

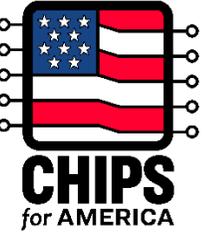
CHIPS for America Financial Information for Full Application

June 29, 2023



NIST





TODAY'S CHIPS PROGRAM OFFICE SPEAKERS



Sara O'Rourke
Investments Office Chief
of Staff and Head of
Operations



Franklin Keller
Investments Office
Investment Director



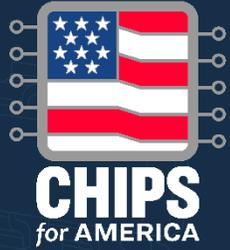
Mary Alex Smith
Investments Office
Investment Principal



Olivia Briffault
Investments Office
Investment Principal



Sophia Rubio
Public Engagement



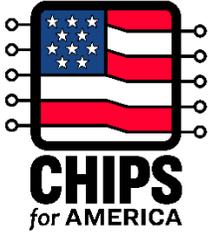
AGENDA & OBJECTIVES FOR TODAY

Agenda

- Intro & Reminder of CHIPS for America Vision, Application Process, and Program Priorities – 20 mins
- Overview of and Deep Dives into Financial Information Sections of Full Application – 40 mins
- Next Steps and Additional Resources – 5 mins
- Q&A – 5 min

By the end, attendees should understand

- What financial information applicants should submit as part of a full application
- What the program's expectations are with respect to financial information submitted
- How to demonstrate whether an application aligns with the financial and commercial program priorities



COMMERCIAL FABRICATION FACILITIES NOFO

The CHIPS Incentives Program - Commercial Fabrication Facilities NOFO is the official funding announcement document. Nothing in this presentation or the accompanying materials is intended to contradict or supersede information in the NOFO. The NOFO controls in the event of any conflicts

CHIPS FOR AMERICA VISION



Economic Security

The CHIPS Act will strengthen supply chain security and increase economic resilience in critical sectors.



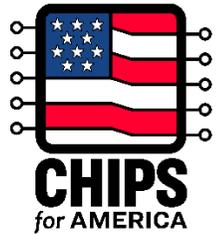
National Security

The CHIPS Act will support U.S. manufacture of high-quality and secure chips for defense and other critical infrastructure applications.

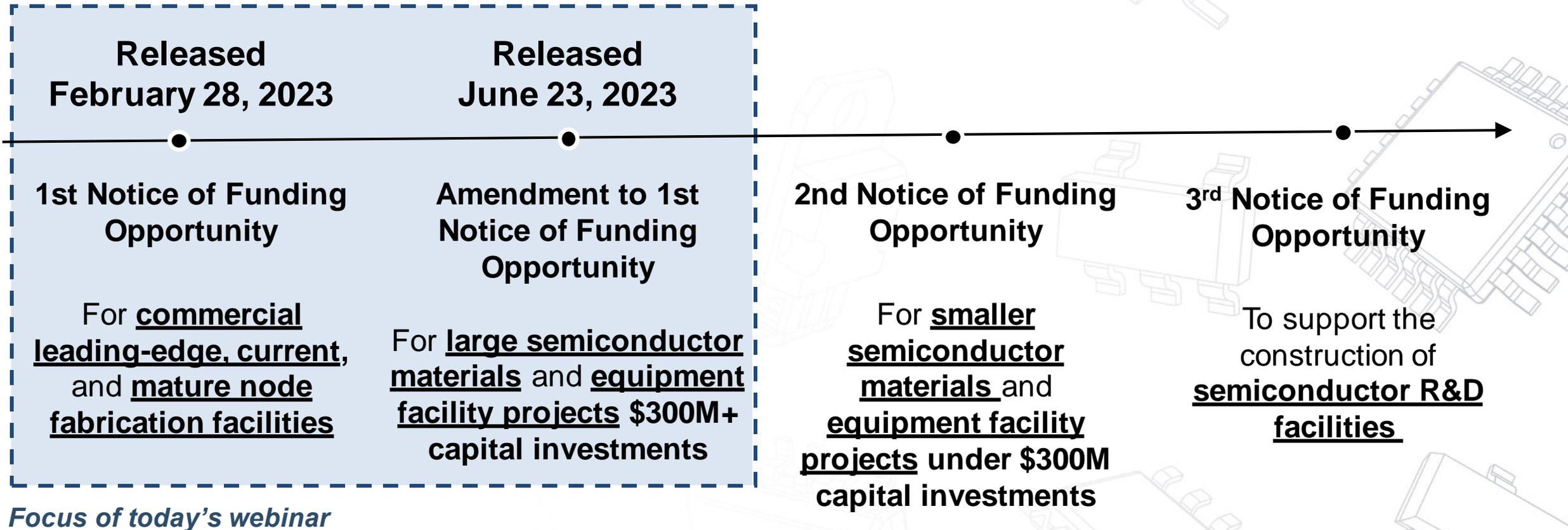


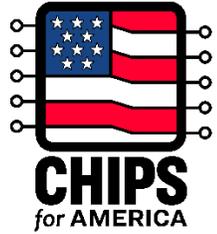
Future Innovation

The CHIPS Act will spur innovation, increase competitiveness, and ensure long-term U.S. leadership in the sector.



