b. Fringe Benefits

	Budget Period 1	Budget Period 2	Budget Period 3	Total
Rate applied:	Exemption 4			
Total fringe requested:				

A federally approved fringe benefit rate agreement, or a proposed rate supported and agreed upon by DOE for estimating purposes is required if reimbursement for fringe benefits is requested. Please check (X) one of the options below and provide the requested information, if it has not already been provided to the Contracting Officer, OR if it has changed since it was. Calculate the fringe rate and enter the total amount in Section B, line 6.b. ("Fringe Benefits") of form SF-424A.

____ **A fringe benefit rate has been negotiated with, or approved by, a federal government agency. A copy of the latest rate agreement is included with this application, and will be provided electronically to the Contracting Officer for this project.**
(When this option is selected, a presentation of the budget that demonstrates the appliction of the approved rate, to arrive at the proposed fringes benefits dollars should also be provided.)

XXX **There is not a current, federally approved rate agreement negotiated and available.**
(When this option is checked, the entity preparing this form shall submit a rate proposal in the format provided at the following website, or a format that provides the same level of information and which will support the rates being proposed for use in performance of the proposed project. Go to https://www.eere-pmc.energy.gov/forms.aspx and select PMC 400.2 Sample Rate Proposal.)

Additional explanation/comments (as necessary)

The Fringe Benefits rate is based on current actual and adjusted in the future periods for projected hiring salary levels.Currently a larger portion of our employess are senior level and as we expend they will represent a smaller portion of our staff. Since the majority of our fringe benefits is for healthcare insurance, the effect of this demographic change is that fringe benefits will be a higher percent of compensation. Please see the Indirect tab at the end of this file for the Fringe calculation. Fringe Benefits includes medical, dental, childcare reimbursement and payroll taxes.

c. Travel

PLEASE READ!!!

Provide travel detail as requested below, identifying total Foreign and Domestic Travel as separate items. Purpose of travel are items such as professional conference, DOE sponsored meeting, project management meeting, etc. The Basis for Estimating Costs are items such as past trips, current quotations, Federal Travel Regulations, etc.

All listed travel must be necessary for performance of the Statement of Projecct Objectives.

Add rows as needed. If rows are added, formulas/calculations may need to be adjusted by the preparer.

Purpose of travel	No. of Travelers	Depart From (not required for domestic travel)	Destination (not required for domestic travel)	No. of Days	Cost per Traveler	Cost per Trip	Basis for Estimating Costs
Budget Period 1							
Domestic Travel							
EXAMPLE ONLY!!! Visit to PV cell mfr. to set up vendor agreement	2			2	$650	$1,300	Internet prices
Exemption 4	Exemption 4						
Domestic Travel subtotal							
International Travel							
International Travel subtotal							
Budget Period 1 Total							
Budget Period 2							
Domestic Travel							
Exemption 4	Exemption 4						
Domestic Travel subtotal							

Purpose of travel	No. of Travelers	Depart From (not required for domestic travel)	Destination (not required for domestic travel)	No. of Days	Cost per Traveler	Cost per Trip	Basis for Estimating Costs
International Travel	Exemption 4						
International Travel subtotal							
Budget Period 2 Total							
Budget Period 3							
Domestic Travel							
Exemption 4	Exemption 4						
Domestic Travel subtotal							
International Travel							
International Travel subtotal							
Budget Period 3 Total							
PROJECT TOTAL							

Additional Explanations/Comments (as necessary)

Exemption 4

d. Equipment

PLEASE READ!!!

Equipment is generally defined as an item with an acquisition cost greater than $5,000 and a useful life expectancy of more than one year. Further definitions can be found at 10 CFR 600 found on the PMC Recipient Resources Forms page at https://www.eere-pmc.energy.gov/Forms.aspx#regs .

List all proposed equipment below, providing a basis of cost such as vendor quotes, catalog prices, prior invoices, etc., and briefly justifying its need as it applies to the Statement of Project Objectives. If it is existing equipment, and the value of its contribution to the project budget is being shown as cost share, provide logical support for the estimated value shown. If it is new equipment which will retain a useful life upon completion of the project, provide logical support for the estimated value shown.

For equipment over $50,000 in price, also include a copy of the associated vendor quote or catalog price list.

Add rows as needed. If rows are added, formulas/calculations may need to be adjusted by the preparer.

Equipment Item	Qty	Unit Cost	Total Cost	Basis of Cost	Justification of need
Budget Period 1					
EXAMPLE ONLY!!! Thermal shock chamber	2	$20,000	$40,000	Vendor Quote	Reliability testing of PV modules- Task 4.3
Exemption 4		Exemption 4			
Budget Period 1 Total					
Budget Period 2					
		Exemption 4			
Lab equipment - see attached detail sheet					
Office equipment and set-up - see attached detail					
Budget Period 2 Total					
Budget Period 3					
		Exemption 4			
Budget Period 3 Total					
PROJECT TOTAL					

Additional Explanations/Comments (as necessary)

At the end of this file there are 2 tabs, one for Lab equipment the other for Office equipment which details the above amounts by item. Basis for quotes include vendor quotes, known actual and catalogs.

e. Supplies

PLEASE READ!!!

Supplies are generally defined as an item with an acquisition cost of $5,000 or less and a useful life expectancy of less than one year. Supplies are generally consumed during the project performance. Further definitions can be found at 10 CFR 600 found on the PMC Recipient Resources Forms page at https://www.eere-pmc.energy.gov/Forms.aspx#regs.

List all proposed supplies below, providing a bases of cost such as vendor quotes, catalog prices, prior invoices, etc., and briefly justifying the need for the Supplies as they apply to the Statement of Project Objectives. Note that Supply items must be direct costs to the project at this budget category, and not duplicative of supply costs included in the indirect pool that is the basis of the indirect rate applied for this project.

Add rows as needed. If rows are added, formulas/calculations may need to be adjusted by the preparer.

General Category of Supplies	Qty	Unit Cost	Total Cost	Basis of Cost	Justification of need
Budget Period 1					
EXAMPLE ONLY!!! Wireless DAS components	10	$360.00	$3,600	Catalog price	For Alpha prototype - Task 2.4
	0		$0		
Budget Period 1 Total			$0		
Budget Period 2					
	0		$0		
Budget Period 2 Total			$0		
Budget Period 3					
Analytical supplies	Exemption 4				
Chemicals, solvents, polymers					
Disposable lab supplies (e.g. gloves)					
Safety supplies					
Minor engineering equipment					
Budget Period 3 Total					
PROJECT TOTAL					

Additional Explanations/Comments (as necessary)

For Phase I and II, lab supplies are part of the overhead allocation. In Phase III, the costs are only for the set up the pilot scale biorefinery. Estimates are based on our experience.

f. Contractual

Sub-Recipient Name/Organization	Purpose/Tasks in SOPO	Budget Period 1 Costs	Budget Period 2 Costs	Budget Period 3 Costs	Project Total
EXAMPLE ONLY!!! XYZ Corp.	Exemption 4				
Georgia Tech					
MTR - Membrane Technology and Research, Inc.					
The Dow Chemical Company					

Vendor Name/Organization	Product or Service, Purpose/Need and Basis of Cost (Provide additional support at bottom of page as needed)	Budget Period 1 Costs	Budget Period 2 Costs	Budget Period 3 Costs	Project Total
EXAMPLE ONLY!!! ABC Corp.	Vendor for developing custom robotics to perform lens inspection, alignment, and placement (Task 4.) Required for expanding CPV	$32,900	$86,500		**$119,400**
Exemption 4					

Sub-Recipient Name/Organization	Purpose/Tasks in SOPO	Budget Period 1 Costs	Budget Period 2 Costs	Budget Period 3 Costs	Project Total
Exemption 4					

Sub-Recipient Name/Organization	Purpose/Tasks in SOPO	Budget Period 1 Costs	Budget Period 2 Costs	Budget Period 3 Costs	Project Total
Exemption 4					

FFRDC Name/Organization	Purpose	Budget Period 1 Costs	Budget Period 2 Costs	Budget Period 3 Costs	Project Total
NREL- National Renewable Energy Laboratory	Exemption 4				
Total Contractual					

g. Construction

PLEASE READ!!!

Construction, for the purpose of budgeting, is defined as all types of work done on a particular building, including erecting, altering, or remodeling. Construction conducted by the award recipient is entered on this page. Any construction work that is performed by a vendor or subrecipient to the award recipient should be entered under f. Contractual.

List all proposed construction below, providing a basis of cost such as engineering estimates, prior construction, etc., and briefly justify its need as it applies to the Statement of Project Objectives.

Add rows as needed. If rows are added, formulas/calculations may need to be adjusted by the preparer.

Overall description of construction activities:

Example Only!!! - Build wind turbine platform

General Description	Cost	[illegible] of Cost	Justification of need
Budget Period 1			
Three days of excavation for platform site EXAMPLE ONLY!!!	$28,000	Engineering estimate	Site must be prepared for construction of platform.
Budget Period 1 Total	$[illegible]		
Budget Period 2			
Budget Period 2 Total	[illegible]		
Budget Period 3			
Budget Period 3 Total	[illegible]		
PROJECT TOTAL	[illegible]		

Additional Explanations/Comments (as necessary)

Construction will be sub-contracted, one of our sub-recipient partners, The Dow Chemical [illegible] and clearing/ land prep work while the actual construction contractor is TBD. These amounts have been included on the Contractual tab. At the end of the this file there is [illegible] Construct Recap, which summarizes the the capitalized costs.

h. Other Direct Costs

PLEASE READ!!!

Other direct costs are direct cost items required for the project which do not fit clearly into other categories, and are not included in the indirect pool for which the indirect rate is being applied to this project. Examples are meeting costs, postage, couriers or express mail, **telephone/fax costs, printing costs, etc.**

Basis of cost are items such as vendor quotes, prior purchases of similar or like items, published price list, etc.

Add rows as needed. If rows are added, formulas/calculations may need to be adjusted by the preparer.

General description	Cost	Basis of Cost	Justification of need
Budget Period 1			
EXAMPLE ONLY!!! Grad student tuition	$16,000	Established UCD costs	Support of graduate students working on project
Budget Period 1 Total			
Budget Period 2			
Exemption 4	Exemption 4		
Budget Period 2 Total			
Budget Period 3			
Exemption 4	Exemption 4		
Budget Period 3 Total			
PROJECT TOTAL			

i. Indirect Costs

	Budget Period 1	Budget Period 2	Budget Period 3	Total
Rate applied:	Exemption 4			
Total indirect costs requested:				

A federally approved indirect rate agreement, or rate proposed supported and agreed upon by DOE for estimating purposes is required if reimbursement of fringe benfits is requested. Please check (X) one of the options below and **provide the requested information if it has not already been provided as requested, or has changed.** Calculate the indirect rate dollars and enter **the total in the Section B., line 6.j. (Indirect Charges) of form SF** 424A.

___ **There is a federally approved indirect rate** agreement. A copy is provided with this application and **will be provided electronically to the Contracting Officer for this project.**
(When this option is selected, a presentation of the budget that demonstrates the application of the approved rate, to arrive at the proposed indirect charges proposed should also be provided.)

X **There is no current, federally-approved indirect** rate agreement.
(When this option is checked, the entity preparing this form shall submit an indirect cost rate proposal in the format provided at the following website, or in a format that provides the same level of information and which supports the rate(s) being proposed for use in estimating the project. Go to https://www.eere-pmc.energy.gov/forms.aspx and select PMC 400.2 Sample Rate Proposal.)

Additional Explanations/Comments (as necessary)

Please see the Indirect Proposal tab at the end of this file for indirects calculation. The amount for Phase I of $Exemption 4 % per the indirects sheet times the Algenol Direct costs.

Cost Share

PLEASE READ!!!

A detailed presentation of the cash or cash value of all cost share proposed for the project must be provided in the table below. Identify the source & amount of each item of cost share proposed by the award recipient and each sub-recipient or vendor. Letters of committment must be submitted for all third party cost share (other than award recipient).

Note that "cost-share" is not limited to cash investment. Other items that may be assigned value in a budget as incurred as part of the project budget and necessary to performance of the project, may be considered as cost share, such as: contribution of services or property; donated, purchased or existing equipment; buildings or land; donated, purchased or existing supplies; and/or unrecovered personnel, fringe benefits and indirect costs, etc. For each cost share contribution identified as other than cash, identify the item and describe how the value of the cost share contribution was calculated.

Funds from other Federal sources MAY NOT be counted as cost share. This prohibition includes FFRDC sub-recipients. Non-Federal sources include private, state or local Government, or any source not originally derived from Federal funds. Documentation of cost sharing commitments must be provided, if not already provided with the original application and they have not changed since its submission.

Fee or profit will not be paid to the award recipients or subrecipients of financial assistance awards. Additionally, foregone fee or profit by the applicant shall not be considered cost sharing under any resulting award. Reimbursement of actual costs will only include those costs that are allowable and allocable to the project as determined in accordance with the applicable cost principles prescribed in 10 CFR 600.127, 10 CFR 600.222 or 10 CFR 600.317. Also see 10 CFR 600.318 relative to profit or fee.

Add rows as needed. If rows are added, formulas/calculations may need to be adjusted by the preparer.

Organization/Source	Type (cash or other)	Cost Share Item	Budget Period 1 Cost Share	Budget Period 2 Cost Share	Budget Period 3 Cost Share	Total Project Cost Share
ABC Company EXAMPLE ONLY!!!	Cash	Project partner ABC Company will provide 40 [illegible] for [illegible] development at 50% off the of the [illegible]	$13,600			$13,600
Algenol Biofuels Inc	Exemption 4					
The Dow Chemical Company						
The Dow Chemical Company						
Membrabe Technology and Research, Inc.						

Total Project Cost: #REF!

Cost Share Percent of Award: #REF!

Additional Explanations/Comments (as necessary)

	Direct	Fringe	Indirect	Jnallowable	Allowable Indirects
Income					
Total Income					
Expenses					

Exemption 4

Exemption 4

Exemption 4

Applicant Name: The Dow Chemical Company Award Number:

Budget Information - Non Construction Programs

OMB Approval No. 0348-0044

Section A - Budget Summary

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. DE-FOA-0000096	81.087			$1,416,520	Exemption 4	
2.						
3.						
4.						
5. Totals		$0	$0	$1,416,520		

Section B - Budget Categories

6. Object Class Categories	Grant Program, Function or Activity				Total (5)
	(1) Budget Period 1	(2)	(3)	(4)	
a. Personnel	Exemption 4				
b. Fringe Benefits					
c. Travel					
d. Equipment					
e. Supplies					
f. Contractual					
g. Construction					
h. Other					
i. Total Direct Charges (sum of 6a-6h)					
j. Indirect Charges					
k. **Totals** (sum of 6i-6j)					
7. Program Income					$0

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PMC123.1 - Budget Justification for SF 424A Budget

Instructions and Summary

Award Number: DE-FOA-0000096
Award Recipient: Algenol Biofuels, Inc.

