



Maryland Energy Administration CHP Grant Program

Program Description

The Maryland CHP Grant Program, directed by the Maryland Energy Administration (MEA), has been funded annually since its inception in 2016 and is designed to further encourage combined heat and power (CHP) growth in the state. MEA's mission is to promote affordable, reliable, and cleaner energy for the benefit of all Marylanders. MEA advises the governor and General Assembly on matters relating to energy policy and administers grant and loan programs to encourage clean energy technologies in all sectors of Maryland's economy: residential, commercial, agricultural, and transportation.

The Fiscal Year (FY) 2019 CHP Grant Program is a \$4 million first-come, first-served program that targets eligible commercial, industrial, institutional, and critical infrastructure facilities including healthcare, wastewater treatment, and essential state and local government facilities. As the program is part of the Pepco Holdings Inc.–Exelon merger, \$3.5 million of the \$4 million budget is reserved for projects implemented in PEPCO and Delmarva Power territories. Individual grants range in size from \$425/kW to \$575/kW, based on the size of the CHP system, with a maximum per-project cap of \$500,000, subject to funding availability. Program grants can be applied in addition to the EmPOWER Maryland CHP electric utility grants.

The FY 2019 program has a new feature: micro-CHP projects (systems 60 kW or less) are eligible for up to 50% of the total project cost, after all other incentives and rebates are applied, with a maximum of \$75,000. Micro-CHP projects must be cost-effective to be eligible for the incentive; otherwise, projects will be eligible for incentives at \$575/kW.

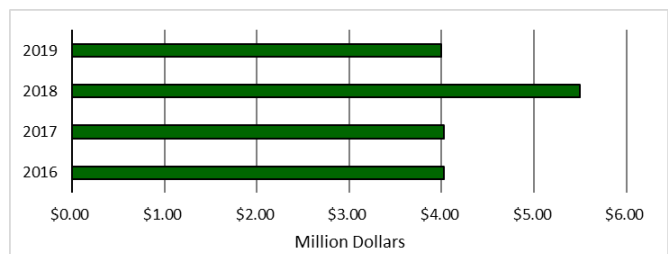
Program Development



Governor Larry Hogan with Peninsula Regional Medical Center president and the MEA Team at 3.2 MW CHP plant

PHOTO COURTESY OF THE MARYLAND ENERGY ADMINISTRATION

The MEA CHP Grant Program was under discussion internally in MEA and with stakeholders in 2015, and MEA consulted with the U.S. Department of Energy (DOE) Mid-Atlantic CHP Technical Assistance Partnership (TAP) to provide analysis on program structure and target markets. The TAP also provided best practices from other state programs and discussed coordination with the EmPOWER Maryland electric utility CHP program. The MEA CHP Grant Program was announced in December of 2015 and is complementary to the EmPOWER Maryland program.



Program funding to date

Stakeholders

“CHP systems make sense, from both a fiscal and an environmental perspective, given that this approach captures wasted energy and redirects the heat for maximized efficiency.”

– MEA Director Mary Beth Tung

MEA advises Maryland’s executive offices regarding energy and economic issues. Through its work with the Mid-Atlantic CHP TAP, CHP developers, and other stakeholders involved in the utility CHP incentive programs, MEA became very familiar with CHP economics. This expertise and familiarity led MEA to recognize CHP as an investment tool to attract industry and economic development in Maryland. The MEA CHP Grant Program is supported by the governor’s office and several principal stakeholders in the state: the Public Service Commission, the Maryland Department of Commerce, the Maryland Clean Energy Center, the Regional Manufacturing Institute of Maryland, and key project developers.

Technical Review

The DOE Mid-Atlantic CHP TAP performs a technical review of each submission and provides the review to the MEA grant program manager. A technical review meeting takes place between the TAP and the program manager to discuss the findings. Follow-up meetings and reviews are conducted with applicants whose applications are of interest to MEA but may require more information or refinement.

Notable Highlights

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- Reviewing best practices from other state programs helped MEA formulate its program based on lessons learned.
- State agencies can rely on the TAP to provide technical expertise in the application of CHP systems.
- MEA views CHP as an important economic tool to retain industrial companies and attract new companies.

Resources:

- *Maryland Energy Administration*¹
- *MEA CHP Program*²
- *Maryland Public Service Commission*³
- *Maryland Department of Commerce*⁴
- *EmPOWER Maryland*⁵
- *Maryland Clean Energy Center*⁶
- *Regional Manufacturing Institute of Maryland*⁷

For More Information

U.S. DOE MID-ATLANTIC CHP TECHNICAL ASSISTANCE PARTNERSHIP (CHP TAP)

www.machptap.org

Date produced: 2019

¹ <https://news.maryland.gov/mea/>

² <https://energy.maryland.gov/business/Pages/MEACHP.aspx>

³ <https://www.psc.state.md.us/>

⁴ <http://commerce.maryland.gov/>

⁵ <https://energy.maryland.gov/Pages/Facts/empower.aspx>

⁶ <https://msa.maryland.gov/msa/mdmanual/25ind/html/33energycen.html>

⁷ <https://rmiofmaryland.com/>