



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

Funding Opportunity Announcement (“FOA”) FY24 Solar Energy Equity Grant Program

Note: FOA updated as of December 6, 2023, to add information regarding the per-home funding allowance for roof repairs and mold remediation. Modifications are highlighted in yellow and footnoted.

Note: FOA updated as of February 1, 2024. The anticipated Program Budget has been increased from \$3,000,000 to \$6,000,000.

Program

Description:

The Maryland Energy Administration (MEA) is pleased to announce grant funding is available from its FY24 Solar Energy Equity Grant Program (“SEE Program”, “the Program”, formerly known as the “Low Income Solar Grant Program”) for the design and installation of solar energy systems that will bring the financial benefits of solar energy to Maryland homeowners that experience low-to-moderate income, as well as those in overburdened and underserved Maryland communities. Specifically, funds from the SEE Program are available to Maryland nonprofit organizations and local jurisdictions (e.g., County, City, Town, etc.) to complete solar system installations on homes that have received energy audits and weatherization-type energy efficiency upgrades, preferably through the MEA [Energy Efficiency Equity Grant Program](#)¹ (formerly known as the Low-to-Moderate Income Energy Efficiency Grant Program). If a home has not received upgrades from the Energy Efficiency Equity Grant Program, it must have received an energy audit and weatherization-type upgrades from the Maryland Department of Housing and Community Development (“DHCD”) [Weatherization Assistance Program \(“WAP”\)](#)², or the DHCD [EmPOWER Maryland Limited Income Energy Efficiency Program \(“LIEEP”\)](#)³, within the past five (5) years. The SEE Program will fund up to 100% of the cost for the design and installation of a solar photovoltaic (PV) system ranging in size from one (1) kilowatt (“kW”) to ten (10) kW, with a funding allowance of \$25,000 per home. **Up to \$5,000 of this amount may be used**

¹ <https://energy.maryland.gov/govt/pages/cleanenergyymi.aspx>

² <https://dhcd.maryland.gov/Residents/Pages/wap/default.aspx>

³ <https://dhcd.maryland.gov/Residents/Pages/lieep/default.aspx>

for roof repairs and mold remediation necessary for the safe and successful installation of the solar system⁴.

Type of Grant

Program: Competitive Statewide

Application

Deadline: ~~3:00 P.M. EST, Thursday, February 22, 2024~~
3:00P.M. EST, Friday, March 8, 2024

Eligible Applicants: Non-profit organizations and local governments that have received an award from MEA’s FY18 – FY24 [Energy Efficiency and Equality Grant Program](#)⁵ to complete energy efficiency and weatherization-type upgrades for eligible Maryland homeowners, or, each home that will receive SEE Program funds must have first had energy efficiency and weatherization-type upgrades from DHCD’s FY18 - FY24 [Weatherization Assistance Program \(“WAP”\)](#)⁶, DHCD’s FY18 - FY24 [EmPOWER Maryland Limited Income Energy Efficiency Program](#)⁷. **SEE Program the “SEE Program Enabling Measures” section of this FOA for further information on requirements.**

Eligible Activities: The installation of solar PV systems for the benefit of residential homeowners who experience low-to-moderate income, or are in overburdened or underserved communities, as defined by [§1-701 of the Environment Article, Annotated Code of Maryland](#)⁸. Each solar photovoltaic system funded through this program must range in nameplate capacity from one (1) kW to ten (10) kW. The grant funds must be used for the purchase of a solar PV system that will be owned by the household; or for the purchase of all future projected energy production of a solar PV system installed on the home under a power purchase agreement (“PPA”). Roof-mounted and ground-mounted systems are eligible. The roof structure of the house must be favorable for roof-mounted solar, as determined by the grantee’s solar contractor. A roof-mounted solar installation may include limited roof repair and replacement in the vicinity of the solar array, structural support of the roof (as needed), and mold remediation in areas needed to support the installation of the array and supporting equipment. **Up to \$5,000 of the total \$25,000 per-home funding allowance may be used for roof repair and**

⁴ Updated December 6, 2023: The \$5,000 per-home roof repair and mold remediation allowance information was mistakenly omitted from the original FOA.

