

Solicitation for

**The Edison Innovation Clean Energy
Manufacturing Fund**

Issued by:
The New Jersey Economic Development Authority and
The New Jersey Board of Public Utilities

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Executive Summary

Program Summary: In collaboration with the New Jersey Board of Public Utilities (BPU) Office of Clean Energy (OCE), The New Jersey Economic Development Authority (“EDA”) as administrator of the Edison Innovation Clean Energy Manufacturing Fund (“CEMF”), (*BPU and EDA collectively known as the “Agency”*), is offering financial assistance in the form of zero interest loans and grants to support Class I renewable energy or energy efficiency companies entering or expanding within the manufacturing stage of commercial development.

Eligible Products: Applicants must be companies that currently, or plan to within 36 months, manufacture Class I renewable energy or energy efficiency systems, products or technologies in New Jersey. See Section 2.3 for the definition of eligible technologies within this Solicitation.

Available Program Funding: Approximately \$8 million in funds are available for this solicitation through 2009, with an anticipated \$12 million available in 2010.. It is anticipated that \$12 million in funding will be available annually for this program through 2012. Funding is subject to BPU approval of the annual Clean Energy Programs and Budgets and is further subject to State appropriations law.

Program Funding Structure: The “project “is defined as the scope and duration of the planned construction or expansion of a manufacturing facility for commercial production of eligible product undertaken by the Applicant in New Jersey.

Total funds awarded include up to 50% of total project’s budgeted costs, not to exceed \$3,300,000 per project for each new program solicitation. The program will offer a facility site assessment, procurement, and design grant in Tranche I – not exceeding 10% of total CEMF funds requested by the Applicant capped at \$300,000 – as well as a ten-year zero interest loan in Tranche II for site improvements, equipment purchases, and facility construction and operation not to exceed \$3,000,000. At closing of the grant, twenty (20%) percent of the Tranche I approved funds will be advanced for upfront seed money with the remainder paid after work has been completed upon submission of invoices. One-third of the zero interest loan, up to \$1 million, may be converted to a performance grant if business and technology-based milestones specific to each Applicant are met during a three-year disbursement period that are mutually agreed to by the Agency and the Applicant prior to documentation closing. Equal monthly repayments of the zero interest loan start in the fourth year for a seven-year term with the BPU taking a subordinate lien on assets as to any existing senior debt.

Application Process: Interested Applicants are required to submit an eligibility intake form for preliminary Agency technical review. Should the Agency notify the Applicant that it has met its technical eligibility, the Applicant will be asked to submit a full application via the NJ EDA’s on line application. Applicants that submit a complete application package and meet all the CEMF evaluation criteria, as stated within Section 4F, will be asked to make a project presentation to a Clean Technology Advisory Committee comprised of EDA, BPU, representatives from other government entities and industry volunteers with Energy Efficiency and/or Renewable Energy and business technology subject matter expertise. The Clean Technology Advisory Committee will review and advise based upon the Applicant’s ability to meet Evaluation Criteria set forth

herein. The EDA will administer the underwriting, closing and disbursement of funds to the Awardees.

1. Program Objective

The objective of the CEMF program is to provide support for manufacturing of energy efficient and renewable energy products that will assist Class I renewable energy technologies in becoming competitive with traditional sources of electric generation.

Products under this program will ultimately benefit the New Jersey consumer by providing long-term energy needs in an environmentally sound manner and by facilitating competitive and diverse electricity supply for New Jersey in accordance with the State of New Jersey Energy Master Plan and New Jersey's implementation of the Regional Greenhouse Gas Initiative (RGGI), P.L. 2007, c.340, and the "Global Warming Response Act", P.L. 2007, c.112, ("GWRA") which sets long-term goals for reducing greenhouse gas emissions in New Jersey. The goals established in the State of New Jersey Energy Master Plan are to have 30% of its electricity needs supplied through renewable sources by 2020 and reduce projected electricity and heating consumption by at least 20% by 2020.

Expected benefits of the CEMF are to include increasing the number of renewable energy and energy efficiency manufacturing jobs in New Jersey by encouraging expansion of current manufacturers and to provide sufficient incentive to other manufacturers to locate in New Jersey; stimulating economic development in the New Jersey renewable energy and energy efficiency sector through demand for goods and services by manufacturers; and increasing the volume of renewable energy and energy efficient products manufactured in New Jersey to New Jersey consumers.

1.1 About the EDA

The New Jersey Economic Development Authority (EDA) is an independent, self-supporting State entity dedicated to broadening New Jersey's economic base by building vibrant, diverse communities, creating and maintaining jobs, and providing businesses and nonprofits with the necessary financial and technical support to grow and succeed.

1.2 About the BPU and it's OCE

The Board of Public Utilities is a regulatory authority with a statutory mandate, pursuant to N.J.S.A. 48:2-1 et seq. to ensure safe, adequate, and proper utility services at reasonable rates for customers in New Jersey. As set forth at N.J.S.A. 48:3-49 et seq., the Electric Discount and Energy Competition Act (the "EDECA " or the "Act"), the BPU is directed to establish funding levels and programs that promote and advance energy efficiency and Class I renewable energy programs. These programs are to provide environmental benefit over and beyond those of the "standard offer programs," taking into consideration lost opportunities; making energy services more affordable for low income customers and eliminating subsidies for programs that can be delivered in the marketplace. N.J.S.A. 48:3-60a (3). In 2003, the New Jersey Board of Public

Utilities established the Office of Clean Energy to administer New Jersey's Clean Energy Program. New Jersey's Clean Energy Program promotes increased energy efficiency and the use of clean, renewable sources of energy including solar, wind, and sustainable biomass. The result for New Jersey is a stronger economy, less pollution, lower costs, and reduced demand for electricity and natural gas.

2. Program Eligibility

2.1 Pre-Qualification

To be eligible for consideration for the CEMF, the Applicant must first be pre-qualified for technical eligibility. In order to be pre-qualified the applicant must show that it meets the requirements set forth in EDECA as a EE technology, equipment or system that use electricity or natural gas as a principle input resulting in a substantial increase in the efficient use and/or conservation of electricity or natural gas or a RE technology, equipment or system that is naturally regenerated over a short time scale and is either derived from the sun (such as thermal, photochemical or photoelectric), or from other natural sources such as wind, geothermal and tidal energy, or photosynthetic energy stored in biomass pursuant to N.J.A.C. 14:8-2 et seq.

2.2 Eligible Entity

To be eligible for consideration for the CEMF, Applicants must be a legally organized for-profit company that currently, or plans to within 36 months from documentation closing, manufacture eligible Class I renewable energy or energy efficiency systems, products or technologies in New Jersey and is entering or expanding with the manufacturing stage of commercial development. For projects that are proposing an electric EE or RE manufacturing plant, the Subject Facility must be located within the service territory of an electric public utility whose customers pay the Societal Benefits Charge pursuant to N.J.S.A. 48:3-60. For projects that are proposing a natural gas EE manufacturing plant, the Subject Facility must be located within the service territory of a gas public utility whose customers pay the Societal Benefits Charge pursuant to N.J.S.A. 48:3-60. Partnering companies linked through a corporate joint venture are encouraged to collaborate for increasing the likelihood of commercial success.

