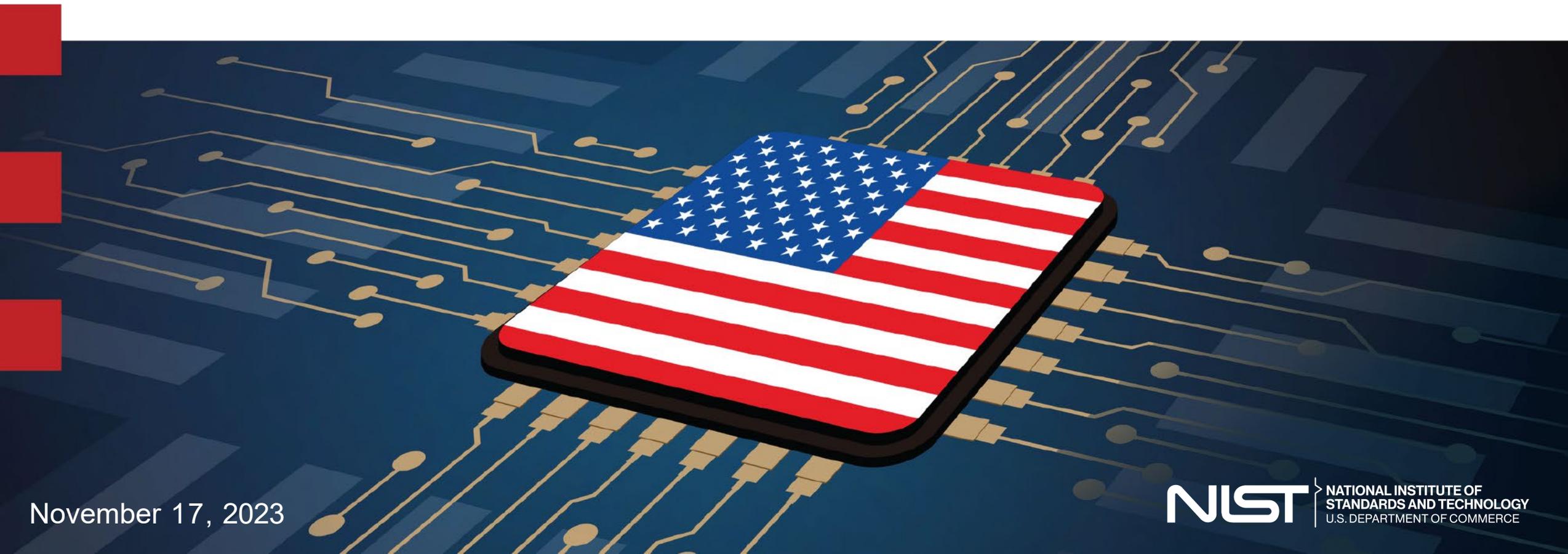


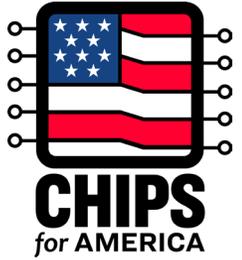
CHIPS for America

How to Apply for the Small Supplier NOFO

Semiconductor materials and manufacturing equipment facilities



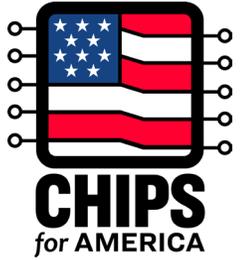
November 17, 2023



WELCOME

- We look forward to your questions. Click the Q&A button, type your question, and click “Post Question” to submit.
- We will answer as many questions as possible today.
- Visit [CHIPS.gov](https://www.chips.gov)
 - Get the Notice of Funding Opportunity
 - Access additional resources for applicants and stakeholders
 - Sign up for email updates
 - Register for future webinars

Today's CHIPS Program Office Speakers



Olivia Briffault
Investment Principal



Harry Finegold
Investment Principal

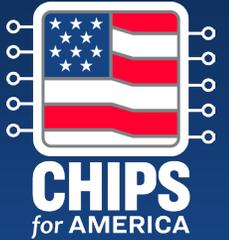


Rachel Lipson
Senior Advisor for Policy



Adam Schafer
Head of Supply Chain
Strategy

Agenda & Objectives



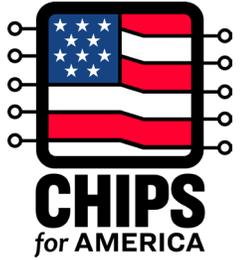
Agenda

- CHIPS for America Vision (5 mins)
- Application Process (10 mins)
- How to Complete a Concept Plan (15 mins)
- What Makes a Good Concept Plan (15 mins)
- Overview of Successful Clusters and Consortia (10 mins)
- Next Steps and Additional Resources (5 mins)