⁵ <https://energy.maryland.gov/govt/Pages/CleanEnergyLMI.aspx>

⁶ <https://dhcd.maryland.gov/Residents/Pages/wap/default.aspx>

⁷ <https://dhcd.maryland.gov/Residents/Pages/lieep/default.aspx>

8 <https://mgaleg.maryland.gov/mgawebsite/Laws/StatuteText?article=gen§ion=1-701&enactments=false>

mold remediation⁹. If a roof-mounted structure is not favorable for a home, a ground mounted system may be considered for the financial benefit of a household.

Areas of Interest: **The program will allow two models of solar installation under two Areas of Interest (“AOIs”):**

1. **Area of Interest 1 - Direct Ownership:** The Grantee specifically agrees to the following:
 - a. Each homeowner will own the solar system outright.
 - b. The Grantee will be responsible for developing the solar system, including design, installation, and commissioning.
 - c. The homeowner will be responsible for solar system insurance and maintenance costs, beyond the terms of their solar installation contract and warranties.
 - d. The Grantee shall advise the homeowner to consult with a tax attorney, but the homeowner is unlikely to be eligible for federal incentives.
 - e. The Grantee shall advise the homeowner to sell any Solar Renewable Energy Credits (“SRECs”) generated by the solar systems and apply the proceeds to solar insurance and maintenance.

2. **Area of Interest 2 - Zero Cost Power Purchase Agreement:** The Grantee will own each solar system and provide the power produced by the system to each household free of charge under a twenty (20) year prepaid power purchase agreement (“PPA”) with each homeowner. The Grant funds are specifically for the prepayment of the entire term of the zero-cost power purchase agreement. The Grantee specifically agrees to the following:
 - a. The Grantee will own the solar system.
 - b. The homeowner will enter into a 20-year prepaid lease agreement with the Grantee.
 - c. The Grantee shall apply grant funds to prepay the lease in full, so that no further payments are owed by the participating residents.
 - d. The Grantee will be responsible for developing the solar system, including design, installation, and commissioning.
 - e. The Grantee will be responsible for solar system insurance and maintenance costs over the twenty (20) year term of the lease agreement.

⁹ Updated December 6, 2023: The \$5,000 per-home roof repair and mold remediation allowance information was mistakenly omitted from the original FOA.

- f. In consultation with a tax attorney, the Grantee shall apply for elective payments from a) the federal Solar Investment Tax Credit Program and b) the federal Low-Income Communities Bonus Credit Program under section 48(e) of the Internal Revenue Code. The Grantee shall deposit all proceeds from these elective payments into a separate solar operations and maintenance Reserve Account.
- g. The Grantee shall sell any Solar Renewable Energy Credits (“SRECs”) generated by the solar systems and deposit all proceeds from these SRECs into the Reserve Account.
- h. The Reserve Account will be used for insurance, operations, and maintenance of the solar systems developed with the Grant Funds. It is permissible to use the Reserve Account to develop additional solar systems to benefit eligible households.
- i. The Grantee shall provide the homeowner a summary of a) the homeowner’s rights and obligations under the Lease and b) the Grantee’s rights and obligations under the Lease. The Grantee must provide MEA with a written and signed attestation that the homeowner is aware of all rights and obligations under the Lease.

Program Budget: MEA anticipates providing at least **\$6,000,000¹⁰** in grant funding from the Strategic Energy Investment Fund (SEIF). However, this amount may be adjusted based on the quality and quantity of applications received.

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 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

¹⁰ MEA increased the anticipated program budget from \$3,000,000 to \$6,000,000 on February 1, 2024.

obtained through the [Maryland Department of the Environment \(MDE\) Environmental Justice Screening Tool version 2.0 Beta](#)¹¹.

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 provided by MEA).

Award Formula: MEA will provide **up to \$25,000 for each solar system installation** to benefit a household, inclusive of all direct and indirect costs, up to a **maximum total grant award of \$250,000**. If MEA does not receive a sufficient number of qualifying applications for the available funds, MEA may opt to increase individual grant amounts awarded to successful applicants. SEE Program the “Reimbursable Project Costs” section of this FOA for more information.