Date of Submission: Mar-10
Form submitted by: The Dow Chemical Company
(May be award recipient or sub-recipient)

Please read the instructions on each page before starting.
If you have any questions, please ask your DOE contact. It will save you time!

On this form, provide detailed support for the estimated project costs identified on the SF-424A form (Budget).

- The dollar amounts on this page must match the amounts on the associated SF-424A.
- The award recipient and each sub-recipient with estimated costs of $100,000 or more must complete this form and a SF-424A form.
- The total budget presented on this form and on the SF424A **must include both Federal (DOE), and Non-Federal (cost share) portions**, thereby reflecting TOTAL PROJECT COSTS proposed.
- For costs in each Object Class Category on the SF-424A, complete the corresponding worksheet on this form (tab at the bottom of the page).
- All costs incurred by the preparer's sub-recipients, vendors, contractors, consultants and Federal Research and Development Centers (FFRDCs), should be entered only in section f. Contractual. All other sections are for the costs of the preparer only.

SUMMARY OF BUDGET CATEGORY COSTS PROPOSED
(Note: The values in this summary table are from entries made in each budget category sheet.)

CATEGORY	Budget Period 1 Costs	Budget Period 2 Costs	Budget Period 3 Costs	Budget Period 4 Costs	Budget Period 5 Costs	Total Costs	Project Costs %	Comments (Add comments as needed)
a. Personnel	Exemption 4							
b. Fringe Benefits								
c. Travel								
d. Equipment								
e. Supplies								
f. Contractual								
Sub-recipient								
FFRDC								
Vendor								
Total Contractual								
g. Construction								
h. Other Direct Costs								
i. Indirect Charges								
Total Project Costs								

Additional Explanations/Comments (as necessary)

The data contained in pages a,h, and i of this application have been submitted in confidence and contain trade secrets or proprietary information, and such data shall be used or disclosed only for evaluation purposes, provided that if this applicant receives an award as a result of or in connection with the submission of this application, DOE shall have the right to use or disclose the data herein to the extent provided in the award. This restriction does not limit the government's right to use or disclose data obtained without restriction from any source, including the applicant.

PMC123.1 - Budget Justification for SF 424A Budget

Instructions and Summary

Award Number: DE-FOA-0000096
Award Recipient: Algenol Biofuels, Inc.

Date of Submission: Jun-09
Form submitted by: The Dow Chemical Company
(May be award recipient or sub-recipient)

Please read the instructions on each page before starting.
If you have any questions, please ask your DOE contact. It will save you time!

Phase 1 summary

SUMMARY OF BUDGET CATEGORY COSTS PROPOSED

(Note: The values in this summary table are from entries made in each budget category sheet.)

CATEGORY	Budget Period 1 Costs	Budget Period 2 Costs	Budget Period 3 Costs	Budget Period 4 Costs	Budget Period 5 Costs	Total Costs	Project Costs %	Comments (Add comments as needed)
a. Personnel	Exemption 4							
b. Fringe Benefits								
c. Travel								
d. Equipment								
e. Supplies								
f. Contractual								
Sub-recipient								
FFRDC								
Vendor								
Total Contractual								
g. Construction								
h. Other Direct Costs								
i. Indirect Charges								
Total Project Costs								

Additional Explanations/Comments (as necessary)

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PMC123.1 - Budget Justification for SF 424A Budget

Instructions and Summary

Award Number: DE-FOA-0000096
Award Recipient: Algenol Biofuels, Inc.

Date of Submission: Jun-09
Form submitted by: The Dow Chemical Company
(May be award recipient or sub-recipient)

Please read the instructions on each page before starting.
If you have any questions, please ask your DOE contact. It will save you time!

Phase 2 summary

SUMMARY OF BUDGET CATEGORY COSTS PROPOSED
(Note: The values in this summary table are from entries made in each budget category sheet.)

CATEGORY	Budget Period 1 Costs	Budget Period 2 Costs	Budget Period 3 Costs	Budget Period 4 Costs	Budget Period 5 Costs	Total Costs	Project Costs %	Comments (Add comments as needed)
a. Personnel	Exemption 4							
b. Fringe Benefits								
c. Travel								
d. Equipment								
e. Supplies								
f. Contractual								
Sub-recipient								
FFRDC								
Vendor								
Total Contractual								
g. Construction								
h. Other Direct Costs								
I. Indirect Charges								
Total Project Costs								

Additional Explanations/Comments (as necessary)

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PMC123.1 - Budget Justification for SF 424A Budget

Instructions and Summary

Award Number: DE-FOA-0000096
Award Recipient: Algenol Biofuels, Inc.

Date of Submission: Jun-09
Form submitted by: The Dow Chemical Company
(May be award recipient or sub-recipient)

Please read the instructions on each page before starting.
If you have any questions, please ask your DOE contact. It will save you time!

Phase 3 summary

SUMMARY OF BUDGET CATEGORY COSTS PROPOSED

(Note: The values in this summary table are from entries made in each budget category sheet.)

CATEGORY	Budget Period 1 Costs	Budget Period 2 Costs	Budget Period 3 Costs	Budget Period 4 Costs	Budget Period 5 Costs	Total Costs	Project Costs %	Comments (Add comments as needed)
a. Personnel	Exemption 4							
b. Fringe Benefits								
c. Travel								
d. Equipment								
e. Supplies								
f. Contractual								
Sub-recipient								
FFRDC								
Vendor								
Total Contractual								
g. Construction								
h. Other Direct Costs								
i. Indirect Charges								
Total Project Costs								

Additional Explanations/Comments (as necessary)

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a. Personnel

PLEASE READ!!!

List costs solely for employees of the entity completing this form (award recipient or sub-recipient). All other personnel costs (of subrecipients or other contractual efforts of the entity preparing this) must be included under f., Contractual. This includes all consultants and FFRDCs.

Identify positions to be supported. Key personnel should be identified by title. All other personnel should be identified either by title or a group category. State the amounts of time (e.g., hours or % of time) to be expended, the composite base pay rate, total direct personnel compensation and identify the rate basis (e.g., actual salary, labor distribution report, technical estimate, state civil service rates, etc.).

Add rows as needed. Formulas/calculations will need to be entered by the preparer of this form. Please enter formulas as shown in the example.

Task # and Title	Position Title	Budget Period 1			Budget Period 2			Budget Period 3			Budget Period 4			Budget period 5			Project Total Hours	Project Total Dollars	Rate Basis
		Time (Hours)	Pay Rate ($/Hr)	Total Budget Period 1	Time (Hours)	Pay Rate ($/Hr)	Total Budget Period 2	Time (Hours)	Pay Rate ($/Hr)	Total Budget Period 1	Time (Hours)	Pay Rate ($/Hr)	Total Budget Period 1	Time (Hours)	Pay Rate ($/Hr)	Total Budget Period 3			

Exemption 4

Additional Explanations/Comments (as necessary)

b. Fringe Benefits

	Budget Period 1	Budget Period 2	Budget Period 3	Budget Period 4	Budget Period 5	Total
Rate applied:	Exemption 4					
Total fringe requested:						

A federally approved fringe benefit rate agreement, or a proposed rate supported and agreed upon by DOE for estimating purposes is required if reimbursement for fringe benefits is requested. Please check (X) one of the options below and provide the requested information. Calculate the fringe rate and enter the total amount in Section B, line 6.b. ("Fringe Benefits") of form SF-424A.

____ **A fringe benefit rate has been negotiated with, or approved by, a federal government agency. A copy of the latest rate agreement is included with this application, and will be provided electronically to the Contracting Officer for this project.**
**In the area designated below, identify the full calculations used to derive the total fringe costs. See further information below.*

____ **There is not a current, federally approved rate agreement negotiated and available.**
*When this option is checked, the entity preparing this form shall submit a rate proposal in the format provided at the following website, or a format that provides the same level of information and which will support the rates being proposed for use in performance of the proposed project. Go to https://www.eere-pmc.energy.gov/forms.aspx and select PMC 400.2 Sample Rate Proposal. * In the area designated below, identify the full calculations used to derive the total fringe costs. See further information below.*

Additional explanation/comments (as necessary)

*IMPORTANT: In the space provided below (or as an attachment) provide a complete explanation and the full calculations used to derive the total fringe costs. If the total fringe costs are a cumulative amount of more than one calculation or rate application, the explanation and calculations should identify all rates used, along with the base they were applied to (and how the base was derived), and a total for each (along with grand total). The rates and how they are applied should not be averaged to get one fringe cost percentage. NOTE: The fringe benefit rate should be applied to both the Federal Share and Recipient Cost Share.

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c. Travel

PLEASE READ!!!

Provide travel detail as requested below, identifying total Foreign and Domestic Travel as separate items. Purpose of travel are items such as professional conference, DOE sponsored meeting, project management meeting, etc. The Basis for Estimating Costs are items such as past trips, current quotations, Federal Travel Regulations, etc.

All listed travel must be necessary for performance of the Statement of Project Objectives.

Add rows as needed. If rows are added, formulas/calculations may need to be adjusted by the preparer.

Purpose of travel	No. of Travelers	Depart From (not required for domestic travel)	Destination (not required for domestic travel)	No. of Days	Cost per Traveler	Cost per Trip	Basis for Estimating Costs
Budget Period 1							
Domestic Travel							
EXAMPLE ONLY!!! Visit to PV cell mfr. to set up vendor agreement	2			2	$650	$1,300	Internet prices
						$0	
						$0	
						$0	
						$0	
						$0	
						$0	
						$0	
						$0	
Domestic Travel subtotal						$0	
International Travel							
						$0	
						$0	
						$0	
						$0	
International Travel subtotal						$0	
Budget Period 1 Total						$0	
Budget Period 2							
Domestic Travel							
						$0	
						$0	
						$0	
						$0	
						$0	
						$0	
Domestic Travel subtotal						$0	
International Travel							
						$0	
						$0	
						$0	
						$0	
International Travel subtotal						$0	
Budget Period 2 Total						$0	
Budget Period 3							
Domestic Travel							
						$0	
						$0	
						$0	
						$0	
						$0	
						$0	
Domestic Travel subtotal						$0	
International Travel							
						$0	
						$0	
						$0	
						$0	
International Travel subtotal						$0	
Budget Period 3 Total						$0	
Budget Period 4							
Domestic Travel							
						$0	
						$0	
						$0	
						$0	
						$0	
						$0	
Domestic Travel subtotal						$0	
International Travel							
						$0	
						$0	
						$0	
						$0	
International Travel subtotal						$0	
Budget Period 4 Total						$0	
Budget Period 5							
Domestic Travel							
						$0	
						$0	
						$0	
						$0	
						$0	
						$0	
Domestic Travel subtotal						$0	
International Travel							
						$0	
						$0	
						$0	
						$0	
International Travel subtotal						$0	
Budget Period 5 Total						$0	
PROJECT TOTAL						$0	

Additional Explanations/Comments (as necessary)

d. Equipment

PLEASE READ!!!

Equipment is generally defined as an item with an acquisition cost greater than $5,000 and a useful life expectancy of more than one year. Further definitions can be found at 10 CFR 600 found on the PMC Recipient Resources Forms page at https://www.eere-pmc.energy.gov/Forms.aspx#regs .

List all proposed equipment below, providing a basis of cost such as vendor quotes, catalog prices, prior invoices, etc., and briefly justifying its need as it applies to the Statement of Project Objectives. If it is existing equipment, and the value of its contribution to the project budget is being shown as cost share, provide logical support for the estimated value shown. If it is new equipment which will retain a useful life upon completion of the project, provide logical support for the estimated value shown.

For equipment over $50,000 in price, also include a copy of the associated vendor quote or catalog price list.

Add rows as needed. If rows are added, formulas/calculations may need to be adjusted by the preparer.

Equipment item	Qty	Unit Cost	Total Cost	Basis of Cost	Justification of need
Budget Period 1					
EXAMPLE ONLY!!! Thermal shock chamber	2	$20,000	$40,000	Vendor Quote	Reliability testing of PV modules- Task 4.3
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
Budget Period 1 Total			$0		
Budget Period 2					
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
Budget Period 2 Total			$0		
Budget Period 3					
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
Budget Period 3 Total			$0		
Budget Period 4					
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
Budget Period 4 Total			$0		
Budget Period 5					
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
Budget Period 5 Total			$0		
PROJECT TOTAL			$0		

Additional Explanations/Comments (as necessary)

e. Supplies

PLEASE READ!!!

Supplies are generally defined as an item with an acquisition cost of $5,000 or less and a useful life expectancy of less than one year. Supplies are generally consumed during the project performance. Further definitions can be found at 10 CFR 600 found on the PMC Recipient Resources Forms page at https://www.eere-pmc.energy.gov/Forms.aspx#regs.

List all proposed supplies below, providing a bases of cost such as vendor quotes, catalog prices, prior invoices, etc., and briefly justifying the need for the Supplies as they apply to the Statement of Project Objectives. Note that Supply items must be direct costs to the project at this budget category, and not duplicative of supply ceets included in the indirect pool that is the basis of the indirect rate applied for this project.

Add rows as needed. If rows are added, formulas/calculations may need to be adjusted by the preparer.

General Category of Supplies	Qty	Unit Cost	Total Cost	Basis of Cost	Justification of need
Budget Period 1					
EXAMPLE ONLY!!! Wireless DAS components	10	$360.00	$3,600	Catalog price	For Alpha prototype - Task 2.4
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
Budget Period 1 Total			$0		
Budget Period 2					
Exemption 4			Exemption 4		
Budget Period 2 Total					
Budget Period 3					
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
Budget Period 3 Total			$0		
Budget Period 4					
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
Budget Period 3 Total			$0		
Budget Period 5					
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
			$0		
Budget Period 3 Total			Exemption 4		
PROJECT TOTAL					

Additional Explanations/Comments (as necessary)

f. Contractual

PLEASE READ!!!

The entity completing this form must provide all costs related to sub-recipients, vendors, contractors, consultants and FFRDC partners in the applicable boxes below.

Sub-recipients (partners, sub-awardees):
For each sub-recipient with total project costs of $100,000 or more, a separate SF-424A budget and PMC123.1 budget justification form must be submitted. These sub-recipient forms may be completed by either the sub-recipients themselves or by the preparer of this form. The budget totals on the sub-recipient's forms must match the sub-recipeint entries below.

The preparer of this form need only provide further support of the completed sub-recipient budget forms as they deem necessary. The support to justify the budgets of sub-recipients with estimated costs less than $100,000 may be in any format, and at a minimum should provide what Statement of Project Objectives task(s) are being performed, the purpose/need for the effort, and a basis of the estimated costs that is considered sufficient for DDE evaluation.

Vendors (includes contractors and consultants):
List all vendors, contractors and consultants supplying commercial supplies or services used to support the project. The support to justify vendor costs (in any amount) should provide the purpose for the products or services and a basis of the estimated costs that is considered sufficient for DDE evaluation.

