

Wes Moore, Governor Aruna Miller, Lt. Governor Paul G. Pinsky, Director

Funding Opportunity Announcement (FOA) FY24 OPEN Energy Program

Description: The Maryland Energy Administration (MEA) occasionally receives proposals for energy projects and initiatives outside of the agency's suite of established technology and sector-specific energy programs offered in a given fiscal year. MEA acknowledges that these types of proposals can potentially help advance the State's energy goals, greenhouse gas reduction goals, and agency mission, in innovative ways while also being responsive to evolving energy and environmental issues, as well as engaging a broad range of stakeholders. MEA's OPEN Energy Program (OPEN Energy) allows the agency to consider these proposals that are outside of MEA's suite of established energy programs for potential funding. Applications under OPEN Energy should be efforts that have the potential to be replicated to benefit new sectors of the economy or demonstrate the deployment of new emerging technologies, and provide a public benefit beyond a single project or activity, in support of Maryland's energy and environmental goals. Projects that maximize greenhouse gas emissions reductions and bring direct benefits to low-to-moderate income, overburdened, or underserved communities are strongly preferred.

Application Deadline: There is no firm deadline by which an OPEN Energy proposal must be submitted to MEA. Applications will be accepted, screened for eligibility, and eligible proposals will be evaluated throughout the fiscal year, subject to funding availability. However, applicants are strongly encouraged to submit applications no later than **January 31, 2024**, for best chance of consideration. Proposals received after this date may be deferred to a following fiscal year at MEA's sole discretion, or the applicant may need resubmit in the subsequent fiscal year. Given the unique nature of applications received under the OPEN ENERGY program, MEA cannot firmly estimate the timeframe for thorough consideration, award, and negotiation of grant agreements.

Program Funding: A minimum of \$2,000,000 for energy efficiency related activities and \$1,500,000 for renewable energy, transportation, climate change mitigation, and resiliency projects is expected to be available. The actual amount to be awarded may vary, depending on the quantity and quality of applications received and MEA's available resources within the fiscal year.

<u>Note:</u> Some of the potential additional funding is geographically restricted by statute at the census tract level to low-to moderate-income communities located in a census tract with average median income at or below 80% of the median income for Maryland, or underserved or overburdened communities, as defined § 1-701 of the Environmental article.

Award Size: Typically awards will be up to \$250,000; however, larger awards are possible for exceptional proposals.

Proposals exceeding the typical maximum funding amount of \$250,000 will require exceptional and thorough justification; must have the potential for large scale energy and greenhouse gas reduction benefits, including clearly defined outcomes closely aligned with state statutory goals and agency mission; and must demonstrate a high probability of success. Larger requests will likely entail follow-ups for additional data as well as a thorough due diligence review by MEA.

Review of a proposal submitted in response to an OPEN Energy FOA is <u>not</u> a guarantee of funding.

Eligible Applicants: Businesses, nonprofit organizations, local governments, state government, instrumentalities of state or local governments, and higher educational institutions. The primary area of performance, including investment of any grant funds, must be within the State of Maryland.

Eligible Activities:

For FY24, MEA is open to receiving proposals that fit one or more of the following Areas of Interest. Applicants may propose activities beyond the scope of these Areas of Interest. While all proposals will be required to clearly demonstrate benefits related to the program's criteria, proposals beyond the AOIs below will need to provide exceptional justification.

Area of Interest 1 (AOI 1): Energy Efficiency, Renewable Energy, Resilience and Clean Transportation Solutions

AOI 1 projects are typically **capital projects** (i.e., those projects that entail the installation of equipment and technologies, as well as capital financing or technical assistance resources). The technology or resource solution must be ineligible for consideration under all existing MEA programs, and demonstrate a substantial amount of innovation and direct benefit potential to Marylanders and Maryland organizations. These projects must be demonstrably replicable and scalable.

Innovation may include the integration of technologies in a novel way where an individual technology (e.g, solar, geothermal, or electric vehicle charging) may be supported by another

program but where the technology is applied in a way that results in a significantly greater benefit than the technology individually. This does not include efforts to integrate technologies using financial, project or other methods that are already commonly applied or prevalent in the market.

