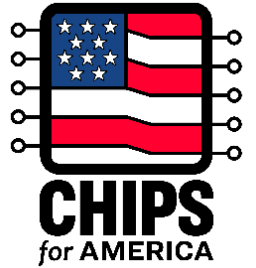


CHIPS for America Notice of Funding Opportunity Launch

Semiconductor materials and manufacturing equipment facilities



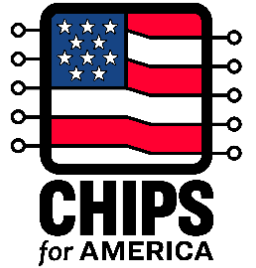
September 29, 2023



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 Speakers



Michael Schmidt
Director of the CHIPS
Program Office



Adrienne Elrod
Director of External and
Government Affairs

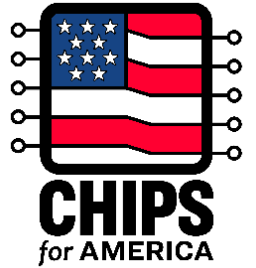


Nikita Lalwani
Senior Advisor to the
Director



Olivia Briffault
Investment Principal

CHIPS for America Vision



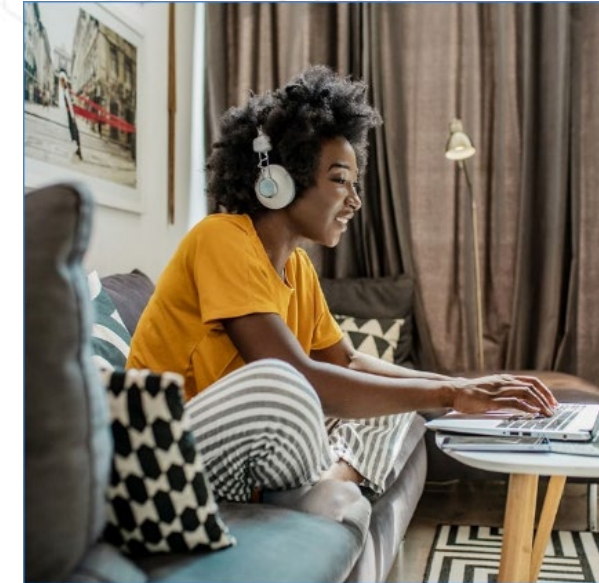
Economic Security

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.

CHIPS for America Programs

\$39 billion for manufacturing

Components:

1. Attract large-scale investments in advanced technologies such as leading-edge logic and memory
2. Incentivize expansion of manufacturing capacity for mature and other types of semiconductors

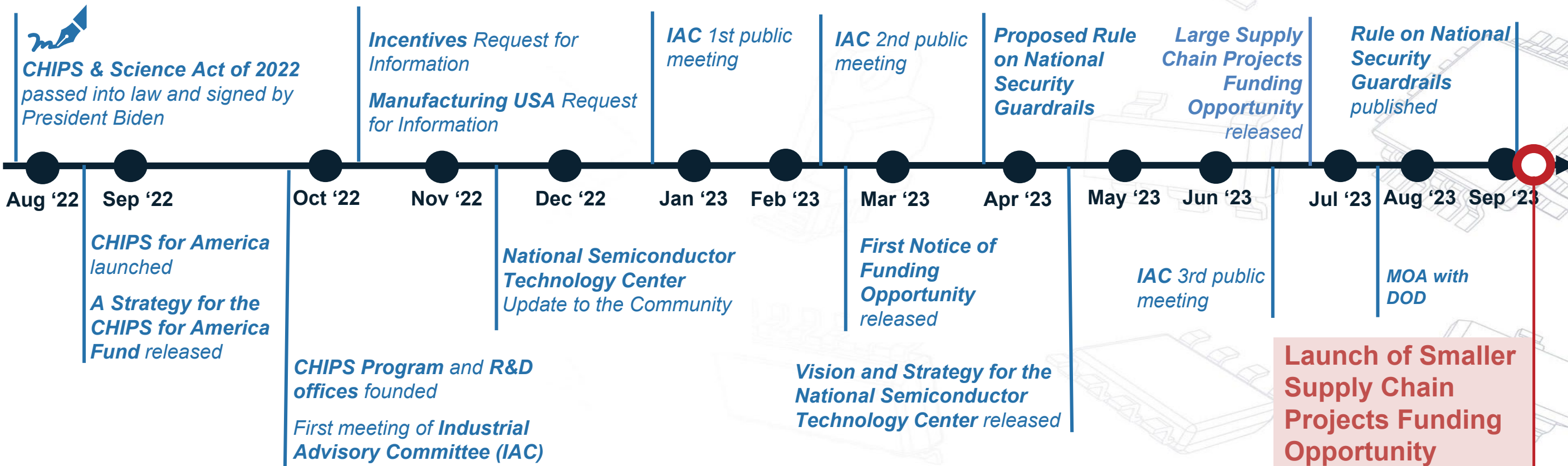
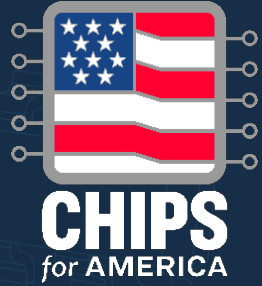
\$11 billion for R&D

