New Jersey Commission on Science, Innovation and Technology

Notice of Funding

for

*Round 2, Clean Tech Seed
Grant Pilot Program*

1. INTENT/SUMMARY

This grant opportunity is issued by the New Jersey Commission on Science, Innovation and Technology (CSIT) in collaboration with the New Jersey Economic Development Authority (NJEDA), seeking applications from qualified Applicants for Round 2 of the Pilot Clean Tech Seed Grant Program (Program) to support early stage entrepreneurs in the State.

2. PROGRAM SUMMARY

The Clean Tech Seed Grant Pilot Program has a total budget of $1,500,000 for awards. Funding for the Program is provided by the New Jersey Board of Public Utilities (NJBPU). The Program will be implemented by the CSIT, and administrative and technical support will be provided by NJEDA staff.

The goal of the Program is to help New Jersey-based early stage clean tech/clean energy companies accelerate development and innovation of clean technologies to transform new discoveries from research stage into commercially viable technologies, leading to industry and investor interest.

An initial round of the Program was launched in February 2021 and ten (10) grants totaling $747,964 were awarded to New Jersey-based companies engaged in clean tech/clean energy research and development. The program had been oversubscribed by a factor of two indicating increased demand by relevant startup companies.

3. TARGET INDUSTRIES

The Program is for companies developing or testing clean technologies intended to avoid emissions of, or recapture, greenhouse gases and/or criteria pollutants, or to enable such avoidance or recapture in the following target areas:

- Chemicals/Advance Materials
- Energy Distribution/Storage
- Energy Efficiency
- Energy Generation
- Green Buildings
- Transportation
- Waste Processing
- Water and Agriculture

The Technology Readiness Levels (TRL) are a method of estimating technology maturity. The TRL scale ranges from 1 (basic principle observed) through 9 (total system used successfully in project operations). Applicants are requested to use the New York State Energy Research and Development Authority (NYSERDA) Technology and Commercialization Readiness Calculator tool included in the Technical Proposal to determine TRL score

All Applicants for the Clean Tech Seed Grant Pilot Program should be between a minimum technology development level of TRL 2 (applied research) and maximum of TRL 7 (Full-scale, similar (prototypical) system demonstrated in relevant environment), based on the Department of Energy definitions (Attachment A).

4. ELIGIBILITY CRITERIA

Each Applicant to the Clean Tech Seed Grant Pilot Program must meet the following eligibility criteria at the time of application and throughout the review process.

- Authorized and in good standing to conduct business in New Jersey as evidenced by a New Jersey current New Jersey tax clearance certificate
- Have a minimum of one (1) full-time equivalent employee (FTE) including founders; with at least one employee working 50% of their time on the project being proposed
- 50% or more of the work of its employees, including founders and contractors conducted in NJ (calculated on an FTE basis – 35 hrs. per week)
- 50% or more of employees, including founders/contractors live or pay withholding taxes in NJ
- Company has less than two million dollars ($2,000,000) in prior third-party funding over its lifetime (excluding government grants)

- Company has less than five hundred thousand dollars ($500,000) in previous calendar year sales revenue

Please note, previous grant awardees from Round 1 of the Clean Tech Seed Grant Pilot Program are not eligible to apply for Round 2 of the Program.

5. PROJECT SIZE, USE OF FUNDS AND DISBURSEMENTS

Eligible applicants can propose a project of up to one year in duration and with a maximum budget of $75,000. An extension for up to an additional 3 months may be permitted and will be reviewed on a case-by-case basis.

Please note that CSIT reserves the right to make changes to budget submissions if there are any proposed expenditures outside the scope of the Program.

The Clean Tech Seed Grant Pilot Program funds are intended for specific, early-stage clean tech/clean energy-related development projects (Projects). All expenses submitted as part of the budget proposal should be specifically related to the particular Project for which this grant is sought.

The following expense categories are ineligible for funding the Program:

- Travel, entertainment, and other similar expenses
- Allocations of general overhead expenses
- Any expenditures incurred before the "Effective date" the date representing the last date of execution of the Grant Agreement by the Parties.
- Any expenses for equipment and materials that Applicant does not expect to use predominantly for the Project during the Project period
- Fees related to Conferences not associated with the Project

In addition, no more than 30% of the budget proposed for the Project, in the aggregate, may be spent on:

- Marketing and customer discovery specific to the innovation
- IP patent prosecution and licensing-related expenses
- Conference registration fees

Disbursement of funds

Eighty percent (80%) of the approved Project budget request will be disbursed upon execution of the Grant Agreement following the award, and the remaining twenty percent (20%) will be disbursed after the submission of an approved Project Completion report to CSIT.

