

Funding Opportunity Announcement

Clean Energy & Community Development FY2024 Pilot Grant Program

Description: The Maryland Energy Administration (MEA) is offering the Clean Energy & Community Development (CECD) Pilot Grant Program for FY2024 to promote economic growth and development while reducing carbon emissions and addressing climate change. The goal of the CECD program is to help communities transition to a low-carbon, climate-resilient economy through planning grants and capital grants that are distributed evenly on a geographical basis. MEA is seeking bold projects that provide comprehensive community approaches to addressing the State's energy and climate goals, while improving community health, well being, economic development, environmental justice and equitable access to clean energy.

Application Deadline: Applications are accepted until **March 8th, 2024** at 5 PM. Eastern time.

Funding: MEA anticipates awarding a total of up to \$6,000,000 for energy efficiency projects, and \$4,000,000 for clean energy (including renewable energy) projects and transportation projects. The actual amount available may vary, depending on the quantity and quality of applications received and MEA's available resources within the fiscal year. Typically, awards of up to \$1,000,000 will be allowed; however, larger awards are possible for exceptional applications. Applications for planning or concept development funds only will be limited to \$100,000.

Applications exceeding the typical maximum funding amount of \$1,000,000 will require exceptional and thorough justification, must have the potential for large-scale clean energy benefits (including clearly defined outcomes closely aligned with state statutory goals and MEA's agency mission), and must demonstrate a high probability of success. Larger funding requests will likely entail extensive follow-ups for additional data as well as additional due diligence.

Eligible Applicants: Communities, Economic Development Corporations, Local Government focused non-profits, Community Redevelopment Authorities and similar organizations.

Eligible Activities: Applications may include capital projects, investments in clean energy technologies, implementation of sustainable use practices, supporting development, commercialization and deployment of new low-carbon technologies, planning and technical assistance, and other activities that align with the evaluation criteria specified in this FOA.

Ineligible Activities: Applications for a similar technology, service, application, or other elements covered by MEA's other sector programs are generally ineligible. MEA reserves the right to review and approve each application on a case-by-case basis to determine eligibility. Applications that differ from an existing program only in the amount of funding requested will be ineligible. Projects that involve new construction are only eligible for funding for the incremental costs of installing efficient energy systems that exceed current minimum state energy codes.

It is important for the potential applicants to carefully review the FOA and ensure that their projects align with the goals and objectives of the CECD program, and that they meet all the eligibility requirements and guidelines. Failing to do so may result in the application being rejected or not considered for funding.

Evaluation Process: Applications for the CECD program will be evaluated for eligibility by the Program Manager prior to sending the application to the review committee. Applications determined to be ineligible will not be reviewed further.

Evaluation Criteria: To be successful, an application must be consistent with MEA's mission and allowable uses for the Strategic Energy Investment Fund (SEIF), and must provide public benefits directly to Maryland. Examples may include, but are not limited to, applications in the following areas:

- Energy efficiency;
- Renewable energy;
- Clean energy deployment and progress towards Maryland's Renewable Portfolio Standard;
- Electric or Zero emission vehicle adoption and electric vehicle infrastructure deployment.

Specifically, the evaluation will consider:

- Alignment with goals of the CECD grant program, which is to promote economic growth and development while reducing carbon emissions and addressing climate change;
- Tangibility and measurability of clean energy-related benefits to Maryland, or demonstrated ability to develop analysis or other aspects that can result in clean energy-related benefits;
- Feasibility and sustainability: projects should be feasible and sustainable, with clear plans for how they will be implemented and maintained over the long term;
- Impact: projects should have the potential to make a significant impact on reducing carbon emissions and addressing climate change, and should demonstrate how they will contribute to the overall mission of MEA;
- Partnerships and collaborations: projects that involve partnerships and collaborations with other organizations or groups will be given priority, as they can leverage resources and expertise and thus increase the potential impact of the projects;
- Simple payback: a useful tool for comparing the financial viability of the projects, it reveals how long it will take for the project to pay for itself based on the expected financial benefits;
- Other criteria deemed consistent with state or agency priorities.

