



NY-BEST MARKET-DRIVEN RESEARCH PROGRAM

Program Opportunity Notice (PON) No. 1704

\$6,000,000 AVAILABLE FOR PROJECTS

DUE DATE: December 17, 2009, 5:00 pm Eastern Time*

Program Summary. The '*NY-BEST (New York Battery and Energy Storage Technology) Market-Driven Research Program*' is designed stimulate world-class, industry-relevant, research and development, and to support industrial activity in New York in the commercialization of advanced battery and energy storage technology. With funding from the Clean Air Interstate Rule (CAIR) program, this program will provide funding for organizations to develop and commercialize battery and energy storage technologies and products.

Eligible energy storage technologies include technologies that store electric energy directly (for example, batteries or ultracapacitors), components of these technologies, and systems or products that incorporate these technologies. For integrated-systems projects or balance-of-systems (BOS) projects, the focus must be on the storage component. BOS component development must address a critical part of an integrated storage system or enable significant improvement in the performance of a storage system.

Project Types. This program has two major project types that are described below:

Funding of up to \$200,000 per project is available for **Category A projects** that: 1) address a specific technology development need or improvement identified by a New York manufacturer, or 2) develop technologies, manufacturing process improvements and concepts that, if successful, could ultimately lead to development of a commercial product, or 3) benefit and add value to a number of New York organizations involved in developing and commercializing energy storage technology, or 4) develop 'transformational' or 'disruptive' technologies that could enable major leaps forward in the technology base, technology components, and/or integrated systems.

Funding of between \$200,000 and \$3,000,000 per project is available for **Category B projects** that are industry-led partnerships of organizations, including universities, that focus on commercializing a specific technology or product within five years and include a number of participants along the value chain.

Proposal Submission. Proposers must submit twelve (12) print copies and one electronic media copy (CD) of the proposal. The printed copies must have a completed and signed Proposal Checklist attached to the front of each copy, one of which must contain an original signature. Proposals must be clearly labeled and submitted to:

Roseanne Viscusi, PON 1704
NYS Energy Research and Development Authority
17 Columbia Circle
Albany, NY 12203-6399

If you have technical questions concerning this solicitation, contact the individuals listed below by e-mail or by phoning (518) 862-1090 and selecting the appropriate extension:

Richard Drake
ext. 3258

Program Manager
rld@nyserda.org

Jennifer Harvey
ext. 3264

Sr. Project Manager
jih@nyserda.org

Contractual questions should be directed to: Nancy Marucci at (518) 862-1090, ext. 3335, or nsm@nyserda.org.

No communication intended to influence this procurement is permitted except by contacting the Project Managers listed above (Designated Contacts). Contacting anyone other than these Designated Contacts (either directly by the proposer or indirectly through a lobbyist or other person acting on the proposer's behalf) in an attempt to influence the procurement: (1) may result in a proposer being deemed a non-responsible offerer, and (2) may result in the proposer not being awarded a contract.

*Late proposals and proposals lacking the appropriate completed and signed Proposal Checklist will be returned. Faxed or e-mailed proposals will not be accepted. Proposals will not be accepted at any other NYSERDA location other than the address above. If changes are made to this solicitation, notification will be posted on NYSERDA's web site at www.nyserda.org.

I. INTRODUCTION

The New York Battery and Energy Storage Technology (NY-BEST) Consortium was established with \$25 million in seed funding from New York's implementation of the federal Clean Air Interstate Rule (CAIR) program. The mission of NY-BEST is to conduct world-class, industry-relevant, research and development, and to support industrial activity in New York in the commercialization of advanced battery and energy storage technology. The NY BEST Consortium is designed to facilitate a "cluster" of advanced battery/ energy storage research and manufacturing capabilities in New York. This goal will be achieved through coordinating, stimulating and financially supporting energy storage research projects and testing activities in New York organizations.

This solicitation was developed with input from the NY-BEST Market-Driven Research Needs Working Group and from concept papers submitted by NY-BEST collaborators. This solicitation is the first of what is anticipated to be several requests for market-driven research projects under NY-BEST.

In addition to this program, NYSERDA has solicitations to assist in technology and business development and establishing manufacturing facilities (<http://www.nyserda.org/Funding/default.asp>). NYSERDA's Saratoga Technology + Energy Park® (STEP®), a fully integrated knowledge community, also supports the success of clean-energy and environmental companies by providing an eco-friendly environment in which to build and grow (<http://step.nyserda.org/>).

On behalf of the NY-BEST Consortium, NYSERDA seeks proposals to support development, demonstration, and commercialization of battery and energy storage components, products and systems. Program objectives are to:

- Accelerate research and development, leading to the commercial introduction of energy storage technology having significant value added in New York State;
- Build the skilled workforce and regional expertise to sustain a vibrant commercial energy storage industry in New York State; and
- Leverage seed resources of \$25 million to create a viable organization that provides value to its members and to New York State.

