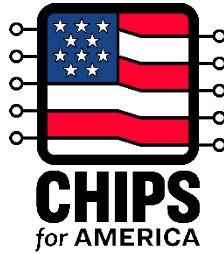


On April 19, 2024, the Department announced a set of submission deadlines for pre-applications and full applications for our Notice of Funding Opportunity for Commercial Fabrication Facilities (NOFO). Please see the [amended NOFO](#) and our [updated FAQs](#) for more information, including submission deadlines.

CHIPS for America Guide

October 16, 2023



Funding Opportunity – Commercial Fabrication Facilities GUIDE: Instruction Guide for Pre-Application Forms and Template

OMB Control Number #0693-0095 Expiration Date 09/30/2023

Introduction

This document provides instructions and guidance for those filling out a pre-application as part of the CHIPS Incentive Program [Notice of Funding Opportunity for Commercial Fabrication Facilities](#). A pre-application is optional for all applicants but is recommended for all applicants with the exception of those applying for leading-edge facilities. It may be submitted a minimum of 21 days following the submission of a Statement of Interest (SOI), assuming the pre-application is open for the relevant facility type (March 31 for leading-edge facilities, May 1 for current / mature / back-end facilities and September 1 for wafer manufacturing facilities and for semiconductor materials and manufacturing equipment facilities for which the capital investment equals or exceeds \$300 million).

The pre-application serves as an opportunity for the CHIPS Program Office (CPO) to provide a preliminary assessment of the likelihood of the project receiving CHIPS Incentives, and to provide meaningful feedback to applicants before they prepare a full application package.

Please refer to the CHIPS Incentives Program—Commercial Fabrication Facilities Notice of Funding Opportunity (CHIPS-CFF NOFO) section IV.H. and the [FAQs](#) and other guidance materials on the CHIPS website, or email apply@chips.gov with additional questions.

Throughout the review process, the Department may request additional information and/or revisions regarding this submission.

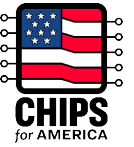


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0. Acknowledgement

Instructions: In the web portal, you must complete the acknowledgement section of the pre-application before you can access the rest of the pre-application. By completing this section, you acknowledge that:

“Any communication, data, or other information stored or transmitted on this system may be accessed and used by federal employees, consultants and contractors in accordance with Section IV.C. of the CHIPS Incentives Program – Commercial Fabrication Facilities Notice of Funding Opportunity (CHIPS-CFF NOFO). By voluntarily furnishing information through this system, the applicant consents to such access and use.”

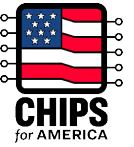
1. Cover Page (Web-form questions)

Instructions: Please populate all applicable and required fields to complete the Pre-Application Cover Page web form. If fields are pre-populated based on your Statement of Interest submission, they must be verified for accuracy.

- **Name of Application:** Provide a descriptive name for the application / project(s) for which the entity is requesting CHIPS incentive funds.

Applicant Organization Information

- **Potential Applicant Name:** Provide the legal name of the entity applying for CHIPS Incentives. Note, this is not the name of the individual submitting the pre-application.
- **Corporate Parent Name (If applicable):** Provide the legal name of the corporate parent of the entity applying for CHIPS Incentives. This could be the same name as the Applicant in some cases.
- **Mailing Address:** Include the street address, city, state, and zip for US addresses and equivalent information for foreign addresses, including country/location. If you do not know the 9-digit zip code for your U.S. location, enter “0000” for the last four digits.
- **Organization Website:** Provide a URL address for the applying entity’s website (or corporate parent if entity does not have a website).
- **Is the applicant a consortium?:** Select “Yes” or “No” to indicate whether the applicant is a consortium. A consortium application involves an umbrella entity and multiple participating entities. For more information on consortium applications, refer to section III.A.1. of the CHIPS- CFF NOFO.
- **Have you registered for a SAM.gov account?** Choose “Yes” or “No” from the dropdown menu to indicate whether the potential applicant has applied for an account in the federal government’s System for Award Management (SAM.gov). A prerequisite for any award by the Department is an active registration in the System for Awards Management (SAM). Potential applicants are strongly encouraged to begin the process of registering for SAM.gov as early as possible. While this process ordinarily takes between three days and two weeks, in some circumstances it can take six or more months to complete due to information verification requirements. CPO is unable to issue a CHIPS Incentive to an entity that lacks an active SAM.gov registration.



- **UEI # [Optional]:** If the entity has already received a Unique Entity Identifier (UEI) via SAM.gov, enter the number. If the entity has not yet received a UEI, leave this box blank.

Applicant point of contact

Please enter information for the applicant point of contact, who should be an individual authorized to submit an application on behalf of the entity.

