From: Justin Nemunaitis <jnemunaitis@caldwellcc.com>
Sent: Tuesday, January 16, 2024 11:01 AM
To: Joe Jacobi <jjacobi@hansenreynolds.com>
Subject: ME2C/WPSC: Patent Licensing re Weston & Columbia Power Stations

Joe,

I am writing on behalf of Midwest Energy Emissions Co. (”ME2C”), to engage in negotiations for a license/supply agreement with WPSC. I am writing to you based on your prior representation related to the Weston and Columbia power plants in response to a subpoena issued in the case ME2C v. Arthur J. Gallagher & Co (“AJG”).

As you know, ME2C possesses a patent portfolio covering technologies vital for mercury capture at coal-fired power plants. While the scope of ME2C’s patent rights are controlled by the claims of its patents, at a high level, its patents cover the use of bromine and other halogen additives combined with post-combustion sorbent injection (e.g., activated carbon injection).

The ME2C v. AJG litigation involved ME2C’s claims for patent infringement related to the use of bromine additives combined with activated carbon injection for mercury capture. In particular, it involved ME2C’s assertion that the Weston and Columbia power plants received infringing refined coal and combusted it in an infringing manner prior to 2021 when refined coal tax credits were available. ME2C recently entered into license/settlement agreements with refined coal suppliers related to that supply of refined coal. The terms of those agreements are of course confidential and vary between the Defendants, but I can tell you that they include an agreement at a rate of $1.00 per ton. To the extent power plants continued using bromine additives and activated carbon without the involvement of a refined coal supplier, none of those agreements license that conduct.

We understand that, after the refined coal tax credit program ended on December 31, 2021, the Weston and Columbia power plants chose to use bromine additives and activated carbon injection to comply with its mercury capture obligations. This approach to mercury capture is covered by ME2C’s patents, and does not fall under any license to a refined coal supplier. ME2C seeks to enter into an agreement addressing the past use of its patented technology (from 2022 to the present), and a license/supply agreement for continued use of the technology.

Some information about the ME2C v. AJG litigation is provided below:

https://www.me2cenvironmental.com/news-media/press-releases/detail/656/me2c-environmental-issues-statement-on-recently-announced [linkprotect.cudasvc.com]

https://www.me2cenvironmental.com/news-media/press-releases/detail/655/me2c-environmental-settles-patent-litigation-with-certain [linkprotect.cudasvc.com]

ME2C has successfully entered into license/supply agreements with a number of major power plant operators, including Vistra Energy, AEP Generation Resources, NRG Energy, Talen Energy, and several others. ME2C believes that the parties should be able to reach a reasonable compromise here as well. We look forward to hearing from you regarding this issue so that we can conclude negotiations in a timely and amicable manner. Please let me know your availability for a call to discuss this matter further, or if I should be in touch with WPSC directly, please let me know.

Regards,
Justin

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