For FY24, MEA will provide additional consideration to applications that address one or more of the non-energy public benefits below, especially when a project combines these non-energy benefits with a clean energy benefit:

- Greenhouse Gas Emissions reduction
- Environmental, Social and Governance commitments
- Increased productivity
- Job creation/retention
- Community Investment
- Diversity, Equity, and Inclusion
- Environmental justice benefits

Submissions will also be evaluated based on the reasonability of the applications, from both a technical and financial perspective, by a review committee of subject experts selected by MEA.

Application Format:

The initial Applications submitted to MEA should consist of 1) the Clean Energy & Community Development Pilot Grant Program Application Form and 2) a concept paper that will enable the MEA review committee to assess the project's eligibility.

The concept paper submitted to MEA shall be no more than 10 pages, double-spaced. The concept paper must include at a minimum the following information:

- the name and address of the entity submitting the Application;
- a description of the organization submitting the Application;
- the name of the point of contact for the Application, along with contact information;
- the date of submission;
- a description of the proposed project(s);
- anticipated public benefits of the proposed project(s) and how these benefits relate to the state's clean energy goals and MEA's mission;
- discussion of all applicable evaluation criteria: in order to be referred to the review committee, an application must address at least one and preferably multiple clean energy-related issues or criteria identified in the evaluation criteria section;
- detailed project budget, including requested funding amount, administration costs, capital sub-grants, other funding sources, etc.;
- project partners (if applicable); and
- matching funds (if applicable).

MEA may request an expanded version of an Application, or additional information and documentation. A request for additional information may include a follow-up meeting with the applicant.

An applicant may NOT disclose any sensitive or otherwise confidential information to MEA in the CECD Applications without prior approval. If sensitive or confidential information must be provided to MEA, the Applicant shall first contact MEA to determine the most secure way to transmit this information.

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.

Application Submission Method:

An application to the CECD Program shall be submitted to the following MEA email address: MSEC.MEA@maryland.gov. To aid in identification, the subject matter for the email should be “CECD FY24 Pilot Grant Program: [*Project Description*]”.

Evaluation Criteria:

All projects **must meet the Minimum Eligibility Criteria listed in the previous section of this FOA** to be considered for an award. Upon meeting these criteria, each eligible project will be evaluated using the Evaluation Criteria below. The highest-scoring proposals will be awarded, subject to the program’s funding availability. Up to 15 total points are possible, and ranges of possible points for each Evaluation Criterion are provided in the third column of the table below.

Criterion	Description	Points
Value Proposition	Applicant’s proposal delivers a detailed description of the project and its components, and makes a strong, detailed, and well-supported case for the quantifiable and qualitative benefits that the project provides to the community and the general public. The proposal must explicitly detail why it is a good investment of State funding and articulate the outcomes the State can expect for its investment.	0 – 4
Greenhouse Gas Reduction	The proposed project, if ultimately installed, will provide a meaningful and measurable reduction in the emission of Scope 1, Scope 2, and Scope 3 greenhouse gas emissions in the State of Maryland. Preference will be given to a project that includes accurate estimated reductions in Scope 1 and Scope 2 emissions, as well as projects that include decarbonization and beneficial electrification measures.	0 – 4
Equity	The proposed project provides substantial and measurable direct benefits to Maryland communities that have historically and disproportionately been impacted by socioeconomic, environmental, income, racial, and other current or historic inequities, disasters, and challenges. Preference will be given to a	0 – 4

	<p>project that directly benefits one or more Overburdened communities or Underserved communities, as defined by §1-107 of the Environment Article, Annotated Code of Maryland. Examples of “direct benefit” include but are not limited to reduction in energy burden*; improved reliability or resilience in areas with higher-than-average outages and other power disruptive events; siting clean energy technologies on brownfield sites; improved local air quality; improved access to the benefits of renewable energy sources; etc.</p> <p><i>*Energy burden is the monthly percentage of household income that is spent on energy expenses.</i></p>	
Creative Solutions	The proposed project pursues new and promising technologies and configurations, ownership and financing models, innovative applications of technologies to use cases, or solution strategies. The project is also replicable, scalable, and marketable.	0 – 3

Geographic Diversity: Please note that, in order to enhance geographic diversity, MEA, at its sole discretion, may consider a project’s location within the State when determining an award decision.

Review Process: Each application package will be evaluated competitively by an Evaluation Team comprised of MEA staff with relevant experience. This evaluation includes three (3) review steps that are detailed on the following page.

