

SUBMITTED BY: STEPHEN M. LANIER, PH.D. VICE PRESIDENT FOR RESEARCH

UNIVERSITY CONTRACT TO INVEST IN ENERGY EMISSIONS INTELLIGENCE, LLC, (E2I), A COMPANY CO-OWNED BY A COLLEGE OF ENGINEERING FACULTY

RECOMMENDATION

The Administration recommends the Board of Governors authorize the Anderson Institute to invest in Energy Emissions Intelligence LLC (E2I) to commercialize the intellectual property relating to “LEEM: Locational Emissions Estimation Methodology.”

BACKGROUND

Carol Miller, Ph.D., professor of Civil and Environmental Engineering in the College of Engineering, has developed technology and methodology related to estimating the marginal emissions impact of a given electrical usage at a specific time and location.

The technology has been disclosed to the university and is described in WSU Tech ID 14-1255. As a software invention, the technology is being commercialized as a copyrighted software without patents.

This WSU Technology has benefitted from WSU financial, facility and equipment resources.

E2i, LLC is a startup company founded by Carol Miller, Stephen Miller, and Loch McCabe, in the State of Michigan. In 2015, E2i, LLC was granted an option to license and test the commercial viability and pricing models through customer pilot trials and customer engagement. E2i has had positive pilot outcomes with water utilities seeking to reduce emissions using data from the technology and now wishes to commercialize the technology.

Michigan Conflict of Interest law requires specific sunshine procedures in order for a University employee, or a company owned by a University employee, to contract directly or indirectly with the University:

- (A) The employee must disclose any pecuniary interest in the contract to the Board and the disclosure must be made a matter of record in the Board’s proceedings.
- (B) The contract must be approved by a vote of not less than two-thirds of the full membership of the Board in open session.
- (C) The Board’s minutes must report:
 - (i) The name of each party involved in the contract.
 - (ii) The terms of the contract, including duration, financial consideration between the parties, facilities or services of the public entity included in the contract, and the nature and degree of assignment of employees of the public entity for fulfillment of the contract.
 - (iii) The nature of any pecuniary interest.

If the Board approves this Recommendation, the minutes will report as follows:

The Board of Governors authorized the President, or his designee, to contract with E2i, LLC, of which Dr. Carol Miller, professor of Civil and Environmental Engineering in the College of Engineering, holds an equity position. E2i, LLC will negotiate and obtain from Technology Commercialization an exclusive option to license the Technology known as “LEEM: Locational Emissions Estimation Methodology.” The Anderson Institute will provide an investment of \$50,000, as well as mentoring and advising services in order to help E2I secure their first customers.

- . (i) The parties involved in the contract are Wayne State University and E2i, LLC.
- . (ii) The contract will provide:
 - (a) Scope: E2i will be granted an exclusive, worldwide option to license, with the rights to limited commercial sublicensing of the software.
 - (b) Duration: Until E2I raises at least \$250K
 - (c) Financial Consideration: Royalties: as per the licensing agreement with Technology Commercialization.
 - (d) University Facilities to be utilized: No university facilities will be used by E2I
 - (e) Employees Assigned to the Services: No university employees are assigned in connection with the licensing contract.
- (iii) Dr. Miller’s pecuniary interest consists of an Ownership Interest, holding 33.3% equity interest in E2i, LLC, and will therefore have the potential to financially benefit from the commercial success of the company, including the commercialization of the University’s Technology known as “LEEM: Locational Emissions Estimation Methodology.”