Proposals may address technologies at varying stages of maturity, from feasibility assessment and requirements definition, through proof-of-concept and early product development, to field evaluation and market introduction.

II. PROGRAM DESCRIPTION AND REQUIREMENTS

Project Funding and Cost Sharing – A total of \$6 million of funding is available in this PON.

- Category A Projects:** Up to \$200,000 of funding per project is available for Category A projects. Category A projects requesting over \$100,000 should be phased so that Phase 1 requests no more than \$100,000 of funding. Projects may be funded at the full amount requested, for Phase 1 only, for one phase at a time, or for a different amount as determined by NYSERDA.

Cost-sharing of at least 25% of the total project cost is preferred for Category A projects. Cost-sharing may be provided by the proposer or by third parties and may be in the form of cash or in-kind labor, materials, equipment, facilities, and other resources, subject to reasonable and verifiable valuation.

- ❑ **Category B Projects:** Between \$200,000 and \$3,000,000 of funding per project is available for Category B projects. Category B projects requesting over \$1,000,000 should be phased so that no phase exceeds \$1,000,000 of NY-BEST funding. Projects may be funded at the full amount requested, for Phase 1 only, for one phase at a time, or for a different amount as determined by NYSERDA.

Cost-sharing in the amount of 50% or more of the total project cost is required for Category B projects. Cost-sharing in excess of the minimum amounts is preferred. Cost-sharing may be provided by the proposer or by third parties and may be in the form of cash or in-kind labor, materials, equipment, facilities, and other resources, subject to reasonable and verifiable valuation.

Project Types

Category A Projects: Up to \$200,000 of funding per project is available for Category A projects. Category A projects include:

- ❑ Projects that address a specific technology development need or improvement or a manufacturing process improvement identified and sponsored by a New York manufacturer. Projects can address issues related to improving existing technologies, or developing new products. Projects may also address validation, certification or characterization of technologies or products. If successful, projects that develop new products could lead to commercialization by a New York manufacturer.

OR

- ❑ Projects that develop technologies, manufacturing process improvements, or concepts that, if successful, could lead to commercialization by a New York manufacturer.

OR

- ❑ Projects that would benefit and add value to a number of New York organizations involved in developing and commercializing energy storage technology (e.g. how do we deal with end-of-life issues, environmental issues, manufacturability issues, prognostics, etc?) These projects should provide letters to support the value claim.

OR

- ❑ Pre-competitive projects that develop 'transformational' or 'disruptive' technologies. These projects develop technologies that could enable major leaps forward in the technology base, technology components, and/or integrated systems and are generally high-risk concepts with potentially high payoff.

Category B Projects: Between \$200,000 and \$3,000,000 of funding per project is available for Category B projects. Category B projects are collaborations that are partnerships of organizations, including universities, that are lead by and sponsored by a New York manufacturer. Each Category B collaboration would focus on commercializing a specific technology or product within five years. Ideally, these projects will include a number of New York participants along the value chain.

Who May Propose and Collaboration Requirements

One of the goals of NY-BEST is to stimulate collaboration between New York organizations involved in energy storage technologies. In order to further this goal, this program has the following requirements:

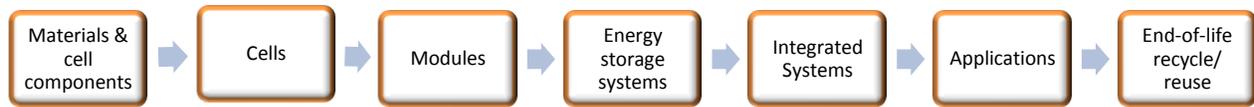
- NY-BEST funding is intended to directly support the battery and energy storage industry in New York and create economic impact in the State. If NY-BEST funding of specific activities outside of New York is essential to achieving the project goals, include justification in the proposal.
- For Category A projects (up to \$200,000 of funding each), collaborative teams that can accelerate technology development are suggested. Proposers are asked to describe how the project will lead to collaboration in later stages or will benefit other NY-BEST members.
- Category B projects (between \$200,000 and \$3,000,000 of funding each) must be lead by and sponsored by a New York manufacturer and must include significant participation from collaborative team members in New York.
- Teams may include commercial firms, industry associations, research organizations, universities, government agencies, end-users, and other stakeholders. **Include letters of interest or commitment from each identified team member in an appendix to the proposal.**

Commercialization Requirements – Projects should be market-driven and demonstrate a solution for a market need and a path to commercialization.

- The project should focus on developing new technologies or products. Demonstrations of commercially-available products are not within the scope of this program.
- The proposed technology should be within 5 years of a prototype product for Category A projects (up to \$200,000 of funding each) and should be within 5 years of a commercially saleable product for Category B projects (between \$200,000 and \$3,000,000 of funding each).
- The project should demonstrate strong potential for the product/technology to lead to long-term business activity in New York.