Area of Interest 2 (AOI 2): Research Activities

AOI 2 projects entail innovative research activities for technologies and solutions that have an established precedent and high probability of success, and the activities for which funding is requested must help advance the technology or solution to market availability. In addition, data acquisition and analysis from the project directly contribute to the advancement of Maryland's established clean energy and greenhouse gas reductions goals. Projects should clearly demonstrate a near term pathway to commercialization.

Applications seeking funding for analysis and research should clearly demonstrate other sources of funding that will be available to support the activity. The amount of funding MEA offers will consider the availability and amount of cost sharing obtained from other sources.

While proposals from profit-seeking entities are not excluded from applying, these types of applications should show significant capital from other sources, or inclusion of the proposing entity's own financial resources.

Area of Interest 3 (AOI 3): Energy Workforce Development:

AOI 3 projects include workforce development and professional training programs that prepare Marylanders for local, well-paying energy sector jobs that further the State's clean energy transition to 100% renewable energy by 2035. A successful AOI 3 project will demonstrate that it is not replicating existing MEA or other state agency or federal efforts or programs, and must have equity as a foundational element. A proposal must clearly benefit Marylanders experiencing low to moderate incomes, those residing in underserved and overburdened communities, other circumstances that have led to historic disenfranchisement, or other barriers to participation.

Proposed activities must have clear deliverables, including the development of new programs, physical resources, students trained, etc. As part of the applicant's concept paper, any proposal for workforce development should include how the work can be scaled up or continued without ongoing public support. Proposed activities should not be eligible for programs such as the Maryland Department of Labor's EARN program, Maryland's Offshore Wind Energy Workforce Development Program or upcoming federal funded programs such as the U.S. Department of Energy's Residential Energy Efficiency Contractor Training.

Area of Interest 4 (AOI 4): Outreach, Engagement and Education

AOI 4 projects may include promoting practices in homes, businesses and communities that advance awareness and adoption of energy efficiency, renewable energy, zero emission transportation, energy equity efforts that address environmental justice, and energy affordability in concert with efforts that reduce greenhouse gas emissions. Efforts may include education and outreach that engages local community-based organizations, individual communities and leaders, developing innovative partnerships and collaborating with organizations that have resources of expertise to address energy issues.

Proposed activities must have clearly defined outcomes related to how the objectives will be achieved and demonstrate existing interest and or part performance, including targeted audience(s) with an overview as to why existing efforts currently do not serve these audiences. These efforts should not solely duplicate the typical contractual services that MEA uses to promote, educate or conduct outreach and marketing of MEA programs and policy. To be successful, each initiative should demonstrate the role of partners, and provide documentation of their commitment to participating in the effort.

Ineligible Activities: Proposals for a similar technology, service, application, or other initiative covered by one of MEA's other technology or sector programs are ineligible. A proposal that differs from an existing program only in the amount of incentive requested typically will be ineligible. Examples of ineligible activities include:

- Proposals seeking funding for business development activities.
- An application submitted because another applicable MEA program, or other state
 agency program, is no longer accepting applications in a given fiscal year or has not yet
 launched for the year will be ineligible.
- Projects that include fossil-fuel or other combustion or reaction-based technologies that produce greenhouse gas emissions are typically not eligible for funding. Specific examples include:
 - Efforts that expand the use of fossil fueled or natural gas technologies.
 - Expansion of infrastructure that results in an expansion of fossil fuel or natural gas delivery volume.
 - o New installations of fossil fuel or natural gas fired technologies.
 - o Projects that result in significant life extension of fossil fuel or natural gas 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. Projects must be in concert with other energy efficiency improvements that reduce or eliminate fossil fuel use.

<u>Note:</u> Limited exceptions may be considered for fossil fuel or natural gas technologies 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 or natural gas technologies should provide evidence of a technical analysis explaining why electrified or other zero emission alternatives cannot be implemented. This analysis should not be on the basis of operating or capital costs alone.

Applicants who have questions as to whether a potential proposal may be eligible should contact the program manager for initial guidance prior to submitting an application. Any guidance provided is not a guarantee of award or endorsement of a project proposal.