Federal Research and Development Centers (FFRDCs):
For FFRDC partners, award recipient will provide a Field Work Proposal (if not already provided with the original application), along with the FFRDC labor mix and hours, by category and FFRDC major purchases greater than $25,000, including Quantity, Unit Cost, Basis of Cost, and Justification. The award recipient may allow the FFRDC to provide this information directly to DDE.

Add rows as needed. If rows are added, formulas/calculations may need to be adjusted by the preparer.

Sub-Recipient Name/Organization	Purpose/Tasks in SOPO	Budget Period 1 Costs	Budget Period 2 Costs	Budget Period 3 Costs	Budget Period 4 Costs	Budget Period 5 Costs	Project Total
EXAMPLE ONLY!!! XYZ Corp.	Partner to develop optimal fresnel lens for Gen 2 product - Task 2.4	$48,000	$32,000			$16,000	$96,000
							$0
							$0
							$0
							$0
							$0
							$0
							$0
							$0
	Sub-total	$0	$0	$0	$0	$0	$0

Vendor Name/Organization	Product or Service, Purpose/Need and Basis of Cost (Provide additional support at bottom of page as needed)	Budget Period 1 Costs	Budget Period 2 Costs	Budget Period 3 Costs	Budget Period 4 Costs	Budget Period 5 Costs	Project Total
EXAMPLE ONLY!!! ABC Corp.	Vendor for developing custom robotics to perform lens inspection, alignment, and placement (Task 4). Required for expanding CPV module mfg. capacity. Cost is from competitive quotes.	$32,900	$86,500				$119,400
							$0
							$0
							$0
							$0
							$0
							$0
							$0
		$0	$0	$0	$0	$0	$0

FFRDC Name/Organization	Purpose	Budget Period 1 Costs	Budget Period 3 Costs	Budget Period 3 Costs	Budget Period 4 Costs	Budget Period 5 Costs	Project Total
							$0
							$0
							$0
		$0	$0	$0	$0	$0	$0

Total Contractual		$0	$0	$0	$0	$0	$0

Additional Explanations/Comments (as necessary)

g. Construction

PLEASE READ!!!

Construction, for the purpose of budgeting, is defined as all types of work done on a particular building, including erecting, altering, or remodeling. Construction conducted by the award recipient is entered on this page. Any construction work that is performed by a vendor or subrecipient to the award recipient should be entered under f. Contractual.

List all proposed construction below, providing a basis of cost such as engineering estimates, prior construction, etc., and briefly justify its need as it applies to the Statement of Project Objectives.

Add rows as needed. If rows are added, formulas/calculations may need to be adjusted by the preparer.

Overall description of construction activities:

Example Only!!! - Build wind turbine platform

General Description	Cost	Basis of Cost	Justification of need
Budget Period 1			
Three days of excavation for platform site EXAMPLE ONLY!!!	$28,000	Engineering estimate	Site must be prepared for construction of platform.
Budget Period 1 Total	$0		
Budget Period 2			
Budget Period 2 Total	$0		
Budget Period 3			
Budget Period 3 Total	$0		
Budget Period 4			
Budget Period 4 Total	$0		
Budget Period 5			
Budget Period 5 Total	$0		
PROJECT TOTAL	$0		

Additional Explanations/Comments (as necessary)

h. Other Direct Costs

PLEASE READ!!!

Other direct costs are direct cost items required for the project which do not fit clearly into other categories, and are not included in the indirect pool for which the indirect rate is being applied to this project. Examples are meeting costs, postage, couriers or express mail, telephone/fax costs, printing costs, etc.

Basis of cost are items such as vendor quotes, prior purchases of similar or like items, published price list, etc.

Add rows as needed. If rows are added, formulas/calculations may need to be adjusted by the preparer.

General description	Cost	Basis of Cost	Justification of need
Budget Period 1			
EXAMPLE ONLY!!! Grad student tuition	$16,000	Established UCD costs	Support of graduate students working on project
Budget Period 1 Total	$0		
Budget Period 2			
Exemption 4	Exemption 4		
Budget Period 2 Total			
Budget Period 3			
Exemption 4	Exemption 4		
Budget Period 3 Total			
Budget Period 4			
Exemption 4	Exemption 4		
Budget Period 4 Total			
Budget Period 5			
Exemption 4	Exemption 4		
Budget Period 5 Total			
PROJECT TOTAL			

Additional Explanations/Comments (as necessary)

This worksheet contains proprietary information that The Dow Chemical Company requests not be released to persons outside the Government, except for purposes of review and evaluation.

i. Indirect Costs

	Budget Period 1	Budget Period 2	Budget Period 3	Budget Period 4	Budget Period 5	Total
Rate applied:	Exemption 4					
Total indirect costs requested:						

A federally approved indirect rate agreement, or rate proposed supported and agreed upon by DOE for estimating purposes is required if reimbursement of fringe benfits is requested. Please check (X) one of the options below and provide the requested information if it has not already been provided as requested, or has changed. Calculate the indirect rate dollars and enter the total in the Section B., line 6.j. (Indirect Charges) of form SF 424A.

X **There is a federally approved indirect rate agreement. A copy is provided with this application and will be provided electronically to the Contracting Officer for this project.**

**In the area designated below, identify the full calculations used to derive the total indirect costs. See further information below.*

____ **There is no current, federally-approved indirect rate agreement.**

*When this option is checked, the entity preparing this form shall submit an indirect cost rate proposal in the format provided at the following website, or in a format that provides the same level of information and which supports the rate(s) being proposed for use in estimating the project. Go to https://www.eere-pmc.energy.gov/forms.aspx and select PMC 400.2 Sample Rate Proposal. *In the area designated below, identify the full calculations used to derive the total indirect costs. See further information below.*

Additional Explanations/Comments (as necessary)

*IMPORTANT: In the space provided below (or as an attachment) provide a complete explanation and the full calculations used to derive the total indirect costs. If the total indirect costs are a cumulative amount of more than one calculation or rate application, the explanation and calculations should identify all rates used, along with the base they were applied to (and how the base was derived), and a total for each (along with grand total). The rates and how they are applied should not be averaged to get one indirect cost percentage. NOTE: The indirect rate should be applied to both the Federal Share and Recipient Cost Share.

This worksheet contains proprietary information that The Dow Chemical Company requests not be released to persons outside the Government, except for purposes of review and evaluation.

There are three indirect cost billing rates which will be applicable on this project:

Exemption 4

There rates are based on CY 2008 provisional rates.

Cognizant/oversight Agency: Defense Contract Audit Agency
Person responsible for negotiating indirect rates: Ms. Kristy Mundell, (989)638-9831

Cost Share

PLEASE READ!!!

A detailed presentation of the cash or cash value of all cost share proposed for the project must be provided in the table below. Identify the source & amount of each item of cost share proposed by the award recipient and each sub-recipient or vendor. Letters of committment must be submitted for all third party cost share (other than award recipient).

Note that "cost-share" is not limited to cash investment. Other items that may be assigned value in a budget as incurred as part of the project budget and necessary to performance of the project, may be considered as cost share, such as: contribution of services or property; donated, purchased or existing equipment; buildings or land; donated, purchased or existing supplies; and/or unrecovered personnel, fringe benefits and indirect costs, etc. For each cost share contribution identified as other than cash, identify the item and describe how the value of the cost share contribution was calculated.

Funds from other Federal sources MAY NOT be counted as cost share. This prohibition includes FFRDC sub-recipients. Non-Federal sources include private, state or local Government, or any source not originally derived from Federal funds. Documentation of cost sharing commitments must be provided, if not already provided with the original application and they have not changed since its submission.

Fee or profit will not be paid to the award recipients or subrecipients of financial assistance awards. Additionally, foregone fee or profit by the applicant shall not be considered cost sharing under any resulting award. Reimbursement of actual costs will only include those costs that are allowable and allocable to the project as determined in accordance with the applicable cost principles prescribed in 10 CFR 600.127, 10 CFR 600.222 or 10 CFR 600.317. Also see 10 CFR 600.318 relative to profit or fee.

Add rows as needed. If rows are added, formulas/calculations may need to be adjusted by the preparer.

Organization/Source	Type (cash or other)	Cost Share Item	Budget Period 1 Cost Share	Budget Period 2 Cost Share	Budget Period 3 Cost Share	Budget Period 4 Cost Share	Budget Period 5 Cost Share	Total Project Cost Share
ABC Company **EXAMPLE ONLY!!!**	Cash	Project partner ABC Company will provide 40 PV modules for product development at 50% off the of the retail price of $680	$13,600					$13,688
The Dow Chemical Company	Exemption 4							
The Dow Chemical Company								
								$8
								$8
								$0
								$8
								$8
								$8
								$0
								$0
		Totals	Exemption 4					

Total Project Cost: $ Exemption 4

Cost Share Percent of Award: Exemption 4

Additional Explanations/Comments (as necessary)

	Direct	Fringe	Indirect	Jaulowski	Allowable Indirects
Income					
Total Income					

Exemption 4

ALGENOL BIOFUELS, INC.
28100 Bonita Grande Drive, Suite 200
Bonita Springs, FL 34135

Purchase Order

Exemption 4

Vendor
Exemption 4

Date March 18, 2010

Delivery Address:
Algenol Biofuels, Inc.
1700 Union Ave, Suite A
Baltimore, MD 21211
Phone: 410-400-8665
Ed Malkiel
Email:Ed.Malkiel@algenolbiofuels.com

Billing Address:
Algenol Biofuels, Inc.
Attn.: Tammy Hammacher
1700 Union Avenue, Suite A
Baltimore, Maryland 21211
Phone (410) 400-8677
Email: tammy.hammacher@algenolbiofuels.com

Line	Qty	Item#	Item	Price

Exemption 4

Exemption 4

Invoice

DATE	INVOICE #
2/22/2010	Exemption 4

BILL TO
Algenol Biofuels Inc ED Legere 28100 Bonita Grande Drive Bonita, FL 34135

P.O. NO.	TERMS	PROJECT

DESCRIPTION	QTY	RATE	AMOUNT
Exemption 4			

Exemption 4

Doc. copy

BILL TO:
Algenol Biofuels, Inc.
Tammy Hammacher
1700 Union Avenue
Suite A
Baltimore MD 21211
United States

SHIP TO:
Algenol Biofuels, Inc.
Ben Mccool
28100 Bonita Grande Drive
Suite 200
Bonita Springs FL 34135
United States

SOLD TO:
Algenol Biofuels, Inc.

PAYMENT INSTRUCTIONS
Please include invoice number, customer number, and if available, purchase order number. IMPORTANT: Payments must include invoice

Exemption 4

PMC 121 1
(07/2008)

U.S. DEPARTMENT OF ENERGY
PROJECT MANAGEMENT CENTER

PRE-AWARD INFORMATION SHEET

Awardee Name:	Algenol Biofuels Inc.
Award Number:	
Awardee Business Officer:	Katie McFadden
Awardee Project Director:	Craig R. Smith, M.D.

Employer/Taxpayer Identification Number (EIN/TIN):	REDACTED EXEMPTION 6
Data Universal Numbering System (DUNS):	800399904

For assistance in obtaining a DUNS Number, call Dunn & Bradstreet at 1-800-333-0505.
The Applicant should be prepared to provide the following information to Dunn & Bradstreet:
(1) Company name
(2) Company address
(3) Company telephone number
(4) Line of business
(5) Chief executive officer/key manager
(6) Date the company was started
(7) Number of people employed by the company
(8) Company affiliation

A. TYPE OF BUSINESS - the Awardee is a:

- ☒ For-Profit Organization (Other than Small Business)
  - ☒ Corporation
  - ☐ Partnership
  - ☐ Sole Proprietorship
- ☐ Government
  - ☐ Local Government
  - ☐ State Government
  - ☐ Indian Tribal Government
- ☐ Individual
- ☐ Institution of Higher Education
- ☐ Other NonProfit Organization
- ☐ Small Business
- ☐ Other (specify):

If NonProfit, select one below:

☐ A university or other institution of higher education or an organization of the type described in Section 501(c)(3) of the Internal Revenue Code of 1954 (26 USC 501(c)) and exempt from taxation under Section 501(a) of the Internal Revenue Code (26 USC 501(a)); or

☐ An organization of the type described in Section 501(c)(4) of the Internal Revenue Code of 1954 (26 USC 501(c)) and exempt from taxation under Section 501(a) of the Internal Revenue Code (26 USC 501(a)); or

☐ An organization of the type described in Section 501(c)(6) of the Internal Revenue Code of 1954 (26 USC 501(c)) and exempt from taxation under Section 501(a) of the Internal Revenue Code (26 USC 501(a)); or

☐ A nonprofit scientific or educational organization qualified under a State nonprofit organization statute. (Please identify the statute.); or

☐ Other (specify type):

Is the Applicant a member of the Federal Demonstration Partnership (FDP)? ☐ Yes ☐ No
A listing of FDP members is available at http://www.thefdp.org/FDP_Members.html.

B. INTELLECTUAL PROPERTY

1. WAIVER OF DOE PATENT RIGHTS

This section applies only to large businesses and nonprofits other than 501(c)(3) organizations. All others should leave this subsection blank and proceed to the "Rights in Application Data" subsection that follows. Large businesses and nonprofits other than 501(c)(3) organizations have the right to request, in advance or within 30 days after execution of an award, in accordance with applicable statutes and DOE Patent Waiver Regulation (10 CFR 784), a waiver of all or any part of the rights of the United States in Subject Inventions. Accordingly, please check all that apply:

☐ I intend to request an advance waiver in accordance with 10 CFR 784.
☒ I intend to request an advance waiver on behalf of one or more subrecipients/subcontractors.
☐ I have at least one subrecipient/subcontractor that will request a waiver on its own behalf.
☐ I do not intend to request an advance waiver.

2. RIGHTS IN APPLICATION DATA

For an award based on an application/proposal, the Government will obtain unlimited rights in the technical data contained in the application/proposal, unless the Awardee marks those portions of the technical information which it asserts as "proprietary data" or specifies those portions of such technical data which are not directly related to or will not be utilized in the work to be funded under this award.

Accordingly, please indicate:

☐ No restrictions on Government rights in technical data contained in the application/proposal; or

☒ The application/proposal contains the following identified technical data that is proprietary, or is not directly related to, or will not be utilized in the work to be funded under this award.

Please list specific page numbers, table numbers, etc., and the dated version of the application/proposal to which you refer:

The data contained on pages 6-10 of the Project Narrative; pages 3-6 and 12-13 of Environmental Questionnaire; pages 1-10, 16-18 and 20 of the Business and Commercialization Plan; and pages 2-4 of the IP Statement and all information contained the files named Lifecycle Energy and Greenhouse Gas Emissions, SF424A, Budget, Subaward Budget Files, Process Flow Diagram, Project Management Plant and Project Executive Plan have been submitted in confidence and contain trade secrets or proprietary information, and such data shall be used or disclosed only for evaluation purposes, provided that if this applicant receives an award as a result of or in

connection with the submission of this application, DOE shall have the right to use or disclose the data herein to the extent provided in the award.