- National Semiconductor Technology Center
- National Advanced Packaging Manufacturing Program
- Manufacturing USA institute(s)
- National Institute of Standards and Technology measurement science

Together with CHIPS initiatives from other agencies, including DOD, State, NSF, and Treasury

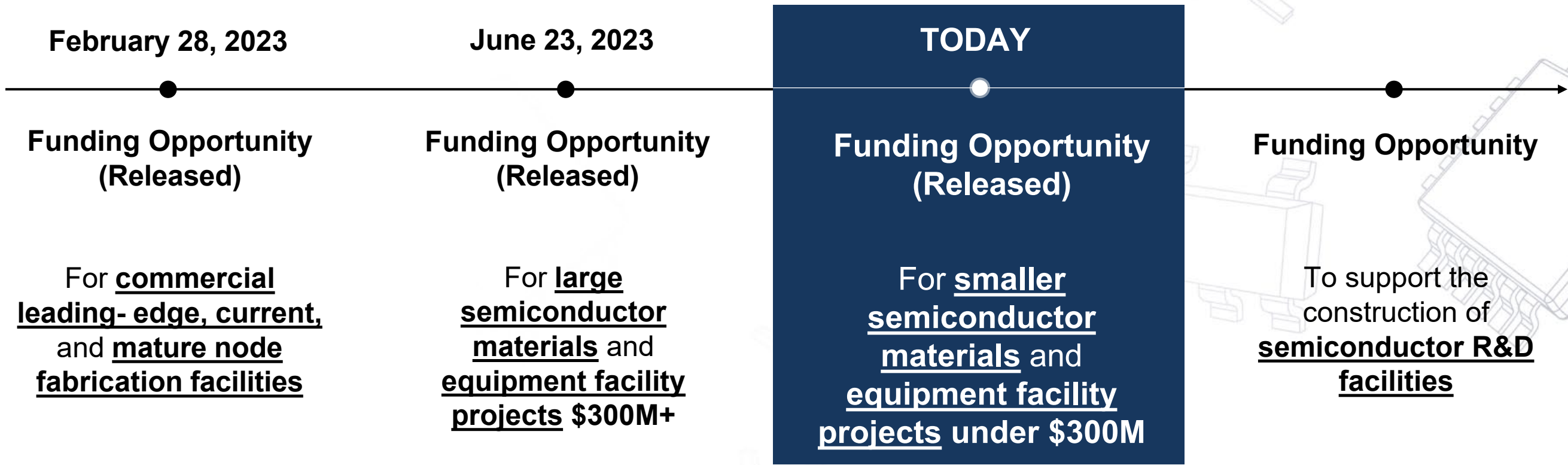
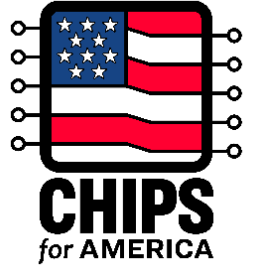
Workforce development

We are moving quickly to progress against program goals



CHIPS Webinars and Briefings

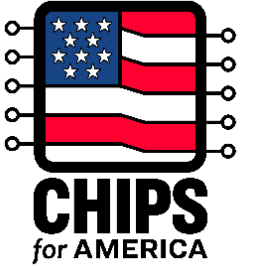
Funding Opportunities



Focus of today's webinar

The CHIPS Program Office has received over 500 statements of interest and 100 pre-applications and full applications