Evaluation Criteria: MEA will evaluate each application on the following criteria:

- Leveraging factor (percentage of MEA grant funding divided by the total cost of the solar project). A project that can obtain additional funding from other sources to maximize the number of homes that benefit from MEA funding will receive a higher rating under this criterion.
- Number of energy-efficient home upgrades applicant has completed as part of MEA’s FY18 – FY24 [Energy Efficiency and Equality Grant Program](#)¹², DHCD’s FY18 - FY24 [Weatherization Assistance Program \(“WAP”\)](#)¹³, or DHCD’s FY18 - FY24 [EmPOWER Maryland Limited Income Energy Efficiency Program](#)¹⁴. A higher rating will be given for a higher number of homes that have been weatherized and made energy efficient, as this creates more potential solar energy projects that would benefit residential households in low-to-moderate income, disadvantaged, overburdened, or underserved communities.
- Number and approximate capacity sizing (in kW direct current) of the solar system identified in the application and the cost for completing its installation.
- Identification of one (1) or more solar installer(s) that the applicant has either contracted with, or is committed to contracting with in the future, on one or more individual project(s). Note: Each solar installer identified in the application must provide a current employee on staff with current [NABCEP PV Installation Professional Certification](#)¹⁵.

¹¹ <https://mdewin64.mde.state.md.us/EJ/>

¹² <https://energy.maryland.gov/govt/pages/cleanenergy/emi.aspx>

¹³ <https://dhcd.maryland.gov/Residents/Pages/wap/default.aspx>

¹⁴ <https://dhcd.maryland.gov/Residents/Pages/lieep/default.aspx>

¹⁵ <https://www.nabcep.org/certifications/nabcep-board-certifications/>

- Identification of one (1) or more roofing company(ies) with which the applicant has either contracted with, or is (are) committed to contracting with, on one or more individual project(s).
- Innovative delivery or project design will be given a higher rating.
- Geographic diversity may be used as a deciding factor when evaluating grant applications.

Partial awards:

MEA may award grants for less than the original funding request submitted in the application. Full grant awards will be made for approved projects, based on ranking, from highest to lowest, until sufficient funds are not available to fully fund another subsequent application. The applicant submitting the subsequent application will be given an option to accept partial funding, based on funding availability. If the applicant agrees, MEA will provide a partial grant award with remaining Program funds. If the applicant does not accept partial funding for the project, MEA will offer partial funding for an approved project to the remaining unfunded applicants in order of ranking (highest to lowest). MEA will follow this process until all funding has been expended or all remaining applicants have rejected a partial funding grant award.

For partial grant award amounts, MEA will scale down the grant award amounts in \$25,000 increments (i.e., reduce the total number of solar installations whose costs will be reimbursable under a grant award). MEA will use the following criteria to determine the amount of a partial grant award:

- Scalability of the applicant’s proposal
- Project size and requested amount in the application
- Impact on workforce development

Eligibility Requirements for each Participating

Home:

The following requirements apply to each home that will receive a solar energy system from SEE Program funds:

- Must have received, or will receive, a whole home energy efficiency upgrade in accordance with the **SEE Program Enabling Measures defined in Appendix 1 to this FOA.**
- Must be a primary residence, single family residential home.
- Single family homeowners must meet eligible household criteria requirements.
- Must be located in Maryland.

- Must be on a residential electricity tariff.
- Household income at or below 175% of the federal poverty level. (See table below)

Low Income Eligibility Limits¹⁶ for Program Year FY24 <i>(Based on 175% of the Federal Poverty Level)</i>		
Household Size	Maximum Gross Monthly Income Standards	Maximum Gross Yearly Income Standards
1	\$2,126	\$25,515
2	\$2,876	\$34,510
3	\$3,625	\$43,505
4	\$4,375	\$52,500
5	\$5,125	\$61,495
6	\$5,874	\$70,490
7	\$6,624	\$79,485
8	\$7,373	\$88,480
For Each Additional Person, Add	\$750	\$8,995

Reimbursable

Project Costs: MEA will reimburse up to \$25,000 for each solar PV system installation. **These funds are subject to the eligible reimbursable project costs as defined by Appendix 2 to this FOA, “Eligible SEE Program Reimbursable Project Costs.”**

Grant Funding and

Payment: The following terms and conditions apply to any awarded SEE Program funds:

- Total invoicing per home/location cannot exceed \$25,000 per eligible home.

