EFFICIENCY MAINE

COMMERCIAL & INDUSTRIAL PRESCRIPTIVE INITIATIVES

FUNDING OPPORTUNITY NOTICE (FON)

School Ventilation Retrofits
CIPI FON-025-2026

Opening: February 18, 2026

Application Deadline: December 31, 2026
Project Completion Deadline: August 31, 2027

CONTENTS:

APPLICATION DOCUMENTS:

1) **Attachment A: FON Project Application and Commitment Form**
2) **Attachment B: HVAC Project Pre-Approval Checklist**
3) **Qualified Partner Price Quote**
4) **Supplier Material Quote**

SECTION 1: OVERVIEW AND INSTRUCTIONS

1.1 Purpose

Through this Funding Opportunity Notice (FON or "opportunity") Efficiency Maine is seeking applications for energy efficiency projects involving ventilation retrofits in Maine public PreK-12 schools[1] that currently heat with oil or propane. This initiative falls under Efficiency Maine's Commercial and Industrial Prescriptive Initiatives (CIPI) and is referred to as the School Ventilation Retrofits Funding Opportunity Notice, FON-025-2026. This initiative offers higher incentives than typically provided under the CIPI, with the intent of accelerating the conversion to efficient ventilation systems in schools across the state.

Many Maine public schools operate with aging or undersized ventilation systems that were not designed to meet current indoor air quality expectations or evolving building use patterns. Improving ventilation performance is critical to supporting healthy learning environments, particularly in high-occupancy and high-activity spaces such as gymnasiums, cafeterias, auditoriums, and multipurpose rooms.

This FON is intended to accelerate cost-effective ventilation upgrades that improve indoor air quality while reducing energy use and operating costs. Eligible measures under this opportunity include Linear Expansion Valve (LEV) kits that integrate with existing air handling equipment and Variable Refrigerant Flow (VRF) systems to enable efficient delivery of conditioned outdoor air without requiring full system replacement. These measures allow schools to modernize ventilation performance while leveraging existing infrastructure.

This opportunity supports the installation of Dedicated Outdoor Air Systems (DOAS), which are specialized units designed to condition and deliver 100 percent outdoor air separately from the primary heating and cooling system. DOAS units provide a reliable and energy-efficient approach to meeting ventilation requirements, particularly in facilities where existing systems are unable to adequately condition or distribute outdoor air.

In addition, this opportunity supports the installation of Energy Recovery Ventilators (ERVs) to improve ventilation efficiency and indoor air quality in eligible school facilities. Incentives will be available both for the replacement of failed or non-functional ERVs and for the addition of new ERVs to existing ventilation systems that do not currently include energy recovery. By capturing and transferring heat and moisture from exhaust air to incoming outdoor air, ERVs reduce the energy required to condition ventilation air while supporting consistent outdoor air delivery. These measures help schools improve ventilation performance, lower heating and cooling loads, and reduce operating costs while maintaining healthy learning environments.

[1] Including Indian education and unorganized territory schools.

1.2 Funding Description

This FON provides incentives that are approximately 30% higher than prescriptive measures for qualifying projects to upgrade and install efficient ventilation systems. The charts below have incentive information on the qualifying equipment and see section 2.2 for a description of the criteria used to determine which equipment (or "measures") qualify for these incentives. See the incentive considerations below.

Linear Expansion Valve (LEV)

A LEV kit is an HVAC component that allows air handling units to integrate with Variable Refrigerant (VRF) systems. The LEV kit enables precise refrigerant flow control, allowing VRF systems to effectively serve high-capacity air handlers and dedicated outdoor air systems (DOAS).

HVAC Ventilation	
Measure(s)	**FON Incentive**
Linear Expansion Valve Kit (LEV)	$0.40/BTU
*Project incentive not to exceed 80% of the total measure cost. The FON incentive has been raised from $0.30/BTU to $0.40/BTU.	

***Incentive Considerations:**

- This measure cannot be combined with additional prescriptive VRF incentives.
- Pre-approval is required for all projects.

Dedicated Outdoor Air Systems (DOAS)

A DOAS is designed to condition and deliver 100 percent outdoor air separately from a building's primary heating and cooling system. The DOAS fully handles the ventilation air load including heating, cooling, and dehumidification (and humidification, when required) while a parallel system such as VRF, variable air volume (VAV) boxes, or chilled beams manages the remaining space temperature (sensible) load.

By separating ventilation air treatment from space temperature control, a DOAS effectively removes moisture from incoming outdoor air, a major source of indoor humidity. This approach improves indoor air quality, enhances humidity control, reduces the risk of mold, and allows the primary HVAC system to operate more efficiently.

HVAC Ventilation	
Measure(s)	**FON Incentive**
Dedicated Outside Air System (DOAS)	$25/CFM
*Project incentive not to exceed 80% of the total measure cost. The FON incentive has been raised from $19.50/CFM to $25/CFM.	