2.3 Eligible Technologies

To be eligible for the Clean Energy Manufacturing Fund, the energy efficiency products proposed for manufacturing are limited to those which conserve the end use of gas or electricity. Energy efficiency equipment and technology that reduce electric or natural gas consumption, such as furnaces, boilers, and air conditioning systems with higher efficiencies than adopted New Jersey building energy codes or federal or New Jersey appliance standards, as well as lighting systems, including LED lights and energy monitoring and control systems would qualify. Products which improve the efficiency of electricity or gas generation, transmission or distribution are not eligible.

Class I renewable energy, such as photovoltaic, solar, wind energy, renewably fueled fuel cells, wave, tidal, sustainable harvested biomass, and methane gas from landfills would also qualify as well as other technologies or equipment that can demonstrate their integral nature to the development of Class I renewable energy technologies, including “balance of system” technologies that produce or support the production of renewable or clean electricity generation.

2.4 Eligible Use of Funds

Tranche I funds are to be used for qualified costs including: identifying and securing a project site, design plans for a site and to obtain the necessary permits and regulatory approvals. Tranche II funds are to be used for qualified costs including: capital equipment, leasehold improvements, and engineering and construction services related to such equipment and improvements, and, potentially, increase in inventory. The use of NJ contractors, suppliers, labor and products is preferred. For payment of qualified costs, adequate documentation must be provided. Eligible costs incurred 90 days prior to the acceptance date of Intake Eligibility Form may be allowed.

Non-project costs – such as interest expense on loans - are not considered to be eligible under this program. Proposals to manufacture products that are not beyond the prototype stage are not eligible. Incorporating incremental additions or modifications to existing manufacturing lines will be considered only if of significant or material quality, to be determined at sole discretion of EDA. If a proposal is in the research and development, prototype or pre-commercialization phase, applicant will be referred to the New Jersey Commission on Science and Technology.

All projects must be in compliance with all applicable laws. Applicants may not have any unresolved environmental violations, past due unresolved Federal financial obligations, past due unresolved obligations to the State of New Jersey, and must be current in all payment of all state and local taxes at time of application submittal and through the entire term of any CEMF financing received by Applicant. Construction projects will be subject to regulations promulgated by the New Jersey Department of Labor pursuant to P.L. 1963 c. 150 as amended requiring payment of the prevailing wage rate where applicable and N.J.A.C. 17:27 and Affirmative Action rules. All applications must include an Application of Tax Clearance and a check payable to “the NJ State Division of Taxation” in the amount of \$75. The EDA shall receive, prior to closing, a Tax Clearance Certificate for the Applicant issued by the New Jersey Division of Taxation not more than 90 days old at the date of closing.

2.5 Confidentiality

Applications received will be reviewed only by the Agency and by selected external reviewers. All proposals submitted will be subject to requests for disclosure, including but not limited to, a request pursuant to the Open Public Records Act ("OPRA"), N.J.S.A. 47:1A-1 et seq. If the applicant believes that information contained in its proposal merits confidential treatment pursuant to OPRA, any such purportedly confidential information submitted to the Board shall

be specifically identified and marked by the applicant and submitted to the Board's Custodian in compliance with the Board's regulations at N.J.A.C. 14:1-12 et seq.

3. Program Summary

This program requires a firm commitment of a 50% cash match of total project budgeted costs from other sources of funding for cost sharing, either from non-State grants, loans, or equity (new equity or retained earnings, as evidenced by certified public accountant-prepared financial statements from the Applicant) or other federal and/or local government or private sources, for meeting the total renewable energy/energy efficiency project expenditures. If the matching funds are not reported on the applicant's balance sheet at the time of application, a written letter of interest (LOI) must be provided for the 50% cash match. In order to be acceptable the LOI must contain the basic terms of the proposed financing including form (equity, debt, or grant), repayment (if applicable), and proposed collateral (if applicable). The LOI must be converted to a funded commitment for the transaction closing and evidenced by bank statement or other applicable documentation. In-kind support cannot be included in the cost sharing of the project. This policy is intended to encourage applicants to seek collaborators that can provide additional resources and expertise that will increase the likelihood of commercial success. The Applicant may request both Tranche I and Tranche II or Tranche II only. Please see Frequently Asked Questions (FAQs) for further information.

3.1 Tranche I - Project Assessment and Design (A&D) Grant

These funds are to be advanced to identify and secure a site (either a lease or purchase), complete initial project facility design, and to obtain the necessary permits and regulatory approvals to operate the facility.

Up to 10% of total CEMF funds requested, not to exceed \$300,000 per project, will be funded under this grant, which has no repayment schedule. At closing of the grant, twenty (20%) percent of the approved funds will be advanced for upfront seed money, with the remainder paid after work has been completed upon submission of invoices acceptable to the Agency.

Required is a minimum 50% cash match of total project budgeted costs from firmly committed, non-state-derived Matching Funds including grants, debt or equity. Absent match funding reported on the balance sheet at the time of application, a funding commitment under CEMF may be approved with a documented LOI. In order to be acceptable the LOI must contain the basic terms of the proposed financing including form (equity, debt or grant), repayment (if applicable), and proposed collateral (if applicable). However prior to closing, the Applicant must demonstrate the required 50% cash Matching Funds from other financial sources has been committed and funded via bank statements or other acceptable documents. The Applicant shall perform the activities below which include, but are not limited to, the following (which are also to be noted in the Business Plan and Application Attachments):

- Submit a detailed assessment of how the energy efficiency (EE) or renewable energy (RE) technology, system or equipment will aid the State in achieving the goals established in the New Jersey Energy Master Plan (EMP) and the NJDEP GWRA Report.

It should include the number of potential jobs to be produced by the deployment and use of the EE or RE technology, system or equipment and the potential reduction in NJ rate payer costs to achieve the goals of the EMP and GWRAct report. It should also include a discussion of whether current EE or RE incentives could be reduced or eliminated in the future consistent with the objectives set forth in EDECA to transform the EE and RE market place to be able to operate without incentives and if so, how.

- Complete an assessment of potential sites and evaluate the potential sites against their physical requirements,
- Complete an economic development assessment of financial incentives and business factors contributing to the success of the manufacturing plant,
- Submit engineering and facility design plans,
- Submit an updated budget including a manpower hiring plan for Tranches I and II,
- Submit executed lease or purchase of the Subject Facility,
- Submit a schedule for obtaining necessary permits,
- Submit invoices and requests for disbursement for professional services for disbursement for payment of this grant against work completed and deliverables inclusive of above or expanded on as necessary. This is to include an executed lease or purchase agreement and evidence of permits and regulatory approvals. The Applicant must outline the activities in a schedule noting the proposed timing, costs, and cost sharing associated with each activity and naming parties responsible for their accomplishment.

Equipment testing and procurement, site construction and improvement costs, are not included for payment under this Assessment and Design Grant.

3.2 Tranche II - Project Construction and Operation (C&O) Zero Interest Loan with Performance Grant

Program Funding Structure:

These funds are to support site improvements, equipment procurement and facility construction and completion. A preference will be given to those projects that demonstrate a greater percentage of the project being designed, manufactured, processed, assembled or made ready for commercial sale at the Applicant's Subject Facility within New Jersey.

