

Funding Opportunity Announcement

Clean Energy for Local Governments FY2024 Grant Program

Program Description: The mission of the Clean Energy for Local Governments (CELG) program is to support local governments as they engage in sustainable, long-term clean energy policies and projects that lead to reduced energy usage and greenhouse gas emissions, increased cost savings, and robust clean energy and economic development.

Types of Grant Programs: The CELG program offers awards on a competitive basis.

Eligible Applicants: Eligible applicants include all incorporated towns, cities, and counties of Maryland. Applicants are either NEW or EXISTING communities. Any incorporated town, city, or county previously engaged in the MSEC program during fiscal years FY13-FY23 that have completed all “New Community” deliverables and are in good standing with the MSEC Program are eligible to apply for funding as Existing Communities.

Application Deadline: 5:00 pm ET, **March 8th, 2024**

Required Activities for Clean Energy for Local Governments (CELG) Projects

New CELG communities must adopt two of three energy policy goals, complete an energy baseline, and develop an action plan for achieving the adopted energy goals. Each new CELG community **MUST** adopt the energy efficiency goal as one of its two initial energy policies, unless it can document to MEA substantial prior energy efficiency improvements.

The energy policy goals consist of the following:

1. **Energy Efficiency:** Establish an energy efficiency policy with the goal of reducing energy usage in city-/town- or county-owned facilities by 15% within five years of the baseline year through efficiency policies.
2. **Renewable Energy:** Establish a renewable energy policy to meet 20% of the total electricity demand with distributed, renewable generation within five years of the baseline year.
3. **Transportation Petroleum Reduction:** Establish a transportation-focused policy to reduce petroleum consumption for local government vehicles¹, and put in place a comprehensive program designed to reduce the baseline consumption by 20% within five years of the baseline year.

¹School bus fleets are not required to be included in the baseline unless one of the planned MSEC projects will focus on school bus transportation.

Any New community that applies to the program and commits to meeting the three deliverable requirements may subsequently be eligible to receive Program funding, subject to availability of funds at that time. The grant funds are made available ONLY after a community completes the deliverables noted above. To be reimbursed under the Program for eligible costs, a participating community must receive approval from MEA prior to spending funds on an eligible project.

Note: project funding is not available for New communities until the CELG policy goals have been adopted, and the energy baseline and energy action plan developed.

For Local Governments:

CELG funding is available only for projects located at government-owned buildings or facilities, or related to government-owned vehicles. Funding is available for projects that involve energy efficiency, Maryland Renewable Portfolio Standard (RPS) Tier 1-eligible renewable energy generation, or petroleum transportation fuel reduction.

- Examples of Tier 1 renewable energy projects include wind and geothermal heat pumps². Solar PV projects are funded through MEA's Solar Technical Assistance Program: (<https://energy.maryland.gov/govt/Pages/SolarTechnicalAssistanceProgram.aspx>)
- or AOI2, the Public Facility Solar Grant Program (PFS): (<https://energy.maryland.gov/govt/Pages/PublicFacilitySolarGrantProgram.aspx>).
- For transportation-related projects, MEA will give priority to providing support for the purchase of light-duty electric vehicles (EVs), or vehicles that leverage other zero emission alternative transportation fuels (e.g., hydrogen) that reduce petroleum-related fuel usage. The program will also consider electric utility vehicles, such as refuse trucks, police vehicles, or transit buses. Further, the program will consider funding assistance for projects involving the installation of EV charging equipment and/or stations.
 - Program Requirement: with the purchase of any light-duty electric vehicle, a community must retire a similar gas-powered vehicle (GPV).

Program Budget: MEA anticipates that up to \$1,500,000 total will be available.

Evaluation Criteria

For New Community Application Selection:

- a) Applicant's capacity to pass policies within the given timeframe;
- b) Ability to commit staff to completing the project/s in the time provided;
- c) Application completeness.

For Existing Community Award Selection:

Awards are subject to availability of funding, and applications meeting the criteria below are considered for awards on a competitive basis.

As energy savings are the most important criteria, the metrics used include:

- a) Simple payback (Total Project Cost / Annual \$ Savings), with total project costs being inclusive of MEA incentives and/or other rebates.

²All Tier 1 renewable sources can be found in the Maryland Public Utilities Article, §7-701.