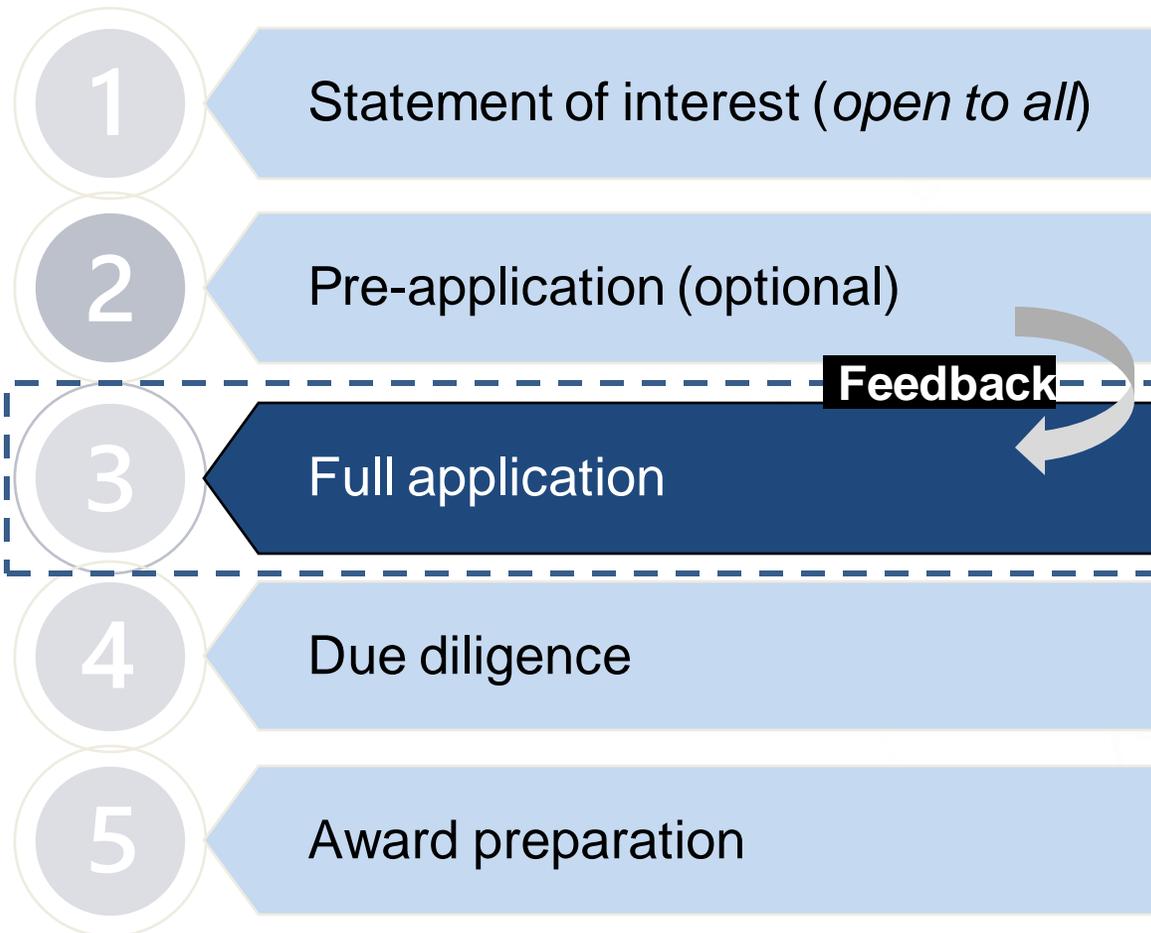
FUNDING OPPORTUNITIES





APPLICATION PROCESS

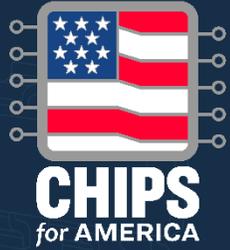
Submissions accepted as of....



Leading-edge	Current-gen, mature-node, and back-end	Large Supply Chain Projects
February 28, 2023	February 28, 2023	February 28, 2023
March 31, 2023	May 1, 2023	September 1, 2023
March 31, 2023	June 26, 2023	October 23, 2023

Focus for today

PROGRAM PRIORITIES



Economic
and national
security
objectives



Commercial
viability



Financial
strength



Technical
feasibility
and
readiness



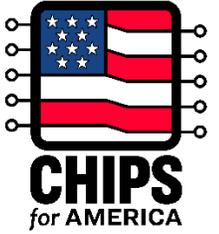
Workforce
development



Broader
impacts

Deep dive on next pages

Commerical Viability



Demand for the product

Size / diversity of customer base

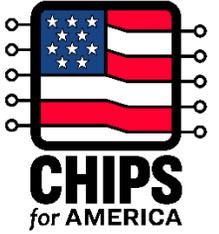
Existing and planned supply

Expected volume and pricing dynamics

Ability to counter potential technological obsolescence of the facility

Stability and predictability of key supplies

Financial Strength



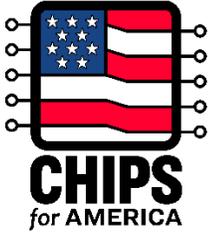
Financial strength of the applicant/parent

Financial strength of the project

Commitment of private / third party investment

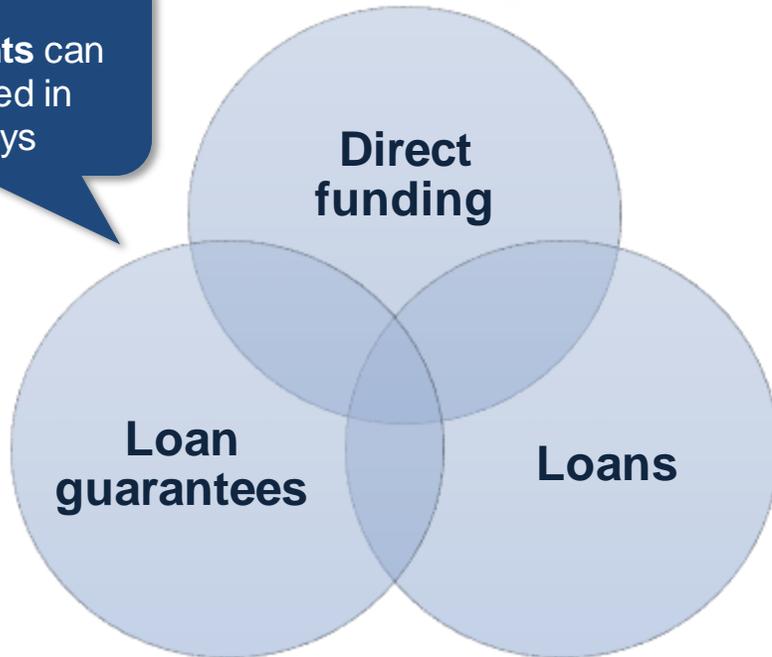
Reasonableness / suitability of CHIPS funding request

Funding Instruments & Allocation



Funding Instruments

★ **Fundings Instruments** can be combined in multiple ways



★ **CHIPS Incentive Awards** are not meant to be a primary source of funding

Primary funding sources:

- Private Investments
- Investment Tax Credit (26 U.S.C. § 48D)
- State & Local Incentives

Total funding

For CHIPS **Direct Funding**, up to **\$38.2B** available in total

For CHIPS **Loans and Loan Guarantees**, up to **\$75B** in total in direct loan or guaranteed principal

Funding by project

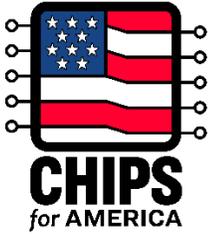
Direct funding is generally expected to be **5-15% of project capital expenditures**

