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Capacity Building Grants for Energy Management and Net Zero Energy Portfolio Planning **Rev 2.0**

FY2024 Decarbonizing Schools Program

*****THIS FOA IS FOR AREA OF INTEREST 1: CAPACITY BUILDING GRANTS FOR ENERGY MANAGEMENT AND NET ZERO ENERGY PORTFOLIO PLANNING*****

Area of Interest (AOI) Description: The Maryland Energy Administration (MEA) is pleased to announce funding under AOI 1: Feasibility and Planning (“AOI 1”, “this AOI”) as part of the FY24 Decarbonizing Schools Program. This is a **competitive program** that provides Maryland’s Local Education Agencies (LEAs) with the opportunity to request funding for capacity building and data management purposes as they plan for Net Zero Energy construction. Funding will allow more Maryland LEAs to build the capacity for managing energy data, reduce operating costs, and insert energy performance criteria into capital improvement planning. The primary objective of the Program is to improve the energy efficiency and decrease the lifecycle expenses of educational facilities, thereby diminishing greenhouse gas (GHG) emissions across the entire collection of properties. This collection, referred to as a “portfolio,” encompasses all the buildings and facilities that are under the ownership and management of the LEA.

Grant funding for this AOI is offered in two categories. The first, will defray the costs of energy data management and use of ENERGY STAR Portfolio Manager® (Portfolio Manager). The second will help cover the cost of incorporating net zero energy (NZE) design principles into facility development portfolios and long-term capital plans. Grants under the second category are intended to boost LEA capacity to cost-effectively plan, design, and implement NZE schools. For this program, “net zero” means that the total amount of energy used by a school building, complex, or entire LEA facility portfolio on an annual basis is less than or equal to the amount of renewable energy created annually on the site(s).

AOI 1 grants will be awarded under two (2) Categories:

- **Category 1: Energy Data Management Support for K-12 Schools:** This Category provides funding for approximately one year of technical support to establish or expand the use of Portfolio Manager accounts intended to build an LEA’s capacity for energy data analytics. Program grants can defray the LEA’s costs of implementing the Portfolio Manager benchmarking tool, as well as the costs of consultants and other resources to initiate the collection, analysis, and dissemination of critical energy performance metrics. When implemented, Portfolio Manager will inform LEAs’ efforts to plan for energy efficiency projects. Category 1 is open to all LEAs, including those previously awarded

funding in FY 22; however, FY 24 funding awards will prioritize LEAs starting the Energy Data Management process. LEAs that received FY22 funding may request funding to expand their current Energy Data Management efforts to expand from portfolio-wide monitoring to more granular data management at the building, or sub-meter, level.

- **Category 2: Support for Implementing NZE elements into the LEA's Portfolio approach to facility construction and renovation, including the LEA's Educational Facilities Master Plan (EFMP):** As an emerging design concept, NZE construction will challenge the business-as-usual approach to school construction planning. The intent of this grant is to allow LEAs to identify NZE opportunities on a portfolio scale. Grants can be used to cover the costs of consultative services or additional LEA staff for tasks specific to the integration of portfolio-wide NZE considerations into the LEA's EFMP. An LEA applying solely for Category 2 must demonstrate that it has already incorporated energy data collection and analysis into its facility management and capital planning efforts.

Type of Grant Program: Formula-based-Competitive - statewide

Application Deadline: 3:00 P.M. EST, Friday, March 15, 2024.

Anticipated Funding: A total of \$1,800,000 is anticipated to be available from the Strategic Energy Investment Fund ("SEIF"). The amount awarded may be more or less, depending on the quantity and quality of applications received.

Category 1: Energy Data Management Support for K-12 Schools

PERIOD OF PERFORMANCE:

Fourteen (14) months beginning with the date of the award. An extension for good cause may be requested by a grantee and must be justified with written documentation explaining the need for an extension. Extensions are allowed at the sole discretion of MEA.

CATEGORY 1 SCOPE OF WORK

- Creation of a Portfolio Manager account for receiving utility data either directly from utility invoices or downloaded from the LEA's existing software for facilities management.
- Creation and use of a Portfolio Manager account, to be populated with the LEA's utility bill data for its portfolio of facilities (or alternatively, for a significantly sized subset of those facilities).
- Analysis of energy information generated after data has been entered into the Portfolio Manager.
- Tracking and benchmarking the energy performance of facilities, using information derived from Portfolio Manager.
- Development of decision-making protocols for using energy performance metrics to

improve portfolio-wide lifecycle cost management and to support data reporting duties.

