



## **Funding Opportunity Announcement (“FOA”)**

### **FY24 Community Solar LMI-PPA Grant Program**

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**Program Description:** This Maryland Energy Administration (MEA) incentive program provides funding to partially reimburse Community Solar Subscriber Organizations for added costs associated with making the Community Solar Pilot Program accessible to Maryland’s low-to-moderate income, overburdened, and underserved communities<sup>1</sup>. Solar ownership carries substantial up-front costs that have historically been a barrier to these communities accessing the many benefits of solar technology. One of the most impactful of these benefits is the ability for solar to reduce monthly energy burden<sup>2</sup>. A community solar power purchase agreement (PPA) model, with sufficiently favorable financial terms, can help provide the benefits of solar energy to Maryland’s LMI, overburdened, and underserved communities in a sustainable, scalable manner that maximizes greenhouse gas reduction benefits, and delivers meaningful reduction to energy burden. It also carries no up-front cost to the subscriber, meaning that they receive immediate solar energy benefits once subscribed to a community solar system. This model has been highly popular in past program offerings, and is an important driver in MEA’s mission to promote clean, affordable, reliable energy and energy-related greenhouse gas emission reductions to benefit Marylanders in a just and equitable manner. The grant amount is based upon a net present value (NPV) formula, which takes into account the amount of energy subscribed to LMI households and the cost savings guaranteed over and above that of a specified base case over an assumed 20-year PPA period. A discount rate of 10% is used.

**Type of Grant Program:** Competitive - Statewide

**Application Deadline:** **3:00 P.M. EST, Thursday, February 29, 2024**

**Eligible Applicants:** Community solar Subscriber Organizations registered to do business in Maryland, that are registered with the Maryland Public Service Commission (PSC), have a Subscriber Organization number, and are in Good Standing with

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<sup>1</sup> As defined by §1-701 of the Environment Article, Annotated Code of Maryland

<sup>2</sup> “Energy burden” is the percentage of monthly household income spent on energy costs. Energy burden is disproportionately higher for LMI, overburdened, and underserved communities compared to higher-income communities, per the [U.S. Department of Energy \(https://www.energy.gov/scep/slsc/low-income-community-energy-solutions\)](https://www.energy.gov/scep/slsc/low-income-community-energy-solutions)

the Maryland Department of Assessments and Taxation (SDAT). An eligible applicant must propose a project in one of the following categories:

- LMI category (guarantee 10% of energy output to Low Income subscribers and an additional 20% of energy output to Low-or-Moderate Income subscribers), or
- SBO<sup>3</sup> category AND guarantee at least 51% of energy output to Low-and-Moderate Income subscribers.

**Eligible Activities:**

Grantees will install and operate solar photovoltaic (PV) arrays under the Maryland Community Solar Pilot Program. Grantees are also responsible for subscribing at least the minimum amount of energy to LMI subscribers that is required by their allotted community solar capacity category in the Pilot Program.

**Program Budget:**

MEA anticipates providing approximately **\$3,000,000** in grants from the Strategic Energy Investment Fund (“SEIF”). However, this amount may be increased based on the quality and quantity of applications received. Some of the potential additional funding is geographically restricted. Individual grants cannot exceed \$500,000 for any given project.

**Notice of geographical funding restrictions:** This program is funded in whole or in part by alternative compliance payments made under Maryland’s Renewable Portfolio Standard. Md. Code Ann., State Government § 9-20B-05(i) specifies the allowable uses for solar alternative compliance payments to “loans and grants to support the creation of new solar energy sources in the State that are owned by or directly benefit:

1. Low-to-moderate communities located in a census tract with an average median income at or below 80% of the average median income for the State; or,
2. Overburdened or underserved communities, as defined in §1–701 of the Environmental Article.”

For fiscal year 2024, MEA is identifying low-to-moderate communities using 2021 median household income data published by the U.S. Census Bureau at the census tract level as part of the American Community Survey. For overburdened and underserved communities, MEA will use census tract data obtained through the [Maryland Department of the Environment \(MDE\) Environmental Justice Screening Tool version 2.0 Beta](#).