All existing data on our process, procedures and know-how embody trade secrets, commercial and financial data that are confidential and privileged.

Paragraphs in this application's respective files that are preceded by an asterisk (*) contain proprietary information that Algenol Biofuels requests not be released to persons outside the Government, except for the purposes of review and evaluation.

3. IDENTIFICATION OF LIMITED RIGHTS DATA AND RESTRICTED COMPUTER SOFTWARE

Below, please identify any Limited Rights Data or Restricted Computer Software you plan to use to carry out your work under the award. Limited Rights Data means data (other than computer software) developed at private expense that embody trade secrets or are commercial or financial, and confidential or privileged. Restricted Computer Software means computer software developed at private expense and that is a trade secret, is commercial or financial, and confidential or privileged, or is published, copyrighted computer software, to include modifications of the computer software.

Please note that these data do not include data that you will produce under this award. Data that is first produced under this award is treated separately under the data rights clause of this award. This section covers only those data that you bring into this award that were privately funded.

If you plan to use Limited Rights Data or Restricted Computer Software under the award, please describe it in a few sentences or bullets, with sufficient detail that the DOE Project Officer can determine whether DOE will need to have any of it delivered, for example, to validate your results or the data produced under the award. You are not required to list issued patents or published patent applications. You do need to list unpublished patent applications (by title and brief description) and trade secret processes (by non-proprietary title with brief, non-proprietary description). If you have questions regarding the completion of this section, please contact the Contract Specialist handling your award.

Based on the above, please review the requirements in the technical scope of work for this award and indicate, to the best of your knowledge:

☐ No Limited Rights Data will be utilized in the performance of this award.

☒ Limited Rights Data as follows will be utilized in the performance of this award.

Use this block to provide additional information or provide an attachment:

All existing data on our process, procedures and know-how embody trade secrets, commercial and financial data that are confidential and privileged.

Based on the above, please review the requirements in the technical scope of work for this award and indicate, to the best of your knowledge:

☐ Awardee Restricted Computer Software will NOT be utilized in the performance of this award.

☒ Awardee Restricted Computer Software as follows will be utilized in the performance of this award.

Use this block to provide additional information or provide an attachment:
Attached please find the Process Flow Diagram that was included the application. The Supervisory Control and Data Acquisition system is described on pages 28-35. As well, the Vapor Compression Steam Stripper control system is described on pages 14-23. These systems are privileged and confidential restricted computer software.

C. PROJECT PERFORMANCE SITE and CONGRESSIONAL DISTRICT

List the address and congressional district for the primary site where the work will be performed:

Street Address:	2301 N Brazosport Blvd. APB 2436
City:	Freeport
State:	TX
Zip:	77541
Congressional District:	TX-14th

If a portion of the work will be performed at any other site(s), identify those site(s) below, and indicate what portion of the effort will be performed at this/these site(s):

Street Address:	16121 Lee Road
City:	Ft. Myers
State:	FL
Zip:	33912
Congressional District:	FL-14th

Briefly describe portion of effort for this Site:	Algenol is in the process of consolidating already established research and development activities at this location. Research and development activities detailed in our application will be located at this facility.

Street Address:	2805 B Road
City:	Loxahatchee
State:	Florida
Zip:	33470
Congressional District:	FL-16th

Briefly describe portion of effort for this Site:	The process development unit detailed in the application will be located at this site.

Street Address:	1700 Union AVE, Suite A
City:	Baltimore
State:	Maryland
Zip:	21211
Congressional District:	MD-3rd

Briefly describe portion of effort for this Site:	On-going research and development activities detailed in the application will continue to be conducted at this site.

D. INVOICING AND PAYMENTS

1. Has the Awardee received any prior DOE awards administered by the Golden Field Office (GO)?

☐ Yes

If yes, please list the most recent award number: _____

☒ No

2. Is the Awardee currently enrolled with the U.S. Department of Treasury / ASAP system (Automated Standard Application for Payment System) under the DOE / Golden Field Office (GO) Agency Locator Code (ALC) and Region Code (#8900-0001-04)?

☐ Yes

Enter Awardee Seven-digit ASAP ID Number: _____

☒ No

3. Please provide the following contact information for ASAP and/or Payments:

IMPORTANT: If not currently enrolled in the ASAP system under GO's ALC and Region Code, the person identified below will be contacted by the U.S. Department of Treasury with further instruction on completing the ASAP enrollment process.

ASAP / Payments Contact Person: Katie McFadden

Phone No.: (239) 498-2000 Extension: _____ E-mail: Katie.mcfadden@algenolbiofuels.com

4. Indicate preferred payment method below: (NOTE: this section is reserved for universities, hospitals, other non-profit organizations and state and local governments that are authorized Advance Payment Procedures, unless a specific need is supported. All other entities desiring advance payment should discuss with the DOE Award Administrator.)

☐ Payment by Advance is preferred. (SF 272 reporting will be required.)
☒ Payment by Reimbursement is preferred. (SF 272 reporting will not be required.)

5. Indicate the name, phone number, and email address of the Designated Responsible Employee for complying with national policies prohibiting discrimination (see 10 CFR 1040.5 and the Certifications and Assurances found at http://management.energy.gov/documents/CERTSASSUR.doc).

Craig R. Smith, M.D.	(239) 498-2000
Name	Telephone Number
Chief Operating Officer	**Craig.smith@algenolbiofuels.com**
Title	Email Address

REPRESENTATION/CERTIFICATION

I represent by my signature below that all the information provided by this form is accurate.

Name: Craig R. Smith, M.D.

Title: Chief Operating Officer

Signature of Authorized Company Official:

Date: 1/4/10

PMC 120.1
(2/08)

U.S. DEPARTMENT OF ENERGY
GOLDEN FIELD OFFICE

FINANCIAL ASSISTANCE COMBINED COST/TECHNICAL EVALUATION AND NEGOTIATION MEMORANDUM

SECTION I - GENERAL INFORMATION

This technical evaluation/negotiation memorandum will be prepared jointly by the assigned DOE/Golden OCPM AND OAFA personnel, to document the specific action being evaluated and supported. Each office is responsible for certain sections of this document. The assigned OCPM and OAFA personnel responsible for the action will both sign this document upon its completion, demonstrating their agreement on its contents.

1. Recipient: Algenol Biofuels Inc.

2. Grant/Cooperative Agreement No.: EE0002867 Modification No. 002
   Requisition No: 10EE004395
   Project Title: Recovery Act: Integrated Pilot-Scale Biorefinery for Producing Ethanol from Hybrid Algae

3. Type of Action: ☐ New Award ☐ Renewal ☐ Continuation ☒ Revision

Description of this Action: (NOTE: Indicate what is addressed by this Action only):

The purpose of this action is to revise the Budget Period (BP1) budget and lift the remaining BP1conditions for the Algenol Biofuels project entitled, "Recovery Act: Pilot-Scale Integrated Biorefinery for Producing Ethanol from Hybrid Algae" (DE-EE0002867). The revised BP1 budget ($ Exemption 4 has been reduced from the originally approved budget Exemption 4

4. Award type, as determined at Procurement Strategy Meeting (for new awards): ☐ Grant ☒ Cooperative Agreement
   If Cooperative Agreement, provide the specifics of the Substantial Involvement. (Note: This language will be used in the Substantial Involvement provision of the award.):

1. Government Insight

   In order to adequately monitor project progress and provide technical direction and/or redirection to the Recipient, DOE must be provided an adequate level of insight into various Recipient activities. Government Insight activities by DOE include attendance at Recipient meetings, reviews and tests, as well as access for DOE's consultants to perform independent evaluations of Recipient's plans and processes. Recipient shall notify the DOE Project Officer of meetings, reviews, and tests in sufficient time to permit DOE participation, and provide all appropriate documentation for DOE review.

2. Specific activities to be conducted by DOE:

   a. Risk Evaluation – DOE will review the Recipient's initial Risk Mitigation Plan (RMP) for quality and completeness. DOE will also monitor updates to the RMP and actions taken by the Recipient during the performance of its award to mitigate risks and improve the probability of successful execution of the integrated Biorefinery project. At DOE's discretion, additional independent risk analyses of the project by DOE consultants may be requested.

   b. Independent Engineering Assessments – DOE will engage a private, independent engineering (IE) firm to assist in assessing the progress of the project and provide timely and accurate reports to DOE. The

Recipient will ensure that the IE has access to any and all relevant documentation sufficient to allow the IE to provide independent evaluations to DOE on the progress of the project. Such documentation includes but is not limited to the following:

- Drawings and specifications
- Construction and Execution plans
- Resource loaded schedules
- Design functions and requirements for the site final design review
- Risk management plans
- Value management and engineering studies and/or plans
- Acquisition strategies
- Project execution plans
- Project controls including earned value management systems
- Qualifications of the integrated project team.
- Financial strategy for funding the construction project
- Updated marketing and business plan
- Invoices submitted to DOE

DOE will evaluate the quality and completeness of information and documentation provided by the Recipient to DOE and its consultants in order to allow DOE to provide technical direction and/or redirection to the Recipient about how best to achieve the purposes of the award. Consultants to DOE may not provide technical direction and/or redirection to the Recipient.

5. New/Revised Project Period for this Award: From: 01/29/2010 To: 12/31/2014
   New/Revised Budget Period 1 for this Award: From: 01/29/2010 To: 09/30/2010
   New/Revised Budget Period 2 for this Award: From: 10/01/2010 To: 12/31/2014

6. Compliance Assessment (skip if new award):
   a. Deliverables
   The Recipient is current in submitting required reports: ☒ Yes ☐ No
   If no, identify the delinquent report(s), indicate what action(s) have been taken to remedy the situation, and identify what further action(s) are necessary, if any:

   b. Financial
   The Recipient is current in meeting the cost share requirement: ☐ Yes ☐ No
   If no, indicate what action(s) have been taken to remedy the situation and validate why this new action should proceed:
   N/A

7. Check the applicable box for Funding Appropriation: ☒ Energy and Water ☐ Other _____

8. Check the applicable box for Statutory Authority:
   ☒ 109-58, Energy Policy Act 2005
   ☐ 110-140, Energy Independence and Security Act 2007
   ☒ 111-5, Recovery Act (2009)
   ☐ Other: _____

9. Per 10 CFR 600, the preferred payment method for State/Local Governments, Institutions of Higher Education, Hospitals, or Other Non-Profit Organizations is **Advance**. The preferred Payment Method for For-Profit organizations is **Reimbursement**. If the preferred payment method is not planned for a new award, provide an explanation below. Also explain below if the payment method for the award is being changed by this action.
   The recipient is receiving ARRA funds and will continue to be on the ACH payment method to monitor their funds to ensure costs outside of Budget Period 1 are not charged to the award.

10. Is the proposed Recipient on the debarred or suspended list? Yes ☐ No ☒
    Are any of the proposed subrecipients/subcontractors on the debarred or suspended list? Yes ☐ No ☒
    Is the Project Director on the debarred or suspended list? Yes ☐ No ☒
    If yes for either response above, award cannot be made without obtaining a waiver. See attached waiver.
    The review was conducted on the Internet on 07/15/2010 (Include Printout in permanent STRIPES file)
    (Date)

11. A risk determination has been completed on the PMC Form 460.2 Yes ☒ N/A ☐

12. Negotiation:

	Government Negotiator(s)		Recipient Negotiator(s)	
	Name	**Organization**	**Name**	**Position**
1.	Molly Hames	Contract Specialist	Dr. Craig Smith	COO
2.	Christy Sterner	Project Officer	Pat Alm	Assistant Project Manager
3.	Christine English	Navarro Project Engineer	Dax Denman	Assistant Project Manager

SECTION II – NEGOTIATION SUMMARY

1. Please record any significant application or budget submissions that resulted in a revised budget in the Negotiation History Table below (including SF424A, budget justifications, e-mails, etc.):

Application/Budget Submission	Reference Document(s)	Date of Submission	Summary of Change
Original		Jun-09	
Revision #1	123.1; SF424A	1/10/2010	Updated budget to remove some BP2 activities and contigency
Revision #2	123.1;SF424A, SOPO	3/2/2010	Budget and SOPO were adjusted to reflect expedited schedule.
Final	123.1;SF424A	4/21/2010	Dow Chemical revised their budget to remove BP2 activities and Algenol updated some of their cost categories (Note: additional changes were made in July due to proper application of the approved indirect rate.)

2. Complete Budget Table below (only include the original budget and final negotiated costs – the Percent of Total Negotiated Budget will calculate automatically)
Note: List proposed amounts by category even if there are no differences in the dollar amount.

Element of Cost	Original BP1 Negotiated Costs (3/2/10)	Final BP1 Negotiated Costs (7/23/10)	Percent of Total Negotiated Budget	Fringe Benefits and Indirects	
				Proposed Rate	Negotiated Rate
Personnel Fringe Benefits Travel Equipment Supplies Contractual Construction Other Total Direct Charges Indirect Charges	Exemption 4				
TOTAL					
Program Income	0	0	0%		
DOE Share (non-FFRDC) DOE Share (FFDRC) Total DOE Share	$10,668,903 $424,480 $11,093,383	$9,896,607 $424,480 $10,321,087	Exemption 4		
Non-Federal Cost Share	Exemption 4				

SEE ATTACHED SF 424A FOR BUDGET PERIOD BREAKDOWN

3. Total Allowable Adjustment without Concurrence from the Selection Official per the Selection Statement: 10%
Actual Total Adjustment based on Budget Table Above: 0%
Total Project Costs have not changed from Selection Statement – these are BP1 costs only.
Is the original budget the same as the negotiated budget: ☐ Yes ☒ No
If No, please check all boxes that apply:
☐ Change in the Project Scope
☒ Changes due to Time Delays
☐ Math Errors in Budget
☒ Changes in Indirect/Fringe Costs Caused Changes in Direct Costs or Total Project Costs
☒ Indirect/Fringe Rates incorrectly applied
☐ Other (explain) _____

4. Briefly describe and explain any substantial change(s) to the original Statement of Project Objectives submitted by the recipient:

Project Officer commentary: No changes have been made to the Statement of Project Objectives that was approved in the 001 modification to the award, which lifted all conditions on BP1 except for the work to be completed by the sub-recipient, Dow Chemical. In the original action, the Dow Chemical sub-recipient included costs in BP1 that were not allowed and had to be moved to BP2. In this action, those costs have been moved to BP2. Thus, the scope of work did not change; the associated costs were simply moved to the next phase of the project.

SECTION III – TECHNICAL EVALUATION SUMMARY

A. For each cost category, the Project Officer and the Specialist will complete his/her Technical Evaluation of the Negotiated Costs to confirm that they are all reasonable, allowable, and allocable. Additional comments should be added as necessary and as indicated below.

