

STATEMENT OF CONSIDERATIONS

ADVANCE CLASS WAIVER OF PATENT RIGHTS FOR TECHNOLOGY DEVELOPED UNDER DOE FUNDING AGREEMENTS RELATING TO DOE'S SMART GRID DEMONSTRATIONS; DOE FUNDING OPPORTUNITY ANNOUNCEMENT DE-F0A-0000036; W(C)-09-004; CH1510

The Department of Energy Office of Electricity Delivery and Energy Reliability (OE) anticipates providing federal financial assistance in the form of cooperative agreements to support regional demonstration projects for smart grid demonstrations, utility-scale demonstrations of energy storage technologies, and regional demonstrations of synchrophasor technologies. The goal of this FOA is to demonstrate technologies in regions across the States, Districts, and Territories of the United States that embody essential and salient characteristics of each region and present a suite of cases for national implementation and replication. From these cases, the goal is to collect and provide the optimal amount of information necessary for customers, distributors, and generators to change their behavior in a way that reduces system demands and costs, increases energy efficiency, optimally allocates and matches demand and resources to meet that demand, and increases the reliability of the grid. The social benefits of a smart grid are reduced emissions, lower costs, increased reliability, greater security and flexibility to accommodate new energy technologies, including renewable, intermittent and distributed sources.

This FOA contains two Program Areas of Interest (AOI) to which an applicant must identify it is applying. These AOIs are: 1) Smart Grid Regional Demonstrations; and, 2) Grid-Scale Energy Storage Demonstrations. AOI 2 includes 5 subareas of interest: 2.1) Battery Storage for Utility Load Shifting of for Wind Farm Diurnal Operations and Ramping Control; 2.2) Frequency Regulation Ancillary Services; 2.3) Distributed Energy Storage for Grid Support; 2.4) Compressed Air Energy Storage (CAES); and, 2.5) Demonstration of Promising Energy Storage Technologies. Recipients of cooperative agreements in these two areas must cost share a minimum 50%.

DOE expects to make between 8 and 12 awards in AOI 1; and, 12-19 awards in AOI 2. Individual award minimum amounts made under this FOA for AOI 1 are up to \$100 Million, and up to \$25 Million to \$60 Million in AOI 2 depending on the subarea described above.

All types of domestic entities are eligible to apply as prime applicants (including, but not limited to State Government agencies, local Government agencies, institutions of higher education, other non-profit organizations, and for profit organizations), except other Federal agencies, Federally Funded Research and Development Center (FFRDC) Contractors, and non profit organizations described in section 501(c)(4) of the Internal Revenue Code of 1986 that engaged in lobbying activities after December 31, 1995.

The goal of this FOA is the creation of compatibility standards, including the establishment of a priority of working with other Federal agencies including the National Institute of Standards and Technology (NIST) and the Federal Energy Regulatory Commission (FERC) on a framework for interoperability standards. DOE is also working with many private organizations including North American Reliability Corporation, The Institute of Electrical and Electronic Engineers, The National Electrical Manufacturers' Associations, and The Gridwise Architecture Council. In connection with this interoperability, applicants have been instructed to indicate how their project will provide openly available and proprietary aspects of the interface specifications. Successful applicants must also collect demonstration data and supply such Smart Grid Regional Demonstration data to a clearinghouse for storage and sharing with the public.

Considering the above, it is the purpose of this class waiver to vest title in new inventions made under this program by large business awardees in a fashion enabling them to expediently commercialize the various technologies. Accordingly, DOE will waive the Government's title to subject inventions, other than inventions made by Bayh-Dole participants pursuant to P.L. 96-517, as amended, or National Laboratories, to the above identified large business entities. Since cost sharing is at least 50%, it is expected that patent rights will be allocated accordingly among the participants.


This advance class waiver of the Government's rights in inventions is subject to the usual advance patent waiver terms and conditions--Government license, march-in rights, and preference for U.S. industry provisions comparable to those set out in 35 U.S.C. §§ 202-204. This advance patent waiver also includes the attached U.S. Competitiveness clause which requires that products embodying any waived invention or produced through the use of any waived invention be manufactured substantially in the United States unless the participant can show to the satisfaction of DOE that it is not

commercially feasible to do so. In the event DOE agrees to foreign manufacture, there will be a requirement that the Government's support of the technology be recognized in some appropriate manner, e.g., recoupment of the Government's investment, etc. The Contractor will further agree to make this condition binding on any assignee or licensee or any entity otherwise acquiring rights to any waived invention, including subsequent assignees or licensees. Should the Contractor or other such entity receiving rights in any 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 invention is suspended until approved in writing by DOE.

The grant of this class waiver is not expected to result in adverse effects on competition or market concentration. Rather the waiver should enhance competition and growth of the electrical utility industry of the United States. DOE has the right to require reports of the utilization or the efforts at utilization that are being made for the waived inventions.

This advance class waiver shall apply to cooperative agreements made to large business entities who meet the minimum cost-sharing requirement as set forth above for the two AOs, and who have provided written notice to DOE of their acceptance of the terms and conditions of this class waiver. The waiver will remain in effect as long as such cost sharing is maintained, in aggregate, over the term of the agreement. No separate waiver petition is required to be submitted.

Considering the foregoing, and in view of the statutory objectives to be obtained and the factors to be considered under DOE's waiver regulation, 10 C.F.R. 784, all of which have been considered, it has been determined that this class waiver as set forth above will best serve the interest of the United States and the general public. It is recommended that the waiver be granted.

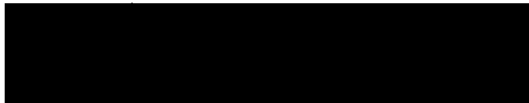


Mark P. Dvorscak
Deputy Chief Counsel
Intellectual Property Law Division

Date: April 7, 2010

Based on the foregoing Statement of Considerations, it is determined that the United States and the general public will best be served by a waiver of rights of the scope described above, and therefore the waiver is granted. This waiver shall not apply to any modification or extension of this agreement, where through such modification or extension, the purpose, scope, or cost of the agreement is substantially altered.

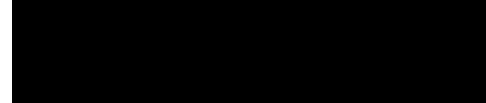
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Date: May 10, 2010

APPROVAL:



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Date: 5/10/10

t) U. S. Competitiveness

The Contractor agrees that any products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States unless the Contractor can show to the satisfaction of the DOE that it is not commercially feasible to do so. In the event the DOE agrees to foreign manufacture, there will be a requirement that the Government's support of the technology be recognized in some appropriate manner, e.g., recoupment of the Government's investment, etc. The Contractor agrees that it will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements. Should the Contractor or other such entity receiving rights in the invention undergo a change in ownership amounting to a controlling interest, then the waiver, assignment, license, or other transfer of rights in the waived invention is suspended until approved in writing by the DOE.