The list of census tracts eligible to own or directly benefit from grant funding originating from solar alternative compliance fees in fiscal year 2024 will be included as an attachment to the agreement (or otherwise provided by MEA).

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<sup>3</sup> SBO stands for Small, Brownfield, and Others. It is one of 4 Community Solar Categories: Open, SBO, LMI, 50 kW or less.

**Evaluation Criteria:** MEA will rate each complete application based on the benefits of the project to LMI ratepayers. A sample of the Application Review Checklist can be found on the program website, and as **Appendix A to this FOA**.

The primary evaluation criterion is Greenhouse Gas reduction per dollar of grant funding.

$$\text{Points} = \frac{\text{Array size (Cell B4)} * \text{Array efficiency (Cell A22)}}{\text{Total incentive (Cell B18)}}$$

Cell values are from the Proposed Incentive Calculation Spreadsheet of the Application Workbook

Additional favorable evaluation criteria include:

- “Total Benefit to Subscribers”<sup>4</sup> = Cell B19/60,000
- Use of building rooftops in cities and towns (1.5 points)
- Pairing the array with a storage device. Points = (number of full hours of energy storage at full solar array rated output)
- Use of a waste landfill or land participating in the Maryland Department of the Environment (MDE) Voluntary Cleanup Program (VCP) (1 point)
- Education of the public concerning the benefits of the project to the general public through a sign at the project site with updated numbers (e.g., clean energy generated, greenhouse reductions) display, dashboard or internet website. (1 point)

The Review Team may, at its discretion, adjust the ranking to ensure a project is selected in each utility service territory before selecting additional projects in any one utility service territory.

Geographic Diversity: MEA may allocate funds on a limited geographic basis, depending on the total number of applications received, as some potential additional funding resulting from alternative compliance payments made under Maryland’s renewable portfolio standard (RPS) is only applicable to projects occurring in specific census tracts that meet the statutory definitions of either a low-to moderate-income, underserved, or overburdened community as defined under §9-20B-05(i)(2) of the State Government article.

**Review Process:** The MEA Program Manager will assemble a Review Team of at least three (3) qualified program managers, energy specialists or other professionals. Individuals from outside MEA may be included at the Program Manager’s discretion. All Review Team members will review each application using the Application Review Checklist. Projects are ranked from highest to lowest.

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<sup>4</sup> “Total Benefit to Subscribers” is a calculated value from Cell B19 of the “Test Case” application Excel workbook.

Despite the ranking, the Review Team members may still recommend against making an award. Any recommendation that an award shall not be provided will be discussed by all team members during an in-person (or virtual) meeting. A majority vote of the Review Team members will be required to disqualify an application for cause. Any disqualification for cause will be documented in the award recommendation memo to the Director (MEA). The Review Team will recommend applications for funding based on the amount of funding available. The Review Team may, at its sole discretion, recommend one or more additional projects (in order) for funding, if funding becomes available before the end of the fiscal year. The Program Manager will make recommendations to the Director, incorporating input from the Review Team. In the event of a disagreement, the dissenting concerns will be included in the recommendation memo to the Director.

**Award Formula:**

The award calculation includes the following variables: number of subscribers, size of LMI portion of the array (to the nearest kW), the assumed kWh-ac/kW-dc for the array, the cost of electricity for the utility service territory (\$/kWh), the first-year rate reduction below the CSEGS Credit Rate (percent), and the PPA escalation rate (%/year). The calculation is performed on the Application Worksheet (FY 24 LMI and SBO Categories). **Individual grants cannot exceed \$500,000 for any given project.**

**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 applicants have rejected the offer. While MEA anticipates using the full amount of allocated funds for this program, MEA reserves the right to obligate some, all, or none of the FY24 Community Solar LMI-PPA Grant Program budget, based on the quality and eligibility of applications submitted.

