

## STATEMENT OF CONSIDERATIONS

### REQUEST BY STATOIL WIND US LLC<sup>1</sup> (“STATOIL”) FOR AN ADVANCE WAIVER OF PATENT RIGHTS UNDER DOE AWARD NO. DE-EE0005988; W(A) 2013-005

Statoil has requested a waiver of patent rights of the United States of America for all subject inventions arising from its participation under the above referenced award entitled “Hywind Maine Project.”

The purpose of the award is to deploy four 3 MW turbines in approximately 140 meters water depth off the coast of Maine. A principal goal of this award is to leverage the Hywind Demo experience, both to demonstrate the commercial feasibility of the technology, and to further develop and optimize the technology to bring the costs down in a larger scale development. Budget Period 1 will require the awardee to submit to DOE several reports covering such project aspects as design; permitting; environmental work; installation, operations and maintenance; grid interconnection readiness, and cost of energy. After Budget Period 1, DOE will conduct a down-select from the original seven awardees down to three. During the remaining budget periods, awardees will complete all the required design, permitting, and financing activities in preparation for construction. After the pre-construction activities are complete, awardees will then fabricate, install, and commission the pilot wind farm, as well as validate its performance.

The total anticipated cost of the project during Budget Period 1 is \$8,477,015, with Statoil cost sharing 4,477,015, or 52.8%. This waiver is contingent upon Statoil maintaining a cost sharing percentage of at least 50% during Budget Period 1, and at least 20% cost share if it is selected for subsequent budget periods. Budget Period 1 will run from February 15, 2013 to May 15, 2014. The period of performance for subsequent budget periods has not yet been determined.

As noted in the waiver petition, Statoil is an international energy company headquartered in Norway with operations in 36 countries, including the United States. Statoil has over 20,000 employees worldwide and has a current market capital valuation in excess of \$85 billion. Statoil’s Hywind concept combines known technologies in a completely new setting and opens up the possibility for capturing wind energy in deep-water environments. After nearly a decade of development, Statoil deployed the Hywind Demo. The Hywind technology is considered proven after more than two years and 20 Gigawatt-hours of energy production. The work under this award relies on the technology developed under the Hywind Demo and builds on that experience.

Statoil has invested more than \$85 million in the development, construction, and testing of its Hywind concept so far. The floating turbine technology was first conceptualized in 2001, a small-scale model was used to test the concept in 2005, and an operating, full-scale demonstration project was built and deployed in 2009. Granting this waiver will be a critical

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<sup>1</sup> After the filing of the waiver petition, Statoil North America, Inc. created a wholly-owned subsidiary, Statoil Wind US LLC, which is the entity receiving the DOE award.

incentive to proceed with the commercialization of subject inventions developed under this award.

As set out in the attached waiver petition, Petitioner has also requested a waiver of patent rights in the subject inventions of its lower tier subcontractors, provided that they agree to the same terms and conditions by which Petitioner will be granted the advance waiver. It is believed that this approach will facilitate timely commercialization of the technology by furthering the establishment of business and technical relationships between the parties and providing a mechanism for obtaining meaningful cost sharing between the parties. This waiver contemplates that the parties will allocate title or other rights to inventions among themselves as they deem appropriate during the course of their association consistent with the terms of this waiver. Accordingly, title will be waived directly to a subcontractor upon mutual agreement of the Petitioner and the subcontractor. However, this waiver will only apply to such subcontractor(s) who provide a letter to DOE acknowledging their right to ask for a waiver and agreeing to the terms of this waiver. This waiver shall not impact the rights of those parties subject to Public Law 96-517, as amended, nor shall it grant any rights in inventions made by employees of the National Laboratories.

Further, all intellectual property rights in and to the Hywind Concept are vested with either the Statoil group's ultimate parent company, Statoil ASA, or with its wholly-owned subsidiary, Hywind AS. Any new intellectual property generated, either as a result of this award or outside its scope of work, will be assigned to one of these companies with the understanding that any such assignment will be subject to the terms and conditions in the award, including the patent waiver terms and conditions.

Statoil has agreed that this waiver shall be subject to the march-in and preference for U.S. industry provisions, as well as the U.S. Government license, comparable to those set out in 35 U.S.C. 202-204. Further, Statoil has agreed to the attached U.S. Competitiveness provision, paragraph (t). In brief, Statoil has agreed that it will use commercially reasonable efforts to manufacture substantially in the U.S. products embodying any waived invention or produced through the use of any waived invention. The term "products" as used in this paragraph applies to specific components that are the subject of the waived invention, not to any larger part to which that component is attached.

Referring to item 10 of the waiver petition, granting this waiver is anticipated to have a minimal effect on limiting competition in the electricity markets into which the resulting electricity from the turbines will be sold. Furthermore, multiple competitors already exist in the offshore wind market, and granting this waiver is not expected to alter the competitive field in favor of the Petitioner.

Considering the foregoing (*e.g.*, Statoil's technical experience and competence and past and on-going investments in this technology), it is believed that awarding this waiver will provide Statoil with the necessary incentive to invest its resources in commercializing the results of the award in a manner that will make the above technology available to the public in the shortest 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 awarded.



Julia Cook Moody  
Deputy Chief Counsel for Intellectual Property  
Golden Service Center

Date: 11/13/2013

Based upon the foregoing Statement of Considerations and representations in the attached waiver petition, it is determined that the interests of the United States and the general public will be best served by a waiver of patent rights of the scope determined above, and therefore the waiver is awarded. This waiver shall 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:

APPROVAL:



Jose L. Zayas  
Program Manager  
Wind and Water Power Technologies  
Office

Date: 11/19/2013



John T. Lucas  
Assistant General Counsel for Technology  
Transfer and Intellectual Property

Date: 11/25/2013

(t) U.S. COMPETITIVENESS

The Contractor agrees that it will use commercially reasonable efforts for any products embodying any waived invention or produced through the use of any waived invention to manufacture such products substantially in the United States, unless it is not commercially feasible to do so. The term "products" as used in this paragraph applies to specific components that are the subject of the waived invention, not to any larger part to which that component is attached. The Contractor further agrees to use commercially reasonable efforts to utilize U.S.-based suppliers. The contractor further agrees to make the above 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 any waived invention is suspended until approved in writing by DOE.