¹⁶ <https://dhs.maryland.gov/office-of-home-energy-programs/how-do-you-apply/>

- \$5,000 of the per-home \$25,000 funding allowance may be used for roof repairs or mold remediation necessary for the safe and successful installation of the solar system¹⁷.
- MEA will consider a grantee's requests for reimbursements (including invoices) on a house-by-house basis but only after the grantee has obtained Permission to Operate (PTO) and passed all permitting inspections required by the Authority Having Jurisdiction for that house/location.
- MEA will reimburse a grantee in arrears for actual costs incurred after receiving all required supporting documentation. The required documentation will be outlined in the grant agreement.
- MEA will not reimburse a grantee for any costs incurred prior to the execution of the grant agreement.
- Consistent with §2–208 of the State Finance and Procurement Article, a non-profit organization that is providing services funded with State funds can request reimbursement of indirect costs: “(1) at the same rate the nonprofit organization has negotiated and received: (i) for indirect costs under a direct federal award; ii) from a nonfederal entity based on the cost principles in Subpart E of OMB Uniform Guidance; or (2) if the nonprofit organization has not negotiated and received an indirect cost rate described in item (1) of this subsection, at a rate of at least 10% of the costs that would be considered modified total direct costs under OMB Uniform Guidance.”

Review Process:

The MEA Program Manager will assemble a Grant Review Team of at least 3 qualified MEA program managers, energy specialists or other professionals with relevant experience that may include individuals from outside MEA at the Program Manager's discretion. Initially, each Grant Review Team member will conduct an individual review of the complete applications using the evaluation criteria. Then, the grant review team will meet collectively to discuss their initial reviews, decide on a final ranking for each application, and come to a consensus on recommendations for funding.

Required Application Documents:

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

- Fully completed FY24 Solar Equity Grant Program Application
- IRS W9 Tax Form for the applicant organization

¹⁷ Updated December 6, 2023: The \$5,000 per-home roof repair and mold remediation allowance information was mistakenly omitted from the original FOA.

- Proof of incorporation and non-profit status for the applicant organization (For Non-Profits Only)

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. A copy of the General Provisions document is available on MEA’s [website](#)¹⁸; these provisions will be incorporated into each FY24 grant agreement issued by MEA.

Minimum Eligibility

Requirements:

In addition to the general provisions, the following minimum eligibility requirements apply to this Program:

- **Solar Renewable Energy Certificate (SREC):** Each grantee must instruct the residential homeowner how to register their solar system with the Maryland Public Service Commission to receive their SRECs.
- **Energy Efficiency and Weatherization-Type Upgrades:** Each home that receives a solar energy generating system funded whole or in part by FY24 SEE Program grant funds must have had energy efficiency and weatherization-type upgrades completed, or will have these measures completed prior to the installation of the solar energy generating system, in accordance with the requirements of Appendix 1 to this FOA, entitled “SEE Program Enabling Measures”.
- **Restrictions and Limitations:** When a city, county or state government entity is a grantee (the site owner, site operator or system owner), the government entity will be required to attest to its compliance with Sections 14-416 and 17-303 of the State Finance and Procurement Article (as applicable) and MEA will only provide grant funds directly to the government entity and not to any other grantee.
- **NABCEP Requirement:** At least one person certified as a Solar PV Installer by the North American Board of Certified Energy Practitioners ('NABCEP') must be involved in the design and/or installation of the community solar array. Each applicant will be required to provide the name and certification number of this individual(s).
- **Good Standing:** Documentation of Good Standing with the Maryland State Department of Assessments and Taxation (“SDAT”) must be provided for each non-governmental system owner (AOI 2 projects only) and each solar installer that each Grantee elects to work with at the time they are selected (AOI 1 and AOI 2), throughout the Grant term, if an applicant is selected for

¹⁸ <https://energy.maryland.gov/Pages/all-incentives.aspx>

funding. Acceptable Good Standing documentation includes: (1) a PDF or screenshot of the organization's entry from SDAT's [Business Entity Search](#)¹⁹; or (2) a copy of the organization's SDAT Certificate of Status that indicates Good Standing. Instructions on how to obtain a Certificate of Status are available on SDAT's [website](#)²⁰.