**Required Application Documents:**

The following documents are required as part of the application package:

- 1) Application Spreadsheet (including a completed Application Page, a Proposed Incentive Calculation Page, and the appropriate Utility rate calculation page).
- 2) Subscriber Organization Certificate of Good Standing from SDAT,
- 3) Subscriber Organization / Applicant IRS Form W-9,
- 4) Site plan, showing array location on the site,
- 5) Google Earth (or equivalent) map showing the location of the site with respect to the surrounding community,
- 6) PVWATTS, PVSYST (or equivalent) document showing expected energy

- production,
- 7) Proposed timeline (assuming the grant is issued on June 1, 2024),
  - 8) Documentation showing the last 12 months of Residential Community Solar Energy Generation (CSEG) Credit Rate for the utility service territory (or equivalent for Potomac Edison service territory).
  - 9) Evidence that the applicant will have control of the proposed site for at least 20 years after the solar system is expected to be complete.
  - 10) Cover letter provided indicating guarantee of savings over 20 years and the form of incentive (i.e., base rate plus escalator or constant savings below CESGS credit rate).
  - 11) Evidence that the applicant is in Good Standing with the Maryland Department of Assessments and Taxation (“DAT”), and, if one (1) or more contractor(s) have been identified at the time of application, (a) copy (copies) of documentation evidencing that the contractor(s) is (are) in Good Standing with Maryland DAT. Good Standing documentation for each contractor must be provided to MEA upon contractor selection. Acceptable formats include those specified by the “Good Standing Requirement” defined in the Restrictions and Limitations section of this FOA.

**Program 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](#)<sup>5</sup>; this document will be incorporated into all MEA FY24 grant agreements.

In addition to the general provisions, the following funding qualification applies to this program: MEA at its sole discretion may obligate all or none of the FY24 Community Solar LMI-PPA Program budget, based on the quality and eligibility of applications submitted to MEA.

**Program-specific Requirements:**

The following terms with meanings defined are referenced throughout this FOA and related Community Solar LMI-PPA Program documents:

- **Community Solar**: A virtual net energy metering program authorized by §7-306.2 of the Public Utilities Article of the Maryland Code.
- **Community Solar Capacity Category**: Projects are issued capacity by the participating utility company in one of four categories: Open; Small/Brownfield/Other, LMI, and very small.
- **Low Income Subscriber**: A subscriber whose gross annual household income is at or below 175 percent of the federal poverty level for the year of subscription or who is certified as eligible for any federal, state,

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<sup>5</sup> <https://energy.maryland.gov/Pages/all-incentives.aspx>

or local assistance program that limits participation to households whose income is at or below 175 percent of the federal poverty limit:<sup>6</sup>

- **Moderate Income Subscriber:** A subscriber whose gross annual household income is at or below 80 percent of the median income for Maryland for the year of subscription.<sup>7</sup>
- **Note:** The implementation of Low-Income and Moderate-Income verification was further defined by PSC Letter Order dated February 14, 2020.<sup>8</sup>

## Restrictions and Limitations:

The following restrictions and limitations apply to the Community Solar LMI-PPA Program:

- **Good Standing Requirement:** Each applicant to the Community Solar LMI-PPA Program, as well as each selected grantee and its selected contractor(s), must be in Good Standing with the [Maryland Department of Assessments and Taxation](#)<sup>9</sup> (“DAT”). Evidence of Good Standing can be provided by either: (1) a screenshot or PDF of the organization’s entry in DAT’s [Business Entity Search](#)<sup>10</sup> indicating Good Standing status; OR (2) a copy of a Certificate of Status, indicating Good Standing, which can be obtained on DAT’s website [here](#)<sup>11</sup>.
- **NABCEP Requirement:** At least one person from the solar installation company, certified as a PV Installation Professional (PVIP) by the [North American Board of Certified Energy Practitioners \('NABCEP'\)](#)<sup>12</sup>, must be involved in the design and/or installation of the community solar array. Applicants will be required to provide the name and certification number of this individual(s).
- **Responsible Invoicing Party:** The Grantee/Subscriber Organization is responsible for submitting all reporting documents, including invoices, to MEA.
- **No Additional Project Grants:** Only one MEA grant may be awarded per project.
- **LMI Guarantee:** The Grantee/Subscriber Organization must provide sufficient guarantees that the agreed upon terms of the Grant Agreement will not be changed in a manner that would

