

Maryland Energy Administration

2014-2019 Clean Energy Communities Low-to-Moderate Income (LMI) Program: Program Overview and Lessons Learned



MEA LMI Grant Program

Program Description

The Clean Energy Communities Competitive Low-to-Moderate Income (LMI) Grant Program provides an opportunity for non-profits and local governments to receive funding to implement energy efficiency measures that benefit low-to-moderate income Marylanders.

Program is designed to support cost-effective energy efficiency and conservation programs, projects, or activities for low-to-moderate income Marylanders.



MEA LMI Grant Program

Program Funding

- Strategic Energy Investment Fund (SEIF) Program funding source
 - (g) Proceeds received from sale of allowances from Regional Greenhouse Gas Initiative. -- Proceeds received by the Fund from the sale of allowances under § 2-1002(g) of the Environment Article shall be allocated as follows:
 - § 9-20B-05. Maryland Strategic Energy Investment Fund.
 - (2) at least 20% shall.... [o]f which at least one-half shall be targeted to the **low and moderate income efficiency and conservation programs** account for:
 - (i) the low-income residential sector **at no cost to the participants of the programs, projects, or activities**; and
 - (ii) the moderate-income residential sector

Program Awardees

Project Eligibility

Energy efficiency measures implemented by non-profits and local governments that benefit low-to-moderate income Maryland households are eligible under this competitive program.



Including both low and moderate income residents greatly increases the number of Marylanders eligible for the program.

Examples of Past Awardees

- Habitat for Humanity
- Community Action Councils
- Housing Authorities
- City and County Energy/Sustainability Offices

Program Features

Project Types

Whole Building
Residential Retrofits

New Residential
Construction with
Incremental
Efficiency Upgrades

Upgrades to
Commercial
Building Types



Program Features

Building Types

Residential and commercial buildings which serve the target population (LMI). Including but not limited to:

- Homes (Including Rentals & Manufactured Homes)
- Multifamily Buildings (Including Master-Metered Buildings & Multi-Story Units)
- Commercial Buildings serving LMI population (Schools, Community Centers, Retirement Centers, Mental Health Facilities, Homeless Shelters)



Allowing both residential and commercial buildings, including master-metered buildings, more projects are eligible under the program.

Program Features

Energy Efficiency Measures

All forms of energy saving measures across multiple energy sources are eligible provided they are cost effective.

- Residential - 10 years payback
- Commercial - 15 years payback
- Measure savings are considered and measured ***in aggregate***
- Allows for health and safety costs (i.e. Mechanical Ventilation) that enable implementation of energy efficiency measures

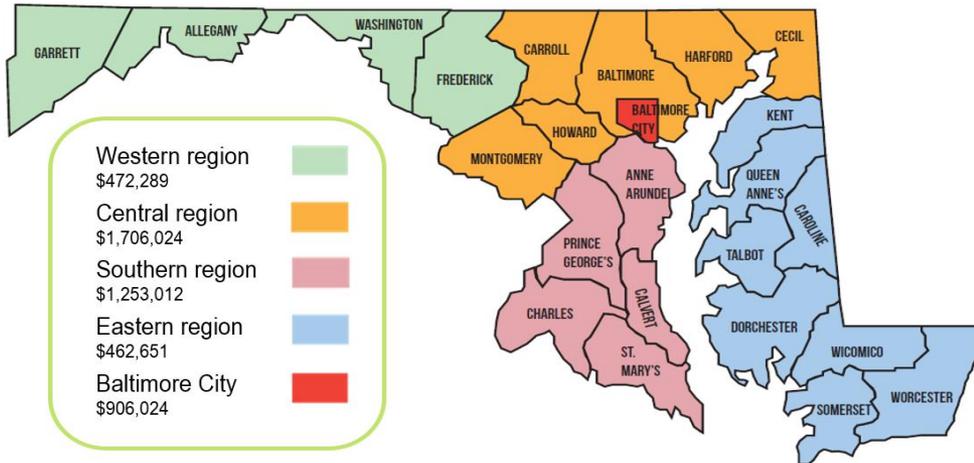


By weighing savings in aggregate and allowing for any form of energy savings, many measures that would not be eligible for other programs are able to be implemented.