- Provide an outline of the LEA's plans and provisions for continuing energy data management activities subsequent to this grant's period of performance.
- FY22 Award Recipients Only: Enhancement and expansion of Portfolio Manager account to drill down to each building level or to include sub-metering data.

CATEGORY 1 EXAMPLES OF ALLOWABLE COSTS

- Consultant support for the portfolio-wide collection, input, and analysis of historic and current utility bill data on a portfolio-wide, school-level basis into Portfolio Manager. Historic data collection should represent at least 12 months of energy bill data.
- Funding for a new temporary position (e.g., interns, temporary employees, contractual) to manage energy bill data.
- Acquisition, setup, operation and use of utility bill management software that can facilitate the management of utility data and export of data to Portfolio Manager. May include software licenses, modules, subscriptions and other necessary elements.

CATEGORY 1 DELIVERABLES

The following deliverables are expected to be comprehensively prepared and submitted to accurately record and document all activities conducted during the grant period:

- A grant implementation plan to include the following:
 - Identification of any key LEA staff position(s) relevant to overseeing activities required by the grant, as well as the role(s) of individuals, consultants, etc. who will be responsible for completing the grant-funded work;
 - Outline of the process, including a timeline to establish, and ideally populate with data, by May 1st, 2025 one or more ENERGY STAR Portfolio Manager® accounts for administering LEA-wide energy use data;
 - Outline of the process for using LEA's energy data to support current and future implementation of district-wide energy management activities and energy policy; and
 - Explanation of (1) how funding from this grant will be used to meet the scope and deliverables of this grant award, and (2) how the LEA plans to continue energy data management after the end of this grant's period of performance to support facility planning, cost management, investment feasibility analysis, and policy implementation.

- Final close-out report outlining progress, identification of next steps occurring after the grant performance period, and a summary of lessons learned and recommended best practices.
- Sharing of school energy data with the Interagency Commission on School Construction (IAC) and MEA via Portfolio Manager for the purposes of state-wide energy program planning.
- Quarterly progress reports in concert with invoices submitted to MEA.

CATEGORY 1 MINIMUM APPLICATION REQUIREMENTS

- A signature applied to the application by an LEA officer with the authority to commit the LEA to execute the grant's requirements (e.g., Chair of the Board of Education, Chief Financial Officer, General Manager, etc.). This individual should have sufficient authority to identify, authorize, and provide the necessary resources to perform the following activities:
 - direct the energy data management activities described in this Program announcement and facilitate data collection from the LEA's K-12 properties, and from the utilities that serve these properties;
 - enter or import data into a Portfolio Manager account; and
 - ensure that the data is available to the IAC and MEA via Portfolio Manager.
- Consistent with the intent to develop capacity for ongoing efforts, applicants should identify an LEA staff person who will be responsible for overseeing the continuation of the activities outlined in this grant announcement after the end of the award's period of performance.

CATEGORY 1 COMPETITIVE APPLICATION CRITERIA

Award selection will prioritize those LEAs that do not have an energy policy or do not already track utility data. Applications that meet this threshold criterion will then be evaluated in comparison to the following criteria:

- Demonstration of the applicant's current need for assistance in developing an energy policy and utility bill management strategies; and
- Demonstration of the challenges in raising local resources for energy management. The applicant should clearly describe these challenges in the application.

Should funding remain after awards have been made based on the above criteria, applications will then be considered based on the following criteria:

- Justification of how funds will be used to advance or expand activities consistent with the Scope of Work; and,

- Demonstration of the need for additional capacity to implement energy policy.

Category 2: Support for Implementing NZE Elements into the LEA's Portfolio Approach to Facility Construction and Renovation, including the LEA's Educational Facilities Master Plan

PERIOD OF PERFORMANCE

Fourteen (14) months beginning with the date of award. An extension for good cause may be requested by a grantee, and must be justified with written documentation explaining the need for an extension.

Extensions are allowed at the sole discretion of MEA.

CATEGORY 2 SCOPE OF WORK

As described below, category 2 is broken into three different tiers, or levels, of NZE-focused projects. An applicant may opt to conduct the activities in Tier 1 alone, Tier 1 and Tier 2 combined, or Tiers 1, 2, and 3 combined. Note the differences in **project types** indicated for each tier described below.