6. <u>REQUIRED DOCUMENTATION</u>

All applications to the Clean Tech Seed Grant Pilot Program **must** include the following documentation:

A. Completed online application

B. Budget and Milestone Proposals (*use attached Excel templates*)

C. Uploaded results from Technology and Readiness Technology Calculator Excel file (*link from Technical Proposal*)

D. Employee information as appropriate for applicable company structure and staffing -i.e. most recent NJ WR-30 (W2 employees) or 1099 (contractors), Shareholder Agreement or K-1 or offer letters. Please note that if a Professional Employment Organization (PEO) is utilized, the Applicant must submit confirmation of PEO-A form issued by the NJ Department of Labor (DOL), These confirmations are issued on an annual basis and are valid for a year. See https://www.nj.gov/labor/ea/employer-services/leasing-companies/ for additional information on PEOs.

E. Summary of most recent Internal Payroll indicating each employee name, including founders and number of hours worked per week.

F. Most recent Company tax filing; Federal 941 and either an NJ-CBT-100 (Schedule A), Form- 1065 or Form -1040 (Schedule C) or whichever is applicable to the organizational form of your business, showing the total Gross Receipts or Sales for the year.

G. Current NJ tax clearance certificate (listing New Jersey Commission on Science, Innovation and Technology). See https://www16.state.nj.us/NJ_PREMIER_EBIZ/jsp/home.jsp. All certificates listing another state agency will be rejected.

H. If applicable, copy of **Women and/or Minority** owned business NJ certification https://www.njportal.com/DOR/SBERegistry/Default/

I. Signed Application Certification

J. Completed CSIT Legal Debarment Questionnaire

7. APPLICATION AND EVALUATION PROCESS

Applications to the Program shall be submitted using CSIT's online application Portal. The application window will be open for a period of eight (8) weeks. Access to the application Portal can be found on the CSIT's Program page (https://www.njeda.com/about/Public-Information/CSIT)

 i. The application Portal will be open from **Monday, January 24th 2022, at 10AM to Monday March 21st 2022 at 5PM EST**

 ii. All interested applicants must complete and submit their applications online through the Portal by the deadline in order to be considered for the Program

 iii. The online application will enable applicants to provide an electronic Application Certification by uploading a signed PDF. However, if an **applicant prefers not to** provide an electronic Application Certification, the applicant may:

  a. Mail a hard copy of the signed Application Certification <u>postmarked by the application deadline</u> to CSIT at:
  Commission on Science, Innovation and Technology Attn: Judith Sheft (Executive Director)
  36 W State Street
  PO Box 990
  Trenton, NJ 08625
  AND

  b. Email CSIT with the subject line: "MAILED Application Certification Clean Tech Seed Grant Program" indicating that the certification document has been mailed. <u>Only the signed CSIT Application Certification should be mailed; the rest of the application must be submitted through the online system.</u>

Please note that if an applicant chooses to mail a hard copy of the application certification, the application will only be considered complete once the original signed CSIT application certification <u>post marked by the application deadline</u> is received by CSIT.

CSIT will host an informational webinar on the Clean Tech Seed Grant Program and a recording of the Webinar will be posted on the CSIT's webpage. The webinar will be hosted on the week of January 24th, 2022. Information on registration for the Webinar can be found on CSIT's webpage.

All submitted applications will be reviewed for document completeness and compliance on a rolling basis. Following the completeness review, applicants with missing documentation will receive an email notification from CSIT to submit or re-submit any missing or incomplete required documentation by 5PM. on the 10th business day following the day on which it receives such notification (Extension Time).

Applicant's should submit missing documentation electronically to csit@njeda.com with the email subject line "Round 2, *Clean Tech Seed Grant Pilot Program-Missing Documentation Submission- [Company Name]*".

After the Applicant's Extension Time, any application that does not include ALL of the documents specified or contain documents that have not been completed will be considered incomplete and will not be evaluated. **Only complete applications will be evaluated and scored.**

Due to COVID-19, it may take longer than usual for Applicants to obtain certain NJ state documents (NJ Business Registration Certificate, NJ Tax Clearance Certificate, and Minority/Woman Owned Business Certification)

    a. If an Applicant has attempted to obtain the missing NJ state documents and has not received them by the extension time, the Applicant may provide correspondence or receipts that demonstrate the attempt to obtain the missing documents to enable the application to be deemed complete for scoring purposes only

    b. The required missing documentation MUST be submitted before any recommendation of an award will be made with respect to that Applicant

Evaluation process

External reviewers from industry and academia shall serve as Subject Matter Experts (SMEs) and provide input in the evaluation of the technical and business merit of the proposals. All SMEs will be pre-screened for potential conflicts of interest, will be required to sign confidentiality agreements, and will serve on an unpaid, volunteer basis. The SMEs will review the Technical proposals of each application and provide qualitative comments to the Evaluation Committee.

The Evaluation Committee, consisting of CSIT and NJEDA staff, will score each application against the basic and bonus point scoring criteria outlined below, taking into consideration the insights from the SMEs. As part of the process, all complete Applicants will be invited to make a brief presentation about their project and submission to the evaluation committee and SME's. The Evaluation Committee may also contact and engage applicants for clarifying comments on their Technical proposal or Budget submissions. Please note these communications will be only for clarification purposes only; Applicants will not be allowed to submit any new information pertaining to their application.