- **Clean Energy Rebate Program Restriction**: A residential home obtaining a solar installation as part of the Program is ineligible for a rebate under the MEA's Residential Clean Energy Rebate Program, as well as the Commercial Clean Energy Rebate Program.
- **Project Completion Deadline**: Each Grantee will be given up to two (2) years to complete all solar system installations included in the Grantee's Project.
- **Grant Extensions**: Grant extension requests may be made for circumstances outside of a grantee's control or good cause shown, and are addressed in further detail in the General Provisions.
- **Maryland Historical Trust**: For each proposed home, a Maryland Historical Trust review must be completed without an adverse finding prior to being approved for funding under this program. The project must not have an adverse effect on a historic building or a historic district, as determined by the Maryland Historical Trust. (SEE Program Grant Agreement General Provisions).
- **National Testing Requirement**: Each component (i.e., inverter, solar panels, etc.) of a solar system used under this Program must be listed or labeled by a recognized National Testing Laboratory.

Grant Funding and Payment:

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](#)²¹" 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

¹⁹ <https://egov.maryland.gov/businessexpress/entitysearch>

²⁰ <https://dat.maryland.gov/businesses/Pages/Internet-Certificate-of-Status.aspx>

²¹ <https://www.marylandtaxes.gov/forms/state-accounting/static-files/GADX10Form.pdf>

may provide an exception to this requirement on a case-by-case basis, at the sole discretion of MEA.

Each grantee may request reimbursement after the following milestones are met:

- After ordering equipment for the Project, Grantee may request equipment reimbursement for up to fifty percent (50%) of the total Grant Award amount; and
- After obtaining Permission to Operate (PTO) and passing all permitting inspections required by the Authority Having Jurisdiction (AHJ), Grantee may request reimbursement for the remaining Grant Award amount.
- Final Payment for a solar installation will be available after MEA reviews and approves the project Completion Certificate, Attestation and Invoice for that installation.

**SEE Program
Enabling
Measures:**

A home that participates in the SEE Program must have undergone weatherization-type and energy efficiency measures (“SEE Program Enabling Upgrades”) through an MEA-approved energy efficiency incentive program within the past five (5) years (2018 – 2023), or it must first receive SEE Program Enabling Upgrades prior to the installation of the solar PV system that will be funded by SEE Program funds. **SEE Program Attachment 1: FY24 SEE Program Enabling Measures for an explanation of rules, restrictions, and requirements; and eligible energy efficiency incentive programs.**

**Submission
Instructions:**

MEA encourages the use of electronic applications to streamline processing and reduce environmental impacts. If you cannot apply electronically, please contact the MEA Program Manager no less than seven (7) business days prior to the grant deadline to determine an alternative method to successfully submit the application.

Unless the Applicant has contacted MEA regarding an alternative method, applications **must be submitted electronically to MEA** at SolarEquity.MEA@Maryland.gov by **no later than 3:00 P.M. EST, Thursday, February 22, 2024.**

**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 applicants or grantees, as

applicable, by letter or email. 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 **Abigail Antonini, Solar Equity Grant Program Manager**, at SolarEquity.MEA@Maryland.gov or via phone at **410-371-6381**.

