

This is the BEST START Digest, an energy sciences newsletter published by the Energetics Technology Center (ETC) Inc. BEST START provides the crucial support businesses need to bring their visionary technologies to the warfighter. Whether refining smart grid technologies, enhancing renewable energy applications, or creating resilient solutions for power generation, BEST START partners with Minnesota companies to move technology forward. This newsletter aids in this mission.

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Partner Update

ETC is working with its partners below to help them prepare for their technology demonstrations later this year/early next year. Stay tuned for updates on the companies' technologies.

SYNCRIS recently achieved UL certification for its innovative inverter technology, marking a significant step toward commercialization and broader market deployment. This milestone reflects their continued commitment to safety, reliability, and quality standards.

BWR Innovations was recently featured at the July DoD Energy & Power Summit, where they presented on America's Optimal Microgrid, highlighting

hydrogen's role in enhancing energy resilience. Their session focused on hydrogen as a near-term solution and bridge to future nuclear integration.

| COMPANY | PROJECT |
|--|--|
| Maxwell Labs Inc. | Photonic Cooling |
| SYNCRIS | Microgrid Inverter with Model Predictive Control |
| BWR Innovations, LLC | Hydrogen Fuel Cell |
| Ascentek, LLC | Sodium Ion Battery |
| Aza Power Systems | Ammonia Power Combustion |
| LEMA, Inc. | Dual-axis high-efficiency Solar Power System |
| Exergi Predictive, LLC | AI-Based Energy Control for Tactical Microgrids |

General News

2025 Small Business Profiles for the States, Territories, and Nation

US Small Business Administration, June 30, 2025

The US SBA Office of Advocacy has released its state-by-state 2025 small business profile. For each state, the profile includes data on small business loans, employees by company size, business ownership, payroll by industry sector, and ownership by demographic group. The SBA will also release metro area profiles in the Fall 2025.

Big Tech Companies Say They Need Resilience and Clean Energy. How Microgrids Help

Lisa Cohn, Microgrid Knowledge, August 4, 2025

Despite the phase out of wind and solar investment tax credits in the OBBA, big companies such as Amazon are staying on tract to deploy renewables to meet surging power demand requirements. Microgrids and other DERs not only provide resilience but yield a return on investment by participating in utility programs that lower peak demand. One data center manager estimated that a one hour outage costs the company a million dollars and that the back-up needs to be clean energy.

Pentagon readies new battery strategy amid growing drone demands

Lauren C. Williams, Defense One, August 18, 2025

Excerpt: "Military use of drones for air, land, and sea is booming—and so is the need to power them. So the Pentagon is working on a strategy for how it sources and buys batteries—including the critical minerals they require—which officials expect to release in 2026."

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The Cost of Delay: Financing the Industrial Energy Efficiency Transition

Mike Umiker, *EnergyTech*, August 20, 2025

Excerpt: “Companies don’t have to start from scratch; the tools are ready and waiting. What’s needed now is the commitment to use them and the confidence that every dollar invested in efficiency pays dividends in resilience and competitiveness. // Until more organizations treat energy efficiency like the strategic asset it is, funding will continue to be a fork in the road. But with the right mechanisms in place, it doesn’t have to be a dead end.”

No More Offshore. Startups Look to Spend and Hire in U.S. Due to Trump Tax Change.

Meg Tanaka and Theo Francis, *The Wall Street Journal*, August 13, 2025

Tech start-ups’ hiring in R&D is accelerating due to the ability of companies to speed-up tax deductions for R&D expenses provided in the OBBA. This change was previously reported in the July and August Best Start digests. The WSJ reports that some US tech development staffing agencies are experiencing 15% to 20% increases in demand. According to one analysis, the tax law change cuts the cost of hiring by 20% to 25% .

For defense tech startups, red tape is a burden—and also a moat

Andrew Woodman, *PitchBook*, August 11, 2025

New global conflicts fuel VC investment into defense and dual-use technologies, which have both civilian and military applications. PitchBook data shows that the total value of VC investment in defense tech this year has already reached a new peak, with just over \$7 billion invested across 112 rounds globally. This is just over four times the level of investment seen in 2022. The private sector is now the primary driver for rapid defense innovation, with startups iterating and deploying new technologies within a shorter timeframe than traditional government R&D. A common complaint is that government procurement cycles are too slow. Governments are making efforts to slash red tape to help speed up adoption. In June, the US government introduced the Speed Act, a bipartisan initiative to cut bureaucracy in defense procurement. Despite logistical challenges and long procurement cycles, the defense sector remains attractive for investors. Companies that establish themselves and perform well in the ecosystem have the potential to offer long-term, predictable revenue and strong customer loyalty—qualities that are often absent in fast-moving commercial markets. And once you get into this ecosystem for defense-first companies, it’s really hard to dislodge incumbents, especially if you’re performing well.

Opportunities and Solicitations

Topics for SBIR/STTR Solicitations

12 new topics are released on the first Wednesday of each month. Pre-release and open and closing dates for DoD SBIR/STTR topics can be found on the [Defense SBIR/STTR Innovation Portal](#).

Minnesota State Small Business Credit Initiative (SSCBI)

Minnesota was allocated \$97 million for its SSCBI program, made available under the American Recovery Plan Act (ARPA) of 2021. Of particular interest to UST BEST START companies may be the Direct Investment Venture Capital Program component of SSCBI, managed by the University of Minnesota Office of Investment Bank.

New York Governor Issues First 1,000 MW of Statewide Energy Storage Solicitations

Energy Tech, July 30, 2025, [Link to RFP](#)

New York State has Issued the first 1000 MW of Statewide bulk energy storage solicitations as part of its 6 GW Energy Storage Roadmap. The RFP is the first of three to be issued.

Leveraging the SBIC program to increase access to innovation capital

Aaron Hagar, *State Science & Technology Institute (SSTI)*, July 31, 2025

The US SBA provides a directory of licensed Small Business Investment companies (SBIC) looking to invest in small business, [which can be found here](#). Filtering capability by investment area and investment contacts are provided. According to SSTI, a technology-based economic development organization, changes were made recently to the SBIC program that makes it easier for venture capital funds to leverage federal resources and thereby increase the capital they have for early-stage investments.



UPCOMING EVENTS

| Date | Event | Organizer | Location |
|------------------|---|--|-----------------|
| Sept. 8–11, 2025 | RE+ 25 Renewing What's Possible | RE+ | Las Vegas, NV |
| Oct. 7–8, 2025 | 2025 Gateway to Solar Conference | Minnesota Solar Energy Industries Association (MnSEIA) | Minneapolis, MN |
| Oct. 13, 2025 | Minnesota Energy Innovation Summit | Various | Minneapolis, MN |
| Nov. 5, 2025 | MN Annual State of Manufacturing Survey Release Event | Enterprise Minnesota | Minneapolis, MN |