THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTIONS 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 agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Zetian Mi is an employee of the University of Michigan ("University"), and a partial owner 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, is a partial owner of a for-profit company called Carbon Fuels, Inc. (the "Company"). The Company wishes to fund an Emissions Reduction Alberta (prime) sponsored project entitled "ERA Grant Challenge: Accelerating towards a carbon-neutral economy for Alberta: Transforming carbon dioxide to fuels through solar refinery" (ORSP #19-PAF08566) in the Department of EECS – ECE under the direction of Dr. Mi. The purpose of this project is to investigate the design, synthesis, and characterization of catalysts for artificial photosynthesis and solar fuel production.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is approximately three (3) years. The amount of funding support will not exceed $9,097,456. Since research projects are often amended, this agreement includes a provision 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 the catalysts for artificial photosynthesis and solar fuel production.

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
Interim Vice President for Research

October 2019