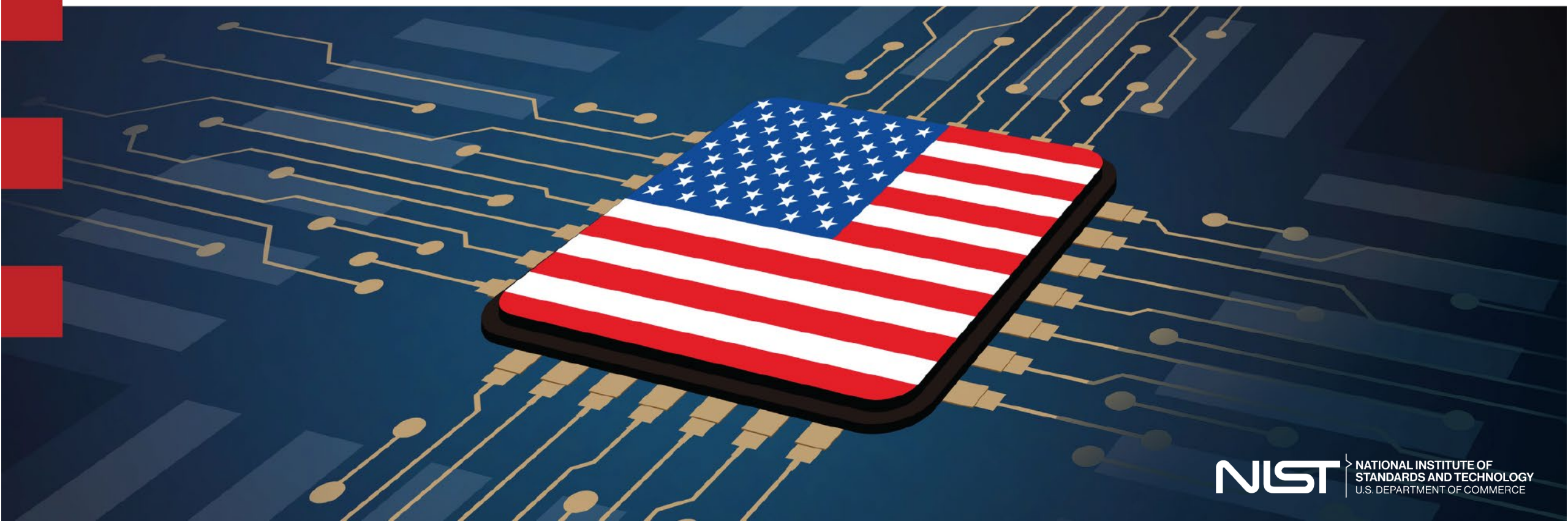
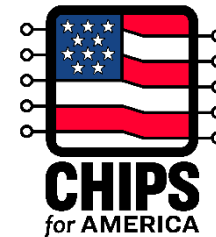
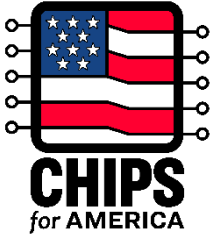


# Office Hours with CHIPS Program Office for the Small-Scale Supplier NOFO Full Application

August 14, 2024



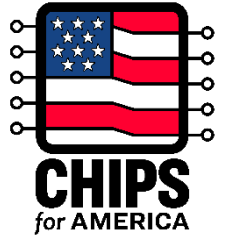
# Today's CHIPS Program Office Speakers



**Andrew Braden**  
Deputy Chief of Staff  
of Investments

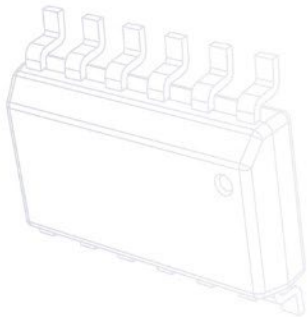
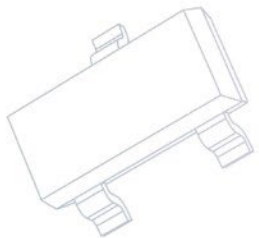


**Tyler Lott**  
Investments Office  
NOFO 2 Lead

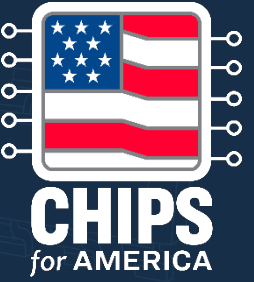


# Welcome

- We will aim to address common themes of missing applications requirements
- We will cover frequently missing requirements, though will not cover every section of the full application.
- Please email any questions to [apply@chips.gov](mailto:apply@chips.gov) after this presentation
- Visit [CHIPS.gov](https://chips.gov)
  - Get the Notice of Funding Opportunity
  - Access additional resources for applicants and stakeholders

