



Funding Opportunity Announcement Maryland Energy Infrastructure Grant Program Fiscal Year 2023 Grant Program

Program Description: The Maryland Energy Administration (“MEA”) announces the Maryland Energy Infrastructure Grant Program (“Program”) for Fiscal Year 2023 which is funded through the Maryland Gas Expansion Fund, established by Maryland Public Service Commission (PSC) Order No. 88631 to promote economic development, job creation and natural gas infrastructure expansion throughout the State of Maryland. The Program is a **competitive grant program** that assists commercial and industrial customers to expand natural gas infrastructure, achieve cleaner air standards, provide job growth and training, and promote economic development.

Type of Grant Program: Competitive

Application Deadline: 5:00 PM EDT December 7, 2022 .

Funding Availability : A total of \$9,250,000.00 for Fiscal Year 2023 is anticipated to be available. The actual amount available may vary, depending on the quantity of applications received and the available resources within a given fiscal year.

MEA offers funding under two (2) Areas of Interest (AOIs). Funding amounts are generally based on the following project scope, scale and complexity:

Areas of Interest (AOI) & Typical Funding Amounts

AOI 1: Local Distribution Companies: Up to **\$3,250,000.00** is available.

Under AOI 1 MEA calculates grant awards as 50 percent of total project costs, **not to exceed \$3,000,000.00**. Applicants must contribute at least 50 percent of total project costs as matching funds or in-kind services.

AOI 2: Maryland Anchor Customers: Up to **\$6,000,000.00** is available.

Under AOI 2 MEA calculates grant awards as 75 percent of total project costs, **not to exceed \$3,000,000.00**. Applicants must contribute at least 25 percent of total project costs as matching funds or in-kind services.

Matching funds may include but are not limited to, cash on hand, a business line of credit, and other grant awards (state, federal, or private) excluding other MEA grants.

Eligible Applicants: The Program is open to Maryland businesses, state and local government entities, non-profit organizations and local distribution companies. To be considered for a grant award an application must be complete, accurate, and signed by an authorized representative of the applicant. Entities who have received awards for projects in previous years are eligible to receive funding for the same project.

With the exception of an application from the Maryland Environmental Service (MES) as set forth below, MEA will not accept applications from a third party on behalf of a client. Consistent with its statutory responsibilities and authorities set forth in the Maryland Code, MES may apply directly on behalf of, or in partnership with, another state governmental entity

For the purpose of this Program, a local distribution company is an organized business that presently holds or that has filed an application for a tariff or other licenses for natural gas distribution with the Maryland Public Service Commission and/or the U.S. Federal Energy Regulatory Commission.

Eligible Activities: Maryland Energy Infrastructure Program funds are provided to awardees to offset costs of expanding natural gas infrastructure for the purpose of providing customers with affordable, cleaner energy sources, improving air quality, reducing greenhouse gas emissions , and providing Marylanders with economic development opportunities.

Project Priorities: \$2,600,000 of program funding is prioritized for projects located in the following counties. Projects located in these counties will receive first consideration in the competitive application review process.

- St Mary's County
- Charles County
- Calvert County and,
- Frederick County

Ineligible Activities: Projects requesting grant funds for natural gas generation used only for backup power are ineligible for funding under the Program.

Review Process

Acknowledging Receipt of your Application

All applications are reviewed for completeness. If an application is incomplete, MEA will notify the applicant in writing within 30 days. If MEA disqualifies an application, MEA will return the

application to the applicant, along with an explanation of its disqualification.

Application Evaluations

Qualified staff from MEA and other state entities will make up the evaluation review team. All complete and eligible applications will be evaluated on a competitive basis. MEA may contact an applicant with questions and requests for additional information about the application during the application review period.

Application Selection

MEA will review each eligible application for completeness. MEA will then review all complete applications using the Evaluation Criteria below and consider funding availability and Project Priorities. MEA will not award grant funding to an applicant that submits an incomplete or ineligible application. MEA will notify each applicant by email of MEA's decision regarding their application.