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FY24 MEA SEE PROGRAM FUNDING OPPORTUNITY ANNOUNCEMENT
ATTACHMENT 1: SEE PROGRAM ENABLING MEASURES

Section 1: Energy Efficiency Compliance and Eligible Energy Efficiency Programs

Each home that will receive a solar installation funded by FY24 Maryland Energy Administration (“MEA”) Solar Equity Grant Program (“SEE Program”) must first receive weatherization-type and energy efficiency measures (“SEE Program Enabling Measures”), or these SEE Program Enabling Measures must have been completed on each home within the past five (5) years (i.e., 2018 - 2023). The SEE Program Enabling Measures are described more thoroughly in Section 2 below. Each home must have its SEE Program Enabling Measures completed, or will have them completed, with funding from one (1) or more of the following State of Maryland energy efficiency incentive programs:

- Maryland Energy Administration FY18 - FY24 [Energy Efficiency Equity Program](#)²² (previously known as the Low-to-Moderate Income Energy Efficiency Grant Program);
- Maryland Department of Housing and Community Development FY18 - FY24 [Weatherization Assistance Program \(“WAP”\)](#)²³; or
- Maryland Department of Housing and Community Development FY18 - FY24 [EmPOWER Maryland Limited Income Energy Efficiency Program \(“LIEEP”\)](#)²⁴.

Section 2: SEE Program Requirements and Enabling Measures

The following requirements apply to each home that will receive a solar system through the SEE Program:

- 1. Energy Audit:** A Building Performance Institute (“BPI”) energy audit must have been or will be performed on each home that will receive a solar system.
- 2. Minimum Energy Savings:** All of the weatherization-type and energy efficiency measures selected for the home must, in aggregate, achieve full simple payback within fifteen (15) years. For the purposes of the SEE Program, “simple payback” is calculated as follows:

²² <https://energy.maryland.gov/govt/pages/cleanenergy/emi.aspx>

²³ <https://dhcd.maryland.gov/Residents/Pages/wap/default.aspx>

²⁴ <https://dhcd.maryland.gov/Residents/Pages/lieep/default.aspx>

$$\text{Simple Payback} = \frac{\text{Total Cost of All SEE Program Enabling Measures}}{\text{Annual Energy Savings Created by the SEE Program Enabling Measures}}$$

Note: Equation updated December 6, 2023, to reflect the correct acronym for the Program.

3. SEE Program Enabling Measures: Each home that will receive a solar system installation through the SEE Program must first have a Building Performance Institute (“BPI”) home energy audit performed that identifies multiple weatherization-type and energy efficiency measures that can be completed to improve home energy efficiency. The completion of at least three (3) of the measures listed below is required. **The following weatherization-type and energy efficiency measures are considered SEE Program Enabling Measures, and therefore are eligible:**

- a. Conversion to LED lighting (e.g., LED lightbulbs, tube lights, etc.)
- b. Replacement of existing HVAC with an electric heat pump HVAC system
- c. Replacement of an existing water heater with a heat pump water heater
- d. Air sealing
- e. Wall insulation replacement or improvement
- f. Water heater and hot water pipe insulation wrap
- g. Low-flow showerheads, faucets, etc. that help reduce hot water usage
- h. ENERGY STAR® appliance replacements
- i. Other weatherization-type and energy efficiency upgrades that reduce electricity consumption or help enable electrification of existing fossil fuel equipment
- j. **Fossil Fuel Restrictions:** Any measure funded by MEA incentives **must adhere to the MEA Fossil Fuel Policy**, which is available in **Appendix 3** to this FOA.

Last Modified: November 20, 2023 v.1

FY24 MEA SEE PROGRAM FUNDING OPPORTUNITY ANNOUNCEMENT
ATTACHMENT 2: SEE PROGRAM REIMBURSABLE PROJECT COSTS

The following project costs are reimbursable under Grantee’s FY24 SEE Program grant award.