At the end of the review period, the Evaluation Committee will provide to CSIT the results of each scored application with summary notes, which will be forwarded to the CSIT Program Committee.

The Program Committee will review all scored applications and make recommendations to the CSIT Board for grant awards. The CSIT Board will make final decision on grant winners.

Grant winners will be required to execute a Grant Agreement outlining the funding amount, terms, and conditions of the grant. Grant funds will not be disbursed until the execution of such Grant Agreement by the Applicant and the CSIT.

8. <u>SCORING CRITERIA</u>

The Technical Proposal, Budget and Milestone Proposal of all complete applications will be evaluated, and points will be awarded, based on the following criteria:

- Innovation **(up to 30 points)**
- Market Opportunity **(up to 10 points)**
- Implementation Plan (Budget and Milestones) **(up to 20 points)**
- Go-to-Market strategy **(up to 10 points)**
- Economic and Environmental Impact **(up to 10 points)**
- Team **(up to 20 points)**

All complete applications will be evaluated and scored against the above criteria and assigned a score; however, to be considered for an award, the application must receive an aggregate <u>minimum score of **70 points** on the above criteria</u>.

Bonus Points (only awarded to applicants that meet the minimum score)

- Technology from NJ university-as evidenced by an *executed License agreement* **(15 points)**
- Minority-owned company **(10 points)**
- Women- owned company **(10 points)**
- Primary place of Business or R&D space located within an eligible opportunity zones census tract in New Jersey. **(5 points)**

At least one award will be reserved for an Applicant that is a women-owned company as certified by the State of NJ and one award will be reserved for an Applicant that is Minority-owned as certified by the state of NJ. If no women-owned or minority-owned businesses apply or receive the minimum score required for an award, then the set aside award will be included in the total budget available awards to all applicants.

9. OTHER TERMS AND CONDITIONS

As part of the review process, CSIT conducts sister agency checks with the New Jersey Department of Labor (DOL) and Department of Environmental Protection (DEP) on all completed applications. To be recommended for an award, applicants must be in good standing with both DOL and DEP.

Grant awardees will agree that its employees; including founders and consultants will conduct at least 50% of the company's work (calculated on an FTE basis) in New Jersey for a period of three (3) years from the effective date of the Grant Agreement; failure to comply will trigger a requirement that the applicant make full re-payment of the grant award within sixty (60) days following such failure of compliance, or as otherwise stated in the Grant Agreement.

All grant awardees must commit to report economic impact data to CSIT upon the completion of program for a period of five (5) years as will be outlined in the Grant Agreement and by periodically submitting an Economic Impact Questionnaire provided by CSIT.

All grant awardees must commit to participate in future CSIT/NJEDA/BPU alumni activities such as serving as a panel member or participating in interviews about Program experience.

10. QUESTIONS AND ANSWERS

- Questions and inquiries concerning this Notice of Funding will be accepted through the application deadline and should be submitted via e-mail to csit@njeda.com. The subject line of the e-mail should state: "Round 2 CSIT Clean Tech Seed Grant Program".
- As noted above, CSIT will host a Webinar on the Program, and Applicants will also have an opportunity to ask questions at that time. A recording of the Webinar and registration details will be available on CSIT's website
- All questions received and answers provided in response to this Notice of Funding will be answered in the form of a Frequently Asked Questions (FAQ) document, which will be posted and continuously updated on CSIT's website

11. CONFIDENTIALITY

Applications received will be reviewed only by staff of CSIT, NJEDA and NJBPU, together with the SMEs. 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 Authority shall be specifically identified and marked by the applicant.

Attachment A: Technology Readiness Levels (TRL)

TRL 1
Basic Research: Initial scientific research has been conducted. Principles are qualitatively postulated and observed. Focus is on new discovery rather than applications.

TRL 2
Applied Research: Initial practical applications are identified. Potential of material or process to solve a problem, satisfy a need, or find application is confirmed.

TRL 3
Critical Function or Proof of Concept Established: Applied research advances and early stage development begins. Studies and laboratory measurements validate analytical predictions of separate elements of the technology.

TRL 4
Lab Testing/Validation of Alpha Prototype Component/Process: Design, development and lab testing of components/processes. Results provide evidence that performance targets may be attainable based on projected or modeled systems.

TRL 5
Laboratory Testing of Integrated/Semi-Integrated System: System Component and/or process validation is achieved in a relevant environment.

TRL 6
Prototype System Verified: System/process prototype demonstration in an operational environment (beta prototype system level).

TRL 7
Integrated Pilot System Demonstrated: System/process prototype demonstration in an operational environment (integrated pilot system level).

TRL 8
System Incorporated in Commercial Design: Actual system/process completed and qualified through test and demonstration (pre-commercial demonstration).

TRL 9
System Proven and Ready for Full Commercial Deployment: Actual system proven through successful operations in operating environment, and ready for full commercial deployment.