

STATEMENT OF CONSIDERATIONS

REQUEST BY GENERAL ELECTRIC GLOBAL RESEARCH FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN INVENTION RIGHTS UNDER SUBCONTRACT QZ-001 UNDER DOE COOPERATIVE AGREEMENT NO. DE-FC26-08NT02871; W(A)-09-057, CH-1523

The Petitioner, General Electric Global Research (GE) was awarded a subcontract under this cooperative agreement with the University of Hawaii for the performance of work entitled, "Managing Distribution Systems Resources." According to its response to question 2, GE states that it will develop control strategies and communications and controls architectures as part of the intelligent grid (or smart grid) product line. The objective of the technology development is to enable control and coordination of demand response, distributed energy generation, and energy storage to reduce peak load by 15% in a distribution circuit and to enable further expansion of renewable energy on the island of Maui. This waiver is only for inventions of GE made under the cooperative agreement.

The total estimated cost of the subcontract is \$2,000,000 with GE providing a 25% cost-share or about \$500,000. DOE is providing the remaining 75% share of \$1,500,000. The period of performance is from October 1, 2008 through March 31, 2010.


In its response to questions 5 and 6 of the attached waiver petition, GE has described its technical competence in the field of power generation. GE states that it works in all areas of the energy industry including coal, oil, natural gas, and nuclear energy; as well as renewable resources including water, wind, solar and biogas. GE further states that it has over ten years of developing state-of-the-art technologies for utility applications, and that it reinvests a large portion of its corporate profits (~10%) into Research and Development. GE has filed patent applications in the renewable energy field as well as the integration field, and has listed several recently issued patent and patent application filings as examples in response to these questions. GE's response demonstrates its technical competency in the field of power generation.

In its response to question 10 of the attached waiver petition, GE states that the technologies developed under this program will contribute to the realization of a complete "smart-grid" solution for utilities to make better use out of the existing infrastructure and to better address growth in load. "Smart-grid" enables the deferral in expansion of transmission, generation and distribution assets needed to address growing load. There are many players in each of the aspects of the "smart-grid" solution, and several competing approaches that can be used to achieve the objectives of this solution. Therefore grant of the waiver will have a positive effect on competition and market concentration.

The subject contract will be modified to add the Patent Rights--Waiver clause in conformance with 10 CFR 784.12, wherein GE 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 GE agrees to substantial U.S. manufacture of subject inventions (attached hereto). Additionally, GE 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 agreement in a fashion which will make the 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
Deputy Chief Counsel
Office of Intellectual Property Law

Date Sept 11, 2009


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 agreement, where through such modification or extension, the purpose, scope, or cost of the agreement is substantially altered.

CONCURRENCE:


Merrill Smith
Renewable and Distributed
Systems Integration
Office of Electricity Delivery, OE-10

Date 9/11/09

APPROVAL:


Paul A. Gottlieb
Assistant General Counsel for
Technology Transfer and
Intellectual Property, GC-62

Date _____

(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.