A maximum \$3 million zero-interest ten-year loan is available to support site improvements, equipment purchases, and facility construction and completion with repayments to start at the beginning of the fourth year (month 37) on the anniversary date of the closing of the funding. **No more than one-half of funds under this tranche may be advanced prior to commercial production**, as such the Applicant Company must demonstrate adequate bridge financing or capital reserves to complete the project until the second half of the funds under Tranche II are advanced. The Agency may convert one-third, up to \$1 million, of the loan into a performance grant if technology-based and business milestones specific to each Applicant are met during the first three years.

Funding will be disbursed based on technology-based and business milestones achieved as evidenced by key deliverables that the Applicant will be requested to outline in its application. These project milestones, subject to Agency review and modification, are to be mutually agreed

to by the Agency and the Applicant prior to documentation closing. These milestones applicable to the Subject Facility's key project activities may include but are not limited to the following:

1. Completion of construction arrangements including subcontractor agreements and utility agreements
2. Identification of vendors and purchase of equipment
3. Equipment installation and testing
4. Hiring of key employees and staffing
5. Obtaining a certificate of occupancy and insurance
6. Commencement of commercial operations
7. Production of commercial product describing targeted units of production and sales goals

For Tranche II, Applicant should propose milestones expected to be achieved that impact the company's performance in terms of completion of key project activities for achieving commercial production, as noted above and may include among the following, especially when considering milestones post-commercial production: key company collaborations, new marketing distribution channels for product manufactured, key purchase orders of new product lines, units of production and sales achieved, number of jobs created and maintained, etc.

These proposed milestones for disbursement of funds are subject to the requirement that no more than one-half of Tranche II funds may be advanced prior to commercial production. It is also subject to a minimum 50% cost sharing prior to documentation closing. The Agency or designated project managers monitoring the project, will deem these milestones satisfactorily completed, in their sole discretion. The Applicant must outline the above requirements in a schedule noting the proposed timing, costs and cost sharing associated with each project activity and naming the party responsible for their accomplishment.

Repayment:

The Applicant will have up to the beginning of the fourth year without any principal repayments on the zero-interest loan. Principal repayments will begin on the first month of the fourth year (month 37) on the anniversary date of the closing of the funding and will fully amortize in equal monthly payments over the remaining seven years or eighty-four months of the zero interest loan repayment period. The principal repayments will be net of any amount that the Agency converts into a performance grant as set forth herein above. Any unpaid balance will be due at the 10-year anniversary if not previously paid in the course of amortization.

Conditions:

- Applicant shall provide evidence via acceptable documentation of sufficient funding to complete the project with a minimum 50% match from other sources of capital, including non-State grants, debt or equity (new equity or retained earnings as evidenced by certified public accountant-prepared financial statements from the Borrower) or other federal and/or local government or private sources. If the matching funds are not reported on the Applicant's balance sheet at the time of application, a written letter of interest (LOI) must be provided for the 50% cash match.. In order to be acceptable the LOI must contain the basic terms of the proposed financing including form (equity, debt or grant), repayment (if applicable), and proposed collateral (if applicable). The LOI must be converted to a funded commitment for the transaction closing and evidenced by bank statement or other applicable documentation. In-kind support cannot be included in the cost sharing of the project. Funding commitment under CEMF may be approved prior to a commitment from other funding sources, but will be contingent, prior to closing, on the Applicant demonstrating the required 50% cash match funding.

- Applicant must have a full time management team who works only at the applicant company and consists of W-2 employees. The full time W-2 management team must include at least one individual with applicable MANUFACTURING industry experience (to be detailed in supplied business plan)

- The zero-interest loan is subordinate in collateral position to the company's existing senior debt.

- The use of NJ contractors, suppliers, labor and products is preferred. Projects utilizing financial assistance for construction related costs are subject to State prevailing wage requirements where applicable.

- In addition to the allowance for current indebtedness, the documents shall allow for the Applicant to secure additional senior indebtedness of up to 25% of the CEMF funding commitment to be senior in collateral position, with no current payment restrictions and without any prior consent from the EDA, BPU or the designated project managers. Approval for additional senior secured indebtedness beyond this amount will require approval from the BPU.

- Applications will be subject to an extensive financial and technical due diligence process. Borrower will not relocate all or any substantial part of its manufacturing operation from the Subject Facility, nor relocate a substantial number of its employees therefrom.

A subordinate mortgage may be required to secure the CEMF financing, if the applicant, or related party is the owner of the real property housing the manufacturing financed.

Financial Reporting:

- At the time of application, a business plan, and for the Applicant, its parent and related entities, two years of certified public accountant-prepared historical financial statements, if available, and financial projections including an income statement, balance sheet, and cash flow with detailed supporting assumptions must be submitted for the first three years on a quarterly basis and on an annual basis for the remaining two year term inclusive of a projected debt repayment schedule.

The Business Plan should also detail the items listed in the attached Due Diligence Check list including ability to advance the State's Energy Master Plan and detailed milestones for both Tranche 1 and 2.

3.3 Program Fees

EDA will charge no application fees in association with the CEMF Program. However, a fee will be due and payable to the NJ Division of Taxation for processing a of Tax Clearance Certificate in the amount of \$75 for standard processing; and \$200 for expedited processing (response within three business days). This fee is to be provided to the EDA along with the full application.

4. Application and Review Process

Application Process: Interested Applicants are required to submit an eligibility intake form for preliminary Agency technical review. Should the Agency notify the Applicant that it has met its technical eligibility, the Applicant will be asked to submit a full application via the NJ EDA's on line application. Applicants that submit a complete application package and meet all the CEMF evaluation criteria, as stated within Section 4F, will be asked to make a project presentation to a Clean Technology Advisory Committee comprised of EDA, BPU, representatives from other government entities and industry volunteers with EE and/or RE and business technology subject matter expertise. The Clean Technology Advisory Committee will review and advise based upon the Applicant's ability to meet Evaluation Criteria set forth herein. The EDA will administer the underwriting, closing and disbursement of funds to the Awardees.

Applications will be subject to an extensive financial and technical due diligence and will be evaluated according to the process outlined below.

- Eligibility Intake Technical Review
- Application Business and Technical Review
- Clean Technology Advisory Committee
- Underwriting of Proposal
- Consideration by BPU Board

There will be an eligibility intake form for technical screening followed by a full application for those pre-applicants that have met the eligibility criteria of this solicitation. EDA will accept the program pre-applications to be posted at www.njeda.com/CEMF. The Agency anticipates notifying applicants within 14 business days after the submission as to whether they meet the eligibility criteria and will move forward in the application process. Applicants that submit a complete application and meet the evaluation criteria, as stated within Section 4F, will be asked to make a project presentation to a Clean Technology Advisory Committee comprised of EDA, BPU, and representatives from other government entities and industry volunteers with EE and/or RE and business technology subject matter expertise. The Clean Technology Advisory Committee will review and advise based upon the Applicant's presentation and ability to meet the evaluation criteria within Section 4F.

Applicants are cautioned to read carefully and conform to the requirements of this specific solicitation. Failure to comply with the provisions of this solicitation may serve as grounds for rejection of a proposal. Incomplete applications may result in the proposal not being considered. Applicants will be notified of missing documentation.

A. Technical Eligibility

Interested Applicants are required to submit an eligibility intake form for preliminary Agency technical review and program eligibility as described in section 2.0 of this document.