1. Personnel:

Total Negotiated Personnel Costs: $Exemption 4 Not Applicable, the recipient did not propose personnel costs: ☐

Project Officer:
Original Budget: Exemption 4
Revised budget: $
The labor hours proposed in the negotiated budget are reasonable for the scope of work: ☒

The labor mix proposed in the negotiated budget is reasonable: ☒

The revised budget has changed from the originally approved budget of $Exemption 4 . The changes include a reduction in the number of hours and associated costs with various tasks. More specifically, the changes include the Exemption 4

Based on comparable positions, experience levels, and rates for technology positions in the industry, the rates are reasonable. While some may seem high, such as the VPs, PI, Mgrs, etc., these positions are for highly experienced personnel and top management within the company; their rates are comparable to higher end rates for these types of positions.

Specialist:
Please fill out the following table with the negotiated costs:

Task	Task Title	Budget Period 1	
		Hours	Budget
Exemption 4			

Negotiated labor rates are reasonable: ☒
These rates were previously deemed reasonable, due to the nature of the activities, the stature of many of the positions within the company, and also the locality. The specialist feels it is reasonable that the recipient felt the number of hours could be reduced in order to meet the objectives of the SOPO for Budget Period 1. For a more detailed personnel cost breakdown, please reference the PMC 123.1 for this modification.

2. Fringe Benefits:

Total Negotiated Fringe Benefit Costs: $Exemption 4 Not Applicable, the recipient did not propose fringe benefit costs: ☐

Original Budget: Exemption 4
Revised Budget: $
Specialist:
Does the Recipient have an approved rate agreement: ☐ Yes ☒ No

If No, select one of the following:
☒ Rate proposal was reviewed by the Cost/Price Analyst and found to be reasonable, allowable, and allocable (attach Cost/Price Analyst Determination)
☐ Rate Proposal was reviewed by the Cost/Price Analyst for a previous award (attach Cost/Price Analyst Determination)
List Date of review_____
☐ Specialist determined that rate was reasonable
☐ Other:

Please fill out the following table with the negotiated costs:

Personnel	Total Cost	Fringe Rate	Cost
Total Personnel	Exemption 4		

The fringe benefit costs in the negotiated budget were appropriately applied and are reasonable: ☒

3. Travel:

Total Negotiated Travel Costs: $Exemption 4 Not Applicable, the recipient did not propose travel costs: ☐

Project Officer:
The travel budget did not change from the originally approved budget.
☒ Specialist concurs.

4. Equipment:

Total Negotiated Equipment Costs: $Exemption 4 Not Applicable, the recipient did not propose equipment costs: ☐

Project Officer:
Original Budget: Exemption 4
Revised Budget: $
The type(s) of equipment proposed in the negotiated budget is/are reasonable for the scope of work: ☒

The cost of equipment proposed in the original budget are reasonable: ☒

Two additional pieces of equipment were budgeted to be purchased during BP1 that were not originally included in the budget for BP1. These include a Exemption 4
Exemption 4 Quotes have been received from the recipient. These pieces of equipment were not included in the original budget but are included in the revised budget because they did not have an engineering department at the time the budget was submitted. When the Director of Engineering was hired, he assessed his department's needs to achieve the project objectives, and identified the need to have Exemption 4
selected has the added advantage of being compatible with their sub-recipient's systems (The Dow Chemical Company).
Exemption 4 which was not contemplated in the original budget.

Is there any proposed equipment with a total cost exceeding $50,000: ☒ Yes ☐ No
☒ Specialist concurs.

5. Supplies:

Total Negotiated Supplies Costs: $0 Not Applicable, the recipient did not propose supplies costs: ☒

Project Officer:
No supply costs were proposed for Budget Period 1.
☒ Specialist concurs.

6. Contractual:

Total Negotiated Contractual Costs: $Exemption 4 Not Applicable, the recipient did not propose contractual costs: ☐

Original Budget: Exemption 4
Revised Budget: $
Project Officer:
The subrecipients proposed in the negotiated budget are appropriate for the scope of work: ☒

The contractual costs proposed in the negotiated budget are reasonable: ☒ Yes

Did the Recipient propose any subrecipients with total costs above $100,000? ☒ Yes ☐ No (If Yes, a separate Technical Evaluation/Negotiation Memorandum is required for each subrecipient/vendor – see below)

The revised budget contains less contractual costs because Dow Chemical moved a portion of their costs from BP1 to Exemption 4

revised budget. Please see the 123.1 for reference

☒ Specialist concurs.

7. Construction:

Total Negotiated Construction Costs: $0 Not Applicable, the recipient did not propose construction costs: ☒

Project Officer:
No construction costs were proposed for Budget Period 1.

☒ Specialist concurs.

8. Other Direct Costs:

Total Negotiated Other Direct Costs: $0 Not Applicable, the recipient did not propose other direct costs: ☒

Project Officer:
No other direct costs were proposed for Budget Period 1.

☒ Specialist concurs.

9. Indirect Charges:

Total Negotiated Indirect Costs: $Exemption 4 Not Applicable, the recipient did not propose indirect costs: ☐

Original Budget: Exemption 4
Revised Budget: $
Specialist:
Does the Recipient have an approved rate agreement: ☐ Yes ☒ No

If No, select one of the following:
☒ Rate proposal was reviewed by the Cost/Price Analyst and found to be reasonable, allowable, and allocable (attach Cost/Price Analyst Determination)
☐ Rate Proposal was reviewed by the Cost/Price Analyst for a previous award (attach Cost/Price Analyst Determination)
List Date of review_____
☐ Specialist determined that rate was reasonable
☐ Other:

Please fill out the following tables with the negotiated costs:

Base Item	Base Cost	Rate	Indirect Cost
Personnel	Exemption 4		
Fringe Benefits			
Travel			
Equipment			
Supplies			
Contractual (Vendor)			
Construction			
Other Direct Costs			
Total:			

The indirect costs proposed in the original budget are reasonable: ☒
Exemption 4

10. Cost Share:

Project Officer:
Project is a: ☒ Research ☒ Development ☐ Demonstration ☐ Other: Pilot Project, BP1 (Explain)

The minimum recipient's cost share required for this award is: Exemption 4
The recipient proposed cost share for this award is: Exemption 4

Does the proposed cost share meet the minimum requirement: ☒ Yes ☐ No

Specialist:
Is the proposed cost share: ☒ Cash ☐ In-kind (detail the amount and category below for in-kind cost share, if applicable)

All proposed cost share is proposed as Exemption 4
from Membrane Technology and Research, Inc.

Organization	Type of Cost Share (Cash or in-kind)	Cost Share Amount	Basis of Value (how the recipient calculated value)
Algenol	Exemption 4		
DOW Chemical Company			
Membrane Technology and Research, Inc.			

Third Party cost share commitment letters have been obtained: ☒ (Please include letters in permanent STRIPES file)
Exemption 4

B. The following Project Officer and Specialist evaluation and negotiation commentary and recommendations address their agreement on all additional considerations for this award.

1. Please list any other special provisions agreed upon for inclusion in this award and describe the rationale for their inclusion below.

The following changes will be made to the Special Terms and Conditions from Modification 001: 1) Delete and replace Provision 6, "Cost Sharing"; 2) Delete and replace Provision 20, "Funding of Budget Periods"; 3) Delete Provision 27, "Subcontract Approvals"; and 4) Delete Provision 35, "Reopener Term – Pending Indirect Rates – Financial Assistance".

2. If a negotiation strategy, or strategies, is/are specified in the selection statement, provide a discussion below of how this was addressed and resolved.

Exemption 4 Total Project Costs must be kept aside from the project budget as contingency for the project. This contingency is applicable to total project costs (BP2 forward) and will be verified by the Project Officer as requested and discussed in the Contingency Appendix that will be attached to the award. Contingency will be reported and tracked as well to address Exemption 4 requirement per the Selection Statement.

3. Any other comments or concerns of the Project Officer and/or Specialist for this award, and the recommended approach to mitigating them, will be explained and addressed below.

All comments and concerns have been previously noted.

4. Is this a Recovery Act award? ☒ Yes ☐ No
   - If Yes, does the Buy American Act apply (see applicability below)? ☐ Yes ☒ No
   - If Yes, does Davis Bacon Act apply (see applicability below)? ☒ Yes ☐ No

   If the answer to either the Buy American Act or Davis Bacon Act questions is Yes, provide a short discussion below on: 1) the type of entity; 2) what applies; Davis Bacon, Buy American, or both; 3) whether it applies to the prime, subrecipient, or both; and 4) work to be performed that requires applicability of Buy American and/or Davis Bacon.

Algenol Biofuels Inc. is subject to the Davis Bacon Act and it will apply to both the Recipient and their subrecipients, throughout the entirety of the project (Budget Periods 1 & 2). This project will include construction activities, and these are subject to the Davis Bacon Act.

Subrecipient: The Dow Chemical Company

SECTION II – NEGOTIATION SUMMARY

1. Please record any significant application or budget submissions that resulted in a revised budget in the Negotiation History Table below (including SF424A, budget justifications, e-mails, etc.):

Application/Budget Submission	Reference Document(s)	Date of Submission	Summary of Change
Original		Jun-09	
Revision #1	123.1.; SF424A	1/10/2010	Updated budget to remove some BP2 activities and contigency
Revision #2	123.1: SF424A	3/11/2010	Provided 123.1
Revision #3	123.1: SF424A	4/21/2010	Revised 123.1
Final		5/28/2010	Additional justification for personnel and use of cost share was provided

2. Complete Budget Table below (only include the original budget and final negotiated costs – the Percent of Total Negotiated Budget will calculate automatically)
Note: List proposed amounts by category even if there are no differences in the dollar amount.

Element of Cost	Original BP1 Budget Submission	Final BP1 Negotiated Costs	Percent of Total Negotiated Budget	Fringe Benefits and Indirects	
				Proposed Rate	Negotiated Rate
Personnel Fringe Benefits Travel Equipment Supplies Contractual Construction Other Total Direct Charges Indirect Charges	Exemption 4				
TOTAL					
Program Income					
DOE Share (non-FFRDC)	$2,150,008	$1,416,520	Exemption 4		
DOE Share (FFDRC)	$0	$0			
Total DOE Share	$2,150,008	$1,416,520			
Non-Federal Cost Share	Exemption 4				

SEE ATTACHED SF 424A FOR BUDGET PERIOD BREAKDOWN

3. Is the original budget the same as the negotiated budget: ☐ Yes ☒ No

If No, please check all boxes that apply:

☐ Change in the Project Scope
☐ Changes due to Time Delays
☐ Math Errors in Budget
☐ Changes in Indirect/Fringe Costs Caused Changes in Direct Costs or Total Project Costs
☐ Indirect/Fringe Rates incorrectly applied
☒ Other (explain): BP2 construction costs were moved to BP2 from the BP1 budget

4. Briefly describe and explain any substantial change(s) to the original Statement of Project Objectives submitted by the recipient:

Project Officer commentary: The scope of work for BP1 proposed by Dow Chemical Company within Algenol's project changed since the original application. Initially, the work that was proposed for BP1 included activities that could only be completed in BP2. These BP2-type activities and the associated costs have been moved out of the budget for BP1 and these costs are evaluated below.

SECTION III – TECHNICAL EVALUATION SUMMARY

A. For each cost category, the Project Officer and the Specialist will complete his/her Technical Evaluation of the Negotiated Costs to confirm that they are all reasonable, allowable, and allocable. Additional comments should be added as necessary and as indicated below.

1. Personnel:

Total Negotiated Personnel Costs: $Exemption 4 Not Applicable, the recipient did not propose personnel costs: ☐

Project Officer:
Dow proposed numerous positions by staff name rather than position. They also provided total hours and total compensation. The average rate based on this information calculates Exemption 4 This a reasonable rate for the type of work Dow staff will be performing. Additional detail regarding actual positions and compensation rates per position is provided here:

Position Title	# of Employees	Hours	Dollars - Yr 1
Technologist, R&D	Exemption 4		
Scientist, R&D			
Sr. Research Specialist, R&D			
Total:			

The labor hours proposed in the negotiated budget are reasonable for the scope of work: ☒
The labor mix proposed in the negotiated budget is reasonable: ☒

☒ Specialist concurs.

2. Fringe Benefits:

Total Negotiated Fringe Benefit Costs: $0 Not Applicable, the recipient did not propose fringe benefit costs: ☒

Specialist:
No fringe benefit costs were proposed for Budget Period 1.

3. Travel:

Total Negotiated Travel Costs: $0 Not Applicable, the recipient did not propose travel costs: ☒

Project Officer:
No travel costs were proposed for Budget Period 1.

☒ Specialist concurs:

4. Equipment:

Total Negotiated Equipment Costs: $0 Not Applicable, the recipient did not propose equipment costs: ☒

Project Officer: No equipment costs were proposed for Budget Period 1.
☒ Specialist concurs.

5. Supplies:

Total Negotiated Supplies Costs: $0 Not Applicable, the recipient did not propose supplies costs: ☒

Project Officer: No supply costs were proposed for Budget Period 1.
☒ Specialist concurs.

6. Contractual:

Total Negotiated Contractual Costs: $0 Not Applicable, the recipient did not propose contractual costs: ☒

Project Officer: No contractual costs were proposed for Budget Period 1.
☒ Specialist concurs.

7. Construction:

Total Negotiated Construction Costs: $0 Not Applicable, the recipient did not propose construction costs: ☒

Project Officer: No construction costs were proposed for Budget Period 1.
☒ Specialist concurs.

8. Other Direct Costs:

Total Negotiated Other Direct Costs: Not Applicable, the recipient did not propose other direct costs: ☒

Project Officer: *Original Budget:* $ Exemption 4 *Revised Budget:* $ The revised budget contains less 'other direct costs' because Dow Chemical moved a portion of their costs from BP1 to BP2 because these activities were associated with construction activities. This accounts for the $ Exemption 4 in the budget.
☒ Specialist concurs.

9. Indirect Charges:

Total Negotiated Indirect Costs: $Exemption 4 Not Applicable, the recipient did not propose indirect costs: ☐

Original Budget: $Exemption 4
Revised Budget: $
Specialist:
Does the Recipient have an approved rate agreement: ☒ Yes ☐ No

If Yes, List the Date of Rate Agreement: June 23, 2010 Cite Federal Cognizant Agency: Defense Contract Audit Agency

Please fill out the following tables with the negotiated costs:

Base Item	Base Cost	Rate	Indirect Cost
R&D Laboratories	Exemption 4		
Non-R&D Groups			
Administration Service Expense (Total Direct + Overhead)			
Total Indirect:			
Rev			

The indirect costs proposed in the original budget are reasonable: ☒
Dow Chemical was asked to provide an explanation of how they calculated their indirect rates. In the process, they realized they had misapplied their rates. When they recalculated, they found they had proposed under the calculated
Exemption 4

10. Cost Share:

Project Officer:
Project is a: ☒ Research ☒ Development ☐ Demonstration ☐ Other: Pilot Project, BP1 (Explain)
The minimum recipient's cost share required for this award is: Exemption 4

The recipient proposed cost share for this award is: Exemption 4 of their Budget Period 1 costs as cash cost share, totaling $Exemption 4 The Phase 1 cost share was confirmed to include only Photobioreactor development costs.