Expected total amount of a CHIPS Incentives Awards generally expected not to exceed **35% of project capital expenditures**

★ **CHIPS Incentives Request guidelines** are calculated from project capital expenditures, not total project costs

FULL APPLICATION FINANCIAL INFORMATION

Key Differences vs. Pre-Application



Pre-Application

Full Application

Overall Objective

Create an opportunity for dialogue between CPO and the potential applicant to ensure the proposed application would meet program requirements and address program priorities

Enable the evaluation of the merit of proposed projects and the negotiation of preliminary terms of a potential award

Sources and Uses of Funds & CHIPS Incentives Request

Figures provided are expected to be estimates and are permissible to be rough approximations for high-level cost categories

Figures expected to be completed on a best-efforts basis with exact amounts and additional breakdown of categories

Dynamic, Integrated Spreadsheet

High-level summary of the expected revenues, costs, and cash flows for each project

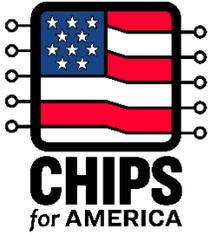
- Detailed project cash flow, income statement, and balance sheet projections and relevant performance and risk metrics for each project
- Scenario analysis to explore potential outcomes and evaluate financial resilience of each project

KEY SECTIONS TO COVER TODAY

- Full Application
- A. Cover Page
- B. Covered Incentive**
- C. Description of Project**
- D. Applicant Profile**
- E. Alignment with Economic Resilience and National Security Objectives
- F. Commercial Strategy**
- G. Financial Information**
- H. Project Technical Feasibility
- I. Organization Information**
- J. Workforce Development Plan
- K. Broader Impacts
- L. Standard Forms

Legend

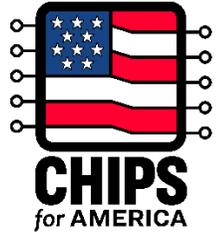
-  Deep dive in subsequent pages
-  Key reminder



- B. Covered Incentive** 
*State or Local Government letter offering offered a qualifying covered incentive – **required for award; should also be indicated as a source of funds***
- C. Description of Project** 
*Includes Justification for CHIPS Incentives – **important to explain how the CHIPS incentives requested will incentivize the applicant to make investments in the US that would not occur otherwise***
- D. Applicant Profile** 
Key applicant information including company financials, equity capital structure, and outstanding debt
- F. Commercial Strategy** 
*Includes information on customer and end-market demand – **important to provide top customer, actual use cases, and potential use cases as available***
- G. Financial Information** 
Key financial information for the project, including sources and uses, financial statement and metrics, scenario analysis, incentives request, loan or loan guarantee request
- I. Organization Information** 
Key details on the organization including structure, past project history and others

Legend

-  PDF Upload
-  Excel Upload
-  Web Form



D. APPLICANT PROFILE

Full Application

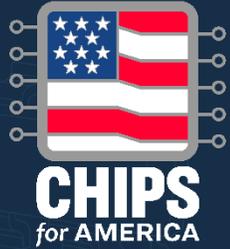
▶ Applicant Profile

I. Descriptive Applicant Information  Descriptive narrative

II. Company Financials    Provide audited and interim financial statements, key financial metrics, and credit rating information

III. Equity Capital Structure   Provide information on shareholders, equity structure, and planned equity issuances

IV. Outstanding Debt    Provide details of outstanding debt and planned debt issuances



II. COMPANY FINANCIALS

PDF



Excel



★ If applicants are unable to provide all information requested they should **provide what they can**

Application Materials

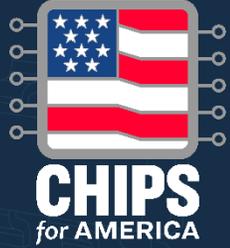
Document Upload, including

- **Audited Consolidated Financial Statements** - *At fiscal year-end for each of the past 5 years*
- **Interim Financial Statements (if available)** - *For current year*
- **Financial metrics** - *Include all available metrics*
- **Credit Ratings** - *Include NRSRO ratings and latest rating reports*

- ★ **Financial Metrics** should include,
- Margin
 - Free cash flow and return information
 - Leverage
 - Debt service coverage
 - Related ratios – *refer to NOFO Section IV.I.4 for full list of related ratios*
 - Asset coverage ratios
 - Working capital ratios

Resources Available

- Commercial Fabrication Facilities NOFO



IV. OUTSTANDING DEBT

PDF



Excel



Application Materials

Document Upload

- Schedule listing outstanding debt
- Description of planned debt instruments
- Cash information and net debt calculations



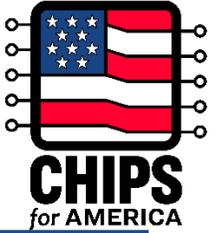
Provide details on **Outstanding Debt** including information such as size, cost of financing, seniority of instruments, maturity, collateral pledged to lenders, and any restrictive covenants inhibiting the company's ability to take on additional debt

If applicants are unable to provide exact figures due to confidentiality restrictions, they should provide approximate information.



Resources Available

- Commercial Fabrication Facilities NOFO



G. FINANCIAL INFORMATION

Full Application

G. Financial Information

I. Financial Plan

Detailed description of project financial plan

II. Sources and Uses of Funds

Descriptive narrative and details on project costs and project capital sources

III. Project Financial Statements and Metrics

Project cash flow, income statement, and balance sheet projections and relevant metrics for each project

IV. Scenario Analysis

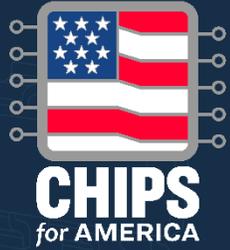
Evaluation of financial resilience of each project by illustrating the financials under a plausible range of scenarios

V. CHIPS Incentives Request

Summary of requested dollar amounts for CHIPS Direct Funding, Loan and/or Loan Guarantee

VI. CHIPS Loan or Loan Guarantee Request

Description of proposed terms for Loan and/or Loan Guarantee Request



I. FINANCIAL PLAN



Application Materials

Financial Plan

Detailed description of project financial plan including,

- **Sources and Uses of Funds** – written summary of the project costs and capital sources
- **Cash Flow projections** – description and justification on the assumptions and methodology used for use the financial model
- **Key equity return and debt service metrics** – description and justification for metrics used in the financial model
- **CHIPS Incentives request** - narrative description of rationale and justification for the incentives request
- **Scenario Analyses** - description of rationale for the scenarios selected and summary of the financial resilience of each project