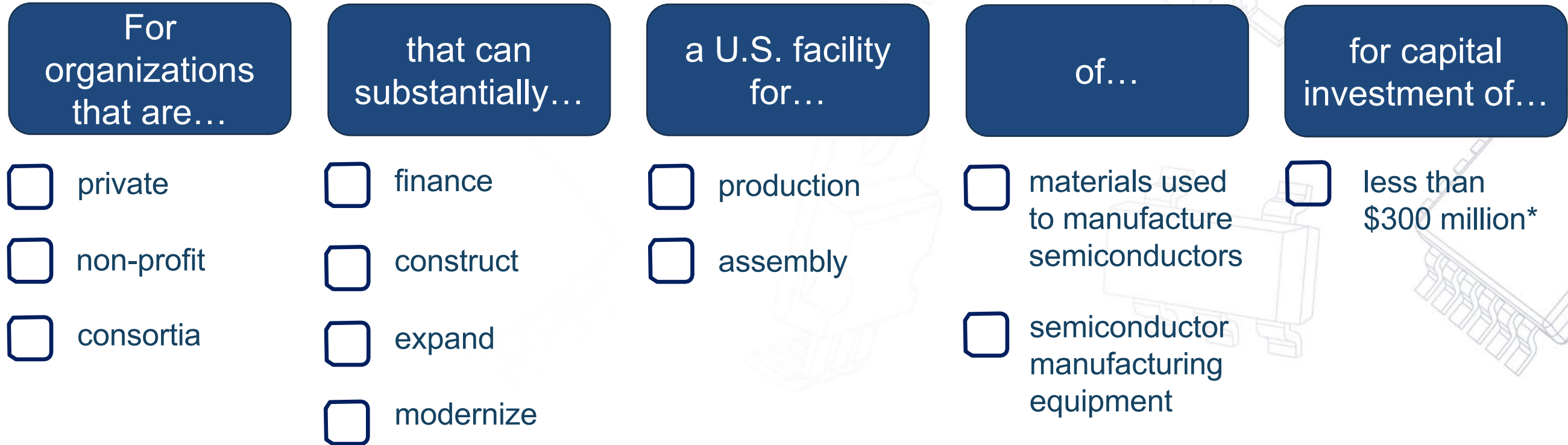
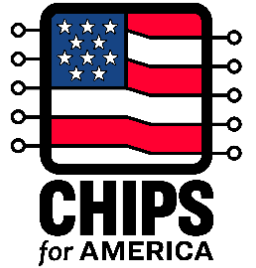
Funding Opportunity Overview



- ✓ Eligibility
- ✓ Program Priorities
- ✓ Funding Instruments
- ✓ Streamlined Application Process
- ✓ Emphasis on Clusters and Consortia

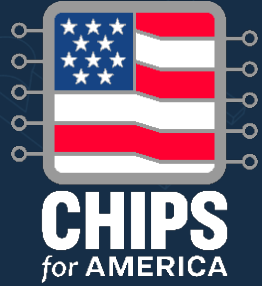
This funding opportunity has been tailored for smaller businesses.

Funding Eligibility



**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.*

Program Priorities



Economic and
National
Security
Objectives



Commercial
Viability



Financial
Strength



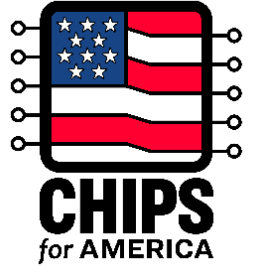
Technical
Feasibility
and
Readiness



Workforce
and
Community
Investment

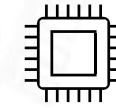


Vision for Success



Strengthen Supply Chain Resilience

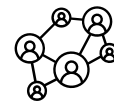
- ✓ The **U.S. and its allies** will reduce **chokepoint risks** flowing from **geographic concentration**
- ✓ Supply chain participants will improve the **transparency of demand and supply** to **reduce the risks of production disruptions**



Advance U.S. Technology Leadership

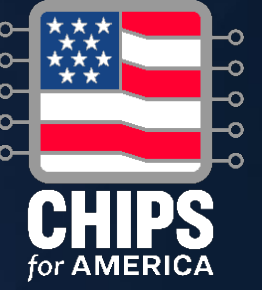
- ✓ The U.S. will have **incentivized major U.S. equipment and materials suppliers** to **increase their footprints** in the U.S.
- ✓ **Non-U.S. suppliers** of the world's most advanced equipment, materials, and subsystems will also **establish large-scale footprints** in the U.S.