Program Features

FY2019 Program Funding

Funds are allocated to each Maryland Region based on the number of LMI income households located within the respective Region in order to ensure an equitable distribution of grant funds. Grants are awarded competitively within the applicant pool for each Region.



In 2014-2018 the LMI Program allocated funds competitively via two different options for applicants: 1) county allocated and 2) statewide

Program Features

Program Funding

- Grants may be made in conjunction with, or in addition to, financial assistance provided through other state, federal, or utility programs.
- Grant applicants are encouraged to pursue support through other energy efficiency programs available.



Allowing applicants to leverage other funding via state, federal, private, and utility programs it enables them to expand the size of their respective projects.

Why LMI Works

Flexibility

Additional Allowable Measures

- The program supports the installation of cost-effective additional measures that may not be allowed under other programs and has helped drive the market for new technologies such as heat pump water heaters, LED lighting, and mini split heat pump units.

Aggregated Savings

- While other programs may have rigid savings to investment ratios (SIR) for each measure or each unit, the LMI program allows for savings to be taken in aggregate, so long as the bundle of measures pays for itself, in aggregate, in ten years or less (residential) or 15 years or less (commercial).

Flexible Housing Type

- There are no restrictions on the type of residential building eligible for upgrades. While some programs exclude multi-story units and manufactured homes that are not on a foundation, and others are open only to homeowners, the MEA LMI grant program allows for rentals, manufactured homes, and multi-story units. Commercial buildings that serve LMI populations are also eligible.

Moderate Income Residents

- Many of the awards seek out moderate income Marylanders whose incomes may be too high to participate in other available programs, yet are not high enough to make improvements themselves that will decrease their energy bills.



Why LMI Works

Reach

Expanded Areas of Work

- The MEA LMI Statewide Competitive grant program allocates funding to optimize energy efficiency work and create opportunities to serve residents in jurisdictions that might have otherwise gone unserved while providing growth opportunities for the providers.

Economies of Scale

- The competitive MEA LMI grant program encourages economies of scale.

Scalable Awards

- The whole building upgrade awards are scalable both up and down to facilitate awards and changes in funding

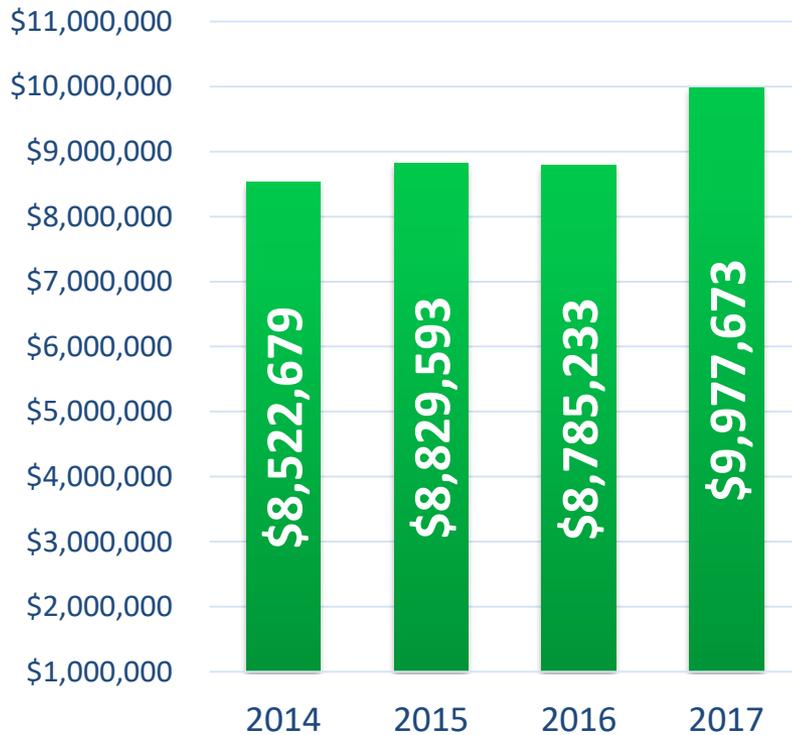
Third-Party Providers

- Having non-profits and local governments perform the work often allows LMI to access homes where utility and federally-funded programs have not reached