Eligible Technologies –

- Storage technology must store electric energy directly.
- Technology may address any product link in the value chain:



- For integrated systems projects or balance-of-systems (BOS) projects, the focus must be on the storage component. BOS component development must be a critical part of an integrated storage system or enable significant improvement in the performance of a storage system, e.g. battery management systems, prognostic systems, system- or product-specific controllers or inverters.

Excluded Technologies – The technologies listed below are excluded from this NY-BEST solicitation. Look for other NYSERDA solicitations that may cover these technologies at: <http://www.nysERDA.org/funding/funding.asp?i=2>.

- Flywheels.
- Primary (disposable or non-rechargeable) batteries.
- Technologies that are not rechargeable using electricity (e.g., a fuel cell that must be recharged by replacing the anode as opposed to being electrically recharged).
- Storage technologies that store energy in an intermediate substance that is later converted to electricity (e.g. thermal, hydrogen, compressed air energy storage, pumped storage hydro).

Project Schedule – The following guidelines should be considered when developing proposals:

- Projects are expected to begin within six months of the proposal due date. The project schedule for Category A projects should not exceed 24 months. Category B projects are expected to take several years to complete, but should not exceed 48 months.

Other Considerations –

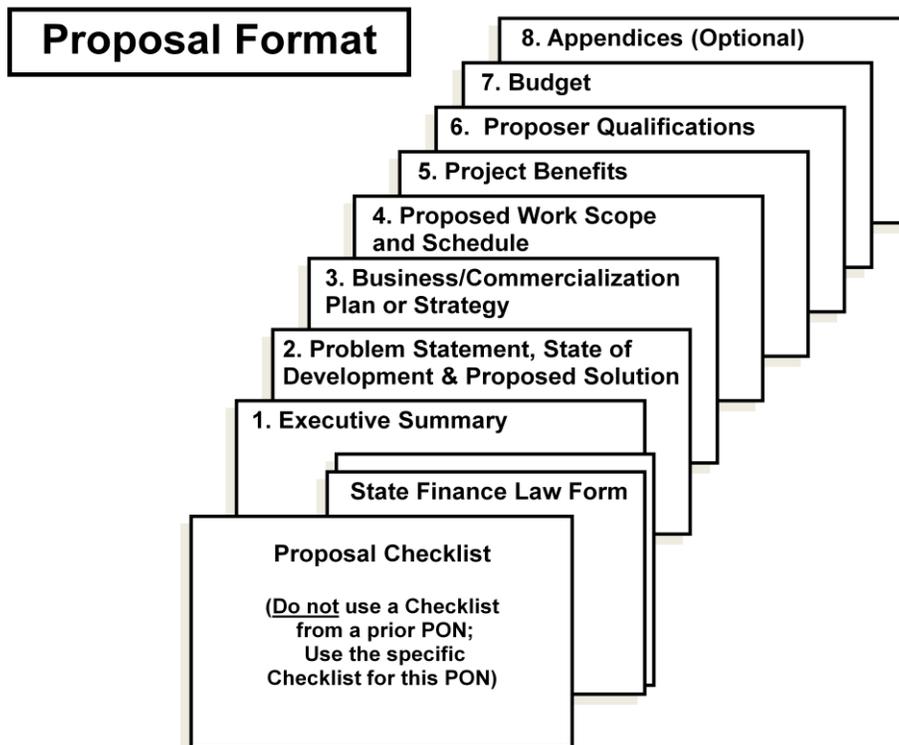
- A proposal may be considered **non-responsive** if it fails to comply with the requirements above, the Proposal Requirements of Section III, or the General Conditions of Section V.
- Prior to an award being made, potential contractors may be required to demonstrate: access to financial resources sufficient to perform the proposed work, technical experience and adequate facilities (or the ability to access them), a good performance record, and the ability to qualify for an award under applicable laws and regulations.

III. PROPOSAL REQUIREMENTS

Total proposal length should be 20 pages or less for Category A projects and 30 pages or less for Category B projects, not including budget information or appendices containing resumes, letters of interest, or other supporting documentation. Suggested page limits for each section are provided below in parentheses. If you believe additional or proprietary information must be submitted to present an adequate proposal, please bring this to the attention of the Designated Contacts listed at the beginning of this PON and comply with the Section V instructions for submitting proprietary material. Your goal as a proposer should be to concisely present the information needed to fully address the evaluation criteria (see Section IV). Proposals that grossly exceed the page limits or fail to follow the format guidelines may be rejected as non-responsive.

Proposers must submit **twelve (12) print copies and one electronic media copy (CD)** of the completed proposal with files compatible with Microsoft Word or .pdf format **to the attention of Roseanne Viscusi** at the address on the front of this Program Opportunity Notice. A completed **Proposal Checklist, bearing an original signature, must be attached as the front cover of one of the proposal copies.** A photocopy of the completed and signed Proposal Checklist must be attached as the front cover of each of the remaining copies of your proposal. Rigid bindings and other elaborate material should not be used – double-sided copying and a staple in the upper left corner are preferred. In particular, please avoid use of plastic bindings and covers or other materials that are difficult to recycle. **Late proposals and proposals lacking the appropriate completed and signed Proposal Checklist will be returned. Faxed or e-mailed copies will not be accepted.**

Unnecessary attachments beyond those sufficient to present a complete, comprehensive, and effective response will not influence the evaluation of the proposal. Each page of the proposal should state the name of the proposer, the PON number, and the page number. The proposal must be in the following format and should present the items in the sequence indicated below.