- **Tier 1:** Complete a portfolio-wide analysis to identify NZE opportunities in **future new school construction projects (new, replacement, and full renovation)**, including the following to be added to the LEA's EFMP:
 - Evaluate all future new, replacement, and full renovation projects for suitability as an NZE school;
 - Develop policies for NZE school deployment; and,
 - Develop NZE design criteria for new school construction.
- **Tier 2:** Additionally, complete portfolio-wide analysis of schools to identify energy saving opportunities in future partial renovation, addition, and major systemic projects, including the following to be added to the EFMP:
 - Identify ways to increase energy efficiency in building envelopes during renovation and roof projects;
 - Make recommendations for consideration of energy efficient equipment in heating, ventilation and air-conditioning replacement projects;
 - Develop policies for evaluating energy efficiency during the planning phases of systemic renovation projects; and
 - Develop design standards for incorporating energy efficiency into these projects.

- **Tier 3:** Additionally, complete a portfolio-wide analysis of schools to identify opportunities for renewable and cleaner energy generation, including the following to be added to the LEA's EFMP:
 - Identify locations conducive for solar arrays and other renewable energy opportunities;
 - Identify opportunities for power purchase agreements (PPAs) that can be used to access distributed energy resources such as solar and combined heat and power;
 - Identify alternative sources of financing, including bonds and leases supported by energy savings;
 - Identify opportunities for Energy as a Service (EaaS) agreements; and,
 - Develop plans and procurement options to solicit PPAs.

CATEGORY 2 EXAMPLES OF ALLOWABLE COSTS

A new, temporary, or consulting position, or consultant support devoted to helping to update the LEA's EFMP to incorporate NZE strategies at the portfolio and facility level.

CATEGORY 2 DELIVERABLES

The following deliverables are expected to be comprehensively prepared and submitted to accurately record and document all activities conducted during the grant period:

- Grant implementation plan defining the LEA's approach to portfolio scale net zero analysis, including key activities, milestones, stakeholder management and other aspects related to implementation.
- NZE Strategy Report, integrated into or supplementing the LEA's EFMP, including:
 - An inventory of the LEA's organizational, physical, and budgetary resources available for performing NZE design and planning work.
 - LEA-specific strategy to incorporate NZE design principles into successful processes for facility planning, construction, rehabilitation and maintenance of school facilities. These should include elements related to long term facility planning, obsolescence, replacement, and equity for underserved or economically vulnerable communities.
 - Identification and ranking of potential facility sites that are suitable for hosting NZE construction.
 - Description of any known utility interconnection issues that need to be considered where on-site power generation technologies may be installed.
 - Evaluation of the LEA's current ability to pursue energy-related capital

improvements with alternative finance and procurement methods that lessen impacts on traditional debt capacity. Alternatives to be evaluated should, at a minimum, include energy performance contracts, PPAs, EaaS business models, and “green” bonds. The evaluation should describe potential for the LEA’s existing charters, regulations, or standard operating procedures to either help or hinder the use of alternative finance methods.

- Final closeout report outlining progress, next steps, and a summary of lessons learned and recommended best practices.
- Quarterly progress reports in concert with invoices submitted to MEA.
- Grant recipients must incorporate NZE considerations into their FY25 EFMP (due July 1, 2025 to the IAC), and generate and submit to MEA by September 30, 2024 a NZE Strategy Report that provides an LEA-wide blueprint for adding NZE criteria to LEA facility construction planning.

CATEGORY 2 MINIMUM APPLICATION REQUIREMENTS

- A signature applied to this application by an LEA officer with the authority to commit the LEA to execute the grant’s requirements. This individual should have sufficient authority to identify and provide the necessary resources to perform the following activities:
 - Identify opportunities to develop net zero plans, policies, designs and (where appropriate) solicit implementation services;
 - Demonstrate how one or more upcoming school construction or renovation projects may be candidates for applying NZE principles; and
 - Indicate the anticipated number of new school construction or renovation projects suitable for construction with NZE school criteria within the next 3 to 6 years.
- Identification of an LEA staff person who will be responsible for overseeing the execution of the activities outlined in this grant announcement and ensuring continuity of activities after the end of the award’s period of performance.

CATEGORY 2 COMPETITIVE APPLICATION CRITERIA

An application that meets the above minimum requirements will be evaluated based on the following criteria:

- Priority 1: LEA does not have previous experience with NZE School construction or has not already developed specific NZE design criteria, and the LEA has not previously conducted a portfolio-wide analysis of net zero design opportunities. If the LEA has begun some level of NZE analysis, the degree and description of work remaining will be considered.
- Priority 2: Remaining funds will be distributed based on each application’s

thoroughness in expressing interest, ability, and commitment to engage in the following activities as expressed in the LEA's application:

- Proposed use of the Decarbonizing Public Schools AOI.2 program funding;
- Identified human resources for performing the AOI.2 scope of work; and,
- Ability to solicit resources for NZE design standards, construction finance, procurement of development capacities, and any other resources needed by the LEA to advance portfolio-wide NZE facility development.