Pre-App and Full App Comparison

- Both Pre-App and Full App require a summary narrative for the financial information
- However, the Full Application requires a **financial plan per project proposed** and incorporates narratives on **cash flow projections, key equity return and debt service metrics** and the **sensitivity analysis**

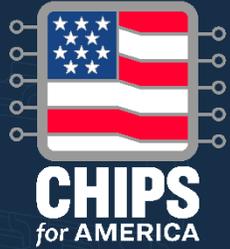
Resources Available

- Commercial Fabrication Facilities NOFO

II. SOURCES AND USES OF FUNDS



★ Information provided on spreadsheet should match the information provided on the web form



Application Materials

- Narrative**
Descriptive summary of the project costs and capital sources (*in I. Financial Plan*)
- Spreadsheet Template**
Figures for the project costs and capital sources for each facility reported and the aggregated total for all facilities
- Web Form**
Spreadsheet calculated totals for project uses, sources and the sum of state and local government incentives

Pre-App and Full App Comparison

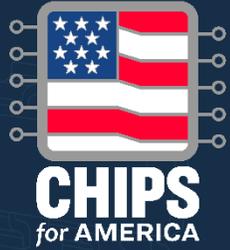
- Both Pre-App and Full App require Sources & Uses of Funds
- However, there are different templates for Pre- and Full App – the Full Application Full Application requires more detail



Resources Available

- Commercial Fabrication Facilities NOFO
- Sources and Uses of Funds Instructions
- Full Application Sources and Uses of Funds template

[🔍 Deep Dive on the next page](#)



II. SOURCES AND USES OF FUNDS

Template Sources and Uses



★ A “project” is a set of capital expenditures for the construction, expansion, or modernization of a single facility

The Sources and Uses spreadsheet template contains multiple sheets:

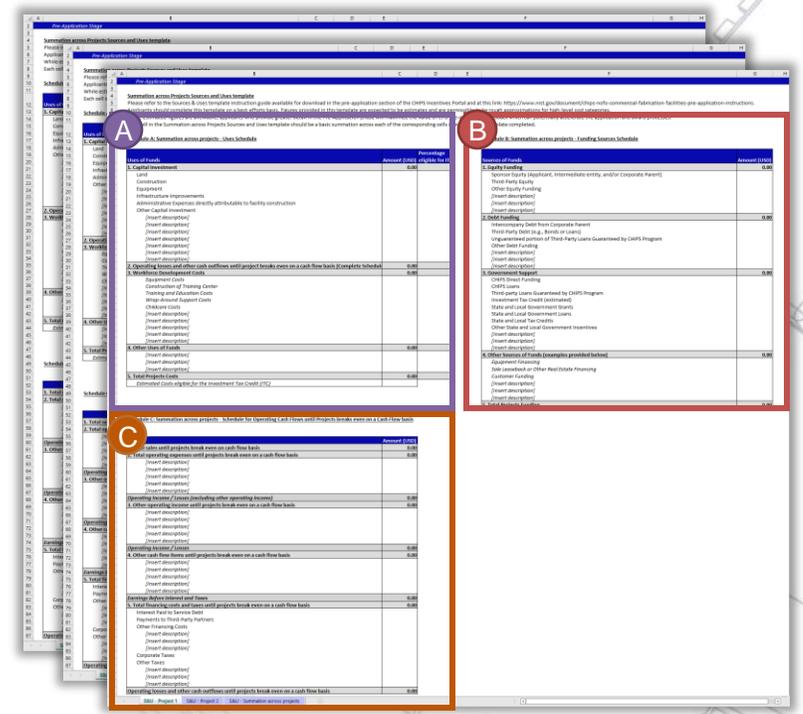
- Complete a separate “S&U – Project #” for each project
- Populate the “S&U - Summation across projects” sheet

★ The summation sheet should be linked across project sheets

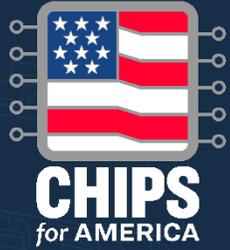
Each sheet contains 3 schedules

★ In Sources and Uses, Total project capital sources should equal the project costs

- A Schedule A – Uses
- B Schedule B – Funding Sources
- C Schedule C - Operating Cash Flows until Project breaks even on a Cash Flow basis
- D The summation sheet also contains Free Response Questions



Note: Screenshots from Pre-App Template shown. Make sure to use the Full App S&U template



II. SOURCES AND USES OF FUNDS

Template Sources and Uses – Schedule B



Components

1. Equity Funding

2. Debt Funding

3. Government Support

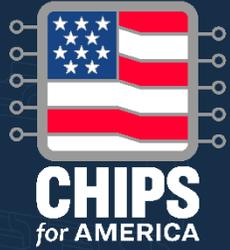
4. Other Sources of Funds

Sources of Funds	Amount (USD)
1. Equity Funding	0.00
Sponsor Equity (Applicant and/or Corporate Parent)	
Third-Party Equity	
Other Equity Funding	
<i>[Insert description]</i>	
2. Debt Funding	0.00
Intercompany Debt from Corporate Parent	
Third-Party Debt (e.g., Bonds or Loans)	
Unguaranteed portion of Third-Party Loans Guaranteed by CHIPS Program	
Other Debt Funding	
<i>[Insert description]</i>	
3. Government Support	0.00
CHIPS Direct Funding	
CHIPS Loans	
Third-party Loans Guaranteed by CHIPS Program	
Investment Tax Credit (estimated)	
State and Local Government Grants	
State and Local Government Loans	
State and Local Tax Credits	
Other State and Local Government Incentives	
Other Federal grants, loans or guarantees	
<i>[Insert description]</i>	
4. Other Sources of Funds (examples provided below)	0.00
Equipment Financing	
Sale Leaseback or Other Real Estate Financing	
<i>Customer Funding</i>	
<i>[Insert description]</i>	
Total Project Funding	0.00

★ Investment Tax Credit
 The estimation should take into consideration the initial ITC received on the asset net of the loss of depreciation on the portion of assets receiving the credit