The short Eligibility Intake Form can be found on the EDA's web site at www.njeda.com/cemf. The Agency anticipates notifying applicants within 14 business days after submission as to whether they meet the technical eligibility criteria and will move forward in the application process.

- a. All Eligibility Intake Forms with attachments are to be sent via email to EdisonCEMF@njeda.com
- b. Eligibility Intake Forms must also be submitted in writing, on standard 8 ½ x 11 paper, with one (1) copy sent via postal or other delivery service to the following address:

CEMF Application
New Jersey Economic Development Authority
36 West State Street
P.O. Box 990
Trenton, NJ 08625

Eligibility Intake Forms will be accepted on a rolling basis.

B. Full Application

Upon being notified of complying with the program eligibility, and after reviewing the eligible use of funds and programs conditions with an EDA officer, the Applicant will be instructed by such officer to complete the EDA online application for CEMF found at www.njeda.com/cemf. A copy of the required documentation and due diligence items to be supplied, as stated in the on line application, is attached hereto. Upon completing the EDA's online application, the document due diligence checklist and supporting documents should be sent with one paper submission and one electronic submission (either disc or thumb drive) to:

CEMF Application
New Jersey Economic Development Authority
36 West State Street
P.O. Box 990
Trenton, NJ 08625
Attention: (Please put the name of your assigned business development officer)

CEMF proposals must document the approach, plans and strategies intended to meet project goals including:

- Technical project information and benefits
- Business plan including financial projections
- Proposing team and qualifications
- Project procedural steps to accomplish the project milestones
- Project budget including schedule of matching funds

The project budget is estimated by the Applicant and will include expenses to be incurred during the course of the project, including direct labor, overhead, materials, subcontractors, consultants, travel, and selling and administrative expenses related to the project.

Applicants that meet the program eligibility parameters as outlined in section 2.0 herein, meet the program conditions as outlined in section 3.0 herein and submit a complete application package including all attachments and meet all the CEMF evaluation criteria will be asked to move forward to the Clean Technology Advisory Committee review. Applicants submitting incomplete applications will be notified of the missing materials and will not proceed forward until all requested material is satisfactorily supplied.

C. Clean Technology Advisory Committee

Applicants successfully completing the full application, meeting program eligibility requirements and conditions as outlined herein, will be asked to present to a Clean Technology Advisory Committee, comprised of EDA, BPU, representatives from other government entities and industry volunteers with EE and/or RE and business technology subject matter expertise. The Clean Technology Advisory Committee will review and advise the Agency, based upon the Applicant's ability to meet Evaluation Criteria set forth herein in section 4F below.

D. Underwriting and Due Diligence

Applicants will be subject to an extensive financial and technical due diligence. The EDA will administer the underwriting and due diligence process including reference calls and verification of supplied documentation. This information will be provided in an underwriting document for consideration by the BPU Board for Approval

E. BPU Board Consideration

Applicants successfully meeting all the program criteria, a positive review from the clean technology advisory committee based on the program eligibility and conditions, the evaluation criteria and the due diligence process will be presented to the BPU Board for consideration.

F. Proposal Evaluation Criteria

Applications will be evaluated on a first-come, first-serve review process, based upon a completed application and available funding, according to the criteria outlined below. The Agency reserves the right to consider other additional and relevant criteria in making an award among qualified Applicants. All proposals must include information requested in the solicitation and proposal instructions. The order of the criteria below does not denote relative importance.

1. *Economic Impact in New Jersey* - demonstration of how product manufactured and sold will contribute to tangible economic benefits to New Jersey electric and gas ratepayers, such as economic development, environmental benefits including reduction of greenhouse gas emissions and other air emissions, waste generation, water use, waste water discharges or land use impacts, transformation of the EE and RE markets to operate without incentives, contribution to strengthening an industry cluster in New Jersey and commitment to working with New Jersey-based companies and educational institutions, output and job growth and its significance and use of other state and federal incentives.
2. *Technical Merit* - innovativeness of the technology product or process, commitment to developing energy efficiency and renewable technologies systems or equipment within New Jersey for local and global use, that overcome or reduce barriers to product commercialization and manufacturing, significance of intellectual property position, and ability to manufacture products on a commercial scale.
3. *Investment Criteria* - quality of business and financial plan, ability to secure matching funds for the project and to attract additional capital, demonstration of a clear plan for achieving profitability, liquidity and potential for loan repayment, present and proposed capital structure, likelihood of achieving projected sales, significance of proposed milestone payments.
4. *Management and Team Qualifications* - qualifications of management team to develop the project, appropriate business and technical oversight of the project, track record of performance on other relevant projects, ability to successfully perform the project within the proposed timeline and budgeted costs
5. *Market Potential* - market size and projected growth, ability to achieve competitive advantage in the marketplace, market risks and barriers, target customers, description of the niche that the manufacturer's products address

4.3 Question and Answer Procedures

Questions regarding this solicitation may be submitted in writing by electronic mail to Edison CEMF@njeda.com. Questions and answers will be posted on the BPU (<http://www.njcleanenergy.com/renewable-energy/programs/clean-energy-financing>) and EDA (www.njeda.com) websites on an as needed basis.

5. Post-Award Reporting Requirements

For Tranches I and II, Awardees must submit progress reports to the designated project manager by the 15th of the month following the reporting period covered. Quarterly reports must summarize progress, difficulties, planned solutions and funds spent to date. Financial reports to be submitted on an ongoing basis include the Applicant's interim quarterly and annual audited financial statement with an explanation of variances from planned and updated annual financial projections prepared on a quarterly basis and other documents that may be requested.

Awardees shall consult, as necessary, with OCE and/or its designated project managers who may conduct field inspections or otherwise monitor the project and its milestone deliverables for compliance with program technical requirements.

6. Glossary

The following key terms are used in this solicitation (“Solicitation”):

- Agency refers to BPU, OCE and/or EDA.
- Applicant is any entity that submits a Eligibility Intake Form or Application under the terms of this Solicitation.
- Application means applicant’s response to this Solicitation after BPU has determined the applicant’s eligibility status based on applicant’s Eligibility Intake Form submission.
- Application Date means the date that the Application was received by EDA.
- Awardee means an eligible Applicant that receives a notice of financial assistance from EDA and BPU pursuant to this Solicitation.
- Biomass has the same meaning as the assigned to this term in Executive Order 13134, published in the Federal Register on August 16, 1999. Executive Order 13134 defines biomass as “... any organic matter that is available on a renewable or recurring basis (excluding old-growth timber), including dedicated energy crops and trees, agricultural food and feed crop residues, aquatic plants, wood and wood residues, animal wastes, and other waste materials.
- Balance of Systems is a catchall phrase referring to the remainder of the components of clean energy systems other than the prime electricity generator. With a solar photovoltaic system for instance, balance of systems refers to the inverter, disconnects, and power conditioning devices, other than the photovoltaic panels.
- Borrower means an Awardee that successfully closed on an award of financial assistance through this Solicitation.
- Class I renewable energy as set forth in N.J.A.C.14:8-2.5 the types of energy that qualify as Class I renewable energy.
- Eligibility Intake Form means Applicant’s response to this Solicitation for determination of eligibility prior to submitting Application.
- Eligibility Intake Form Acceptance Date means the date of BPU or EDA’s acceptance of the Applicant’s pre-application as documented in a letter to the Applicant.
- Energy Efficiency Technologies refers to those technologies, equipment or systems that use electricity or natural gas as a principle input resulting in a substantial increase in the efficient use and/or conservation of electricity or natural gas.
- Manufacturer means a company that performs an operation or series of operations, the object of which is to place items of tangible personal property in a form, composition or character different from that in which they were acquired. The change must be substantial and must result in a transformation of property into a different or substantially more useable product.
- Matching Funds means cash funds received by Applicant to cover the costs of manufacturing at Subject Facility and may be inclusive of funds received from non-affiliated, non-state third

parties pursuant to arms length negotiations as grants or in exchange for debt or equity securities or some combination thereof of Applicant.