- b) Applicant's cost share percentage (minimum is 15%; a higher applicant share is preferred)
- c) Lifetime reduction of greenhouse gas emissions (GHGEs) per MEA \$ spent.
- d) Lifetime reduction of kWh (or MMBTUs) per MEA \$ spent (or gallons per MEA \$ spent for transportation, or kWh generated per MEA \$ spent for renewable energy projects).
- e) Past grantee performance
- f) Accuracy and completeness of application
- g) Innovativeness of energy reduction measures

Program Details

CELG awards for energy efficiency projects are offered via two funding options.

Option 1 provides funding up to \$55,000 per proposed project or measure with multiple Option 1 awards available per community.

Option 2 can provide funding up to \$150,000 per project or measure, but only one Option 2 award is available per community.

- An applicant may apply for funding of more than one energy efficiency project, or more than one energy efficiency measure per project. A clean energy project entails a specific site location; while a clean energy measure entails a specific type of technology at that location (e.g., a lighting measure and an HVAC measure in one building).
- Any single project or any single measure cannot be awarded a combination of Option 1 and Option 2 funding.
- A project that involves more than one measure can apply for one measure that may be awarded up to \$55,000, and also apply for a separate measure that may be awarded up to \$150,000.
- An applicant may also apply for separate funding of an energy efficiency project, a renewable energy project, or a transportation fuel reduction project. However, the applicant must submit a separate application for each project, and/or each measure per project, and have clean energy policies in place related to each type of project/measure for which they are applying.
- An energy efficiency or renewable energy project application must provide for a cost share by the applicant of at least 15% of the total project cost (net utility rebates). Rebates, other non-MEA grants, etc. can be used by the grantee to meet the 15% cost share.
- MEA funding for any specific project and/or measure is not guaranteed. MEA may opt to fund one, some, or none of the proposed clean energy projects or measures.
- Funding for CELG projects cannot be combined with other MEA funding mechanisms for the same project, with the exception of the Jane E. Lawton Loan Program.
- It is strongly recommended that applications seeking support of EV purchases include basic mileage, consumption and emissions data derived from the DOE's Alternative Fuels Data Center (see <https://afdc.energy.gov/>).

CELG awards for renewable energy projects: Awards are offered up to \$55,000 per project for Tier 1 renewable energy projects, including wind and geothermal. Applicants must provide 15% cost

share of the net total cost of the project. Applicants seeking support of solar PV systems should apply via MEA's Solar Technical Assistance Program:

<https://energy.maryland.gov/govt/Pages/SolarTechnicalAssistanceProgram.aspx>

or via AOI2, the Public Facility Solar Grant Program (PFS):

<https://energy.maryland.gov/govt/Pages/PublicFacilitySolarGrantProgram.aspx>.

CELG awards for EVs: For all-electric vehicles with EPA-rated range of 0-199 miles per charge, awards are offered up to \$3,750 per vehicle; for all-electric vehicles with EPA-rated range of 200+ miles per charge, awards are offered up to \$7,500 per vehicle. Proof of actual vehicle pricing and range is required as part of the application.

- CELG electric vehicle awards are included in the CELG Program specifically to replace a petroleum-powered vehicle currently used by the community with a light-duty all-electric vehicle. Retirement of an existing petroleum-powered vehicle is required.
 - It is allowable for a retired vehicle to be used for a non-transportation purpose, such as for a “decoy” police vehicle, road-side speed control systems, vehicle fire suppression training, or occupant extraction training.
- **CELG awards for electric vehicle charging stations:** will be capped at 60% of total cost (equipment + installation), or no more than \$6,000 per station. This award is limited to projects whose use is exclusively for government-owned vehicles.

Award Amount & Formula

The number and size of awards granted in FY24 ultimately will depend on the number and type of overall CELG applications received, an applicant's past experience with other MEA programs (if applicable), and the likelihood that the potential projects listed in the application will have an acceptable payback period relative to the anticipated system life. All applications received by the deadline will be considered.

Partial awards

Partial awards are possible under the CELG Program and could be made under the following conditions:

- If the number of eligible applications and their funding requests exceeds the total amount of program funding available, the Review Team may decide to offer proportional awards based on project size, scope and overall greenhouse gas emissions reductions.
- If the Review Team deems an applicant's proposal is worthy of funding, but the project proposed could be accomplished with less MEA funding than requested.

Review Process:

The review process for CELG applications includes the following procedures:

1. A Review Team will be assembled and composed of MEA staff.
2. The CELG program manager will produce an application score sheet that includes a list of all applicants, a scoring rubric, and the assessment criteria (that are also published in the application form) for assessing each proposal. Copies of all applications and a copy of the score sheet will be distributed to each member of the Review Team.
3. A contractual technical consultant will complete an engineering-type review of each project, reviewing the accuracy of the project energy outcomes (e.g., GHGs reduced, kWh saved, kWh generated from PV, avoided gallons of gasoline, etc.)