***Incentive Considerations:**

- This measure cannot be combined with additional prescriptive ERV or LEV incentives.
- Pre-approval is required for all projects.

Energy Recovery Ventilators (ERVs)

An Energy Recovery Ventilator (ERV) is a ventilation technology that transfers heat and, in many cases, moisture between exhaust air and incoming outdoor air streams. ERVs are designed to precondition outdoor air using energy that would otherwise be exhausted from the building, reducing the heating and cooling load associated with ventilation.

In school applications, ERVs are commonly integrated into existing air handling systems, make-up air units, or dedicated ventilation systems to improve energy efficiency while maintaining required outdoor air rates. By reducing the energy penalty of ventilation, ERVs support improved indoor air quality, enhanced occupant comfort, and lower operating costs—particularly in cold-weather climates where ventilation heating loads can be significant.

Under this FON, incentives will be available for both the replacement of failed ERVs and the installation of new ERVs in ventilation systems that currently do not include energy recovery, subject to eligibility criteria described in Section 2.2 and applicable incentive considerations.

HVAC Ventilation			
Measure(s)	**Minimum Sensible Heat Recovery**	**FON New Construction Incentive**	**FON Retrofit Incentive**
Energy Recovery Ventilator (ERV)	≥ 65% to < 75%	N/A	$2.50/CFM
	≥ 75% to < 85%	$1.75/CFM	$2.75/CFM
	≥ 85%	$2.00/CFM	$3.00/CFM
*Project incentive not to exceed 80% of the total measure cost. The FON incentive has been raised from $1.50 - $2.50/CFM to $1.75 - $3.00/CFM.			

***Incentive Considerations:**

- Sensible Heat Recovery as reported in AHRI-certified selection report.
- New Construction incentives are for replacing an existing ERV system that has failed.
- Retrofit incentives are limited to existing facilities that are adding an ERV to an existing ventilation that does not currently have an ERV.
- This measure cannot be combined with additional prescriptive DOAS incentives.
- Pre-approval is required for all projects.

Educational facilities that are not eligible through this FON or facilities interested in other energy efficiency measures may qualify for incentives offered through Efficiency Maine Prescriptive Initiatives. See efficiencymaine.com/at-work/ for more information.

1.3 FON Schedule

Efficiency Maine will accept applications for the School Ventilation Retrofits FON from February 18, 2026, through December 31, 2026, or until funding has been exhausted. The CIPI team will review the applications and issue incentive offers in the form of a pre-approval offer email to applicants who meet the criteria within this FON, and as funding allows.

FON Schedule	
FON Issue Date:	February 18, 2026
Rolling Application Period:	February 18, 2026 – December 31, 2026*
Project Completion Deadline:	August 31, 2027

*Or until funding has been exhausted

1.4 FON Informational Webinars

Efficiency Maine will conduct two webinar presentations to inform interested parties on the specifics of this FON. It is not mandatory, but recommended, that applicants attend. The webinar schedule appears below. To participate in a webinar presentation, register using the link for your desired date.

- Thursday March 12, 2026, at 8:00 AM - TO REGISTER, CLICK HERE
- Tuesday March 17, 2026, at 8:00 AM - TO REGISTER, CLICK HERE

SECTION 2: PROJECT ELIGIBILITY

2.1 Eligible Projects

Eligible schools will be limited to public PreK-12 public school buildings in Maine that currently heat with oil or propane fuel. An eligible ventilation project includes only the ventilation solutions listed in section 2.2. Projects must be completed by a Qualified Partner (QP) or identified self-installer on the business's staff; a list of Qualified Partners can be found by using the locator at efficiencymaine.com/at-work/qualified-partners/. To use the locator simply put in your ZIP code and desired radius before selecting the appropriate solutions in the "Services" menu.

2.2 Eligible Solutions

HVAC Ventilation	
Measure(s)	**Description**
Linear Expansion Valve (LEV) Kit	• Incentives are available for the installation of direct expansion (DX) heating/cooling coil and an outdoor VRF condenser to a new or existing air handling unit to allow for VRF based heating and cooling. • The VRF must provide primary heating, be capable of operating at design heating conditions and maintain 70% of the rated capacity at design heating conditions. • Incentive is based on the AHRI rated heating capacity at 47°F of the exterior VRF unit.

Dedicated Outside Air System (DOAS)	• Incentives are available for the installation of a packaged direct expansion (DX) DOAS with an integrated energy recovery ventilator (ERV).
	• The DOAS shall have an integrated heat pump or VRF coil(s) to precondition outdoor air.
	• DOAS systems may be:
	  • A single, factory-assembled dedicated outdoor air unit (typically a packaged rooftop or indoor packaged cabinet) where the refrigeration system and airside components are built and rated as one complete unit.
	  • A field-assembled system where the "DOAS" function is achieved by pairing components in the field—commonly an air-handling unit (or DOAS air handler) connected to a separate condensing unit/VRF outdoor unit. In VRF applications, an LEV kit is one common way to enable that pairing (i.e., an LEV + controls + compatible coil so an air handler can operate with a VRF condensing unit).
	  • Additional incentives are not eligible for VRF, ERV or LEV kits installed as part of the DOAS system.
	• The DOAS must replace an existing make-up air (MAU) unit or units with equivalent volumes of outdoor air to the proposed DOAS.
	• Units must have a minimum of 75% sensible heat recovery as reported in the manufacturer's AHRI-approved selection software report for the ERV.