- **Full Name:** The full name of the point of contact
- **Title:** The official title of the point of contact at the applying entity
- **Email Address:** A business email for the point of contact associated with the applicant
- **Phone Number:** A business phone number to reach the point of contact

Partnership information

- **Are there other entities (e.g., customers, suppliers, investors, advisors) you anticipate partnering with in a meaningful way?:** Choose “Yes”, “No”, or “Not Determined at this Time” from the dropdown menu to indicate whether the applicant anticipates partnering with other entities, both for the construction phase as well as the production phase of the project(s).
 - **Please describe any potential partners referred to above:** Provide names and brief description of any potential partners (maximum 1500 characters).

2. Project Plan

2.i. Project(s) Information (Web-form Questions)

Instructions: In the web portal, update the answers to the following questions that were submitted in the statement of interest to reflect the most up-to-date details of the projects.

Note, a “project” is a set of capital expenditures for the construction, expansion, or modernization of a single facility. A project also includes any related workforce development or operating expense costs for the project facility that the applicant proposes to cover with CHIPS Incentives funds. An application may include more than one project, covering separate facilities, if the facilities are within a single location and under common ownership and control.

- **Description of Project(s):** Provide a description of the construction, expansion, or modernization activities for each proposed facility at a single location; resulting products that will be manufactured, along with information on the scale, size, and capacity of production, and any known timelines (maximum 3000 characters)
- **Product End Market Application:** Provide a description of the types of customers and end markets that will be served by the technology being produced from each proposed facility (maximum 1500 characters).
- **Site location:** Provide the City, State, and Zip Code where the proposed facility or facilities will be located. If you do not know the full 9-digit zip code, enter “0000” for the last four digits.
- **Facility Type(s):** Choose from the provided options to indicate the type(s) of facility or facilities proposed for this project. Select all options that apply. Refer to section I.B.1. in the CHIPS-CFF NOFO for details on each of the possible Facility Types that are eligible for this NOFO.
 - **Leading-Edge Facilities** that utilize the most advanced front-end fabrication processes for logic, 3D NAND Flash, and Dynamic Random-Access Memory (DRAM) semiconductors.
 - **Current-Generation Facilities** that produce semiconductors that are not leading edge, up to 28 nm process technologies, and include logic, analog, and mixed-signal devices.
 - **Mature-Node Facilities** that fabricate generations of: (a) logic and analog chips that are not based on FinFET, post-FinFET transistor architectures, or any other sub-28 nm transistor architectures; (b) discrete semiconductor devices such as diodes and transistors; (c) optoelectronics and optical semiconductors; and (d) sensors.
 - **Back-end Production Facilities** for the assembly, testing, or packaging of semiconductors that have completed the front-end fabrication process.
 - **Wafer Manufacturing Facilities** for the high-volume production of semiconductor wafers, including wafers made from silicon, silicon carbide, and gallium nitride. These facilities are the sites of ingot production and wafer slicing, lapping, polishing, cleaning and inspection.
 - **Semiconductor Materials and Manufacturing Equipment Facilities** (if project capital expenditures are greater than or equal to \$300 million included in this NOFO, otherwise included in future NOFO) according to the descriptions below

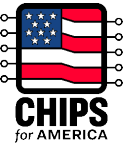
- **Semiconductor Materials Facilities** for the manufacture or production, including growth or extraction, of materials used to manufacture semiconductors, which are the chemicals, gases, raw and intermediate materials, and other consumables used in semiconductor manufacturing.
 - **Semiconductor Manufacturing Equipment Facilities** for the physical production of specialized equipment integral to the manufacturing of semiconductors and subsystems that enable or are incorporated into the manufacturing equipment.
 - Research & Development Facilities (not covered by CHIPS-CFF NOFO)
 - **Other:** if “other” is selected for Facility Type, provide a description for the facility in the space provided
- **Expected Total Project Capital Expenditures (Min, Max)**
 - Provide an estimated range of total project capital expenditures (provide minimum and maximum with the narrowest range possible) for all facilities in the application. Total project capital expenditures refer to expenses incurred in the construction or improvement of physical assets, such as the costs of land, building and construction, equipment and installation, physical improvements, and working capital during the construction phase. Applicants should provide the estimated range on a best-effort basis that will be needed for all projects in the application. Figures provided are expected to be preliminary high-level estimates and should be refined with greater detail in future application steps.
 - Applicants may optionally provide commentary on the expected total capital expenditures for all proposed projects range, which could include a description of the key cost drivers, an explanation if the range provided is large, or other supporting details (maximum 500 characters).
- **Estimated peak monthly unit production capacity:** Provide an estimated number of units produced when the facility reaches peak production. Specify what the units being produced are (e.g., wafers, components).
 - If the facility will not have any production capacity, leave the box blank and select “Not Applicable.”

2.ii. Facilities Information (Web-form questions)

Instructions: In the web portal, complete all questions related to the facility or facilities that will be included in this application. A “facility” used in the context of this application refers to a leading-edge, current-generation, mature-node commercial fabrication facility, back-end production facility, wafer manufacturing facility or semiconductor materials and manufacturing equipment facility for which the capital expenditure exceeds \$300 million that will be constructed, expanded, or modernized as a result of this project.