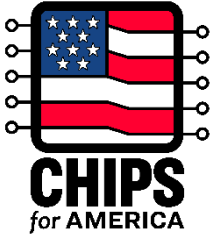


# Agenda



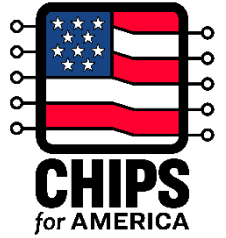
1. Common Questions on Completeness Requirements (15 mins)
2. Application Eligibility Refresher (10 mins)

# Facilities for Semiconductor Materials and Manufacturing Equipment

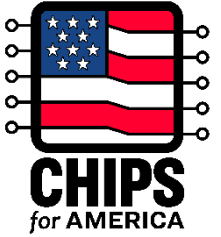


The **CHIPS Incentives Program – Facilities for Semiconductor Materials and Manufacturing Equipment NOFO** is the official funding announcement document. Nothing in this presentation or the accompanying materials is intended to contradict or supersede information in the NOFO. The NOFO controls in the event of any conflicts.

# This Funding Opportunity Timeline



# Application Completeness Requirements



1	Cover Page
2	Consortium Narrative (if applicable)
3	Covered Incentive
4	Description of Project
5	Applicant Profile
6	Alignment with Economic and National Security Objectives
7	Commercial Strategy
8	Financial Information
9	Project Technical Feasibility
10	Workforce and Community Investments
11	Standard Forms



*... Including Consortium Letters of Commitment*



*... Including Descriptive Information about the Applicant*



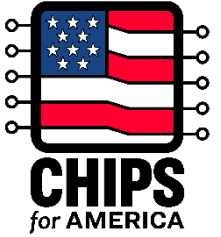
*... Including Supply Chain Resilience and Risk Management Plan*



*... Including Construction Workforce Plan, Community Investment Plan, and Workforce and Community Letters of Commitment*



# Application Eligibility Requirements

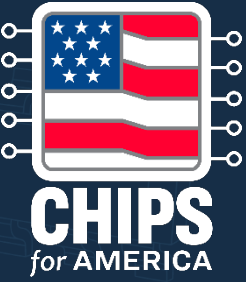


The CHIPS Act imposes several eligibility requirements for funding:

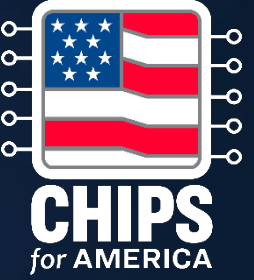
- **Funding is available to covered entities “to incentivize investment in facilities and equipment in the United States” for the production of materials used to manufacture semiconductors or semiconductor manufacturing equipment**
- Foreign entities of concern are not eligible to receive CHIPS Incentives.
- The CHIPS Act specifies that the covered entity must have a documented interest in constructing, expanding, or modernizing an eligible facility.
- **Covered Incentive:** Have been offered a covered incentive from a state or local jurisdiction (state or local incentive) where the project is located, for the purposes of attracting the construction, expansion, or modernization of the facility
- **Worker and Community investments:** Make commitments to worker and community investment, including through training and education benefits **paid by the covered entity** and programs to expand employment opportunities for economically disadvantaged individuals
- **Workforce Commitments:** Secure commitments from regional educational and training entities and institutions of higher education to provide workforce training, including programming for training and job placement of economically disadvantaged individuals
- **Executable Plan:** Have an “executable plan,” i.e., a plan reasonably capable of successful implementation, to sustain the facility without additional funding from the CHIPS Incentives Program
- **Workforce Plan:** Have documented its workforce needs and produced a strategy to meet such workforce needs as well as the aforementioned commitments to worker and community investment
- **Commercial Viability:** Have determined the types of semiconductor technology it will produce at the proposed facility, and the customers, or categories of customers, to whom the items will be sold, and
- **Supply Chain Risks:** Have developed an “executable plan” to identify and mitigate relevant semiconductor supply chain security risks.