4. Each Review Team member will receive a copy of the contractual technical consultant's technical review, and then independently assess the applications according to the established criteria and scoring rubric. Each reviewer then submits the score sheets to the Program Manager for tabulation. The Review Team then meets as a group to discuss their assessments and to make a consensus recommendation for funding support.

Required Application Documents: If you are not sure which application to use, please contact the Program Manager before filling one out.

Existing CELG (MSEC) communities must fill out an Existing Community application (found [here](#)). Communities seeking to join the CELG program for the first time must fill out a New Community application (found [here](#)).

Note: applicants may submit energy data pertaining to their proposed project(s) as separate documents or spreadsheets.

Submission Instructions:

The complete application is **due no later than March 8th, 2024** and requires authorization from the individual with signatory authority for the community (i.e., local government) indicating that the community intends to complete the project(s) proposed in the application.

Notice: All information submitted in a CECD Grant Program application is subject to the Maryland Public Information Act (PIA). If the submitter of the Application believes information in the Application is confidential and therefore should not be disclosed, the submitter shall clearly mark this information and identify it by page and section or line number. Upon request for information from a third party, MEA is required to make an independent determination whether the information must be disclosed under the PIA. Designating information as confidential does not guarantee that it will be withheld from disclosure.

Electronic Communication:

Electronic communication provides the fastest and most efficient method of interacting with MEA; therefore, MEA intends to use electronic communication as the primary way to communicate with each applicant. If you do not agree to using electronic communication, you must indicate your decision to opt out in the space provided on the application.

Please submit applications via email to MSEC.MEA@maryland.gov; or if email is not available, send them via mail to this address:

Maryland Energy Administration
Attn: MSEC Program – FY23 Application
1800 Washington Boulevard, Suite 755
Baltimore, MD 21230

Applications submitted by mail must be postmarked by the due date.

Guidelines for Electronic Submission: Please follow these steps for successful electronic application submission:

1. Upon completing this application, go to the File menu and select "Save As".
2. Rename the file using the following naming convention: "CELG FY24_Community Name_MMDDYY". For example, an application submitted by ABC County on January 10, 2024 would look like this: "CELG FY24_ABCCounty_011024."
3. Once the file has been saved and renamed, email it as an attachment to MSEC.MEA@maryland.gov using the subject line "CELG FY24 Grant Application_CommunityName."
4. Email transmissions may be limited by file size. If the application files are too large for a single transmission, please number your transmissions consecutively on the subject line (e.g., "CELG FY24 Grant Application_CommunityName - Part 1").

A confirmation email should be sent to you within two business days of your submission. **If you do not receive a confirmation email within 48 hours, contact the MSEC Program Manager at msec.mea@maryland.gov.**

If an Existing CELG community would like to submit more than one project or measure for consideration, complete the Application in the following manner:

1. Complete a Project Proposal Form (Section C) for **each** project or measure;
2. Complete and submit **only one copy** of Sections A, B and D.
3. Provide a supplemental letter that ranks the multiple projects proposed based on preference.
4. Include the estimated project cost and estimated energy benefits for each proposed project on a project-by-project basis, as well as the source of that information (e.g., energy audit, vendor quote, engineering estimate).

Grant Program General Provisions:

MEA grant programs are covered by general provisions that apply to all energy programs. A copy of the General Provisions document is available on MEA's website [here](#); the most recent General Provisions document will be incorporated into all FY24 grant agreements issued by MEA.

Program-Specific Requirements:

In addition to the general provisions, the following requirements apply to this program:

1. MEA reserves the right to obligate all or none of the MSEC FY24 budgets, based on the quality and eligibility of applications submitted to MEA.
2. To be considered for an MSEC award, a project or measure should result in a simple payback lower than the total costs anticipated for the life of the project or measure.
3. An MSEC community may be able to use funds from the Jane E. Lawton Conservation Loan Program to supplement its MSEC funding for energy efficiency projects. Prospective recipients must apply separately to the Lawton program for additional funding and are not guaranteed to be awarded funds from that program. See this web site for more information: (<https://energy.maryland.gov/Govt/pages/janeelawton.aspx>).
4. MEA expects to make grant awards to each eligible community applying to the MSEC program as a New community, as long as the new MSEC community agrees to meet the program requirements.
5. To receive grant funding for a project, the grantee must enter into a Grant Agreement with MEA.