Proposal Checklist – Complete Proposal Checklist attached as part of this PON, and include it as the front cover of each copy of the proposal. At least one copy of the Proposal Checklist must bear an original signature. Do not use a Proposal Checklist from any other NYSERDA Program Opportunity Notice. Note the following:

- Project name should be descriptive of the proposed project, not the title of this PON.
- Mark the Proposal Checklist to indicate whether you accept the standard terms and conditions as contained in the attached Sample Agreement. If you do not accept the standard terms and conditions, provide alternate terms with justification based on the risk and benefit to NYSERDA and New York State.
- Be sure the individual signing the Proposal Checklist is authorized to commit the proposer's organization to the proposal as submitted.

Procurement Lobbying Requirements – State Finance Law sections 139-j and 139-k -- In compliance with §139-j and §139-k of New York's State Finance Law (Text of the laws are available at: <http://www.ogs.state.ny.us/aboutogs/regulations/advisoryCouncil/StatutoryReferences.html>), for proposals submitted in response to this solicitation that could result in agreements with an annual estimated value in excess of \$15,000, the following forms must be completed and filed with proposals: (1) a signed copy of the Proposal Checklist including required certifications under the State Finance Law and (2) a completed Disclosure of Prior Findings of Non-Responsibility form. Failure to include a signed copy of the Proposal Checklist referenced in this solicitation will disqualify your proposal.

Proposal Sections – Sections of your proposal should be as follows:

1. Executive Summary (maximum one page) – Briefly summarize your proposal, and include the following:

- A description of the problem or opportunity being addressed, and how your solution will solve the problem or exploit the opportunity.
- A description of the technology or product improvements or developments that you are proposing.
- A brief summary of your business strategy.
- Benefits to New York and NY-BEST if the project is successful.
- Key project team members and their qualifications to do the work.

2. Problem Statement, State of Development, and Proposed Solution (three to five pages) – Describe:

- Problem Statement and Value Proposition** - Identify the opportunity or problem that this technology will address. Describe how this solution will provide value and would change or improve the status quo. Briefly describe in generic terms the customer(s) for this product or technology (i.e., who would be the purchaser of this product or technology: component manufacturer, cell manufacturer, system integrator, end-user, etc.) and why the technology or product would be valuable enough to them to purchase or use the technology.

- ❑ **Existing state of research & development** - Describe the current state of development of the product or technology. Include a description of technological achievements that your team has achieved in this area.
- ❑ **Next Steps in Development (this proposed effort)** - Describe new product or technology concepts or improvements that would be developed and that could benefit from collaborative development. Identify whether it is a transformational technology (i.e., technology that disrupts the status quo and has the potential to change the way we address challenges in science and engineering), or an incremental improvement to a technology. Note that a need for both transformational and incremental improvement projects is anticipated. Identify the anticipated state of technology development after the work described in this proposal is completed (e.g., feasibility demonstrated, bench-scale demonstrated, pilot-scale demonstrated, etc.) Identify technical performance goals or metrics that you expect to achieve by the end of this proposed effort.
- ❑ **Future Development Steps (steps beyond the time frame of this proposed effort)** - If the proposed effort will not result in a commercial product, provide a description of future steps necessary to bring the product to commercialization. This should include a multi-year timeline (e.g., graph or table) summarizing the paths, activities, milestones, resources, cost sharing, and timing to take the technology from the expected stage of development at the end of the proposed effort to commercialization.

3. Business/Commercialization Plan or Strategy (two to five pages) – Describe how project results will be commercialized. Category A projects should have business/ commercialization strategies that are appropriate for the stage of development of the technology or product. The more mature the technology or product, the more mature the business progress is expected to be. Category B projects should have a detailed commercialization plan, whereas an early-stage concept should be accompanied by at least a rough outline of how the concept may ultimately be commercialized. Cover the following topics:

- ❑ **Market Analysis** - Identify target markets and their relevant characteristics, e.g., size, competition, and trends (regulatory, technological, etc.) Include the rationale for the analysis. Briefly explain the customer’s economic motivation for buying the new product or service, versus alternatives. Category A projects that are near commercialization and all Category B projects should describe proposed marketing strategies, explain why they should be successful, and provide sales estimates. Category B projects should provide an estimate of the price of the product or service that eventually will be commercialized, including an explanation of how the price was estimated, and provide a comparison of that price to competing products or services.
- ❑ **Commercialization Strategy** - Indicate when you expect commercial sales to begin. Provide a discussion of the commercialization path that is appropriate to the stage of development of the proposed technology. Discuss whether the strategy is for one of the team members to manufacture the product, to identify a manufacturing partner, to license the technology, or another strategy. Note that, even in early stage projects, initial projections of commercialization paths and challenges are essential to assessing benefits, risks, and future resource requirements. Category A projects that are near to commercialization and all Category B projects should identify any potential strategic partners who could reduce your costs by providing access to marketing/distribution channels, manufacturing facilities or other assets.