Program Performance

Program Spending

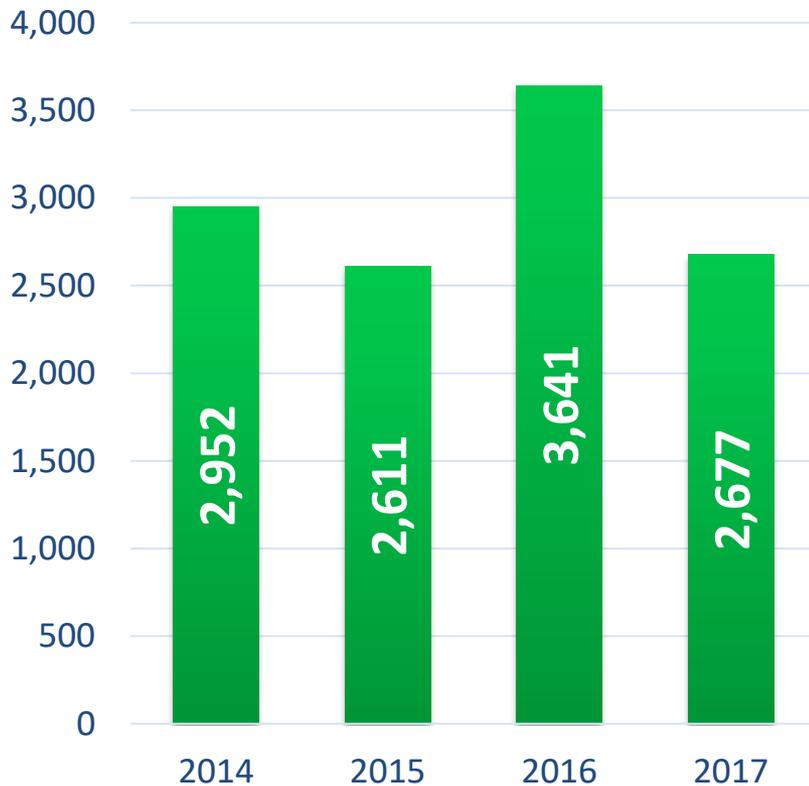


of Grantees

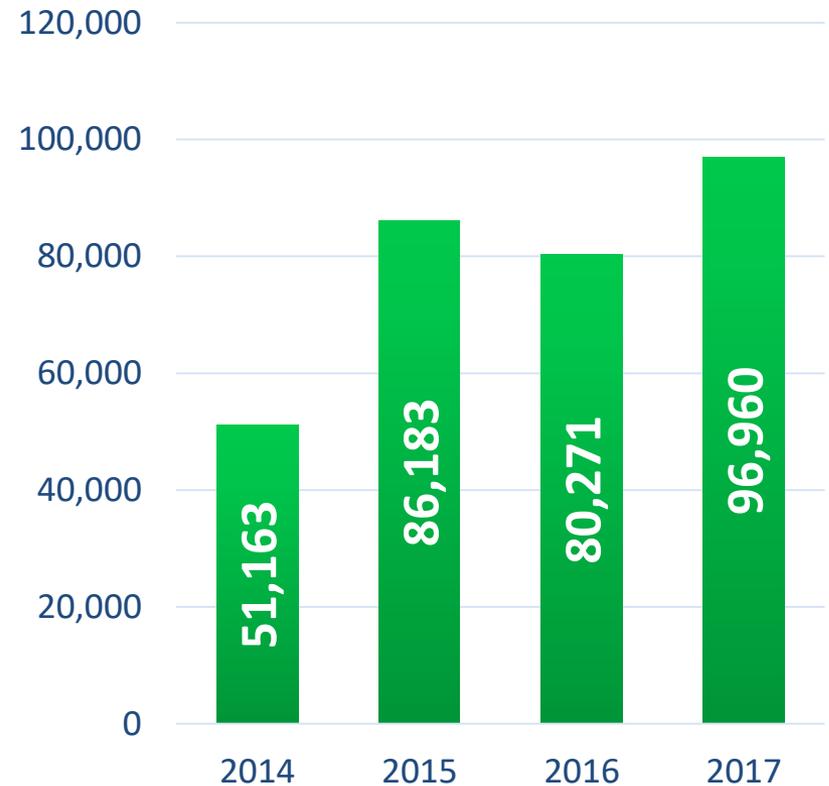