- Methane from Landfills means methane gas generated in the decomposition of municipal solid waste (“MSW”) in a state of the art landfill that is constructed, operated and maintained in accordance with the NJDEP sanitary landfill requirements at N.J.A.C. 7:26-2A.
- Performance Grant is a grant that has no terms of repayment except in the event of default. This is subject to the Applicant meeting all pre-determined milestones during the disbursement period subsequent to the closing.
- Subject Facility means the specific production facility proposed by the Applicant for funding under this Solicitation.
- Sustainably Grown and Harvested Biomass refers to electric energy produced from biomass, either by the burning of captured methane gas derived from biomass, and reuse of feedstock ash and other residues, so as to prevent their disposal as solid waste or the direct firing of biomass as set forth at N.J.A.C. 7:27-8.12.
- Zero-Interest Loan means a loan repayable with no interest amount.

**Clean Energy Manufacturing Fund
Application Submission Instructions and Sample Exhibits**

Submission Instructions

- All due diligence items must be provided per the program solicitation instructions and delivered in two forms
 - 1) physical copies via postal or delivery service, and
 - 2) electronic copies via CD-Rom or USB flash drive
- The checklist should be fully completed and submitted in conjunction with the online application
- The application and supporting documents should be labeled with page numbers, and referenced accordingly in the checklist
- Both physical and electronic submissions **MUST** be labeled and provided in the order corresponding to this checklist
- Supporting documents submitted without completion of the online application will not be considered for review

Sample Exhibits and Supporting Documents

CEMF Due Diligence List

Business Plan Instructions

Statement of Work

Project Plan Chart

Budget Form and Instructions

Certifications

Certification of Application

Exhibit A
Clean Energy Manufacturing Fund
Due Diligence Checklist

| Exhibit Letter | Description | Submission Status <i>Yes/No; Page number</i> | Comments <i>If not applicable, then provide reason</i> |
|----------------|---|---|---|
| A | Completed CEMF Due Diligence List | Pages 2- 4 | |
| B | Business Plan (see Sample Exhibit B) | | |
| | 1-page Executive Summary | | |
| | Goals & objectives | | |
| | Funding need | | |
| | <ul style="list-style-type: none"> • Problem identified | | |
| | <ul style="list-style-type: none"> • Economic, environmental, and energy benefits | | |
| | Technology need | | |
| | <ul style="list-style-type: none"> • Product/technology description | | |
| | <ul style="list-style-type: none"> • Innovative, state-of-the-art characteristics | | |
| | <ul style="list-style-type: none"> • Product development and certification status | | |
| | <ul style="list-style-type: none"> • Power curve data and relative analysis | | |
| | <ul style="list-style-type: none"> • Key technology execution risks | | |
| | <ul style="list-style-type: none"> • Independent testing results | | |
| | <ul style="list-style-type: none"> • Description of IP portfolio | | |
| | Economic development | | |
| | <ul style="list-style-type: none"> • Benefits to NJ EMP goals | | |
| | <ul style="list-style-type: none"> • Benefits to NJDEP Global Warming Response Act report | | |
| | <ul style="list-style-type: none"> • Full-time, W-2 job growth estimates | | |
| | <ul style="list-style-type: none"> • CEMF financial impact on project | | |
| | <ul style="list-style-type: none"> • NJ-based partnerships | | |
| | Production | | |
| | <ul style="list-style-type: none"> • 3-yr capacity estimates per industry standards | | |
| | <ul style="list-style-type: none"> • 3-yr production increase estimates | | |
| | <ul style="list-style-type: none"> • 3-yr production growth drivers | | |
| | Market Potential | | |
| | <ul style="list-style-type: none"> • 3-yr market penetration estimates | | |
| | <ul style="list-style-type: none"> • Size and growth estimates for addressable market | | |
| | <ul style="list-style-type: none"> • Product differentiation in addressable market | | |
| | <ul style="list-style-type: none"> • Key Competitor | | |
| | Marketing strategy | | |
| | <ul style="list-style-type: none"> • 1-yr sales pipeline | | |
| | <ul style="list-style-type: none"> • Description of go-to-market strategy, sales distribution channels | | |
| | <ul style="list-style-type: none"> • Description of sales launch timelines & objectives | | |
| | <ul style="list-style-type: none"> • Description of pricing strategy, demand impact | | |
| | Management qualifications | | |
| | <ul style="list-style-type: none"> • Organizational chart | | |

| | | | |
|----------|--|--|--|
| | <ul style="list-style-type: none"> • Team bios | | |
| | <ul style="list-style-type: none"> • Team resumes | | |
| | <ul style="list-style-type: none"> • Board of Director bios | | |
| | <ul style="list-style-type: none"> • Advisory Committee bios | | |
| | Manufacturing plan | | |
| | <ul style="list-style-type: none"> • Strategic description, development status, timeline | | |
| | <ul style="list-style-type: none"> • If headquartered outside of NJ, factors for locating project in NJ | | |
| | Risk assessment | | |
| | <ul style="list-style-type: none"> • Identification and analysis of technology and business strengths, weaknesses, opportunities, and threats (SWOT chart) | | |
| | <ul style="list-style-type: none"> • Mitigating risk factors | | |
| | Corporate structure | | |
| | <ul style="list-style-type: none"> • Description of corporate and ownership structure | | |
| | Financing plan | | |
| | <ul style="list-style-type: none"> • Identification of all funding sources, incentives | | |
| | <ul style="list-style-type: none"> • Summary of project budget | | |
| | <ul style="list-style-type: none"> • Table of project sources, uses and cost-sharing for Tranches I & II funding | | |
| | Financial analysis | | |
| | <ul style="list-style-type: none"> • Summary of historical and projected financial statements | | |
| | <ul style="list-style-type: none"> • Description of key repayment risks | | |
| | <ul style="list-style-type: none"> • Table of debt obligations, collateral, repayment terms, and lender contact information | | |
| | <ul style="list-style-type: none"> • Description of any liens, judgments, and/or pending legal claims against the Applicant or related entities | | |
| C | Statement of Work (see Sample Exhibit C) | | |
| D | Project Gant Chart (proposed budget & timeline; See Sample Exhibit D) | | |
| E | CEMF Project Budget (see Sample Exhibit E) | | |
| F | Certifications (See Sample Exhibit F) | | |
| G | Certification of Application (See Exhibit G) | | |
| H | Financial Statements | | |
| | <ul style="list-style-type: none"> • 2-year, accountant prepared historical balance sheet, income, cash flow statements | | |
| | <ul style="list-style-type: none"> • Detailed assumptions, footnotes | | |
| | <ul style="list-style-type: none"> • Interim management prepared financial balance, income, cash flow statements | | |
| | <ul style="list-style-type: none"> • Last 3 most recent bank statements | | |
| I | Financial Projections | | |
| | <ul style="list-style-type: none"> • Projected 3-yr quarterly balance sheet, income, cash flow statements; inclusive of debt repayment on principal & interest • Projected 2 year annual thereafter, balance sheet, income statement and cash flow statements | | |