# Agenda: Part 1

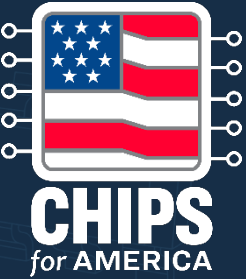


1. Common Questions on Completeness Requirements (20 mins)
2. Application Eligibility Refresher (15 mins)



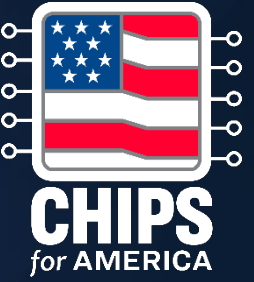
# Consortium Narrative

# Frequently Asked Question 1



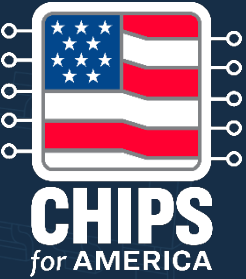
## Will I need to submit a Consortium Narrative Letter of Commitment?

- Consortium applicants who received a letter from CPO requesting consortium letters of commitment should have received a follow up e-mail on Monday, August 12th from CPO stating that, per the NOFO, consortium applicants are only subject to this requirement if they are relying on another member of the consortium to execute a portion of the proposed project scope of work.
- It should be clear from CPO's letter sent out on Monday whether or not we request you submit anything further. We apologize for any confusion regarding this requirement. Please e-mail us at [apply@chips.gov](mailto:apply@chips.gov) if you have additional questions regarding this requirement.



# Applicant Profile

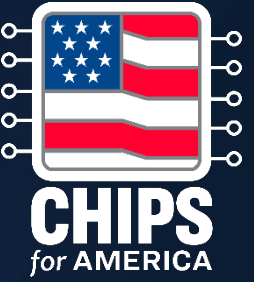
# Frequently Asked Question 2



I submitted information for “Applicant Profile: Descriptive Information about the Applicant”, but my curing letter noted I must re-submit this section. Why?

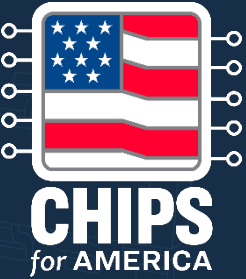
- The following information must be provided about the applicant:
  - Descriptive Information About the Applicant
  - Ownership, Legal Entity, and Organizational Structure
  - Past Project History
  - Covered Entity Status
  - Company Financials
  - Equity Capital Structure
  - Outstanding Debt
- Please direct any further questions about potential missing information from the “Applicant Profile: Descriptive Information” to [apply@chips.gov](mailto:apply@chips.gov)





# Alignment with Economic and National Security Objectives

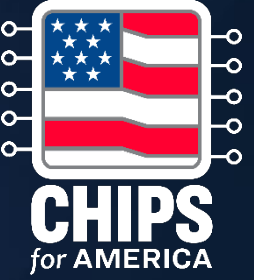
# Frequently Asked Question 3



## ? What information is needed to submit a Supply Chain Resilience and Risk Management Plan?

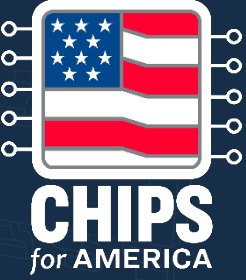
- An application must demonstrate, with respect to the project proposed, that the applicant has an executable plan to identify and mitigate relevant supply chain security risks, such as risks associated with access, availability, confidentiality, integrity, and a lack of geographic diversification in its supply chain.
- This plan should provide information addressing its organizational approach to managing supply chain risk, resilience, and security, and how this will support the proposed project.
- The applicant should demonstrate its ability to continue operating in the United States without access to non-U.S. facilities and personnel.
- The applicant should also identify key suppliers; demonstrate access to critical utilities and transportation logistics; and list its risk management strategies to minimize and mitigate adversarial attempts to degrade, exploit, or compromise the supply chain, including the introduction of counterfeit and/or malicious items into the supply chain





# Workforce and Community Investments

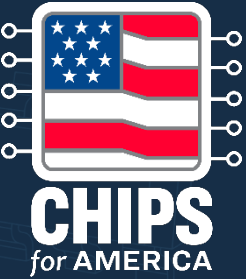
# Frequently Asked Question 4



## Which applicants need to submit a Construction Workforce Plan?

- For projects that involve more than an incidental amount of construction, the applicant must discuss their strategy for investing in construction workforce.
- CPO has assessed that applicants who have received a curing letter indicating a missing Construction Workforce Plan must submit this information.
- This plan may be required for not only construction projects, but also some expansion, and modernization projects.
- Even if a project is focused primarily on the installation of equipment or will only have a small construction team, applicants should note that a construction workforce is being utilized and accordingly submit a plan.
- A construction workforce plan should cover the entirety of workers on the construction project site, regardless of whether they are directly employed by the funding recipient, a contractor, or a sub-contractor.

