Dear DOE SBIR/STTR Programs Participant:

Since accepting the position as the Director of the SBIR/STTR Programs Office at DOE in December, 2010, I have been pleased to see that there is a very talented community of small businesses that are active in the DOE SBIR and STTR programs and that interest continues to grow every year. To continue to improve the program, we are planning to implement significant changes, beginning this year, fiscal year 2012 (FY 2012).

The primary motivation for these changes is to improve the commercialization outcomes for DOE's SBIR and STTR programs and also to improve the administration of the programs. This email will highlight some of the important changes, but I would encourage you to read the FY 2012 SBIR/STTR Funding Opportunity Announcements (FOAs) which will have more detailed information.

Here is a listing of the important changes that are discussed more fully below.

- Issue two annual SBIR/STTR Phase I FOAs beginning in FY 2012
    - Early posting of topics
    - Letters of Intent required
    - Limits on the number of applications
- Increased emphasis on commercialization plans in Phase I and Phase II applications
- Increase in the STTR maximum award amounts for Phase I and Phase II

Issue two annual SBIR/STTR Phase I FOAs: The biggest change for FY 2012 is that we will begin to issue two annual SBIR/STTR Phase I FOAs. We will split our topics into two FOAs. The first FOA, designated ***Release 1***, will have topics funded from the Office of Science and will be posted in early August and close in mid-September. The second FOA, designated ***Release 2***, will have topics funded from the remaining DOE program offices and will be posted in early December and close in mid-January. The primary purpose for splitting our topics into two FOAs is to enable DOE to process applications more efficiently thereby reducing the time between the close of the FOA and the start of the grant period for awardees.

- To provide applicants with additional time to develop solutions to the opportunities presented in our topics, we will begin ***posting topics early*** on our website in advance of the FOA being posted on grants.gov. The topics for FY 2012 Release 1 are available now and can be found here: http://science.energy.gov/sbir/. After the topics are available and before the FOA is posted, you may directly contact the program managers listed in the topic descriptions. After the FOA is posted, you will be required to use FedConnect to communicate your questions about individual topics.
- To speed up application processing we will also require Phase I applicants to submit ***letters of intent*** in advance of their full proposals. Applicants will be asked to include a technical abstract and list of collaborators in the Letter of Intent so that DOE program managers can begin the process of identifying reviewers for your proposal. This will enable us to begin the review process soon after the close of the FOA.

- Finally, we will impose a ***limit of 10 applications*** by a small business to each Phase I FOA.

Increased emphasis on commercialization plans: DOE requires that commercialization plans be submitted with both Phase I and Phase II proposals. Although this requirement occurs very early in the development cycle, we want to insure that applicants are committed to commercializing the technologies they develop under DOE SBIR and STTR awards. Beginning with FY 2012 FOA Release 1, ***Phase I applications that lack a commercialization plan will be administratively declined without review***.

Beginning in FY10, DOE also instituted a more rigorous commercial potential review of Phase II applications. These reviews, independent of the technical merit reviews, focus exclusively on the Phase II commercialization plans and are conducted by reviewers experienced in technology commercialization. Beginning in FY 2012, ***Phase II applications with commercialization plans that are rated poorly, independent of their technical merit review scores, will not be eligible for funding***. It is therefore important that applicants provide compelling commercialization plans to support their applications. Please note, all DOE Phase I awardees are eligible for commercialization assistance from DOE's commercialization consultant Foresight S&T and should give serious consideration to participating in the DOE commercialization assistance program soon after award.

STTR award amounts**:** Beginning with FY 2012 FOA Release 1, DOE will increase the maximum size of STTR award amounts to ***$150,000 for Phase I and $1,000,000 for Phase II***. This will make the SBIR and STTR maximum award amounts equivalent.

Sincerely,

Manny Oliver
Director, SBIR/STTR Programs Office
US Department of Energy