Program Performance

of Buildings

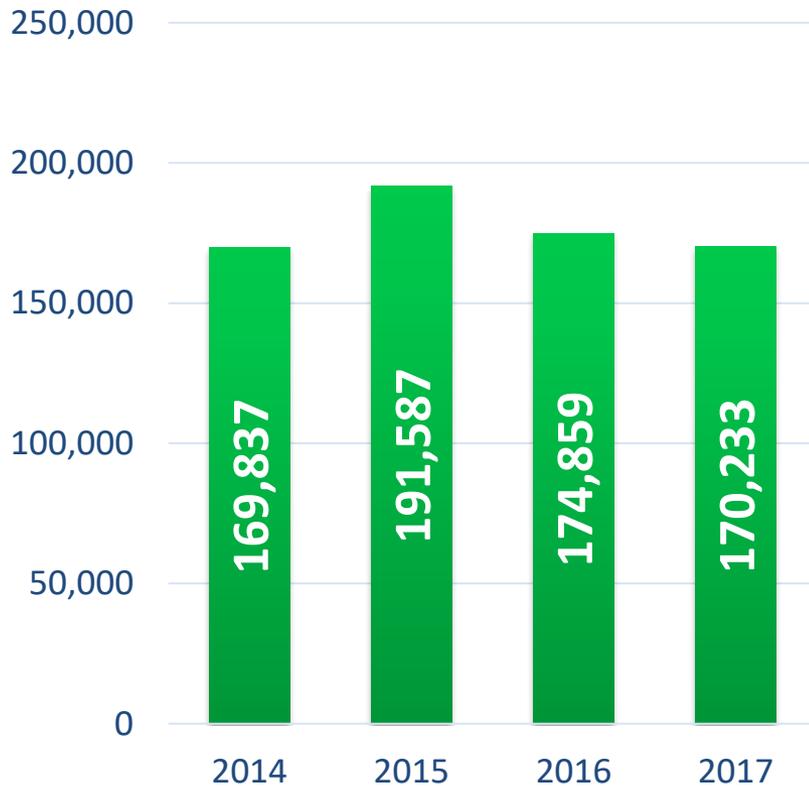


Job Hours

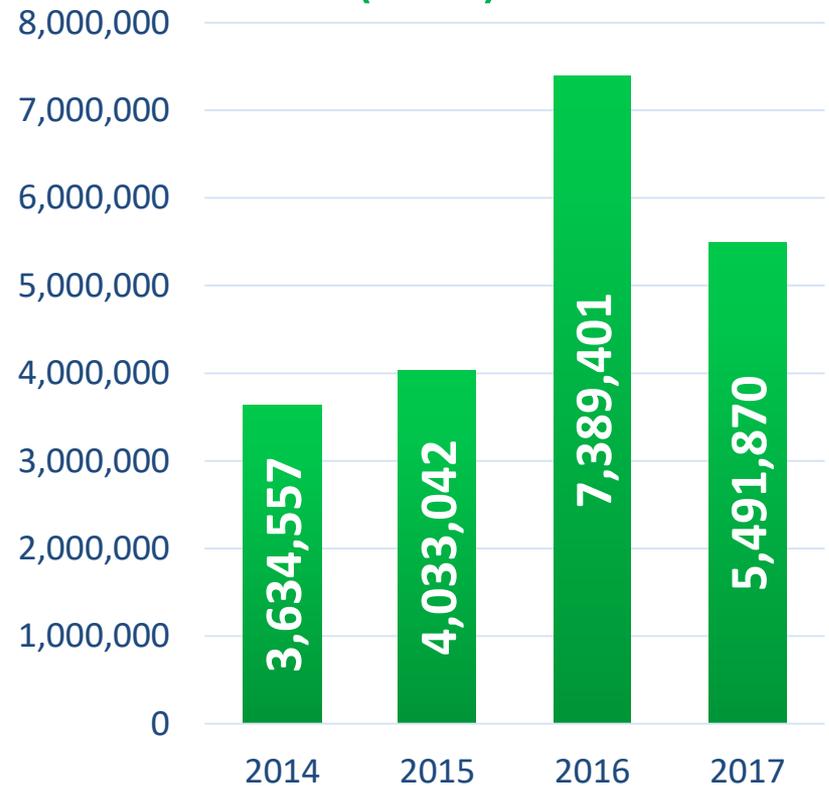