Does the proposed cost share meet the minimum requirement: ☒ Yes ☐ No

Specialist:
Is the proposed cost share: ☒ Cash ☐ In-kind

Third Party cost share commitment letters have been obtained: ☒ (Please include letters in permanent STRIPES file)

SECTION IV – RECOMMENDATIONS/APPROVAL

Signatures of the Project Officer and Specialist, indicating their recommendations, as indicated below, will occur after their mutual agreement on the contents of this document, and before the review and approval process for the action. The signatures below indicate that the costs in the negotiated budget are reasonable, allowable, and allocable.

1. Technical Recommendation

The project costs are acceptable and should be considered for a financial assistance award. The resources have been reviewed relative to the Statement of Project Objectives and are found to be reasonable, except as previously noted herein.

Christy Sterner — Signature

8/13/10 — Date

Christy Sterner
Project Officer

2. Specialist Recommendation

In view of the above analysis, the technical evaluation, and considering all known factors, this Award is recommended.

Molly R Hames — Signature

08/16/10 — Date

Molly Hames
Grants and Agreements Specialist

3. Contracting Officer Approval

☒ I concur with the above recommendation and have determined that the Recipient is responsible. I consider this Award to be in the best interest of the Government, and approve the award documents.

☐ In view of the analysis, the technical evaluation, and considering all known factors, I have determined that the Recipient is responsible. This Award is considered to be in the best interest of the Government and approved.

Michael A. Schledom — Signature

06/16/2010 — Date

Michael A. Schledom
Contracting Officer

PMC 410.1
(07/06)

U.S. DEPARTMENT OF ENERGY
PROJECT MANAGEMENT CENTER

FINANCIAL INFORMATION

PROVIDE ALL INFORMATION REQUESTED ON THIS FORM

Applicant: **Algenol Biofuels Inc.**

Project Title: **Pilot-Scale Integrated Biorefinery Operations for Producing Ethanol from Hybrid Algae**

Announcement/Award No: **DE-FOA-0000096 /**

1. Have you had prior Federal awards? ☐ Yes ☒ No

2. Have you had an outside audit or an A-133 audit? ☒ Yes ☐ No
If yes, please provide a copy of the A-133 or outside audit (electronic preferred).

INFORMATION FOR DETERMINING COGNIZANT AGENCY/OFFICE

3. Applicant's fiscal year end date is December 31st

4a. Identify Cognizant **Federal Agency** (agency providing the preponderance of Federal funding), and provide Agency name, a point of contact, phone number, and e-mail.

Agency: Department of Energy
Point of Contact: Christy Sterner
Phone: 303-275-4720
E-mail:Christy.sterner@go.doe.gov

4b. To assist our office in validating Cognizant **Federal Agency** (4a), please provide following information for the 5 highest dollar award value for current Federal contracts, grants or awards (do not include sub-awards). (State Agencies and Universities can skip 4b)

Contract/Award #	Awarding Agency	Awarding Office	Start Date	End Date	Total Value

5a. If applicant has current DOE awards, identify Cognizant **DOE Office** (office providing the preponderance of DOE funding), and provide DOE office name, a point of contact, phone number, and e-mail.

DOE Office:
Point of Contact (Contracting Officer):
Phone:
E-mail:

5b. To assist our office in validating Cognizant **DOE Office** (5a), please provide following information for the 5 highest dollar value awards for current DOE contracts, grants or awards (do not include sub-awards). (State agencies and Universities can skip 5b)

DOE Contract/Award #	DOE Awarding Office	Start Date	End Date	Total Value

FINANCIAL MANAGEMENT SYSTEM

To qualify for Financial Assistance, compliance with 10 CFR 600.121 - Higher Education, Hospitals, and Other Non-Profit Organizations, 10 CFR 600.220(b) - State and Local Governments or 10 CFR 600.311 - For-Profit Organizations is required. Please check applicable boxes below.

☐ The Financial Management System is in compliance with 10 CFR 600.121, 10 CFR 600.220(b), or 10 CFR 600.311.

☒ I do not know if my Financial Management System is in compliance with 10 CFR 600.121, 10 CFR 600.220(b), or 10 CFR 600.311. If this block is checked, complete the survey below.

Accounting System Survey

	Yes	No	NA
1. Is your Accounting System in accordance with Generally Accepted Accounting Principles applicable to the circumstances?	☒	☐	☐
2. Accounting System provides for:			
a. Segregation of direct costs from indirect costs.	☒	☐	☐
b. Identification and accumulation of direct costs by project.	☒	☐	☐
c. A logical and consistent method for the allocation of indirect costs to intermediate and final cost objectives. (Project is final cost objective)	☒	☐	☐
d. Accumulation of costs under general ledger control.	☒	☐	☐
e. A timekeeping system that identifies employees' labor by intermediate and final cost objectives.	☐	☐	☒
f. A labor distribution system that charges direct and indirect labor to appropriate cost objectives.	☒	☐	☐
g. Interim (at least monthly) determination of costs charged to a project through routine posting of books of account.	☒	☐	☐
h. Excluding costs charged to Government projects which are not allowable in terms of FAR 31, Contract Cost Principles and Procedures, or other provisions.	☒	☐	☐
i. Identification of costs by project line item and by units (as if each unit or line item were a separate project) if required by the proposed award.	☒	☐	☐
3. Is the Accounting System designed, and are the records maintained in such a manner that adequate, reliable data are developed for use in developing cost proposals?	☒	☐	☐
4. Is the Accounting System currently in full operation?	☒	☐	☐

PMC 420.3
(12/09)

U.S. DEPARTMENT OF ENERGY
PROJECT MANAGEMENT CENTER

REQUEST FOR COST PRICE ASSISTANCE

Award No./DUNS	DE-EE0002867/80-039-9904	Awardee: (Legal Name in CCR)	ALGENOL BIOFUELS INC.
Specialist:	Molly Hames	Project Officer:	Christy Sterner
Requestor:		Project Monitor:	Christine English
Business Contact Name:	Craig Smith	Business Contact Ph. No:	239-498-2000
Business Contact Email:	craig.smith@algenolbiofuels.com	Date of Request:	04/12/2010
Program Area:	Biomass Program	Award Type: ☒ Recovery	☐ CDP ☐ Other_____

Complete Section and Forward to Analyst for Completion

SPECIALIST: Mark below whether pre-award, post award, or audit and provide any comments or special needs:

1) ☒ Pre-award Proposal- submitted documents should include budget documents summary and detail, additional supporting information to support proposed calculations. **Comments:**

There are three sub-recipients for this project: Georgia Institute of Technology ($ REDACTED EXEMPTION 4), Membrane Technology and Research Inc. ($), and the Dow Chemical Company ($ These budgets are included with this request. Georgia Tech already has an existing rate agreement with DHHS, it appears that Membrane TRI had a previous rate agreement in 2004, and it also appears that there was a previous rate agreement with the Dow Chemical Company in 2006 in the W Drive.

COST PRICE ANALYST: Findings, Recommendations & Comments:

I have reviewed the proposed indirect costs associated with Award No. DE-EE0002867 to determine if the indirect costs proposed for the Recipient, Algenol Biofuels, Inc., are reasonable, allocable and allowable and in accordance with 10 CFR 600 and FAR 31.205.

DOE Golden is Cognizant for the Recipient and an Indirect Rate Proposal (IRP) was provided in conjunction with this review, based on 2009 YTD actual costs through the Recipient's fiscal yearend December. The IRP appropriately segregated indirect from direct costs and properly excluded unallowable cost elements. This Recipient has had no prior Federal awards and I worked with Craig Jones in January 2010 regarding a few issues from their first submission and development of their IRP. The information provided by the recipient for development of the fringe and indirect rates proposed offers a level of detail to make the following recommendation for Budget Year One (follow-on year's budget estimations are not finalized).

The proposed fringe costs for year one of $ % against the labor base proposed for that year of $. The fringe pool consists of the allowable elements as offered by the Recipient to their employees and represented in the Recipient's information. These elements include payroll taxes, medical, workers compensation, and childcare expense.

Consistent with the IRP provided, the proposed indirect costs for year one of $ are calculated using the IRP rate of % against the base of modified total direct costs $ REDACTED EXEMPTION 4 excluding Contractual expenses, but including Vendor costs. {Reference Excel spreadsheet for specific calculations}.

For the Budget Year One information, I recommend accepting the Fringe Rate of % and associated costs of $ as well as the Indirect Rate of % and associated costs of $ These costs are considered reasonable, allocable and allowable and no exception is taken with the application of the proposed rates. I recommend the Contract Specialist confirm the Recipient understands for the follow-on years, the DOE will need to have appropriate incurred cost information prior to adjusting the rates to determine the reasonableness in adjusting these rates. At this point using rates consistent with Year one is reasonable for estimating purposes of deriving the full award fringe and indirect costs proposed. For this review, I was informed there was no audit provided, although an A-133 was conducted according to the Recipient. Therefore, further determination regarding the level of cost risk was not confirmed.

The three Sub-Recipients which have proposed budget under this award (and commented on above) have rate agreements in place with their perspective Cognizant Agency/Office, including DOW Chemical which has listed the most current rate information in their budget justification for 2008 and confirmed with the DCAA office on 4/19/2010. The Contract Specialist will make the determination of the application of the rates for the estimated budgets proposed.

Completed by: Pam Lavergne Date: April 19, 2010

Reviewed by: Lisa Artz Date: 04/19/2010

RECIPIENT: **Rate Calculation Worksheet / Notes**

ALGENOL BIOFUELS INC. (EE0002867)

	PROPOSED						DIFFERENCE		CALCULATED			
	Budget Period 1	Budget Period 2	Budget Period 3	Total (All Years)	Rate(s)	RECOMMEND	Budget Year 1	Delta (All Years)	Budget Period 1	Budget Period 2	Budget Period 3	Total (All Years)
Labor	Exemption 4						Exemption 4		Exemption 4			
Labor									$			
Total Labor						NOTE 1 **			$			
Fringe Rates												
Total Fringe						19.5%			$			
Applied Rate												
Labor Incl. Fring									$			
Travel									$			
Equipment									$			
Supplies									$			
Georgia Tec									$			
MTF									$			
Dow Chemica									$			
Sub-Recipient									$			
Vendor									$			
FFRDC									$			
Contractual									$			
ODC									$			
Total Direct						NOTE 2			$			
Indirect Cost						73.9%			$			
Rate Applied												
Total Award									$			

NOTES:

(1) Fringe proposed against direct & indirect labor for allowable elements in accordance with Recipient's IRP.

(2) Previously reviewed Recipient's IRP (Jan 2010). With updated information, the application of the indirect rate proposed for Year One (under review), provides no exceptions. Will need to review BY2 & 3 after finalization of budgets for review.

** DOE Golden is Cognizant.

Department of Energy
Golden Field Office
1617 Cole Boulevard
Golden, Colorado 80401-3393

April 19, 2010

Dear Recipient,

As the Cognizant U.S. Department of Energy (DOE) Office for your organization, we have approved provisional billing rates per the attached Indirect Cost Rate Agreement.

In accordance with applicable Federal regulations (FAR 42.7 and/or 10 CFR 600.103) governing indirect cost rates for your award(s), billing rates are not to be construed as determinative of the indirect costs to be distributed or of the bases of distribution to be used in the final settlement of your award(s).

You are expected to monitor the approved billing rates and notify your Administrative Contracting Officer in writing of any substantial change in the indirect rates. Adequate documentation supporting requests for revised billing rates must also be provided.

You are reminded to submit your proposed final indirect cost rates for each fiscal year to the Contracting Officer no later than six (6) months after the end of that fiscal year. The proposed final rates should be based on actual costs incurred and be supported by adequate cost data.

In compliance with the payment clause of your award(s), we are requesting that you make any appropriate invoice adjustments to reflect the approved provisional billing rates for all active DOE, and other Federal agency, awards. Audit adjustments should be clearly delineated so as to be readily identifiable for verification by auditors. Care should be taken that amounts claimed do not exceed cost limitations or indirect cost rate ceilings contained in any awards.

If you have any questions, please contact the Contract Specialist(s) associated with your award(s). If they are unable to address your questions, a representative from the Indirect Cost Rate Management Team will follow up with a response.

Thank you for your consideration,
Indirect Cost Rate Management Team

Enclosure: Provisional Indirect Rate Agreement

Department of Energy
Golden Field Office
1617 Cole Boulevard
Golden, Colorado 80401-3393

PROVISIONAL BILLING / BIDDING RATE AGREEMENT

Awardee: Algenol Biofuels, Inc.

Applicable Period: 2010

The U.S. Department of Energy hereby approves the following provisional rates for billing purposes as requested and confirmed by review dated April 19, 2010. The rates are approved for your **Fiscal Year 2010** beginning January 2010 and ending December 2010 and supersede any prior approvals.

INDIRECT COST RATES:

Indirect Cost Pool	Billing Rate	Allocation Base
Fringe	REDACTED EXEMPTION 4	(a)
Indirect Rate		(b)

BASIS FOR ALLOCATION:
(a) Total Labor Dollars
(b) Modified Total Direct Cost, including vendor costs, excluding subcontractor costs.

Pending establishment of final indirect cost rates, you may bill for indirect expenses using the above rates for the period specified for existing Government contracts, grants, or cooperative agreements. However, this approval shall not change any monetary ceiling, contract obligation, or specific cost allowance or disallowance provided for in such awards. Additionally, if any award contains indirect rate ceilings, and these ceilings are less than the above rates, the lesser rate shall prevail.

Acceptance of these provisional rates for billing purposes does not imply final acceptance nor commit the Government to any specific rate in final rate negotiations.

Nothing herein shall be construed to prejudice, waive, or in any other way affect any rights of the Government under the provisions of any contracts, grants, or other cooperative agreements respecting limitation of the Government's obligation hereunder.

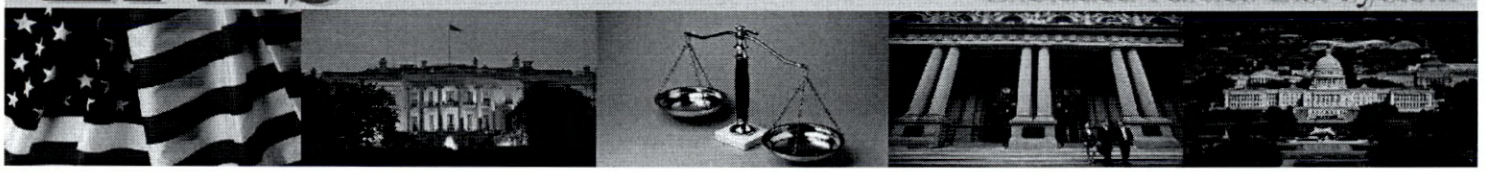
This agreement is effective as of the date of this letter. Questions regarding this agreement should be directed to my attention at the address below.