Award Notices

MEA will notify applicants selected for funding by an award letter followed by a grant agreement. The grant agreement will contain the terms and conditions for the grant, reporting requirements, and reimbursement information.

MEA may decide to make no award if all applications are unqualified, incomplete, and/or do not meet the established program objectives and priorities. An application is deemed qualified if it receives 70 or more points, as detailed in the section titled "Evaluation Criteria."

Timeline

MEA is offering grant funding on a competitive basis. MEA anticipates the Program application and evaluation process will follow the timeline outlined below:

- November 2022: Fiscal Year 2023 program announced
- December 7, 2022: The deadline to submit applications, 5:00 pm EST.
- December/January 2023: Grant award announcements
- December/January 2023 Grant agreements produced

MEA will make every effort to follow the anticipated timeline for the Program's application and evaluation process; however, delays may occur and any changes are at MEA's sole discretion. MEA asks that all applicants plan the start dates of their proposed projects accordingly and include a reasonable amount of flexibility. MEA thanks you in advance for your patience and understanding.

Qualification Points and Evaluation Criteria

In accordance with the information in this funding opportunity announcement, MEA will use an applicant's application and supporting information to determine the applicant's qualifications for available Program funds. Each eligible and complete application will be graded and given points based on its consistency with the Evaluation Criteria. **Each applicant that receives a score of 70 or higher and that complies with all Program rules, restrictions, and requirements is qualified for a grant under this Program. Subject to Project Priorities, each qualified applicant will be awarded a grant until the Program budget is exhausted.** Greater points are given to an application that provides thorough documentation. Each application must illustrate that it meets the objectives associated with each criterion outlined below.

Applications will be evaluated according to the following criteria:

1. Alignment with the Program's Goals–10 points

- a. The applicant clearly connects the project with the Program's goals of expanding natural gas infrastructure, increasing air quality, and providing economic development opportunities.

2. Justification–15 points

- a. The proposed project justifies the capital investment
- b. The applicant has conducted and presented a needs analysis demonstrating the need and benefit of this project for Marylanders.

3. Feasibility–15 points

- a. The proposed project is feasible.
- b. The applicant demonstrates historic success with similar programming, including but not limited to, past performance with MEA funds.
- c. The applicant outlines the challenges the proposed program will face and how the challenges will be overcome, including how the proposed investment will help overcome those challenges.

4. Energy Savings and Affordability–10 points

- a. The proposed project will result in cost reductions for Maryland ratepayers including residential customers, and/or commercial and industrial customers.
- b. The applicant provides calculations supporting the energy savings and cost reduction estimates.

5. Energy and Fuel Displacement–10 points

- a. The applicant provides an energy consumption baseline for the fuel being displaced by the conversion to natural gas and a projected reduction in the use of that fuel as well as the projected use of natural gas over a 10 year timeframe.

- b. The applicant provides supporting calculations demonstrating all energy consumption and energy fuel use displacement estimates.
- c. If the project reduces net energy use, the applicant must provide an estimated fuel use baseline and the estimated savings over a 10 year timeframe in the units being replaced and BTUs.

6. Greenhouse Gas Reduction–10 points

- a. The applicant provides greenhouse gas reduction forecasting that is realistic and attainable for the proposed project's scale over the 10-year time frame.
- b. The applicant provides supporting calculations demonstrating the greenhouse gas reduction estimates.
- c. Estimates must include both the fuel displaced and net out the natural gas to be consumed from the calculation.

7. Resiliency–10 points

- a. The applicant provides a realistic resiliency plan that safeguards essential infrastructure, businesses, and residents from prolonged energy shortages.

8. Budget and Return on Investment–15 points

- a. The project budget is reasonable for the proposed activity and the funding is appropriate in scale relative to the desired outcomes.
- b. The applicant has secured funding for their portion of the cost share to complete the project.
- c. The applicant has provided a discussion of the proposed project's return on investment that justifies the benefits of the project outweighing the costs.