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<sup>6</sup> Code of Maryland Regulations 20.62.01.02.B (12)

<sup>7</sup> Code of Maryland Regulations 20.62.01.02. B (13)

<sup>8</sup> <https://webapp.psc.state.md.us/newIntranet/Content.cfm?ServerFilePath=%5C%5CColdfusion%5CLetterOrder%5CPosted%5C61459.doc>

<sup>9</sup> <https://dat.maryland.gov/about/Pages/default.aspx>

<sup>10</sup> <https://egov.maryland.gov/businessexpress/entitysearch>

<sup>11</sup> <https://dat.maryland.gov/businesses/Pages/Internet-Certificate-of-Status.aspx>

<sup>12</sup> <http://www.nabcep.org/>

disadvantage the LMI subscriber over the 20-year period covered by this grant. These subscription limitations must be included as mandatory requirements in any future agreements of sale or change in control or ownership of the solar array to another subscriber organization.

- **Power Purchase Agreement (PPA) Requirement:** The subscription must be structured in a PPA model (little to no up-front cost to the subscriber: the subscriber pays the subscriber organization for energy credited to their electric bill on a \$/kWh basis).
- **Production Deadline:** The project must produce creditable power by the date specified in the grant. (Creditable power is power provided to the electric utility that is used to compute the subscriber's monthly energy bill).
- **LMI Subscriber Count Reporting:** Grantee/Subscriber Organization must provide a count of LMI subscribers to the Maryland Energy Administration with the submittal of the Completion Report and no later than the date specified in the grant. The count of LMI Subscribers must include a detailed explanation of how LMI subscribers were certified to their LMI category. If a third party provided the certification, the grantee must provide a detailed explanation of how the third party conducted the verification. MEA may request a list of LMI subscribers, their income category, and the subscription capacity (kW)
- **Maryland PSC Community Solar Pilot Program Participation:** The project must be part of the Community Solar Pilot Program; each grantee must have a subscriber number issued by the Maryland Public Service Commission ("PSC") and comply with the implementing Code of Maryland Regulations 20.62.01.01 through 20.62.05.20.
- **Allotted Capacity Requirement:** The project must have capacity allotted to it by the electric utility under the LMI category, or it must be in the "Small/Brownfield/Other" category and provide more than 51% of its energy credits to subscribers certified as "LMI".
- **Maryland Historical Trust:** A Maryland Historical Trust review must be completed without an adverse finding before grant funding will be paid.
- **Minimum Solar Capacity:** Solar systems smaller than 10 kW will not be considered.
- **IEEE Requirement:** The solar system must meet minimum system requirements as specified in IEEE 1547 and the National Electric Code.

- **National Testing Requirement:** Each component of the solar system must be listed or labeled by a recognized national testing laboratory.

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**Grant Funding  
and Payment:**

The following terms and conditions apply to each applicant that is selected for an award:

- **NEW REQUIREMENT: ELECTRONIC PAYMENTS**  
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](#)<sup>13</sup>" 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.
- Upon receipt of the grant agreement signed by both the grantee and MEA, MEA will encumber (set aside) funds.
- Grant funds will be distributed after the project produces creditable power to subscribers. The Subscriber Organization will inform MEA when the project is complete (all zoning requirements met, all permit inspections passed and permits closed, all commissioning tests satisfactorily completed, and permission to operate received from the utility). MEA may then conduct a site visit or provide directions on how to conduct a virtual site visit or equivalent.
- Upon completion of the site visit or equivalent, MEA and the Subscriber Organization will recalculate the final grant amount

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<sup>13</sup> <https://www.marylandtaxes.gov/forms/state-accounting/static-files/GADX10Form.pdf>



based on the actual capacity of the project (kW-dc), the actual percentage of energy provided to LMI subscribers, and the actual payments for potential subscriber income verification. The Grantee/Subscriber Organization will submit a Final Invoice and Completion Report using these numbers (not to exceed the total amount authorized in the grant agreement). Upon receipt of a complete and accurate invoice and completion report, MEA will submit the request for payment of grant funds.