For the U.S. Department of Energy:

Lisa Artz

Ms. Lisa Artz
Administrative Contracting Officer
Indirect Cost Rate Management
1617 Cole Boulevard
Golden, Colorado 80401-3393

April 20, 2010
Date



Search - Current Exclusions

> Advanced Search
> Multiple Names
> Exact Name and SSN/TIN
> MyEPLS
> Recent Updates
> Browse All Records

View Cause and Treatment Code Descriptions

> Reciprocal Codes
> Procurement Codes
> Nonprocurement Codes

Agency & Acronym Information

> Agency Contacts
> Agency Descriptions
> State/Country Code Descriptions

OFFICIAL GOVERNMENT USE ONLY

> Debar Maintenance
> Administration
> Upload Login

EPLS Search Results

Results **1** - **1** of **1**

Search Results for Parties Excluded by

Firm, Entity, or Vessel : Algenol Biofuels, Inc.
Firm, Entity, or Vessel : The Dow Chemical Company
Firm, Entity, or Vessel : Georgia Institute of Technology
Firm, Entity, or Vessel : Membrane Technology and Research, Inc.
Individual : Craig R Smith

As of 15-Jul-2010 5:55 PM EDT

Save to MyEPLS

Page: **1**

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

Name	Smith, Craig E.
Classification	Individual
Exclusion Type	Reciprocal
Description	Convicted of Clean Air Act or Clean Water Act violation- ineligible for awards to be performed at this Facility Only: C.W.S. Industries, Inc., 726-C Kaighns Ave., Camden, NJ 08103 (Violating Facility)

Address(es) --

Verify Street 1	
Verify Street 2	
Address	Cherry Hill, NJ, 08003
DUNS	none

CT Action(s) --

Action Date	24-Feb-2003
Termination Date	Indef.
CT Code	H
Agency	EPA
Agency POC	EPA Contacts
EPLS Create Date	23-Mar-2004
EPLS Modify Date	

Record History

Page: **1**

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

Back **New Search** **Report** **Excel** **XML** **ASCII** **Printer-Friendly**

Resources

> Search Help
> Public User's Manual
> FAQ
> Acronyms
> Privacy Act Provisions
> News

Reports

> Advanced Reports
> Recent Updates
> Dashboard

Archive Search - Past Exclusions

> Advanced Archive Search
> Multiple Names
> Recent Updates
> Browse All Records

Contact Information

> For Help: Federal Service Desk

Hames, Molly

From: Sterner, Christy
Sent: Friday, August 13, 2010 2:40 PM
To: Hames, Molly; 'Mundell, Kristy (KR)'
Cc: 'Dibbs, Mitch (MG)'; English, Christine
Subject: RE: DOE Award: DE-EE0002867 - Algenol - Subcontractor DOW

Hi Everyone,

I apologize for the confusion. I entered all the wrong numbers into Molly's email below. We were working on it together and I misunderstood the numbers. Please disregard the email below. It should read as follows:

REDACTED
EXEMPTION 4

Thank you for your patience, time and attention to this matter.

Best regards,

Christy Sterner
U.S. DOE

Go to http://www.eere.energy.gov/golden/funding.aspx for important news regarding Grants.gov.

-----Original Message-----
From: Hames, Molly
Sent: Thursday, August 12, 2010 2:48 PM
To: 'Mundell, Kristy (KR)'
Cc: Dibbs, Mitch (MG); Sterner, Christy; English, Christine
Subject: RE: DOE Award: DE-EE0002867 - Algenol - Subcontractor DOW

Hello,

REDACTED
EXEMPTION 4

Thanks,

Molly Hames
Grants & Agreements Specialist
U.S. Department of Energy
Golden Field Office
1617 Cole Blvd. Golden, CO 80401
Phone: 303-275-4864
Fax: 303-275-4754

-----Original Message-----
From: Mundell, Kristy (KR) [mailto:KRMundell@dow.com]
Sent: Thursday, August 12, 2010 9:10 AM
To: Hames, Molly
Cc: Dibbs, Mitch (MG); Sterner, Christy; English, Christine
Subject: RE: DOE Award: DE-EE0002867 - Algenol - Subcontractor DOW

Molly,

REDACTED
EXEMPTION 4

If you have any questions, please do not hesitate to contact me.

Regards,

Kristy Mundell
Functional Controllers - U.S. Government Contracts

The Dow Chemical Company
2020 Dow Center

Midland, MI 48674
Phone: 989-638-9831 Fax: 989-636-0380
Email: krmundell@dow.com

-----Original Message-----
From: Hames, Molly [mailto:molly.hames@go.doe.gov]
Sent: Monday, August 09, 2010 4:40 PM
To: Dibbs, Mitch (MG); Mundell, Kristy (KR)
Cc: Sterner, Christy; English, Christine
Subject: RE: DOE Award: DE-EE0002867 - Algenol - Subcontractor DOW

Hello,
I just wanted to check in and see if you had any questions. This is the last item we need before the remaining conditions can be lifted for Budget Period 1. Please feel free to call me.

Thanks,

Molly Hames
Grants & Agreements Specialist
U.S. Department of Energy
Golden Field Office
1617 Cole Blvd. Golden, CO 80401
Phone: 303-275-4864
Fax: 303-275-4754

-----Original Message-----
From: Hames, Molly
Sent: Monday, August 02, 2010 12:34 PM
To: 'mgdibbs@dow.com'; 'krmundell@dow.com'
Cc: Sterner, Christy; English, Christine
Subject: DOE Award: DE-EE0002867 - Algenol - Subcontractor DOW

Hello,
We are reviewing your budget submitted as a contractor to Algenol Biofuels, Inc. I only had a few questions. The first is, could we please have a copy of your indirect rate agreement with DCAA? The second is, would you mind providing me with how you calculated the proposed

REDACTED
EXEMPTION 4

Thanks,

Molly Hames
Grants & Agreements Specialist
U.S. Department of Energy
Golden Field Office
1617 Cole Blvd. Golden, CO 80401
Phone: 303-275-4864
Fax: 303-275-4754

Hames, Molly

From: Mundell, Kristy (KR) [KRMundell@dow.com]
Sent: Thursday, August 12, 2010 9:10 AM
To: Hames, Molly
Cc: Dibbs, Mitch (MG); Sterner, Christy; English, Christine
Subject: RE: DOE Award: DE-EE0002867 - Algenol - Subcontractor DOW
Attachments: Dow Chemical 2010 Provisional Billing Indirect rates

Molly,

Below is the breakdown of the Year 1 indirect costs using the 2010 provisional billing rates. Attached is the email from DCAA indicating approval of the 2010 provisional billing rates.

Please note, Dow is not requesting any additional funding from DOE. Dow will pay for any excess costs over the total DOE funding of $
as originally proposed.

REDACTED
EXEMPTION 4

If you have any questions, please do not hesitate to contact me.

Regards,

Kristy Mundell
Functional Controllers - U.S. Government Contracts

The Dow Chemical Company
2020 Dow Center
Midland, MI 48674
Phone: 989-638-9831 Fax: 989-636-0380
Email: krmundell@dow.com

-----Original Message-----
From: Hames, Molly [mailto:molly.hames@go.doe.gov]
Sent: Monday, August 09, 2010 4:40 PM
To: Dibbs, Mitch (MG); Mundell, Kristy (KR)

Cc: Sterner, Christy; English, Christine
Subject: RE: DOE Award: DE-EE0002867 - Algenol - Subcontractor DOW

Hello,
I just wanted to check in and see if you had any questions. This is the last item we need before the remaining conditions can be lifted for Budget Period 1. Please feel free to call me.

Thanks,

Molly Hames
Grants & Agreements Specialist
U.S. Department of Energy
Golden Field Office
1617 Cole Blvd. Golden, CO 80401
Phone: 303-275-4864
Fax: 303-275-4754

-----Original Message-----
From: Hames, Molly
Sent: Monday, August 02, 2010 12:34 PM
To: 'mgdibbs@dow.com'; 'krmundell@dow.com'
Cc: Sterner, Christy; English, Christine
Subject: DOE Award: DE-EE0002867 - Algenol - Subcontractor DOW

Hello,
We are reviewing your budget submitted as a contractor to Algenol Biofuels, Inc. I only had a few questions. The first is, could we please have a copy of your indirect rate agreement with DCAA? The second is, would you mind providing me with how you calculated the proposed

REDACTED
EXEMPTION 4

Thanks,

Molly Hames
Grants & Agreements Specialist
U.S. Department of Energy
Golden Field Office
1617 Cole Blvd. Golden, CO 80401
Phone: 303-275-4864

Hames, Molly

From: Dibbs, Mitch (MG) [mgdibbs@dow.com]
Sent: Monday, August 09, 2010 3:16 PM
To: Hames, Molly
Subject: RE: DOE Award: DE-EE0002867 - Algenol - Subcontractor DOW

Molly,

I should have a response for you on Wednesday.

Regards,
Mitch

Mitchell Dibbs
External Technology
The Dow Chemical Company
1776 Building
Midland, Michigan 48674
Tel: (989)636-1202
Fax: (989)636-1705
mgdibbs@dow.com
www.dow.com

-----Original Message-----
From: Hames, Molly [mailto:molly.hames@go.doe.gov]
Sent: Monday, August 09, 2010 4:40 PM
To: Dibbs, Mitch (MG); Mundell, Kristy (KR)
Cc: Sterner, Christy; English, Christine
Subject: RE: DOE Award: DE-EE0002867 - Algenol - Subcontractor DOW

Hello,
I just wanted to check in and see if you had any questions. This is the last item we need before the remaining conditions can be lifted for Budget Period 1. Please feel free to call me.

Thanks,

Molly Hames
Grants & Agreements Specialist
U.S. Department of Energy
Golden Field Office
1617 Cole Blvd. Golden, CO 80401
Phone: 303-275-4864
Fax: 303-275-4754

-----Original Message-----
From: Hames, Molly
Sent: Monday, August 02, 2010 12:34 PM
To: 'mgdibbs@dow.com'; 'krmundell@dow.com'
Cc: Sterner, Christy; English, Christine
Subject: DOE Award: DE-EE0002867 - Algenol - Subcontractor DOW

Hello,

We are reviewing your budget submitted as a contractor to Algenol Biofuels, Inc. I only had a few questions. The first is, could we please have a copy of your indirect rate agreement with DCAA? The second is, would you mind providing me with how you calculated the proposed

REDACTED
EXEMPTION 4

Thanks,

Molly Hames
Grants & Agreements Specialist
U.S. Department of Energy
Golden Field Office
1617 Cole Blvd. Golden, CO 80401
Phone: 303-275-4864
Fax: 303-275-4754

Hames, Molly

From: Sterner, Christy
Sent: Monday, July 26, 2010 7:06 PM
To: Hames, Molly
Subject: FW: Changing Katie McFadden to Business Officer

Importance: High

Hi Molly,

Per Craig's request below, please update the Business Contact for Algenol's award to Katie McFadden, Algenol's CFO.

Thanks and best regards,

Christy Sterner
U.S. DOE

Go to http://www.eere.energy.gov/golden/funding.aspx for important news regarding Grants.gov.

-----Original Message-----
From: Craig Smith [mailto:craig.smith@algenolbiofuels.com]
Sent: Monday, July 26, 2010 6:58 PM
To: Sterner, Christy
Subject: Re: Changing Katie McFadden to Business Officer
Importance: High

Dear Christy:

Please change the name of the Business contact for Algenol's DOE grant from Craig R. Smith, M.D. to Katie McFadden, Algenol's CFO. Thank you.

Craig R. Smith, M.D.
Chief Operating Officer
Algenol Biofuels Inc.

239-498-2000
craig.smith@algenolbiofuels.com

On Jul 26, 2010, at 4:34 PM, Sterner, Christy wrote:

> Hi Craig,
>
> I'm sorry for the confusion, but we need an email from you requesting
> changing the Business contact from you to Katie. Can you send me a
> quick email requesting that change?
>
> Thanks for your help!
>
> Best regards,
>
> Christy Sterner
> Project Officer

Hames, Molly

From: Katie McFadden [Katie.McFadden@Algenolbiofuels.com]
Sent: Thursday, July 22, 2010 5:39 AM
To: Hames, Molly
Cc: Sterner, Christy; English, Christine; Tara Lambert
Subject: Re: DE-EE0002867 - Algenol - Indirects

Hi Molly,

OK.

We will make the adjustment on our end as well and adjust our billing accordingly.

If you need anything else, let us know.

Cheers,

katie
On Jul 21, 2010, at 1:34 PM, Hames, Molly wrote:

> Hello Katie,
>
>
>
> REDACTED
> EXEMPTION 4
>
>
>
> Please let me know if this is acceptable. If you have questions please
> call me. I am in a meeting from 12-3 (MST) today, but will be
> available after that.
>
> Molly Hames
> Grants & Agreements Specialist
> U.S. Department of Energy
> Golden Field Office
> 1617 Cole Blvd. Golden, CO 80401
> Phone: 303-275-4864
> Fax: 303-275-4754
>
> <4-21-10 PMC 123.1.xls>

RE Questions on DOW Submittal to Algenol Project

From: Dibbs, Mitch (MG) [mgdibbs@dow.com]
Sent: Friday, May 28, 2010 9:01 AM
To: Sterner, Christy
Cc: Mundell, Kristy (KR)
Subject: RE: Questions on DOW Submittal to Algenol Project
Attachments: Algenol Labor by Title.xls

Follow Up Flag: Follow up
Flag Status: Flagged

Christy,

Attached is a summary table that gives the job titles, number of individuals with that title, total hours, and total labor dollars for each title for Dow's Phase 1 activities.

Is this information sufficient for your needs? Is there anything else that you require for your review?

Concerning your question on cost share; the referenced statement pertains to activities in Phase 1, 2 & 3. All site preparation and support activities were moved from Phase 1 to Phase 2 at the request of Algenol. The Phase 1 cost share includes only Photobioreactor development costs.

If there are any other questions please feel free to contact Kristy or me.

Regards,

Mitch

Mitchell Dibbs
External Technology
The Dow Chemical Company
1776 Building
Midland, Michigan 48674
Tel: (989)636-1202
Fax: (989)636-1705
mgdibbs@dow.com
www.dow.com

-----Original Message-----
From: Sterner, Christy [mailto:christy.sterner@go.doe.gov]
Sent: Tuesday, May 25, 2010 5:44 PM
To: Dibbs, Mitch (MG)
Subject: Questions on DOW Submittal to Algenol Project
Importance: High

Hi Mitch,

At the end of March, we had contacted Katie McFadden at Algenol with some questions about your submittal to their project. She indicated that I could contact you directly with my questions or to request additional information. Unfortunately, I misread the email and thought you were sending me the information rather than me contacting you to request it; hence, the delay. I apologize for that confusion. As you are aware, I'm sure, we are working to lift the conditions on your Budget Period 1 funding within Algenol's award. In order to do so, there are a few outstanding items that need to be addressed.