9. Timeline–5 points

- a. The proposed project's timeline is realistic and attainable.
- b. The applicant has discussed potential challenges and mitigation strategies if they are unable to meet their timeline goal.

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 is made to the next approved project in rank order until all funding has been expended or all remaining projects have rejected the offer.

If funds are unallocated, MEA may offer these funds proportionally with other awards, similarly in cases of high program demand MEA may at its discretion reduce the awards provided on a proportional basis.

Required Application Documents:

- 1. Project Narrative:** Provide a comprehensive overview of the proposed project and business opportunities. The Project Narrative must be no more than 10 pages long and include the following information:
 - I. Applicant Overview**
 - i. The Applicant Overview must discuss the Applicant's business operations, their interest and plan for expanding natural gas infrastructure.
 - II. Project Location and Facility**
 - i. Applicants must provide details about the project location(s) and facility(s). Include a sitemap from Google Earth or another mapping service indicating location(s) of the proposed project.
 - III. Needs Assessment/Justification**
 - i. Applicants must provide a high-level Needs Assessment discussing the problem the proposed project aims to impact. The Needs Assessment must provide a justification for the project addressing the following questions:
 1. What is the problem/issue that the proposed project intends to impact?
 2. How does the proposed project aim to address the identified problem/issue?
 3. What is the anticipated impact of the proposed project on the identified problem/issue?
 - IV. Cost Savings and Affordability**
 - i. Applicants must provide calculations that demonstrate cost savings for Maryland ratepayers including, residential and/or commercial and industrial rate payers, that will result from this project.
 - V. Energy Consumption**
 - i. Applicants must provide a baseline of energy consumption by providing the most recent (12) consecutive months' fuel consumption, including invoices, utility bills, or other acceptable third party accounting.
 - ii. Applicants must provide realistic forecasts for energy savings over a 10 year time frame.
 - VI. Greenhouse Gas Reduction Forecasting**
 - i. Applicants must provide a greenhouse gas reduction estimation and forecasting resulting from the proposed project over a 10 year time frame.

VII. Grid Resiliency Statement

- i. Applicants must include a grid resiliency statement describing the impact this project will make to safeguarding essential infrastructure from prolonged power outages for Marylanders.

2. Project Work Plan: The Project Work Plan must consist of the following:

I. Project Scope Statement,

- a. Applicants must provide a project scope statement that includes the project purpose, goals and objectives, and strategies for achieving those goals and objectives.
- b. The project scope must align with the Program's goals of supporting natural gas infrastructure, decreasing greenhouse gas emissions, and supporting economic development opportunities in Maryland.
- c. Applicants must include discussion of the Applicant's sustainability commitments and how they intend to proceed with a project that is mindful of economic, environmental, and social sustainability.

II. Detailed Project Timeline

- a. Applicants must include a realistic and feasible timeline for all project milestones and the anticipated end date.
- b. Applicants must include a discussion of potential timeline challenges or constraints and mitigation strategies.

III. List of Project Partners

- a. Applicants must provide a list of project partners who are expected to work on the project. Include each partner's defined role and responsibilities.

IV. Challenges

- a. Applicants must discuss potential constraints or challenges related to time, budget, and resources that may impact project success. Applicants must provide mitigation strategies for each identified constraint or challenge.

3. Budget Narrative: The Project Budget must include details on total anticipated project costs and how the applicant intends to use grant funds. It must include the following:

I. Total Project Budget:

- a. The total project budget must be a breakdown of intended use of grant funds, including, but not limited to relocation costs, renovations, equipment, installation, labor and personnel, permitting and inspections, and administrative expenses.

II. Calculated Return on Investment (ROI):

- a. Applicants must include a calculation of the return on investment (ROI) of the project. The applicant must provide a discussion that justifies the cost of the investment, based on a calculated ROI demonstrating that the benefit of the project exceeds the costs.
- b. $ROI = (\text{Estimated Value of Investment} - \text{Cost of Investment}) / (\text{Cost of Investment})$.