By the end, attendees should better understand

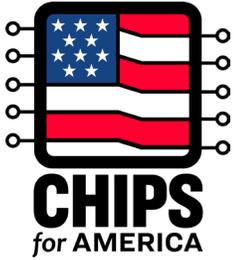
- Vision for Success for the Supply Chain NOFO
- What successful consortia could look like
- What we're looking for in a successful Concept Plan Application
- How to submit a Concept Plan Application

Facilities for Semiconductor Materials and Manufacturing Equipment



The **CHIPS Incentives Program – Facilities for Semiconductor Materials and Manufacturing Equipment 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

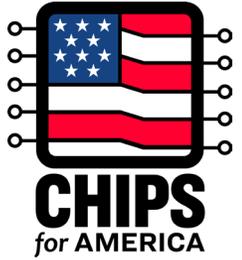
The CHIPS Act will ensure that the U.S. can manufacture advanced technologies, including secure chips for the U.S. military



Future Innovation

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

Vision for Success – Supply Chain for Success



Strengthen Supply Chain Resilience

- ✓ The **U.S. and its allies** will **reduce chokepoint risks** flowing from **geographic concentration**
- ✓ Supply chain participants will improve the **transparency of demand and supply** to **reduce the risks of production disruptions**



Advance U.S. Technology Leadership

- ✓ The U.S. will have **incentivized major U.S. equipment and materials suppliers** to **increase their footprints** in the U.S.
- ✓ **Non-U.S. suppliers** of the world's most advanced equipment, materials, and subsystems will also **establish large-scale footprints** in the U.S.

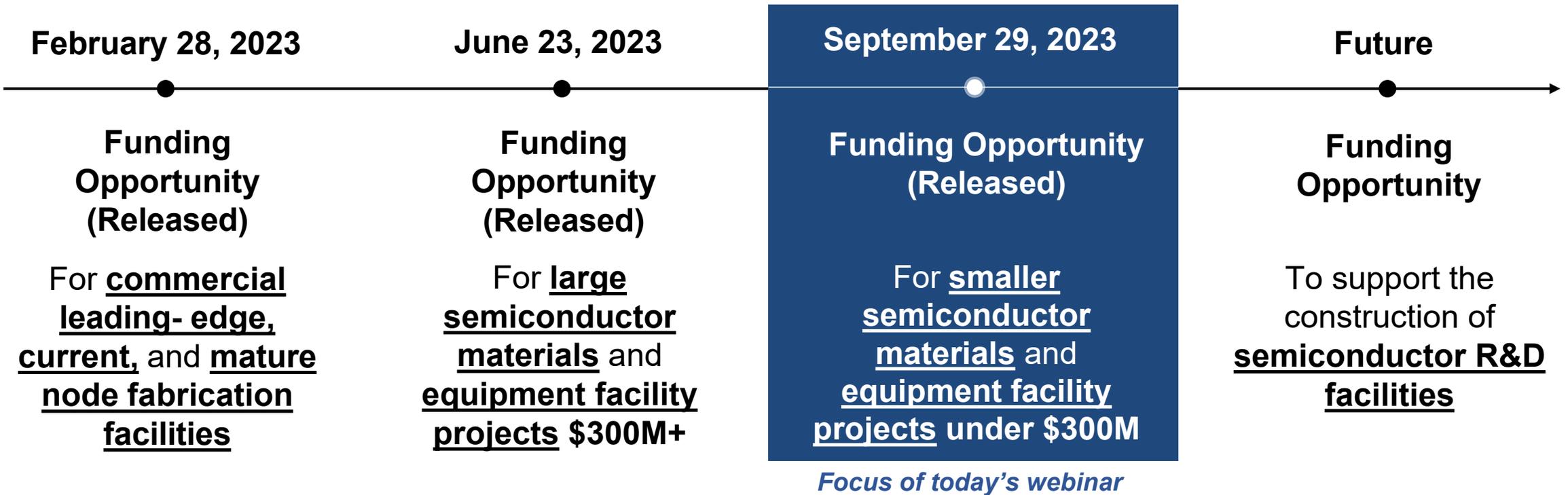
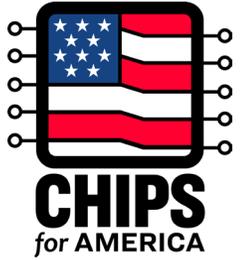
**By the
end of the
decade...**