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



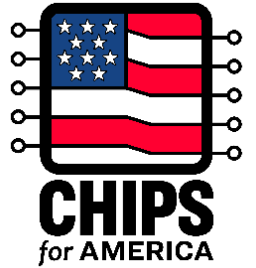
Support Vibrant U.S. Fab Clusters

- ✓ 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 & Application Process

Funding



Funding Instruments

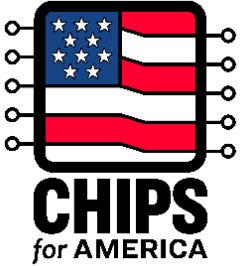
Total Funding

Funding by Project



**In rare cases, applicants may receive an award of either 20% or 30% with demonstrating a compelling case for the project and that additional funding is necessary. Projects eligible for the Advanced Manufacturing Investment Credit will not receive an award of more than 20%.*

Application Process



Tailored Phases

- 1 Concept Plan
- 2 Full Application
- 3 Due Diligence
- 4 Award Preparation and Issuance

Submission Dates

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

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

Unlike previous funding opportunities, no statement of interest (SOI) is required under this NOFO

1

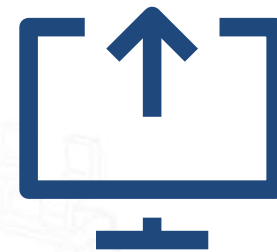
Concept Plan

Purpose

Describe how the proposed project addresses the core program priorities. Will be used by the Department to score applicants and invite those most likely to receive an award to advance to the full application phase.

What is needed?

- Applicant information
- Project plan of no more than 15 pages
- Consortium narrative (if applicable)

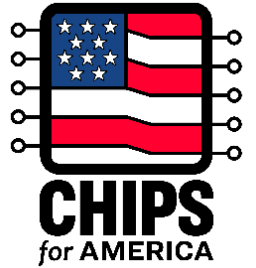


Required for all applicants

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

Submit through

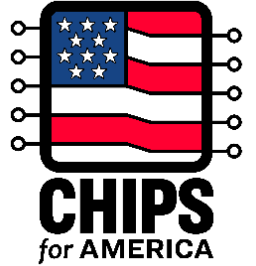
<https://applications.chips.gov>



1

Concept Plan Evaluation Criteria

- The extent to which a project advances U.S. economic and national security
- Project's long-term commercial viability, including robust customer demand for the proposed project output
- CHIPS Incentives justification
- Likelihood that applicant will successfully execute the project, including construction and environmental review
- Availability of non-CHIPS funding sources



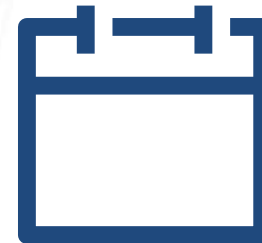
2 Full Application

Purpose

Submit a full application to be officially considered for a CHIPS Incentive Award.

What is needed?

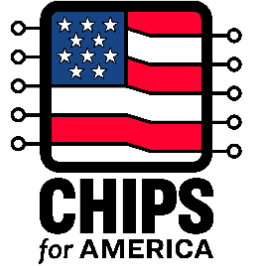
Detailed information on the proposed project to enable evaluation of its merits, including the workforce and community investment plan.



Selected applicants will be invited to apply

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

Full Application



In the full application, applicants will be asked to submit a *Workforce and Community Investment Plan* containing:

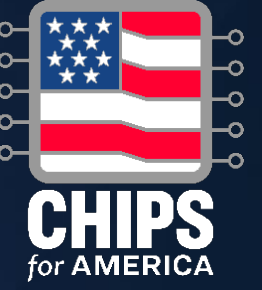
Construction and Facility Workforce Strategy

- Workforce needs assessment
- Recruitment, retention, and training approach
- Job quality approach in line with Good Jobs Principles
- Engagement with strategic partners strongly encouraged
- Project Labor Agreements strongly encouraged
- Access to child care encouraged