1. Program Manager Eligibility Review: The CECD Program Manager reviews the application for eligibility according to the Minimum Eligibility Criteria listed in this FOA. An application that does not meet the Minimum Eligibility Criteria will be rejected from funding consideration and the applicant will be notified.
2. Evaluation Team Member Individual Review: Each member of the Evaluation Team reviews and scores the application according to the Evaluation Criteria established in this FOA.
3. Evaluation Team Group Review and Award Recommendation: The Evaluation Team convenes for a group review of their findings and scores for each eligible application. An Evaluation Team member is permitted to modify their score for an eligible application considering new information discovered during the Group Review discussion. The final score for an eligible application is determined by taking the average of the individual Evaluation Team member scores for that application. The Evaluation Team will finalize all scores and make an award recommendation for each application that has scored at least “7” or higher. Awards will be recommended in order of highest final score to lowest eligible final score, until all available funding is exhausted, or all eligible awards are funded,

whichever comes first. No application that scores under “6” will be eligible for funding.

Partial awards: Partial awards may be awarded, depending on the number of complete proposals received and associated total grant funds requested. Full grant awards will be made for approved projects, based on rankings of applications, in descending order from highest-to-lowest, until grant funds are exhausted. If sufficient grant funds are not available to fully fund a project, the applicant will be given an option to accept partial funding, based on the ability to complete the project with partial grant funding. If the applicant declines, MEA will offer partial grant funding under this same structure to the next qualified applicant until all funding has been expended or all remaining projects have rejected the offer.

Other Program Provisions:

In addition to the General Provisions, the following funding qualifications apply to this program:

- MEA may negotiate additional requirements into awards to increase public benefit. Such additional requirements may include cost reductions, return on investment, alignment with state or federally adopted/proposed social costs of carbon, financial or in-kind cost share, use of funded facilities for public engagement and education, local product content, minority business participation, or other requirements consistent with agency mission, state goals, and statute.
- Proposed projects must be cost-effective—where cost-effectiveness is defined as an overall aggregate simple payback of the energy efficiency measures before the application of rebates, incentives, and other leveraged funds of up to a maximum of twenty (20) years, depending on the type of energy measures being proposed. All measures must have a payback shorter than the expected lifetime of the installed equipment. MEA typically uses the [Northeast Energy Efficiency Partnerships \(NEEP\) Mid-Atlantic Technical Reference Manual](#)¹ to establish the anticipated life of equipment. While other resources may also be used, MEA reserves the right to determine acceptable payback periods.
- MEA, working with MEA’s technical assistance contractor, will review applicant energy savings assumptions and may choose to independently calculate savings benefits for the proposed project. Should MEA’s energy savings estimate calculations vary from the applicant’s estimates submitted with the application, MEA will use MEA-generated savings estimates to determine Program eligibility. In this circumstance, an Applicant may request a debriefing to understand the differences in energy savings methodology.
- MEA at its discretion may fund some, all, or no Applications received through a CECD FOA in a given fiscal year. Additionally, as CECD project Applications may reduce the amount of funding available for future energy programs, MEA may decide not to fund an Application that appears to have merit under the evaluation criteria review.
- Applications cannot receive funding if they are not permissible within MEA’s established resources in a given fiscal year and within the allowable uses of the SEIF.²
- Based on the evaluation criteria and funding availability, MEA may consider funding a component or subset of the activity proposed.
- Any funding awarded under this program is done so solely at MEA’s discretion.

¹ <https://neep.org/mid-atlantic-technical-reference-manual-trm-v10>.

² Or any additional funding sources that may arise in the future.

- 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. 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.

- 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.

Grant Program General Provisions: MEA grant 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](#)³. For FY24, [General Provisions Version 3.0](#) will be incorporated into all MEA grant agreements.

Program Changes:

- Any update (e.g., extension of a deadline) or clarification about the CECD Grant 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 directly to applicants or grantees, as applicable, by letter and/or e-mail. The final grant amount is subject to funding availability for the Program and any relevant statutory requirements applicable at that time.

Questions can be directed to:

Briggs Cunningham, Energy Program Manager at
msec.mea@maryland.gov or
410.537.4070

³ <https://energy.maryland.gov/Pages/all-incentives.aspx>