B Schedule B: Funding Sources Schedule

Figures for all sources of funding that will contribute to the project



II. SOURCES AND USES OF FUNDS

Template Sources and Uses – Schedule C



Components

1. Total sales until projects break even on cash flow basis

2. Total operating expenses until projects break even on a cash flow basis

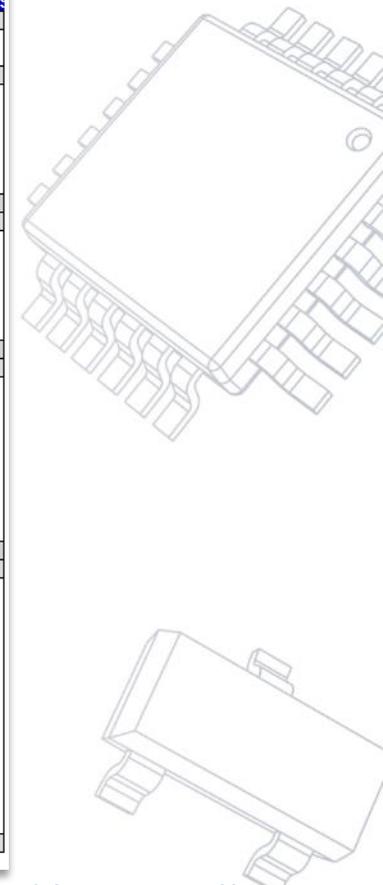
3. Other operating income until projects break even on a cash flow basis

4. Other cash flow items until projects break even on a cash flow basis

5. Total financing costs and taxes until projects break even on a cash flow basis

Schedule C: Project # - Schedule for Operating Cash Flows until Project breaks even on a Cash Flow basis

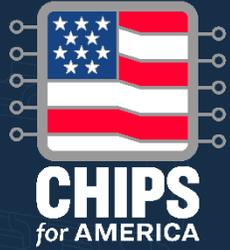
	Amount (US\$)
1. Net sales until project breaks even on cash flow basis	0.00
Gross sales until project breaks even on cash flow basis	
Price discounts (if applicable)	
2. Total operating expenses until project breaks even on a cash flow basis	0.00
<i>(insert description)</i>	
Operating Income / Losses (excluding other operating income)	0.00
3. Other operating income until project breaks even on a cash flow basis	0.00
<i>(insert description)</i>	
Operating Income / Losses	0.00
4. Other cash flow items until project breaks even on a cash flow basis	0.00
Semiconductor Manufacturing Equipment Replacement through breakeven	
Upgrades / Modifications to Semiconductor Manufacturing Equipment through Breakeven	
Net Working Capital	
<i>(insert description)</i>	
Earnings Before Interest and Taxes	0.00
5. Total financing costs and taxes until project breaks even on a cash flow basis	0.00
Interest Paid to Service Debt	
Payments to Third-Party Partners	
Other Financing Costs	
<i>(insert description)</i>	
Corporate Taxes	
Other Taxes	
<i>(insert description)</i>	
<i>(insert description)</i>	
<i>(insert description)</i>	
Operating losses and other cash outflows until project breaks even on a cash flow basis	0.00



Schedule C - Operating Cash Flows until Project breaks even on a Cash Flow basis

Detailed breakdown of revenues, operating expenses, other operating income, other cash flow items and financing costs & taxes until project breaks even on a cash flow basis

★ Break even is the point in time when cashflows turn positive and the facility can sustain itself without additional funding



II. SOURCES AND USES OF FUNDS

Template Sources and Uses – Schedule D



★ On the summation sheet, complete all applicable Free Response Questions

D Summation across projects – Free Response Questions

Six free response questions are included to allow the applicant to provide commentary

Questions (abbreviated)

Question 1: Provide an explanation on how the equity injected into the project legal entity (by the applicant, its corporate parent or third-party partners) is funded...

Question 2: If known, provide information on the key features and terms & conditions related to the debt funding raised by the applicant...

Question 3: Explain how you estimated the value of the benefit from the Investment Tax Credit.

Question 4: Are there any other state or local incentives that provide funding in a form that is not a direct grant or loan, such as reduced utilities costs, reduced taxes, etc.?

Question 1: Provide an explanation on how the equity injected into the projects legal entity (by the applicant, its corporate parent or third-party partners) is funded. If debt is raised on the corporate parent's or third-party partner's balance sheet, outside of the project legal entity structure, and then downstreamed as equity, please provide details on the amount of debt attributable to this project.

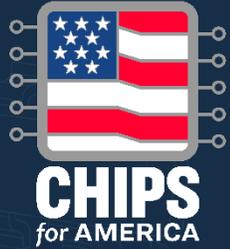
Question 2: If known, provide information on the key features and terms & conditions related to the debt funding raised by the applicant (e.g., Tenor, Fixed vs. Floating rate, Interest rate, Amortization features, pre-payment

Question 3: Explain how you estimated the value of the benefit from the Investment Tax Credit.

Question 4: Are there any other state or local incentives that provide funding in a form that is not a direct grant or loan, such as reduced utilities costs, reduced taxes, etc.? If yes, please describe and estimate incentive amount(s) through the life of the project, and through the time period until cash flows turn positive.

Question 5: Is there any other information related to Sources of Funds for the facilities that we should know?

Question 6: Is there any other information related to Uses of Funds for the facilities that we should know?



III./IV. PROJECT FINANCIAL STATEMENTS AND METRICS & SCENARIO ANALYSIS



Financial Model

The Example Financial Model provided for the Pre-Application is not suitable for the Full Application due to lower granularity, metrics and scenario analysis; Applicants are encouraged to use their own internal models so long as they adhere to the guidelines

Application Materials

III./IV. Dynamic, Integrated Spreadsheet



Project-level financial statements should include detailed cash flow, income and balance sheet statements for each facility, through the end of the facility's useful life as well as a scenario analysis with stressing model parameters under a range of scenarios or assumptions

IV. Scenario Analysis - Narrative



Description of rationale for the scenarios selected and summary of the financial resilience of each project *(in I. Financial Plan)*

Pre-App and Full App Comparison

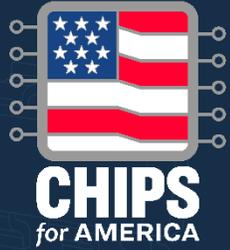
- Both Pre-App and Full App require dynamic, integrated spreadsheet for project financial information
- However, the Full Application also requires **more detailed inputs and assumptions**, the **addition of key performance and risk metrics**, and a range of embedded **scenario analysis**



Resources Available

- Commercial Fabrication Facilities NOFO
- Guiding Principles for Full Application Financial Model