FUNDING

A total of **\$1,800,000** is anticipated to be available for distribution between Category 1 and Category 2, **with \$1,000,000 anticipated for Category 1 and \$800,000 for Category 2.**

The amount awarded may vary depending on the quantity and quality of applications received. It is expected with both categories that the level of effort and funding amount will be more for LEAs with higher enrollments (as a reasonable approximation of facility footprint and energy use intensity). Therefore, grant amounts will be calculated using the following scaling factors that were derived from the Maryland State Department of Education's approved audited 2020 total eligible Full Time Enrollment (FTE) values. Scaling factors are based on increments of 5,000 students.

- Category 1- Anticipated number of awards: Eight (8); anticipated total funding for all awards in aggregate: \$1,000,000. Individual awards provide a base grant of \$63,000 plus an additional \$5,000 x scaling factor.

SCALING FACTORS		
Kent – 0	Allegany – 1	Harford – 7
Somerset – 0	Cecil – 2	Frederick – 8
Garrett – 0	Wicomico – 2	Howard – 11
Talbot – 0	Calvert – 3	Baltimore City – 15
Dorchester – 0	St. Mary's – 3	Anne Arundel – 16
Caroline – 1	Washington – 4	Baltimore County – 16
Worcester – 1	Carroll – 4	Prince George's – 16
Queen Anne's – 1	Charles - 5	Montgomery - 16

The largest LEAs are capped at a factor of 16, regardless of student enrollment, to allow for broader distribution of limited funds.

Example: *If a County with a scaling factor of 11 were to agree to complete AOI.1 it would be*

eligible for an award amount of $\$63,000 + (11 \times \$5,000) = \$118,000$

- Category 2 - Anticipated number of awards: 8; anticipated total funding for all awards in aggregate: **\$800,000**.
 - o Actual grant funding will be based on 2022 FTE, using the chart of scaling factors outlined in the Funding section for Category 1 above. It is anticipated that award amounts will be no less than:

	Base Grant Amount	Additional Amount for Scaling Factor
Tier 1 Activities	\$50,000	\$2,000
Tier 1 & 2 Activities	\$55,000	\$3,000
Tier 1, 2 & 3 Activities	\$60,000	\$4,000

Example: If a County with a scaling factor of 11 were to agree to complete AOI 2 for Tier 1 and 2, it would be eligible for $\$55,000 + (11 \times \$3,000) = \$88,000$.

Participation in MEA grant programs is voluntary. If selected for award and to ensure the secure transmission of grant funds, grantee recipients of MEA funding are generally required to receive electronic payments from the State of Maryland. Electronic payments are set up through the State of Maryland's Comptroller's Office. Grantee must fill out and submit the "[ACH/Direct Deposit Authorization for Vendor Payments Form X-10](#)" to the Comptroller's Office via the submission methods outlined on the X-10 form. ACH/Direct Deposit Authorization for Vendor Payment Form X-10 should not be sent to MEA.

Failure to submit ACH/Direct Deposit Authorization Form X-10 may result in award reimbursement being delayed.

If an applicant is unable to receive ACH/Direct Deposit payments, MEA may provide an exception to this requirement on a case-by-case basis, at the sole discretion of MEA.

REVIEW PROCESS:

Applications will be reviewed by a team that may include individuals from MEA, IAC, and other entities with experience in energy, construction, and capital development. Applications will be reviewed using the evaluation criteria and priority factors outlined in this FOA.

PARTIAL AWARDS:

In general, partial awards are not anticipated under this program. Awards will be distributed per the formula outlined in the "Funding" section (above) until funds are exhausted. In the case where the remaining funds are insufficient to fully fund an additional qualified project, a partial award may be offered.

EQUITABLE FUNDING ACKNOWLEDGMENT AND APPROACH:

MEA recognizes that EAs across Maryland are diverse in their needs, priorities, and financial constraints. Understanding this variability, it is a fundamental objective of the FY24 Decarbonizing Public Schools Program to provide equitable funding opportunities to all LEAs within the state, regardless of their circumstances.

