

**MARYLAND SMART ENERGY COMMUNITIES
GRANT AGREEMENT
(for Existing Communities)**

**STATE OF MARYLAND
MARYLAND ENERGY ADMINISTRATION
1800 Washington Blvd, Suite 755
Baltimore, MD 21230
(hereinafter "MEA")**

and

**Fiscal Year 2023 Existing Maryland Smart Energy Community:
City of Hyattsville
4310 Gallatin Street, Hyattsville, MD 20781
(hereinafter "Grantee")**

PREMISES

The Maryland Energy Administration administers the Strategic Energy Investment Program set forth in Md. Code Ann., State Gov't §§ 9-20B-01 et seq. ("SEIF Statute") as a component of its overall mission to reduce energy demand and increase energy efficiency and the use of renewable energy resources. The purpose of the Program is to encourage local Maryland governments, including counties and municipalities, to voluntarily adopt formal policies promoting energy efficiency, renewable energy development, and/or reduction of petroleum as a transportation fuel, and to implement projects to achieve the objectives of such policies.

The Program has two separate but related funding components, policy development and project development. Under the policy development component, the local jurisdiction is responsible for developing and formally adopting written policies (e.g., promulgation of a local law, regulation, ordinance, resolution, or an executive order) that promote at least two of the following: energy efficiency and conservation, the development of renewable energy resources, or the reduction of petroleum as a transportation fuel. Also, the Grantee (acting by and through its Department of General Services) must take certain steps demonstrating the Grantee's formal commitment by designing and implementing at least one energy project approved by MEA that effectuates at least one of the policy goals adopted as part of the Program. The Grantee has previously complied with the requirements for a New Community, which includes the development and formal adoption of stated energy policies, and has received funding under MSEC FY13, FY14, FY17, FY18 and FY20 Program grants for clean-energy projects, including: purchases of a GEM electric vehicle for the code compliance division, an all-electric police vehicle and motorcycle, anti-idling kits for city police vehicles, an electric refuse truck, EV chargers, and installation of a roof-top solar PV system.

MEA issued a notice of opportunity for funding for Existing MSECs in October 2022. After evaluating Grantee's MSEC FY2023 application, MEA has determined that Grantee is eligible for an FY23 award as an Existing MSEC. MEA has selected the Grantee to receive a grant

award, as defined herein, subject to Grantee complying with all requirements, terms and conditions of this Agreement and the Grant Program.

NOW, THEREFORE, the parties hereby agree as follows:

1. Purpose of Grant:

The purpose of this Maryland Smart Energy Communities Grant (the “Grant”) to Grantee, as an Existing MSEC, is to provide funding for a project to purchase three electric vehicles (EVs) for its Police department. MEA will review the final project scope for approval using the MSEC Project Approval Form (Attachment C).

2. Project Description and Costs Eligible for Reimbursement

(A) Project Description.

Consistent with the requirements set forth in this section, Grantee shall develop and submit to MEA for approval a completed “MSEC Project Development Form” (Attachment B), which provides detailed proposals for each proposed project for which it requests funds under this Agreement.

(B) MSEC Project Development Form (Attachment B) Submission.

Grantee shall submit a completed “MSEC Project Development Form” (Attachment B) consistent with the following provisions.

(i) By October 2, 2023, Grantee shall submit to MEA a completed “MSEC Project Development Form” (Attachment B) and any necessary supporting documentation requested by MEA, as specified herein, unless a request for an Attachment B deadline extension is approved consistent with Section 2 of the General Provisions (Attachment A).

(ii) In its submission, Grantee shall provide detailed Project information, including but not limited to actual vendor pricing and detailed project savings estimates so that MEA may determine if the final Project scope meets all Program requirements.

(iii) Unless a modification is approved in writing prior to submittal, MEA will not approve a project if the information submitted in Attachment B is inconsistent with either the Project described in Grantee’s application or the allowable uses of Program funds. MEA Project approval is dependent on an MEA determination that the Project, as set forth by Grantee in Attachment B, meets all Program requirements. If Grantee anticipates any deviation from the original project described in Grantee’s application, Grantee must consult with the MEA Project Manager by September 1, 2023.