- According to the NOFO, an application may include one or more facilities that are / will be on the same site. How many facilities will be within the scope of this application? Select from the drop down the number of facilities proposed for the site.

- Additional questions are required to be answered individually for each facility:
- **Provide a name for the Facility:** Provide a name for the facility that corresponds to the way the facility will be referenced in application materials.
- **Provide a brief description for the Facility:** Include several pieces of information, including
 - The facility type (Leading-Edge, Current-Generation, Mature-Node, Back-End Production, Wafer Manufacturing or Semiconductor Materials and Manufacturing Equipment for which the capital expenditures are greater than \$300 million).
 - The type of activities that will be completed at the facility (e.g., construction, expansion, or modernization)
 - Information on the scale, size, and capacity of production, including peak monthly capacity and unit of production (e.g., wafers, components).
- **Describe the Technology Type and Geometry for what will be produced in this facility, if applicable:** Provide defining characteristics of the units produced in the facility (e.g., 13nm DRAM wafers, 40nm Logic wafers, etc.). You may also use this space to describe the back-end production activities, if applicable to this facility.
- **Facility Type:** Choose from the provided options to indicate the type of this facility. Only one type may be selected.
 - **Leading-Edge Facilities** that utilize the most advanced front-end fabrication processes for logic, 3D NAND Flash, and Dynamic Random-Access Memory (DRAM) semiconductors.
 - **Current-Generation Facilities** that produce semiconductors that are not leading edge, up to 28 nm process technologies, and include logic, analog, and mixed-signal devices.
 - **Mature-Node Facilities** that fabricate generations of: (a) logic and analog chips that are not based on FinFET, post-FinFET transistor architectures, or any other sub-28 nm transistor architectures; (b) discrete semiconductor devices such as diodes and transistors; (c) optoelectronics and optical semiconductors; and (d) sensors.
 - **Back-end Production Facilities** for the assembly, testing, or packaging of semiconductors that have completed the front-end fabrication process.
 - **Wafer Manufacturing Facilities** for the high-volume production of semiconductor wafers, including wafers made from silicon, silicon carbide, and gallium nitride. These facilities are the sites of ingot production and wafer slicing, lapping, polishing, cleaning and inspection.
 - **Semiconductor Materials and Manufacturing Equipment Facilities** (if project capital expenditures are greater than or equal to \$300 million included in this NOFO, otherwise included in future NOFO) according to the descriptions below.
 - **Semiconductor Materials Facilities** for the manufacture or production, including growth or extraction, of materials used to manufacture semiconductors, which are the chemicals, gases, raw and intermediate materials, and other consumables used in semiconductor manufacturing.



- **Semiconductor Manufacturing Equipment Facilities** for the physical production of specialized equipment integral to the manufacturing of semiconductors and subsystems that enable or are incorporated into the manufacturing equipment.
 - **Other:** if “other” is selected for Facility Type, provide a description for the facility in the space provided
- **Technology Type:** Choose from the provided options to indicate the type of this facility. Only one type may be selected. Refer to the NOFO section I.B.1 for more descriptions of the eligible technology types for each facility.
- **Estimated peak monthly unit production capacity:** Provide an estimated number of units produced when the facility reaches peak production. Specify what the units being produced are (e.g., wafers, components).
 - If the facility will not have any production capacity, leave the box blank and select “Not Applicable.”
- **Note the expected construction start date for this facility:** Enter the month and year for the beginning of this facility’s construction activities as they pertain to new construction, expansion, or modernization. If construction has already begun, enter a date in the past.
- **Note the expected production start date for this facility:** Enter the month and year for when construction activities will be completed and the facility will begin production.

3. Financial Information

3.i. Sources and Uses of Funds (Downloaded Excel Template)

These instructions refer to the downloadable Sources & Uses Excel Template that can be found in the pre-application portal and at this link: <https://www.nist.gov/document/chips-nofo-commercial-fabrication-facilities-pre-application-sources-and-uses-template>.

Instructions:

- Upload the completed sources and uses Excel template to the appropriate location within the Financial Information section of the pre-application portal.
- Applicants should complete this Excel template on a best-efforts basis. Figures provided in this Excel template are expected to be estimates and are permissible to be rough approximations for high-level cost categories. While estimated figures are allowable, applicants who provide greater detail in the pre-application phase will maximize the value of CPO pre-application feedback which can potentially accelerate the application and award processes.
- Please also complete the four required free response questions provided in the form, located at the bottom of the “S&U – Summation across projects” sheet.
- Shared costs related to infrastructure improvements, workforce development, and other areas should be allocated across projects, if applicable. Likewise, capital sources that are not strictly attached to a project (e.g., equity, bonds, government support) should be allocated across projects, if applicable.
- Please also refer to the Notice of Funding Opportunity (NOFO) Section IV.H.3 – Financial Information: Sources and Uses of Funds for an overview of the requirements for this portion of the application.