Deep Dive on the next page



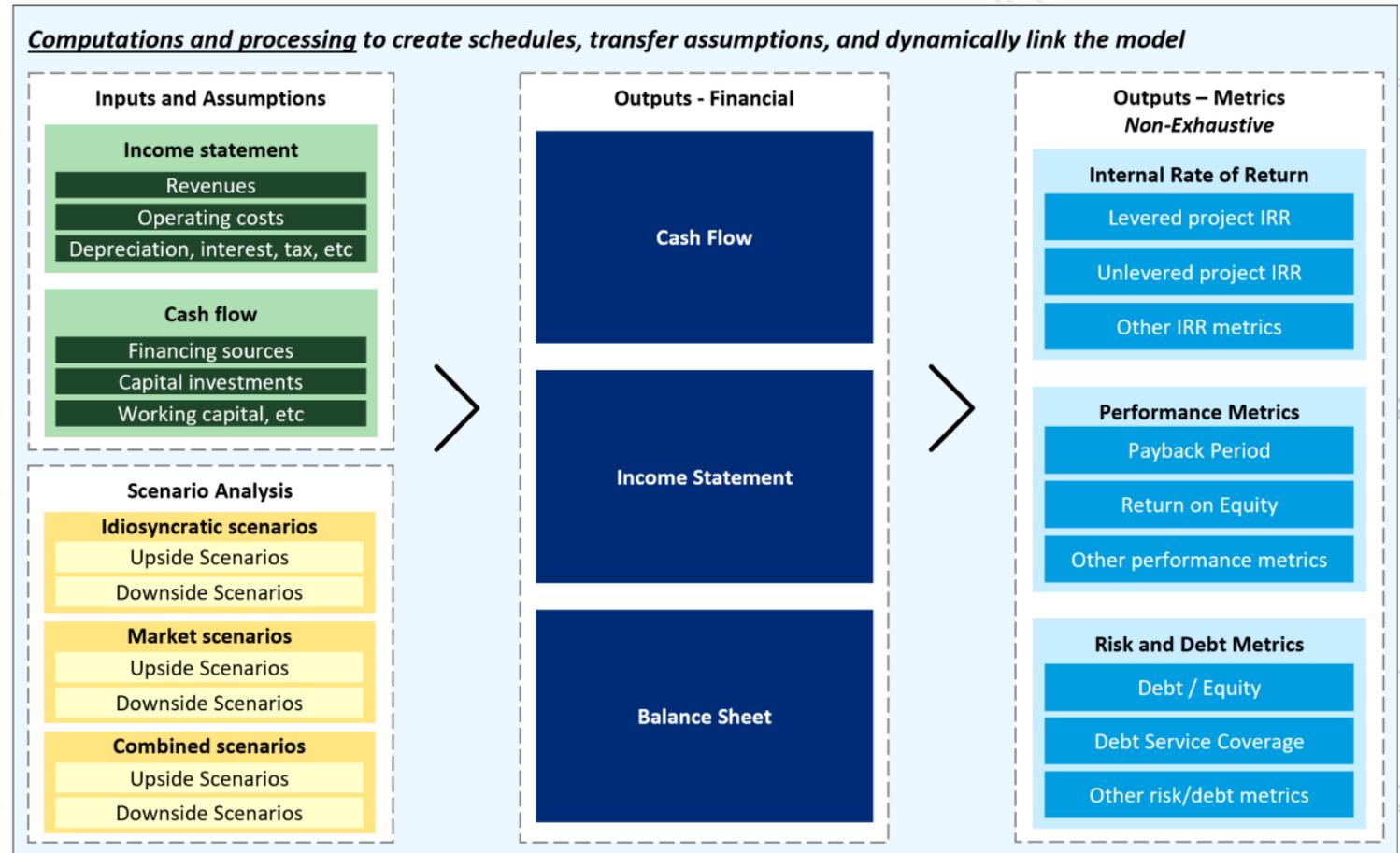
III./IV. PROJECT FINANCIAL STATEMENTS AND METRICS & SCENARIO ANALYSIS

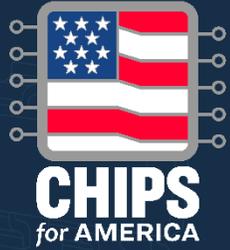
Guiding Principles – Model Structure



A Model Structure

Model worksheets should be fully dynamic and linked through formulas and calculations, rather than hardcoded values, to allow traceability across the various inputs, processing, and output spreadsheets





III./IV. PROJECT FINANCIAL STATEMENTS AND METRICS & SCENARIO ANALYSIS

Guiding Principles – Granularity

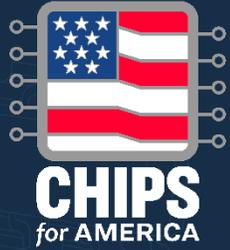


B Granularity

Detailed financial inputs are critical for a comprehensive review of the project’s financial strength

★ Submissions that lack sufficient granularity may require requests for additional information, which could cause delays in the review process

Principle	Description
<i>Consistency</i>	Assumptions should generally have a consistent level of detail across the model, informed by the size and complexity of the project and the level of detail the applicant uses to evaluate its business
<i>Reasonableness</i>	Assumptions should be sensible and derived from reputable data sources
<i>Functionality</i>	Assumptions should be broken down into a comprehensive set of underlying drivers , there should be traceability to all underlying components, such that they can be validated and sensitized



III./IV. PROJECT FINANCIAL STATEMENTS AND METRICS & SCENARIO ANALYSIS

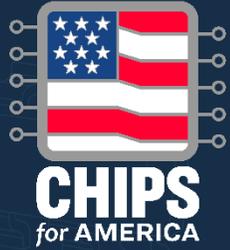
Guiding Principles – Metrics



Metrics

Applicants should capture key outputs in the form of internal rate of return (IRR), financial performance metrics, and risk and debt service metrics

Principle	Description
<i>Relevance</i>	Metrics should reflect the most appropriate measures of performance and risk based upon the project type and underlying business
<i>Comprehensive</i>	Applicants should include all metrics needed to assess project risks and performance
<i>Standardized</i>	Metrics should be consistent with industry standards and best practices



III./IV. PROJECT FINANCIAL STATEMENTS AND METRICS & SCENARIO ANALYSIS

Guiding Principles – Scenario Design



D Scenario Design

Scenario analyses should flow through the end-to-end model to demonstrate the impact on the output financials as well as the risk, performance, and return metrics

Principle	Description
<i>Appropriateness</i>	Scenarios should reflect historical events or hypothetical situations to test how a project would perform under a range of possible outcomes with varying degrees of likelihood of occurring
<i>Variety</i>	Define and test a diverse range of scenarios and magnitudes to comprehensively assess key project risks and upsides.
<i>Impact</i>	Scenarios that are highest impact on the forecast should be prioritized to understand what the most material risks to the project are and how they impact the risk and return distributions
<i>Directionality</i>	Scenarios should show how the project performs under a variety of positive and negative scenarios to show the upside and downside ranges that may occur
<i>Timing</i>	Scenarios should assess impacts across the useful life of the facility to understand the stress at other points that may cause the project to become at risk



V. CHIPS INCENTIVES REQUEST



Applicants should justify their incentives request – including the extent to which the CHIPS Incentives requested will incentivize the applicant to make investments in facilities and equipment in the United States that **would not** occur in the absence of the incentives.