| | | | |
|----------|---|--|--|
| | <ul style="list-style-type: none"> Detailed Excel financial model | | |
| | <ul style="list-style-type: none"> Detailed assumptions and financing terms | | |
| J | Letter(s) of Commitment | | |
| K | Status Reports of Subject Facility | | |
| | <ul style="list-style-type: none"> Environmental reports | | |
| | <ul style="list-style-type: none"> Permit, zoning, & relative approvals | | |
| L | Articles or Certificate Incorporation | | |
| | <ul style="list-style-type: none"> Operating agreement (LLC) | | |
| | <ul style="list-style-type: none"> Material contacts | | |
| | <ul style="list-style-type: none"> Contractual obligations, including non-compete agreements | | |
| M | Capitalization Table | | |
| N | Contact Information for 3 Largest Customers, Suppliers and Investors | | |

SAMPLE EXHIBIT B: BUSINESS PLAN INSTRUCTIONS

1. Executive Summary (Limit to one page)

This abstract of the proposal should briefly describe the core elements of the proposal, benefits to New Jersey and how the proposal meets the evaluation criteria listed in the solicitation.

2. Goals and Objectives

Briefly describe the project's goals and objectives.

3. Funding Need and Justification

a. Funding Need:

- Identify the need the proposal is intended to address.
- Explain why the project should be funded in terms of economic, environmental, energy and cost-effectiveness benefits.

b. Technology:

- Describe the product and related technology or technologies to be produced.
- Discuss the technology innovation and process and its relation to the state-of-the-art for similar products.
- Describe status of development of product and certification to relevant standards, such as Underwriters Laboratories (UL).
- Describe the key risks associated to manufacturing and full commercialization of the product.
- Indicate whether any independent testing has been performed or is planned.
- Describe the intellectual property including current status of patents, trade secrets, or any other intangible assets that give the company a competitive advantage. List assigned patent numbers, country of filing, and filing and issuance dates.

4. Economic Development

- Provide a detailed assessment of how the energy efficiency (EE) or renewable energy (RE) technology, system or equipment will aid the State in achieving the goals established in the Governor's Energy Master Plan (EMP) and the NJDEP Global Warming Response Act (GWRA) Report. This should include the number of potential jobs to be produced by the deployment and use of the EE or RE technology, system, equipment and the potential reduction in NJ rate payer costs to achieve the goals of the EMP and GWRA reports. This should include how, if any, current EE or RE incentives could be reduced or eliminated in the future consistent with the objectives set forth in EDECA to transform the EE and RE market place to be able to operate without incentives.
- Describe the planned addition of full-time W2 employees and part-time W-2 employees as part of the proposed business expansion or relocation into New Jersey and result of funding of the Subject Facility for at least first three years as a result of the investment.
- Describe the impact the CEMF is expected to have on the project's development.
- Describe the use of New Jersey contractors, suppliers, labor and products. Identify organizations including any partnerships that will help complete the project and those expected to receive contracts with an estimated percentage of product costs associated with using New Jersey suppliers. Partnerships should be fully described including the value of their efforts or other resources including a description of their activities and functions.

5. Production

- Provide an estimate of the expected plan capacity (in number of units per year of product produced) over first three years and producible as of the end of the most recent fiscal quarter.

Use the industry standard measure of output, such as peak-rated megawatts (MW) of product produced for solar panels.

- Describe the measurable benefits for each of the first three years in terms of increase in output from the Subject Facility and identify elements responsible for the output.
- Identify elements responsible for increased output including assumptions of daily number of shifts and weekly days of operation.

6. Market Potential

- Describe the expected market share for the first three years of commercial sales.
- Describe the target market for this product. Explain the size of the market and growth expectations.
- Describe the advantage this product will have over the competition.
- Describe key competitors and competing technologies.
- Include any tables or graphs the Applicant may choose to show to indicate market potential.
- Identify the sales pipeline (with % of likelihood or commitment) for the first 12 months

7. Marketing Strategy

- Describe how the product will be sold and marketed including distribution channels, sales representatives
- Include analysis of sales cycle.
- Explain when commercial sales are planned to be in and what may delay achieving sales objectives
- Explain pricing strategy and how this impacts product demand.

8. Team Qualifications

Organizational Chart - Prepare an organizational chart listing all team members, including the project manager and any subcontractors and other sponsors involved in the project, showing their roles and responsibilities.

Qualifications - List Key Personnel/Management Team for Subject Facility (name, title, and contact information). Must include W-2, management team that works full time only at the Applicant company and must include members with detail of their manufacturing experience. State the proposing team's individual and combined expertise that would enable successful completion of this project. Include bios with **current responsibilities** and include Board Member bios. Submit resumes of all key technical and manufacturing personnel who have scientific or operating responsibilities related to Subject Facility, including those of proposed subcontractors. Include education and experience that are relevant to the proposed work and examples of related projects undertaken and successfully completed.

9. Manufacturing Plan

- Describe your company's manufacturing strategy include information on locations of other existing or planned manufacturing facilities, if any, including Subject Facility.
- If location of Subject Facility is not yet identified, indicate the strategy and timeframe for locating the facility.
- If corporate headquarters is not located in New Jersey, describe the factors, other than this award, for locating the facility in New Jersey.

10. Risk Assessment

Identify the technology and business risks associated with this project and explain the mitigating factors so that such risks are addressed satisfactorily.

11. Corporate Structure

- Explain the corporate and ownership structure

12. Financing

As detailed below, embed a chart in the business plan which includes:

- All forms of incentives and development assistance that have been identified or to be pursued.
- Describe total projected budgeted costs and fundings necessary for the Subject Facility.
- List all sources of funds to finance the proposed Subject Facility over the next 36 months in a (Include the % of budgeted costs for each Tranche by funding source)

| Funding Source | Contact Information | Funding Amount Required | | Total Budgeted Project Costs | | | |
|------------------------------------|---------------------|-------------------------|------------|------------------------------|---------------------|------------|---------------------|
| | | Tranche I | Tranche II | Tranche I | Funding % of Budget | Tranche II | Funding % of Budget |
| 1. CEMF | | | | | | | |
| 2. Applicant | | | | | | | |
| 3. Other (list each source) | | | | | | | |
| Total | | | | | | | |

13. Financial Analysis Summary

- Describe any liens, judgments, pending lawsuits or other legal claims, tax claims or other outstanding financial claims against the Applicant, or its parent or any of its related entities.
- Describe the significant risks that may interfere with the Applicant repaying the zero-interest loan over seven years.
(In attachment exhibit J actual and projected financials are requested – within the business plan summary please provide overview of financial performance)

**SAMPLE EXHIBIT C: STATEMENT OF WORK INSTRUCTIONS
AND SUGGESTED EXAMPLES**

The Statement of Work, a section in the proposal that outlines work activities and milestone payments, must be structured as an ordered set of tasks as outlined herein.

