

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and
NX Fuels, Inc. dba Carbon Fuels, Inc.

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Research and Sponsored Projects while reviewing the Proposal Approval Form which then triggered a review by the UMOR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflict of interest was then developed and approved by the Committee and agreed to by the parties involved.

This proposed subcontract agreement (“Agreement”) falls under the State of Michigan Conflict of Interest Statute because Professor Zetian Mi and Dr. Saemin Choi are employees of the University of Michigan (“University”), and partial owners of NX Fuels, Inc. doing business as Carbon Fuels, Inc. The law permits such an Agreement provided it is disclosed to the Board of Regents (“Regents”) of the University of Michigan and approved in advance by a 2/3 vote.

Background:

Dr. Zetian Mi, a Professor in the Department of Electrical Engineering and Computer Science – Electrical and Computer Engineering (EECS – ECE) Division, and Dr. Saemin Choi, a Lead Engineer in Research in the Department of Mechanical Engineering, are partial owners of a for-profit company called Carbon Fuels, Inc. (the “Company”). The Company wishes to fund a National Science Foundation (prime) SBIR Phase I project entitled, "Highly Efficient and Robust Photocatalyst Systems for CO₂ Conversion to Valuable Fuels Using Renewable Solar" (ORSP #21-PAF01328) in the Department of EECS – ECE under the direction of Dr. Mi. The purpose of this project is to investigate the sputtering deposition of InGaN nanostructures and their applications in converting CO₂ to natural gas (methane).

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is approximately nine (9) months. The amount of funding support will not exceed \$83,000. Since research projects are often amended, this agreement includes provisions for changes in time and scope. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Impact of the Agreement:

The Agreement will support an effort by Dr. Mi to use his expertise and University laboratory, as well as other University resources, to investigate and demonstrate methane generation using these materials directly from sunlight, and significantly improve the efficiency and stability and reduce the manufacturing cost.

Recommendations:

This matter has been reviewed and approved by the UMOR Conflict of Interest Review Committee. In light of this disclosure and our finding that the Agreement was negotiated in conformance with standard University practices, I recommend that the Board of Regents approve the University's entering into this Agreement with NX Fuels, Inc. dba Carbon Fuels, Inc.

Respectfully submitted,



Rebecca Cunningham
Vice President for Research

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