Community Investment Strategy

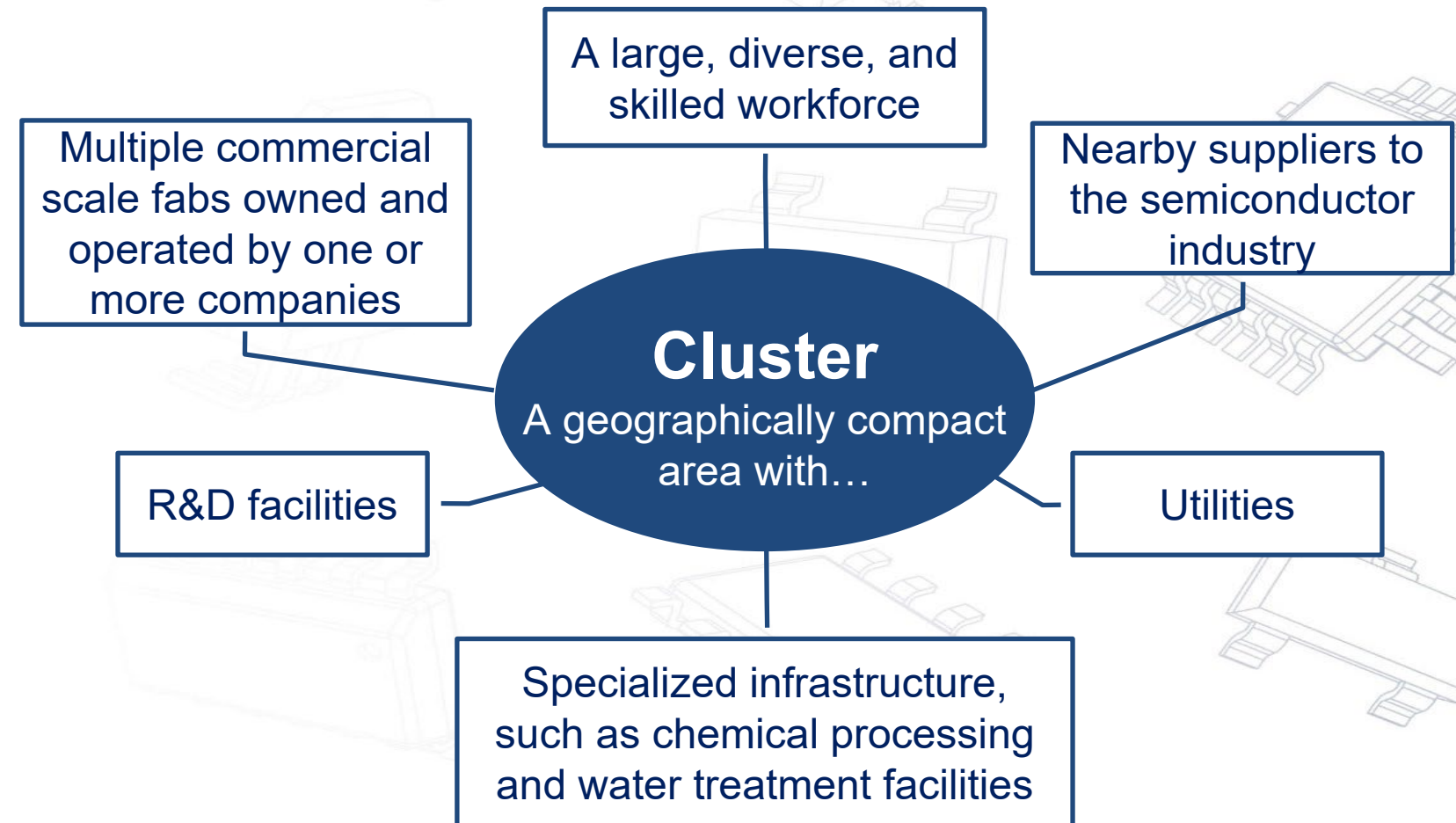
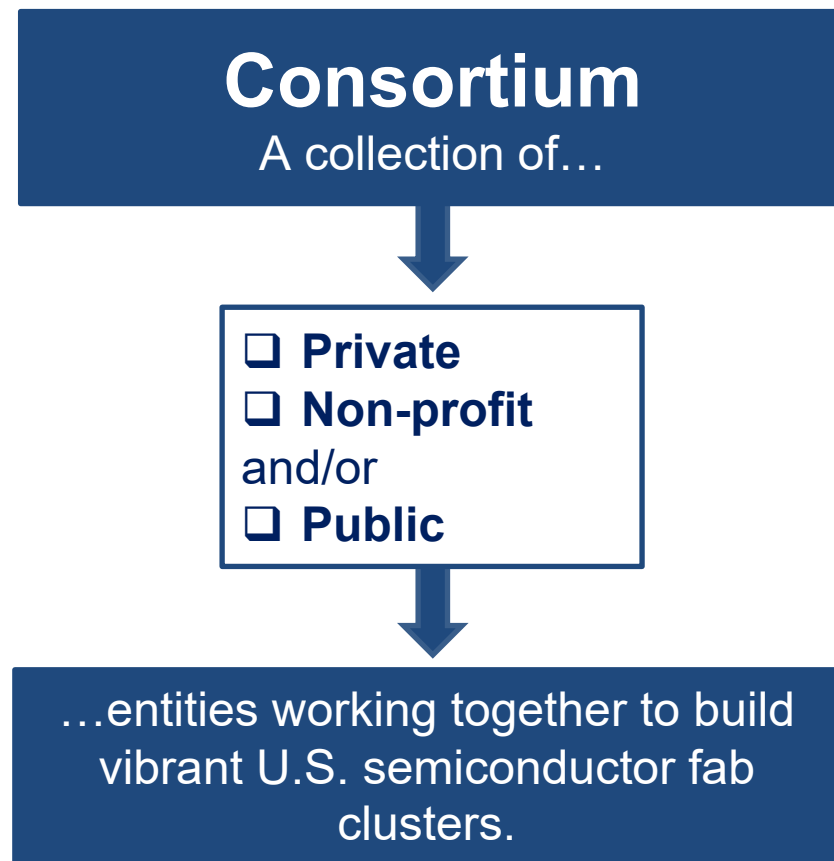
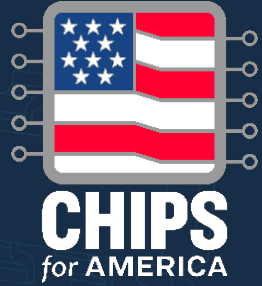
- Work closely with stakeholders in local communities to be responsive to local needs
- Proactive steps encouraged to ensure that small, minority-owned, veteran-owned, and women-owned businesses are included in the overall project

