

STATEMENT OF CONSIDERATIONS

REQUEST FOR ADVANCE WAIVER OF PATENT RIGHTS BY SOUTHERN
COMPANY SERVICES INC., UNDER DOE AWARD NO. DE-FE0022596;
W(A)-2018-003, CH-1790

Petitioner, Southern Company Services, Inc. (SCS), requested a waiver of: (a) domestic and foreign patent rights for all subject inventions conceived solely by Petitioner and (b) Petitioner's undivided interest, based on its employee's contributions, to joint domestic and foreign patent rights for all subject inventions conceived, arising under the above referenced award.

The objective of Petitioner's award is to operate and maintain test facilities for post-combustion and pre-combustion carbon dioxide capture and gasification technologies at the National Carbon Capture Center (NCCC). The NCCC is a neutral research facility tasked with accelerating commercialization of advanced technologies to reduce greenhouse gas emissions. Petitioner will investigate low cost technologies for beneficial use or storage of CO₂ generated from current power plants and high efficiency next generation coal-based power plants. The results generated will provide DOE with information that will support CO₂ capture technology development in order to meet objectives of 90% capture with 95% CO₂ purity at a cost of \$40/tonne of CO₂ captured in advanced coal-fired power plants by the 2020 to 2025 timeframe, and a cost of less than \$40/tonne of CO₂ captured by 2035.

The original cost of the award is \$187,499,987.00 including the Petitioner's contribution of \$37,500,046.00, or about twenty percent (20%) of the total cost of the work under the award. This waiver is contingent upon Petitioner maintaining, in aggregate, the above cost sharing percentage over the course of the award. The period of performance is from 6 June 2014 to 5 June 2019.

Referring to items 5-9 of the waiver petition, Petitioner has significant experience in operating research facilities; for example, operating the Power Systems Development Facility/National Carbon Capture Center since 1996. Southern Company and its entities own electric utilities in four states and Petitioner has provided project management services, contract and procurement services, engineering services and technical expertise to those utilities. Thus, Petitioner has demonstrated capability in designing, engineering, constructing, and operating large-scale power plants, and this capability would enable Petitioner to install CO₂ capture technologies developed under the award. Petitioner also asserts granting this waiver will facilitate achieving the award objective of involving third parties by helping them develop, advance and optimize their technology into viable products that can be offered in the marketplace.


Petitioner has agreed that this waiver will be subject to the march-in and preference for U.S. industry provisions, as well as the U.S. Government license, set out in 35 U.S.C. 202-204. Further, Petitioner has agreed to the attached U.S. Competitiveness provision (paragraph (t)). Petitioner further has agreed to the attached revised paragraph (h) to submit annual reports on the

utilization of a subject invention or on efforts at obtaining such utilization that are being made by Petitioner and any of its licensee or assignees. If sold or transferred this reporting obligation will pass on to the buyer or transferee.


Petitioner has agreed that products embodying a waived invention or produced through the use of a waived invention will be manufactured substantially in the United States unless the Petitioner can show to the satisfaction of the DOE that it is not commercially feasible to do so. Petitioner has further agreed to make the above conditions binding on any assignee or licensee or any entity otherwise acquiring rights in the waived inventions, including subsequent assignees and licensees. Should Petitioner or other such entity receiving rights in a waived invention undergo a change in ownership amounting to a controlling interest, then the waiver, assignment, license, or other transfer of rights in the waived inventions is suspended until approved in writing by DOE.

Referring to item 10 of the waiver petition, granting this waiver will not have an adverse impact on competition. The primary goal of the work to be performed is to operate R&D test facilities. These test facilities will conduct the evaluation of advanced technologies to identify and resolve environmental, health and safety, operational, component, and system development issues in collaboration with technology developers. The market for carbon capture technologies offers diverse solutions and the operation of R&D facilities as under the award is likely to increase competition between those solutions. Thus, granting the Petition will not hinder competition in the field.

Considering the foregoing, it is believed that granting this waiver will provide Petitioner with the necessary incentive to invest its resources in the commercialization of the results of the agreement in a fashion which will make the technology available to the public in the shortest practicable time. Therefore, upon evaluation of the waiver petition and in view of the objectives and considerations set forth in 10 CFR 784, all of which have been considered, it is recommended that the requested waiver be granted.


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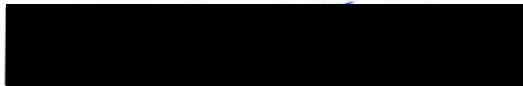
Date: 06/20/2018


Michael J. Dobbs
Deputy Chief Counsel
Intellectual Property Law Division
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Date: 06/26/2018

Based upon the foregoing Statement of Considerations and representations in the attached waiver petition, it is determined that the interests of the U.S. and the general public will best be served by a waiver of patent rights of the scope described above, and therefore the waiver is granted. This waiver will not apply to any modification or extension of the award, where through such modification or extension, the purpose, scope or cost of the award has been substantially altered.

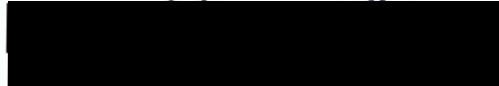
CONCURRENCE:



John Litynski
Carbon Capture Program Manager,
FE-223

Date: 7/5/2018

APPROVAL:



Bryan J. Lally
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Date: 8/1/18