Using the Sources and Uses Excel template

- The Sources and Uses Excel document that the applicant completes and uploads to the pre-application portal should contain *at least* 1 sheet for “S&U Project” and *only* 1 tab for “S&U – Summation across Projects”
- There should be a unique “S&U - Project” sheet for each facility reported in the Project Plan section. The total number of sheets pertaining to “S&U - Project” should directly correspond with the total number of projects proposed in the application. If there is only one project in this application, delete the “S&U – Project 2” sheet.
- For each “S&U - Project” sheet there are upfront sections to provide the Facility Name and Facility Description. The name and description should correspond with the facility name and description submitted in other portions of the application.
- The “S&U – Summation across Projects” sheet is used to aggregate the entries across all the projects
- The applicant should first complete 1) all S&U - Project sheets applicable to their application and subsequently complete 2) the S&U – Summation across projects sheet and questions

Completing the Sources and Uses Excel Template(s)

For each **project** sheet, provide a detailed list of the estimated costs for the project and the types and amounts of funding that will be used to cover those costs by completing Schedules A, B, and C. Then, complete the summation tab to aggregate sources and uses for all projects.

Schedule A: The Uses Schedule should cover estimates for both hard/physical asset costs (e.g., buildings or equipment) and soft/implementation costs (e.g., legal or consultant services, fees, contingency etc.) in the cost estimate. Estimates can be made for high-level cost categories and do not require granular cost breakdowns; however, examples are provided below for what may be permissible to consider when estimating for a cost category. For each line item, enter the cost amount in USD and estimate the percentage of the amount that will be eligible for the Investment Tax Credit (ITC). Also, please refer to additional notes in this section for a list of costs that should be excluded from this schedule.

This section should include:

1. **Capital Investment** costs required to complete construction of the facility and initiate operations. This can include the following categories:
 - **Land**, which may include, but is not limited to, costs associated with land acquisition, site restoration, land improvements, cost of appraisal, right-of-way acquisitions, relocation expenses and payments, demolition and removal costs, or other costs associated with land.
 - **Construction**, which may include, but is not limited to, labor, material, and other costs associated with construction of the facility. Any costs to build the clean room should be included within construction.
 - **Equipment**, which may include, but is not limited to, costs related to initial equipment purchases or modernization costs, installation expenses, spare parts, and other equipment-related costs.
 - **Infrastructure Improvements**, which may include, but is not limited to, costs to construct or improve utility plants required for the facility; costs associated with gaining access to infrastructure such as roads, water, power etc.; wastewater treatment plants; fencing; and other infrastructure.
 - **Administrative expenses directly attributable to the facility construction**, which may include, but is not limited to legal fees, engineering fees, licensing and permitting fees, architecture fees, bond fees, safety and environmental protection costs, costs associated with receiving CHIPS funding, inspection fees, insurance costs, capitalized interest, and other related expenses
 - **Other Capital Investment**, which may include other costs not mentioned above and should be detailed in the schedule with appropriate breakdown of costs

Potential applicants should enter “0” for any costs that are not applicable to their project(s).

2. **Operating losses and other cash outflows until project breaks even on a cash flow basis:** (i.e., cashflows turn positive and the facility can sustain itself without any additional funding from investors). Please complete Schedule C: “Schedule for Operating Cash Flows until Project breaks even on a Cash Flow basis” and provide a breakdown of operating revenues and operating costs that have been estimated in this line item.

Potential applicants should enter “0” for any line items that are not applicable to their project(s).

3. **Workforce development costs:** Provide a schedule showing estimated spending by the applicant on workforce development activities to support the proposed project. Some examples may include, but are not limited to equipment costs, construction of a training center, costs for training and education, wrap-around support costs, and childcare costs. Please provide other costs in the space provided that are expected to be a part of the workforce development plan submitted with the pre-application.

Potential applicants should enter “0” for any line items that are not applicable to their project(s).

4. **Other Uses of Funds:** Provide any uses of funds during the construction phase of the project and until cash flows turn positive, beyond the capital investments, operating losses and other cash outflows, and workforce development costs.
5. **Total Project Costs:** Ensure the Total Project Costs for the project is equal to the sum of line items 1 – 4 in the Use of Funds section. Total Project Funding in Schedule B must match the Total Project Costs in Schedule A.

Additional notes for Schedule A:

- A. **Investment Tax Credit Eligible Costs:** Please indicate the estimated percentage of costs that will be eligible for the Investment Tax Credit for each line item in this schedule. Rough approximations or high-level estimates are acceptable.
- B. **Excluded costs:** The following costs are excluded from the Sources & Uses Excel template. These costs will not be evaluated during determination of CHIPS funding awarded to a project. This list is not exhaustive, and CPO reserves the right to determine on a case-by-case basis other costs that are excluded and communicate this with applicants. The excluded costs include:
 - Fees and commissions charged to applicant, including finder’s fees, for obtaining Federal or other funds
 - Parent corporation or affiliated entity expenses and assessments that are not related to the project
 - Goodwill, franchise, trade, or brand name costs
 - Dividends and profit sharing, including, but not limited to, stock repurchases
 - Costs that are excessive or are not directly required to carry out the project, as determined by CPO
 - Applicant-paid cost of issuing a CHIPS Loan or Loan Guarantee

Schedule B: The Funding Source Schedule should include estimates for all sources of funding that will contribute to the project. If there are multiple projects, allocate sources of funds appropriately.