(C) MEA Approval:

(i) After MEA reviews and determines that the proposed project described in Attachment B meets all Program requirements, MEA will provide Grantee with a completed “Project Approval Form” (Attachment C) describing the MEA approved project eligible for funding (“the Approved Project”).

(ii) Project funding is available only after MEA has completed its review and provided Grantee with a Project Approval Form.

(iii) Once MEA has approved the measures and issued the Project Approval Form (Attachment C), additional measures not specifically identified in the Project Approval Form are ineligible for funding under this Grant Agreement.

(iv) The completed Project Approval Form (Attachment C) shall be incorporated into this Agreement as the Approved Project. The Project Approval Form shall not contain any terms or conditions other than a Project Description and Project Completion timeline. If Attachment C (Approved Project) contains any terms and conditions other than a Project Description and Project Completion timeline, such terms and conditions are not incorporated into this Grant Agreement and are not agreed to by MEA. In the event of any conflicts between Attachment C (Approved Project) and this Grant Agreement, the terms of this Grant Agreement shall control.

(v) Grantee may request MEA approval to fund a feasibility study. In its request, the Grantee must show that each measure can be installed within five years of the Baseline year and the need for the feasibility study. Prior to beginning any feasibility study, the Grantee shall first obtain approval by MEA.

(D) Approved Project Requirements:

(i) An Energy Efficiency MSEC project:

(a) Shall be cost effective, which is defined as having a simple payback time that is less than the useful life of the Project; and

(b) Shall provide substantial electricity generation so that Grantee may make significant progress in meeting its electricity consumption reduction goal.

(ii) An MSEC Renewable Energy project:

(a) Shall be cost effective, which is defined as having a simple payback time that is less than the useful life of the Project; and

(b) Shall provide substantial electricity reductions so that Grantee may make significant progress in meeting its electricity consumption reduction goal.

(iii) An MSEC transportation/petroleum reduction project shall provide substantial reductions of petroleum-based fuel. If the Project involves the purchase of an electric vehicle (EV), the Project shall also result in the retirement of a similar gasoline-powered vehicle (GPV).

(iv) MEA shall have the complete and sole discretion to determine if a proposed project or an Approved Project meets the Program requirements.

- (E) Reimbursable Costs: Only those costs or expenditures specified below are eligible for reimbursement under this Grant.
- (i) Direct Project Costs - At least 70% of the Grant Award shall be for reimbursement of approved expenditures associated with the Approved Project such as for labor, equipment, and material.
 - (ii) Project Preparation Costs - Only up to 30% of the Grant Award may be used to reimburse the local jurisdiction for approved expenditures associated with: the development and adoption of Policies, Plans or Baselines; Project design and development; feasibility studies; energy audits; reasonable administrative costs; staff time or consultant fees.
 - (iii) Administrative Costs - Administrative costs included in the Project Preparation Costs are capped at no more than 10% of the total amount of the Grant. Reasonable administrative costs may include staff time or non-energy auditing consultant's fees needed to implement MSEC programmatic activities. If Grantee uses less than 10% of the total amount of the grant for Administrative Costs, Grantee may use the remaining portion for other Policy and Project Preparation Costs, consistent with this section and subject to approval by the Program Manager.

3. Amount and Duration

- (A) Amount of Grant Award:
- (i) The Total Grant Award shall be up to **Twenty-Two Thousand Five Hundred Dollars (\$22,500)** for the Project, as set forth in Section 1 of this Grant Agreement.
 - (ii) As of the Effective Date of the Agreement, as defined in Section 2(C) of the General Provisions (Attachment A), Grantee may also use up to 30% of the Grant Award for Policy and Project Preparation Costs that are pre-approved by MEA in writing and consistent with Section 2 of this Grant Agreement. Policy and Project Preparation Costs that are not pre-approved by MEA in writing will not be reimbursed by MEA.
 - (iii) Except for Policy and Project Preparation Costs discussed above, Grant funds shall be used solely for carrying out the measures specified in the Approved Project as set forth and incorporated into this Agreement in Attachment C. No other project or measure will be funded under this Grant.
 - (iv) *With the exception of a Project for the purchase of electric vehicles, Grantee shall be responsible for 15% of the total cost of the Project as defined in Section 1 of this Grant Agreement. MEA will only provide reimbursement for up to 85% of the Project's cost. For projects involving the purchase of electric vehicles (EVs) or EV charging equipment, MEA will provide reimbursement as specified in Section 3 (A)(i) of the Grant Agreement.*
- (B) This Agreement must be signed by the Grantee and received by MEA no later than June 2, 2023. If this properly signed Grant Agreement is not received by MEA on or before

June 2, 2023, the grant award shall automatically be revoked, and this Agreement is void unless an extension is given consistent with Section 2(B) of the General Provision (Attachment A).