Program Performance

Annual Gas Energy Savings (Therms)

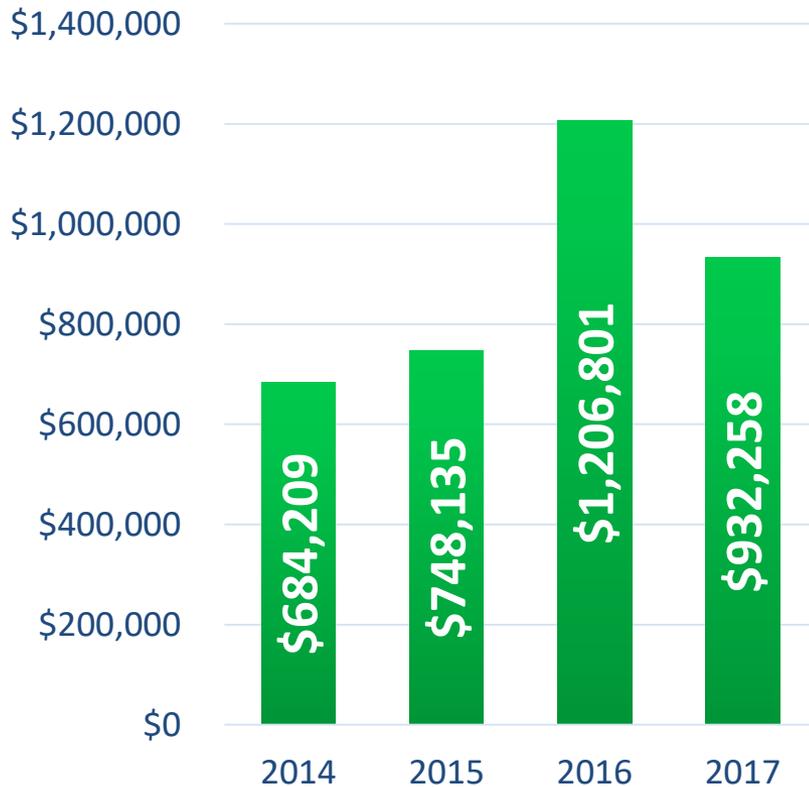


Annual Electric Energy Savings (kWh)