Evaluation Process: Applications for the Open Energy will initially be evaluated for eligibility by the Program Manager. Eligible applications will then be provided to a review committee of relevant MEA staff, or other qualified individuals, for evaluation using the Evaluation Criteria as described in this FOA. The evaluation committee will provide a recommendation as to whether the project merits or does not merit award based on a consensus decision, and award recommendations will be referred to the Division Director of Energy Programs. Where a consensus cannot be achieved, the committee will provide a summary of the merits and concerns of the proposal to the Division Director of Energy Programs for a final decision. A favorable evaluation by an MEA review committee is not a guarantee of award as additional vetting may be performed by agency leadership, and funding must be available to support the proposed activity. MEA may also elect to fund an application in a future year or request that an applicant reapply under a future year's funding terms, where applicable. Applications determined to be ineligible will not be reviewed further.

Prerequisite: All proposals must demonstrate how the project relates to state energy policy goals, MEA's mission, or environmental goals related to clean energy or energy use. Any applications that do not clearly and thoroughly demonstrate how the proposed effort relates to one or more of these goals, and MEA's mission, will not be considered.

Examples of energy and environmental goals include, but are not limited to:

- (1) Advancing compliance with the State's Renewable Portfolio Standard (RPS);
- (2) Achieving the greenhouse gas reduction targets established by the Climate Solutions Now Act of 2022 (Ch.38, 2022 Laws of Maryland); and,
- (3) Helping Maryland achieve the Governor's goal of 100% clean energy by 2035.

In addition, MEA's mission is to promote clean, affordable, reliable energy and energy-related greenhouse gas emission reductions to benefit Marylanders in a just and equitable manner.

Evaluation Criteria: To be successful, a proposal must demonstrate how it meets all applicable evaluation criteria from the table below. Successful proposals should address multiple criteria.

| Evaluation Criterion | Description |
|-----------------------------|---|
| Value Proposition | Proposal must thoroughly explain the project and |
| | clearly define the value proposition to MEA. |
| | Specifically, it should discuss how the project meets |
| | the State's energy and greenhouse gas reduction goals; |
| | define and explain direct public benefits; clearly |
| | demonstrate that the project is not eligible for existing |
| | MEA programs or resources; and explain why its |
| | consideration under OPEN Energy fits the purpose of |
| | the program. |
| Greenhouse Gas Reductions | Proposals must clearly demonstrate how energy |
| | benefits accrue that will directly yield quantifiable and |
| | measurable greenhouse gas reductions; or how those |
| | energy benefits directly contribute to the development |
| | of projects and solutions that yield greenhouse gas |
| | reductions. These reductions must be substantial. |
| | Proposals should demonstrate the anticipated energy |
| | benefits and the project cost, including the total |
| | funding request from MEA. This information will be |
| | used to estimate the greenhouse gas reductions and |
| | cost per metric ton of greenhouse gas reduction. |
| | While there is no firm threshold, the benefits in |
| | greenhouse gas reductions from public funds should be |
| | substantial for each dollar of MEA funds provided. |
| Equitable Solutions | Proposals must clearly demonstrate, define, and |
| | quantify to the highest extent possible the benefits to |
| | low-to-moderate income, overburdened ¹ , and |
| | underserved communities. Proposals should clearly |
| | address the following, where applicable: reduce energy |
| | burden ² ; enhance the efficiency, sustainability, and |
| | resilience of low-to-moderate income, overburdened, |
| | or underserved communities; increase access to the |
| | direct benefits of clean energy, energy efficiency, and |
| | energy resilience technologies for low-to-moderate |
| | income, overburdened, or underserved communities; |
| | or help these communities mitigate the harmful |
| | impacts of climate change and environmental |
| | disparities, as well as historic environmental and social |

¹ Defined in §1-701(a)(7) of the Maryland Environment article.

² Energy burden is defined as the percentage of monthly household income that is spent on utilities and energyrelated expenses.

| | inequities. Additional benefits that are well-defined and supported by vetted evidence may also be |
|---|---|
| | considered by MEA on a case-by-case basis. |
| Innovation and Uniqueness | Proposal must demonstrate, with sufficient detail and vetted evidence, that the project is innovative and unique from existing technologies and solutions, and that no existing MEA programs or anticipated programs that have been announced can consider it. It must also demonstrate that existing non-MEA programs are unable to support it, or that the funding that is requested of MEA would help to fill a funding gap that existing non-MEA programs and sources of affordable capital could satisfy. |
| Scalability, Replicability and Knowledge Transfer | Project has the ability to grow and expand its impact and shows a clear plan for incremental expansion. The proposal can be duplicated or transferred to similar contexts or different regions. Proposal shows efforts to train and build the capacity of local personnel and communities. |
| Effective Partnerships | Must demonstrate that the Applicant has consulted key partners as part of the proposed activity and has engaged the critical stakeholders key to the project's success. Project partners that are essential to the implementation of a project must be explicitly named in the application and letters of support or participation provided (e.g., host facilities, applicable local government leaders where a project is to be conducted in partnership with the local government, applicable utility where a project seeks to modernize or update the utility grid). |