1. **Equity Funding:** Include Sponsor Equity (i.e., applicant, intermediate entity, and/or corporate parent equity), Third-Party Equity, and any other forms of equity that is expected to be injected into the project. Please provide a description of the other forms of equity, if entered.
2. **Debt Funding:** Include all debt raised for the project.
 - This should include intercompany loans that may have been down streamed by the Corporate Parent to the applicant legal entity, intermediate entity, or third-party debt directly raised by the applicant legal entity.

- Please also provide amounts and details for the unguaranteed portion of the third-party loans that will be applied for CHIPS Guarantees (e.g., if a third-party loan will be requested to have 80% of the loan guaranteed by the CHIPS program, then provide the amount of the remaining 20% of the loan that will not be guaranteed).
 - Provide a description any other forms of debt that are entered.
 - Do not include debt from CHIPS loans or portions of loans guaranteed by CHIPS program in this section.
3. **Government Support:** Include any funding received (or expected to be received) by the applicant for the project(s) from Federal, State, and Local governing bodies in the form of direct funding (e.g., grants), debt (e.g., loans, loan guarantees), tax credits, or other forms of incentives (e.g., land awards, subsidized utilities). Incentive amounts are expected to be directionally accurate given industry-normal risks and returns for a project of this nature.
- For CHIPS Direct Funding, indicate the amount of direct funding that the entity is requesting.
 - For CHIPS Loans, indicate the total amount of CHIPS loans the entity is requesting.
 - For the line item “Third-party Loans Guaranteed by CHIPS Program,” please only include the
 - portion of third-party debt that the entity is requesting to be guaranteed by the CHIPS Program.
 - The portion of debt in this tranche not guaranteed by the CHIPS Program must be included in
 - the “Debt Funding” section of this schedule.
 - For the Investment Tax Credit, indicate the expected value of the Investment Tax Credit benefit that will act as an additional source of funds for the project. The estimation should take into consideration the initial Investment Tax Credit received on the asset net of the loss of depreciation on the portion of assets receiving the credit (i.e., the portion of the asset earning the Investment Tax Credit cannot be depreciated for future tax benefits).
 - For State and Local Grants, Loans, and Tax Credits, combine the amounts of incentives expected to be received from state governments and local governments for which the facility will be located, respectively. If the approximate amounts of support to be received is known, but the type of incentive is not yet determined (e.g., grant vs. tax credit), then enter the approximate total amount in the “Other State and Local Government Incentives” category.
4. Any other sources of funding should also be noted and sized. This may include, but is not limited to, equipment financing, sale / leaseback or other real estate financing, and customer funding (e.g., customer pre-payments).
5. **Total Project Funding:** Ensure the Total Project Costs for the project is equal to the sum of line items 1 – 4 in the Sources of Funds section. Total Project Funding in Schedule B must match the Total Project Costs in Schedule A.

Schedule C: The Schedule for Operating Cash Flows until Project breaks even on a Cash Flow basis should provide a detailed breakdown of estimated revenues, operating expenses, other operating income, other cash flow items and financing costs & taxes until project breaks even on a cash flow basis (i.e., cash flows turn positive). All items in this schedule should pertain to cash inflows and outflows and may not include non-cash items. If non-cash items such as depreciation are included in certain line items, they should be adjusted back in

another line item, to ensure that the schedule only contains cash related items.

Total sales until project breaks even on a cash flow basis: Include only net sales from normal business operations.

1. **Total operating expenses until project breaks even on a cash flow basis:** Include estimates for all cash outflows associated with operating the facility. These may include:
 - Direct costs of production, which may include, but are not limited to, costs for materials, consumables and chemicals, labor, and utilities. Depreciation expenses associated with direct costs of production may be included in the value provided, and then adjusted in the Other Cash Flow items.
 - Selling, General, and Administrative costs, which may include, but are not limited to, costs for administration, marketing, human resourcing functions, carrying costs, and insurance
 - Research and Development related costs for manufacturing activities
 - Facility Maintenance, which may include, but is not limited to facility cleaning and repairs
2. **Other operating income until project breaks even on a cash flow basis:** Input and describe any other forms of operating income generated by the project beyond net sales.
3. Other cash flow items until project breaks even on a cash flow basis: Examples of these cash flows may include:
 - Expenses associated with replacing equipment, expenses associated with performing upgrades to equipment, or modifying equipment, including the expenses to service or install equipment as part of the above activities.
 - Net Working Capital: net estimated liquid reserves required to meet current, short-term obligations.
 - Depreciation: Include a value for depreciation of equipment that may have been included in the direct costs of production, so that the impact of depreciation is netted out to zero between Direct Costs of Production and Depreciation. Depreciation is not a cash outflow and will be added back in the calculation of total operating losses and other cash outflows.
4. **Total financing costs and taxes until project breaks even on a cash flow basis:** estimate the interest paid to service debt and any corporate taxes that will be paid until project breaks even on a cash flow basis, as well as and any other taxes. These costs should include:
 - **Interest Paid to Service Debt:** Include an estimation based on how much debt will be assumed by the project, the expected interest rate, and amortization schedule.
 - **Payments to Third-Party Partners:** May include, but is not limited to operating fees, licensing fees, and price discounts.
 - **Other Financing Costs:** Provide a description of any other financing costs that are expected to be incurred.
 - **Corporate Taxes:** Expected corporate taxes which should include any tax obligations related to the Direct Funding and Grants that the applicant expect to receive.
 - **Other Taxes:** Provide a description of any other taxes that are expected to be incurred.