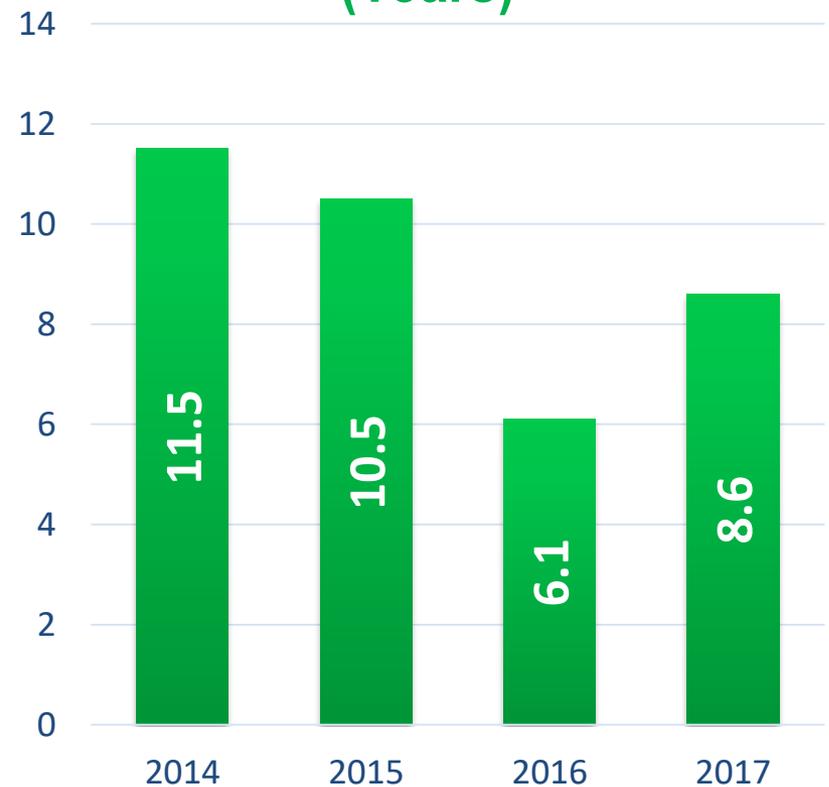


Program Performance

Estimated Total Cost Savings

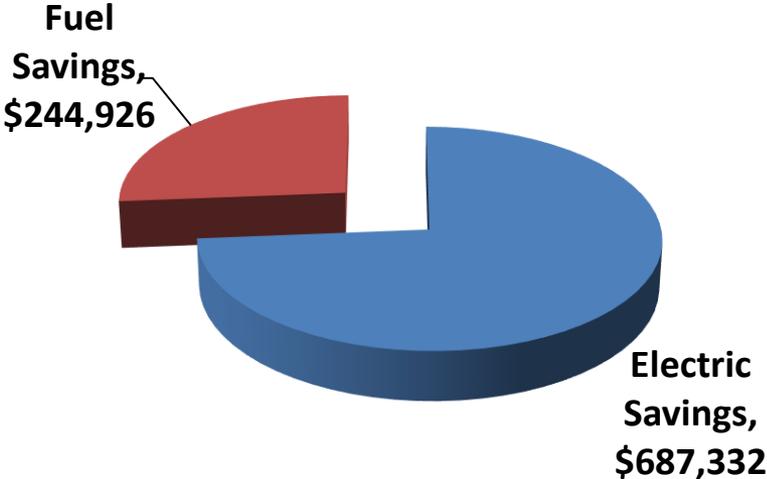


Estimated Simple Payback (Years)