- ❑ **Future Funding/Revenue Sources** - Identify potential funding sources that could be used after this proposed effort is finished to bring the project to commercial deployment. Identify potential strategies to access these funding sources. Category B projects should provide more detail and specifics on efforts taken and results achieved in securing necessary funding.
- ❑ **Technology Outreach** - Describe any other activities to promote the new technology, such as the presentation of technical papers, attending conferences or trade shows, targeted customer outreach, etc. and how these activities will be reported to NYSERDA.
- ❑ **Production Plan (required for Category B projects only)** - Describe plans for setting up facilities to manufacture the proposed product. Discuss any key issues such as: need for specialized production equipment or strategic alliances; critical make/buy decisions or cost/volume issues; and, plans for ancillary activities such as service support functions.
- ❑ **Organization Plan (required for Category B projects only)** - Describe staffing plans for transitioning from R&D stage to commercialization stage; include all organizational functions, such as management, administration, engineering, marketing/sales, and manufacturing.

4. Proposed Work Scope and Schedule (four to eight pages) – Category A projects requesting over \$100,000 of funding should be phased so that Phase 1 requests no more than \$100,000. Category B projects requesting over \$1,000,000 of funding should be phased so that no phase exceeds \$1,000,000. The proposed work scope and schedule should include:

- ❑ A Statement of Work that includes:
 - Technical or performance goals that you expect to achieve by the end of this proposed effort.
 - A list of major tasks to be accomplished in this proposed effort and a description of each. Complicated tasks can be broken down into ‘subtasks’. Typical task titles may include, but are not limited to, the following: “Project Management and Reporting”, “Requirements Definition”, “Preliminary Design”, “Device Fabrication”, “Testing and Characterization”, “Final Design”, and “Demonstration.”
 - While the focus of this program is technology and product development, proposers are encouraged to include business tasks, when appropriate, to ensure that progress in business activities occurs in parallel with progress in technology development. Business tasks should not require excessive funding, should be appropriate for the stage of technology development, and should be directly related to bringing the product to market (i.e., developing a business plan, attracting funding, developing strategic partnerships, etc.)
 - For phased projects, identify specific milestones that will be delivered or accomplishments that will be achieved by the end of each phase. Milestones or accomplishments will be used to measure success of the phase and determine whether to move on to the next phase.
 - NYSERDA will expect to receive written progress reports and a final report, and have occasional project meetings, as part of the project management task. These activities should be considered when developing your cost estimates.
 - In order to measure success of NY-BEST efforts NYSERDA will require the reporting of project metrics, as appropriate for each project, on an annual basis during the project and after project

completion. Measurement, documentation, and dissemination of success of NY-BEST efforts are expected to help NY-BEST attract funding for itself and its members. Reporting of metrics should be considered when developing your cost estimates. Examples of project metrics are presented below.

- Earlier-stage research projects: bibliometrics, patents and licenses, awards, and outside funding received.
- Projects near commercialization: capital investment, customer market(s) and market penetration, product sales, dealers, licensees, mid-market actors, jobs created and retained, and energy, economic, and environmental benefits.
- Projects with technology transfer components: teleconferences, symposiums, workshops, seminars, publications, presentations, etc.

- A work schedule with a starting point and duration for each task. Presentation of the schedule in a bar chart is preferred starting with "Month 1," "Month 2," etc.... Include timing of major milestones and reports on the work schedule.

5. Project Benefits (one to three pages) – Outline benefits as outlined below. All projects should address the benefits below. Category B projects are expected to provide more detail and quantification of benefits than Category A projects.

- Benefits to New York State** – Explain the applicability of the technology to New York markets. Describe how this technology will provide energy (e.g., efficiency improvements), environmental benefits (i.e. emission reduction, elimination of hazardous materials, etc.) and economic benefits (i.e. jobs and company success/growth).
- Benefits to NY-BEST** - Describe how this project will help NY-BEST and New York organizations involved in developing and commercializing energy storage technology achieve the following goals and objectives:
 - Accelerate the commercial introduction of energy storage technology in New York State;
 - Build the skilled workforce and regional expertise to sustain a vibrant commercial energy storage industry in New York State; and
 - Leverage seed resources of \$25 million to create a viable organization that provides value to its members and to New York State.
- Collaboration Potential** - Collaboration is an important element of NY-BEST and often improves the outcome of research and development efforts. Describe the potential for collaboration in developing the technology or product and identify potential collaboration partners (by name, by type of organization, and/or by skillset).
- Benefits Measurement** – Identify which of the metrics listed below are appropriate to measure success of your project both during the project and following completion of the project. For each metric identified, provide annual goals that you expect to achieve for the year of project completion, and for 3 and 5 years after project completion.
 - Earlier-stage research projects: bibliometrics, patents and licenses, awards, and outside funding received.