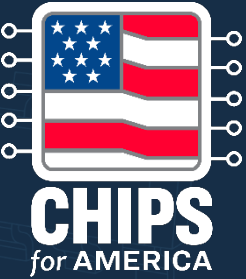
# Frequently Asked Question 5



## What information is needed for a Construction Workforce Plan?

- Applicants must submit documentation discussing their strategy for investing in construction workforce per the NOFO.
- This includes the same items as the Workforce Strategy: i) Workforce Needs Assessment; ii) Recruitment, Retention, and Training Approach; iii) Job Quality Approach; and iv) Metrics and Milestones. The Department is particularly interested in understanding what measures the applicant intends to take to ensure workforce continuity and reduce the risk of delays in project delivery.
- Applicants are also strongly encouraged to describe the steps that will be taken to ensure that all contractors and subcontractors have and will continue to have a strong track record of compliance with all Federal labor laws (i.e. Davis-Bacon, EO 11246, Occupational Health and Safety Act), and the steps that will be taken to prevent the misclassification of workers.
- In compiling a response to the construction workforce plan requirement, it may be helpful to define the proposed lifecycle of the total labor required for the project and then provide a plan that addresses the construction work that will be necessary across the total proposed project

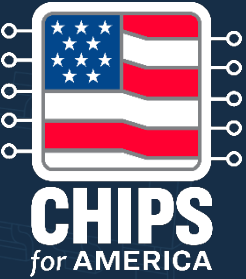
# Frequently Asked Question 6



**? What if my project delegates all construction responsibility to contractors or subcontractors?**

- The Construction Workforce Plan is viewed as a joint effort between the applicant and any general contractors or subcontractors they may choose to utilize. Specifically, applicants, in their role as project owner, should describe standards that they apply across the project regardless of GC or subs selected.
- Applicants may choose to utilize information and details gathered from third party contractors to complete this Section.

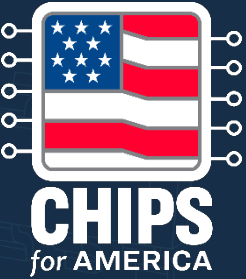
# Frequently Asked Question 7



**?** What if my project is an early-stage project with no general contractor or sourced construction workforce?

- Even in early-stage projects, applicants must include a construction workforce plan as stated in the NOFO.
- While a general contractor or subcontractors may not have yet been identified, applicants should describe standards that they will apply across the project in their role as project owner, regardless of GC or subs selected. Applicants are encouraged to note any required information that they are unable to produce and indicate why.

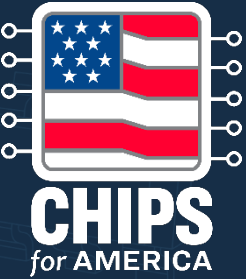
# Frequently Asked Question 8



## What information must be included in a Community Investment Plan?

- Applicants should identify how their community investments “support regional economic resilience and broad-based growth and describe any engagement with local stakeholders to design such investments.”
- Applicants are required to make commitments to community investment, including through training and education benefits paid for by the applicant and programs to expand employment opportunities for economically disadvantaged individuals
- Community investments may include but are not limited to the applicant’s commitments to investment in any of the following: local workforce or education systems, climate and environmental responsibility, child care, affordable housing, and other efforts to unlock barriers to economic participation and support a community’s long-term growth
- Consortium members may collaborate on their workforce and community investments, but individual consortium members must (1) specify their financial contribution to training and education benefits and (2) list their specific contributions (funding and/or other resources) to programs to expand employment opportunities for economically disadvantaged individuals
- Ideal investments demonstrate a clear link between CHIPS Program goals and the economic characteristics of a region

# Frequently Asked Question 9

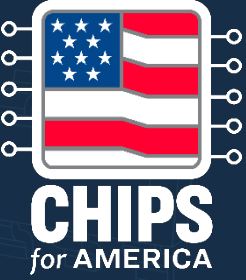


## What should be included in a Workforce and Community Investment Plan Letter of Commitment?

- A strong letter of support from an education or training entity will include details of the specific tasks the education or training entity will perform in support of the Applicant's workforce strategy and the resources that will be provided. For example:
  - What training they will provide?
  - How will they work with the Applicant?
  - How will they support recruitment?
  - What resources will they commit to the partnership?