Application Materials

Web Form



A summary of the funding request and available credit ratings

Narrative



Narrative description that includes the rationale for the incentives request, how the financial information submitted supports a conclusion that the CHIPS Incentives requested will incentivize the applicant to make investments in facilities and equipment in the U.S., description of how the CHIPS Incentives requested were sized based on applicable analyses and why the request is appropriate, and description of specific efforts to date to bring other capital (*in I. Financial Plan*)

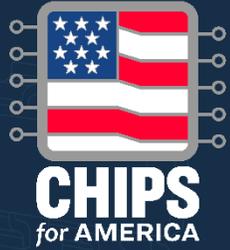
Pre-App and Full App Comparison

- Both Pre-App and Full App require summary of the funding request and accompanying narratives
- However, the Full Application requires **exact amounts** for the funding request as well as a **rationale for the incentives request** and a description of **specific efforts to bring other capital**



Resources Available

- Commercial Fabrication Facilities NOFO
- Full Application Instructions



VI. LOAN OR LOAN GUARANTEE REQUEST

PDF



Application Materials

Narrative

 Description of the proposed terms of the Loan / Loan Guarantee, explanation of efforts to attract debt financing from other sources, and financial / credit related information for any third-party lenders or other entities providing credit support

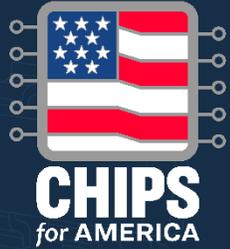


Deep dive on the next page for **Terms for Loan and/or Loan Guarantees**



Resources Available

- Commercial Fabrication Facilities NOFO
- Full Application Instructions



VI. LOAN OR LOAN GUARANTEE REQUEST



Typical / Expected Terms

Interest Rate

Rates will generally be based on the cost of funds to the Department of Treasury for obligations of a comparable maturity plus a portion of the spread to the market rate for similar commercial loans or debt.

Tenor

Loans may be extended for a term that covers the construction period, plus up to 15 years. The maximum tenor is 25 years.

Structure

Depending on the project, loans will be available on both a corporate and project finance basis.

Amortization

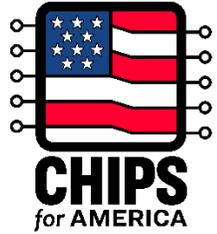
Corporate finance loans may be bullet loans repayable at maturity. Project finance loans may be non-amortizing during the construction period of a project and then amortizing until maturity.

Prepayment

CHIPS Loans may be prepaid at the election of the borrower, subject to prepayment periods, waiting periods, and other terms to be agreed upon.

Legend

-  PDF Upload
-  Excel Upload
-  Web Form



I. ORGANIZATION INFORMATION

Full Application

I. Organization Information

I. Ownership, Legal Entity, and Org Structure

II. Managerial Capability

III. Consortium Applications

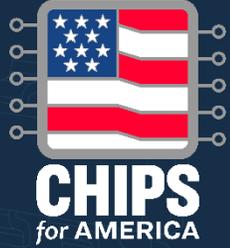
IV. Past Project History  

Summaries of previous comparable facilities, summary financials for each project, and risk and return metrics

V. Intellectual Property Security

VI. Litigation and / or Conflicts

VII. Advisors and Key Partners



IV. PAST PROJECT HISTORY

PDF



Application Materials

Document Upload, including

- **Descriptions of previous comparable facilities** – Details for each comparable facility commissioned by the applicant or parent company, such as type of production, years in operation, location, etc.
- **Summary financials for previous comparable facilities**
- **Risk and return metrics** – Including project IRR

★ Applicants should provide **realized and projected (at time of planning) IRR** for comparable prior facilities

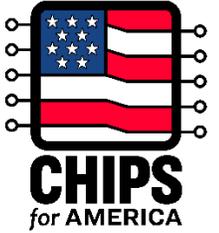
★ **Previous comparable facilities** refer to similar facilities or initiatives (which can include facilities built on previous generation technologies). Applicants should submit information for comparable facilities occurring in the last 10 years (and are encouraged to provide beyond that)

Resources Available

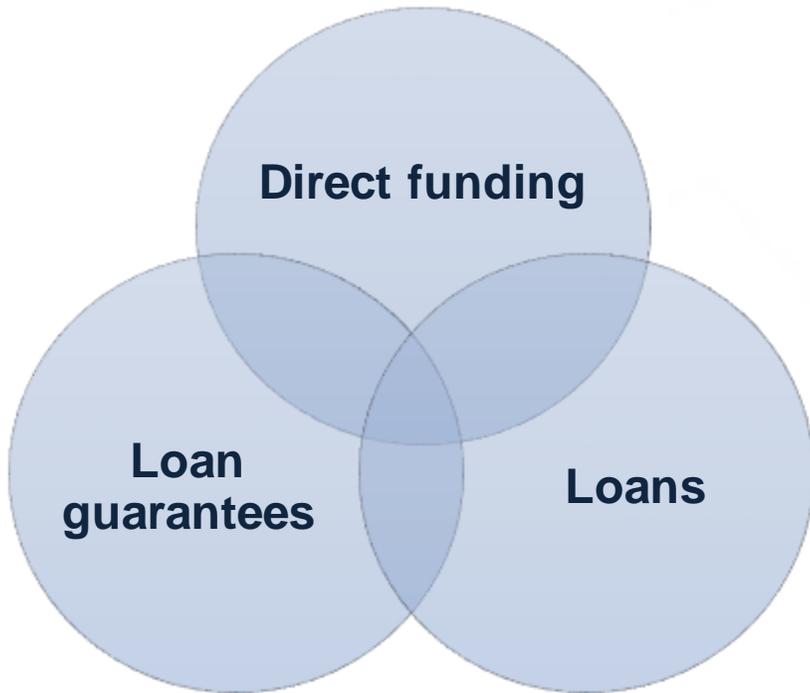
- Commercial Fabrication Facilities NOFO