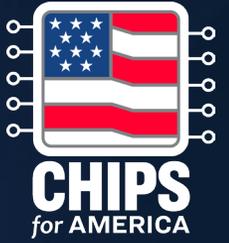


Support Vibrant U.S. Fab Clusters

- ✓ Each **CHIPS-funded fab cluster** in the U.S. will be **supported by dozens of suppliers**, including many **investing in the U.S. for the first time**
- ✓ **State and local entities** encouraged to help **facilitate the expansion of these ecosystems**

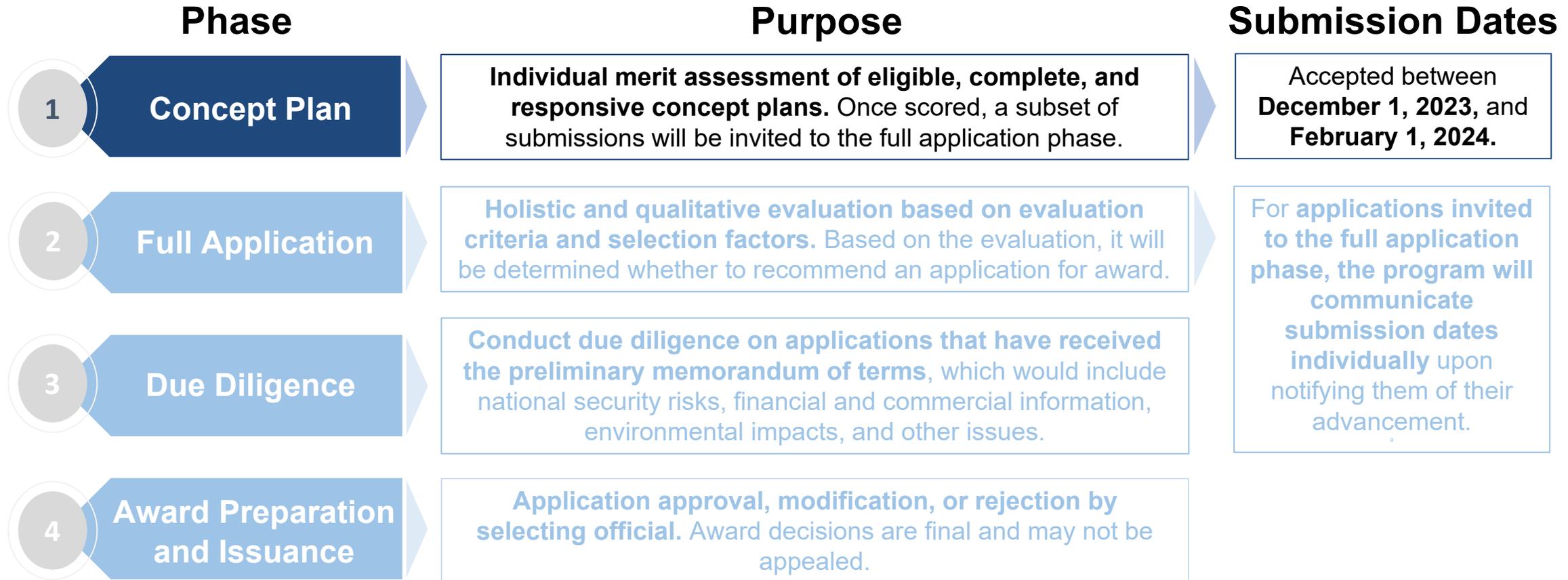
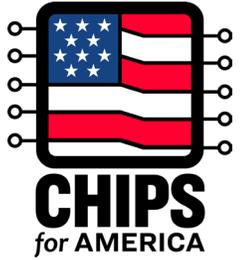
Funding Opportunities





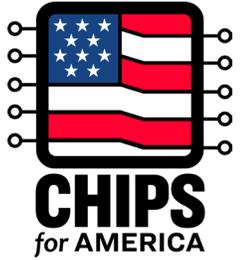
Application Process

Small Supply Chain Application Process



Concept Plan submissions portal opens on November 17. If you are planning to submit a Concept Plan by February 1, please register as soon as possible and familiarize yourself with the portal and resource materials.

Funding Eligibility



For organizations that are...

- private
- non-profit
- consortia

that can substantially...

- finance
- construct
- expand
- modernize

a U.S. facility for...

- production
- assembly

of...

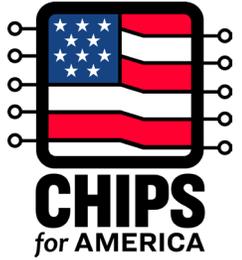
- materials used to manufacture semiconductors
- semiconductor manufacturing equipment

for capital investment of...