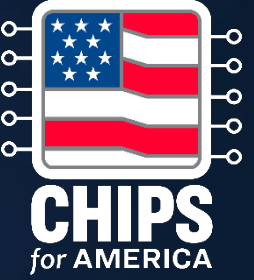


# Agenda: Part 2



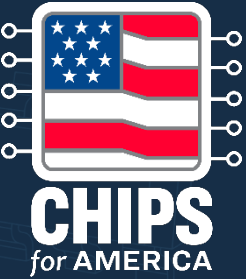
1. Common Questions on Completeness Requirements (20 mins)

2. Application Eligibility Refresher (15 mins)



# Covered Incentive

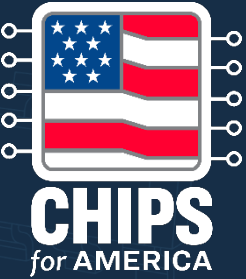
# Frequently Asked Question 10



## What is a covered incentive?

- An incentive offered by a governmental entity to a covered entity, for the purposes of constructing within the jurisdiction of the governmental entity where the project is located, for the purposes of attracting the construction, expansion, or modernization of the facility
- The offer must be for the purposes of attracting the project being proposed for funding under the NOFO
- The offer must include the certain or estimated size and nature of the incentive
- The offer may be from a state or local governmental entity
- While incentives can be contingent, including on the applicant meeting specific project milestones or receiving CHIPS funding (so long as those contingencies are clearly stated in the offer), the covered incentive must still be offered and not just include “potential” incentives the applicant may or may not receive without clearly stating the contingencies for the applicant to obtain such incentives.

# Frequently Asked Question 11

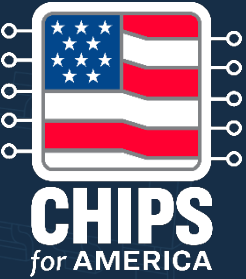


## What are some examples of incentives?

- Covered incentives can take many forms. Note they must be for the purposes of attracting the project being proposed for funding under the NOFO:
  - Financial Incentives: Grants, loans, accelerated property depreciation, Payment in Lieu of Taxes (PILOT) agreements, tax abatements and credits
  - Business Development and Attraction: Site preparation, small business technical assistance, export assistance
  - Infrastructure: Attractive utility rate schedules, investments to improve energy, water, sewer, and transportation capacity for project sites
  - Workforce Development: Workforce training funds, investments in programs such as Registered Apprenticeships and community colleges
  - Child Care: Cost-sharing, grants, tax credits and abatements, and impact fees provisions
- If you have any questions about additional covered incentives, please email [apply@chips.gov](mailto:apply@chips.gov)

*Above are illustrative, non-exhaustive examples that state and local governments may consider for covered entities to meet the CHIPS and Science Act's requirements for provision of state and local incentives. Whether a particular state or local incentive is a covered incentive under the statute ultimately depends on that particular incentive and whether it fits the statute's definition. Inclusion or exclusion from this list is not dispositive of whether a specific incentive is a covered incentive for the purposes of a particular application.*

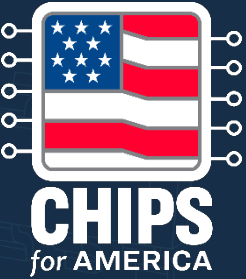
# Frequently Asked Question 12



## When will I need to receive funding from a covered incentive?

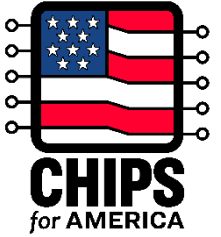
- The CHIPS Act requires that a covered entity shall have been offered a covered incentive from a state or local jurisdiction prior to award
- The offer of a covered incentive may be contingent (i.e., contingent on receipt of a CHIPS award, or the applicant meeting certain project milestones); however, any contingencies need to clearly be specified in the letter from the state or local government entity.
- Further, applicants may be required to provide additional information prior to receiving a CHIPS Incentive Award demonstrating to the CHIPS Program Office's satisfaction that the covered incentive has been or will be received

# Frequently Asked Question 13



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

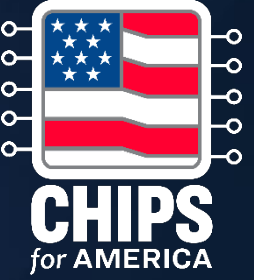
- Yes, the CHIPS Program Office will take such investments and/or incentives into account. However, the covered incentives must still be offered with respect to the proposed project.
- Additionally, the quality and depth of such commitments will be evaluated per the criteria in Section V.A (“Evaluation Criteria”) of the NOFO.



# Next Steps

- Submit all additional information requested by September 16<sup>th</sup>**
  
- Direct any unanswered completeness or eligibility questions to [apply@chips.gov](mailto:apply@chips.gov)**





Thank you