6. Prior to start of construction, each project selected for an award must be reviewed by the Maryland Historic Trust (MHT), or the qualified historical preservation expert on MEA's staff, to assure that any historic property will not be adversely affected. MEA may require the Grantee to provide additional information concerning the proposed project site to enable a proper historic preservation review. Any project deemed to cause adverse impacts on historical properties shall not be eligible for grant funding under this Program.
7. MEA will not reimburse for any costs expended prior to the Grant Agreement being fully executed by MEA and the applicant. Additionally, in order to receive reimbursement from MEA, each applicant is required to obtain written approval from MEA for its clean energy project prior to beginning construction, to ensure that the energy projects will directly contribute to the achievement of at least one MSEC clean energy policy goal.
8. Local government grants are awarded for funding from two separate budget categories: energy efficiency, and renewable energy/ transportation fuel reduction. While an applicant may receive funding from more than one of these categories, the funds are NOT interchangeable.
9. 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:

- o 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;
- o Expansion of infrastructure that results in an expansion of fossil fuel delivery volume;
- o New installations of fossil fuel or natural gas fired technologies;
- o 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. This situation is anticipated to primarily, but not exclusively, be seen in residential energy efficiency projects.

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.

10. Projects must comply with all applicable state and federal laws, regulations, and guidelines, including, but not limited to, following appropriate procurement policies, compliance with the National Historic Preservation Act of 1966, all applicable licenses, insurance, permits, environmental standards, etc.
11. Md. Code Ann., State Gov't §9-20B-05(m)(1) requires any new loan or grant funded by the Strategic Energy Investment Fund (SEIF) to a unit of State or local government to comply with §14-416 and §17-303 of the State Finance and Procurement Article. Applicants affected by this requirement should take this into account when developing FY23 applications to SEIF-funded programs, including MSEC. FY23 SEIF-funded grant agreements will contain a section outlining the American Manufactured Goods requirements with which impacted grantees will be required to comply and a government entity grantee will be required to attest to its compliance with Md. Code Ann. State Fin. & Procurement §§14-416 and 17-303 (as applicable).
12. Md. Code Ann. State Gov't §9-20B-05(m)(2) requires at least 80% of a Grantee's workers that are participating in a SEIF-funded project or program to reside within 50 miles of the project or program. As the SEIF funds a statewide program, MEA will determine compliance based on whether at least 80% of Grantee's workers participating in a SEIF-funded project reside in Maryland, or within 50 miles of Maryland's borders. Applicants should take this new requirement into account when developing FY23 applications to SEIF-funded programs, to include the MSEC program. FY23 SEIF-funded grant agreements will contain a section further outlining this requirement, including any documentation of compliance that will be required before grant funds are disbursed.
13. MEA will request that each Grantee agree to give MEA reasonable advance notice of, and an opportunity to potentially participate in, any Grantee-organized ribbon-cuttings or other public events highlighting the MSEC-funded project.
14. The application requires a community to identify the version of the energy code that it is currently enforcing and to provide documentation demonstrating adoption of the code. To be eligible for an MSEC FY24 Program grant funding, a community should follow the 2018 International Energy Conservation Code (IECC). If an applicant itself has not adopted the IECC but, instead, follows the IECC of another entity (e.g., a municipal government adhering to a county government's codes), it must include an explanation in its application.
15. 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.

MSEC FY24 Program Deadlines

March 8, 2024: Applications are due to MEA by 5:00 p.m. Eastern time. Applications can be submitted by email (preferred) or by mail.

Emailed applications or CELG should be sent to msec.mea@maryland.gov.

Mailed applications should be directed to:

Maryland Energy Administration
Attn: Maryland Smart Energy Communities
1800 Washington Blvd, Suite 755
Baltimore, MD 21230

Spring 2024: Anticipated timing for grant agreements to be fully executed with MEA.

September 30, 2024: Deadline for Existing Communities (local governments) and SOLE grantees to complete final submission of project development documents to MEA. Note: to receive project approval from MEA, all CELG grantees must first submit a Project Development form (Attachment B) to MEA in writing by this date.

December 2024: For New CELG communities (local governments) only, this is the deadline for having:

- (1) At least two of three required energy policies passed;
- (2) Energy baselines and energy action plans developed.

October 25, 2025: Date by which construction must be completed on all A0I1 and A0I3 projects (not including PFS or CECD projects).

November 28, 2025: Deadline for all final reports, invoices and reimbursement requests to be submitted to MEA for projects funded by this grant (not including PFS or CECD projects).

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 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? Contact Briggs Cunningham, MSEC Program Manager, at msec.mea@maryland.gov or 410-537-4070.