- Projects near commercialization: capital investment, customer market(s) and market penetration, product sales, dealers, licensees, mid-market actors, jobs created and retained, and energy, economic, and environmental benefits.
- Technology transfer: teleconferences, symposiums, workshops, seminars, publications, presentations, etc.

6. Proposer Qualifications (two to five pages, depending on team size) – Identify:

- Proposing Organization(s)** - Include a brief description of organization(s) involved in the proposing team. Include date founded, history, size, product portfolio, and location. Also include an explanation of why the proposed organization or team is the best qualified to perform/implement the project. Identify any other organizational qualifications relevant to the proposed work. Category A projects that are near commercialization and all Category B projects should include examples of previous successful commercialization projects and the current status of those successes. (Note: Subcontracts of \$25,000 or more are subject to competitive bid procedures except where the proposal identifies a specific subcontractor as an integral participant in the proposed work; see Article V of the Sample Agreement).
- 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 of Key Individuals** – Identify key individuals that will be involved in the project and its success. Identify specific technical and business expertise of these individuals. If appropriate for the stage of technology development (ALL Category B projects and some Category A projects), proposing teams are expected to include individuals with business experience. Submit resumes (as attachments) of all key project team members. Include education and experience that are relevant to the proposed work.
- Previous Experience** - Describe the proposing team's experience that is relevant to the proposed effort. List related projects that have been undertaken and successfully completed by the Proposer and/or subcontractors. List NYSERDA contracts awarded to the proposer, if any, in the past five years.

7. Budget – A Contract Pricing Proposal Form (CPPF), with associated instructions, is provided as an attachment to this PON. **Each proposal must include a completed CPPF for each project phase and a CPPF for the total project cost, and also a cost-sharing table for the total project identifying the allocation of funding by task.**

Project Funding and Cost-Sharing:

- Category A Projects:** Up to \$200,000 of funding per project is available for Category A projects. Category A projects requesting over \$100,000 of funding should be phased so that Phase 1 requests no more than \$100,000. Projects may be funded at the full amount requested, for Phase 1 only, for one phase at a time, or for a different amount as determined by NYSERDA.

Cost-sharing of at least 25% of the total project cost is preferred for Category A projects. Cost-sharing may be provided by the proposer or by third parties and may be in the form of cash or

in-kind labor, materials, equipment, facilities, and other resources, subject to reasonable and verifiable valuation.

- Category B Projects:** Between \$200,000 and \$3,000,000 of funding per project is available for Category B projects. Category B projects requesting over \$1,000,000 should be phased so that no phase exceeds \$1,000,000. Projects may be funded at the full amount requested, for Phase 1 only, for one phase at a time, or for a different amount as determined by NYSERDA.

Cost-sharing in the amount of 50% or more of the total project cost is required for Category B projects. Cost-sharing in excess of the minimum amounts is preferred. Cost-sharing may be provided by the proposer or by third parties and may be in the form of cash or in-kind labor, materials, equipment, facilities, and other resources, subject to reasonable and verifiable valuation.

- All Projects -** Cost sharing can be from the proposer, other team members, and other government or private sources. Contributions of direct labor (for which the laborer is paid as an employee) and purchased materials may be considered "cash" contributions. Unpaid labor, indirect labor, or other general overhead may be considered "in-kind" contributions. NYSERDA will not pay for efforts that have already been completed. The proposer or proposing team cannot claim as cost-share any expenses that have already been incurred.

The quality of the proposer's co-funding is examined during the proposal evaluation process. Cash, labor, and materials are considered superior to other types of co-funding. The level of co-funding should be appropriate for the amount of funding requested and will be considered an indicator of the proposer's commitment to the success of the project and the type of co-funding offered should be appropriate for the proposer's financial condition and the product's stage of development.

- All Projects -** Show the cost-sharing plan in the following format (expand table as needed):

PROPOSAL COST-SHARING TABLE						
Proposed Funding By Task (Cash and In-Kind)					Project Total (\$)	
Funding Source	Task 1 (\$)	Task 2 (\$)	Task ... (\$)	Total (\$)	Cash (\$)	In-Kind (\$)
NYSERDA						//////////
Proposer						
Co-Funder (identify)						
Co-Funder (identify)						
Totals						

Indirect Costs: Indirect Costs: NYSERDA prefers that indirect costs (overhead or general and administrative costs; see Attachment C, Item # 10) funded by NYSERDA are less than 25 percent. Indirect cost rates greater than 25 percent may be used for in-kind cost share contribution.