- less than \$300 million*

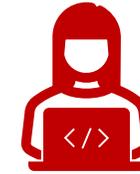
**Projects with capital investments below \$20 million are unlikely to be funded unless justification shows how it meaningfully contributes to the Program's strategic objectives.*

Application and Webinars – Key Dates



Application

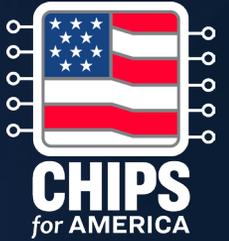
Smaller Supply Chain Funding Opportunity <i>Released</i>	September 29, 2023
<u>Concept Plan Submission Portal</u> <i>Opens</i>	November 17, 2023
Concept Plan Submissions <i>Accepted Between</i>	December 1, 2023, and February 1, 2024
Full Application <i>Invitations to Apply Sent</i>	TBD 2024
Full Application Submission Portal <i>Opens</i>	TBD 2024



Webinars

Smaller Supply Chain Funding Opportunity Launch	September 29, 2023
How to Apply for the Smaller Supplier NOFO	November 17, 2023
How to Complete a Full Application	TBD 2024
Financial Information for Full Application	TBD 2024
Environmental Questionnaire	TBD 2024

Specific dates for the Full Application phase will be announced early 2024



How to Complete a Concept Plan

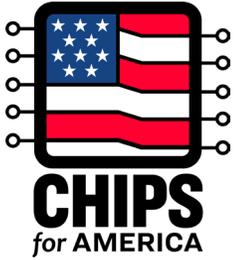
How to Submit



Concept Plan
Submissions Portal
launches **November 17**



Accepted between
December 1, 2023, and
February 1, 2024



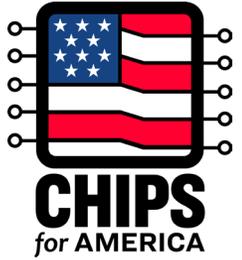
Submit the Concept Plan
Application through
applications.chips.gov

After Concept Plan Submission

The CHIPS Program Office will

- ✓ Send a confirmation email once the Concept Plan Application is submitted
- ✓ Review submission and may reach out for additional information or clarification
- ✓ Provide a written determination

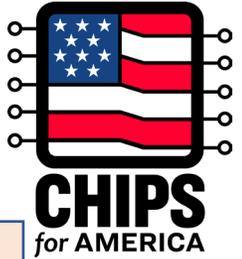
Concept Plan Requirements



	Section	Web Form	PDF	Description
Deep dive on next slides	A	Acknowledgement		Consent to access and use of data and information
	B	Cover Page and Applicant Profile		Provide applicant details (organization information, point of contact, SAM.gov registration status, organization ownership structure, etc.)
	C	Sources and Uses of Funds		Includes the sources & uses forms and CHIPS incentives request justification
	D	Concept Plan Project Information		Project, facility, and facility outputs information <i>If applicable:</i> Enter consortium and partner information
	E	Narrative Uploads		<ol style="list-style-type: none"> 1) Consortium Narrative (<i>if applicable</i>) – no more than 5 pages 2) Concept Plan Narrative (<i>required</i>) – no more than 15 pages 3) Cover Page (<i>optional</i>) – legend for confidential information
	F	Confirmation of Ability to Submit		Confirm eligibility
	G	Attestation and Submission		Submit Concept Plan

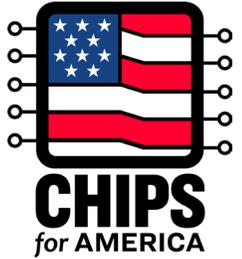
Concept Plan submissions portal opens on November 17

Important Concept Plan Considerations (1/2)

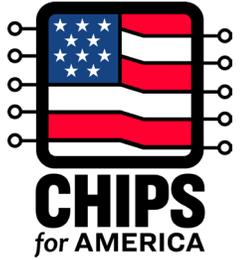


	Section	Key Details	Consortium
B	Cover Page and Applicant Profile	❖ SAM.gov account not yet required, but is required for the award process	
		❖ Note that if you are a subsidiary of another entity the information on the applicant should also be provided for the ultimate corporate parent	
C	Sources and Uses of Funds	❖ Total project capital sources should be greater than or equal to the capital investment costs	
		❖ Chips Incentive justification required. Note: Direct Funding amounts will generally be 10% of project capital expenditures, and in no event greater than 30% of project capital expenditures	
		❖ The Department expects that projects with capital investments below \$20M are unlikely to meet the scalability standard. If a sub-\$20M project does meet this standard, the Department generally expects other stakeholders—including chipmakers, larger suppliers, and state and local entities—to make the project viable without CHIPS funding.	
D	Concept Plan Project Information	❖ Indicate whether the applicant is part of a consortium and if so, a “ Consortium Key ” will be required (generated by the portal). The “Consortium Key” will be generated if the applicant is the first member of its consortium to submit a concept plan.	
		❖ This will include a description of the facility as well as the products the facility will produce (including type of equipment, material, etc.)	