Energy Recovery Ventilator (ERV)	• Units must be AHRI certified. • Sensible Heat Recovery as reported in AHRI-certified selection report. • New Construction incentive amounts are eligible for replacing an existing ERV system that has failed. • Retrofit incentives are limited to existing facilities that are adding an ERV to an existing ventilation system that does not currently have an ERV.

SECTION 3: APPLICATION REQUIREMENTS

Each applicant must submit the documentation listed below to be considered for incentives under this opportunity. This documentation must include a price quote obtained by the applicant from a Qualified Partner or from a licensed self-installer on the business's staff. Material quotes must include the make and model of each product used in the upgrade, the quantity of each, and the costs to the customer.

Installation quotes with separate material and labor costs to the customer must also be provided. The following is a list of the required documentation:

Required Documents:

- ❑ Attachment A: FON Project Application and Commitment Form
- ❑ Attachment B: FON Project Pre-Approval Checklist
- ❑ Qualified Partner Installation Price Quote to Customer
- ❑ Supplier Material Quote

  **Efficiency Maine reserves the right to request additional information as needed prior to project approval.*

Applications that are incomplete will not be accepted by Efficiency Maine and will be returned to the applicant via email.

SECTION 4: SUBMITTAL INSTRUCTIONS

Project applications must include all materials (appropriate attachments) as requested in Section 3 and are to be emailed to CIP@efficiencymaine.com by the program applicant. The email subject line must include "CIPI FON-025-2026".

For questions throughout the process, applicants are encouraged to speak with a Qualified Partner (using the locator tool described in section 2) or to contact the Program Team at (207) 213-6247 or CIP@efficiencymaine.com.

SECTION 5: PROJECT APPROVAL AND INCENTIVE OFFER PROCESS

The process to apply for a project incentive starts with obtaining pre-approval. This must be done prior to ordering, procuring, or installing any equipment or materials. By applying, the applicant is making a representation to Efficiency Maine that all information provided in connection with the application is complete and accurate at the time of submission. The intentional provision of any false or misleading information, or the intentional omission of material information, will result in the application being deemed ineligible. Efficiency Maine recognizes that, depending on the nature of a proposed project, third-party vendor, installer, or energy service companies (ESCOs) may assist in the preparation, submittal, and processing of an application on behalf of a customer. Notwithstanding the participation of a third-party vendor, installer or ESCO, Efficiency Maine considers the customer to be the FONs Applicant and requires the customer to be a direct party to the application. Efficiency Maine requires direct communication with the customer as necessary for review and evaluation of an application. Because no project approval or incentive award is guaranteed, no third-party vendor, installer or ESCO should make any firm commitment of incentive award funds in advance of a final notice of award to the customer.

For applications received and accepted by the deadline listed in section 1.3, Efficiency Maine will review the data submitted to ensure accuracy. ***Incomplete applications will not be accepted for review and the***

applicant will be notified in writing by email. Efficiency Maine reserves the right to conduct pre-inspections at project sites and/or to request additional information during the review process. A representative from Efficiency Maine may schedule site inspection visits through the point of contact listed in the FON Project Application and Commitment Form (Attachment A), during the pre-approval period.

Once Efficiency Maine completes its review, it will make a formal incentive pre-approval offer through an "Approved Scope of Work" emailed to the applicant and the installer. The Approved Scope of Work and Terms and Conditions will be sent to the applicant and will indicate the approved scope of work and estimated project incentive pending project completion. Incentives received by the applicant may be taxable by the federal, state, and local government. A W9 will be sent with the Approved Scope of Work to ensure correct tax information of the applicant. If the applicant wishes to accept this incentive offer, the applicant, and the installer (QP) must sign the Approved Scope of Work and Terms and Conditions and return them with the completed W9 for the applicant via email.

SECTION 6: PROJECT COMPLETION PROCESS

Upon completion of all work as outlined in the Approved Scope of Work (see section 1.3 for project completion deadline), the applicant and the installing contractor must sign and return the Customer Project Acceptance Form along with any material and installation invoices to the email address listed in Section 4. Efficiency Maine will conduct a final project review and process the applicant's incentive(s). Once the final project review has been completed, payment will be processed to the customer. Efficiency Maine reserves the right to conduct a post-installation inspection during the final project review. A representative from Efficiency Maine will schedule site inspection visits through the point of contact listed in the FON Project Application and Commitment Form (Attachment A). Efficiency Maine will conclude all approved incentive payments by November 15, 2027.