S&U – Summation across projects sheet

The S&U – Summation across projects sheet should be an aggregation of the sources and uses across all of the projects within the application.

- If there is one project in the application, then the S&U – Project sheet should exactly match the S&U – Summation across projects sheet.
- If there are multiple projects, then for each cell in the S&U – Summation across projects sheet, add together the corresponding cells for each project sheet. This is to be performed in the exact same manner for each schedule.
- If optional rows were added in the project sheets, be sure to include the names and summed amounts of those line items in the S&U – Summation across projects sheet.

As part of this sheet, please also provide an answer in the Free Response Questions (if applicable). For reference, sample answers to the first four free response questions are provided below:

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. 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 down streamed as equity, please provide details on the amount of debt attributable to this project.

***Sample answer:** The equity injected into the project legal entity is funded from available cash from the Corporate Parent’s corporate balance sheet, which is driven by a mix of equity raised on the Corporate Parent’s books, retained earnings and debt raised on Corporate Parent’s books. While we do not allocate debt to the project legal entities in business as usual, our typical mix of Debt to Equity on our corporate balance sheet is 0.3x, indicating that for every \$1 of funding, \$0.3 of it is funded by debt and the remaining is funded through equity (equity issuances and / or retained earnings).*

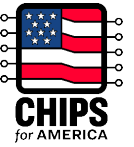
Question 2: If known, provide information on the key features and terms & conditions related to the debt funding raised by the applicant (e.g., Tenor, Fixed vs. Floating rate, Interest rate, Amortization features, pre-payment optionality).

***Sample answer:** For this project, 2 types of debt are expected to be raised. 1) an amortizing CHIPS loan for \$300 Million with a twelve-year tenor, a 5-year interest deferral period, and a floating interest rate of +100 bps over LIBOR. 2) \$500 Million of 30-year corporate bonds with a 4% fixed coupon rate.*

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

***Sample answer:** All facilities constructed, and equipment installed qualifying for the ITC will be placed no later than June 1, 2025. The total amount of the facility construction will be \$200 million, and the total amount of new equipment installed will be \$800 million, both of which are fully eligible for the Investment Tax Credit. Of the \$1 billion in relevant construction and equipment manufacturing-related expenses, 25% will be claimed through the ITC, resulting in an estimated \$250 million credit. This in turn will reduce the amount of depreciation we can claim on these assets by \$250 million, thereby reducing our tax benefit by \$52.5 million (21% of \$250 million). To that end, the net benefit that we received from the ITC is \$197.5 million.*

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.



Sample answer: *The state in which the project will be constructed has authorized \$100 million in discounted Industrial Development bonds over a 10-year duration, leading to a cost savings of \$10 million through the life of the bond. The municipality in which the project will be constructed has pledged 30% reduction in costs for power (an estimated \$50 million value through the 25-year life of the project) and has waived all local income taxes for the first 5 years of production (an estimated \$25 million savings to the project in this timeframe). The incremental value of state and local benefits not captured in Schedule B total up to \$85 million.*

3.ii. Sources and Uses of Funds (Web-Form questions)

Instructions: In the CHIPS web portal, fill in the following information from a completed Sources and Uses Excel Template. Please ensure values for sources and uses match numbers submitted in the uploaded document as well as the CHIPS Incentives request form.

- For each box in the form, enter in the exact same value from the correspondingly named cell in the S&U – Summation across projects sheet in the uploaded Excel template.
- Please enter the total Project Uses Schedule (from the excel template) into the fields on Financial Information Page 2
- Please enter the total Project Sources Schedule (from the excel template) into the fields on Financial Information Page 3 and Page 4
- For State and Local Government Incentives, sum together the expected grants, loans, tax credits, and other incentives from those sources and enter as a single value in the form.