Consortium members may collaborate on this plan.

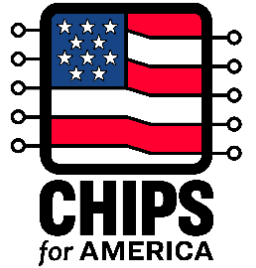


Consortia

Defining Consortia and Clusters



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

Who applies?

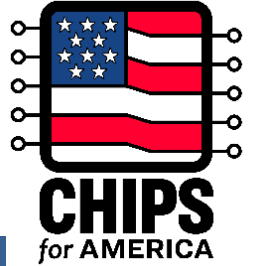
In coordination and alignment with other members, **each member seeking funds will submit:**

- 1. Concept Plan**
(requires Consortium Narrative)
- 2. Full Application** (if invited)

Is a consortium required?

- A consortium is **not required** to submit an application
- Consortia **strongly encouraged** for applicants claiming to **benefit U.S. clusters**
- Consortia **welcome** for applicants claiming to support **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.

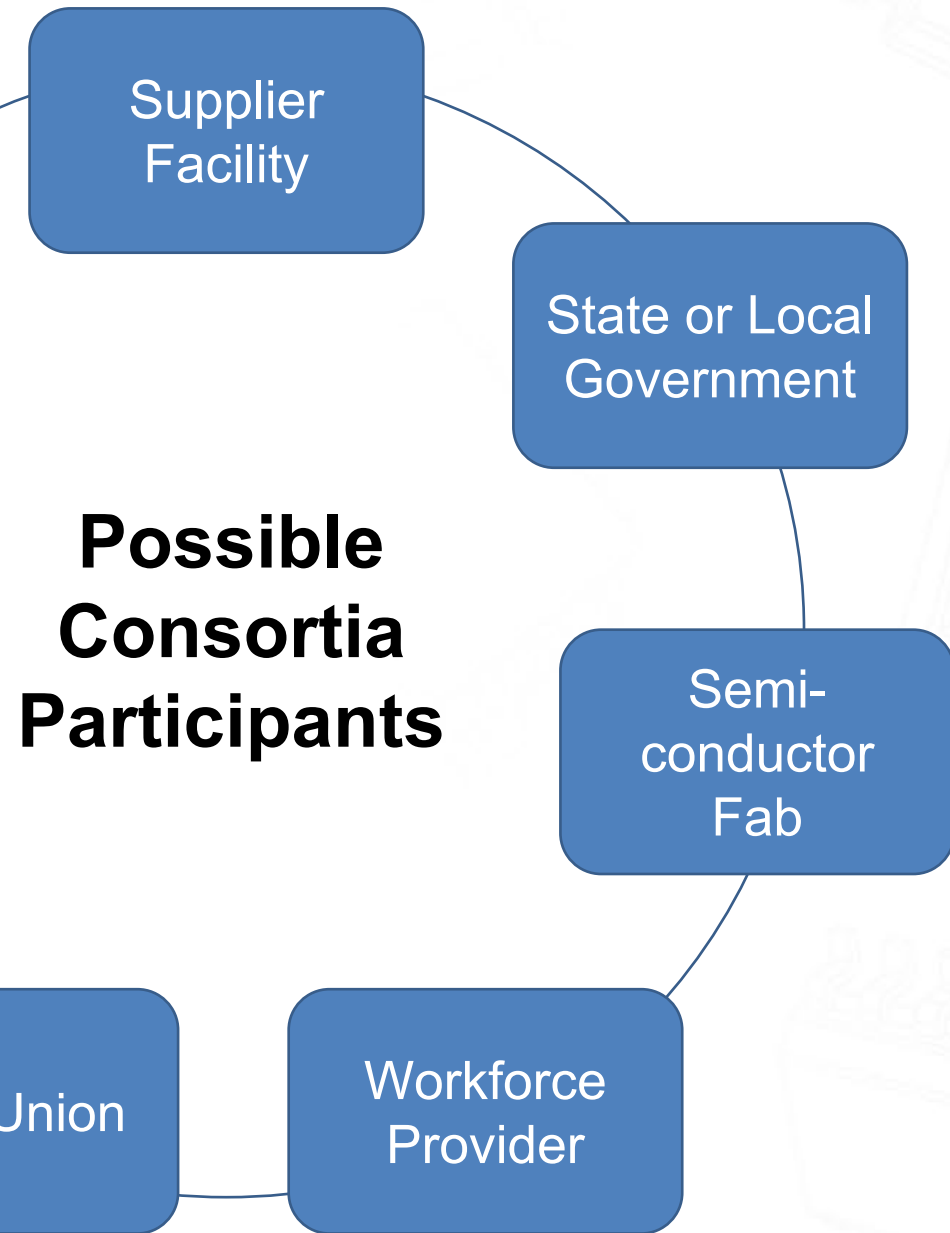
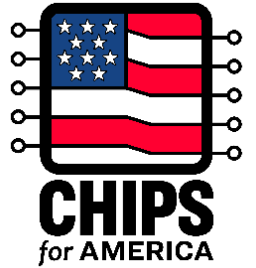
Workforce Strategy

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**

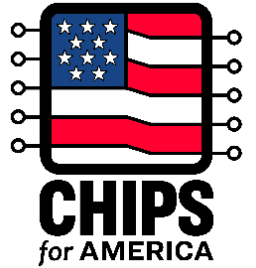
Consortium Example



Example: Science Park

- Land
- Shared Utilities and Infrastructure
- Streamlined Permitting
- Incentives for Suppliers

Second Funding Opportunity Summary



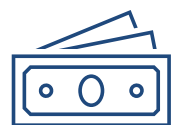
Smaller Supply Chain Projects | tailored towards smaller projects and businesses...