III. Leveraged Funds

- a. Applicants must provide a list of leveraged funds, including but not limited to finance/loan agreement, cash on hand, a business line of credit, or other grant award to demonstrate project success and feasibility in the event of receiving only a partial award.

4. Certificate of Status:

- I. Applicants must provide a certificate of status from the Maryland Department of Assessments and Taxation (SDAT) showing the applicant is in good standing with the State of Maryland. Certificates of status can be ordered online from SDAT.

5. License to Supply Gas

- I. Applicants intending to supply natural gas and operate as a Supplier/Marketer, Broker (acts as an agent or intermediary in the sale and purchase of natural gas and does not take title to the natural gas) or an Aggregator must provide a copy of their license to supply natural gas, issued by the Maryland Public Service Commission (PSC). Applications to supply natural gas can be found [here](#).

6. IRS Form W-9:

- I. Applicants must provide an Internal Revenue Service (IRS) Form W-9 for the Applicant Organization. The Applicant Organization name and address provided on the IRS Form W-9 must match the Applicant Organization name and address provided in the Application Form submitted through the online application portal. An IRS Form W-9 can be requested from the IRS.

Submission

The Program utilizes an online application portal, JotForm, that all applicants must use to submit grant applications. The online application portal is accessible through MEA's website and here. MEA will not consider incomplete applications.

Program Requirements

Reporting

Performance reporting, including quarterly and milestone reports, must be completed and submitted to MEA in accordance with the timelines and reporting requirements described in the

grant agreement. Delay in meeting the reporting requirements will result in a delay in reimbursement, disallowance of expense, or suspension of the grant award.

Reimbursement

MEA will reimburse a Grantee for the performance of eligible, approved activities consistent with the grant agreement.

Confidential and Personal Information

1. In accordance with Section 4-501(c)(3) of the General Provisions Article of the Annotated Code of Maryland, MEA is required to advise Applicants of the following:
 - I. Any personal information requested in the Application is necessary to evaluate the eligibility of the Applicant for a Grant.
 - II. Failure to provide all required information will prevent MEA from processing the Application.
 - III. Some of this information may be provided to other agencies of the State to process the payment of Grant Funds if the Applicant is awarded a Grant.
 - IV. The Applicant's name, project information, and Grant award may be publicly accessible on our website if the Applicant is awarded a Grant.
 - V. As set forth in Section 4-502 of the General Provisions Article, an applicant has the right to inspect, amend, or correct a personal record as maintained by the Program.
2. All information submitted in a Grant Application is subject to the Maryland Public Information Act (PIA). If the Applicant believes information in the Application is confidential and therefore should be exempt from disclosure under the PIA, the Applicant 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 exempt from disclosure.

Grant Program General Provisions:

MEA grant programs are covered by general provisions that apply to all energy programs, the most current version of these General Provisions is v.3, February 2022. The latest approved version of this document will be incorporated into all FY23 grant agreements issued by MEA.

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

1. MEA may obligate less than the entire FY22 Maryland Energy Infrastructure Program budget, based on the quality and eligibility of applications submitted to MEA, and consistent with the terms of [Md. PSC Order 88631](#) relating to the Maryland Gas Expansion Fund.
2. MEA at its discretion may extend the application deadline of the FY2023 Maryland Energy Infrastructure Program.
3. An applicant that is a Non-Profit entity must demonstrate they are registered and in good standing with the Maryland Department of Assessments and Taxation (SDAT) by submitting a Certificate of Status. Certificates of Status may be ordered online from SDAT.
4. Prior to receiving any grant funding for a project, the successful applicant must enter into a Grant Agreement with MEA no later than May 30, 2023, unless an extension is given in writing (email) by MEA.
5. Grant funds will not be distributed for any work completed before the effective date of the Grant Agreement with MEA.

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 each applicant or grantee, as applicable, by letter 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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