- The Grantee name and Grantee Tax ID number cannot be changed until the grant funds have been distributed to the Grantee.

## **Solar Renewable**

### **Energy Credits (SRECs):**

Projects must register for and receive Solar Renewable Energy Credits (SRECs). Grantees will be required to verify the successful registration of projects with the Maryland Public Service Commission and with PJM Interconnection. For information concerning SREC registration, consult the PJM EIS website at <https://www.pjm-eis.com/>

### **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 Community Solar LMI-PPA 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.

### **Final Grant Amount:**

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.

## **Submission**

### **Instructions:**

Once complete, Application packages should be submitted to MEA via email to [Solar.MEA@Maryland.gov](mailto:Solar.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 Thursday, February 29, 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 [Solar.MEA@Maryland.gov](mailto:Solar.MEA@Maryland.gov) or by calling Program Manager David Comis at 443.908.1743 **no fewer than fourteen (14) days** prior to the deadline to arrange an alternative method of submission.

Questions can be directed to:

**David Comis, Energy Program Manager**


**[David.Comis@Maryland.gov](mailto:David.Comis@Maryland.gov)**

**410-537-4064 (w)**

Effective Date: December 11, 2023

V 1.0

**APPENDIX A – FY24 MEA COMMUNITY SOLAR LMI-PPA GRANT PROGRAM  
APPLICATION REVIEW CHECKLIST**

	<b>FY24 Community Solar LMI-PPA Grant Program</b>	
	<b>APPLICATION REVIEW CHECK LIST (INTERNAL)</b>	
<b>A. Applicant and Project Eligibility</b>		
PROJECT NAME		
Application is filled out completely with all required dates and signatures?	YES/NO	List Discrepancies
Application was submitted by the deadline date	YES/NO	
Is the project in Maryland and capacity <= 5MW-ac?	YES/NO	
Is the project in the LMI category, or in the S/B/O category and promising at least 51% of energy subscribed to LMI?	YES/NO	
Does the Applicant have a Certificate of Good Standing from SDAT?	YES/NO	
Does the Applicant have a Subscriber Organization Number from the PSC?	YES/NO	
Does the project use a PPA financial model?	YES/NO	
Are the calculations of kWh-ac/kWh-dc reasonable/supported?	YES/NO	
<b>B. Application Evaluation Criteria (from Notice of Grant Availability)</b>		
Greenhouse Gas factor	Points = (cell B4 * cell A22)/(cell B18)	
Total Benefit to Subscribers	Points = (Cell B19/60,000)	
Is the array combined with an energy storage device?		
	Points= hours of energy storage at full solar array rated output	

Is the array on a waste landfill or land cleared through the MDE VCP Program? <b>1 point if yes</b>	
Will array output data be visible to the general public through an updating sign, display, dashboard, or internet website?  <b>1 point for yes</b>	
Is the array on a building rooftop within a city or town?  <b>1.5 points for yes</b>	
<b>C. Required Documentation</b>	
Is the Subscriber Organization in Good Standing in Maryland?	YES/NO
Subscriber Organization's IRS Form W-9 provided?	YES/NO
Google Earth (or equivalent) map showing the location of the site provided?	YES/NO
Documentation showing expected energy production provided?	YES/NO
Timeline provided?	YES/NO
Documentation showing the last 12 months of Residential Community Solar Energy Generation (CSEG) Credit Rate for the utility service area.	YES/NO
Cover letter provided indicating guarantee of savings over 20 years and the form of incentive (i.e., base rate plus escalator or constant savings below CESGS credit rate)?	YES/NO
Evidence that the applicant has control of the proposed site for at least 20 years after the solar system is expected to be complete.	YES/NO
<b>D. Total Points</b>	
Total Points from Section B	_____ points
<b>E. Additional Comments</b>	
Include additional comments such as (geographic diversity, ability to be seen from highway, etc.), and anything else you think	:

	worthy of note.	
<b>F. Your Recommendation</b>		
	Award, don't award, need more information, etc.	NOTE:
	<b>Date Reviewed</b>	