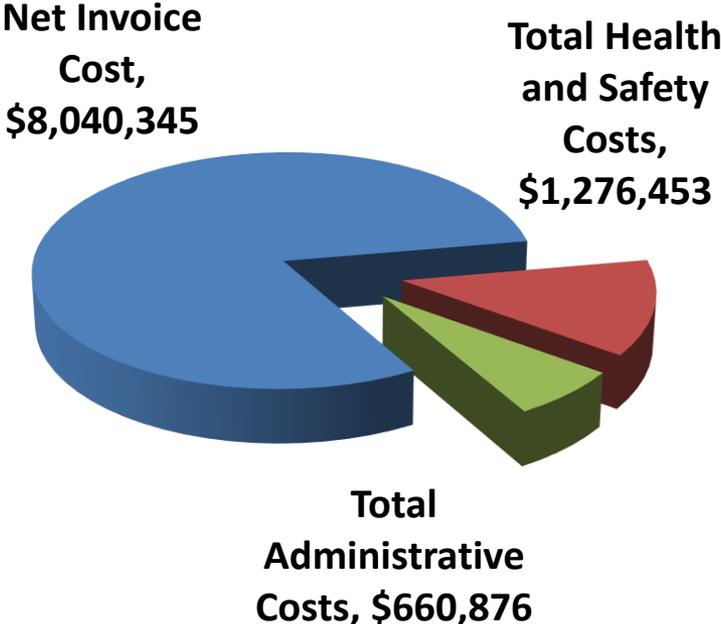


2017 Program Performance

Energy Cost Savings Distribution



Project Cost Distribution



2017 Program Performance*

Per \$1 Million Invested

What will \$1 Million accomplish based on 2017 results?

of Awards: 5.6

of Buildings: 268

Job Hours: 9,715

Annual Gas Energy Savings (Therms): 17,057

Annual Electric Energy Savings (kWh): 550,288

Avoided CO2 Emissions (metric tons/year): 424



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Showcasing- 2017 Case Studies

Episcopal Housing Corporation

Project Type: New Construction Incremental Cost Upgrade

Project Name: The Preserve at Red Run

Energy Efficiency Measures

- ENERGY STAR Certified Heat Pump
- LED Lighting
- ENERGY STAR Appliances
- Maximize Insulation Levels and Air Sealing
- WaterSense Faucets and Showers
- High Efficiency Windows



Showcasing- 2017 Case Studies

Episcopal Housing Corporation / Preserve at Red Run Energy Savings Table

Energy Savings Upgrade Measure	Investment	MEA Grant	Electricity Savings (kWh/yr.)	Annual Cost Savings	Payback (Years)
Lighting & Appliances	\$46,435	\$46,435	171,777	\$24,014	1.9
HVAC Upgrades	\$86,718	\$86,718	125,961	\$17,609	4.9
Water Heating System Upgrades	\$2,832	\$2,832	34,997	\$4,893	0.6
Envelope Improvements	\$37,839	\$37,839	186,392	\$26,058	1.5
Total	\$173,825	\$173,825	519,128	\$72,574	2.4

Testimonials from Grant Awardees

“Involvement with the MEA LMI Empower program has been some of the most rewarding and satisfying years of my law enforcement profession. MEA provided the mechanism to assist Low to Moderate Income residents, seniors and retired, throughout the state with needed financial assistance; addressing health issues while advancing police community relations and meeting State energy reduction goals, has been one of the most rewarding experiences of a career. “

Lt. (Ret.) James (Jim) Flynn, Town of Bladensburg, Inc.

“The Maryland Energy Administration’s Low to Moderate Income Clean Energy Communities grant has helped Frederick County to retrofit over 500 homes for energy efficiency. The recipients of these retrofits have benefited from improved utility affordability and comfort in their homes. We have also identified and corrected issues in some homes that could be life-saving. Thanks to the MEA we have been able to create a “Power Saver Retrofits” program that helps citizens to save energy, save money, and reduce greenhouse gases.”

Suzanne Cliber, Program Specialist Frederick County Government



Testimonials from Grant Awardees

“The MEA LMI program allowed us to demonstrate at Northwood Library to our customers—the agencies that serve low and moderate income people—that energy savings doesn’t mean loss of comfort. In fact, at Northwood Library we increased comfort while saving 60% on heating and 30% on electricity.”

Mark Benson, Energy Program Manager
Baltimore City Office of Sustainable Energy

“The rural communities of the Eastern Shore are often under-represented, but there seems to be an even larger disparity in regards to energy equity. Many of the local utilities are unable to provide rebates for efficiency upgrades and do not have access to the Empower funding available to the larger electric providers. The LMI program has, over the last four years, allowed us to provide weatherization and repair services to an estimated 629 Marylanders with an estimated average utility bill reduction of \$250 to \$500 a month - nearly 50% of some of our participants monthly income! We are genuinely grateful to have been awarded these funds and affect such immediate, lasting, and positive change for our rural community. Thank you MEA!”

Neoma Rohman, CEO Eleventh House Solutions



Thank you

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