Important Concept Plan Considerations (2/2)



	Section	Key Details	Consortium
E	Consortium Narrative	<ul style="list-style-type: none"> ❖ Applicant will provide the name and role of each member in the consortium, as well as the structure of the consortium and how members intend to collaborate and coordinate with each other. ❖ The applicant must articulate the consortium’s overall strategic vision with a focus on its alignment with the Department’s national security and economic objectives. ❖ The applicant must describe why the proposed projects are necessary to advance the consortium’s vision and why CHIPS funding is necessary for the investments. 	
F	Concept Plan Narrative	<ul style="list-style-type: none"> ❖ Applicant must describe the project including construction, expansion, or modernization activities proposed, products that the facility will produce or will produce, as well as the scale, size, and capacity of production. ❖ Applicant must provide a profile including description of themselves, ownership structure, and primary officers. ❖ The applicant must include a justification on how the incentives will incentivize the investment into facility/equipment and how the incentives will change the nature, speed, and scale of investment. ❖ Applicant must show alignment with the economic and national security objectives including how the project will further them and support supply chain resilience, technology leadership and U.S. fab clusters. ❖ Applicant must prove commercial viability including demand drivers, and provide evidence of demand such as take-off agreements, and letters of reference. ❖ Applicant must show project feasibility and readiness including the project’s technical feasibility, experience and qualifications of key personnel, and a list of comparable facilities previously commissioned. ❖ Applicant must show availability of funds including capital investments and capital sources. 	



How is the requested financial information for this funding opportunity different than what is required for the previous funding opportunity?

- This funding opportunity has been streamlined so that it's tailored for smaller businesses.
- Applicants will be asked to provide information about their planned capital investment and sources of funds via a Sources and Uses of Funds form during the Concept Plan phase. There is no financial model required in the Concept Plan phase.
- A substantially simplified model is required for the Full Application and a sample model is available on the [CHIPS website](#).

Full Application



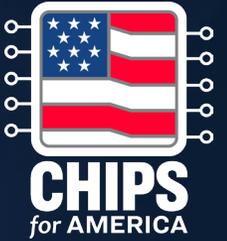
Selected Applicants will be invited to the Full Application phase



For **applicants invited to the full application phase**, the program will **communicate submission dates individually** upon notifying them of their advancement

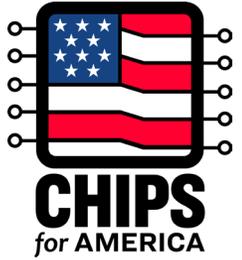
What is Needed?

- being offered a **covered incentive**
- documenting **workforce needs** and a **strategy** to meet them
- making a commitment to **worker and community investment**
- securing commitment from regional **educational and training entities**
- producing a **simplified financial model**
- having an **executable plan** for identifying and mitigating relevant semiconductor supply chain security risks

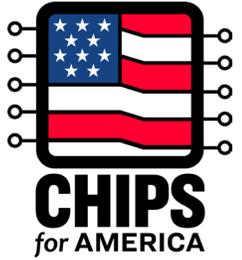


What Makes a Good Concept Plan

NOFO 2 Concept Plan Evaluation Criteria



Total Evaluation Criteria Score = 100 points



Examples of Strong Concept Plans (1/2)

1 Supply Chain Resilience, Tech Leadership, Cluster Support *40 points*

Cluster Support

- Projects that advance clusters by closing critical gaps in the U.S. supplier landscape

Supply Chain Resilience

- Evidence that the project will help reduce chokepoint risks from geographic concentration

Tech Leadership

- Evidence of how a project will develop new and innovative capabilities in the US

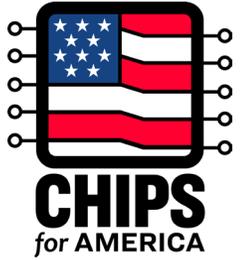
For Consortia: Projects should include an additional description of how the proposed project is necessary to advance the strategic vision of the consortium

NOTE: If a project does not provide cluster support, the application must make a compelling case for advancing one of the Department's other two objectives to receive funding

Commercial Viability *20 points*

- Projects should **use market data** to demonstrate strong underlying demand for the proposed project
- Strong concept plans will **include specific evidence of customer demand** like key off-take agreements, letters of reference or intent, or just a list of top customers for each major product and associated volumes