In the Statement of Work, please describe the project purpose, expected outcomes and planned site location. Please note all parties responsible for completing activities. Describe the unit of product that will be manufactured and sold. Please describe in more detail each activity description for Tranches I and II as outlined herein

Tranche I activities are suggested to include any activities among the following:

1. Assessment of potential sites and physical requirements
2. Economic development assessment of financial incentives and business factors contributing to the success of the manufacturing plant
3. Submission of final engineering and physical facility design plans
4. Submission of an updated budget including a manpower hiring plan for Tranches I and II
5. Submission of executed lease or purchase agreement of facility site
6. Identification of all necessary permits and a schedule for obtaining these permits

Tranche II activities are suggested to include any activities among the following:

1. Construction arrangements including subcontractor agreements and utility agreements
2. Identification of vendors and purchase of equipment
3. Equipment installation and testing
4. Hiring of key employees and staffing of Subject Facility
5. Obtaining a certificate of occupancy and insurance
6. Commencement of commercial operations
7. Production of commercial product describing targeted units of production and sales goals

For Tranche II, Applicant should propose milestones expected to be achieved that impact the company's performance in terms of completion of key project activities for achieving commercial production at the Subject Facility as noted above and may include the following, especially when considering milestones post-commercial production: key company collaborations, achievement of product quality control standards, number of jobs created and retained, new marketing distribution channels for product manufactured, key purchase orders of new product lines, units of production and sales achieved, etc. When proposing milestones, please note no more than one-half of the Tranche II funds may be advanced prior to commercial production and is subject to a minimum 50% cost sharing of the project costs. The Applicant will have, from date of closing, 36 months to complete Tranche I activities and 36 months to complete Tranche II activities.

Please see Examples on next page

Tranche I: Example Project Schedule and Expenditure Timeline

(Please provide Project Schedule and Expenditure Timeline in similar format)

| Activity Description | Anticipated Start Date | Anticipated Completion Date | Total Budgeted Project Cost | CEMF as % of Budget Costs | CEMF | Match as % of Budget | Cost-Sharing Match | Milestone Deliverable | Milestone Payment |
|--|------------------------|-----------------------------|-----------------------------|---------------------------|---------|----------------------|--------------------|---|-------------------|
| 1. Asses Facility Needs and Choose Site Selection | December 1, 2009 | January 31, 2010 | 30,000 | 30% | 9,000 | 70% | 21,000 | Facility needs assessment report & executed lease | 9,000 |
| 2. Submit Engineering and Facility Design Drawings | February 1, 2010 | April 1, 2010 | 100,000 | 50% | 50,000 | 50% | 50,000 | Diagrams of plant and site layout, listing of major pieces of equipment | 50,000 |
| 3. (List All Project Activities) | | | | | | | | | |
| 4. | | | | | | | | | |
| 5. | | | | | | | | | |
| 20% upfront-advance of Tranche I at closing (see Note) | | | 52,000 | | 52,000 | | | Documentation closing | 52,000 |
| TOTAL | | | 260,000 | 50% | 130,000 | 50% | 130,000 | | |

Note: Please provide separate detail of projected usage of funds for up-front advance. Total funds advanced cannot exceed \$300,000 equal to 50% or less of total Tranche I budgeted project costs.

Tranche II: Example Project Schedule and Expenditure Timeline (Please provide in similar format)

| Activity Description | Anticipated Start Date | Anticipated Completion Date | Total Budgeted Cost | CEMF as % of Budget Costs | CEMF | Cost-Sharing Match as % of Budget | Cost Sharing |
|---|------------------------|-----------------------------|---------------------|---------------------------|-------------|-----------------------------------|--------------|
| 1. Complete Building Subcontractor and Utility Agreements | | | | | | | |
| 2. Identify Vendors and Purchase Equipment | June 1, 2010 | August 31, 2010 | 4,000,000 | 50% | 2,000,000 | 50% | 2,000,000 |
| 3. (List All Project Activities) | | | | | | | |
| 4. | | | | | | | |
| 5. | | | | | | | |
| TOTAL | | | 10,000,000 | 30% | \$3,000,000 | 70% | \$7,000,000 |

Tranche II: Example Milestone Payment Schedule (Please provide in similar format)

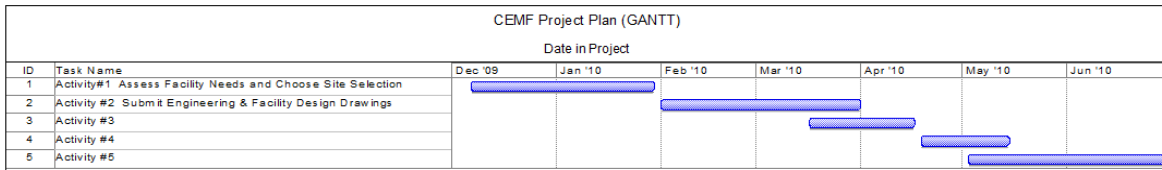
| Milestone Descriptions | Expected Start Date of Production | Milestone Deliverable | Achieved as of Activity # | Identify Responsible Party | Anticipated Completion Date | Milestone Payment Amount | Explain Cost Basis for Milestone Payment |
|-------------------------------|-----------------------------------|---|---------------------------|----------------------------|-----------------------------|--------------------------|--|
| Example 2. Equipment delivery | October 2010 | Submit equipment invoice/purchase order | 2 (as above) | Peter Smith (COO) | November 2009 | \$2MM | Vendor equipment listing |
| (List all milestones) | | | | | | | |
| 4. | | | | | | | |
| TOTAL | | | | | | | |

Note: Cost-sharing must meet the following requirements:

- Verifiable from the Applicant's records
- Necessary and reasonable for the proper and efficient accomplishment of the project or program objectives
- Allowable under the applicable cost principles
- Not be paid by the Federal government under another award, except where authorized by Federal statute; and
- Provided for in the proposed budget

SAMPLE EXHIBIT D: PROJECT PLAN CHART

In addition to the Statement of Work project schedule, a project plan chart should also be included to outline all activities. The project plan should outline the chronological schedule of activities as defined by activity tasks separately for Tranche I and Tranche II and match the activities outlined in the Project Schedule in the Statement of Work (Exhibit C). A one-page summary Gantt chart should be submitted to depict the project plan schedule. A Gantt chart such as the example chart below can be generated using Microsoft Project®. Although this chart type is preferred, a similar chart type may be substituted to detail the project timeline.



SAMPLE EXHIBIT E: CEMF PROJECT BUDGET FORM INSTRUCTIONS

Please provide accurate and complete information for the budget in Exhibit E. Supporting schedules providing the basis for your estimates must be provided as requested below.

Each supporting schedule should be cross-referenced to the budget proposal form (as provided in the subsequent example).

1. Direct Materials

a. Purchased Parts – for each proposed item in excess of \$10,000 please provide the following information:

- Item description
- Proposed vendor
- Quantity required
- Unit cost
- Basis for cost (previous purchase, direct quote, etc.)
- Total cost
- Vendor
- Explain selection process

b. Other Direct Materials

For all items exceeding \$10,000, please provide information on what is being purchased and how estimated costs are determined.