KEY THINGS TO REMEMBER – PT. 1



Funding Instruments



Alternate (primary) funding sources:

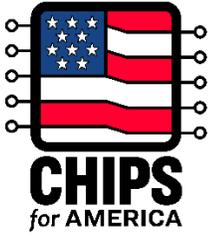
- Private Investments
- Investment Tax Credit (26 U.S.C. § 48D)
- State & Local Incentives

CHIPS Incentive Award Expectations

- ★ CHIPS Incentive Awards are expected to supplement existing or potential funding from private markets – **awards are not meant to be a primary source of funding and applicants should consider creative sources**
- ★ CHIPS Incentive Awards will be negotiated and tailored to every recipient and **may include a mix** of Direct funding, Loans, and Loan Guarantees
- ★ **Loans and Loan Guarantees should be considered** as an important tool for financing. Applicants that have an **existing lender** that support **loan guarantees** should **proactively name the lender** in the application.
- ★ **Direct funding awards are generally expected to fund 5-15% of project CapEx**
- ★ The **total amount of incentive awards is generally expected to not exceed 35%** of project CapEx (this does not include the ITC)
- ★ Applicants should explain the extent to which the CHIPS Incentives requested will incentivize the applicant to make investments in facilities and equipment in the United States that **would not occur** in the absence of the incentives
- ★ **Applicants should explain the methodology behind sizing the award and justify the reasonableness of their request**



KEY THINGS TO REMEMBER – PT. 2



General

- ★ Provide detailed information where possible (lacking information could cause delays in review)
- ★ Provide what you can if not all information requested is available

Various Sections

- ★ Provide information about top customers (and if any are defense) – specifying current vs. potential customers and use-cases
- ★ In Applicant Profile: Include details on Outstanding Debt – if unable to provide exact figures due to confidentiality restrictions, provide approximate information
- ★ Provide past project history – including realized and projected (at time of planning) IRR for comparable prior facilities for at least the last 10 years (and beyond if applicable)

Sources and Uses

- ★ Check that information provided on spreadsheet matches information provided on web form
- ★ Check that Sources and Uses tie (Total project capital sources should equal the project costs)
- ★ Link the summation sheet of the Sources and Uses spreadsheet across project sheets
- ★ Indicate the estimated percentage of costs that will be eligible for the Investment Tax Credit for each line item on “Schedule A: Uses”
- ★ Take the ITC into account on “Schedule B: Sources”
- ★ Complete all applicable Free Response Questions on the summation sheet

Financial Model

- ★ Read the “Guiding Principles for Full Application Financial Model” whitepaper and check that the financial model adheres to those guidelines (and use internal company models so long as they adhere to the guidelines)

HOW TO SUBMIT A FULL APPLICATION



**Earliest submission for
leading edge applicants
March 31, 2023**

**Earliest submission for
current-generation, mature-node
or back-end production facilities
June 26, 2023**

**Earliest submission for
large supply chain projects
October 23, 2023**



**Submit the full application
through
applications.chips.gov**

After Full Application Submission

The CHIPS Program Office may engage to

- ✓ Provide automatic confirmation of receipt
- ✓ Seek further information or clarification
- ✓ Provide feedback on scope of the proposed project and the amount of CHIPS Incentives requested
- ✓ If applicable, negotiate the preliminary terms of a potential award

Next Steps and Additional Resources

Next Steps

- Submit a Full Application
- Visit [CHIPS.gov](https://chips.gov) for additional resources
- Join our mailing list
- Contact us: apply@chips.gov – application-related inquiries

Full Application Guides and Templates

Instruction Guide

- [Full Application Portal and Upload Instructions](#)

Cover Page

- [Cover Page Instructions](#)

Financial Model

- [Guiding Principles for Full Application Financial Model](#)

Sources and Uses

- [Sources and Uses of Funds Instructions](#)
- [Full Application Sources and Uses of Funds template](#)

Environmental Review

- [Environmental Questionnaire](#)

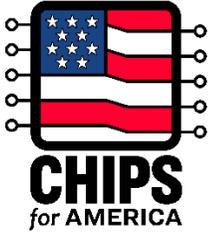
Workforce Development

- [Workforce Development Planning Guide](#)



What constitutes a "covered incentive" from a state and local government?

- The CHIPS Act specifies that an applicant must have been offered a covered incentive from a state or local jurisdiction where the project is located for the purposes of attracting the construction, expansion, or modernization of the facility.
- Each applicant must provide a letter from a state or local government entity to demonstrate they have been offered a qualifying covered incentive indicating the estimated size and nature of the incentive.
- A “covered incentive” may take many forms, including a tax incentive, a workforce-related incentive, any concession with respect to real property, funding for research and development with respect to semiconductors, or any other incentive determined appropriate by the CHIPS Program Office



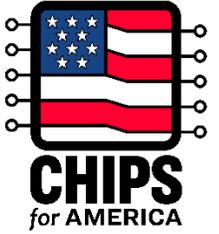
Will the CHIPS Program Office help companies obtain state and local incentives?

It is the applicant's responsibility to obtain state and local incentives.



Will the CHIPS Program Office accept workforce or community investments and covered incentives committed prior to the release of the funding opportunity?

Yes, the CHIPS Program Office will take such investments and/or incentives into account. The quality and depth of such commitments will be evaluated per the criteria in Section V.A ("Evaluation Criteria") of the NOFO.



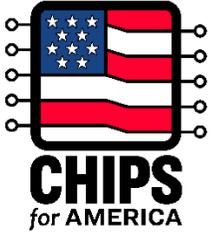
Is the ITC included when calculating the guidance on the total amount of CHIPS Incentive Awards (35% of project capital expenditures)?

No, the ITC is not included in this expectation. CHIPS Incentive Awards, exclusive of the ITC, are generally expected to not exceed 35% of Project CapEx.



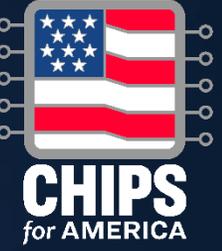
If my company only has a private credit rating, should we provide that?

All applicants are highly encouraged to provide any credit ratings that are available.



Why do I need to provide both projected and realized IRR for historical projects?

- Realized IRR is a function of market conditions which could differ from the conditions at the time of project planning.
- The CPO is looking to understand the applicant's target returns at the time of project planning. Therefore, we are looking for applicants to provide both projected and realized IRRs.



NIST