Examples of Strong Concept Plans (2/2)



3 Likelihood of Success *15 points*

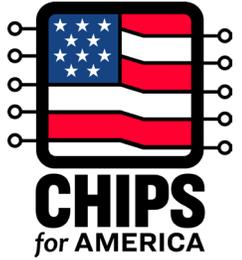
- Projects should show **evidence that they can execute on both the construction and technology** being proposed in the project
- Strong Concept Plans will include a **construction schedule**, a detailed explanation of **the experience and qualifications of key management personnel**, as well as their **experience with projects of similar size and scope**

4 Availability of Non-CHIPS Funding *15 points*

- Projects should provide evidence of **how they intend to crowd in private capital**
- Projects should include **credible evidence of those funds**

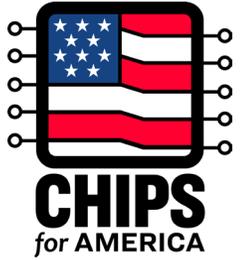
5 Justification for CHIPS Incentives Request *10 points*

- Explain **how CHIPS incentives will incentivize a project that would not occur in the absence of CHIPS incentives** either in size, scope or speed



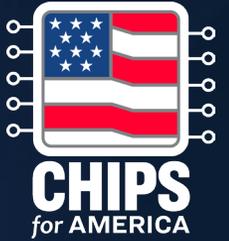
? I am seeking funding for multiple projects. Can I submit them all in one application?

- For the purposes of NOFO 2, applicants may include only one project per application.
- A “project” is defined as a set of capital expenditures for the construction, expansion, or modernization of a single facility.
- If you are seeking funding for multiple projects, you must submit a separate application for each project.



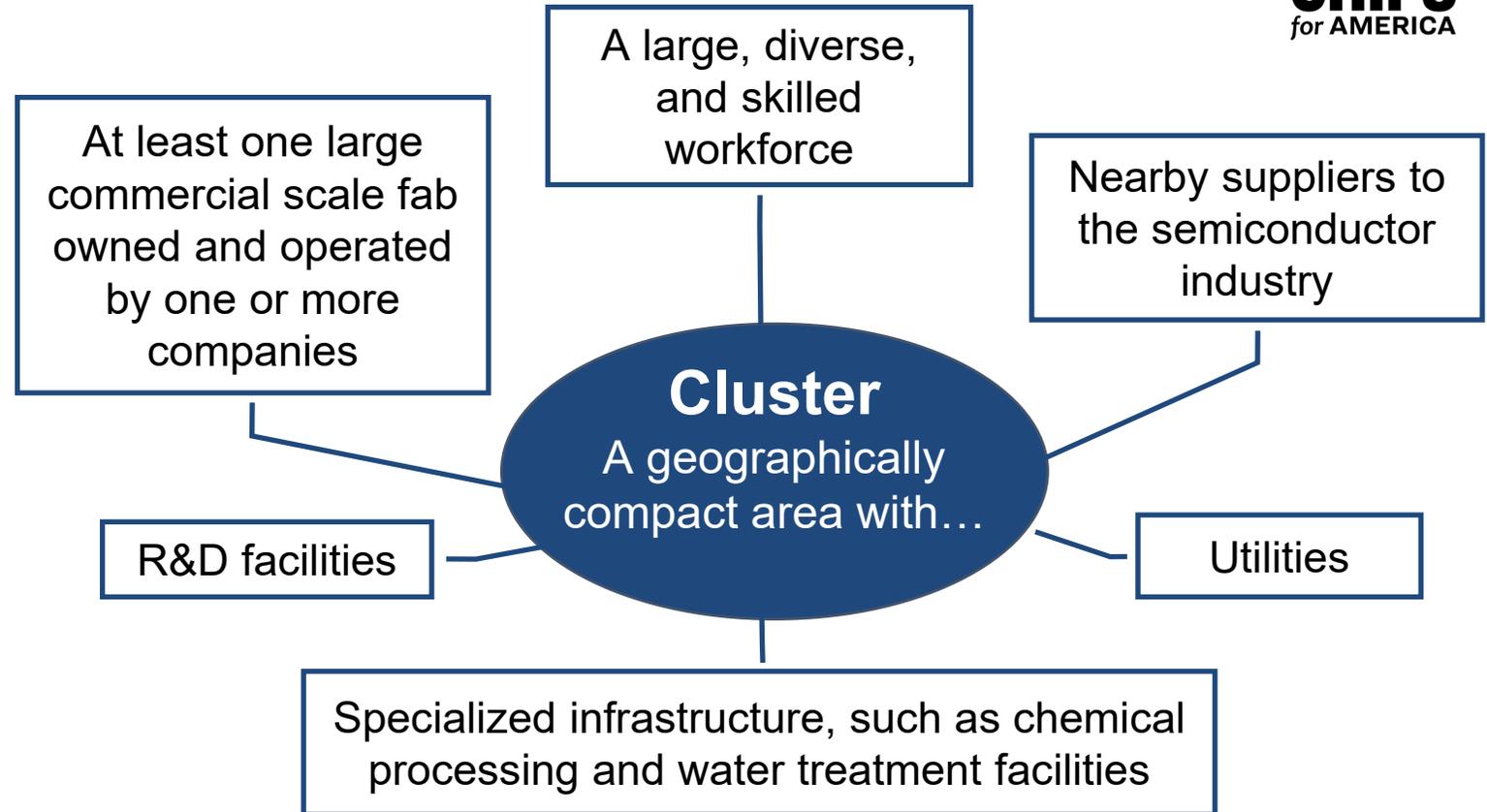
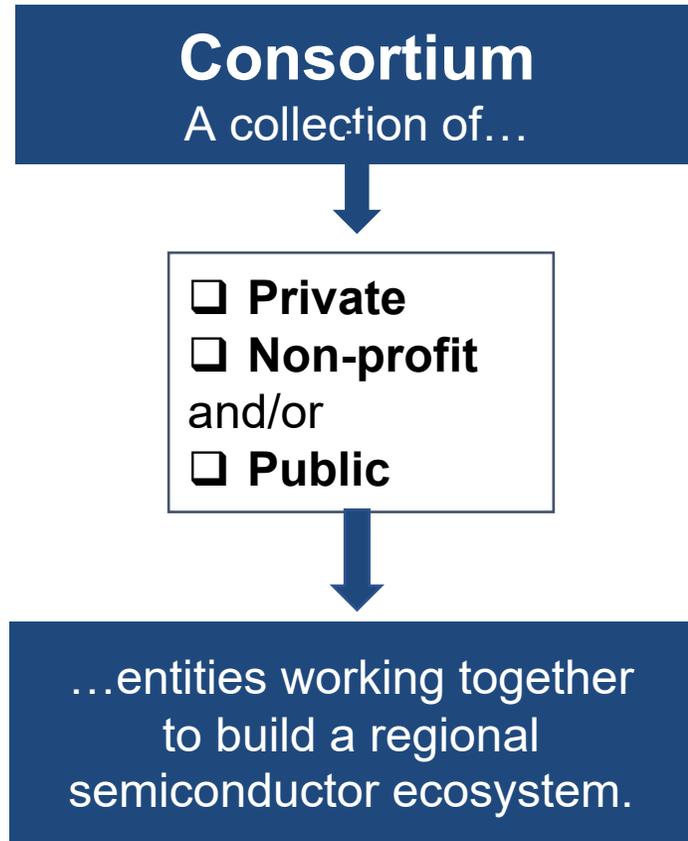
Does this funding opportunity include requirements related to child care and upside sharing?