REDACTED
EXEMPTION 4

On DOW's budget justification form, PMC 123.1, personnel costs are estimated at $ for BP1. While great detail was provided in the spreadsheet, we need a bit more information. It's not necessary to list the personnel by name; in fact, we would prefer that you did not. Please provide the personnel list by title/position rather than by name. There are a few reasons for this...the

main reason is to further protect DOW's payroll information. Secondly, we justify estimated personnel costs based on reasonable pay for a specific position within a specific area.
Do we get into the details of experience levels, etc.? No. We generally look at positions and their associated rates from a higher level - meaning, for example, is the pay rate within a reasonable range based on our experience with similar positions doing similar work for similar projects? If there is a rate that seems too high or too low, we may ask about it further, but in general, we don't usually find that situation.
I also understand that this is not the type of information that you would like to pass through the Prime and that you would prefer to submit directly. That, too, is understandable. In fact many subcontractors on projects request the same thing.

We will also need to know the rates associated with the positions. This information will be used for evaluating DOW's budget only and will not be provided to Algenol. If you have concerns about emailing this information to me, please contact me and will find another way for DOW to submit this information directly to me at DOE.

Please feel free to send this in the format that works best for you. If you want to revise your PMC 123.1 to reflect this information, that's fine. If you prefer to send a separate spreadsheet, that would work, too.

The next question is in regard to cost share. On DOW's PMC 123.1, cost share

REDACTED
EXEMPTION 4

These are two of the last remaining items we need in order to move forward with the amendment to lift your funding. Please submit this information as soon as possible and we'll move quickly to review it and move the amendment forward. If you have any questions or concerns, please contact me directly either by phone or email as noted below.

Thank you for your time and attention to this request and I look forward to working with you on Algenol's exciting project.

Best regards,

Christy Sterner
Project Officer
U.S. Department of Energy
Golden Field Office
Phone: 303-275-4720
Fax: 303-275-4753
email: christy.sterner@go.doe.gov

Go to http://www.eere.energy.gov/golden/funding.aspx for important news regarding Grants.gov.

ATT663618

Tara Lambert
tara.lambert@algenolbiofuels.com

Hames, Molly

From: Hames, Molly
Sent: Thursday, April 22, 2010 10:14 AM
To: 'craig.smith@algenolbiofuels.com'
Cc: Sterner, Christy
Subject: FW: Algenol Rate Agreement
Attachments: PMC450_2_Prov_RA_2010_Algenol.jpg; PMC450_3_Prov_Billing_Rate_Cover_Letter.doc

Hello Craig,
Our Cost/Price Analyst has reviewed your indirect rate proposal. Attached is a cover letter, which includes your provisional rate agreement.

Thanks,

Molly Hames
Grants & Agreements Specialist
U.S. Department of Energy
Golden Field Office
1617 Cole Blvd. Golden, CO 80401
Phone: 303-275-4864
Fax: 303-275-4754

-----Original Message-----
From: Lavergne, Pamela
Sent: Thursday, April 22, 2010 7:47 AM
To: Hames, Molly
Subject: Algenol Rate Agreement

Please provide to the Recipient.

Thank you,
Pam

Pam Lavergne
Contract Cost/Price Analyst
U.S. Department of Energy, Golden Field Office
1617 Cole Blvd, Golden CO 80401-3305
Direct: 720-356-1474
FAX: 720-356-1550
pamela.lavergne@go.doe.gov

"Not everyone can serve, but everyone can support."

Hames, Molly

From: Lavergne, Pamela
Sent: Monday, April 19, 2010 3:39 PM
To: Hames, Molly
Cc: Schledorn, Michael; Sterner, Christy; English, Christine
Subject: RE: DE-EE0002867 - Algenol Biofuels, Inc. - C/P Review
Attachments: PMC420_3_EE0002867_Algenol Biofuels_FINAL.doc; EE0002867 _Calculations_Algenol_BY1.xls

Please find review and associated comments/recommendations.

Thank you,
Pam

Pam Lavergne
U.S. Department of Energy
Contract Cost/Price Analyst
Direct: 720-356-1474
FAX: 720-356-1550

"Land of the Free, Because of the Brave"

-----Original Message-----
From: Hames, Molly
Sent: Monday, April 12, 2010 12:08 PM
To: GO CostPrice
Subject: DE-EE0002867 - Algenol Biofuels, Inc. - C/P Review

Hello,
I would like to request a Cost/Price review for Algenol Biofuels, Inc. Budget Period 1 was awarded with the Reopener clause added, so we are hoping to get these approved to remove this clause.

Thanks,

Molly Hames
Grants & Agreements Specialist
U.S. Department of Energy
Golden Field Office
1617 Cole Blvd. Golden, CO 80401
Phone: 303-275-4864
Fax: 303-275-4754

PMC 112.2
(08/27/2009)

U.S. DEPARTMENT OF ENERGY
PROJECT MANAGEMENT CENTER

REQUEST FOR REVIEW

☒ Normal Review ☐ Expedited Review Date: 07/15/2010

Justification for Expedited Review _____

Award Number: DE-EE0002867 FOA Number, if new award:

Item(s) For Review: Budget revision; lift subcontractor hold and reopener clause.

Total Project: $ REDACTED EXEMPTION 4
Federal Funds: $ 24,331,431

Specialist Listed on Award: Molly Hames Phone: 303-275-4864

Specialist Who Prepared Award: _____ Phone: _____

Note to Specialist: Send 72 Hour Congressional Notification for FOA action reviews, as required.

☐ PEER REVIEW

Comments:

REDACTED EXEMPTION 5 - deliberative process

Signature: _____

☐ CONTRACTING OFFICER REVIEW

☐ Approved ☐ Approved subject to comments below/attached ☐ Not Approved; Comments below/attached

Comments:

Signature: _____ Date: _____

☐ INDEPENDENT REVIEW

Comments:

Signature: _____ Date: _____

☐ LEGAL REVIEWS – SEE PAGE 2 **(Delete page 2 if not required)**

☐ OAFA BRANCH CHIEF REVIEW

☐ Approved ☐ Approved subject to comments below/attached ☐ Not Approved; Comments below/attached

Comments:

Signature: _____ Date: _____

☐ DIRECTOR FINANCIAL ASSISTANCE REVIEW – SEE PAGE 3 **(Delete page 3, if not required)**

☐ HEAD OF CONTRACTING ACTIVITY REVIEW – SEE PAGE 3 **(Delete page 3, if not required)**

CO Review

By:

Date: 07/29/2010

File: Algenol -DE-EE0002867.002

Item:

REDACTED
EXEMPTION 5

- deliberative process

ASSISTANCE AGREEMENT

1. Award No.	2. Modification No.	3. Effective Date	4. CFDA No.
DE-EE0002867	002	01/29/2010	81.087

5. Awarded To	6. Sponsoring Office	7. Period of Performance
ALGENOL BIOFUELS INC. Attn: GREGORY SCHLICHT 28100 BONITA GRANDE DR STE 200 BONITA SPRINGS FL 341356220	Golden Field Office U.S. Department of Energy Golden Field Office 1617 Cole Blvd. Golden CO 80401	01/29/2010 through 09/30/2010

8. Type of Agreement	9. Authority	10. Purchase Request or Funding Document No.
☐ Grant ☒ Cooperative Agreement ☐ Other	109-58, Energy Policy Act 2005 111-5, Recovery Act (2009)	10EE004395

11. Remittance Address	12. Total Amount	13. Funds Obligated
ALGENOL BIOFUELS INC. Attn: GREGORY SCHLICHT 28100 BONITA GRANDE DR STE 200 BONITA SPRINGS FL 341356220	Govt. Share: $24,331,431.00 Cost Share : $ REDACTED EXEMPTION 4 Total : $	This action: $0.00 Total : $24,331,431.00

14. Principal Investigator	15. Program Manager	16. Administrator
Craig Smith Phone: 239-498-2000	Carol Christine Sterner Phone: 303-275-4720	Golden Field Office U.S. Department of Energy Golden Field Office 1617 Cole Blvd. Golden CO 80401-3393

17. Submit Payment Requests To	18. Paying Office	19. Submit Reports To
OR for Golden U.S. Department of Energy Oak Ridge Financial Service Center P.O. Box 4517 Oak Ridge TN 37831	OR for Golden U.S. Department of Energy Oak Ridge Financial Service Center P.O. Box 4517 Oak Ridge TN 37831	

20. Accounting and Appropriation Data

IBR

21. Research Title and/or Description of Project

RECOVERY ACT: INTEGRATED PILOT - SCALE BIOREFINERY FOR PRODUCING ETHANOL FROM HYBRID ALGAE

For the Recipient		For the United States of America	
22. Signature of Person Authorized to Sign		25. Signature of Grants/Agreements Officer	
23. Name and Title	24. Date Signed	26. Name of Officer	27. Date Signed
		Michael A. Schledorn	07/21/2010

Working Copy

CONTINUATION SHEET	REFERENCE NO. OF DOCUMENT BEING CONTINUED DE-EE0002867/002	PAGE 2 OF 3

NAME OF OFFEROR OR CONTRACTOR
ALGENOL BIOFUELS INC.

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	DUNS Number: 800399904 The purposes of this modification are to:				
	REDACTED EXEMPTION 5 - deliberative process				
	All other terms and conditions remain unchanged. In Block 7 of the Assistance Agreement, the Period of Performance reflects the beginning of the Project Period through the end of the current Budget Period, shown as 01/29/2010 through 09/30/2010. For multiple Budget Periods, see Special Terms and Conditions, Provision 4, "Award Project Period and Budget Periods." The total amounts reflected in Blocks 12 and 13 of the Assistance Agreement do not include the Federally Funded Research and Development Center (FFRDC) funding which will be funded directly Ex. 5 - deliberative process DOE Award Administrator: Molly Hames E-mail: molly.hames@go.doe.gov Phone: 303-275-4864 DOE Project Officer: Christy Sterner E-mail: christy.sterner@go.doe.gov Phone: 303-275-4720 Recipient Business Officer: Katie McFadden E-mail: Katie.McFadden@Algenolbiofuels.com Phone: 239-498-2000 Recipient Principal Investigator: Craig Smith E-mail: craig.smith@algenolbiofuels.com Phone: 239-498-2000 "Electronic signature or signatures as used in this document means a method of signing an Continued ... electronic message that--				

24. INSOLVENCY, BANKRUPTCY OR RECEIVERSHIP

a. You shall immediately notify the DOE of the occurrence of any of the following events: (i) you or your parent's filing of a voluntary case seeking liquidation or reorganization under the Bankruptcy Act; (ii) your consent to the institution of an involuntary case under the Bankruptcy Act against you or your parent; (iii) the filing of any similar proceeding for or against you or your parent, or your consent to the dissolution, winding-up or readjustment of your debts, appointment of a receiver, conservator, trustee, or other officer with similar powers over you, under any other applicable state or federal law; or (iv) your insolvency due to its inability to pay debts generally as they become due.

b. Such notification shall be in writing and shall: (i) specifically set out the details of the occurrence of an event referenced in paragraph (a); (ii) provide the facts surrounding that event; and (iii) provide the impact such event will have on the project being funded by this award.

c. Upon the occurrence of any of the four events described in paragraph a. of this provision, DOE reserves the right to conduct a review of your award to determine your compliance with the required elements of the award (including such items as cost share, progress towards technical project objectives, and submission of required reports). If the DOE review determines that there are significant deficiencies or concerns with your performance under the award, DOE reserves the right to impose additional requirements, as needed, including (i) change of payment method; or (ii) institute payment controls.

d. Failure of the Recipient to comply with this provision may be considered a material noncompliance of this financial assistance award by the Contracting Officer.

25. NATIONAL ENVIRONMENTAL POLICY ACT (NEPA) REQUIREMENTS

REDACTED
EXEMPTION 5
- deliberative process

PMC 120.1
(2/08)

U.S. DEPARTMENT OF ENERGY
GOLDEN FIELD OFFICE

FINANCIAL ASSISTANCE COMBINED COST/TECHNICAL EVALUATION AND NEGOTIATION MEMORANDUM

SECTION I - GENERAL INFORMATION

This technical evaluation/negotiation memorandum will be prepared jointly by the assigned DOE/Golden OCPM AND OAFA personnel, to document the specific action being evaluated and supported. Each office is responsible for certain sections of this document. The assigned OCPM and OAFA personnel responsible for the action will both sign this document upon its completion, demonstrating their agreement on its contents.

1. Recipient: Algenol Biofuels Inc.

2. Grant/Cooperative Agreement No.: EE0002867 Modification No. 002
   Requisition No: 10EE004395
   Project Title: Recovery Act: Integrated Pilot-Scale Biorefinery for Producing Ethanol from Hybrid Algae

3. Type of Action: ☐ New Award ☐ Renewal ☐ Continuation ☒ Revision

Description of this Action: (NOTE: Indicate what is addressed by this Action only):

The purpose of this action is to revise the Budget Period (BP1) budget and lift the remaining BP1conditions for the Algenol Biofuels project entitled, "Recovery Act: Pilot-Scale Integrated Biorefinery for Producing Ethanol from Hybrid Algae" (DE-EE0002867). The revised BP1 budget ($) has been reduced from the originally approved budget

REDACTED
EXEMPTION 5 - deliberative process

4. Award type, as determined at Procurement Strategy Meeting (for new awards): ☐ Grant ☒ Cooperative Agreement
   If Cooperative Agreement, provide the specifics of the Substantial Involvement. (Note: This language will be used in the Substantial Involvement provision of the award.):

1. Government Insight

   In order to adequately monitor project progress and provide technical direction and/or redirection to the Recipient, DOE must be provided an adequate level of insight into various Recipient activities. Government Insight activities by DOE include attendance at Recipient meetings, reviews and tests, as well as access for DOE's consultants to perform independent evaluations of Recipient's plans and processes. Recipient shall notify the DOE Project Officer of meetings, reviews, and tests in sufficient time to permit DOE participation, and provide all appropriate documentation for DOE review.

2. Specific activities to be conducted by DOE:

   a. Risk Evaluation – DOE will review the Recipient's initial Risk Mitigation Plan (RMP) for quality and completeness. DOE will also monitor updates to the RMP and actions taken by the Recipient during the performance of its award to mitigate risks and improve the probability of successful execution of the integrated Biorefinery project. At DOE's discretion, additional independent risk analyses of the project by DOE consultants may be requested.

   b. Independent Engineering Assessments – DOE will engage a private, independent engineering (IE) firm to assist in assessing the progress of the project and provide timely and accurate reports to DOE. The