4. CHIPS Incentives Request (Web-form questions)

Instructions: In the pre-application web portal, provide a summary of the funding request and available credit ratings in the CHIPS Incentives Request Web Form. Applicants should complete the Incentives Request Form on a best-efforts basis. Figures provided by the applicant are expected to be estimates and are permissible to be rough approximations for high-level cost categories. While estimated figures are allowed, applicants who provide greater detail in the pre-application phase will maximize the value of CPO pre-application feedback, which can potentially accelerate the application and award processes. Please refer to the Notice of Funding Opportunity (NOFO) Section IV.H.3 – Financial Information: CHIPS Incentives Request for an overview of the requirements for this portion of the application.

****Please note that the final decision on the CHIPS financing assistance and key terms will be made by the Department of Commerce. This information is to help the Department understand the Applicant's estimate of CHIPS financing assistance.**

- A. CHIPS Incentives Request Summary – In the web portal, indicate whether you are requesting for Direct Funding, CHIPS Loan, and / or a CHIPS Loan Guarantee. For any of those that you select “Yes” you will see an additional corresponding page to provide a summary of the amount of funding requested. Please ensure information provided in this form matches the corresponding CHIPS Direct Funding, CHIPS Loans, and Guaranteed portion of Third-party Loans Guaranteed by CHIPS Program sections in the “S&U – Summation across projects sheet” sheet in the Sources and Uses of Funds Excel template and web form.

Guidelines for CHIPS Loans and Loan Guarantees - Please see NOFO Section I.B.8 for further details.

- **Interest Rate:** The interest rate on a CHIPS Loan will generally be based on the cost of funds to the Department of the Treasury for obligations of comparable maturity plus a portion of the spread to the market rate for commercial loans or debt of similar risk, tenor, and terms.
- **Tenor:** Loans will generally be extended for a term that covers the construction period plus up to 15 years. The maximum tenor is 25 years.
- **Structure:** Loans will be available on both a corporate and project finance basis, depending on the legal structure and nature of the project.
- **Amortization:** Corporate finance loans will generally be bullet loans repayable at maturity. Project finance loans will generally 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.

The specific terms of a CHIPS Loan Guarantee will be subject to negotiation with the applicant and the third-party lender(s). While the extent of the loan guarantee will vary based on the financing requirements and risk characteristics of a transaction, loan guarantees are not expected to cover more than 80% of any third-party debt obligation. CHIPS Loan Guarantees will be subject to comparable underwriting and diligence standards as CHIPS Loans.

A1. CHIPS Direct Funding Request: Indicate whether direct funding (e.g., grant, Other Transaction Authority) will be requested. If requested, enter the expected amount to be requested in dollars.

A2. CHIPS Loans Request: Indicate whether CHIPS loans will be requested. If the application includes a request for a loan

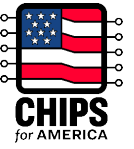
- Provide the dollar amount requested
- Provide the requested tenor of the loan (not to exceed 25 years)
- Indicate whether the financing structure of the loan will be “Corporate Finance” or “Project Finance.” Corporate Finance implies debt is incurred at the parent of development company level, with debt secured at the development company level. Project Finance implies that debt is secured at the project company level to finance the project
- Optionally, provide other requested terms for the requested CHIPS loan (e.g., details on amortization schedule, deferred interest option, pre-payment, seniority, collateralization, fixed vs floating interest rate type). To the extent that requested terms differ from the baseline terms in Section I.B.8 of the NOFO, the summary should include a justification.

A3. CHIPS Loan Guarantee Request: Indicate whether a CHIPS loan guarantee will be requested. If the application includes a request for a loan guarantee

- For a loan requested to be guaranteed:
 - Provide the total size of the loan in dollars
 - Provide the amount of the loan requested to be guaranteed in dollars (not to exceed 80% of the total size of the loan)
 - Provide the requested tenor of the loan guarantee (not to exceed 25 years)
 - If known, provide the third-party lender (include all lenders if the loan is syndicated)
- Verify that the calculated loan guarantee summary fields correctly reflect the loan guarantee information entered
- Optionally, provide other known or requested terms for the loan requested to be guaranteed (e.g., details on amortization schedule, deferred interest option, pre-payment, seniority, collateralization, fixed vs floating interest rate type). To the extent that requested terms differ from the baseline terms in Section I.B.8 of the NOFO, the summary should include a justification.

B. Credit Rating Summary – Provide the most recent credit ratings applicable to the borrowing entity and its corporate parent / sponsor, if available. If credit ratings are not available, please enter N/A for the name of the agency, N/A for the rating, and select today’s date.

- **Borrowing entity for Project:** enter details such as entity name, SAM.gov unique enterprise identifier (if available), mailing address, and organization website. Some fields may be auto populated from other sections and the applicant should verify the information is correct.
- **Corporate Parent / Sponsoring Entity:** If applicable, provide details for the corporate parent or sponsoring entity that houses the entity that will borrow from the CHIPS program.
- **Credit Rating of Borrowing Entity:** If the borrowing entity has received a long-term corporate credit rating from a credit rating agency, indicate the name of the agency, the rating, and the date the rating was released. Provide the most recent rating for any agency which has rated the entity’s corporate creditworthiness.



