

Commonwealth Energy Fund

CEF Program

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Mission

Commonwealth Energy Fund (CEF) dual objectives:

- **Generate economic return**
 - Commercially available focus in energy
 - Revenue-generating readiness
 - Sustainable competitive advantage + business model with growth potential
- **Create jobs located in Virginia**
 - Must be able to measure and report to this end
 - Company must be Headquartered within the State

Overview

- Investment source / instrument type
 - Department of Energy (DOE) American Recovery & Reinvestment Act (ARRA) funding
 - Administered by the Commonwealth's Department of Mines, Minerals and Energy (DMME)
 - Deployment managed by the CIT - merit-based competitive selection process
 - \$200K convertible notes ~ 6 awards anticipated
 - Not a grants program
- Search areas
 - Renewable energy - solar, wind, geothermal, ocean and hydro
 - Transportation technologies - vehicles and components, batteries and fuel cells
 - Bio fuels - cellulosic ethanol, algae, biomass and biodiesel
 - Green building technologies - software, control systems and sensors
 - Water treatment and purification
 - Green information technology - power management and smart grid technologies

Eligibility Guidelines

Must demonstrate one or more of the following in Virginia:

- Contribute to the energy efficiency and renewable energy portfolio
- Promote the conservation of energy
- Reduce the rate of growth of energy demand
- Reduce dependence on imported oil

Stage

NewCo
Formation

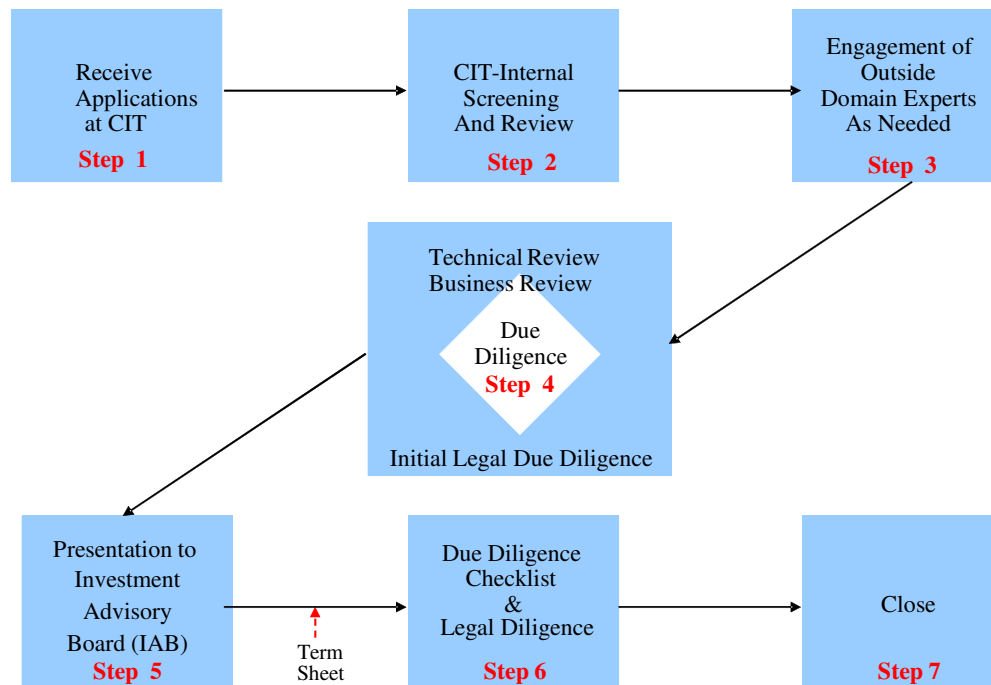
Market
Entry

CEF Fund Focus

Revenue generation such as sales & marketing as well as enabling certification to further clear the market entry path



Process



IAB - independent decision-making body represented by corporations, venture investors and as well as CIT

Key Dates

Event	Date
Call for 1 st round of applications	Open as April 8, 2011
Close 1 st round of applications	June 1, 2011
1 st round of investments placed	September 30, 2011

Call for 2nd round of application begins September 1, 2011 subject to capital availability

Web Application

To be considered, please complete the online information at
www.citgapfunds.org/cef

<ul style="list-style-type: none">• Industry• Business Description• Value Proposition• Company Background• Management• Products/Services• Intellectual Property/Special Know-How	<ul style="list-style-type: none">• Markets• Sales & Marketing• Competition• Financial Projections• Use of Funds• Capitalization Table (optional)
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Materials such as business plans may also be requested post submission.

Terms 1 of 2

Federal ARRA requirements regarding use of proceeds -- DOE-issued SEP Financing Guidance (revised March 14, 2011):

- Virginia as the primary market
- Technology is commercially available
- Anything more than pre-feasibility/feasibility studies requires a NEPA environmental determination
- No construction/repair of buildings or purchase of land, buildings, or structures
- No R&D activity is permitted
- Corporate records required - formation, unique D&B D-U-N-S number, CCR (if applicable)
- Ongoing reporting of mission-centric metrics - jobs created/retained, energy efficiency et al
- Transparency and accountability - books/records subject to audit including contractors / 3rd parties
- Other restrictions - legal/administrative fees can not be netted against this capital

Terms 2 of 2

- Future *conference call* with finalists to explain docs and terms
- Will be required to certify to terms
- **Note** - terms are unique to the CEF and Special ARRA terms and investment amounts deployed DO NOT apply to GAP funds

Carefully review and indicate understanding and confirmation of the above terms at
www.citgapfunds.org/cef

Recap

- Aim is to back strong “commercially available” energy ventures in Virginia
- Anticipate ~ 6 awards @ \$200K per finalist + validation
- Wide array of emerging energy search areas under consideration
- State-wide competitive solicitation and review process in place
- Applicants must understand terms; certification required of finalists
- CIT is ready to begin fielding applications now but closes June 1, 2011
- Best of luck!

Contact

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