To this end, MEA is committed to ensuring that the allocation of funds under the Decarbonizing Public Schools Program helps address equitable access to clean energy and more sustainable schools. To effectively support communities in Maryland that are disproportionately affected by environmental harms, MEA prioritizes equity. This is particularly relevant in the context of delivering benefits from numerous environmental programs. In Maryland, an 'Overburdened Community' is defined as any census tract where at least three environmental health indicators are above the 75th percentile statewide, in accordance with the criteria established by Maryland's 2022 SB0528. MEA aims to use such designations to help guide policy and allocation decisions to promote health and sustainability.

GRANT PROGRAM SPECIFIC PROVISIONS:

Projects that include fossil-fuel or other combustion technologies that produce greenhouse gas emissions are typically not eligible for funding.

- Specific examples of projects that would not be eligible for funding under the Program include:
 - Efforts that expand the use of fossil fuel or natural gas technologies, except where meeting one of the exemptions or those efforts are technically infeasible;
 - Expansion of infrastructure that results in an expansion of fossil fuel delivery volume;
 - New installations of fossil fuel or natural gas fired technologies;
 - Projects that result in significant life extension of fossil fuel fired systems, beyond basic health and safety repairs or efforts that enhance efficiency but do not extend the gas system/or fossil fueled fired equipment life. Note: Limited exceptions may be considered where there is no other technically feasible technology or where a source can be demonstrated to be zero emission. Any applications for projects involving fossil fuel should provide evidence that a technical analysis of why electrified or other zero emission alternatives cannot be implemented, this analysis should not be on the basis of operating or capital costs alone.
- While basic health and safety repairs or efforts that enhance efficiency but do not extend the gas system/or fossil fueled fired equipment life are allowable, projects must be part of a project that includes other energy efficiency improvements that reduce or eliminate fossil fuel use.

Exemptions: All exemption requests will be in writing and provide a thorough technical analysis of why electrification and other zero emission technologies cannot be applied from a technical perspective and consider the following:

- Currently available commercialized technologies,
- Ability of locationally specific existing utility infrastructure to support non-fossil fuel applications,
- Thorough evaluation of alternatives,
- Mitigation efforts to offset the greenhouse gas emissions of fossil fuel use,
- A description of any efforts to make infrastructure ready for future technologies, such as green hydrogen, or phase out fossil fueled technology in the future, and
- Statutorily directed activities.

Operating and capital costs alone will not be considered justification for any exemption and exemptions will not be approved purely on cost saving opportunities alone.

GRANT PROGRAM GENERAL PROVISIONS:

MEA grant programs, including pilot programs, are covered by general requirements (“General Provisions”) that will be made part of the grant agreement between MEA and a grantee. The General Provisions are available for review on [MEA's website](#). These General Provisions, Version 3.0, are incorporated into all MEA FY24 Grant Agreements. In addition to the General Provisions, the following funding qualifications apply to the program:

- Funds may not be used for physical construction activities, the purchase of materials, or equipment.
- Funds must be used for additional capacity and may not be used to supplant existing activities, including staffing, systems, and other efforts already implemented or contracted for previously. In the review of grant activities for a grant awardee, MEA may request documentation to demonstrate that activities are unique and distinct from an LEA's baseline activities.
- Funding may not be used for activities already completed, but may be used to supplement or expand on those activities.
- Future staffing plans should take into account that any award is a temporary funding source offered to develop organizational capacity.
- An LEA applying solely for Category 2 (i.e. NZE) must demonstrate that it has already incorporated energy data collection and analysis into its facility management and capital planning efforts.
- MEA grant funds cannot be used to offset costs that were incurred prior to the execution of a grant agreement by MEA.

SUBMISSION INSTRUCTIONS:

Once complete, Application packages should be submitted to MEA via email to Schools.MEA@Maryland.gov. Applications submitted to the direct email inbox(es) of MEA employees will not be considered. **All documents must be submitted no later than 3:00 P.M. EST on Friday, March 15, 2024.** MEA will not accept any application packages after this deadline under any circumstances, and all documents received by the deadline will constitute the entire submission. If electronic submission is not possible, an Applicant should contact MEA via email at Schools.MEA@Maryland.gov or by calling Program Manager Ryan Kmetz at 443-537-8006 no fewer than fourteen (14) days prior to the deadline to arrange an alternative method of submission.

CONTACT INFORMATION:

For more information or assistance, please visit the FY24 [MEA Decarbonizing Public Schools Program webpage](#) or contact:

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⁸ <https://www.pjm-eis.com/>