

STATEMENT OF CONSIDERATIONS

REQUEST BY SOUTHERN COMPANY SERVICES, INC. FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN INVENTION RIGHTS UNDER DOE COOPERATIVE AGREEMENT NO. DE-NT000749, W(A)-09-024; CH-1489

The Petitioner, Southern Company Services (SCS) was awarded a cooperative agreement from the Department of Energy for the performance of work entitled, "Carbon Research Center at Power System Development Facility (PSDF)". The purpose of the cooperative agreement is to create and advance technologies under industrial conditions that will reduce the cost of advance coal-fueled power plants with CO₂ capture. The technology development will include the design, engineering, procurement, construction, installation, and operation of a flexible facility for the testing of processes for pre-combustion CO₂ capture, post-combustion CO₂ capture and oxy-combustion. Scale-up and commissioning of these technologies will be accomplished in collaboration with third party technology developers. Further details of the projects objectives are provided in response to question 2 of the waiver petition. This waiver is for inventions of SCS only.

The total estimated cost of the cooperative agreement is \$251,454,148, with SCS providing \$50,290,830 or 20%, while the remaining cost share of 80%, or \$201,163,318, will be provided by DOE. The period of performance is five (5) years from October 1, 2008 through September 30, 20132.

In its response to questions 5 and 6 of the attached waiver petition, SCS has described its technical competence in operating coal burning power systems. SCS states that has successfully managed the PSDF for over 15 years. The PSDF is a facility that enables the demonstration of key advanced power system components, including a KBR (Kellogg Brown Root) Transport Reactor, High Temperature Particulate Filter, dry coal feed systems, and dry ash removal systems. This technology development work resulted in an advanced integrated gasification combined cycle (IGCC) design that is now being deployed commercially. SCS further states that it has experience with designing, engineering, constructing and operating large-scale power plant research and development projects using selective catalytic reduction (SCR) and flue gas desulfurization (FGD). SCS has attached a representative sample of technical presentations it has provided to the public as an exhibit to its petition. SCR's response demonstrates its technical competency in the field of coal burning power system operations.

In its response to questions 9 and 10 of the attached waiver petition, SCR states that many private companies (BP, CanSolve, Alstom, Mitsubishi, UOP, Dow Chemical) are developing and offering CO₂ technologies commercially. Thus, it is unlikely that the work under this agreement will reduce competition in the marketplace or provide SCS with a market dominant position. Grant of the waiver will have a positive effect on competition and market concentration.

The subject cooperative agreement will be modified to add the Patent Rights--Waiver clause in conformance with 10 CFR 784.12, wherein SCS has agreed to the provisions of 35 U.S.C §§ 202, 203, and 204. This waiver clause will also include a paragraph entitled U.S. Competitiveness, in which SCS agrees to substantial U. S. manufacture of subject inventions (attached hereto). Additionally, SCS agrees not to transfer subject inventions to any other entity unless that other entity agrees to these same requirements.

Considering the foregoing, it is believed that granting the waiver will provide the Petitioner with the necessary incentive to invest resources in the commercialization of the results of the cooperative agreement in a fashion which will make the cooperative agreement's benefits available to the public in the shortest practicable time. In addition, it would appear that grant of the above requested waiver would not result in an adverse effect on competition nor result in excessive market concentration. Therefore, 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, as set forth above, be granted.

/Mark P. Dvorscak/
Mark P. Dvorscak
Deputy Chief Counsel
Intellectual Property Law Division

Date: January 4, 2010

Based on the foregoing Statement of Considerations and the representations in the attached waiver petition, 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 subcontract, where through such modification or extension, the purpose, scope, or cost of the subcontract is substantially altered.

CONCURRENCE:



~~Stewart J. Clayton~~
~~Division of Clean Coal Energy Research~~
~~Office of Fossil Energy, FE-221~~

Date: 28 Oct / 10

APPROVAL:



John I. Lucas
Acting Assistant General Counsel
for Technology Transfer and
Intellectual Property, GC-62

Date: 1/13/2011

(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.