Eligibility

- Semiconductor Materials Facilities
- Semiconductor Manufacturing Equipment Facilities

Capital expenditures below \$300 million



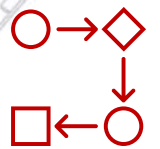
Funding Instruments

Direct Funding

- Grants
- Cooperative Agreements
- Other Transactions

Streamlined Application Process

1. Concept Plan
2. Full Application
3. Due Diligence
4. Award Preparation and Issuance



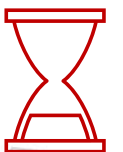
Submission Deadlines

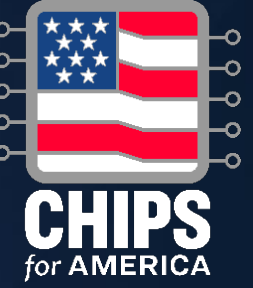
Concept Plan Submissions

- Dec 1, 2023 – Feb 1, 2024

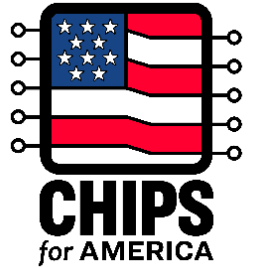
Full Application Submissions

- Communicated individually upon notice of application advancement



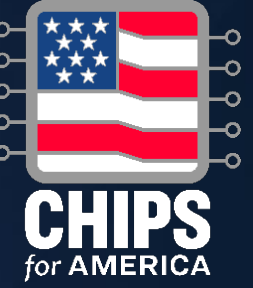


Resources



NEXT STEPS

- Visit [CHIPS.gov](https://chips.gov) for resources, including:
 - Notice of Funding Opportunity
 - Vision for Success paper
 - Applicant guides and templates
 - FAQs and fact sheet
 - Webinar schedule (and recordings of prior webinars)
- Teaming Partner List
- Join our mailing list
- Contact us
 - askchips@chips.gov – general inquiries
 - apply@chips.gov – application-related inquiries



Question and Answers



There's no fab in my area. Can I still make the case that I am advancing a U.S. fab cluster?

Yes. The Department is interested in projects that advance clusters by closing critical gaps in the U.S. supplier landscape. Often, projects will accomplish this goal by locating near fabs to reduce the burdens associated with transporting critical supply chain inputs. But that is not a requirement, and the Department welcomes projects that support clusters in other ways, including by providing critical materials or equipment to fabs in multiple areas.



How do I apply as part of a consortium?

Each member of a consortium seeking funding for a project eligible for CHIPS Incentives must submit their own separate concept plan and application. As part of the concept plan and application, consortium applicants will be asked to submit a “consortium narrative” detailing other members of the consortium and setting forth the overall strategic vision of the consortium, among other relevant information. Applicants that are part of the same consortium should submit the same information in their consortium narrative. Funding will be awarded on a per-project basis to consortium members proposing to construct, expand, or modernize a facility eligible under the second NOFO. For more information, see Sections I.B.4 (“May applicants apply for funding under this NOFO as part of a consortium, and if so, how?”) and IV.G.2 and IV.H.2 (“Consortium Narrative”) of NOFO 2.



Will the consortium receive funding as a whole?

Funding will be awarded on a per-project basis to consortium members proposing to construct, expand, or modernize a facility eligible under NOFO 2. Eligible uses of funds include costs to...

- finance the construction, expansion, or modernization of a facility, or equipment for that facility
- support site development and modernization for a facility
- support workforce development for a facility
- pay reasonable operating expenses for a facility, as determined by the Department.



What should state and local governments do if they want to form or support a consortium application?

State or local government entities that join consortia are strongly encouraged to take steps to build and support vibrant semiconductor clusters. Such steps might include investments in workforce, education, site preparation, research and development, or infrastructure (including transportation, housing, water, or energy) designed to benefit both the consortia members and the broader community. State and local government entities in consortia are also strongly encouraged to help streamline access to resources critical to cluster growth, such as permitting and expansion services, and coordination with relevant regulatory authorities. For consortia that include a state and/or local government entity, the “consortium narrative” should list any actions that entity is taking or intends to take to facilitate cluster development.



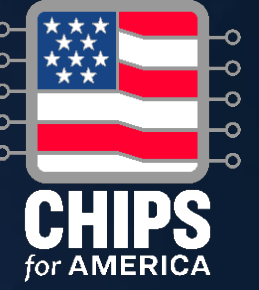
The Department expects that strong consortia will include an anchor institution such as a semiconductor fab. What are other examples of anchor institutions?

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.



Are there downsides to requesting an award of more than 10 percent of project capital expenditures?

If an applicant requests more than 10 percent in CHIPS Direct Funding, the Department expects that it may take substantially longer to evaluate the full application and prepare an award. In addition, the applicant will need to make a particularly compelling case that their project advances the Department's economic and national security objectives and that additional funding is necessary to make the project commercially viable.



Thank You