(C) Unless an extension is permitted as set forth in Section 3 of the General Provisions, (Attachment A) all activities must be completed by no later than November 15, 2024 with all required documentation under Section 4 (B) of this Grant Agreement completed and submitted to MEA by no later than December 13, 2024.

4. Program Requirements

(A) Grantee shall comply with the following deadlines unless an extension is permitted as described in Section 3 of the General Provisions (Attachment A).

(i) By October 2, 2023, Grantee shall submit to MEA a completed Attachment B "MSEC Project Development Form".

(ii) By November 15, 2024, Grantee shall complete the Project(s) approved by MEA and specified on the completed Project Approval Form.

(iii) By December 13, 2024, Grantee shall submit to MEA all Reports and final invoices requesting Program cost reimbursements consistent with Section 4(B).

(B) Grantee shall not commence a Project until after each of the following actions are completed:

(i) Grantee submits to MEA a completed MSEC Project Proposal Form, attached hereto as Attachment B; and

(ii) Grantee receives the MSEC Project Approval Form, attached hereto as Attachment C, signed by MEA.

(C) A project proposed for facilities or property owned by the Grantee shall be given priority. A project proposed for facilities or property not owned by the Grantee may be considered for approval by MEA but is not guaranteed.

(D) Failure to formally adopt the Policies or complete the Project by the deadlines set forth herein may result in Grantee having to reimburse Grant funds to MEA, unless such delay is caused by factors outside of Grantee's control.

(E) MEA does not intend to fund energy projects that involve fuel switching. The decision to fund a project shall be at the sole discretion of MEA.

(F) If at any time MEA determines that Grantee has not demonstrated sufficient progress toward meeting the Policy and Project deadlines set forth above, MEA may terminate this Agreement and may require that Grantee reimburse Grant funds to MEA.

(G) Expenditures for Policy or Project development, Plans or Baselines that have not been pre-approved in writing by MEA will not be reimbursed.

(H) Grantee must comply with any and all procurement requirements that apply to Grant Program activities for which reimbursement is sought.

(I) Grantee shall cooperate with MEA and MEA's technical contractor(s) to identify and develop the most appropriate Project scope of work for this Program.

(i) The primary purpose of a proposed energy efficiency project must be to reduce electricity consumption, as determined solely by MEA.

(ii) The primary purpose of a proposed renewable energy project must be to expand the use of renewable electricity, as determined solely by MEA.

(iii) The primary purpose of a proposed transportation energy project must be to decrease the consumption of transportation petroleum, as determined solely by MEA.

(J) Grantee shall work diligently to develop credible project-specific data estimates on project costs and energy savings through a project bid and/or energy audit, or other appropriate means approved in writing by MEA.

(K) Grant funds may not be used for a project where the primary purpose is "maintenance", as determined solely by MEA.

(L) All new construction must occur in a Priority Funding Area. A map of Priority Funding Areas, including a search by address feature, can be found on the Maryland Department of Planning website: <http://www.mdp.state.md.us/OurProducts/pfamap.shtml>. Priority Funding Areas are existing communities and places where local governments want State investment to support future growth. The following areas qualify as Priority Funding Areas:

(i) Every municipality, as they existed in 1997;

(ii) Areas inside the Washington Beltway and Baltimore Beltway; or

(iii) Areas already designated as enterprise zones, neighborhood revitalization areas, heritage areas, and existing industrial land.

5. Reporting and Reimbursement

(A) Separate Expenditure Categories.

When a Grant Award is divided into separate expenditure categories (energy efficiency, renewable development, or petroleum reduction):

(i) Funding amounts are allocated to a specific category and shall not be reallocated between categories, unless explicitly approved by MEA in writing;

(ii) Grantee shall maintain records separately for each distinct category; and

(iii) Grantee shall account for and invoice MEA separately for each distinct category.

