



Maryland Energy Administration Energy Solutions for Local Governments

Robert L. Ehrlich, Jr.
Governor

Michael S. Steele
Lt. Governor

Frederick G. Davis
Director

Maryland Energy Administration

1623 Forest Drive, Suite 300 · Annapolis, MD 21403

Toll Free: 1 (800) 72-ENERGY · Fax: (410) 974-2250

meainfo@energy.state.md.us

www.energy.state.md.us

Energy Solutions for Local Governments

Overview: Why does energy matter?

Energy prices are rising and consuming a larger portion of local governments' budgets. Increasing energy efficiency can significantly reduce energy costs and reduce the environmental impact of energy generation. Further, sound energy policy and the utilization of renewable energy can demonstrate your community's commitment to protecting the Chesapeake Bay and creating a cleaner Maryland.

The Maryland Energy Administration (MEA) developed this brochure to help you identify opportunities for greater energy efficiency, consider the use of renewable energy, and secure the necessary funding to make improvements. To contact any of the staff listed below, call 1-800-72-ENERGY or 410-260-7655.

Energy Options for Local Governments

Community Energy Loan Program (CELP)

MEA operates the Community Energy Loan Program (CELP) to provide Maryland local governments and nonprofit organizations with financial assistance to reduce operating costs with energy efficiency improvements. CELP allows energy savings generated by these improvements to be the major source of loan repayment.

All costs required to produce the energy efficiency improvements can be eligible for funding, including technical assessment, reasonable special service fees, plans and specifications, and actual construction costs. The program is open continuously throughout the fiscal year to accept applications, and CELP staff is available to work with applicants in completing the application forms and explaining program requirements. Currently, CELP funds approximately \$1.5 million in new projects each fiscal year.

Up to 40 percent of each year's CELP allocation, or approximately \$400,000, is available per loan. Applications are reviewed and ranked to achieve the best distribution of funds throughout the State and among the eligible organizations. Each loan is negotiated separately and the applicant is required to provide a match of at least 10 percent. The interest rate is negotiated on an individual loan basis and is guaranteed to be below market rate. **The current average interest rate is approximately 3.0 percent.**

Repayment begins in the second year of the loan. The first year is deferred to allow completion of the project and to begin to realize savings. For more information contact David Cronin, dcronin@energy.state.md.us.

Solar Energy

MEA operates a number of solar energy programs that are available to local governments.

The Maryland Solar Energy Grant Program can provide partial funding for solar photovoltaic or water heating projects. The maximum grant amounts are \$5,000 or no more than 20 percent of total system cost for photovoltaic projects, and \$2,000 or no more than 20 percent of total system cost for solar water heating projects. For more information about MEA's solar energy programs, please contact: Tim LaRonde, tlaronde@energy.state.md.us.

Wind Resources Assessment

The National Renewable Energy Laboratory (NREL) has completed an assessment and mapping of Maryland's wind resources. This map provides an overview of the State's wind

resources and highlights areas that are more favorable to wind development. To request a CD ROM version of this map and GIS software contact Michael Li, mli@energy.state.md.us.

Small Wind

There are many areas in Maryland where small-scale wind turbines can provide cost-effective sources of electricity generation. Maryland currently has one small wind demonstration project on the Eastern Shore at the Eastern Neck Wildlife Refuge. Small wind turbines can be beneficial in agricultural and rural residential areas. For more information on small wind systems see the Maryland Consumer's Guide for Small Wind Electric Systems: www.nrel.gov/docs/fy04osti/36411.pdf.

Other Renewable Energy Opportunities

Some local governments in Maryland have constructed renewable energy facilities in their districts. For instance, Prince George's County makes use of landfill gas at the Brown Station Landfill to provide heat, hot water, and electricity for the County Detention Center. At its Resource Recovery Center, Montgomery County burns municipal solid waste to generate electricity and steam.

MEA can provide information to local governments interested in similar renewable energy projects. For more information, contact Chris Rice, crice@energy.state.md.us.

Rebuild America/Energy Smart Schools

Rebuild America is a network of hundreds of public-private partnerships across the nation that are saving energy, improving building performance, easing air pollution through reduced energy demand, and enhancing the quality of life through energy efficiency and renewable energy technologies. The Maryland Energy Administration on behalf of the State of Maryland is a partner in Rebuild America.

The Maryland Rebuild Partnership leverages resources through Rebuild America to complement the State's existing activities for green buildings and other energy-efficiency programs, thus bringing valuable resources to the communities and local governments that need them most. The Partnership targets both privately and publicly held commercial and institutional buildings. Additionally, the Rebuild program has a program specifically intended to improve the energy efficiency of schools. For more information, contact Jenefer Russum, jrussum@energy.state.md.us.

Energy Performance Contracting

An Energy Performance Contract (EPC) is an agreement between a local government and an energy service company (ESCO) in which the ESCO identifies and evaluates energy-saving opportunities and recommends a package of improvements, which are paid for through the resulting savings. The ESCO guarantees that savings meet or exceed annual payments to cover all project costs—usually over a contract term of 7-15 years. If savings do not materialize, the ESCO pays the difference to the local government. To ensure savings, the ESCO offers staff training and long-term maintenance services as well as ongoing energy usage monitoring.

Because the ESCO pays for upfront capital costs, an EPC can allow a local government to implement energy-saving measures that may have otherwise been cost-prohibitive. For more information on EPCs please contact Walt Auburn, wauburn@energy.state.md.us.

Green Building

Green buildings are built or rehabilitated in a manner that maximizes energy efficiency and minimizes environmental impacts. Green building design results in lower energy and resource costs and higher worker productivity. For more information contact Walt Auburn, wauburn@energy.state.md.us.

Alternative Fuel Vehicles (AFVs)

AFVs, which can run on non-gasoline fuel sources, can provide a number of benefits to local governments, such as helping to attain air quality goals. Local governments that purchase AFVs help reduce dependence on foreign-based fossil fuels and demonstrate a strong commitment to sound environmental policies. AFVs come in a variety of designs including dedicated fuel, dual-fuel, and flexible-fuel and can use a number of fuel types such as ethanol, biodiesel compressed natural gas, propane, and hydrogen.

MEA and the Federal government are working to help local governments utilize AFVs through financial and technical assistance. For example, MEA and the U.S. Department of Energy provided a \$60,000 grant to Queen Anne's County to purchase biodiesel for their county fleet. MEA also provided a \$5,500 grant to the City of Greenbelt for the purchase of a compressed natural gas refueling station. For more information contact Lauren Robbins, lrobbins@energy.state.md.us or Chris Rice, crice@energy.state.md.us.

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Or visit our website: www.energy.state.md.us