1. Grant Administration and Indirect Costs

- a. If an applicant is selected for a grant under the FY24 Solar Energy Equity Program, MEA will allow a grantee to claim up to fifteen percent (15%) of the total Grant Amount for Grant Administration Costs and reimbursable Indirect Costs combined.
 - i. Indirect Costs are reimbursable as indicated below in Section 1c “Implementation of Indirect Costs” and may only be billed in proportion to the Direct Costs for which reimbursement has been sought at the time of billing.
- b. For the FY24 Solar Energy Equity Program, the following definitions shall be used:
 - i. Direct Costs: Incurred costs for which the Grantee SEE Programs reimbursement from MEA for:
 - a. the energy equipment being installed in or on a home or building, as well as any necessary labor and supplies to install the energy measures;
 - b. energy auditing;
 - c. roof repairs, mold remediation, electrical upgrades and supporting equipment that are necessary for a home to receive the energy upgrade being funded by the grant, as applicable and allowable under the Program
 - d. Grant Administration Costs
 - ii. Grant Administration Costs: Salaries and wages for personnel managing the project and/or conducting outreach and recruitment of participants, or supplies purchased to administer the grant (e.g., flyers advertising the program).
 - iii. Indirect Costs: MEA will use the definition of indirect costs provided in the Federal Electronic Code of Federal Regulations²⁵ (i.e., Indirect costs are costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect (F&A) costs. Indirect (F&A) cost pools must be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived).
 - a. For the FY24 Solar Energy] Enabling Equity Program, examples of allowable indirect costs include portions of the cost of the Grantee’s rent, utilities, and/or administrative staff time.
- c. Grantees shall be required to provide documentation, which may include timesheets or other records, to MEA justifying the amount of Grant Administration Costs and Indirect

²⁵ SEE Program “Indirect (facilities & administrative (F&A)) costs”, available at [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-A/subject-group-ECFR2a6a0087862fd2c/section-200.1#p-200.1\(Indirect%20\(facilities%20&%20administrative%20\(F&A\)\)%20costs\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-A/subject-group-ECFR2a6a0087862fd2c/section-200.1#p-200.1(Indirect%20(facilities%20&%20administrative%20(F&A))%20costs)).

Costs being requested for reimbursement under a grant. Implementation of Indirect Costs:

- i. A grantee that is tax exempt under §501(c)(3), (4), or (6) of the Internal Revenue Code who has negotiated and received an indirect cost rate under a direct federal grant, or from a non-federal entity based on the cost principles in Subpart E of OMB Uniform Guidance, will be allowed reimbursement of indirect costs as outlined in § 2-208(b)(1) of the State Finance and Procurement Article at the negotiated indirect rate.
 - a. Documentation of a negotiated indirect rate must be provided to MEA upon request, prior to execution of the Grant Agreement.
 - b. If a grantee that is tax exempt under §501(c)(3), (4), or (6) of the Internal Revenue Code who has negotiated and received an indirect cost rate under a direct federal grant that is greater than the percentage identified in section 1a, then the grantee will be allowed reimbursement at the federally negotiated rate. In this situation, no Grant Administration Costs would be reimbursable.
- ii. Indirect costs reimbursement for any other non-profit organization applicant without a negotiated indirect rate, or a local government grantee, will be capped at a maximum of 10% of the grant.
- d. The percentage of indirect costs that will be claimed by the Grantee will be identified prior to execution of the Grant Agreement and stated in the terms of Grant Agreement.

Example:

A nonprofit organization has a federally negotiated rate of 12%. With the total amount of indirect costs and Grant Administration Costs capped at 15% of the total grant, the grantee could opt to:

1. Claim the full 12% federally negotiated indirect rate of 12%, and up to 3% for Grant Administration
2. Claim a lower indirect rate less than 12%, in order to prioritize a higher percentage of the grant for Grant Administration Costs (e.g., 5% indirect and 10% for grant administration)
3. Claim no indirect cost and use up to 15% of the grant for the Grant Administration Costs.

However, a nonprofit organization may not claim indirect costs at a higher percentage than either the nonprofit organization's negotiated indirect rate, or the 10% default indirect rate.

Last Modified: November 20, 2023 v.1

**APPENDIX 3: FY24 MEA SEE PROGRAM FUNDING OPPORTUNITY ANNOUNCEMENT
MEA FOSSIL FUEL POLICY**

Each project that receives financial support from MEA must adhere to the MEA Fossil Fuel Policy:

- 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 SEE Program 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.

Continued on following page.

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.

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