Application Format:

The initial proposal submitted to MEA should consist of 1) the OPEN Energy Application Form, 2) a concept paper that will enable the MEA review committee to assess potential eligibility and interest by MEA, and 3) any necessary attachments to demonstrate engagement of key project partners or securing of matching funds.

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

- the name and address of the entity submitting the proposal;
- a description of the entity submitting the proposal;
- the name of the point of contact for the proposal, along with contact information;

- the date of submission;
- a description of the proposed project;
- indicate which AOI is being proposed, where applicable, and specifically address how the project meets the scope of that AOI
- address all applicable evaluation criteria listed above
- requested funding amount;
- project partners (if applicable) including any required letters of participation or support; and,
- commitment of matching funds (if applicable).

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

Application Submission Method:

An application to OPEN Energy must be submitted to the following MEA email address: OPEN.MEA@maryland.gov. To aid in identification, the subject matter for the email should be "OPEN Energy Program: [Project Description]".

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 <u>MEA's website</u>³. For FY24, the <u>General Provisions Version 3.0</u> will be incorporated into all MEA FY24 grant agreements.

Other Program Provisions and Requirements:

In addition to the General Provisions, the following funding requirements or provisions apply to this program:

- MEA may negotiate additional requirements into awards to increase public benefit.
 Such additional requirements may include reduction in the proposed award amount to reflect factors related to return on investment such as the social cost of carbon, financial or in-kind cost share, use of funded facilities for public engagement and education, local product content, minority business participation, revenue sharing or other requirements consistent with agency mission, state goals, and statute.
- MEA at its discretion may fund some, all, or no proposals received through an OPEN Energy FOA in a given fiscal year.

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

- MEA may determine, at its discretion, that a proposal has merit and develop a future year competitive or publicly advertised program to address the proposed need instead of funding a specific proposal through the OPEN Energy Program.
- A proposal cannot receive funding if it is not permissible within MEA's established resources in a given fiscal year and within the allowable uses of the SEIF.⁴
- Based on the evaluation criteria and funding availability, MEA may consider funding a component or subset of the activity proposed.
- MEA may, at its discretion, seek to bring multiple proposals together into broader coalitions to achieve state policy and program goals.
- Any funding awarded under this program is solely at MEA's discretion.
- Notice on Public Information: No sensitive or otherwise confidential information shall be disclosed to MEA in an OPEN Energy proposal without prior approval. If sensitive or confidential information must be provided to MEA, the submitter of the proposal shall first contact MEA to determine the most secure way to transmit this information. All information submitted in an OPEN Energy proposal is subject to the Maryland Public Information Act (PIA). If the submitter of the proposal believes information in the proposal 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.
- If an applicant is selected for a grant under the Program, the Applicant will be required
 to execute a grant agreement with MEA. Prior to executing the grant agreement, MEA
 may opt to first execute a conditional grant commitment letter between MEA and the
 selected applicant.
- The grant will be issued to the name, address, and federal tax identification number provided by the applicant to MEA on the applicant's IRS Form W9. Once a grant agreement or commitment letter has been fully executed between MEA and the applicant, the grant cannot be reassigned to a new entity with a different federal tax identification number.
- 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. Grantees must fill out and submit the "ACH/Direct Deposit Authorization for Vendor Payments Form X-10⁵" 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.

⁴ Or any additional funding sources that may arise in the future.

⁵ https://www.marylandtaxes.gov/forms/state-accounting/static-files/GADX10Form.pdf

Program Updates or Clarifications:

Any update (e.g., extension of a deadline) or clarification about the Open ENERGY
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 requirement applicable at that time.

Questions can be directed to

Garry Aime, Program Manager at **OPEN.MEA@maryland.gov** or 443-306-8149.