- Applicants to this NOFO are not required to provide a plan for access to child care because awards under this funding opportunity will not exceed the \$150 million threshold established in the first NOFO.
- This is the same reason the NOFO does not include an upside sharing requirement.
- With respect to child care, applicants are still strongly encouraged to consider providing their workers with access to child care.



Overview of Successful Clusters and Consortia

Defining Consortia and Clusters



Businesses are not expected to create clusters on their own. If a project does not support a cluster, the application must make a compelling case for advancing either Supply Chain Resilience and Risk Management or US Technology Leadership.

Consortium Applications

What does a strong consortium look like?

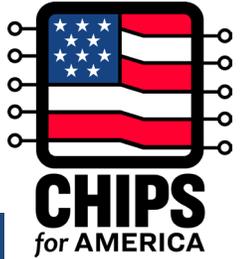
- At least **2 suppliers**
- A state or local **government entity**
- An **anchor institution**
- May also contain workforce training providers, labor unions, econ dev corps, higher ed, and more**
- Does **not require** an umbrella organization or formal legal structure

What is required for consortium in the concept plan stage?

1. **Consortium Narrative** (all members of the consortium are required to submit a Consortium Narrative that will require coordination with all the other members)
2. **Consortium Key** (identification number given to each consortium while using the portal application)
3. **Individual Project Plan Narrative** (all members will also need to submit their own individual project plan narrative)

Is a consortium required?

- A consortium is **not required** to submit an application
- Applying as a consortium is **strongly encouraged** for applicants claiming to **benefit U.S. clusters**
- Also encouraged for applicants claiming to support the **other two objectives**



Why apply as part of a consortium?