(B) Reporting.

Grantee shall submit monthly MSEC reports ("Reports") to MEA that provide a brief written summary of the Project's progress for the preceding month.

(i) Grantee shall submit the first monthly Report for the first full month following the Effective Date, as defined in Section 2 (C) of the General Provisions (Attachment A).

(ii) Monthly reporting shall continue until: the Project, as defined in Section 1 of this Grant Agreement, is complete; Grant funds have been completely expended; or the Grantee has notified MEA in writing that no additional funding will be requested under the Grant.

(C) Invoicing and Reimbursement.

(i) To be reimbursed, Grantee shall provide invoices, a completed Maryland Smart Energy Communities Grant Program Final Report Form (Attachment D) and relevant documentation.

(ii) MEA will only provide Grant funds for reimbursement after receipt of appropriate invoices and reports with sufficient documentation of expenditures, as determined by MEA and consistent with the provisions set forth in Section 2 of the Grant Agreement.

(iii) Information required to show sufficient documentation of expenditures may include, but is not limited to, contractor and/or vendor invoices, receipts, detailed timekeeping records (including at a minimum, hourly rate, time, and task), detailed mileage logs, and photographic evidence of the project as it is in progress and as completed (including photographs of retired GPs as requested.)

(iv) All Requests for Reimbursement shall be submitted on Grantee letterhead, and shall contain the MEA Grant number, Grantee contact and payee information, and a description of the equipment, material, and/or labor or other expenses being invoiced. No personally identifiable information (PII) shall be submitted to MEA as part of the invoicing documentation unless MEA provides a secure method to submit PII.

(v) MEA will reimburse Grantee for approved costs only after Grantee submits documentation showing any incentives available from Grantee's utility will be or have been applied to the total cost of the Project. Grant Award is to be used for net costs, after application of utility rebates and incentives.

(D) Consistent with Section 5 of the General Provisions (Attachment A), Grantee shall submit reporting information required by the Grant Agreement to MSEC.MEA@maryland.gov. Any documents mailed to MEA regarding this Project shall be sent to MEA at the following address:

Maryland Energy Administration
Attn: Maryland Smart Energy Communities Program

MARYLAND ENERGY ADMINISTRATION

By: DocuSigned by:
Christopher Rice Date: 4/3/2023
DD88EC832C5040F...
Chris Rice
Chief of Staff

Approved for Form and Legal Sufficiency

this 23rd day of March, 2023

DocuSigned by:
David Shapiro
0427211058074464
Assistant Attorney General

1800 Washington Blvd, Suite 755
Baltimore, MD 21230

(E) Multiple renewable projects on contiguous parcels of property will be considered one Project for purposes of MEA funding.

(F) An Approved Project may not receive more than one Maryland Smart Energy Communities grant from MEA.

6. Party Representatives

The following individuals shall have the authority to act under this Grant Agreement for their respective parties, subject to all necessary approvals:

Briggs Cunningham, MSEC Program Manager, Maryland Energy Administration
(Or any other such person as may be designated in writing by the Director of MEA.)

Ron Brooks, Treasurer (Or any other person as may be designated in writing by the Grantee's executive officer)

7. General Provisions

The General Provisions of the Grant Agreement set forth in Attachment A are incorporated and made part of this Grant Agreement.

THIS GRANT AGREEMENT HAS BEEN APPROVED BY THE ATTORNEY GENERAL'S OFFICE AT MEA. NO CHANGES, MODIFICATIONS, ADDITIONS OR DELETIONS TO THIS AGREEMENT ARE AUTHORIZED ABSENT SPECIFIC WRITTEN AGREEMENT BY THE PARTIES AND APPROVAL BY THE ATTORNEY GENERAL'S OFFICE AT MEA. ANY UNAUTHORIZED CHANGES, MODIFICATIONS, OR DELETIONS TO THIS FORM AGREEMENT WILL RENDER MEA'S OBLIGATIONS UNDER THIS AGREEMENT VOIDABLE AT MEA'S ELECTION.

IN TESTIMONY WHEREOF, WITNESS the hands and seals of the parties.

CITY OF HYATTSVILLE

By: Nancy Dangle City Administrator Date: 25 May 23
(Name & Title)