2. Materials Overhead (also applicable to other indirect costs – labor overhead and general & administrative (G&A) expense)

a. If Government-approved indirect rates are not proposed, please supply the following for years comprising the proposed period of project funding:

- The budget of indirect costs for each proposed indirect expense rate
- The budget for the base, for each proposed rate (direct labor dollars, hours, etc.) itemized for contract hours or costs, research and development hours of costs, and any other direct base effort
- The actual incurred rates for prior two years

b. If Government-approved rates are proposed, then submit a copy of the appropriate Government document (Federal agency approval letter) verifying those rates.

3. Direct Labor

- Attach schedule to show names/titles or each category of labor being estimated and applicable labor rates per hour
- Provide method as to how rates are being determined (e.g., actual rates, category averages, etc.) and include any anticipated changes in rate and the basis for the change

4. Labor Overhead – Follow same instructions as #2 Materials Overhead**5. Outside Special Tests**

- a. Provide explanation on rationale for performing special tests outside the company
- b. Include details on time, cost rates and vendor
- c. Describe vendor selection process

6. Equipment and Supplies as defined by Federal Financial Assistance

List on supporting schedule

- Equipment and supply purchases for Tranche II require the following information:
- Vendor

- Proposed vendor selection process
- Model number
- Quantity
- Unit cost per item
- Provide details on the use of equipment / supplies

7. Travel

- Name of individual traveling
- Origin
- Destination
- Number of days
- Number of trips
- Purpose of travel
- List as a direct charge only travel required to perform the statement of work
- Identify any special transportation costs required in the performance of this project

8. Other Direct Costs

- Specify type of cost
- Provide cost details for amount estimated (hours, units, rates)

9. Subcontractors / Consultants

- Explain how the service will be used
- List names of proposed subcontractors/consultants
- Detail the services to be required of subcontractors/consultants – number of days, hours per day, daily rate (state projects with comparable costs that subcontractor/consultant has received previously)

10. General and Administrative (G&A) Expense

a. If Government-approved or reviewed indirect rates are not proposed, please supply the following for years comprising the proposed period of project funding:

- The budget of indirect costs for each proposed indirect expense rate
- The budget for the base, for each proposed rate (direct labor dollars, hours, etc.) itemized for contract hours or costs, research and development hours of costs, and any other direct base effort
- The actual incurred rates for prior two years

b. If Government-approved rates are proposed, then submit a copy of the appropriate Government document (Federal agency approval letter) verifying those rates.

SAMPLE EXHIBIT E: CEMF PROJECT BUDGET FORM

| CEMF Project Budget | | | | | | |
|--|--|------------------------------------|------------------------|--|--|---------------------|
| Project Title: | | | | | | |
| Cost Estimate - Tranche I: | | Cost Estimate - Tranche II: | | | Total Cost Estimate: | |
| Estimated Start Date - Tranche I: | | | | Estimated Start Date - Tranche II: | | |
| Name: | | | | | | |
| Project Duration (months): | | | | Estimated Start Date of Production: | | |
| Location (Project Facility): | | | | | | |
| Project Description: | | | | | CEMF as % of Project Costs Tranche I: Tranche II: | |
| | | | | Total Project Cost | Funding via CEMF | Cost-sharing |
| Cost Element | | | | | | |
| 1. Direct Materials | | | | | | |
| a. Purchased Parts (list on supporting schedule) | | | | | | |
| b. Other | | | | | | |
| Total Direct Materials | | | | | | |
| 2. Materials Overhead | | | | | | |
| 3. Direct Labor (specify names/titles or category of labor) | | Hours | Rate/Hr | | | |
| | | | | | | |
| Total Direct Labor | | | | | | |
| 4. Labor Overhead | | Rate % | Base Amt | | | |
| | | | | | | |
| Total Labor Overhead | | | | | | |
| 5. Outside Special Tests | | | | | | |
| 6. Equipment and Supplies (list on supporting schedule) | | | | | | |
| 7. Travel (list origin/destination, number of days, number of trips, purpose of travel) | | | | | | |
| 8. Other Direct Costs | | | | | | |
| 9. Subcontractors/Consultants (Name and Service) | | | | | | |
| | | | | | | |
| Total Subcontractors/Consultants | | | | | | |
| 10. General & Administrative Expense | | Rate % | Cost Element(s) | | | |
| | | | | | | |
| 11. Total Estimated Project Cost | | | | | | |
| This proposal, in accordance with instructions, reflects our best estimates as of this specified date. | | | | | | |
| Name and Title: | | | | Signature: | Date: | |

EXHIBIT F: CERTIFICATIONS

I. Certification Regarding Debarment, Suspension or Ineligibility for Award

The applicant certifies, to the best of its knowledge and belief, that:

- (1) The applicant and/or any of its principals are, are not presently debarred, suspended, proposed for debarment or declared ineligible for the award of contracts by any Federal or State agency, and
- (2) The applicant and/or any of its principals have, have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a Federal, state, or local government contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and are, are not presently indicted for, or otherwise criminally or civilly charged by a Government entity with commission of any of those offenses.

II. Clean Air and Water Certification

The applicant certifies that:

- (1) Any facility to be used in the performance of this proposed project is is not listed on the Environmental Protection Agency (“EPA”) List of Violating Facilities;
- (2) The applicant will immediately notify the Board, before award, of the receipt of any communication from the State indicating that the facility the applicant proposes to use for the performance of the contract is under consideration to be listed on the EPA List of Violating Facilities; and;
- (3) The applicant will include a certification substantially the same as the certifications, including this paragraph, in every nonexempt subcontract.

(Signature and Title)

(Name, please print)

(Date)

EXHIBIT G: CERTIFICATION OF APPLICATION

PLEASE NOTE:

Eligibility of financial assistance by the New Jersey Economic Development Authority is determined by the information presented in this application and the required attachments and schedules. Any changes in the status of the proposed project from the facts presented herein could disqualify the project, including but not limited to, the commencement of construction or the acquisition of assets such as land or equipment. Please contact the staff of the EDA before taking any action which would change the status of the project as reported herein. Please consult with the EDA staff for details concerning these matters.

Only Board Members of the governing board of the particular program for which you are applying, by resolution, may take action to determine project eligibility and to authorize the issuance of funds.

I, THE UNDERSIGNED, BEING DULY SWORN UPON MY OATH SAY:

1. I am aware of the "State Prevailing Wage Act" N.J.S.A. 34:11 and the "Affirmative Action Regulation" N.J.A.C. 17:27 and am prepared to comply with the requirements contained therein.
2. I affirm, represent, and warrant that the applicant has no outstanding obligations to any bank, loan company, corporation, or individual not mentioned in the above application and attachments; that the information contained in this application and in all attachments submitted herewith is to the best of my knowledge true and complete and that the grant/loan applied for herein is not for personal, family, or household purposes.
3. I understand that if such information is willfully false, I am subject to criminal prosecution under N.J.S.A. 2C:28-2 and civil action by the EDA which may at its option terminate its financial assistance.
4. I authorize the New Jersey Department of Law and Public Safety to verify any answer(s) contained herein through a search of its records, or records to which it has access, and to release the results of said research to the EDA.
5. I authorize the EDA to obtain such information including, but not limited to, a credit bureau check as it may require, covering the applicant and/or its principals, stockholders and/or investor.
6. I authorize the EDA to provide information submitted to it by or on behalf of the applicant to any bank which might participate in the requested financing with the EDA.
 - I am an Authorized Signer and I accept the terms and conditions.

Signature of Authorized Signer

Printed Name and Title

Date