Application Advantages

Covered Incentive

Satisfied by **one letter** that offers incentive to all eligible facilities in the consortium.

Worker and Community Investment

May collaborate to achieve **economies of scale**.
Members decide how much funding and/or other resources each contributes to overall commitments.

Workforce Training Commitments

May work together to **secure required commitments** from educational and training entities.

Workforce Strategy

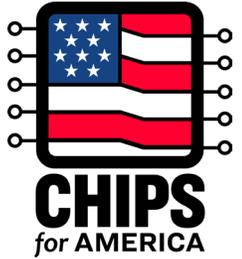
Members may **develop one strategy at the consortium level** covering each consortium member.

Benefits

- ✓ We generally expect **applicants applying as part of consortia to be better positioned** to meaningfully contribute to the development or sustainability of a cluster
- ✓ Applicants can **work together to satisfy requirements**
- ✓ Achieve greater **economies of scale, efficiency, and effectiveness**
- ✓ Take advantage of the **shared skills and resources**

All the sections under Application Advantages must be fully demonstrated in the Full Application

Potential Consortium Resources



Economic Development Organizations (EDO)

- Many states and EDO's are taking an active role in facilitating CHIPS consortia applications
- SelectUSA's website includes contact information for economic development organizations in all 50 states and territories

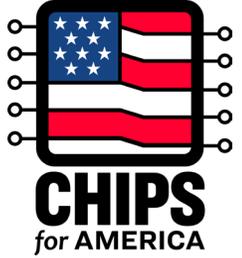
Manufacturing Extension Partnership Program (MEP)

- The Manufacturing Extension Partnership Program (MEP) is a national network with hundreds of specialists who understand the needs of America's small manufacturers
- MEP provides companies with services and access to public and private resources to enhance growth, improve productivity, reduce costs, and expand capacity

Teaming Partner List

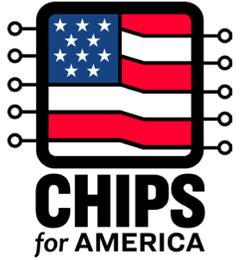
- List will enable entities to share information, foster collaboration, and advance shared goals.
- These entities can include educational and workforce training providers; childcare providers; organizations that engage or support minority-owned, women-owned, and veteran-owned businesses; community-based organizations; labor unions; and others.

A consortium is not required to submit an application. Although encouraged for cluster-focused applications, the Department still intends to support standalone projects that meaningfully advance any of the other two strategic objectives outlined in the NOFO.



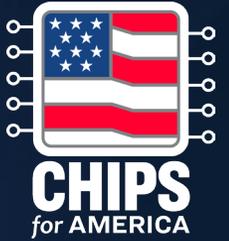
? The Department expects strong consortia to include an anchor institution, like a semiconductor fab. Are there other examples of anchor institutions?

- In addition to semiconductor fabs, anchor institutions could include large suppliers, universities, and/or advanced packaging facilities
- In addition to anchor institutions, strong consortia will also include at least two suppliers and a state or local government entity and may include entities such as workforce training providers, labor unions, economic development corporations, institutions of higher education, philanthropic foundations, industry organizations, Tech Hubs, or other relevant entities.



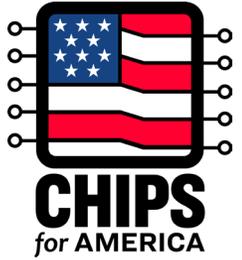
For those of us who represent state and local governments, what does a good “letter of support” look like for applicants we are really excited about?

- Strong state and local incentives letters will include a description of the nature of collaboration between the applicant and state/local government; description and dollar value of both the project-specific and cluster incentives offered by your entities (including tax/direct financial incentives to the project; energy, water, or wastewater investments; and/or workforce development investments to support the project.
- Especially strong letters will spell out how the particular project or consortium is crucial to the development of a vibrant semiconductor cluster ecosystem in the state/region and fills critical gaps in the regional ecosystem.



Next Steps and Additional Resources

Next Steps and Resources



Next Steps

- Submit a Concept Plan Application
- Visit CHIPS.gov for additional resources
- Join our mailing list
- Contact us: apply@chips.gov for application-related inquiries



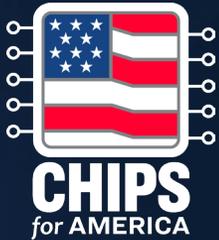
Concept Plan Submissions Portal
launches **November 17**

Additional Resources

- Concept Plan Instructions
- NOFO 2
- NOFO 2 Fact Sheet
- NOFO 2 FAQ's
- NOFO 2 Launch Webinar



Accepted between **December 1, 2023**, and **February 1, 2024**



Thank you