Attach supporting documentation to justify indirect cost (overhead) rate(s) included in your proposal as follows:

- Describe the basis for the rates proposed (e.g., based on prior period actual results; based on projections; based on federal government or other independently-audited and approved rates).
- If rate(s) is approved by an independent organization, such as the federal government, provide a copy of such approval.
- If rate(s) is based on estimated costs or prior period actual results, include calculations to support proposed rate(s). Calculation should provide enough information for NYSERDA to evaluate and confirm that the rate(s) are consistent with generally accepted accounting principles for indirect costs.

NYSERDA reserves the right to audit any indirect rate presented in the proposal and may require rate adjustments. NYSERDA may require proposers to provide financial statements or other needed financial information prior to awarding a contract.

8. Appendices – Include any resumes, descriptions of company qualifications, or ancillary information that is deemed necessary to support your proposal. If appropriate, also include:

- Letters of Interest or Commitment** – If you are relying on any other organization to do some of the work, provide services or equipment, or share in the non-NYSERDA cost, include a letter from that organization describing their planned participation. Also include letters of interest or commitment from businesses or other organizations critical to the future commercialization, demonstration, or implementation of the project. **Absence of letters of interest or commitment will be interpreted as the proposer not having support from the subject parties.**
- Exceptions to the Terms and Conditions** – If you do not accept the standard terms and conditions (including recoupment provisions) as contained in the attached Sample Agreement, provide alternate terms with justification based on the risk and benefit to NYSERDA and New York State.

IV. PROPOSAL EVALUATION

Proposals that meet Proposal requirements will be reviewed by a Technical Evaluation Panel (TEP), comprised of business and technical experts from within and outside NYSERDA, using the Technical Evaluation Criteria below. As part of the evaluation process, proposers may be invited to attend an interview in Albany, NY prior to final selection.

The level of expectations for each of these criteria increases with the level of funding requested. Expectations for Category B proposals are significantly higher than those for Category A proposals.

- 1. Problem/Proposed Solution/Scope** – How significant is the problem or opportunity and how pertinent is it to New York State and NY-BEST? Does the proposal address an eligible technology? Will the proposed technology enable a significant improvement in the

performance of an electric energy storage system? Is the proposed project likely to solve the problem or exploit the opportunity? Is the proposed work technically feasible, innovative, and superior to alternatives? Is the work strategy sound? Are the technical risks identified, appropriately addressed, and balanced by project benefits? Is the Statement of Work well-organized, clear, complete, and include adequate detail?

2. **Commercial Potential** – Is the product likely to be commercially successful? Is the business/commercialization plan appropriate and acceptable for the state of development of the technology? Is the market characterization reasonable and supported? Are the strategies to bring the product to commercialization adequately identified for the state of development of the technology? Does the proposal identify competing technologies and alternate solutions, and clearly show why this product is superior to or provides value compared to alternatives? If the project will not lead to commercialization as a next step, have necessary follow-on activities been identified? If additional money is required for commercialization, is the approach to obtain this funding appropriate?
3. **Project Benefits** – Will a significant part of the work on the project take place in New York? To what extent will there be economic benefits in New York State in the form of subsequent commercial activity? Does the project provide benefits to NY-BEST and its members? How significant are the energy, environmental, and economic benefits to New York State? Are there additional significant benefits? Are the metrics identified appropriate for the proposed effort?
4. **Proposer(s)** – To what degree does the team have relevant and necessary technical and business background and experience? For Category B projects, and Category A projects that are close to commercialization, does the team include a business that will manufacture the product in New York State? Does the proposal include a promising collaboration (required for Category B projects) or the strong potential to form a promising collaboration between NY-BEST members? How firm are the commitments and support from essential participants, cofunders, and related businesses and other organizations?
5. **Project Cost and Value** – Is the overall project cost justified and reasonable based on the level of effort proposed and the expected benefits? How appropriate are the proposer's co-funding contributions (sources and amounts) with respect to the degree of risk, potential to benefit from the work, and financial status of the organization? Are equipment, facility, material, and travel costs based on reasonable estimates? Are the labor rates reflective of the industry? Are indirect costs funded by NYSERDA reasonable?

Other Considerations – Proposals will be reviewed to determine if they reflect NYSERDA and NY-BEST's overall objectives, including: risk/reward relationships, similar ongoing or completed projects, the general distribution of NY-BEST projects among industries and other organizations, and the distribution of projects within New York State.

V. GENERAL CONDITIONS

PROPRIETARY INFORMATION

Careful consideration should be given before confidential information is submitted to NYSERDA as part of your proposal. Review should include whether it is critical for evaluating a proposal, and

whether general, non-confidential information, may be adequate for review purposes. The NYS Freedom of Information Law, Public Officers law, Article 6, provides for public access to information NYSDERDA possesses. Public Officers Law, Section 87(2)(d) provides for exceptions to disclosure for records or portions thereof that "are trade secrets or are submitted to an agency by a commercial enterprise or derived from information obtained from a commercial enterprise and which if disclosed would cause substantial injury to the competitive position of the subject enterprise." Information submitted to NYSDERDA that the proposer wishes to have treated as proprietary, and confidential trade secret information, should be identified and labeled "Confidential" or "Proprietary" on each page at the time of disclosure. This information should include a written request to exempt it from disclosure, including a written statement of the reasons why the information should be exempted. See Public Officers Law, Section 89(5) and the procedures set forth in 21 NYCRR Part 501 www.nysderda.org/nysderda.regulations.pdf. However, NYSDERDA cannot guarantee the confidentiality of any information submitted.