- **Credit Rating of Corporate Parent / Sponsoring Entity:** If the corporate parent / sponsoring entity has received a long-term corporate credit rating from a credit rating agency, indicate the name of the agency, the rating, and the date the rating was released. Provide the most recent rating for any agency which has rated the entity's corporate creditworthiness.

5. Environmental Questionnaire (PDF upload)

Upload the Environmental Questionnaire that can be found on the CHIPS program website (<https://www.nist.gov/document/chips-nofo-commercial-fabrication-facilities-pre-application-environmental-questionnaire>)

6. Workforce Development Information (Web-form questions)

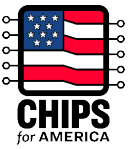
Instructions: In the web portal complete all required questions related to workforce development.

- Provide an estimate of the number of jobs that will be created during the construction phase of the project(s). Do not include any jobs that will be performed outside of the United States.
 - **Direct jobs on the construction site(s):** Enter an estimate for the number of jobs that will be directly involved in the construction activities for the construction, expansion, or modernization of a facility. Examples include laborers and foremen for construction activities.
 - **Indirect jobs:** Enter an estimate for the number of jobs that will be indirectly involved in the construction activities for the construction, expansion, or modernization of a facility. Examples include contracted equipment suppliers and technicians, architects and engineers consulted.
 - **Provide an explanation of your job creation estimates above.** Provide any assumptions, sources, or other explanations for the estimates included for direct or indirect jobs created.
- Provide an estimate of the number of jobs that will be created during the production phase of the project(s). Do not include any jobs that will be performed outside of the United States.
 - **Direct jobs in production:** Enter an estimate for the number of jobs that will be directly involved in the operation of the facility or facilities. This includes all employees of the entity that will be onsite for activities relating to manufacturing, overhead, research & development, and administration.
 - **Indirect jobs:** Enter an estimate for the number of jobs that will be created in the broader ecosystem as a result of operating the facility or facilities. Examples include incremental needs for materials suppliers (e.g., silicon, chemicals, consumables), utilities suppliers, contractors for equipment needs (e.g., cleaning and repair), product transport, etc.
 - **Provide an explanation of your job creation estimates above.** Provide any assumptions, sources, or other explanations for the estimates included for direct or indirect jobs created.

7. Attestation and Submission (Web-form questions)

In the web portal, you must complete the attestation and certifications before you can submit the pre-application. By completing this section and submitting the application you acknowledge the following statements.

The CHIPS Program Office (CPO) recognizes the importance of protecting confidential business information and will follow all applicable laws to protect such information, including, for example, the CHIPS Act, the Trade Secrets Act, and the Freedom of Information Act. Please refer to Section IV.C. of the **CHIPS Incentives Program – Commercial Fabrication Facilities** Notice of Funding Opportunity (CHIPS-CFF NOFO) for a further discussion of these laws.



Submission Certifications:

- The individual submitting the Pre-Application certifies on behalf of the applicant entity that the applicant information and data submitted and the representations made in the Pre-Application are true, complete and accurate, to the best of the applicant’s knowledge and belief after due inquiry.
- The individual submitting the Pre-Application certifies on behalf of the applicant that the applicant understands that CPO and the Department of Commerce will rely on the accuracy and completeness of the application information and data submitted and the representations made in the Pre-Application and that any false, fictitious or fraudulent statement or representation made in the Pre-Application may be the basis for rejection of the Pre-Application or subject the applicant to criminal, civil, or administrative penalties. (18 U.S. Code, Section 1001.)
- The individual submitting the Pre-Application certifies on behalf of the applicant that the applicant understands that any applicant information and data contained in the Pre-Application may be accessed and used by federal employees, consultants and contractors in accordance with CHIPS-CFF NOFO, Section IV.C. (Confidential Information).
- The individual submitting the Pre-Application certifies that they possess the full legal power and authority to submit the Pre-Application and make the preceding certifications on behalf of the applicant.

Public Communications:

- The individual submitting the Pre-Application agrees that neither the applicant entity nor any of its affiliates may issue any press release or otherwise publicly disclose the status of the Pre-Application or the contents of any communications with CPO or the Department of Commerce without CPO’s prior written consent.
- The individual submitting the Pre-Application certifies that they possess the full legal power and authority to bind the applicant.

Burden Statement

A Federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with an information collection subject to the requirements of the Paperwork Reduction Act of 1995 unless the information collection has a currently valid OMB Control Number. The approved OMB Control Number for this information collection is 0693-0095. Without this approval, we could not conduct this information collection. Public reporting for this information collection is estimated to be approximately 60 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the information collection. All responses to this information collection are voluntary to obtain benefits. Send comments regarding this burden estimate or any other aspect of this information collection, including suggestions for reducing this burden to the National Institute of Technology at Cierra Bean, Business Operations Specialist, askchips@chips.gov.