment, or other services.** Isolating the solar-related costs from the non-solar related costs is necessary in order to accurately perform the calculations to determine the minimum financial benefit to the customer.

Generally, if the service in the contract is required for the installation of the solar PV system, and would not be performed otherwise, it must be included in the total cost of the solar PV system for the purposes of the MSAP.

Generally, if the service in the contract is not required for the installation of the solar PV system, and would be performed otherwise, it should be excluded from the total cost of the solar PV system for the purposes of the MSAP.

For FY25 Projects (Current Program Year): MEA requests that solar contractors provide a breakdown of the solar and non-solar costs in the “Notes” section of the Customer Disclosure Form **for projects that include measures that are not related to the installation of the solar PV system.** An example calculation for solar-only portions of a contract with non-solar components is provided on the next page, including ensuring that the result meets the minimum benefit requirements of the MSAP. We request that contractors break costs down like we did in Step 3 of the example calculation.

¹ <https://energy.maryland.gov/residential/Pages/incentives/Maryland-Solar-Access-Program.aspx>

²

<https://energy.maryland.gov/residential/SiteAssets/Pages/incentives/Maryland-Solar-Access-Program/Calculating%20Minimum%20Benefits%20to%20the%20Consumer%20%282.21.2025%29.pdf>



EXAMPLE CALCULATION

Example Scenario: A resident living in the PEPCO service territory is receiving a solar PV installation for their home that includes work at their residence not related to the solar PV system. The system is 5.5 kW, and costs \$16,065 in equipment and installation. The customer is executing a contract for \$29,600 that includes both solar-related and non-solar roof repairs, and a battery energy storage system. They are financing the entire value of the contract, after the deduction of the 30% federal investment tax credit for solar PV systems and their anticipated MSAP grant.

Step 1: Calculate the MSAP Grant

$$5.5 \text{ kW} \times \$750/\text{kW} = \$4,125.00$$

Step 2: Calculate the 30% Federal Investment Tax Credit

Note: This should be on the cost of the solar PV equipment and installation only.

$$\$16,065 \times 30\% = \$4,819.50$$

Step 3: Itemize the Solar and Non-Solar Costs

Solar Costs	Non-Solar Costs
\$16,065.00 (Equipment and Installation)	\$4,000.00 (Battery Energy Storage)
<u>\$5,000.00 (Solar-related Roof Work)</u>	<u>\$4,535.00 (Non-solar-related Roof Work)</u>
\$21,065.00 (TOTAL Solar)	\$8,535.00 (TOTAL Non-Solar)

Step 4: Deduct the Federal ITC and MSAP Grant from the TOTAL Solar

TOTAL Solar: \$21,065.00
 Less Federal ITC: (\$4,819.50)
 Less MSAP Grant: (\$4,125.00)

Net Solar Cost \$12,120.50

This “Net Solar Cost” is the portion of the loan that the customer is responsible for pertaining to the solar PV system, after the deduction of the federal ITC and the potential MSAP grant. The Net Solar Cost is the amount that must be at or below the “Maximum Equivalent Offer” when calculating minimum benefits to the customer.

Example continues on the next page.

Step 5: Compare the Net Solar Cost Against Maximum Equivalent Offer

Next, you will need to compare the Net Solar Cost to the Maximum Equivalent Offer as determined by MEA’s [FY25 MSAP Maximum Offer Calculator](#), available on the [MSAP webpage](#). The rest of the example uses this calculator.

Let’s assume the solar PV system is estimated to produce about 4,675 kWh per year. You will enter this in **Box 2a** (“**First-Year Projected Total PV Generation**”).

Next, because the customer is located in the PEPCO service territory, their “Maximum-Offer: First Year PPA Rate with escalator [\$/kWh]” (**Box 2e**) will be **\$0.138**.

Finally, because this customer is financing their system, let’s assume their interest rate is 3.99%. Make sure that “Solve for Loan Interest Rate or Loan Principal” (**Box 4b**) is set to “Principal [\$/]”. Then, enter the interest rate in **Box 4d**.

After all of this information has been entered, you will compare the Net Solar Cost from Step 4 (\$12,120.50) against the “Maximum Loan Principal [\$/]” (**Box 4f**) of the Maximum Equivalent Offer Calculator (see below).

Loan Inputs and Outputs		
4a	Loan Term (25-Year Maximum) [yrs]	25
4b	Solve for Loan Interest Rate or Loan Principal:	Principal [\$/]
4c		
4d	Loan Interest Rate [%/yr]	3.99%
4e	Maximum Loan Payment [\$/mo]	\$60.14
4f	Maximum Loan Principal [\$/]	\$13,112.66



Because the Net Solar Cost of \$12,120.50 is less than the Maximum Loan Principal of \$13,122.66, the contract does meet the requirements of the MSAP. The \$12,120.50 is the **maximum amount of the loan to the customer that can be for solar-related items**.