OMNIBUS PROCUREMENT ACT OF 1992

It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority- and women-owned business enterprises, as bidders, subcontractors, and suppliers on its procurement Agreements.

Information on the availability of New York subcontractors and suppliers is available from:

Empire State Development
Division for Small Business
30 South Pearl Street
Albany, NY 12245

A directory of certified minority- and women-owned business enterprises is available from:

Empire State Development
Minority and Women's Business Development Division
30 South Pearl Street
Albany, NY 12245

State Finance Law sections 139-j and 139-k - NYSDERDA is required to comply with State Finance Law sections 139-j and 139-k. These provisions contain procurement lobbying requirements which can be found at

<http://www.ogs.state.ny.us/aboutogs/regulations/advisoryCouncil/StatutoryReferences.html>

The attached Proposal Checklist calls for a signature certifying that the proposer will comply with State Finance Law sections 139-j and 139-k and the Disclosure of Prior Findings of Non-responsibility form includes a disclosure statement regarding whether the proposer has been found non-responsible under section 139-j of the State Finance Law within the previous four years.

Tax Law Section 5-a - NYSDERDA is required to comply with the provisions of Tax Law Section 5-a, which requires a prospective contractor, prior to entering an agreement with NYSDERDA having a value in excess of \$100,000, to certify to the Department of Taxation and Finance (the "Department") whether the contractor, its affiliates, its subcontractors and the affiliates of its subcontractors have registered with the Department to collect New York State and local sales and compensating use taxes. The Department has created a form to allow a prospective contractor to readily make such certification. See, ST-220-TD (available at http://www.nystax.gov/pdf/2007/fillin/st/st220td_507_fill_in.pdf). Prior to contracting with NYSDERDA, the prospective contractor must also certify to NYSDERDA whether it has filed such certification with the Department. The Department has created a second form that must be completed by a

prospective contractor prior to contacting and filed with NYSERDA. See, ST-220-CA (available at http://www.nystax.gov/pdf/2007/fillin/st/st220ca_507_fill_in.pdf). The Department has developed guidance for contractors which is available at http://www.tax.state.ny.us/pdf/publications/sales/pub223_606.pdf.

CONTRACT AWARD

NYSERDA anticipates making multiple awards under this solicitation. It may award a contract based on initial applications without discussion, or following limited discussion or negotiations. Each offer should be submitted using the most favorable cost and technical terms. NYSERDA may request additional data or material to support applications. NYSERDA will use the Sample Agreement to contract successful proposals. NYSERDA expects to notify proposers in approximately 10 weeks from the proposal due date whether your proposal has been selected to receive an award.

RECOUPMENT

For any new product development projects requesting NYSERDA funding over \$200,000, NYSERDA will require a royalty based on sales of the new product developed for products produced outside of New York State. Royalties will be collected by NYSERDA and will be directed to NY-BEST to support future research investments. Royalty terms are 5% of sales for products produced outside of New York State by the Contractor or by a licensee (for a period of fifteen years or until the Contractor pays NYSERDA an amount equal to five times the amount of funds paid by NYSERDA to the Contractor, whichever comes first).

LIMITATION

This solicitation does not commit NYSERDA to award a contract, pay any costs incurred in preparing a proposal, or to procure or contract for services or supplies. NYSERDA reserves the right to accept or reject any or all proposals received, to negotiate with all qualified sources, or to cancel in part or in its entirety the solicitation when it is in NYSERDA's best interest.

DISCLOSURE REQUIREMENT

The proposer shall disclose any indictment for any alleged felony, or any conviction for a felony within the past five years, under the laws of the United States or any state or territory of the United States, and shall describe circumstances for each. When a proposer is an association, partnership, corporation, or other organization, this disclosure requirement includes the organization and its officers, partners, and directors or members of any similarly governing body. If an indictment or conviction should come to the attention of NYSERDA after the award of a contract, NYSERDA may exercise its stop-work right pending further investigation, or terminate the agreement; the contractor may be subject to penalties for violation of any law which may apply in the particular circumstances. Proposers must also disclose if they have ever been debarred or suspended by any agency of the U.S. Government or the New York State Department of Labor.

Attachments

Attachment A - Proposal Checklist

Attachment B - Disclosure of Prior Findings of Non-responsibility (mandatory)

Attachment C - Contract Pricing Proposal Form (CPPF)

Attachment D - Sample Agreement with Exhibits